



PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

June 19, 2019

BOARD OF DIRECTORS

ROBERT E. ALVARADO

Division 1

DON WILSON

Division 2

GLORIA DIZMANG

Division 3

KATHY MAC LAREN

Division 4

VINCENT DINO

Division 5

DENNIS D. LaMOREAUX

General Manager

ALESHIRE & WYNDER LLP

Attorneys



AGENDA FOR REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT to be held at the District's office at 2029 East Avenue Q, Palmdale MONDAY, June 24, 2019

6:00 p.m.

NOTES: To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Dawn Deans at 661-947-4111 x1003 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

Additionally, an interpreter will be made available to assist the public in making **comments** under Agenda Item No. 4 and any action items where public input is offered during the meeting if requested at least 48 hours before the meeting. Please call Dawn Deans at 661-947-4111 x1003 with your request. (PWD Rules and Regulations Section 4.03.1 (c))

Adicionalmente, un intérprete estará disponible para ayudar al público a hacer **comentarios** bajo la sección No. 4 en la agenda y cualquier elemento de acción donde se ofrece comentarios al público durante la reunión, siempre y cuando se solicite con 48 horas de anticipación de la junta directiva. Por favor de llamar Dawn Deans al 661-947-4111 x1003 con su solicitud. (PWD reglas y reglamentos sección 4.03.1 (c))

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale (Government Code Section 54957.5). Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

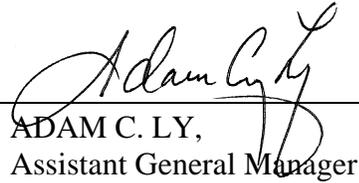
PUBLIC COMMENT GUIDELINES: The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will not be permitted, and offenders will be requested to leave the meeting. (PWD Rules and Regulations, Appendix DD, Sec. IV.A.)

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

- 1) Pledge of Allegiance/Moment of Silence.
- 2) Roll Call.
- 3) Adoption of Agenda.

- 4) Public comments for non-agenda items.
- 5) Presentations:
 - 5.1) None at this time.
- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item on the Consent Calendar as the Consent Calendar is considered collectively by the Board of Directors prior to action being taken.)
 - 6.1) Approval of minutes of regular meeting held June 10, 2019.
 - 6.2) Payment of bills for June 24, 2019.
- 7) Action Items – Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
 - 7.1) Consideration and possible action on approving Resolution No. 19-10 being a Resolution of the Board of Directors of the Palmdale Water District Authorizing the District’s Application for Funding from the Bureau of Reclamation WaterSMART: Title XVI Water Recycling Projects Under the WIIN Act for Federal Fiscal Year 2019 for the Palmdale Regional Groundwater Recharge and Recovery Project. (\$1,101,015.00 Potential Revenue – Engineering/Grant Manager Riley)
 - 7.2) Consideration and possible action on candidates to fill the Public Water Supplier seat on the Antelope Valley Watermaster Board of Directors. (No Budget Impact – Deputy Water and Energy Resources Director Thompson II)
 - 7.3) Consideration and possible action on authorization of the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2019 Budget:
 - a) None at this time.
- 8) Information Items:
 - 8.1) Reports of Directors:
 - a) Meetings/General Report.
 - b) Standing Committee/Assignment Reports (Chair):
 - 1) Financial Health and Stability Committee.
 - 2) Palmdale Recycled Water Authority.
 - 3) Environmental Restoration Advisory Board.
 - 8.2) Report of General Manager.
 - 8.3) Report of General Counsel.
- 9) Public comments on closed session agenda matters.

- 10) Closed session under:
 - 10.1) Conference with Legal Counsel – Existing Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(1), to confer with Special Litigation Counsel regarding existing litigation to which the District is a party. The title of such litigation is as follows: *Antelope Valley Ground Water Cases*.
- 11) Public report of any action taken in closed session.
- 12) Board members' requests for future agenda items.
- 13) Adjournment.



