

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, OCTOBER 8, 2014:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, October 8, 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) Pledge of Allegiance.

President Mac Laren led the pledge of allegiance.

2) 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
Bill Wynder, Attorney
Matt Knudson, Assistant General Manager
Mike Williams, Finance Manager
Mike McNutt, PIO/Conservation Director
Jennifer Emery, Human Resources Director
Tim Moore, Facilities Manager
Mynor Masaya, Operations Manager
Jon Pernula, Water & Energy Resources Dir.
Dennis Hoffmeyer, Senior Accountant
Kelly Jeters, Systems Supervisor
Peter Thompson, Project Manager
Bob Egan, Financial Advisor
Dawn Deans, Executive Assistant
5 members of the public

3) Adoption of Agenda.

It was moved by Director Dino, seconded by Director Alvarado, 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) Certificate of Appreciation to Assistant Customer Service Supervisor Hernandez for Spanish Translation at September 17 Special Board Meeting. (Director Dizmang)

Director Dizmang thanked Assistant Customer Service Supervisor Hernandez for her Spanish translation at the September 17 Special Board Meeting Rate Hearing and stated that she did an excellent job, some public comments were not kind, she is to be commended for her composure at the meeting, and she did a great job and deserves recognition after which Finance Manager Williams accepted the certificate on behalf of Assistant Customer Service Supervisor Hernandez, and the Board expressed their thanks.

6) Action Items – Consent 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.)

6.1) Approval of Minutes of Special Meeting Held September 17, 2014.

6.1) Approval of Minutes of Regular Meeting Held September 24, 2014.

6.2) Payment of Bills for October 8, 2014.

President Mac Laren announced the items included in the Consent Calendar after which it was moved by Director Dizmang, 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.

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) Status Report on Cash Flow Statement and Current Cash Balances as of August 31, 2014. (Financial Advisor Egan/Finance Committee)

Financial Advisor Egan reviewed the investment funds and cash flow reports as of August 31, 2014 and overall cash increase due to assessments, water sales, and a slight decrease in operating expenses; expenditures projected to be carried into 2015 and the effect on the year-end balance; and anticipated assessments through year-end followed by discussion of redevelopment agency funds and the debt service coverage

required for meeting bond obligations, and it was determined that Financial Advisor Egan provide debt service coverage reports in future monthly reports.

7.2) Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for August 31, 2014. (Finance Manager Williams/Finance Committee)

Finance Manager Williams reviewed 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 August 31, 2014, along with the graphic presentations for these reports, and then stated that some departments are above the targeted expenditure percentage of 66%, but no expenditures are out of the ordinary.

7.3) Status Report on Committed Contracts Issued and Water Revenue Bond Projects. (Assistant General Manager Knudson/Finance Committee)

Assistant General Manager Knudson reviewed the status of engineering projects included in the Committed Contracts and Payout Schedule, including those projects contractually committed, budgeted projects, payments projected into 2015 and payments for projects funded from the Water Revenue Series 2013A Bonds.

7.4) Consideration and Possible Action on Resolution No. 14-17 Being a Resolution in Support of Proposition 1 – The Water Quality, Supply and Infrastructure Improvement Act of 2014. (PIO/Conservation Director McNutt)

PIO/Conservation Director McNutt provided a detailed overview of Proposition 1– The Water Quality, Supply and Infrastructure Improvement Act of 2014, the purpose for Proposition 1, and the local impact from the drought after which 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 adopt Resolution No. 14-17 Being a Resolution in Support of Proposition 1 – The Water Quality, Supply and Infrastructure Improvement Act of 2014.

A copy of said Resolution No. 14-17 is hereby made a portion of the minutes of this meeting.

