AGENDA FOR REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT
TO BE HELD VIA TELECONFERENCE ONLY
DIAL-IN NUMBER: 571-748-4021  ATTENDEE PIN: 933-930-458#
Submit Public Comments at: https://www.gomeet.com/933-930-458
TUESDAY, MAY 26, 2020
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 May 11, 2020.

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 authorization of the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2020 Budget:
       a) None at this time.

8) Information Items:
   8.1) Reports of Directors:
       a) Meetings; Standing Committee/Assignment Reports; General Report.
   8.2) Report of General Manager.
       b) Status on office remodel. (Assistant General Manager Ly/Engineering/Grant Manager Rogers)
       c) Effects of COVID-19 event. (Finance Manager Williams)
   8.3) Report of General Counsel.

9) Board members' requests for future agenda items.

10) Adjournment.

DENNIS D. LaMOREAUX,
    General Manager

DDL/dd
The following is the May 2020 report to the Board of activities through April 2020. 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 Amargosa 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 final 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. Until these criteria are finalized, the customers’ performance is shown in this report using the 20 x 2020 requirements.

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 **46.8%** 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 123.

**Water Supply Information**

- The AV Adjudication is now entering its fifth year, and the reduction to the native safe yield is in its third year. The District’s native groundwater right is 2,769.63 AF. The District’s 2019 groundwater rights totaled 7,986.67 AF without the prior year’s Carryover Rights. The District’s 2020 groundwater rights are approximately 8,188 AF and 9,465.83 AF of Carryover production rights from 2019 for a total groundwater production right available to the District of 17,653.96 AF.

- The 2020 water resources plan is tentative at this point. Precipitation in the area that contributes to the State Water Project is currently at 62% of average and the SWP allocation is currently only 15%. This provides the District approximately 4,700 AF. Another 2,000 AF is anticipated from Littlerock Reservoir. The District is also exploring other water sources including the Yuba Accord Water, water stored in Willow Springs Groundwater Bank, and carryover SWP from 2019. These efforts, along with the
District’s available groundwater rights, will lessen any needed conservation needed by our customers if the winter continues to be dry.

The following graphs show the 2019-2020 water year that is beginning to recover and current reservoir storage as of Monday, May 18, 2020.
The following is the anticipated monthly water consumption and production for 2020 based on the prior five years of actual monthly information. The total consumption is based on the 2020 Budget amount of 16,341 AF. Actual February and March consumption numbers were higher than anticipated likely due to the dry weather through early March. Water consumption is less than anticipated by 2.3%, and water production is also slightly less than anticipated by 6.1% through April 2020.

The following graph shows actual monthly amounts for 2019 for both production and consumption for comparison.
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. The work was completed in January 2020, and ASI has left the site.

  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 in May 2019. This process is expected to be completed later this year.

  Discussions were underway to explore having a small number of weekends this summer for limited recreation in the Littlerock Reservoir area while a more permanent solution is established. This successfully occurred for two weekends in 2018. It will take the combined cooperation of the Angeles National Forest, FOLD, and the District. The District’s focus will be providing information on the upcoming sediment removal actions and time frames. However, the COVID-19 event has closed the Angeles National Forest and suspended these discussions.

- 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 in 2018. 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 well design and construction documents are out for bids due in February 2020. The bids were opened and a contract awarded by the Board in April.

- The Upper Amargosa Creek Recharge Project is complete. 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. The District is working with DWR to deliver water to the Project for recharge on a continuing basis.
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, the development of the Agreement in Principle, and will update the Board soon.

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:

- 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. This approach also kept the District in a good position when responding to the July 4 and 5 earthquakes near Ridgecrest, compliance with the America’s Water Infrastructure Act (AWIA) of 2018 and responding to the current COVID-19 event.

The District met the deadline of March 31, 2020 to complete a security/vulnerability assessment under the AWIA. The District is now working with the consultant to update its overall Emergency Response Plan based on the assessment. This must be complete by October 2020.

- Training is an important part of the District’s operations. There are several state and federal required trainings including confined space, harassment, and hazmat labeling. These are addressed through a combination of online training and classes. Many of the classes are provided through ACWA/JPIA at no cost. The District also opens these up for surrounding districts needing the same training. The District is recognized annually by JPIA for being willing to host these classes.