ADAM C. LY,
Assistant General Manager

ACL/DDDL/dd

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: June 17, 2019 **June 24, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: James Riley, Engineering/Grant Manager
VIA: Mr. Adam Ly, Assistant General Manager
Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION ON APPROVING RESOLUTION NO. 19-10 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT AUTHORIZING THE DISTRICT’S APPLICATION FOR FUNDING FROM THE BUREAU OF RECLAMATION WATERSMART: TITLE XVI WATER RECYCLING PROJECTS UNDER THE WIIN ACT FOR FEDERAL FISCAL YEAR 2019 FOR THE PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT. (\$1,101,015.00 POTENTIAL REVENUE – ENGINEERING/GRANT MANAGER RILEY)***

Recommendation:

Staff recommends the Board:

1. Approve a resolution for submitting a grant application to the U.S. Bureau of Reclamation’s Title XVI Water Recycling Projects under the Water Infrastructure Improvement of the Nation (WIIN) Act Funding Announcement Number BOR-DO-19-F018;
2. Approve the grant application requesting \$1,101,105.00 in grant funds to complete the final design of the Palmdale Regional Groundwater Recharge and Recovery Project; and
3. Authorize the General Manager to sign and transmit the grant application to the U.S. Bureau of Reclamation in Denver, Colorado.

Alternative Options:

The Board can choose not to apply for the grant funding.

Impact of Taking No Action:

There will be no potential to receive this grant funding.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT
VIA: Mr. Adam Ly, Assistant General Manager
Mr. Dennis D. LaMoreaux, General Manager

June 17, 2019

Background:

In December 2016, the Congress of the United States passed the Water Infrastructure Improvement of the Nation (WIIN) Act. The Act provides funds for water recycling projects. Funds are administered by the U.S. Bureau of Reclamation in Denver.

In April 2019, the U.S. Bureau of Reclamation issued a request for applications from previously approved feasibility studies. The due date for applications is June 28, 2019.

A feasibility study for the Palmdale Regional Groundwater Recharge and Recovery Project was approved in April 2017 by the U.S. Bureau of Reclamation. The feasibility report was submitted by Reclamation to Congress in Washington, D.C. on July 12, 2017.

The grant application requires that the Board of Directors approve a resolution that the District make a good faith effort to enter into a cooperative agreement with Reclamation for the receipt and administration of said grant funds.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative #1 – Water Resource Reliability.
This item directly relates to the District’s Mission Statement.

Budget:

There is no impact on the budget for preparing the resolution, and the District has the potential to receive grant funding.

Supporting Documents:

- Resolution Number 19-10

RESOLUTION 19-10

RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT AUTHORIZING THE DISTRICT'S APPLICATION FOR FUNDING FROM THE BUREAU OF RECLAMATION WATERSMART: TITLE XVI WATER RECYCLING PROJECTS UNDER THE WIIN ACT FOR FEDERAL FISCAL YEAR 2019 FOR THE PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT

WHEREAS, Palmdale Water District is a municipal water district established pursuant to Section 71000 et seq. of the California Water Code.

WHEREAS, water supply in the Palmdale area is facing a growing list of challenges associated with reductions in allowed groundwater pumping due to groundwater adjudication, regulatory cutbacks on State Water Project deliveries, Bay-Delta instability, climate change, aging infrastructure, and growing population; and

WHEREAS, the United States Department of the Interior, Bureau of Reclamation under the WaterSMART: Title XVI Water Recycling Projects under the WIIN Act makes funding available to qualifying applicants; and

WHEREAS, the Board of Directors of the Palmdale Water District has identified a project that exemplifies the objectives of the WaterSMART Grant in the Palmdale Regional Groundwater Recharge and Recovery Project; and

WHEREAS, Palmdale Water District agrees to the administration and cost sharing requirements of the WaterSMART Grant criteria.

NOW, THEREFORE, LET IT BE RESOLVED by the Board of Directors of the Palmdale Water District as follows:

SECTION 1. Palmdale Water District is hereby authorized to receive, if awarded, the WaterSMART: Title XVI Water Recycling Project Program grant funding in an amount up to \$1,101,015 million and will make a good faith effort to enter into a cooperative agreement with Reclamation for the receipt and administration of said grant funds.

SECTION 2. The General Manager, Dennis LaMoreaux, or his designee, is hereby authorized to take any and all action which may be necessary for the completion and execution of the project agreement and to take any and all other action which may be necessary for the receipt and administration of the grant funding in accordance with the requirements of the Bureau of Reclamation.

SECTION 3. This resolution officially becomes a component part of the Palmdale Water District's grant application.

SECTION 4. The Board of Directors has reviewed and supports the application to be submitted.