7.5) Consideration and Possible Action on Award of Contract for Meter Procurement for Upcoming Meter Replacement Project Tabled From September 24, 2014 Board Meeting. (\$877,000.00 –Budgeted – Assistant General Manager Knudson)

Assistant General Manager Knudson addressed the Board's concerns regarding Zenner meters and staff's recommendation to award a contract for meter procurement for the upcoming meter replacement project to Inland Water Works Supply Company, and after a brief discussion of the proposal and the meters, it was moved by Director Alvarado, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to award a contract to Inland Water Works Supply Company in the not-to-exceed amount of \$512,402.46 for the supply and delivery of cold water meters multi-jet type under Specification No. 1403.

The Board then thanked staff for their additional research on this item.

7.6) Consideration and Possible Action on Board and Staff Attendance at Conferences, Seminars, and Training Sessions as Follows:

a) Configuring and Managing the Multiuser Geodatabase Conference to be Held November 17 – 19, 2014 in Broomfield, Colorado.

After a brief review of the conferences, seminars, and training sessions presented, it was moved by Director Dizmang, 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 conferences, seminars, and training sessions as follows: Configuring and Managing the Multiuser Geodatabase Conference to be Held November 17 – 19, 2014 in Broomfield, Colorado.

8) Information Items.

8.1) Reports of Directors:

a) Meetings/General Report.

Director Dino reported that on September 29, he completed his last CSDA Special District Leadership Academy course in Palm Springs, the course was very good, and the instructor was fantastic; that on October 2, he attended an adjudication meeting at AVEK with Director Dizmang and Assistant General Manager Knudson, the meeting was very informative, and more meetings will be held; that on October 6, he attended a Board

briefing with General Manager LaMoreaux; and that also on October 6, he attended the Finance Committee meeting with Director Dizmang where they heard the reports provided earlier this evening.

Director Dizmang stated that her report will also include Committee reports and then stated that on September 26, she attended a candidate debate between Steve Fox and Tom Lackey; that on October 2, she attended an emergency adjudication meeting at AVEK with Director Dino and Assistant General Manager Knudson, matters were resolved, and additional meetings will be scheduled; that on October 6, she attended the Finance Committee meeting with Director Dino where they discussed the reports provided earlier this evening, the Level Pay Plan, which will be revisited mid-2015, the refund and credit procedure for customers who paid in 2014 to downsize their 1" meters, the draft 2015 budget, and the service cost comparison with other agencies, which is being revised to match as best as possible with other agencies; that on October 7, she attended the Outreach Committee meeting with Director Estes where they discussed the District's new newsletter, The Pipeline, the consolidation of rebate application forms for better efficiency, with the exception of the Cash for Grass Program, the development of a Customer Advisory Committee, the Spanish translation of the District's forms and publications where staff was directed to schedule an editorial meeting with the Spanish media to enlist their assistance with providing information to the ratepayers, webinars and video production, hosting a Saturday information day will be discussed at the next meeting, and the new website is live; and that on also on October 7, she attended the Antelope Valley Hispanic Chamber of Commerce luncheon, which was interesting.

Director Alvarado reported that on October 7, he attended a Board briefing with General Manager LaMoreaux.

Director Estes reported that on October 1, he attended the City of Palmdale Council meeting; that on October 2, he attended a meeting with Legal Counsel regarding Board Norms; that on October 6, he attended a Board briefing with General Manager LaMoreaux; that on October 7, he attended the Outreach Committee meeting with Director Dizmang; and that today is his son's 13th birthday.

President Mac Laren reported that on October 8, she had a telephone briefing with General Manager LaMoreaux.

There were no further reports from Directors.

- b) **Standing Committee/Assignment Reports (Chair):**
- 1) **Facilities Committee**
 - 2) **Finance Committee**
 - 3) **Personnel Committee**
 - 4) **Outreach Committee**
 - 5) **Water Supply & Reliability Committee**
 - 6) **Antelope Valley State Water Contractors Association**
 - 7) **Palmdale Recycled Water Authority**

It was stated that the Facilities Committee will meet tomorrow, Director Dizmang reported earlier on the Finance and Outreach Committee meetings, the Personnel Committee will meet later this month, the Water Supply & Reliability Committee will meet later this month, and the Antelope Valley State Water Contractors Association will meet tomorrow after which General Manager LaMoreaux stated that the Palmdale Recycled Water Authority will not meet in October as discussions on recycled water allocations are continuing and the Recycled Water Master Plan has just begun the CEQA circulation process.

