



# PALMDALE WATER DISTRICT

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## A CENTURY OF SERVICE

September 18, 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

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**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, SEPTEMBER 23, 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.

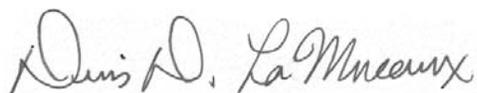
**PUBLIC COMMENT GUIDELINES: The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will 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 September 9, 2019.
  - 6.2) Payment of bills for September 23, 2019.
  - 6.3) Ratify the District's sponsorship of a table at the Antelope Valley Rural Museum's "Annual Night at the Rural Museum." (\$500.00 – Budgeted – Budget Item No. 1-02-4190-007-Marketing/Outreach – General Manager LaMoreaux)
  - 6.4) Reject claim received from Romeo and Rachel Stoll and refer to Joint Powers Insurance Authority. (No Budget Impact – Finance Manager Williams)
- 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 to cohost the Greater Antelope Valley Water Emergency Coalition event on October 30, 2019 and authorize a contribution of not-to-exceed amount of \$5,000.00. (\$5,000.00 – Budgeted – Budget Item No. 1-02-4190-007-Marketing/Outreach – Public Affairs Director Shay/Regional Leadership and Outreach Committee)
  - 7.2) Consideration and possible action on adoption of Legislative Advocacy Policy. (No Budget Impact – General Manager LaMoreaux/Regional Leadership and Outreach Committee)
  - 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.
  - 7.4) Adjourn to September 23, 2019 annual meeting of the Public Facilities Corporation. (General Manager LaMoreaux)
- 8) Information Items:
  - 8.1) Reports of Directors:
    - a) Meetings; Standing Committee/Assignment Reports; General Report.
  - 8.2) Report of General Manager.
    - a) September 2019 written report of activities through August 2019.
  - 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.



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DENNIS D. LaMOREAUX,  
General Manager

DDL/dd

**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:** September 16, 2019 **September 23, 2019**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 6.3 – RATIFY THE DISTRICT’S SPONSORSHIP OF A TABLE AT THE ANTELOPE VALLEY RURAL MUSEUM’S “ANNUAL NIGHT AT THE RURAL MUSEUM.” (\$500.00 – BUDGETED – GENERAL MANAGER LaMOREAUX)***

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**Recommendation:**

Staff recommends that the Board ratify the District’s sponsorship of a table at the Antelope Valley Rural Museum’s “Annual Night at the Rural Museum” scheduled for September 28, 2019 at 5:00 p.m. for the not-to-exceed amount of \$500.00.

**Alternative Options:**

The Board can choose not to ratify this sponsorship.

**Impact of Taking No Action:**

There is no impact from no action.

**Background:**

The District does not typically participate in Antelope Valley Fair events as the location of the Antelope Valley Fair is outside the District’s service boundaries. However, the Antelope Valley Rural Museum is dedicated to honoring the history of the Antelope Valley, and the Palmdale Water District has an integral role in that history as a 101-year-old water agency. Sponsorship of this event will help the Museum preserve the history of the Antelope Valley.

**Strategic Plan Initiative/Mission Statement:**

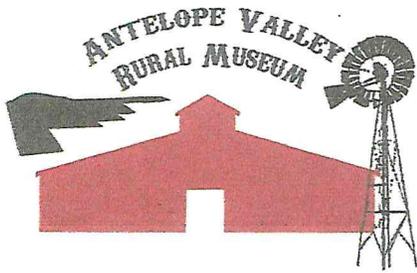
This item is under Strategic Initiative No. 5 – Regional Leadership.  
This item directly relates to the District’s Mission Statement.

**Budget:**

This item is under Budget Item No. 1-02-4190-007 – Marketing/Outreach.

**Supporting Documents:**

- September 7, 2019 letter from Antelope Valley Rural Museum.



Antelope Valley Rural Museum  
Located on the AV Fairgrounds  
Mailing Address: PO Box 1316  
Lancaster, Ca 93584

Dedicated to Preserving the Rural History of the Antelope Valley

9/7/2019

Dear Antelope Valley Rural Museum Sponsor

The Antelope Valley Rural Museum thanks you for your generous support, as the AVRМ gets closer to a permanent home at the Antelope Valley Fairgrounds. Thank you for sponsoring a table at our "Annual Night at the Rural Museum" for \$500.00/table. AVRМ Board members hope you come and enjoy an evening at the Museum, good food, music, raffle and friendships. Please email a copy of your company logo, or name you would like to have noted on your reserved table sign.

The primary purpose of the Antelope Valley Rural Museum is to honor the past by developing a permanent historical museum for the citizens of the Antelope Valley by collecting, preserving, restoring, exhibiting, and researching facts and artifacts pertinent to the history of the Antelope Valley.

Your contribution will help the AVRМ achieve these goals. Antelope Valley Rural Museum is now open to the public, every 1<sup>st</sup> and 3<sup>rd</sup> Saturday of the month, from 10:00 am to 2pm. Thank you for your continued support of the Antelope Valley Rural Museum.

Warm regards,

Bill Rawlings

AV Rural Museum Finance Officer

661-478-4841

avmuseum@verizon.net

**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:** September 18, 2019 **September 23, 2019**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Ms. Judy Shay, Public Affairs Director  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION TO COHOST THE GREATER ANTELOPE VALLEY WATER EMERGENCY COALITION EVENT ON OCTOBER 30, 2019, AND AUTHORIZE A CONTRIBUTION NOT-TO-EXCEED AMOUNT OF \$5,000. (\$5,000 – BUDGETED – BUDGET ITEM NO. 1-02-4190-007-MARKETING/OUTREACH – PUBLIC AFFAIRS DIRECTOR SHAY/REGIONAL LEADERSHIP AND OUTREACH COMMITTEE)***

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**Recommendation:**

Staff recommends that the Board approve the participation as a co-host of the inaugural Greater Antelope Valley Water Emergency Coalition event and authorize the contribution of no more than \$5,000 for the event.

**Alternative Options:**

The Board can choose not to approve the participation and/or not authorize the financial contribution.

**Impact of Taking No Action:**

The impact of taking no action is that PWD will not be able to participate in this event as a cohost.

**Background:**

The idea for the Greater AV Water Emergency Coalition was suggested by Director Mac Laren after the Water Summit with Las Virgenes Municipal Water District was put on hold. It was decided that an event focused on how water and vital organizations in the Greater Antelope Valley are prepared to assist each other during water emergencies due to natural disasters would be beneficial to our community. AVEK and the cities of Palmdale and Lancaster eagerly agreed to cohost the event.

As the lead cohost, PWD has been successful in lining up an excellent program. The tentative program calls for six sessions:

BOARD OF DIRECTORS  
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

September 18, 2019

- How are Water Agencies Prepared to Assist?
- Government Agencies: Planning for Water Emergencies
- Elected Officials
- Effective Communications Before, During & After Disasters
- The Role of Private Utilities During Water Disruptions
- Local First Responders: Importance of Disaster Preparedness

The keynote speaker will be Indian Wells Valley Water District GM Don Zbeda, who will share his agency's experience in the recent earthquakes in Ridgecrest. We have confirmed participation from Assemblyman Lackey, Senator Wilk, L.A. County Supervisor Kathryn Barger, local water agency GMs, LAC WaterWorks, Edwards AFB, Sanitation Districts of L.A. County, CalWARN, PWAG, L.A. County Fire Chief Tom Sullivan, and others.

We also have been fortunate to confirm a Public Information Officer from California Office of Emergency Services to serve as the emcee for the event.

It is estimated that the event will cost no more than \$15,000. Most of the budget will go towards providing a continental breakfast, lunch and giveaways to 100-150 attendees.

**Strategic Plan Initiative/Mission Statement:**

This item is under Strategic Initiative No. 5 and 6.  
This item directly relates to the District's Mission Statement.

**Budget:**

This project is under Budget Item No.1-02-4190-007.