SECTION 5. Palmdale Water District is capable of providing the amount of funding and/or in-kind contributions specified in the grant application funding plan.

SECTION 6. This Resolution shall be effective as of the date of adoption.

CERTIFICATION

PASSED, APPROVED and ADOPTED this 24th day of June 2019.

Vincent Dino, President
Board of Directors
Palmdale Water District

Don Wilson, Secretary
Board of Directors
Palmdale Water District

Approved as to form:

Aleshire & Wynder, LLP
District Legal Counsel

P A L M D A L E W A T E R D I S T R I C T
B O A R D M E M O R A N D U M

DATE: June 19, 2019 **June 24, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Peter Thompson II, Deputy Water and
Energy Resources Director
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION ON
CANDIDATES TO FILL THE PUBLIC WATER SUPPLIER SEAT ON THE
ANTELOPE VALLEY WATERMASTER BOARD OF DIRECTORS. (NO
BUDGET IMPACT – DEPUTY WATER AND ENERGY RESOURCES
DIRECTOR THOMPSON II)***

Recommendation:

Staff recommends that the Board approve the continuance of Leo Thibault, Littlerock Creek Irrigation District Director, as the Public Water Supplier’s Director on the Antelope Valley Watermaster Board and Director Mac Laren as the Public Water Supplier’s Alternate Director.

Alternative Options:

The Board must take action on this item.

Impact of Taking No Action:

Directors on the Antelope Valley Watermaster Board must be appointed every two years.

Background:

In 2016, the Court directed appointment of a Watermaster to administer the Judgment for the Antelope Valley ground water adjudication. The Watermaster Board of Directors consists of five members: Robert Parris from the Antelope Valley-East Kern Water Agency, Adam Ariki from Los Angeles County Waterworks District No. 40, Leo Thibault and Kathy Mac Laren (Alternate) from the Public Water Supplier group, and John Calandri and Dennis Atkinson from the Landowner group.

According to the Judgment, Watermaster Board of Director seats are a two-year term. It is necessary for the Public Water Suppliers to vote on the continuance of Littlerock Creek Irrigation District Director, Leo Thibault, and Director Mac Laren as Public Water Supplier representatives for the Watermaster.

June 19, 2019

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 5 – Regional Leadership.
This item directly relates to the District’s Mission Statement.

Budget:

This item does not affect the budget.

Supporting Documents:

- There are no supporting documents.

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, APRIL 23, 2019:

A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, April 23, 2019, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Alvarado called the meeting to order at 3:00 p.m.

1) Roll Call.

Attendance:

Finance Committee:
Robert Alvarado, Chair
Don Wilson, Committee Member

Others Present:

Dennis LaMoreaux, General Manager
Adam Ly, Assistant General Manager
Mike Williams, Finance Manager
Judy Shay, Public Affairs Director
Bob Egan, Financial Advisor
Dawn Deans, Executive Assistant
0 members of the public

2) Adoption of Agenda.

It was moved by Committee Member Wilson, seconded by Chair Alvarado, and unanimously carried by all members of the Committee present at the meeting to adopt the agenda, as written.

3) Public Comments on Non-Agenda Items.

There were no public comments on non-agenda items.

4) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held February 7, 2019.

It was moved by Committee Member Wilson, seconded by Chair Alvarado, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Finance Committee meeting held February 7, 2019.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of March 2019. (Financial Advisor Egan)

Financial Advisor Egan provided an overview of the quarterly Investment Funds Report through March 2019, including the decrease in cash due to bond payments, expenditures, assessments, and RDA pass-through amounts received, and then reviewed the cash flow statement, including water receipts and future RDA pass-through amounts.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for March 2019. (Finance Manager Williams)

Finance Manager Williams reviewed in detail the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending March 2019 and stated that most departments are operating at or below the targeted expenditure percentage of 25%, with the exception of Human Resources due to training, reimbursements, and temporary labor costs.

4.4) Discussion and Overview of Committed Contracts Issued. (Finance Manager Williams)

Finance Manager Williams provided an overview of the revised Contractual Commitments and Needs Report for new and replacement capital projects, consulting and engineering support projects, new and replacement equipment, water quality fee funded projects, committed and projected capital expenditures, and available funding sources through March 2019 and the summary of Water Revenue Bond Series 2018A payouts to date.

