MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, SEPTEMBER 13, 2017:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, September 13, 2017, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Robert Alvarado, called the meeting to order at 7:00 p.m.

1) Pledge of Allegiance/Moment of Silence.

At the request of President Alvarado, David Palmer, Palmdale resident, led the pledge of allegiance followed by a moment of silence in honor of our troops and law enforcement.

2) Roll Call.

Attendance:
Robert Alvarado, President
Vincent Dino, Vice President
Marco Henriquez, Treasurer
Joe Estes, Secretary
Kathy Mac Laren, Director

Others Present:
Dennis LaMoreaux, General Manager
Eric Dunn, General Counsel
Mike Williams, Finance Manager
Jim Riley, Engineering/Grant Manager
Tim Moore, Facilities Manager
Mynor Masaya, Operations Manager
Jennifer Emery, Human Resources Director
Judy Shay, Public Affairs Director
Carey Louey, Construction Supervisor
Peter Thompson Sr., Project Manager
Kelly Jeters, Engineering Analyst
Peter Thompson II, Deputy Water & Energy Res. Dir.
Dawn Deans, Executive Assistant
5 members of the public

3) Adoption of Agenda.

President Alvarado stated that Agenda Item No.'s 9 through 12 can be removed from the agenda after which it was moved by Director Henriquez, seconded by Director Mac Laren, and unanimously carried by all members of the Board of Directors present at the meeting to adopt the agenda, as amended, removing Agenda Item No.'s 9 through 12.

4) Public Comments for Non-Agenda Items.

Mr. David Palmer, Palmdale resident, presented information about NASA and Los Angeles Times articles regarding the Sierra snowmelt and the ability to sustain the snowpack due to a warming climate.

There were no further public comments.

5) Presentations:

5.1) Summary of Expenditures for Emergency Repairs for 2016 and 2017 to Date. (Facilities Manager Moore/Project Manager Thompson Sr./Finance Committee)

Construction Supervisor Louey stated that deferred maintenance leads to emergency and costly repairs and the postponement of annual maintenance but that due to water main replacement projects, the number of leaks has been reduced allowing more staff time for annual maintenance for flushing, large meters, air vacs, and valve turning followed by discussion of the purpose of air vacs and reduced water losses.

Facilities Manager Moore then reviewed all District vehicles, including heavy equipment, and the recommended maintenance or replacement schedule, along with the cost of deferring maintenance on vehicles and the benefit of the District's leasing program; maintenance and replacement of compound meters, the purpose of these meters, how corrosion occurs, and the benefit of well-maintained and tested compound meters to reduce unaccounted for water sales and improve water sale revenue; and pressure reducing valves and stations and air vacs in the District's system, the age of these stations, the need to prevent failure of these facilities, and recommended cycled maintenance and cost to replace or repair these facilities followed by discussion of the vehicle leasing program, electric vehicles, and the testing process for compound meters.

Project Manager Thompson Sr. then provided an overview of the cost and importance of continuing water main replacement projects, the age and types of pipe in the District's system, areas of high priority replacement, and the needed annual replacement water main cost of nearly $5 million per year, which has been deferred due to budget constraints.

Engineering Analyst Jeters then provided an overview of the District's Infrastructure Asset Management Program, which tracks costs and efficiencies for all infrastructure, and stated that due to deferred maintenance, some District facilities have failed leading to higher replacement costs but that staff has developed a Life Cycle Cost Analysis to track life expectancy of infrastructure to help reduce costs for repairs and replacements.

Deputy Water & Energy Resources Director Thompson II then stated that deferred maintenance is costing the District in emergency repairs and high priority replacements

are needed; but that because of the Board's approval of water main replacement projects, staff has performed some deferred maintenance to extend the life of District assets and is analyzing infrastructure repairs followed by discussion of the benefit of adopting water rates for the next three years for planning purposes, the effect of deferred maintenance on depleted resources, the upcoming Proposition 218 process, and the need to be proactive rather than reactive with infrastructure management.

President Alvarado then requested staff relay their needs to the Facilities Committee for discussion at budget workshops.

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 August 23, 2017.

6.2) Payment of Bills for September 13, 2017.

Mr. David Palmer, Palmdale resident, provided information on NASA Tech Briefs and their recent topic of corrosion and exterior coatings.