**Supporting Documents:**

- Greater Antelope Valley Water Emergency Coalition event flier



GREATER ANTELOPE VALLEY

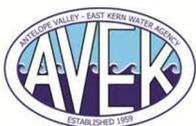
# WATER EMERGENCY COALITION

**October 30, 2019  
9:00 AM – 1:15 PM**

**John P. Eliopoulos  
Hellenic Center  
43404 30th St. West  
Lancaster, CA 93536**

Natural disasters are unpredictable and can take a major toll on communities. All of us have experienced or know people who have been affected by disasters, including earthquakes, wildfires and flooding. Now, more than ever, our communities need to be prepared for such emergencies. Join us at the Greater Antelope Valley Water Emergency Coalition event to learn how water agencies, cities, counties and other utilities are working together to prepare for water emergencies that may occur when natural disasters hit the Greater Antelope Valley.

Hosted by:



The focus will be on creating resiliency by sharing and learning from our past experiences and current preparations to be better ready for the future. For more information, please call 661-441-5944.

**Event is free, but registration is required.**

**Register today, at [bit.ly/2kGA3Ki](https://bit.ly/2kGA3Ki).**

**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:** September 16, 2019 **September 23, 2019**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** *AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION ON ADOPTION OF LEGISLATIVE ADVOCACY POLICY. (NO BUDGET IMPACT–GENERAL MANAGER LaMOREAUX/REGIONAL LEADERSHIP AND OUTREACH COMMITTEE)*

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**Recommendation:**

Staff and the Regional Leadership and Outreach Committee recommend adoption of the Legislative Advocacy Policy.

**Alternative Options:**

The Board can choose to not adopt the Policy.

**Impact of Taking No Action:**

There is no impact from no action.

**Background:**

From time to time, the District is requested to support or oppose legislation. These requests are reviewed by staff, and depending on the timeframe needed for a response, the General Manager sends a response and reports to the Board or the request is presented at a Board meeting for discussion. However, there is no policy for this process.

The purpose of the attached policy is to guide District officials and staff in considering legislative or regulatory proposals that could have an impact on the District and to allow for a timely response to important legislative issues.

**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:**

Adoption of this policy will not affect the budget.

**Supporting Documents:**

- Legislative Advocacy Policy

## LEGISLATIVE ADVOCACY POLICY

### Purpose:

The purpose of the policy is to guide Palmdale Water District (District) officials and staff in considering legislative or regulatory proposals that are likely to have an impact on the District and to allow for a timely response to important legislative issues. Although the expenditure of public funds for the purpose of supporting or opposing a ballot measure or candidate is prohibited (Cal. Gov. Code §54964), the expenditure of public funds is allowed to advocate for or against proposed legislation or regulatory actions which will affect the public agency expending the funds (Cal. Gov. Code §53060; *Stanson v. Mott* (1976) 17 Cal. 3d 206).

The purpose for identifying Legislative Advocacy Procedures outlined in this Policy is to provide clear direction to District staff with regard to monitoring and acting upon bills during state and federal legislative sessions. Adherence to Legislative Advocacy Procedures will ensure that legislative inquiries and responses will be administered consistently with “one voice” as to the identified Advocacy Priorities also outlined in this Policy. The Legislative Advocacy Procedures and Advocacy Priorities will provide the District, General Manager, or other designee defined as the Assistant General Manager or outside Lobbying Firm contracted with by the Board of Directors, discretion to advocate in the District’s best interests in a manner consistent with the goals and priorities adopted by the Board of Directors. This policy is intended to be manageable, consistent, and tailored to the specific needs and culture of the District.

### Policy Goals:

- Advocate the District’s legislative interests at the State, County, and Federal levels.
- Inform and provide information to the Board of Directors and District staff on the legislative process, key issues, and legislation that could have a potential impact on the District.
- Serve as an active participant with other local governments, the California Special Districts Association (CSDA), the Association of California Water Agencies (ACWA), and local government associations on legislative and regulatory issues that are important to the District and the region.
- Seek grant and funding assistance for District projects, services, and programs to enhance services for the community.

### Policy Principles:

The Board of Directors recognizes the need to protect District interests and local control and to identify various avenues to implement its Strategic Plan Initiatives and long-term goals. It is the policy of the District to proactively monitor and advocate for legislation as directed by the Advocacy Priorities and by the specific direction of the Board of Directors.

This policy provides the District’s General Manager, or other designee, the flexibility to adopt positions on legislation in a timely manner, while allowing the Board of Directors to set Advocacy Priorities and, so long as the position fits within the Advocacy Priorities, staff is authorized to take a position without prior Board approval.

Whenever an applicable Advocacy Priority does not exist pertaining to legislation affecting the District, the matter shall be brought before the Board of Directors at a regularly scheduled Board meeting for formal direction from the Board of Directors. The Board of Directors has designated the Standing Committee known as the “Regional Leadership and Outreach Committee” the authority to adopt a position when consideration by the full Board of Directors is not feasible within the time-constraints of the legislative process.

Generally, the District will not address matters that are not pertinent to the District’s local government services, such as social issues or international relations issues.

Legislative Advocacy Procedures:

It is the policy of the District to proactively monitor and advocate for legislation as directed by the Advocacy Priorities and by the specific direction of the Board of Directors. This process involves interaction with local, state, and federal government entities both in regard to specific terms of legislation and to promote positive intergovernmental relationships. Accordingly, involvement and participation in regional, state, and national organizations is encouraged and supported by the District.

Monitoring legislation is a shared function of the Board of Directors, General Manager, or designee. The Legislative Advocacy Procedures are the process by which staff will track and respond to legislative issues in a timely and consistent manner. The General Manager, or other designee, will act on legislation utilizing the following procedures:

1. The General Manager, or other designee, shall review requests that the District takes a position on regarding legislative issues to determine if the legislation aligns with the District’s current approved Advocacy Priorities.
2. The General Manager, or other designee, will conduct a review of positions and analysis completed by CSDA, ACWA, and other local government associations when formulating positions.
3. If the matter aligns with the approved priorities, the District’s response shall be supplied in the form of a letter to the legislative body reviewing the bill or measure. Advocacy methods utilized on behalf of the District, including but not limited to, letters, phone calls, emails, and prepared forms, will be communicated through the General Manager, or designee. The General Manager, or designee, shall advise staff to administer the form of advocacy, typically via letters signed by the General Manager, or designee, on behalf of the Board of Directors.
4. All draft legislative position letters initiated by the General Manager, or designee, shall state whether the District is requesting or stating “support,” “support if amended,” or

“oppose unless amended” action on the issue and shall include adequate justification for the recommended action. If possible, the letter should include examples of how a bill would specifically affect the District, e.g. “the funding the District will lose due to this bill could pay for “X” capital improvements.”

- a. Support – Legislation in this area advances the District’s goals and priorities.
  - b. Oppose – Legislation in this area could potentially harm, negatively impact or undo positive momentum for the District or does not advance the District’s goals and priorities.
5. The General Manager may also provide a letter of concern or interest regarding a legislative issue without taking a formal position on a piece of legislation. Letters of concern or interest are to be administered through the General Manager, or designee.
  6. When a letter is sent to a state or federal legislative body, the appropriate federal or state legislators representing the District shall be included as a copy, or “cc,” on the letter. The appropriate contacts at CSDA, ACWA, and other local government associations, if applicable, shall be included as a “cc” on legislative letters, as well as the District’s Board of Directors.
  7. A position may be adopted by the General Manager, or designee, if any of the following criteria is met:
    - a. The position is consistent with the adopted Advocacy Priorities;
    - b. The position is consistent with that of organizations to which the District is a member, such as CSDA or ACWA; or
    - c. The position is approved by the Board of Directors or the Regional Leadership and Outreach Committee.
  8. All legislative positions adopted via a process outside of a regularly scheduled Board Meeting shall be communicated to the Board of Directors at the next regularly scheduled Board Meeting. When appropriate, the General Manager, or other designee, will submit a report, either written or verbal, summarizing activity on legislative measures to the Board of Directors.

Advocacy Priorities:

- *Revenue, Finances, and Taxation:*

Ensure adequate funding for special districts’ safe and reliable core local service delivery. Protect special districts’ resources from the shift or diversion of revenues without the consent of the affected districts. Promote the financial independence of special districts and afford them access to revenue opportunities equal to that of other types of local agencies. Protect and preserve special districts’ property tax allocations and local flexibility with revenue and diversify local revenue sources.

Support opportunities that allow the District to compete for its fair share of regional, state, and federal funding, and that maintain funding streams. Opportunities may include competitive grant and funding programs. Opportunities may also include dedicated funding streams at the regional, state, or federal levels that allow the District to maximize local revenues, offset and leverage capital expenditures, and maintain District goals and standards.

