**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, AUGUST 24, 2016:**

*A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, August 24, 2016, 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.**

At the request of President Alvarado, Director Dino led the pledge of allegiance followed by a moment of silence to support our troops and our firefighters.

**2) Roll Call.**

| **Attendance:** | **Others Present:** |
|---|---|
| Robert Alvarado, President | Dennis LaMoreaux, General Manager |
| Vincent Dino, Vice President | Matt Knudson, Assistant General Manager |
| Marco Henriquez, Treasurer | Eric Dunn, General Counsel |
| Joe Estes, Secretary | Mike Williams, Finance Manager |
| Kathy Mac Laren, Director | Jennifer Emery, Human Resources Director |
| | Mike McNutt, Public Affairs & Sustainability Dir. |
| | Jim Riley, Engineering/Grant Manager |
| | Tim Moore, Facilities Manager |
| | Laura Gallegos, Public Affairs Specialist |
| | Dawn Deans, Executive Assistant |
| | 5 members of the public |

**3) Adoption of Agenda.**

It was moved by Director Dino, seconded by Director Henriquez, and unanimously carried by all members of the Board of Directors present at the meeting to adopt the agenda, as written.

**4) Public Comments for Non-Agenda Items.**

There were no public comments.

**5) Presentations:**

**5.1) None at This Time.**

There were no presentations.

**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 10, 2016.**

**6.2) Payment of Bills for August 24, 2016.**

**6.3) Approval of Revisions to District Rules and Regulations Section 8.03(B)(1), Variances. (Finance Manager Williams)**

President Alvarado announced the items included in the Consent Calendar after which Director Henriquez requested Agenda Item No. 6.3 be removed from the Consent Calendar for discussion and separate consideration.

It was then moved by Director Mac Laren, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve those items included in the Consent Calendar with the exception of Agenda Item No. 6.3.

Director Henriquez then stated that he requested Agenda Item No. 6.3 be pulled for additional clarification after which Finance Manager Williams clarified the application verification process, how and when the household variance policy was developed, the proposed change to the policy, and annual renewals for the applicants, and it was then moved by Director Henriquez, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve revisions to the District Rules and Regulations Section 8.03(B)(1), Variances.

**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 Regarding Contract Amendment With Aspen Environmental for Completion of Final Environmental Impact Report and Support for Permitting Activities for the Littlerock Sediment Removal Project. ($223,580.00 – $135,000.00 in 2016/$88,580.00 in 2017 – Budgeted – Engineering/Grant Manager Riley)**

Engineering/Grant Manager Riley provided a brief overview and clarified the budgeted amount of the proposed contract amendment with Aspen Environmental 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 the contract amendment with Aspen Environmental for completion of the Final Environmental Impact Report and support for permitting activities for the Littlerock Sediment Removal Project in the amount of $135,000.00 in 2016 and $88,580.00 in 2017 and to authorize General Manager LaMoreaux to execute the contract amendment.

**7.2) Consideration and Possible Action on Setting Palmdale Water District's Assessment Rates for Fiscal Year 2016-2017 and Adoption of Resolution No. 16-14 Regarding Said Rates. (Financial Advisor Egan/Finance Manager Williams)**

Finance Manager Williams reviewed the District's proposed assessment rate for fiscal year 2016-2017, and after a brief discussion of the total assessment and the assessment rate being lower than last year, 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 Resolution No. 16-14 Setting the Palmdale Water District's Assessment Rates for Fiscal Year 2016-2017.

A copy of said Resolution No. 16-14 is hereby made a portion of the minutes of this meeting.

**7.3) Consideration and Possible Action on Confirming Credit Rating From Standard & Poor's at a Cost Not-to-Exceed $20,000.00. ($20,000.00 – Budgeted – Finance Manager Williams)**

Finance Manager Williams provided an overview of the need to confirm the District's credit rating for the upcoming debt refinance, and after a brief discussion of the expiration of the confirmation and of using the rating for future debt, it was moved by Director Dino, seconded by Director Mac Laren, and unanimously carried by all members of the Board of Directors present at the meeting to confirm the District's credit rating from Standard & Poor's at a not-to-exceed cost of $20,000.00.