President Alvarado then announced the items included in the Consent Calendar after which it was moved by Director Mac Laren, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to approve those items included in the Consent Calendar.

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 Rescheduling or Cancelling the Second Regular Board Meeting in November Due to the Thanksgiving Holiday. (Director Henriquez)

Director Henriquez discussed either rescheduling or cancelling the second regular Board meeting in November because of Thanksgiving, and after a brief discussion of the need for a meeting, he moved to reschedule the second regular Board meeting in Thanksgiving from Wednesday, November 22, to Monday, November 20, at

7:00 p.m. The motion was seconded by Director Estes and unanimously carried by all members of the Board of Directors present at the meeting.

7.2) Consideration and Possible Action on Continuing the District's Benefit Package Through JPIA and Adjusting the District Contribution Cap to Provide the Lowest Cost Family Benefit Package to Employees. (Human Resources Director Emery/Personnel Committee)

Human Resources Director Emery reviewed staff's recommendation to maintain the District's current benefit package through JPIA and to develop a policy regarding adjustment of the cap on District paid employee benefits to cover the lowest cost family benefit plan, and after a brief discussion of staff's recommendations, of health benefits, and of future recruitments, it was moved by Director Mac Laren, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to continue the District's benefit package through JPIA and to develop a policy to adjust the District contribution cap to provide the lowest cost family benefit package to employees.

7.3) Consideration and Possible Action on Not Designating Annual Cost of Living Adjustment Towards Employee's Portion of CalPERS Effective January 1, 2018. (Human Resources Director Emery/Personnel Committee)

Human Resources Director Emery stated that employees under the CalPERS Classic Plan have had their cost of living designated towards their portion of CalPERS for the past four years, and after a brief discussion of employees receiving the cost of living, it was moved by Director Estes, seconded by Director Henriquez, and unanimously carried by all members of the Board of Directors present at the meeting to not designate the annual cost of living adjustment towards employee's portion of CalPERS effective January 1, 2018.

7.4) Consideration and Possible Action on Safety and Training Technician Position at Salary Range 29. ($22,000.00 for Remainder of 2017; Position Will be Included in 2018 Budget – Non-Budgeted – Human Resources Director Emery/Personnel Committee)

Human Resources Director Emery provided an overview of staff's recommendation to create a Safety and Training Technician position, and after a brief discussion of the need for this position, of filling the position in-house, and of the budget for this position, it was moved by Director Henriquez, seconded by Director

Mac Laren, and unanimously carried by all members of the Board of Directors present at the meeting to approve the creation of a Safety and Training Technician position at a salary range of 29.

7.5) Consideration and Possible Action on Internship Program. (Funded Through the Foundation for Community Colleges – Human Resources Director Emery/Personnel Committee)

Human Resources Director Emery stated that she and Deputy Water & Energy Resources Director Thompson II have worked with the South Central Coast Region Colleges and secured a grant to fully fund four internships for the District being a Plant Operator, a Service Worker, a Lab Analyst, and a Field/Customer Care intern, and after a brief discussion of this opportunity and of the success of the District's Internship Programs, it was moved by Director Henriquez, seconded by Director Mac Laren, and unanimously carried by all members of the Board of Directors present at the meeting to accept a grant from the South Central Coast Region Colleges to fund an Internship Program for the District for four positions.

7.6) Consideration and Possible Action on Co-Hosting Leadership Training for Elected Officials. (Chair Estes/Human Resources Director Emery)

Human Resources Director Emery stated that Chair Estes requested staff research leadership training opportunities specialized for elected officials and that this training can be offered through the Water Utility Institute and made available to other elected officials, and after a brief discussion of this opportunity, it was moved by Director Estes, seconded by Director Mac Laren, and unanimously carried by all members of the Board of Directors present at the meeting for staff to pursue co-hosting Leadership Training for elected officials.

7.7) 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 2017 Budget:

a) 10th Annual WaterSmart Innovations Conference to be Held October 4 – 6, 2017 in Las Vegas, Nevada.

