

## **MINUTES OF WATER RATE STUDY WORKSHOP OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT JULY 16, 2014:**

*A Workshop meeting of the Board of Directors of the Palmdale Water District was held Wednesday, July 16, 2014, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Kathy Mac Laren, called the meeting to order.*

### **1) Roll Call.**

#### **Attendance:**

Kathy Mac Laren, President  
Robert Alvarado, Vice President  
Gloria Dizmang, Treasurer  
Joe Estes, Secretary  
Vincent Dino, Director

#### **Others Present:**

Dennis LaMoreaux, General Manager  
Patty Quilizapa, Attorney  
Matt Knudson, Assistant General Manager  
Mike Williams, Finance Manager  
Dennis Hoffmeyer, Senior Accountant  
Bob Egan, Financial Advisor  
Dawn Deans, Executive Assistant  
5 members of the public

### **2) Adoption of Agenda.**

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

### **3) Public Comments for Non-Agenda Items.**

There were no public comments.

### **4) Discussion and Overview of 2014 Water Rate Study. (Bartle Wells/Finance Manager Williams)**

Mr. Doug Dove, Principal for Bartle Wells Associates, provided an overview of the 2014 Water Rate Study including projected revenue, expenses, and replacement capital projects, two five-year rate options, past approved and implemented rate increases, tier revisions and setting tiered rates based on peak demand, standardizing 1" and below meters, calculations for commercial/industrial and multi-family customers, the water quality fee, the elevation booster surcharge, the development of a drought surcharge, and water rates of other agencies followed by discussion of multi-family projected water use, calculations for commercial water use customers, variances for residential customers, and approving the proposed water rates as recommended by Bartle Wells Associates as a ceiling with the option of approving a lower rate.

The Board then concurred with the development of a drought surcharge based on a flat rate and discussed implementing this surcharge prior to January 1, 2015, if needed, followed by discussion of the Rate Assistance Program, rolling stock replacement costs, the benefit of an interior and exterior tier for customers who conserve, additional five-year rate options, and ensuring customers understand the District must increase rates in order to maintain facilities and plan for the future, maintain consistent debt service coverage and the ability to obtain additional bond funds, and maintain reserve levels.

At 11:30 a.m., President Mac Laren called for a twenty-minute recess. She reconvened the workshop meeting at 11:50 a.m.

Discussions continued regarding the 2014 Water Rate Study including providing better water conservation through tiered rates, consistent tier 1 and 2 rates for all classes, and potential water rate increases of other agencies after which Mr. Dove was requested to prepare two additional five-year rate options using 5% and 5.5%.


The press release regarding mandatory water rationing was then briefly discussed.

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

There were no requests for future agenda items.

**6) Adjournment.**

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

  
Secretary