- *Governance and Accountability:*

Enhance special districts' ability to govern as independent, local government bodies in an open and accessible manner. Encourage best practices that avoid burdensome, costly, redundant, or one-size-fits-all approaches. Protect meaningful public participation in local agency formations, dissolutions, and reorganizations, and ensure local services meet the unique needs, priorities, and preferences of each community.

Oppose additional public meeting and records requirements that unnecessarily increase the burden on public resources without effectively fostering public engagement and enhancing accountability of government agencies.

Promote local-level solutions, decision-making, and management concerning service delivery and governance structures while upholding voter control and maintaining Local Agency Formation Commission authority over local government jurisdictional reorganizations and/or consolidations.

- *Human Resources and Personnel:*

Promote policies related to hiring, management, and benefits and retirement that afford flexibility, contain costs, and enhance the ability to recruit and retain highly qualified, career-minded employees to public service. As public agency employers, support policies that foster productive relationships between management and employees.

Maintain special districts' ability to exercise local flexibility by minimizing state-mandated contract requirements. Oppose any measure that would hinder the ability of special districts to maximize local resources and efficiencies through the use of contracted services.

- *Infrastructure, Innovation, and Investment:*

Encourage prudent planning for investment and maintenance of innovative long-term infrastructure. Support the contracting flexibility and fiscal tools and incentives needed to help special districts meet California's changing demands. Promote the efficient, effective, and sustainable delivery of core local services.

Prevent restrictive one-size-fits-all public works requirements that increase costs to taxpayers and reduce local flexibility.

**MINUTES OF REGULAR MEETING OF THE COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION, JULY 11, 2019.**

*A regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was held Thursday, July 11, 2019, at the Palmdale Water District at 2029 East Avenue Q, Palmdale. Chair Parris called the meeting to order at 6:00 p.m.*

**1) Pledge of Allegiance.**

At the request of Chair Parris, Commissioner Hogan led the pledge of allegiance.

**2) Roll Call.**

**Attendance:**

Robert Parris, Chair  
Vincent Dino, Vice Chair  
Kathy Mac Laren, Secretary  
Barbara Hogan, Commissioner  
Keith Dyas, Commissioner  
John Tenerelli, Alt. Commissioner

**Others Present:**

Peter Thompson II, Asst. General Manager  
Tom Barnes, Resources Manager  
Dennis Hoffmeyer, Controller  
James Chaisson, LCID General Manager  
Dwayne Chisam, AVEK General Manager  
Don Wilson, AVSWCA Alt. Cmsnr. (PWD)  
Danielle Henry, Management Analyst  
3 members of the public

**EXCUSED ABSENCES--**

Leo Thibault, Treasurer-Auditor

**3) Adoption of Agenda.**

It was moved by Commissioner Mac Laren, seconded by Commissioner Dino, and unanimously carried by all members of the Board of Commissioners present at the meeting to adopt the agenda, as written.

**4) Public Comments for Non-Agenda Items.**

There were no public comments.

**5) Consideration and Possible Action on Minutes of Regular Meeting Held April 11, 2019.**

It was moved by Commissioner Dyas, seconded by Commissioner Mac Laren, and unanimously carried by all members of the Board of Commissioners present at the meeting to approve the minutes of the regular meeting held April 11, 2019, as written.

**6) Payment of Bills.**

It was moved by Commissioner Mac Laren, seconded by Commissioner Dino, and unanimously carried by all members of the Board of Commissioners present at the meeting to approve ratification of payments made to PWD in the amount of \$777.79 for staff services, to AVEK in the amount of \$701.30 for staff services, to W.M. Lyles Co. in the amount of \$6,945.55 for concrete support work associated with the Big Rock Creek Joint Groundwater Recharge Project, to Woodard & Curran in the amount of \$38,747.86 for professional services through April 26, 2019 associated with the 2019 IRWM Plan Update, to Kennedy Jenks in the amount of \$19,103.01 for professional engineering services through March 29, 2019 associated with the Big Rock Creek Joint Groundwater Recharge Project, and to Nigro & Nigro in the amount of \$2,000.00 for audit preparation services as well as payment of invoices received from Interactive Educational Services, Inc. in the amount of \$294.00 for recurring monthly website charges for July through December 2019, from U.S.G.S. in the amount of \$32,450.00 for the quarterly billing for cooperative water resources investigations per the 2018/2019 Joint Funding Agreement for the period of November 1, 2018 through April 30, 2019, and from Woodard & Curran in the amount of \$22,427.39 for professional services through May 31, 2019 associated with the 2019 IRWM Plan Update.

**7) Presentation on U.S.G.S. Joint Groundwater Monitoring Program. (Mr. Mike Lee and Mr. Jon Newby, United States Geological Survey)**

Mr. Mike Lee and Mr. Jon Newby, of the United States Geological Survey (U.S.G.S.), provided a detailed overview of the U.S.G.S. National Water Information System (NWIS) website, including locations and data of wells currently monitored through the U.S.G.S. Program, after which the Commissioners thanked Mr. Lee and Mr. Newby for the presentation.

**8) Discussion and Possible Action on Developing an Agreement Between AVSWCA and AV Watermaster for Delivery of Replacement Water Within the Antelope Valley Adjudicated Groundwater Basin. (Assistant General Manager Thompson II)**

Assistant General Manager Thompson II stated that staff recommends a formalized agreement be developed between the Association and the Antelope Valley Watermaster for the delivery of replacement water within the Antelope Valley adjudicated boundaries with the approved replacement water rate structure now in place after which it was moved by Commissioner Mac Laren, seconded by Commissioner Hogan, and unanimously carried by all members of the Board of Commissioners present at the meeting to direct staff to prepare an agreement for the delivery of replacement water within the Antelope Valley adjudicated boundaries.

**9) Consideration and Possible Action on Sponsorship of 2020 Home Show and SMART Water Expo. (Assistant General Manager Thompson II)**

Assistant General Manager Thompson II reviewed the 2020 Home Show and SMART Water Expo sponsorship and associated costs included with the proposed 2019/2020 Budget after which it was moved by Commissioner Mac Laren, seconded by Commissioner Hogan, and unanimously carried by all members of the Board of Commissioners present at the meeting to approve participation and sponsorship of the 2020 Home Show and SMART Water Expo in the not-to-exceed amount of \$15,000.00.

**10) Consideration and Possible Action on Budget for Fiscal Year 2019/2020. (Assistant General Manager Thompson II/Controller Hoffmeyer)**

Controller Hoffmeyer provided a detailed overview of the proposed budget for fiscal year 2019/2020, including the General Program Funds and Restricted Funds for the Antelope Valley Integrated Regional Water Management Plan (IRWMP) Program, the 2018/2019 U.S.G.S./CASGEM Program, and the Big Rock Creek Joint Groundwater Recharge Project, after which it was moved by Commissioner Mac Laren, seconded by Commissioner Hogan, and unanimously carried by all members of the Board of Commissioners present at the meeting to approve the budget for fiscal year 2019/2020.

**11) Consideration and Possible Action on Acceptance and Filing of Audit for Year Ended June 30, 2018. (Controller Hoffmeyer)**

Controller Hoffmeyer provided a detailed overview of the Association's audit for year ended June 30, 2018, and after a brief discussion of future reserved funds, it was moved by Commissioner Dyas, seconded by Commissioner Mac Laren, and unanimously carried by all members of the Board of Commissioners present at the meeting to accept and file the Association's audit for year ended June 30, 2018.

**12) Report of General Manager and Assistant General Manager.**

**a) Update on Proposed East Side Recycled Water Line Project.**

Chair Parris stated that the proposed East Side Recycled Water Project may be a future project discussion for the Antelope Valley Watermaster and Sanitation District.

**b) Update on Big Rock Creek Joint Groundwater Recharge Project.**

Assistant General Manager Thompson II stated that staff continues to monitor the outflow from Big Rock Creek; that recharge flow for the Pilot Project is anticipated to slowly begin by next week; and that Resources Manager Barnes secured a Project contract extension with the Department of Water Resources through the end of the year.