**7.4) Consideration and Possible Action on Proposal to Perform Concentration-Time (CT) Study for Each of the District's 22 Active Groundwater Wells. ($9,700.00 – Non-Budgeted – Assistant General Manager Knudson)**

Assistant General Manager Knudson provided an overview of the CT Study and its benefit to the District, and after a brief discussion of the budget and of the proposals received, 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 accept the proposal received from Carollo Engineers in the not-to-exceed amount of $9,700.00 to perform a Concentration-Time (CT) Study for each of the District's 22 active groundwater wells and to authorize General Manager LaMoreaux to execute an agreement with Carollo Engineers utilizing the District's standard Professional Services Agreement.

**7.5) Consideration and Possible Action on Sponsorship of Water: Take 1 Short Film Contest. ($5,000.00 – Budgeted – Public Affairs & Sustainability Director McNutt)**

Public Affairs & Sustainability Director McNutt provided an overview of this sponsorship opportunity and the benefit to the District, and after a brief discussion of the District's previous win in the Water: Take 1 Short Film Contest and entering the contest again, it was moved by Director Mac Laren, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to sponsor the Water: Take 1 Short Film Contest in the amount of $5,000.00.

**7.6) Consideration and Possible Action on Outreach Activities. (Public Affairs and Sustainability Director McNutt)**

Public Affairs & Sustainability Director McNutt introduced the District's new Public Affairs Specialist, Laura Gallegos.

**a) Strategic Initiative Review.**

He then stated that the Strategic Initiative Review involves the Board and staff's vision for conducting public outreach into the future; that staff is developing a formalized plan for public outreach, which will include more hands-on community involvement by hosting or sponsoring events and delivering water and water conservation messaging and information on the District's programs; and that a Citizen's Liaison Committee will also be formed.

**b) Long-Term Vision for Financial and Water Sustainability:**

**1) Palmdale Regional Groundwater Recharge and Recovery Project**

**2) Littlerock Dam Sediment Removal Project**

He then stated that the Palmdale Regional Groundwater Recharge and Recovery Project and the Littlerock Dam Sediment Removal Project were discussed extensively at last evening's Financial Workshop Special Meeting; that the community has a need for these projects; and that financing and the completion of these projects will continue to be discussed.

**c) Calendar of Upcoming Events**

He then stated that the District has partnered with the Antelope Valley Film Council on their Founder's Day film regarding the formation of Palmdale; that the film will showcase the significance of water provided to the community since 1918 by the Palmdale Water District, how this supply was started, where it is now, and water sources and supplies for the future; and that this film can be entered into the Water: Take 1 Contest.

**d) AguaPalooza Music Contest**

He then stated that this contest is now the AguaVaganza Music Contest; that Public Affairs Specialist Gallegos is promoting the contest through the Antelope Valley College and other avenues; that Water: Take 1 will also promote this contest; and that the contest is receiving positive feedback.

**e) Rebates/Cash for Grass Program**

He then stated that from January to July, 2016, there have been 110 high efficiency toilet rebates processed totaling $7,680.00 and 18 high efficiency washer rebates processed totaling $1,800.00; that the Cash for Grass Program has been revised to base rebates on conservation efforts, and 232 applications were received from March to June, 2016; and that 153 of these applications have been inspected and accepted with a pending payout just under $287,000.00.

**f) A Day Without Water (Value of Water Coalition-ImagineaDayWithoutWater.com)**

He then stated that Imagine a Day Without Water has been developed as a call-to-action with different options for participating; that the District is participating by scheduling a tour on September 15 from 9 a.m. to 2 p.m. for all individuals running for office of the Water Treatment Plant, Littlerock Dam, and a Well Site to showcase the District and how important water is to the community, its residents, and the future of

the community; and that the tour will also provide education about the District, water issues throughout the state, and the District's plans to ensure available water for the future.

**g) Outreach Board Input.**

President Alvarado requested that the District promote the Landscape Expo scheduled for November as a partner of the Antelope Valley State Water Contractors Association.

**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 2016 Budget:**

**a) None at This Time.**

There were no conferences, seminars, and training sessions to consider.