5) Information Items.

5.1) Status of Debt Service Coverage. (Financial Advisor Egan)

Financial Advisor Egan stated that the Debt Service Coverage for the period of April 2018 through March 2019 is 1.05 and that this will change as 2019 progresses.

5.2) Other.

Finance Manager Williams provided an overview of payment types through December 2018, which indicate a steady increase in electronic payments, and then

reviewed collection and billing statistics after which the Committee recommended the public be informed of electronic payment delays.

He then stated that the audit has been completed and may be presented at the next Finance Committee meeting and that the kick-off meeting for the Water Rate Study was held last week.

There were no further information items.

6) Board Members' Requests for Future Agenda Items.

Chair Alvarado requested "Update on informing customers about electronic payment delays" and "Setting date for next Committee meeting" and "Update on budgeted maintenance items" be added to the next Committee meeting agenda.

General Manager LaMoreaux recommended an item be placed on the next agenda for "Review of 2019 Budget to determine the addition of step and merit changes for District staff."

It was then determined that the next Finance Committee meeting will be held May 21, 2019 at 3:00 p.m. and that March 2019 financial reports will be presented to the full Board at the May 13, 2019 Regular Board Meeting.

7) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 4:02 p.m.


Chair

PALMDALE RECYCLED WATER AUTHORITY (PRWA)

**MINUTES OF MAY 20, 2019
REGULAR MEETING AGENDA NO. 48
PALMDALE RECYCLED WATER AUTHORITY (PRWA)
HELD AT CITY OF PALMDALE
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
www.cityofpalmdale.org
www.palmdalewater.org.**

1. CALL TO ORDER.

Chair Carrillo called the meeting to order at 7:18 p.m.

2. PLEDGE OF ALLEGIANCE.

**3. ROLL CALL: CHAIR JUAN CARRILLO, DIRECTORS VINCENT DINO,
KATHY MAC LAREN, AUSTIN BISHOP AND HELEN
VELADOR**

PRESENT: Chair Carrillo, Directors Dino, and Velador

ABSENT: Director Bishop and Director Mac Laren

Motion: Move to excuse the absence of Directors Bishop and Mac Laren.
Moved by Director Dino, seconded by Director Velador.

Vote: Motion Carried (3-0)

Yes: Directors Carrillo, Dino, and Velador

Absent: Directors Bishop and Mac Laren

4. WAIVER OF FULL READING OF RESOLUTION(S).

Motion: Move to waive full reading of the Resolution(s) to be considered and voted on at this meeting.

Moved by Director Velador, seconded by Director Dino.

Vote: Motion Carried (3-0)

Yes: Directors Carrillo, Dino, and Velador

Absent: Directors Bishop and Mac Laren

5. CONSENT CALENDAR – PUBLIC COMMENTS ONLY:

Public Comments: None.

6. CONSENT CALENDAR:

- 6.1 Approve the Minutes from the previous meeting held on April 15, 2019 (7pm). (Staff Reference: Authority Secretary Smith)
- 6.2 Approve receipt and filing of the Treasurer’s Report for the three months ending March 31, 2019. (Staff Reference: Treasurer-Auditor Williams)
- 6.3 Approve receipt and filing of the Investment Report for the quarter ending March 31, 2019. (Staff Reference: Treasurer-Auditor Williams)
- 6.4 Approve Assignment and Assumption Agreement between the City of Palmdale and Palmdale Recycled Water Authority (PRWA), Agreement No. PRWA-010. (Staff Reference: Authority Counsel Ditzhazy)
- 6.5 Approve Consent Agreement for Temporary Delivery Facilities between the Sanitation District and Palmdale Recycled Water Authority (PRWA), Agreement No. PRWA-011. (Staff Reference: Authority Counsel Ditzhazy)

Staff Recommendation: Move to approve the recommendations and findings on all items listed under this Consent Calendar by one vote.
Moved by Director Dino, seconded by Director Velador.

Vote: Motion Carried (3-0)
Yes: Directors Carrillo, Dino, and Velador
Absent: Directors Bishop and Mac Laren

7. ACTION CALENDAR:

- 7.1 Discussion and possible action regarding direction to Palmdale Water District (PWD) and City of Palmdale staff to begin the process of developing a brand, logo, mission statement, etcetera for the Palmdale Recycled Water Authority (PRWA). (Staff Reference: Executive Director LaMoreaux)

There was no staff report for this item.

