

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JANUARY 25, 2017:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, January 25, 2017, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Robert Alvarado, called the meeting to order at 7:02 p.m.

1) Pledge of Allegiance/Moment of Silence.

At the request of President Alvarado, Director Dino led the pledge of allegiance followed by a moment of silence in honor of our troops.

2) Roll Call.

Attendance:

Robert Alvarado, President
Vincent Dino, Vice President
Marco Henriquez, Treasurer
Joe Estes, Secretary
Kathy Mac Laren, Director

Others Present:

Dennis LaMoreaux, General Manager
Matt Knudson, Assistant General Manager
Eric Dunn, General Counsel
Mike Williams, Finance Manager
Jennifer Emery, Human Resources Director
Jim Stanton, Information Technology Manager
Mynor Masaya, Operations Manager
Dawn Deans, Executive Assistant
6 members of the public

3) Adoption of Agenda.

President Alvarado stated that an item arose since the posting of the agenda for tonight's meeting and requires action prior to the time of the next regular Board meeting and recommends Agenda Item No. 7.4 "Consideration and possible action on Resolution No. 17-5 for Employer Paid Member Contributions for CalPERS" be added to tonight's agenda after which it was moved by Director Mac Laren, seconded by Director Henriquez, and unanimously carried by all members of the Board of Directors present at the meeting to adopt the agenda, as amended, adding Agenda Item No. 7.4.

4) Public Comments for Non-Agenda Items.

Ms. Joanne Granai, Palmdale resident, stated that she is participating in the annual homeless count tomorrow morning in Lake Los Angeles if anyone can volunteer to help; that she would like to know how many times someone can request a Spanish interpreter then not attend the meeting as she can see this happening closer to election time; and that she looks forward to hearing the outcome of the State Water Resources Control Board's January 18 meeting.

There were no further public comments.

5) Presentations:

5.1) Private Placement Funding Options. (Frank Gill, Vice President, Holman Capital)

Mr. Frank Gill, Vice President of Holman Capital, provided an overview of Holman Capital, the private placement funding options they offer, and the Lease Agreement with the District.

5.2) Summary of Leslie O. Carter Water Treatment Plant Annual Maintenance. (Operations Manager Masaya)

Operations Manager Masaya provided a detailed overview of winter maintenance at the Leslie O. Carter Water Treatment Plant performed by the Operations and Facilities Departments.

Information Technology Manager Stanton then introduced Mr. Paul Smith, who provided an overview of the status on the new Boardroom projector and voting process.

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 January 11, 2017.

6.2) Payment of Bills for January 25, 2017.

6.3) Approval of Job Description and Recruitment of Public Affairs and Sustainability Director Position and Revise Title to Public Affairs Director. (\$110,000.00 – Budgeted – Human Resources Director Emery/Personnel Committee)

6.4) Approval of Resolution No. 17-4 Being a Resolution of the Board of Directors of the Palmdale Water District Declaring Its Official Intent to Reimburse Certain Expenditures from the Proceeds of Debt. (\$830,000.00 (approved 1-11-17) – Budgeted – Finance Manager Williams)

6.5) Approve Absence of Director Estes From January 11, 2017 Meeting Due to Family Illness. (General Manager LaMoreaux)

President Alvarado announced the items included in the Consent Calendar after which Director Henriquez requested Agenda Item No. 6.3 be considered separately as he recommends the position of Public Affairs Director be left vacant for at least six months to save costs as this is a high paying position and other alternatives be pursued and analyzed for filling the needs of this position such as the services of a public relations firm.

After a brief discussion of filling the Public Affairs position, 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 with the exception of Agenda Item No. 6.3.

A copy of Resolution No. 17-4 is hereby made a portion of the minutes of this meeting.

6.3) Approval of Job Description and Recruitment of Public Affairs and Sustainability Director Position and Revise Title to Public Affairs Director. (\$110,000.00 – Budgeted – Human Resources Director Emery/Personnel Committee)

Each of the Directors expressed their opinions for filling or not filling the Public Affairs Director position after which Human Resources Director Emery stated that the Board needs to determine its goals regarding the Strategic Plan, and the Public Affairs Director assists the Board in moving the Plan forward; that public relations firms are very effective for specific jobs; but that if an overall District presence in the community is the direction of the Board, this is specialized and requires a great deal of expertise and an incredible amount of knowledge on the operations of a water utility.