**8) Information Items:**

**8.1) Reports of Directors:**

**a) Meetings/General Report.**

Director Dino reported that on August 9, he attended the AVEK Board meeting; that on August 15, he attended a Palmdale Recycled Water Authority Board briefing with General Manager LaMoreaux; that on August 17, he attended the Palmdale Recycled Water Authority meeting; that on August 22, he attended a Board briefing with General Manager LaMoreaux; that on August 23, he attended the Financial Workshop Special Meeting; and that he is attending the Board meeting this evening.

Director Mac Laren reported that on August 17, she attended the Antelope Valley WaterMaster meeting, and it went very well; that also on August 17, she attended the Palmdale Recycled Water Authority meeting where they decided to develop guidelines; and that on August 23, she attended the Financial Workshop Special Meeting.

Director Henriquez reported that on August 22, he attended a Board briefing with General Manager LaMoreaux and that on August 23, he attended the Financial Workshop Special Meeting.

Director Estes reported that on August 23, he attended the Financial Workshop Special Meeting.

President Alvarado reported that on August 15, he attended an agenda review and approval meeting with General Manager LaMoreaux; that on August 16, he attended a Palmdale Recycled Water Authority meeting with General Manager LaMoreaux; that on August 17, he attended the Antelope Valley WaterMaster meeting; that also on August 17, he attended the Palmdale Recycled Water Authority meeting; that on August 22, he attended a Board briefing with General Manager LaMoreaux; and that on August 23, he attended the Financial Workshop Special Meeting.

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

**1) PRWA.**

President Alvarado stated that a report on this meeting was provided earlier in the meeting.

**8.2) Report of General Manager.**

General Manager LaMoreaux stated that to show the excellent job the District's customers have done in conserving water, a new section has been added to his written report regarding the success of the District customers' water conservation efforts showing our customers have been under the 2020 goal for many years, which is why it was difficult to meet the state mandated reduction from 2013 water levels; that State Water Resources Control Board graphs have also been included in the report showing the District's customers have exceeded the cuts of the region, residential per capita water use in 2013 and in 2015-2016 is well below the state and region average, the District's customers have a cumulative water savings of 25.4%, have lower per capita water use compared to other area agencies, and is below the statewide average; and that this information is helpful to show members of the community that the District has met our goals and is doing an excellent job of conserving.

President Alvarado then requested that water usage for the Directors be reviewed after which General Manager LaMoreaux stated that Tier 1 amounts for each Director are listed along with average usage, and all Directors are within Tier 1.

General Manager LaMoreaux then stated that the District's customers have increased water usage based on the Board's action in July to relax water usage restrictions; that Director Henriquez questioned in his briefing the status on consumption versus budgeted consumption; that the 2016 budget is based on 16,500 acre foot of water sales; and that prorated water sales through the end of July are 14,300 acre foot.

He then stated that through the end of July, there have been 65 leaks, and water losses are stabilized at slightly less than 10% because of the efforts to replace water mains over the last several years.

President Alvarado then thanked General Manager LaMoreaux, Assistant General Manager Knudson, and the crew for promptly responding to any requests he receives from customers.

**8.3) Report of General Counsel.**

General Counsel Dunn stated that a brief report on AB1755, the Open and Transparent Water Data Act, was provided at the last Board meeting; that this bill has been passed by the State Senate with some amendments and sent to the Assembly for consideration and will take reporting for various state agencies that acquire water rights and develop a software platform so all information is available in one area; and that this bill is due in 2020.

**9) Public Comments on Closed Session Agenda Matters.**

There were no public comments on closed session agenda matters.

**10) Break Prior to Closed Session.**

At 8:20 p.m., President Alvarado called for a six-minute recess. He reconvened the Regular Meeting at 8:26 p.m.

**11) Closed session under:**

**11.1) Conference with Legal Counsel – Existing Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(1), to confer with Special Litigation Counsel regarding pending litigation to which the District is a party. The title of such litigation is as follows: *Antelope Valley Ground Water Cases.***

At 8:26 p.m., President Alvarado called for a closed session pursuant to Government Code Section §54956.9 (d)(1), to confer with Special Litigation Counsel regarding existing litigation to which the District is a party, the title of such litigation being the *Antelope Valley Ground Water Cases.*

He reconvened the regular meeting at 8:47 p.m.