**c) Update on Antelope Valley Watermaster Meetings.**

Assistant General Manager Thompson II stated that a public hearing for the Watermaster Draft Annual Report is scheduled for the next Watermaster meeting on July 24, 2019; that an Ad Hoc Committee of the Watermaster is preparing a scope of work for Todd Groundwater and administrative staff for the next two years; and that future discussion topics include the development of a clearing house for water transfers to be hosted on the Watermaster website and a groundwater model for use by Todd Groundwater.

**d) Update on Antelope Valley and Fremont Basin IRWMP Stakeholder meetings.**

Assistant General Manager Thompson II stated that he has no report for the Antelope Valley IRWMP Stakeholders.

**13) Report of Controller.**

**a) Update on Revenue, Expenses and Change in Net Position.**

Controller Hoffmeyer provided a brief update on the Association's revenue, expenses, and change in net position for month ending June 30, 2019 and stated that future staff time for the Big Rock Creek Joint Groundwater Recharge Project and for future Association projects will be covered by the individual member agencies.

**14) Reports of Commissioners.**

Commissioner Hogan stated that it's good to be back from her trip to Iran after which Commissioner Mac Laren welcomed her back.

There were no further reports.

**15) Report of Attorney.**

There was no report.

**16) Commission Members' Requests for Future Agenda Items.**

It was determined that "Update on the Big Rock Creek Joint Groundwater Recharge Project," "Update on Antelope Valley Watermaster Meetings" and "Update on Antelope Valley and Fremont Basin IRWMP Stakeholder meetings" will remain on the next meeting agenda and that "Consideration and possible action on agreement between AVSWCA and AV Watermaster for delivery of replacement water within the Antelope Valley Adjudicated Groundwater Basin" be added to the next meeting agenda.

There were no further requests for future agenda items.

**17) Consideration and Possible Action on Scheduling the Next Association Meeting.**

It was determined that the next regular meeting of the Association will be held on August 8, 2019 at 6:00 p.m. at Palmdale Water District.

**18) Adjournment.**

There being no further business to come before the Commissioners, the regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was adjourned at 6:55 p.m.

  
Secretary

**MINUTES OF MEETING OF THE REGIONAL LEADERSHIP AND OUTREACH COMMITTEE OF THE PALMDALE WATER DISTRICT, JULY 31, 2019:**

*A meeting of the Regional Leadership and Outreach Committee of the Palmdale Water District was held Wednesday, July 31, 2019, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Wilson called the meeting to order at 3:00 p.m.*

**1) Roll Call.**

**Attendance:**

Committee:

Don Wilson, Chair

Robert Alvarado, Committee  
Member

**Others Present:**

Dennis LaMoreaux, General Manager

Adam Ly, Assistant General Manager

Mike Williams, Finance Manager

Judy Shay, Public Affairs Director

Dawn Deans, Executive Assistant

0 members of the public

**2) Adoption of Agenda.**

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

**3) Public Comments.**

There were no public comments.

**4) Action Items:**

**4.1) Presentation of Proposition 218 Process and Timeline and Review of Outreach Plans for 2019 Rate Study Process. (Public Affairs Director Shay/Finance Manager Williams).**

Public Affairs Director Shay provided an overview of the 2019 Rate Study Schedule, which includes upcoming Board Standing Committee meetings, workshops, an open house, and a potential date for a public hearing regarding the 2019 Rate Study.

Committee Member Alvarado then requested Public Affairs Director Shay email this schedule to all Directors.

**4.2) Presentation on 2019 Rate Study Information Relative to the Regional Leadership and Outreach Committee. (Assistant General Manager Ly)**

Assistant General Manager Ly provided an overview of projects proposed to be included in the 2019 Rate Study for completion in the next five years related to the Regional Leadership and Outreach Committee and stated that there are \$29 million in total projects necessary over the next five years for the District to maintain operations followed by discussion of \$5 million in annual depreciation, the need to match depreciation with replacement capital projects to maintain the value of the District's system, and deferred maintenance becoming emergency repairs.

**4.3) Consideration and Possible Action on Outreach Activities for 2019. (Public Affairs Director Shay)**

**a) Outreach Report.**

Public Affairs Director Shay reviewed publications featuring the District for June and July and then provided an overview of outreach activities and events, including publication of The Pipeline, press releases, Coffee with Director Alvarado, bottled water donations to the homeless, an appearance on the Café Con Leche radio program and a presentation to the Palmdale Chamber of Commerce regarding the Proposition 218 process, a make-up tour for Water Ambassador Academy graduates, and participation in the recent National Night Out and San Gabriel Mountains Community Collaborative.

The low number of Spanish hard copies of The Pipeline being requested and printing costs were then discussed, and it was determined that staff decide whether to continue printing Spanish hard copies of The Pipeline or to direct those funds to a different outreach activity.

**b) Upcoming Events/2019 Plans.**

Public Affairs Director Shay then stated that upcoming events include several dates for review of the 2019 Rate Study process, Coffee with three additional Directors through the remainder of 2019, and bottled water donations for the Palmdale School District's Backpack Event.

**c) Water Summit.**

She then stated that the previously scheduled Water Summit planned with Las Virgenes Water District has been cancelled; that a Greater Antelope Valley Water Emergency Coalition event to discuss emergencies, earthquakes, and mutual aid has instead been scheduled with the City of Palmdale, the City of Lancaster, AVEK, and the District; that this event will be held October 30 from 9 a.m. to 1 p.m. at the Helenic Center in Lancaster; and that elected officials scheduled to speak at the cancelled event are being offered a tour of the District's facilities.

The District's participation in this year's Antelope Valley Fair was then discussed.

Committee Member Alvarado then requested Public Affairs Director Shay email the dates of upcoming events to all Directors.

General Manager LaMoreaux then stated that the appointment of an Ad Hoc Board Committee to work with a Board Committee from Las Virgenes Water District regarding future events will be presented for consideration at the next Regular Board Meeting.

**4.4) Consideration and Possible Action on Development of Lobbying Policy.**

General Manager LaMoreaux reviewed the draft Lobbying Policy prepared by CSDA, and after a brief discussion, staff was directed to develop a Lobbying Policy for consideration at a future Committee meeting and that the Policy include information regarding outside lobbying firms, the definition of a designee, and staff's authority to respond to legislation without full Board approval.

**4.5) Establishment of 2019 Organizational Excellence Committee Goals.  
(General Manager LaMoreaux)**

After a brief discussion, the Committee developed 2019 goals as follows:

- 1) As a regional organization, ensure outside organizations within the District's boundaries are aware the District is available to offer water-related information and assistance;

- 2) Provide input into the 2019 Rate Study process and review outcome of community workshops for this process;
- 3) Develop a Lobbying Policy;
- 4) Develop a brochure regarding water industry jobs and required classes and certifications for these jobs for presentation to Human Resources Departments of area high schools and community colleges in addition to continuing the Junior Water Ambassador Academy and school presentations; and
- 5) Review plans for Greater Antelope Valley Water Emergency Coalition event.

5) **Information Items.**

5.1) **Other.**

There were no additional information items.

6) **Board Members' Requests for Future Agenda Items.**

It was requested that Deputy Water and Energy Resources Director Thompson II, who teaches water classes at Antelope Valley College, attend the next Committee meeting to discuss items to include in the water industry job brochure.

There were no further requests for future agenda items.

6) **Date of Next Committee Meeting.**

It was determined that the next Regional Leadership and Outreach Committee meeting will be held September 17, 2019 at 3:30 p.m.

7) **Adjournment.**

There being no further business to come before the Regional Leadership and Outreach Committee, the meeting was adjourned at 4:20 a.m.



