MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, MAY 14, 2018:

A regular meeting of the Board of Directors of the Palmdale Water District was held Monday, May 14, 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	Maya Mouawad, Assistant 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
	Jennifer Emery, Human Resources Director
	Tim Moore, Facilities Manager
	Kelly Jeters, Engineering Analyst
	Dawn Deans, Executive Assistant
	3 members of the public

3) Adoption of Agenda.

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

General Manager LaMoreaux 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 after which Director Estes 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.

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Presentations:

5.1) Littlerock Creek Irrigation District Leak. (Facilities Manager Moore)

Facilities Manager Moore provided an overview of Palmdale Water District's assistance to the Littlerock Creek Irrigation District for repair of a major leak and stressed the importance of providing assistance and sharing equipment among neighboring agencies after which Mr. James Chaisson, Littlerock Creek Irrigation District General Manager, thanked the District for their assistance and praised the professionalism and knowledge of District staff.

5.2) Certificate of Appreciation – Facilities Manager Moore. (President Dino)

President Dino, on behalf of the Board of Directors, presented a Certificate of Appreciation to retiring Facilities Manager Moore after which the Board thanked him for his 29 years of service to the District.

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 23, 2018.

6.2) Approval of Minutes of Special Meeting Held May 3, 2018.

6.3) Payment of Bills for May 14, 2018.

6.4) Approval of Amendment No. 2 to General Manager Employment Agreement Dated July 30, 2015. (Budgeted – President Dino)

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 Change Order No. 1 to Specification No. 1701 Being the Construction of the Palmdale Regional Groundwater Recharge and Recovery Project: Phase 2 Testing. ($115,844.93 – Budgeted – Project Manager Thompson)

Engineering Analyst Jeters briefly reviewed the work associated with Change Order No. 1, and after a brief discussion of Change Order No. 1 and of reimbursement for this work, 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 Change Order No. 1 to Specification No. 1701 being the construction of the Palmdale Regional Groundwater Recharge and Recovery Project: Phase 2 Testing in the not-to-exceed amount of $115,844.93.

7.2) Consideration and Possible Action on Approval of Contract Amendment No. 2 with ESA Associates for the 2016 Water System Master Plan Program Environmental Impact Report. ($20,320.00 – Budgeted – Engineering/Grant Manager Riley)

Engineering/Grant Manager Riley reviewed the work under Amendment No. 2, and after a brief discussion of the amendment, it was moved by Director Alvarado, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to approve Contract Amendment No. 2 with ESA Associates for the 2016 Water System Master Plan Program Environmental Impact Report in the not-to-exceed amount of $20,320.00.

7.3) Consideration and Possible Action on Approval of Contract Amendment No. 1 with Stantec to Provide Hydraulic Modeling Support for the 2016 Water System Master Plan Program. ($9,510.00 – Budgeted – Engineering/Grant Manager Riley)

Engineering/Grant Manager Riley reviewed the work under Amendment No. 1, and after a brief discussion of the amendment, it was moved by Director Alvarado, seconded by Director Henriquez, and unanimously carried by all members of the Board of Directors present at the meeting to approve Contract Amendment No. 1 with Stantec to provide hydraulic modeling support for the 2016 Water System Master Plan in the not-to-exceed amount of $9,510.00.

7.4) Consideration and Possible Action on Rescheduling Second Regular Board Meeting in May Due to the Memorial Day Holiday and Declaring May 29, 2018

as a Regular Meeting of the Water District and the Public Financing Authority. (General Manager LaMoreaux)

After a brief discussion of alternate Board meeting dates for the second regular Board meeting in May, 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 declare May 29, 2018 as a Regular Meeting of the Water District and the Public Financing Authority.

Director Alvarado then stated that he will be absent from the May 29, 2018 Regular Board Meeting.

7.5) Adjourn to Public Financing Authority Board Meeting. (President Dino)

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 adjourn to the Public Financing Authority Board Meeting.

7.6) Consideration and Possible Action on District Employee Appreciation Events. ($35,000.00 – Budgeted – Human Resources Director Emery/Director Mac Laren)

Human Resources Director Emery reviewed staff's recommendation to provide employee appreciation events, and after a brief discussion of the proposed events, 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 District Employee Appreciation Events in the not-to-exceed amount of $35,000.00.

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 2018 Budget:

a) None at this Time.

