MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, APRIL 23, 2018:

A regular meeting of the Board of Directors of the Palmdale Water District was held Monday, April 23, 2018, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Vincent Dino, called the meeting to order at 6:00 p.m.

1) Pledge of Allegiance/Moment of Silence.

At the request of President Dino, Director Mac Laren led the pledge of allegiance followed by a moment of silence.

2) Roll Call.

Attendance:	**Others Present:**
Vincent Dino, President	Dennis LaMoreaux, General Manager
Kathy Mac Laren, Vice President	Eric Dunn, General Counsel
Marco Henriquez, Treasurer	Mike Williams, Finance Manager
Joe Estes, Secretary	Jim Riley, Engineering/Grant Manager
Robert Alvarado, Director	Judy Shay, Public Affairs Director
	Mynor Masaya, Operations Manager
	Tara Peuse, Customer Care Supervisor
	Laura Gallegos, Public Affairs Specialist
	Linda Trevino, Water Conservation Aide
	Robert Rosati, Field Customer Care Rep. II
	Dawn Deans, Executive Assistant
	55 members of the public

3) Adoption of Agenda.

It was moved by Director Henriquez and seconded by Director Alvarado to adopt the agenda, as written.

President Dino then stated that Agenda Item No.'s 9, 10, 11, and 12 can be removed from the agenda as there are no updates on these items and recommended Agenda Item No. 5.2 be considered prior to Agenda Item No. 5.1. Director Henriquez then amended his motion, Director Alvarado amended his second, and it was 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, 10, 11, and 12 and considering Agenda Item No. 5.2 prior to Agenda Item No. 5.1.

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Presentations:

5.2) Presentation of Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA) Refund. (Andy Sells, ACWA/JPIA CEO/Jerry Gladbach, ACWA Executive Committee Member)

Mr. Jerry Gladbach, ACWA Executive Committee Member, Ms. Melody McDonald, ACWA/JPIA Executive Committee, and Andy Sells, ACWA/JPIA CEO, commended the District for operating under very safe conditions, for the teamwork exhibited, the Board's support of staff for attending JPIA training, and the excellent job of District staff and then presented the District with a refund of $132,256.00 for the District's participation and very low losses in their liability and property programs.

Mr. Gladbach then commended the winners and participants in the District's annual Water Awareness Contests.

5.1) Presentation of Annual Water Awareness Contest Awards. (Public Affairs Director Shay/Water Conservation Aide Trevino)

Water Conservation Aide Trevino and Public Affairs Director Shay announced the winners of this year's Coloring, Essay, and Public Service Announcement Water Awareness Contests and presented awards to the winners.

Dr. Betsy Mckinstry, Director of Career and Technical Education at Antelope Valley Union High School District, and Mr. Fabian Montagot, Technology Teacher from Knight High School, thanked the Board and staff for the opportunity for the students to work on real-world projects with the PSA contest and stated that they look forward to working with the District in the future.

This year's winners are as follows: Adrian Gallegos, Natalia Hernandez, Ashton Flaugher, Nayeli Ayala, Lexi Vasques, Ashley Fuentes, Danielle Medina, Delilah Medera, Kaleigh Moultry, Amenca Martinez, Walter Carcamo, Noel Avilez, Carlos Arias, Annette Michelle Baeza, Laura Celis, Rosie Galvez Cabrera, Daniel Interiano, Brianna Mariah Espino, Nicholas Martinez, Alexis Romero Ortiz, Ricardo Trinidad, Carlos Villarreal,

William Bermudez, Kassandra Virgen Castaneda, Riley Flanagan, Ramon Gomez, Brian Peak, Nayem Uddin, and DaNia Wortham.

Miss Lexi Vasques then presented her water science project.

The Board then congratulated the contest winners and thanked everyone for their participation in this year's contests.

At 6:36 p.m., President Dino called for a nine-minute recess. He reconvened the regular meeting at 6:45 p.m.

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 April 9, 2018.

6.2) Payment of Bills for April 23, 2018.

President Dino 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 Contribution to ACWA's "No Drinking Water Tax Educational Program." ($10,000.00 – Budgeted – General Manager LaMoreaux)

General Manager LaMoreaux briefly reviewed ACWA's approach for their "No Drinking Water Tax Educational Program," and after a brief discussion of the requested contribution to this Program, 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 approve a contribution of $5,000.00 to ACWA's "No Drinking Water Tax Education Program" and if there is a need for additional funds, the Board can reconsider this item.