General Manager LaMoreaux then reviewed the positive impact on the District made by the Public Affairs Director position and the importance of maintaining communication with the District's customers and other stakeholders in the Antelope Valley and recommended the Public Affairs Director position be filled.

After a further discussion of the Public Affairs Director position, the pros and cons of filling the position, the skill set of the Public Affairs Specialist, showcasing the District's accomplishments, analyzing other options for this position, and finding someone qualified to fill the position, it was moved by Director Mac Laren and seconded by

Director Dino to approve the job description and recruitment of the Public Affairs and Sustainability Director position and revise the title to Public Affairs Director.

Ms. Joanne Granai, Palmdale resident, stated that she is tired of the bad information that comes out about the District; that the one good thing that came from the District on a consistent basis was the work of former Public Affairs & Sustainability Director McNutt; that he earned every penny making the District look better and reached out to the public; and that the Public Affairs Director position is a vital part of this agency and absolutely needs to stay.

Ms. Alisha Semchuck, Antelope Valley Press, then stated that a public relations person and a public information officer are not interchangeable with a public relations person promoting and a public information officer giving out information; that if any one of the Board members are asked a question they might each provide different answers; that if a public information officer is a point person, there are consistent answers, which builds trust; and that if the Board is looking for trust, that is what the Board wants.

The motion then carried on a 3 – 2 vote, with Directors Henriquez and Estes opposed.

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 Water Supply Assessment for Draft Environmental Impact Report for the City of Palmdale Transit Oriented Development Overlay Zone Project. (No Budget Impact – Assistant General Manager Knudson)

Assistant General Manager Knudson provided an overview of the area of the City of Palmdale's Transit Oriented Development Overlay Zone Project and their request for a Water Supply Assessment for their draft Environmental Impact Report, and after a brief discussion of this Project, the completion date of the District's Urban Water Management Plan, the District's planning efforts to be able to issue Water Supply Assessments for large City projects, and the expiration of the Water Supply Assessment, it was moved by Director Henriquez, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to approve the Water Supply Assessment for the Draft Environmental Impact Report for the City of

Palmdale Transit Oriented Development Overlay Zone Project with the correct date for adoption of the District's Urban Water Management Plan.

7.2) Consideration and Possible Action on Proposal Received From the Mathis Consulting Group for Training for Cultural Improvements in 2017-2018. (\$20,000.00 – Budgeted – General Manager LaMoreaux)

General Manager LaMoreaux provided an overview of the services proposed by the Mathis Consulting Group, and after a brief discussion of the cost and work included in the proposal, 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 approve the proposal received from the Mathis Consulting Group for training for cultural improvements in 2017-2018 in the amount of \$20,000.00.

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 2017 Budget:

- a) **Antelope Valley Hispanic Chamber of Commerce 20th Year Anniversary and Installation Gala to be held March 10, 2017 in Lancaster.**
- b) **The Copywriter's Workshop to be held March 22 – 23, 2017 in Ventura.**
- c) **Netcom Learning Training Courses to be held March 27 – April 2, 2017 in Las Vegas, Nevada.**

After a brief discussion of these conferences, it was moved by Director Estes, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve Board and staff attendance at the following conferences, seminars, and training sessions within budget amounts previously approved in the 2017 budget: Antelope Valley Hispanic Chamber of Commerce 20th Year Anniversary and Installation Gala to be held March 10, 2017 in Lancaster; The Copywriter's Workshop to be held March 22 – 23, 2017 in Ventura; and Netcom Learning Training Courses to be held March 27 – April 2, 2017 in Las Vegas, Nevada.

7.4) Consideration and Possible Action on Resolution No. 17-5 for Employer Paid Member Contributions for CalPERS. (Human Resources Director Emery)

After a brief discussion of Resolution No. 17-5, 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 approve Resolution No. 17-5 for Employer Paid Member Contributions for CalPERS.

A copy of Resolution No. 17-5 is hereby made a portion of the minutes of this meeting.

8) Information Items:

8.1) Reports of Directors:

a) Meetings/General Report.

Director Dino reported that on December 21, 2016 he attended the Palmdale Recycled Water Authority meeting; that also on December 21, 2016, he attended the District's All-Hands Luncheon; that on January 17, he attended the AVEK Board meeting; that on January 18, he attended the Palmdale Recycled Water Authority meeting; that on January 23, he attended the Mojave Water Agency tour, and there is a lot of history with this tour; that on January 24, he attended a Board briefing with General Manager LaMoreaux; that on January 25, he is attending the Palmdale Water District Board meeting; and that on January 31, he will be attending the AVEK Board meeting.