~~Secretary~~ RA

ACTING CHAIR

**PALMDALE WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** September 18, 2019 **September 23, 2019**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** *AGENDA ITEM NO. 8.2.a – SEPTEMBER 2019 GENERAL MANAGER REPORT*

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The following is the September 2019 report to the Board of activities through August 2019. It is organized to follow the District's six strategic initiatives and is intended to provide a general update on the month's activities. A summary of the initiatives is as follows:



**Water Resource Reliability**

- Complete the 2018 phase of the Upper Armagosa Creek Recharge Project
- Ensure Palmdale Recycled Water Authority (PRWA) to be fully operational by year 2020
- Adopt new state-of-the-art water treatment technologies
- Implement the Antelope Valley Groundwater Adjudication agreement
- Complete the grade-control structure for the Littlerock Reservoir Sediment Removal Project
- Continue the next phase towards the completion of Palmdale Regional Groundwater Recharge and Recovery Project
- Identify and pursue opportunities to increase the reliability of water supply



**Organizational Excellence**

- Offer competitive compensation and benefits package to promote employee retention
- Focus Succession Planning Program on ensuring an overlap of training for key positions
- Continue providing transparency to our ratepayers
- Promote and support leadership training and professional development programs to enhance the District's customers' experience



**Systems Efficiency**

- Implement 2016 Water System Master Plan
- Develop a five-year Infrastructure Revitalization Plan to continue the reinvestment and preventative maintenance for aging infrastructure
- Explore energy independence
- Continue being the industry's leader on the use of Granular Activated Carbon (GAC)
- Research and test new technologies to increase efficiencies
- Improve safety and training for Directors, employees and customers
- Develop a crisis communications plan



### **Financial Health and Stability**

- Pursue additional grant funding for all District projects**
- Adopt a sustainable and balanced rate structure to meet short and long-term needs**
- Create a five-year financial plan in conjunction with the 2019 Water Rate Plan**
- Maintain adequate reserve levels, high-level bond rating, and financial stability**



### **Regional Leadership**

- Enhance relationships with Antelope Valley partnerships, including local water agencies, Antelope Valley State Water Contractors Association and the Palmdale Recycled Water Authority**
- Expand school water education programs**
- Engage elected officials in water-related issues**
- Continue offering career opportunities through the Internship Program**
- Provide opportunities for local businesses to contract with the District**



### **Customer Care, Advocacy and Outreach**

- Increase Customer Care accessibility through communication and feedback to enhance customers' experience**
- Evaluate, develop, and market additional payment options**
- Be point of communication for customers' water-related public health concerns**
- Develop the District's Public Outreach Plan**
- Increase public awareness of the District's history and promote centennial anniversary**

This report also includes charts that show the effects of the District's efforts in several areas. They are organized within each strategic initiative and include status of the State Water Resources Control Board's (SWRCB) long-term conservation orders, 20 x 2020 status, the District's total per capita water use trends, 2019 water production and customer use graph, mainline leaks, and the water loss trends for both 12- and 24-month running averages.



### **Water Resource Reliability**

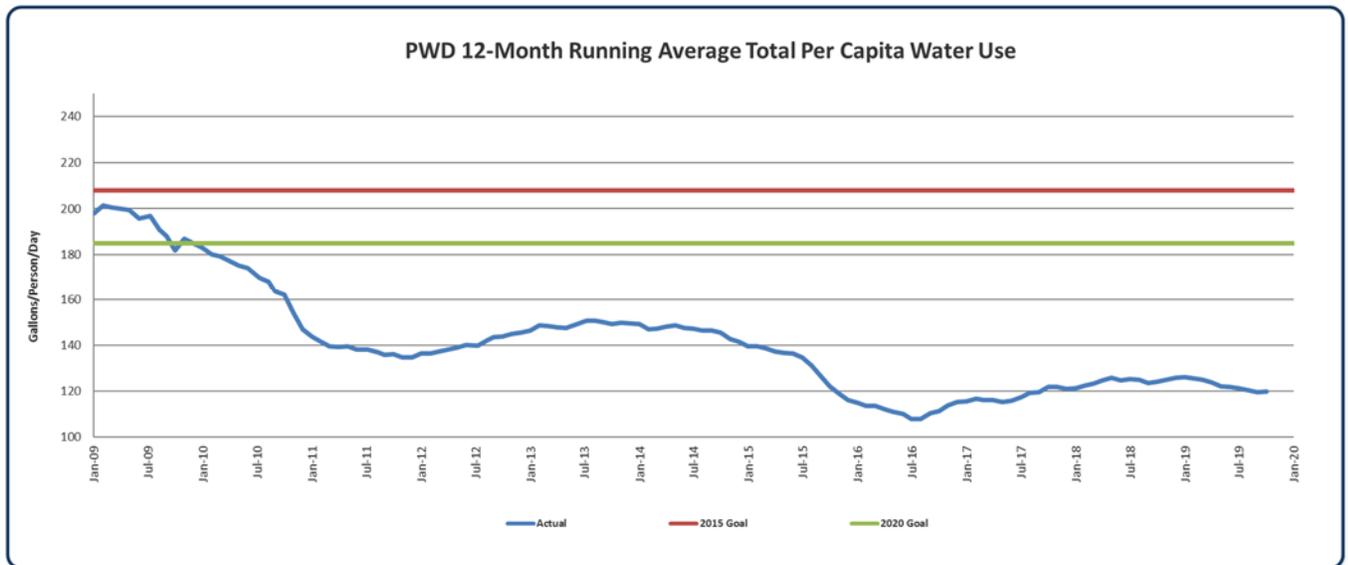
This initiative includes conservation efforts, water supply projects, and water planning. Recent highlights are as follows:

#### **State Water Resources Control Board (SWRCB) Activities**

- The 20 x 2020 per capita reduction goals passed by the legislature in 2009 with new long-term water budgeting requirements have now been replaced with new requirements and water agency water budgets. These follow through on the "Making Water Conservation

a California Way of Life” plan. The District expects to easily comply with the new requirements as they are based on the same philosophy as the District water budget rate structure.

The District’s compliance with the former 20 x 2020 law is evident from the chart titled “PWD 12-Month Running Average Total Per Capita Water Use.”:

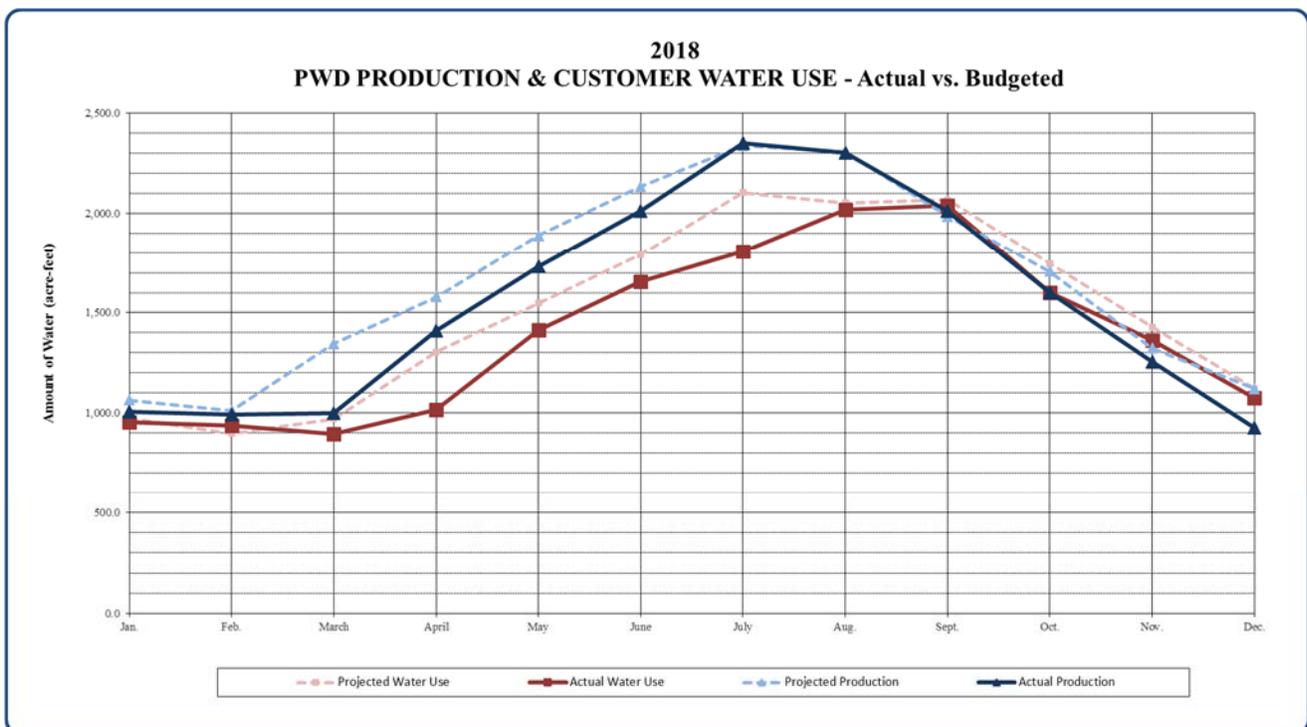
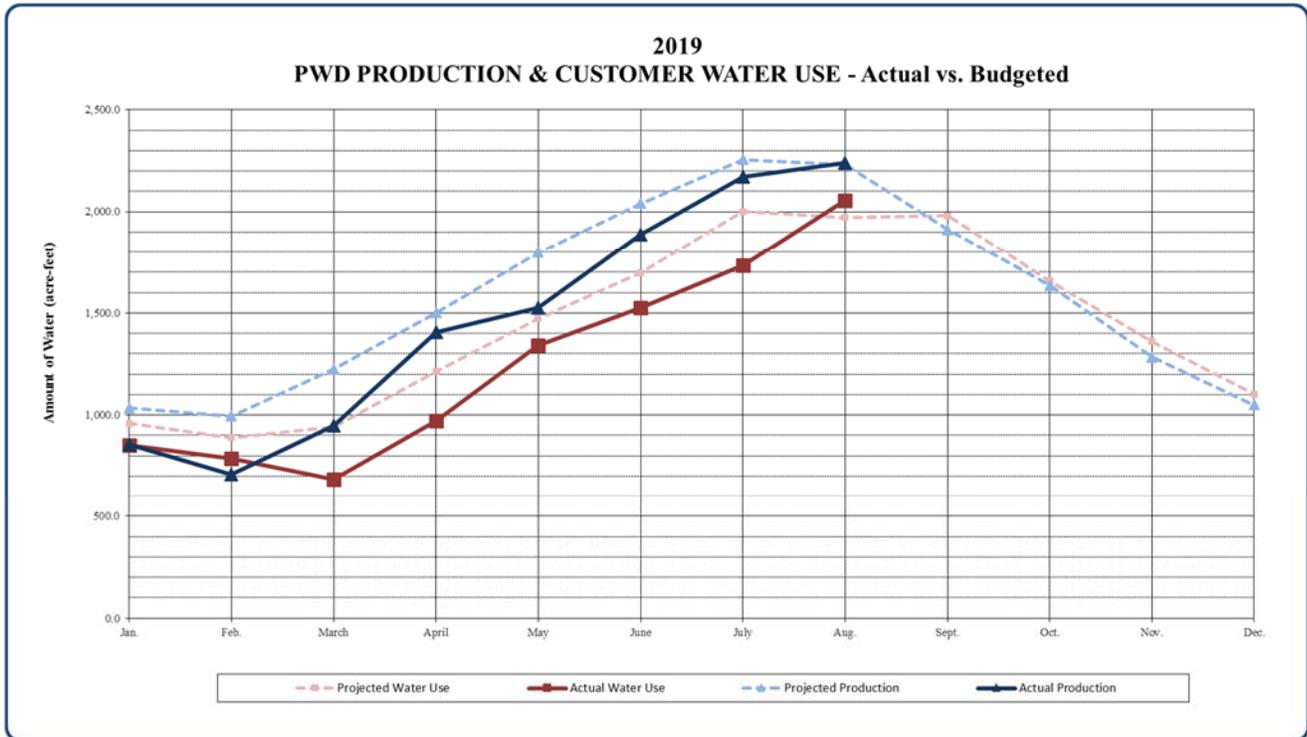


The District’s customers have cut their water use by **48.1%** from the baseline number of 231 established in the 2015 Urban Water Management Plan and met the 2020 Goal in early 2010. The current Total-GPCD is 120.

Water Supply Information

- The AV Adjudication is now in its fourth year, and the reduction to the native safe yield is in its second year. The District’s native groundwater right is 2,769.63 AF. Other groundwater rights for 2018 were 1,452.27 AF of unused Federal Reserve Rights, 3,828.41 AF of Return Flow Rights, and 3,911.94 AF of Carryover Rights. These groundwater rights total 11,962.55 AF. The District used approximately 6,073 AF. This leaves a total **carryover amount of 5,904.19 AF for 2019**. The District’s **2019 groundwater rights total 7,986.67 AF without the Carryover Rights**. A more detailed description of the District adjudicated groundwater production rights is provided below.
- The 2019 water resources plan is finalized. The precipitation index for the area contributing to the State Water Project (SWP) leveled off at 136% of average, a significantly wet year. The 2019 SWP allocation is 75% and provides 23,475 AF. The District will be using a higher amount of surface water than normal due to the SWP and Littlerock Reservoir supplies. SWP supplies beyond our customers’ needs will be banked

or exchanged to help provide water during dry years. The following graph shows actual amounts through August 2019 and monthly projections for both production and consumption, based on the prior five years of actual monthly information, for the entire year. Water use is 10.7% less than anticipated so far this year due to the rainy winter and is recovering. The 2018 chart is added in this report for comparison.



Groundwater Production Rights Summary

Director Wilson requested an overview of the District's adjudicated groundwater rights. A native safe yield of 82,300 acre-feet per year (AFY) was established by the Court for the Antelope Valley Area of Adjudication, and the adjudication Parties were divided into various classes to establish respective water rights among groundwater producers.

- The Production Right is the portion of the Native Safe Yield assigned to each Party. Production Rights for specific Parties are defined in the Judgment in Exhibit 3 (Non-Overlying Production Rights), Exhibit 4 (Overlying Production Rights), and in Paragraphs 5.1.3, 5.1.4, and 5.1.5 for the Small Pumper Class, Federal Reserved Water Rights, and State of California, respectively. **The District's Production Right is 2,769.63 AF/Year.**
- Unused Federal Reserved Water Rights are the portion of water rights, 7,600 AF/Y, left unused by the Federal government. This amount has been approximately 6,000 AF/Y and is divided amongst the Non-Overlying Producers (Public Water Suppliers). **The District's share of Unused Federal Reserve Water Right for 2019 is 1,418.99 AF.**
- Imported Water Return Flows represent water brought into the basin from outside of the watershed that provides a net increase in groundwater supply (i.e., does not include consumed or evaporated imported water). Return flows for agriculture were established in the Judgment at 34 percent of imported water use and at 39 percent for municipal and industrial uses. Each year's amount is determined based on an average of the five (5) prior years of imported water. **The District's typical Imported Water Return Flow Right is approximately 4,000 AF/Year, 3,798.05 for 2019.**
- Carry Over Water is the right to an unused portion of an annual Production Right or a right to Imported Water Return Flows in a year after the year in which the right was originally available. **The District is building Carry Over Rights for years when surface water supplies are low. The District's Carryover Right going into 2019 is 5,904.19.**
- Stored Water is water held in storage in the basin as a result of direct spreading or other methods for subsequent withdrawal and use pursuant to an agreement with the Watermaster. It does not include Imported Water Return Flows. **The District currently has approximately 1,500 AF stored in the Antelope Valley and is participating in projects (Upper Amargosa, Big Rock Creek, and Palmdale Regional Groundwater Recharge and Recovery Project) for more storage in the future.**

Other Items

- The Littlerock Reservoir Sediment Removal Project Environmental Impact Report/Environmental Impact Statement (EIR/EIS) was fully approved in 2017. All required permits are in place, and a construction contract for the Grade Control Structure was awarded in July 2018 to ASI Construction, LLC (ASI) of Colorado Springs.

ASI installed dewatering wells around the construction area and began pumping out water in early November. Dewatering, excavation, and constructing a water bypass continued through December and early January. A series of storms during the week of January 14<sup>th</sup> overwhelmed the partially completed water bypass and flooded the construction site.

ASI returned to the site in mid-July and began working. The first activities were re-establishing the dewatering network so excavation can be done, rebuilding the upstream berm to protect the construction site, and reinstalling the bypass pipe to allow storm water to go around the site. RCC is expected to be placed in mid to late September.

A citizen's committee, Friends of Littlerock Dam (FOLD), was formed in the Littlerock, Pearblossom, and Juniper Hills area to find a way to reopen the Littlerock Reservoir Recreation area. They worked with the District and the USFS on this issue. The USFS has issued an eviction notice to the former operator living at the Reservoir. They also plan to issue a request for proposals for a recreational operator. This process is expected to take over a year.