Assistant Executive Director Heffernan introduced Judy Shay, Palmdale Water District Public Affairs Director who spoke on Item Nos. 7.1, 7.2, and 7.3. The Board asked questions and Ms. Shay responded.

There was discussion regarding City staff and Palmdale Water District staff helping with this item. Assistant Executive Director Heffernan stated that he will check the availability of City and Palmdale Water District staff, and will also bring back information regarding the cost of this item. They will bring back information to the next meeting.

Public Comments: None.

- 7.2 Discussion and possible action regarding a Public Outreach campaign before Phase II construction. (Staff Reference: Executive Director LaMoreaux)

There was no staff report for this item.

Assistant Executive Director Heffernan stated that they will get some proposals from consultants regarding Public Outreach, and bring something back to the next meeting.

Public Comments: None.

- 7.3 Discussion and possible action regarding re-establishing a Palmdale Recycled Water Authority (PRWA) website. (Staff Reference: Executive Director LaMoreaux)

There was no staff report for this item.

Assistant Executive Director Heffernan stated that they would bring back proposals regarding the website.

Public Comments: None.

- 7.4 Adoption of Resolution No. PRWA 2019-003. (Staff Reference: Authority Counsel Ditzhazy)

7.4a RESOLUTION NO. PRWA 2019-003, A RESOLUTION OF THE PALMDALE RECYCLED WATER AUTHORITY REPEALING RESOLUTION NO. PRWA 2017-002 AND SETTING FORTH THE PRWA'S REGULAR MEETING DATE, TIME AND LOCATION

Authority Counsel Ditzhazy read the title of Resolution No. PRWA 2019-003 and stated that the meeting day will remain the 3rd Monday of the month.

Chair Carrillo stated that he requested the change, and spoke about why he made the request.

Public Comments: None.

Staff Recommendation: Move to adopt Resolution No. PRWA 2019-003.

Moved by Director Dino, seconded by Director Velador.

Vote: Motion Carried (3-0)

Yes: Directors Carrillo, Dino, and Velador

Absent: Directors Bishop and Mac Laren

8. SPECIAL REPORT

- 8.1 Special report on the status of iBank financing for Phase II Pipeline and Booster Station. (Staff Reference: Executive Director LaMoreaux)

There was no staff report for this item.

Treasurer-Auditor Williams spoke regarding this item and stated that a response should be received from the bank by the end of June.

There was discussion among the Board members and staff regarding the funding, the projects the funding will cover, and the location of the temporary pump stations. Authority Counsel Ditzhazy stated that the takeover of the temporary pump station by the Palmdale Recycled Water Authority was approved for a five (5) year period at tonight's meeting and that the transfer of 2,000 acre-feet from the City of Palmdale to the Palmdale Recycled Water Authority was also approved.

Treasurer-Auditor Williams stated that there are two other important points in the staff report. 1) The current Joint Powers Agreement between the City of Palmdale and the Palmdale Water District is set to terminate 10 years after its adoption which would be 2022. Part of the approval from iBank will be to extend the Joint Powers Agreement for at least the term of the loan. 2) In addition, the City of Palmdale and the Palmdale Water District would need to be co-signers on the loan for the Authority.

Chair Carrillo asked if the \$7 million was sufficient. Treasurer-Auditor Williams replied yes based on the Engineer's estimate.

9. NON-AGENDA ITEMS - PUBLIC COMMENTS:

Public Comments: None.

10. REQUESTS FOR NEW AGENDA ITEMS:

There were no new requests for agenda items.

11. INFORMATIONAL REPORT OF THE BOARD OF DIRECTORS, EXECUTIVE DIRECTOR, AND ASSISTANT EXECUTIVE DIRECTOR.

Chair Carrillo spoke regarding the Contract Cities conference on the topic of recycled water.

Director Dino had nothing to report.

Director Velador had nothing to report.

12. ADJOURNMENT.

Chair Carrillo adjourned the meeting at 7:51 p.m.

PASSED, APPROVED, and ADOPTED this 17th day of June 2019.

Juan Carrillo
Chair

ATTEST:

Rebecca J. Smith,
Secretary