Director Mac Laren reported that on January 12, she attended the Antelope Valley State Water Contractors Association meeting; that on January 18, she attended the Palmdale Recycled Water Authority meeting where she was elected Chair; that on January 23, she attended the Mojave Water Agency tour, it made her realize the responsibility of the Antelope Valley Watermaster, how the decisions the Antelope Valley Watermaster makes will affect the Antelope Valley groundwater basin as a whole, and their legacy for keeping the groundwater basin in good health; and that also on January 24, she attended a Board briefing with General Manager LaMoreaux.

Director Henriquez reported that on January 24, he attended a Board briefing with General Manager LaMoreaux; that unfortunately he was unable to attend the Mojave Water Agency tour but looks forward to reviewing the information from the tour; and that the tour helped provide guidance to the Antelope Valley Watermaster.

Director Estes reported that on January 10, he attended a Board briefing with General Manager LaMoreaux; that on January 13, he attended the Palmdale Chamber of Commerce Installation Dinner; that on January 18, he attended the Palmdale Chamber

of Commerce luncheon; that on January 23, he attended the Mojave Water Agency tour, they have been through the trials and tribulations the Antelope Valley is about to face, the main takeaway from the tour is to learn to trust each other, and he requested their manager provide copies of the information distributed during the tour to General Manager LaMoreaux to share with all Board members; and that on January 24, he attended a Board briefing with General Manager LaMoreaux.

President Alvarado reported that January 12, he attended the Antelope Valley State Water Contractors Association meeting, where Rob Parris was elected Chair; that on January 13, he attended the Palmdale Chamber of Commerce Installation Dinner where he and Directors Dino and Estes presented the outgoing chair with a Certificate of Appreciation on behalf of the District; that on January 17, he attended an agenda review and approval meeting with General Manager LaMoreaux and Executive Assistant Deans; that on January 18, he attended the Palmdale Recycled Water Authority meeting and congratulated Director Mac Laren as Chair; that on January 23, he attended the Mojave Water Agency tour where they were able to gain a lot of knowledge and viewed all stations on the tour; that on January 24, he attended a Board briefing with General Manager LaMoreaux; and that on January 31, he will be attending a meeting with Dr. Mathis regarding planning for 2017.

b) Standing Committee/Assignment Reports (Chair):

1) AVSWCA

2) PRWA

President Alvarado stated that reports on these meetings were provided earlier in the meeting.

8.2) Report of General Manager.

a) January, 2017 Written Report of Activities Through December, 2016.

General Manager LaMoreaux reported that his written report is included with the agenda packets if there are any questions.

He then reported that the State Water Resources Control Board conducted a workshop on January 18; that many water agencies urged that mandatory water use

restrictions be relaxed due to the large amount of rain, but they are not willing to relax these restrictions; that they will conduct a hearing on February 7 but have indicated action would be postponed until April or May to assess the condition of the drought statewide; that agencies are hoping to be able to recalculate, re-self-certify usage, and adjust their own regulations; and that it is hoped that the drought surcharge fee and water waste restrictions can soon be brought to the full Board for consideration as customers have done really well with water conservation saving an overall 23.6% since June, 2015 bringing the District's total water use reduction to over 43% below the baseline number for 2020 calculations.

He then reported that precipitation for Northern California is near last year's total rainfall; that Littlerock Dam continues to fill and may spill with snow run-off; that the District's State Water Project allocation has increased from 45% to 60%, or nearly 19,000 acre foot of water; and that this shows the importance of the Palmdale Regional Groundwater Recharge & Recovery Project for banking State Water Project water to blend with recycled water.

He then reported that leaks are somewhat higher for 2016; that staff will continue to work on replacement projects as funds allow; and that the State Water Resources Control Board is reviewing water loss on systems, and the District is within their 8 – 10% water loss range followed by discussion of the District's water waste fines and restrictions, tours and media coverage of Littlerock Dam in the event it spills, financing the Littlerock Dam grade control structure through Holman Capital, and the emergency repair on Well No. 18.

He then provided an overview of Title 22 Report requirements for the Palmdale Regional Groundwater Recharge & Recovery Project and stated that a meeting with the agencies involved in the Title 22 Report is scheduled for Monday where draft comments on the Report will be reviewed and a site tour will be conducted.