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

8) Information Items:

8.1) Finance Reports:

a) Status Report on Cash Flow Statement and Current Cash Balances as of March 2018. (Financial Advisor Egan)

Financial Advisor Egan reviewed the investment funds report as of March 2018, including the balance reduction due to expected bond payments, and then provided an overview of the cash flow statement, including assessments received and annual capital expenditures.

b) Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for March 2018. (Finance Manager Williams)

Finance Manager Williams reviewed the highlights of the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending March 2018 and stated that most departments are operating at or below the targeted expenditure percentage of 25%.

c) Status Report on Committed Contracts Issued. (Finance Manager Williams)

Finance Manager Williams provided an overview of the updated Contractual Commitments and Needs for 2018 Report for new and replacement capital projects, consulting and engineering support projects, new and replacement equipment, water quality fee funded projects, committed and projected capital expenditures, and available funding sources.

8.2) Reports of Directors:

a) Meetings/General Report.

Director Alvarado reported that on May 3, he attended the Special Board meeting regarding the evaluations for General Manager LaMoreaux and General Counsel Dunn; that on May 5, he attended the Antelope Valley Resource Conservation District's open house; and that on May 10, he attended a Board briefing with Finance Manager Williams regarding tonight's meeting.

Director Mac Laren reported that on May 2, she attended the District-hosted Leadership Training; that on May 3, she attended the Special Board meeting regarding the evaluations for General Manager LaMoreaux and General Counsel Dunn; that on

May 10, she attended the Antelope Valley Watermaster Public Water Supplier meeting; and that on March 19, she attended the Palmdale Recycled Water Authority meeting.

Director Henriquez reported that on April 30 – May 2, he attended the District-hosted Leadership Training and hopes fellow Board members can attend in the future and that on May 3, he attended the Special Board meeting regarding the evaluations for General Manager LaMoreaux and General Counsel Dunn.

Director Estes reported that on May 3, he attended the Special Board meeting regarding the evaluations for General Manager LaMoreaux and General Counsel Dunn and that on May 6 – 11, he attended the ACWA Conference and provided a detailed overview of the classes attended.

President Dino reported that on May 2, he attended an agenda review and approval meeting with General Manager LaMoreaux; that on May 3, he attended the Special Board meeting regarding the evaluations for General Manager LaMoreaux and General Counsel Dunn; and that on May 10, he attended a Board briefing with Finance Manager Williams regarding tonight's meeting.

b) Standing Committee/Assignment Reports (Chair):

1) Finance Committee.

There were no further reports on Standing Committee/Assignments.

8.3) Report of General Manager.

General Manager LaMoreaux provided an overview of ACWA/JPIA's plans for captive investment funds and the benefit of these funds.

He then stated that he observed the repair set-up on the Littlerock Creek Irrigation District leak; that it was well thought out and all necessary equipment was on site; that he is impressed and proud of District staff working on this leak; and that the Board should be proud as well.

He then thanked the Board for the Contract Amendment approved earlier this evening.

Director Henriquez inquired about marijuana cultivation discussions at the ACWA Conference, and General Manager LaMoreaux stated that information provided at the conference focused on outdoor cultivation and that the Antelope Valley area will focus more on indoor cultivation followed by discussion of a proposed hemp bill.

8.4) Report of General Counsel.

Assistant General Counsel Mouawad provided an overview on a recent court of appeals case for the Copper Pitting Case, which involves pinholes in copper water piping in an Irvine development, and then stated that an update regarding the tax bill will be provided as information becomes available.

The use of social media, consistent talking points from Public Affairs Director Shay, Section 4.14 of the District's Rules and Regulations, and Brown Act training from General Counsel regarding the District's social media policy were then discussed, and it was determined to place an item on a future agenda to review the District's Social Media/Electronic Policy.

13) Board Members' Requests for Future Agenda Items.

Director Alvarado then added to his report that on April 26, he attended the Finance Committee meeting and that on April 28, he attended the Palmdale Water District public facilities tour.

It was determined that an item will be placed on a future agenda for "Review of the District's Social Media/Electronic Policy."

Director Estes requested information from the ACWA Conference be distributed to all Directors after which General Manager LaMoreaux stated that this information will be distributed once ACWA posts the presentations.

Director Mac Laren stated that on April 26, she attended a joint meeting with the Palmdale School District and the City of Palmdale and requested a future agenda item for "Consideration and possible action on extending the District's Wi-Fi from 6 p.m. to 8 p.m. for Palmdale School District children living near the District's main office."

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 7:46 p.m.

Secretary