

MINUTES OF INFORMATIONAL WORKSHOP MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT APRIL 18, 2012:

A workshop meeting of the Board of Directors of the Palmdale Water District was held Wednesday, April 18, 2012, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Gordon Dexter, called the meeting to order and stated that this meeting is informational only, no action will be taken, and the purpose is to review the current water rate structure and to inform, train, teach, and familiarize the Board with this structure.

1) Pledge of Allegiance.

President Dexter led the pledge of allegiance.

2) Roll Call.

Attendance:

Gordon Dexter, President
Gloria Dizmang, Vice President
Kathy Mac Laren, Treasurer
Robert Alvarado, Secretary
Steve Cordova, Director

Others Present:

Dennis LaMoreaux, General Manager
Tim Gosney, Attorney
Mike Williams, Finance Manager
Matt Knudson, Engineering Manager
Claudette Roberts, Water Conservation Spvrs.
Dawn Deans, Executive Assistant
3 members of the public

3) Adoption of Agenda.

It was moved by Director Mac Laren, seconded by Director Dizmang, and unanimously carried to adopt the agenda, as written.

4) Presentations:

4.1) Overview of Water Budget Rate Structure. (Tom Ash, Rate Consultant)

Mr. Tom Ash, Consultant, gave an overview of the intent of water rates and how a water budget rate structure can better meet this intent compared to traditional water rates, the goal of a water budget rate structure, efficient water use, mandatory reductions, the political and public relations aspect of a water budget rate structure, establishment of an efficiency fund, recovering fixed costs through the meter charge, the factors creating the water budget rate structure, the equation for calculating a water budget rate structure, and communicating the District's water budget rate structure goal to help create customer satisfaction.

Finance Manager Williams then informed the Board of staff's efforts to communicate the District's programs to customers with high water bills and stated that 70% of the District's revenue is received through the fixed portion of the water bill.

Providing more outreach and education to customers on not exceeding their allocation and on understanding fixed costs was then discussed after which Mr. Ash reviewed how the District set its fixed and variable rates, usage distribution among the five tiers, various modeling scenarios for these rates, the variable factor of ET data, and messages to communicate to the District's customers.

**4.2) Overview of Palmdale Water District's Water Budget Rate Structure.
(Finance Manager/CFO Williams)**

Finance Manager Williams provided an overview of how the District applied the water budget rate structure study, factors, and data to its billing system, the calculation for several water bill scenarios, the drought factor, the District's variance policy for increasing the number of people in the home, the District's leak variance policy, a year's worth of water billings, which indicate a minimal increase to the average water bill, and the format and purpose of the proposed new water bill followed by discussion of the District's per capita water use meeting year 2020 requirements.

The Board then requested copies of this information.

4.3) Questions/Answers. (Tom Ash, Consultant, and Finance Manager/CFO Williams)

Avoiding past mistakes when explaining the water rate concept through various public relations options, conducting customer efficiency evaluations, how the two year cycle of elections affects water rates, customer surveys, and providing suggestion boxes at community events were then discussed.

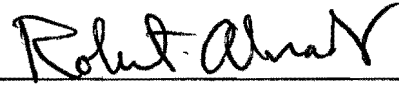
5) Board Members Requests for Future Agenda Items.

Director Mac Laren stated that Director Dizmang previously requested the development of a level pay plan be placed on a future Board meeting.

There were no further requests for future agenda items.

6) Adjournment.

There being no further business to come before the Board, the meeting was adjourned.

A handwritten signature in cursive script, appearing to read "Robert Almaraz", is written over a horizontal line.

Secretary