Nearly 80 percent of the District staff is required to have certifications or licenses issued by the State of California. Many of these have continuing education requirements which must be met by technical training. The District provides for this in several ways including hosting classes given by the California Rural Water Association, having a training budget for staff to attend conferences, and providing an education tuition allowance for each employee.
Additionally, the District provides educational sessions through the Employee Assistance Program twice a year on personal subjects such as work/life balance, financial health, and wellness. These are chosen by the staff through the Communication Committee. The District also provides professional training for its management staff.

- **COVID-19 Pandemic Response:**
  District staff initiated a draft Pandemic Response Plan on March 4, 2020 as the State of California and County of Los Angeles issued declarations of emergency. Over the next two weeks many District events were canceled. These included the Water Ambassadors Academy third session and facility tour, Strategic Plan Workshop, Director Alvarado Coffee, and all-staff lunch and meeting. The District also reduced the lobby’s capacity and eventually closed it to the public due to Los Angeles County health orders. The other options to conduct business with the District including using the website, calling Customer Care, using the automated phone system, and using remote payment sites, were promoted on social media, the website, and radio spots. The District has also complied with social distancing regulations by updating the Pandemic Response Plan, rotating staff to work from home, staggering work hours, and providing non-medical face coverings for staff.

  A return to more usual operations is being evaluated by staff as the LA County Health orders begin to relax.

### 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 April 2020 total 9, and there were 22 service line leaks. **Only two mainline water leaks occurred in April.** As can be seen in the following graph, the mainline leaks for 2017, 2018, and 2019 average less than 100 or roughly one leak for every four (4) miles of the District’s water system as opposed to nearly one leak every half mile in 2010. This is a clear indication of the benefit in replacing old, worn out infrastructure.
- The 2019 Budget included replacing approximately 2,800 meters. Staff completed this replacement project in October. This approach to replacing water meters worked well and is planned to continue in 2020. District staff has issued a request for proposals for meters and meter reading system(s) due to warranty issues being experienced with electronics on the current meter brand.

- The District advertised two water main replacement projects in December. One is in Avenue P near 25th Street East and the other is in Avenue V-5 west of 47th Street East. These contracts were awarded by the Board in February. Work has begun on the Avenue V-5 project.

- 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 remains under 10%.
Financial Health and Stability

- PWD and City of Palmdale staffs have worked together to obtain funding for the Palmdale Recycled Water Authority (PRWA). Staff is considering a public bond issue for this project. Early discussions show this as a strong possibility to fund the work. 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.

The AV Integrated Regional Water Management Plan (IRWMP) also provides an avenue for State funding assistance. The Littlerock Sediment Removal and PRWA Phase II Projects are the highest rated and are very likely to receive nearly $900,000 for each project in the current round of funding.

- The 2019 Water Rate Study and Proposition 218 process is now complete. The Proposition 218 public hearing was held on October 28, 2019 for the 8.1% annual revenue increase. 101 protests were received of which 88 were valid. The Board then unanimously approved Resolution No. 19-15. This set the water rate structure and water rates for 2020-2024.

Resolution No. 19-15 also includes criteria to evaluate the District’s financial condition each year. It gives the Board the ability to reduce the water rates if the District’s financial position meets four (4) of the criteria in an annual review while preparing the following year’s budget.

- The 2020 Budget was approved in December 2019 following the approved 2019 Water Rate Plan. The document was finalized and published in March 2020.

- 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 2019. 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), AV Integrated Regional Water Management Plan (IRWMP), 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, Greater Antelope Valley Economic Alliance (GAVEA), regional human resources, and public information organizations.

The 2020 “PWD Water Ambassador Academy” (WAA) began in March. However, the last session and the facilities tour were canceled due to the COVID-19 event. The last session was planned to include a brief presentation by the City of Palmdale. The District will also be included in the City’s program.

The District, AVEK, City of Palmdale, and the City of Lancaster cohosted the Greater Antelope Valley Water Emergency Coalition on October 30th. The event was well-received and a success. A more formal move towards mutual assistance and coordination is planned from the participating organizations.