**12) Public report of any action taken in closed session.**

President Alvarado stated that a closed session was held pursuant to Government Code Section §54956.9 (d)(1), to confer with Special Litigation Counsel regarding existing litigation to which the District is a party, the title of such litigation being the *Antelope Valley Ground Water Cases;* that the Board was updated on the status of this matter; but that no reportable action was taken in closed session.

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

There were no requests for future agenda items.

**14) Adjournment.**

There being no further business to come before the Board, the meeting was adjourned at 8:48 p.m.

Secretary

# PALMDALE WATER DISTRICT
# RESOLUTION NO. 16-14

WHEREAS, the Los Angeles County Auditor-Controller has submitted to the Palmdale Water District the assessed value information necessary to enable the District to establish its assessment rates; and

WHEREAS, the Board of Directors has reviewed the assessed value information and has calculated the amounts needed to be raised to meet the State Water Contract; and

WHEREAS, the Board of Directors has determined the assessment rate required to raise the required funds.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Palmdale Water District hereby establishes the following secured tax rates for 2016-2017:

| ACCOUNT # | AGENCY NAME | TAX RATE |
|---|---|---|
| 308.60 | Palmdale Water District | .000000 |
| 308.61 | Palmdale Water District Zone B | 0.277262 |
| 308.62 | Palmdale Water District Zone B2 | 0.277262 |
| 308.63 | Palmdale Water District Zone C | 0.277262 |
| 308.65 | Palmdale Water District Zone E | 0.277262 |
| 308.66 | Palmdale Water District Zone A | 0.277262 |
| 308.67 | Palmdale Water-Westmont Imp. Dist. | .000000 |

FURTHER RESOLVED, that the Board of Supervisors of the County of Los Angeles, State of California, is hereby authorized and directed, at the time and in the manner directed by law, in addition to any and all other taxes and assessments levied against the lands within the Palmdale Water District, to levy and collect assessments against all of the lands within said District and the aforesaid improvement District at the rates set forth above.

PASSED AND ADOPTED at a regular meeting of the Board of Directors held on August 24, 2016, by the following roll call vote:

AYE: Robert Alvarado, Vincent Dino, Marco Henriquez, Joe Estes, Kathy Mac Laren

NO: none

ABSENT: none

I hereby certify under penalty of perjury that the tax rates levied herein are exempt from the application of Article XIII A, Section 1(A) of the Constitution of the State of California.

Robert Alvarado

Name: Robert Alvarado
Title: President, Board of Directors

DATED: August 24, 2016

**RESOLUTION NO. 16-14**

CR52RPTA

COUNTY OF LOS ANGELES
AUDITOR-CONTROLLER, TAX DIVISION

2016 - 17 SECURED TAX RATES

| ACCT # | AGENCY NAME | TAX RATE |
|---|---|---|
| 308.60 | PALMDALE WATER DIST | .000000 |
| 308.61 | PALMDALE WATER DIST ZONE B | 0.277262 |
| 308.62 | PALMDALE WATER DIST ZONE B2 | 0.277262 |
| 308.63 | PALMDALE WATER DIST ZONE C | 0.277262 |
| 308.65 | PALMDALE WATER DIST ZONE E | 0.277262 |
| 308.66 | PALMDALE WATER DIST ZONE A | 0.277262 |
| 308.67 | PALMDALE WATER-WESTMONT IMP DIST | .000000 |

I, Robert Alvarado, AM ~~A MEMBER OF THE CITY COUNCIL;~~ A MEMBER OF THE GOVERNING BOARD, ~~THE CHIEF EXECUTIVE OR THE CHIEF FINANCIAL OFFICER~~ FOR THIS AGENCY AND I HEREBY CERTIFY THAT THE TAX RATES LEVIED HEREIN ARE IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE XIII SECTION 1(b) OF THE CONSTITUTION OF THE STATE OF CALIFORNIA.

| | | |
|---|---|---|
| Robert Alvarado | President, Board of Directors | August 24, 2016 |
| AUTHORIZED SIGNATURE | TITLE | DATE |

Robert Alvarado