8.3) Report of General Counsel.

General Counsel Dunn stated that he has no report.

9) Board Members' Requests for Future Agenda Items.

Director Estes requested the District's Certificates of Appreciation be larger and nicer than those included in Article 4 of the District's Rules and Regulations.


Director Dino requested a presentation be made on how the District's water is treated.

President Alvarado requested a full presentation on the Title 22 Report for the Palmdale Regional Groundwater Recharge & Recovery Project.

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 9:02 p.m.


Secretary

RESOLUTION NO. 17-4

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
PALMDALE WATER DISTRICT
DECLARING ITS OFFICIAL INTENT
TO REIMBURSE CERTAIN EXPENDITURES
FROM THE PROCEEDS OF DEBT**

WHEREAS, the Palmdale Water District (the “District”) intends to pay the costs of upgrading its existing software, hardware and security system (the “project costs”);

WHEREAS, the District anticipates that it will issue debt obligations in the form of a loan agreement the payments under which would contain a separately stated interest component for the purpose of financing the project costs on a long-term basis;

WHEREAS, the District’s obligations under the loan agreement will be considered debt for federal income tax purposes;

WHEREAS, the maximum principal amount of such debt expected to be issued to finance the project costs is \$830,000.00;

WHEREAS, the District expects to pay certain project costs prior to the issuance of the debt obligations; and

WHEREAS, in order to obtain favorable treatment of expenditures of proceeds of the debt obligations used to reimburse the District’s prior expenditures, Treasury Regulations section 1.150-2 requires the District to declare its official intent to reimburse such prior project costs expenditures with proceeds of debt;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Palmdale Water District as follows:

1. Findings. The Board hereby finds and determines that the foregoing recitals are true and correct.

2. Official Intent. The District hereby states that it reasonably expects to reimburse its expenditures on project costs with proceeds of debt to be incurred by the District. The foregoing statement is a declaration of official intent that is made under and only for the purpose of establishing compliance with the requirements of Treasury Regulations section 1.150-2. This resolution does not bind the District to make any expenditure of project costs or to incur any debt for the project costs.

3. Additional Acts. The officers of the District, and each of them individually, are hereby authorized and directed, to do any and all things and to execute, deliver and perform any and all agreements and documents that they deem necessary or advisable in order to effectuate the purposes of this resolution. All actions heretofore taken by the officers of the District that are in conformity with the purposes and intent of this resolution are hereby ratified, confirmed and approved in all respects.

4. Effective Date. This resolution shall take effect from and after its adoption.

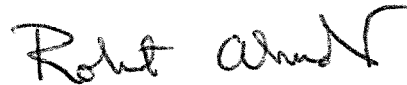
ADOPTED on January 25, 2017, by the following vote:

AYES: President Alvarado, Directors Dino, Henriquez, Estes,
and Mac Laren

NOES: None

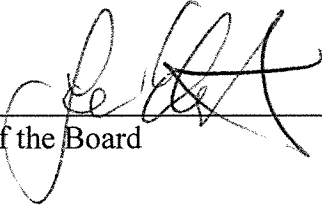
ABSTAIN: None

ABSENT: None



President of the Board

ATTEST:



Secretary of the Board

APPROVED AS TO FORM:



General Counsel
ALESHIRE & WYNDER, LLP

**RESOLUTION NO. 17-5
FOR EMPLOYER PAID MEMBER CONTRIBUTIONS**

WHEREAS, the governing body of the Palmdale Water District has the authority to implement Government Code Section 20691;

WHEREAS, the governing body of the Palmdale Water District has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer;

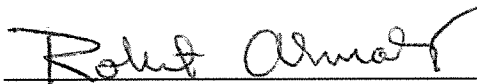
WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the Palmdale Water District of a Resolution to commence said Employer Paid Member Contributions (EPMC);

WHEREAS, the governing body of the Palmdale Water District has identified the following conditions for the purpose of its election to pay EPMC:

- This benefit shall apply to all employees of the Palmdale Water District.
- This benefit shall consist of paying 2.67 percent of the normal member contributions as EPMC.
- The effective date of this Resolution shall be January 25, 2017.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Palmdale Water District elects to pay EPMC, as set forth above.

BY:



Name of Official

President, Board of Directors
Title

January 25, 2017

Date adopted and approved

APPROVED AS TO FORM:

BY:



ALESQUIRE & WYNDER, General Counsel