PRWA staff, District and City personnel recently met to look at activities for this year and what future planning should be done. This includes developing a logo and brand, a website, completing the Phase II contract documents, possibly updating the Master Plan, and developing a five-year strategic plan.

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. 61% of all payments made by customers were done electronically in 2019. Customer participation in all electronic and remote payment methods has increased due to the COVID-19 event.
- Truebill, the customer information system, is updated for the new water rate structure and water rates for 2020.

- Staff is working to implement revised policies related to SB 998 approved by the Board of Directors on January 13, 2020. This bill requires additional procedures for dealing with delinquent customers. The District must be in compliance with it on February 1, 2020.

- Contracts for remodeling and re-equipping of the open area on both floors of the main office were awarded by the Board in April and are well underway. The lobby and Customer Care area are targeted to be ready if the lobby opens on May 26, 2020.
The following pages show the status of the Building Remodel and Improvements Update as of May 19, 2020.
Building Remodel and Improvements Update (as of May 19, 2020)

The building remodel and improvements project was awarded by the Board of Directors on April 13, 2020. Originally, the remodel was scheduled to take place later in the year but with the shutdown of the office, it became a priority as to not impact customers and staff. A preconstruction conference was held with the contractor and sub-contractors to discuss the project, schedule, and coordinating work items with PWD staff on April 28, 2020, and work started on April 30, 2020 with the removal of the tile in the lobby and entrance to the Board Room on the first floor. Additionally, the original customer service cubicles and desks were removed and disposed. PWD staff assisted with the relocation of office furniture to accommodate the remodeling of the individual offices.

Construction has progressed by removing wallpaper, baseboards, carpeting, and customer front counter. Plaster is being floated on the walls and finished. Tiling has been completed in the

Figure 1 – Customer Service Cubicles Being Removed

Figure 2 - Fabric Wall Covering Removed
lobby except the grouting. The front counter glass was removed by the contractor to replace the front cabinets and countertops.

Painting started the week of May 11, 2020 with the front offices on the first floor and continued to the back offices and hallways. Tiles in the lobby have been set, and grout will be placed later. Tiling work continues in the hallway to the bathrooms on the first floor. Painting continues with the downstairs offices and hallways. Additionally, the removal of tiles and engineering counter started on the second floor and removal of all the drywall around the drinking fountains has started so the obsolete water fountains can be replaced and meet ADA requirements. Removal of the cubicles and carpeting was removed on the second floor starting May 13th.

Carpeting in the first-floor customer service area started May 15th and is nearly completed with the exception of the closed session room and Director’s office. Furniture started being placed back into the office on May 16th.

Work started on the Warehouse offices on May 18th by installing framing. Contractor continues with completing the installation of carpeting on the first floor. Painting will be nearly complete on the first floor this week.
Figure 8 - Completed Office

Figure 9 - Second Floor Waiting Carpet, paint and counter

Figure 6 - Entry Into Board Room

Figure 7 - Finishing Paint in the Lobby
Figure 10 - Installation of the base cabinets for the Customer Service Counter

Figure 11 - Tiling Is Set Around the Drinking Fountain
PALMDALE
WATER DISTRICT

BOARD MEMORANDUM

DATE: May 19, 2020 May 26, 2020
TO: BOARD OF DIRECTORS Board Meeting
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis LaMoreaux, General Manager
RE: AGENDA ITEM 8.2.c – EFFECTS OF COVID-19 EVENT. (FINANCE MANAGER WILLIAMS)

Discussion:

Listed below are the financial effects of the COVID-19 event:

a. Collection efforts have stopped since 03/17/20.

b. No Reminder Notices or Shut-Off Notices are being mailed.

c. No disconnections for non-payment of bills.

d. As of May 18, 2020, deferred $83K in penalties.

e. As of April 30, 2020, we have 438 accounts with past due balance over 60 days with amounts greater than $50.00. Total outstanding for those accounts at 60+ days $117,544. In perspective, at 02/29/20 there were 158 accounts same stat with outstanding balance $43,328.

f. Cash received for the month of April 2020, was ($57,488) less than March 2020, but $63,635 more than April 2019.

g. Cash received for period 05/01/20 – 05/18/20 is ($53,415) less higher than the same 18-day period of April 2020.