7.2) Presentation and Discussion of Financing Options for Construction of Grade Control Structure for the Littlerock Sediment Removal Project and Other Capital Projects. (Finance Manager Williams/NHA Advisors/Finance Committee)

Mr. Mark Northcross, Principal for NHA Advisors, provided an overview of available financing options for the construction of the grade control structure for the Littlerock Sediment Removal Project and other capital projects; the recommended financing option for this construction of $13.5 million in publicly offered water revenue bonds as other financing options are not feasible; the District's existing debt structure and debt service coverage; the Board's commitment to increase water rates to meet the additional debt and generate net revenues to cover debt service; and future bond payments.

The Proposition 218 process, less flexibility on future water rate increases, the Board's full understanding of the requirement to consistently raise water rates as recommended in the next Water Rate Study to support this and future required water supply projects, the new debt timeframe, the potential for future bond issues to finance the Palmdale Regional Recharge and Recovery Project, new phasing for this Project, and the District's credit rating were then discussed.

Finance Manager Williams then stated that this item will be discussed in detail at the April 26, 2018 Finance Committee meeting.

General Manager LaMoreaux then stated that accelerating the contracting process for the grade control structure project will be presented for consideration at the May 3, 2018 Special Board Meeting.

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 2018 Budget:

a) ArcGIS Enterprise: Configuring a Base Deployment Seminar to be Held June 18 – 19, 2018 in Broomfield, Colorado.

General Manager LaMoreaux reviewed this seminar after which it was moved by Director Mac Laren, seconded by Director Alvarado, and unanimously carried by all members of the Board of Directors present at the meeting to approve the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2018 Budget: ArcGIS Enterprise:

Configuring a Base Deployment Seminar to be Held June 18 – 19, 2018 in Broomfield, Colorado.

8) Information Items:

8.1) Reports of Directors:

a) Meetings/General Report.

Director Alvarado reported that on April 19, he attended a Board briefing with General Manager LaMoreaux regarding tonight's meeting; that on April 21, he attended the Palmdale School District's California Association for Bilingual Education (CABE) Mini-Conference, and water-related curriculum items were presented; that on April 26, he looks forward to attending the Finance Committee meeting; and that on April 28, he looks forward to attending the 100th anniversary public tour of the District's facilities.

Director Mac Laren reported that on March 15, she attended the 100th Anniversary tour of the District's facilities; that on April 12, she attended the Antelope Valley State Water Contractors Association meeting; and that also on April 12 and on April 23, she participated in the Antelope Valley Watermaster producer's conference calls.

Director Henriquez reported that on April 12, he attended the Antelope Valley State Water Contractors Association meeting where they approved the Memorandum of Understanding for the Big Rock Creek Recharge Project.

Director Estes reported that on April 5, he attended a Board briefing with General Manager LaMoreaux regarding the April 9 Board meeting; that on April 19, he attended a Board briefing with General Manager LaMoreaux regarding tonight's meeting; and that on April 18, he attended the Palmdale Chamber of Commerce luncheon.

President Dino reported that on April 11, he attended an agenda review and approval meeting with General Manager LaMoreaux; that on April 12, he attended the Antelope Valley State Water Contractors Association meeting; that on April 18, he attended a Board briefing with General Manager LaMoreaux regarding tonight's meeting; and that on April 23, he is attending the Palmdale Water District Board meeting.

b) Standing Committee/Assignment Reports (Chair):

1) Antelope Valley State Water Contractors Association.

There were no further reports on Standing Committee/Assignments.

8.2) Report of General Manager.

a) April 2018 Written Report of Activities Through March 2018.

General Manager LaMoreaux stated that he submitted a written report included with the agenda packets if there are any questions and then reported that the newly formed Littlerock Dam Citizens Committee met again with the Forest Service and the District, and the Forest Service has tentatively agreed to open the recreation area to the public for two weekends prior to construction of the grade control structure; that additional information will be presented on two upcoming bonds and water-related aspects of these bonds; that the number of leaks to date remains low at 16; and that water consumption levels remain within 1% of 2013 consumption levels with 6% less water having to be produced due to the District's efforts to reduce water losses.

8.3) Report of General Counsel.

General Counsel Dunn stated that a damages trial for the J-M Manufacturing case is scheduled for October with all plaintiff's firms participating and that a more detailed report on this matter will be presented during a future closed session.

13) Board Members' Requests for Future Agenda Items.

Director Mac Laren stated that previous ACWA/JPIA refunds allowed the District to offer picnics or a Christmas party for staff and that the employees need to be rewarded for earning the District this refund.

Director Estes requested a cd containing the PSA's presented earlier this evening.

Director Alvarado requested the District send a letter of congratulations to Mr. Gladbach and his alternate who were recently elected to the Local Agency Formation Commission Board.

Director Henriquez stated that it was great to see the community attend the meeting this evening, and the contests are great outreach for the community.

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 7:48 p.m.

Secretary