- The public review of the Draft California Environmental Quality Act (CEQA) EIR for the Palmdale Regional Groundwater Recharge and Recovery Project is complete. The Final EIR was certified by the Board on July 13, 2016, and the Notice of Determination was filed on July 14, 2016. The comments from the SWRCB Recycled Water Division on the Title 22 Engineering Report were addressed and returned for further review. Another set of comments was received in 2018 and information is being collected to address them.

The soil column tests were completed and reported on late last year. The District reviewed additional geotechnical work done to verify the proposed location is suitable. The result is a recommendation to drill an additional well to better understand the aquifer in the area.

- The Upper Amargosa Creek Recharge Project is now under construction. One contract is for the California Aqueduct turnout and transmission water main. The other is for the recharge basins. They are higher than original estimates and will result in a request from the City of Palmdale to the District, LA County Waterworks, and AVEK for additional

funding. A successful groundbreaking was held on November 15, 2018. Construction is expected to be completed late this year.

- California Water Fix: There have been recent regulatory approvals moving this project forward. However, the current Governor has only stated support for one of the proposed tunnels. The State Water Contractors and the Department of Water Resources are continuing discussions about the Project's financing and operations. These discussions will result in a clearer picture of the effect on individual contractors. Staff is directly involved in these discussions and will be able to update the Board in the future.



### **Organizational Excellence**

This initiative includes efforts to restructure staff duties and activities to more efficiently provide service to our customers. Recent highlights are as follows:

- Workshops were held to discuss the District's direction and update the Strategic Plan for 2019. This process reset the District's standing committees to align better with the Strategic Plan and give them clear direction.
- The District and other members of the Public Water Agencies Group (PWAG) have hired and share the services of an Emergency Preparedness Coordinator. This has already resulted in a successful training held at the District office. More activities, including drills and a review of the Emergency Response Plan, are planned for 2019. This approach also kept the District in a good position when responding to the July 4 and 5 earthquakes near Ridgecrest.
- The Board of Directors and staff completed a cultural survey in 2018. The results show continuing overall improvements in the District's operations. The Mathis Group will assist the Board and staff in following up on the survey and improving the District's operations. The staff Communications Committee has started working with the overall staff to reinforce strong areas from the Survey and help improve the other areas.

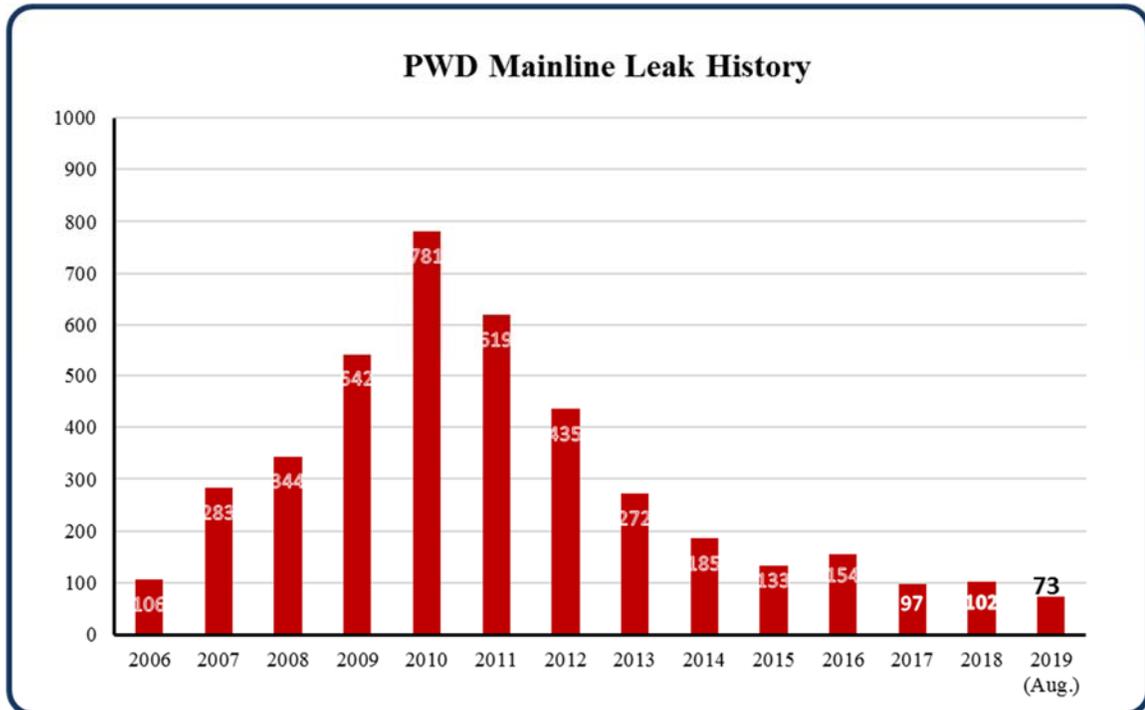


### **Systems Efficiency**

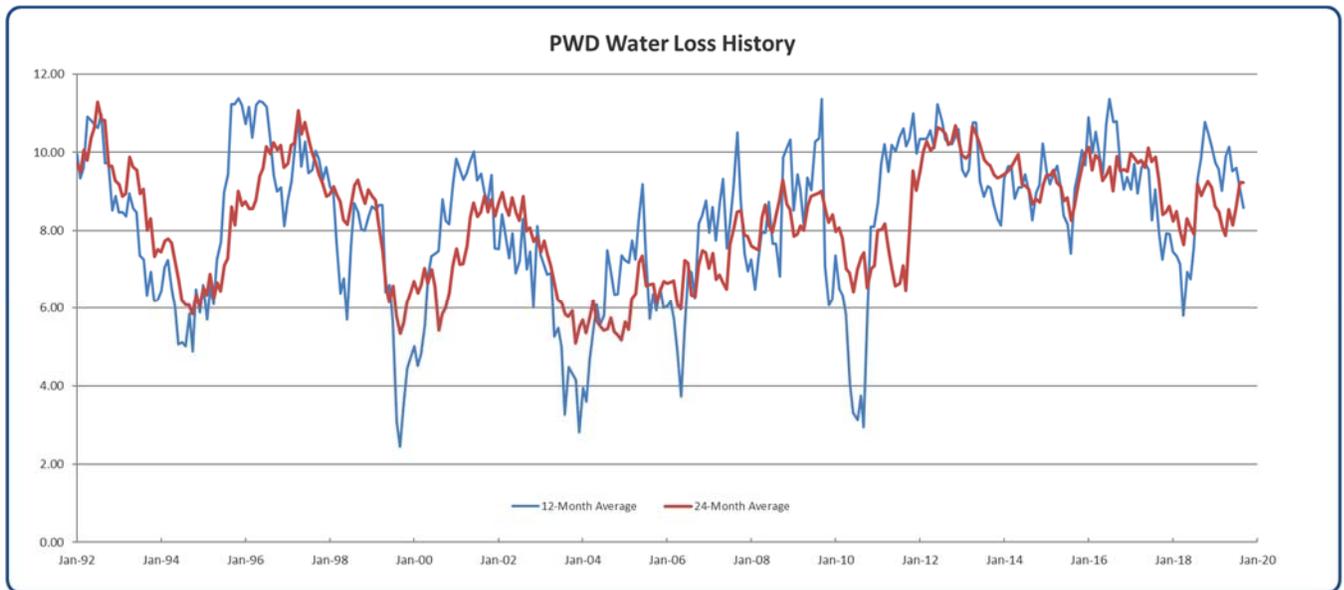
This initiative largely focuses on the state of the District's infrastructure. Recent highlights are as follows:

- The effects of the District's past efforts in replacing failing water mains and meters can be seen in the reduced number of mainline leaks. This is illustrated in the chart titled

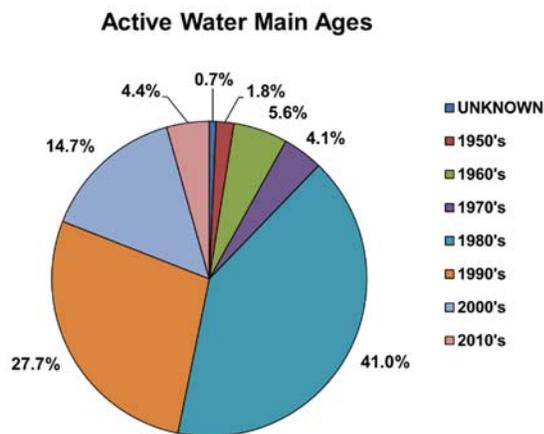
“Mainline Leak History.” The mainline leaks through August 2019 are 73, and there were 53 service line leaks. The sharp increases in June and July were due to water main replacement work near old mains. Mainline leaks increased by five (5) in August.