8.2) Report of General Manager.

a) Results of Energy-Saving Measures. (Water & Energy Resources Director Pernula)

Water & Energy Resources Director Pernula provided a detailed overview of the status of the District's energy saving programs, the District's efforts to reduce electricity and gas costs, how the drought affects these costs due to additional groundwater pumping, Southern California Edison rate increases, potential savings from the recent lighting change-out, and actual savings from the wind turbine and the hydroelectric turbine followed by discussion of an invitation to visit the I.S.O. and tracking savings as recommended in the State Controller's audit.

General Manager LaMoreaux then reported that regarding efficiencies, renewables, and in the interest of knowledge sharing, Assistant General Manager Knudson presented information to an AVEK Board Committee regarding the District's wind and hydroelectric turbines as AVEK is now interested in renewable projects.

He then reported that he attended the C.S.D.A. Annual Conference, awards were presented for Districts of Distinction, Transparency, and completion of the Governance Program, and he will prepare a summary of the presentations from the Conference.

He then reported that a copy of the 2014 Monthly Per Capita Water Use and Goal Chart has been distributed this evening which indicates customers are responding to the drought message as per capita usage is 16% below the per capita usage for 2013.

After discussion of the changes to the rate structure, General Manager LaMoreaux stated that the rate structure will be advertised over the next few months so customers are fully informed of the changes.

He then reported that 50% of Southern California Edison Company's Palmdale customers participate in their C.A.R.E. Program and that this indicates that the District may receive a large number of applications for the Rate Assistance Program.

8.3) Report of Attorney.

Attorney Wynder stated that he has no report.


12) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

Director Alvarado stated that the Spanish La Prensa Magazine published a front page article profiling the Directors and explaining the Rate Assistance Program and that the District is the only water agency advocating for low income residents.

13) Adjournment.

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



Secretary

RESOLUTION NO. 14-17
A RESOLUTION OF THE BOARD OF DIRECTORS
OF PALMDALE WATER DISTRICT
IN SUPPORT OF PROPOSITION 1 – THE WATER QUALITY, SUPPLY
AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014

WHEREAS, California is in a severe, multi-year drought and faces a growing list of challenges associated with aging infrastructure, climate change, population growth and other factors; and

WHEREAS, water managers and top leaders including Governor Jerry Brown agree that we need a comprehensive, statewide water plan to create a more resilient water system and meet the coequal goals of improved water supply reliability and ecosystem health; and

WHEREAS, the Legislature has approved and Governor Brown has signed the Water Quality, Supply and Infrastructure Improvement Act of 2014, which will appear as Proposition 1 on the November 4 ballot and provide much-needed funding to advance a statewide comprehensive water plan to secure our water future; and

WHEREAS, if approved by voters, the measure would provide \$7.545 billion in bond funding for new surface and groundwater storage projects, regional water reliability, sustainable groundwater management and cleanup, water recycling, water conservation, watershed protection and safe drinking water, particularly for disadvantaged communities, and other programs the Association of California Water Agencies and its members have long advocated as a part of a statewide comprehensive plan; and

WHEREAS, ACWA's Board of Directors voted unanimously to formally support Proposition 1 in a special meeting on August 19.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Palmdale Water District formally supports Proposition 1, the Water Quality, Supply and Infrastructure Improvement Act of 2014 on the November ballot.

PASSED AND ADOPTED on this 8th day of October, 2014 by the Board of Directors, the governing body of the Palmdale Water District.

PALMDALE WATER DISTRICT


KATHY MAC LAREN, President

ATTEST:



JOE ESTES, Secretary

APPROVED AS TO FORM:

By: 

Aleshire & Wyndet, General Counsel