After a brief discussion of this conference, it was moved by Director Mac Laren, seconded by Director Henriquez, and unanimously carried by all members of the Board of Directors present at the meeting to approve Board and staff attendance at the

following conferences, seminars, and training sessions within budget amounts previously approved in the 2017 budget: 10th Annual WaterSmart Innovations Conference to be held October 4 – 6, 2017 in Las Vegas, Nevada.

7.8) Adjourn to September 13, 2017 Annual Meeting of Public Facilities Corporation. (General Manager LaMoreaux)

At 9:03 p.m., President Alvarado stated that the Palmdale Water District Regular Board Meeting will adjourn to the September 13, 2017 annual meeting of the Public Facilities Corporation.

He reconvened the Regular Board Meeting at 9:09 p.m.

8) Information Items:

8.1) Reports of Directors:

a) Meetings/General Report.

Director Mac Laren reported that on September 13, she attended a Board briefing with General Manager LaMoreaux.

Director Dino reported that on September 6, he attended a meeting with Dr. Mathis; that on September 11, he attended the Facilities Committee meeting; that on September 12, he attended the AVEK Board meeting; and that on September 13, he is attending the Palmdale Water District Board meeting.

Director Henriquez reported that on September 5, he attended a Fin and Feather Club Board meeting where they indicated they are very pleased with the District, and membership for District staff and hiring local contractors for work at Palmdale Lake were discussed and that on September 7, he attended a Board briefing with General Manager LaMoreaux.

Director Estes reported that on August 31, he attended an informational Personnel Committee meeting where the items considered earlier this evening were discussed and that on September 11, he attended the Facilities Committee meeting.

President Alvarado reported that on September 2, he attended a telephone conference with Dr. Mathis regarding the Strategic Plan; that on September 5, he

attended an agenda review and approval meeting with General Manager LaMoreaux and Executive Assistant Deans; that also on September 5, he and Directors Mac Laren, Dino, and Henriquez attended a meeting at the Palmdale School District and presented Peruvian students with Certificates of Participation for their September 12 tour of the Leslie O. Carter Water Treatment Plant; that also on September 5, he attended a Palmdale City Council meeting where the District was presented with a Certificate of Appreciation for participating in their Summer Lunch Program; that on September 6, he attended a meeting with General Manager LaMoreaux and Dr. Mathis regarding the Strategic Plan; that on September 11, he attended a Board briefing with General Manager LaMoreaux and also met with I.T. Help Desk Technician Yates regarding questions on equipment; and that on September 14, he will be attending an Ad Hoc Community Liaison Committee meeting.

Director Henriquez then reported that on September 5, he also attended a meeting at the Palmdale School District and presented Peruvian students with certificates of Participation for their upcoming tour of the Leslie O. Carter Water Treatment Plant and that Directors Mac Laren and Dino also attended this meeting.

b) Standing Committee/Assignment Reports. (Chair):

1) Facilities Committee

There were no further reports on Standing Committee/Assignments.

8.2) Report of General Manager.

General Manager LaMoreaux thanked the Board for the decisions made earlier this evening, which will help staff develop the first draft of the 2018 Budget, and this draft will be presented at the next Finance Committee meeting.

He then stated that staff will be presenting deferred maintenance information on a regular basis to keep the Board updated on maintenance of the infrastructure system and that this information will also be helpful in the 2019 Proposition 218 process.

Director Henriquez requested this information also be shared with the public so they can better understand how water rates are impacted by deferred maintenance.

President Alvarado then wished General Manager LaMoreaux late birthday wishes.

8.3) Report of General Counsel.

General Counsel Dunn reported that a hearing was held August 18 regarding the Central Delta Water Agency case removed from tonight's agenda; that the court's ruling from that hearing has not yet been received; and then provided a brief history of this case.

He then gave a brief update of the growing list of entities filing notices they will sue under CEQA to challenge the WaterFix Delta tunnels project followed by discussion of these notices setting a precedence for CEQA.

He then reported that SB 623 was sent to the suspense file, there is no immediate action to be taken on this matter, and this matter is likely to be discussed again next year.

13) Board Members' Requests for Future Agenda Items.

President Alvarado welcomed Alison Gatlin, from the Antelope Valley Press, to the District and thanked her for her articles on the District.

There were no further requests for future agenda items.

14) Adjournment.

There being no further business to come before the Board, the meeting was adjourned at 9:30 p.m.

Secretary