- The 2019 Budget includes replacing approximately 2,800 meters. Staff will complete this replacement project in September and will then evaluate how best to do it in future years.
- Facilities staff is focusing on maintenance activities to incorporate pressure reducing valves, air-vacuum release valves, and other facilities as their efforts can continue to be more preventative due to a lower number of emergency repairs.
- The District’s replacement work for 2019 includes Avenue V-5 west of 47<sup>th</sup> Street East and East Avenue P-8 from 20<sup>th</sup> Street East to 25<sup>th</sup> Street East. Camares Drive south of Barrel Springs Road is now completed.
- The positive effect of both water main and water meter replacement programs is shown on the chart titled “PWD Water Loss History.” The running average for water losses is now under 10%.



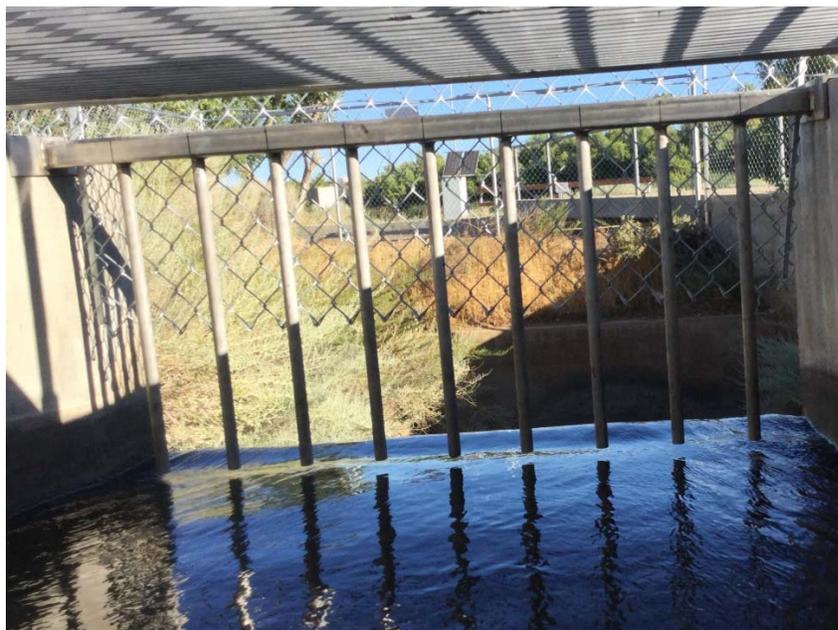
- Director Alvarado recently asked for a summary of the District’s water main ages. This information has been included as additional information in annual budgets in the past in a tabular form. Staff used the information to create the following graph. This shows that 2.6%, 10.33 miles, of the water distribution system is nearly seventy years old or is of unknown age.



Summary of Data from Auxiliary DB:  
(MLpipeLab.mdb/MainLinePipe2019)

Decade Installed	Total Pipe Length	Percent of Total Pipe
Unknown	15,104	0.7%
1950's	39,233	1.8%
1960's	120,177	5.6%
1970's	89,234	4.1%
1980's	884,224	41.0%
1990's	598,566	27.7%
2000's	316,952	14.7%
2010's	94,247	4.4%
<b>TOTAL</b>	<b>2,157,737</b>	

- A number of significant repairs were made to Palmdale Ditch earlier this year to prepare for moving water to Palmdale Lake. These included brush and tree removal, crack sealing, concrete panel replacements, and the use of clay blankets to seal a porous section of the Ditch. Another area of concern was the fencing where the Ditch drops to an inlet into Palmdale Lake. It was in bad condition, and a large tree also made securing the area difficult. The tree was removed, and new fencing installed to secure the area and help prevent anyone from being drawn into a culvert by the flow in the Palmdale Ditch. The following pictures show the finished work.







### **Financial Health and Stability**

- Engineering staff has successfully applied for planning grant funding for the Palmdale Regional Groundwater Recharge and Recovery Project and for the Phase II pipeline for the Palmdale Recycled Water Authority. Application packages for further funding have been determined to be complete by the State. A comment letter was also submitted to raise the priority of both projects in the State's funding plan for 2017/2018.

The State is satisfied with resolutions from the City and the District related to the PRWA Phase II funding application for compliance with their repayment requirements. An amendment to the JPA was also completed to tie these into PRWA. The outstanding financing issue is the State's approach to determining the District's Debt Coverage Ratio. They continue to include non-operating expenses into the calculation. Staff and our financial advisor are still working on this issue. PRWA is also trying to obtain completed booster station plans being held by Los Angeles County Waterworks District 40 to complete the Phase II design plans and financing.

Staff is also working with the California Infrastructure Bank, Holman Capital, and considering a public bond issue for this project. Early discussions show this as a strong possibility to fund the work.

- A new water rate study conducted in accordance with Proposition 218 is started for 2019. Three proposals were received in March and a recommendation made to the Board to award a contract to RDN. The first staff meetings with RDN were held in April. Staff is providing all the needed information to project revenue needs over the next five years.

The Board authorized obtaining better information for irrigated property that will help make the District's water rate structure more accurate. RDN has completed a financial forecast for the next five years with assistance from staff. A presentation of RDN's recommendation was done at a special Board meeting on August 15<sup>th</sup>. The Board adopted the rate plan option of 8.1% annual revenue increase for each of the five years in the study period and the recommended changes to the water rate structure. The changes include more accurate landscaping area, a reduced indoor water allocation, and reducing the number of tiers. A program of public outreach began with workshops at the District office and the Palmdale Learning Center. A public hearing to consider water rates for the next five years is scheduled for October 28<sup>th</sup>.

- Engineering/Grant Manager Riley has worked with the Bureau of Reclamation for the acceptance of a Feasibility Report for the Palmdale Regional Groundwater Recharge and Recovery Project and having it eligible for funding. The 2017 competition effort did not result in an award of funds from the Bureau. However, lessons from this submittal were used in the current funding competition.

- Water-Wise Landscape Conversion Program (Cash-for-Grass Program): The District received a \$75,000 Grant from the Bureau of Reclamation in 2017 to assist in funding the Program. The District has fully used the grant funds. The Board approved an application for additional funds in February. The District received a preliminary notice indicating a favorable review of the application.



### **Regional Leadership**

This initiative includes efforts to involve the community, be involved in regional activities, and be a resource for other agencies in the area. Recent highlights are as follows:

- Activities of the Palmdale Recycled Water Authority (PRWA) and Antelope Valley State Water Contractors Association have continued.
- The District staff continues to share the administration of the Antelope Valley Watermaster Board (AVWB) with AVEK and related meetings.
- District staff is active in the local chambers, GAVEA, and area human resources and public information groups.
- The first “PWD Water Ambassador Academy” was conducted on September 19 and 26, October 3 and a tour/graduation on October 6, 2018. The response from them was overwhelmingly positive. The next Academy was successfully completed in March. A high school version of the Academy was successfully held as a one-day event on May 16, 2019.
- The District has joined with other water districts to express concerns with the proposed Statewide water tax over the last two years. The State Senate also refused the water tax approach. Instead, the State has created a \$130M fund using Greenhouse Gas Funds.
- The District also joined with other water agencies, and the State Water Contractors, to oppose SB 1 due to its negative effects to operating the State Water Project.
- The District, AVEK, City of Palmdale, and the City of Lancaster are cohosting the Greater Antelope Valley Water Emergency Coalition on October 30<sup>th</sup>. Planning is progressing on the event, and it will be held at the Hellenic Center.



### **Customer Care and Advocacy**

This initiative includes efforts to better serve our customers. Recent highlights are as follows:

- The ability to make payments at 7-Eleven and Family Dollar Store is also continuing to grow.
- Customer Care office and field staff are crosstraining to better understand the other's interaction with customers and to improve communication.
- Customers are continuing to take advantage of the District's electronic payment options. 59% of all payments made by customers were done electronically in 2018.