

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, NOVEMBER 8, 2017:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, November 8, 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 6:00 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, law enforcement, and the victims of the Texas shooting.

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
Eric Dunn, General Counsel
Mike Williams, Finance Manager
Judy Shay, Public Affairs Director
Jim Riley, Engineering/Grant Manager
Tim Moore, Facilities Manager
Jennifer Emery, Human Resources Director
Jim Stanton, Information Technology Manager
Mynor Masaya, Operations Manager
Jon Pernula, Water and Energy Resources Dir.
Tara Peuse, Customer Care Supervisor
Laura Gallegos, Public Affairs Specialist
Bob Egan, Financial Advisor
Dawn Deans, Executive Assistant
5 members of the public

3) Adoption of Agenda.

It was moved by Director Estes, 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.

Mr. David Palmer, Palmdale resident, stated that the weight of the Salton Sea created earthquakes and recommends Littlerock Reservoir not be filled to maximum capacity as the weight may create earthquakes along the San Andreas Fault.

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 October 25, 2017.

6.2) Payment of Bills for November 8, 2017.

6.3) Approve Absences of Director Mac Laren Due to Vacation and Director Estes Due to a Personal Training Conference From October 25, 2017 Meeting. (General Manager LaMoreaux)

6.4) Approval of Amendment No. 2 to the Agreement Between Palmdale Water District and Butte County for a 10-Year Extension of Long-Term Lease of a Portion of Butte County's State Water Project Table A Water Supply From Years 2021 to 2031. (Water and Energy Resources Director Pernula)

President Alvarado announced the items included in the Consent Calendar after which it was moved by Director Estes and seconded by Director Dino to approve those items included in the Consent Calendar.

Director Mac Laren then requested Agenda Item No. 6.1 be pulled from the Consent Calendar for separate consideration, and Director Henriquez requested Agenda Item No. 6.4 be pulled from the Consent Calendar for additional clarification.

Director Estes then amended his motion, Director Dino amended his seconded, and it was unanimously carried by all members of the Board of Directors present at the meeting to approve Agenda Item No.'s 6.2 and 6.3 of the Consent Calendar with Agenda Item No.'s 6.1 and 6.4 pulled from the Consent Calendar for separate consideration.

6.1) Approval of Minutes of Regular Meeting Held October 25, 2017.

It was moved by Director Henriquez, seconded by Director Dino, and carried on a 3 – 0 – 2 vote, with Directors Mac Laren and Estes abstaining, to approve the minutes of the regular meeting held October 25, 2017.

6.4) Approval of Amendment No. 2 to the Agreement Between Palmdale Water District and Butte County for a 10-Year Extension of Long-Term Lease of a Portion of Butte County's State Water Project Table A Water Supply From Years 2021 to 2031. (Water and Energy Resources Director Pernula)

General Manager LaMoreaux provided an overview of Amendment No. 2 to the District's Agreement with Butte County and the renegotiation of this Agreement after which 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 Amendment No. 2 to the Agreement between Palmdale Water District and Butte County for a 10-Year Extension of the Long-Term Lease of a Portion of Butte County's State Water Project Table A Water Supply From Years 2021 to 2031.

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 2018 Budget. (General Manager LaMoreaux/Finance Manager Williams/Finance Committee)

Finance Manager Williams stated that the 2018 Budget is based on the Strategic Plan, Finance Committee recommendations, and long-range planning with the District heading in a financially sound direction and then provided a detailed overview of the 2018 Budget including projected water sales and operating revenue, personnel costs, overall operating expenses, and projected operational increases by department.

The proposed increase in the Director's budget and the previous Director's budget was briefly discussed after which Director Mac Laren and Director Dino stated that they do not support a \$5,000.00 increase in the Director's budget.

Finance Manager Williams then continued his detailed overview of the 2018 Budget including plant expenditure projects, the effect of increases and carry-over projects on projected cash flow and reserves, and a summary of needed projects and funds available for new projects.

Financial Advisor Egan then stated that monthly and quarterly financial reports allow the Board to monitor the budget and recommended that capital projects be closely watched and cash reserves be maintained at a minimum of \$10 million followed by discussion of requested department equipment, 2017 projected year-end cash, capital improvement fees, projected revenue from water sales, maintaining reserves, and the benefits of long-term planning.

It was then 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 2018 Budget, with the exception of the Director's budget, followed by discussion of the operation and repair of the wind turbine.

After a further discussion of the Director's budget, 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 table discussion of the Director's budget to the Strategic Plan Workshop scheduled for November 14, 2017.

7.2) Consideration and Possible Action on Cancellation of the Second Regular Board Meeting in December. (General Manager LaMoreaux)

After a brief discussion of the office closure in December, it was moved by Director Henriquez, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to cancel the second Regular Board Meeting in December.

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) **2018 Succession Planning Event to be Held April 11 – 12, 2018 in Atlanta, Georgia.**

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 authorize the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2017 Budget: 2018 Succession Planning Event to be held April 11 – 12, 2018 in Atlanta, Georgia.

8) Information Items:

8.1) Reports of Directors:

a) Meetings/General Report.

Director Dino reported that on November 7, he attended a Board briefing with General Manager LaMoreaux regarding tonight's meeting and that on November 8, he is attending the Palmdale Water District Board meeting.

Director Mac Laren reported that on November 8, she attended a Board briefing with General Manager LaMoreaux regarding tonight's meeting and that also on November 8, she is attending the Palmdale Water District Board meeting.

Director Henriquez reported that on October 26, he attended the Antelope Valley State Water Contractors Association meeting where they discussed AVEK's Westside Water Bank project, and he recommends a tour of this water bank and that on November 7, he attended a Board briefing with General Manager LaMoreaux regarding tonight's meeting.

Mr. Keith Dyas, AVEK Director, stated that AVEK would be pleased to provide a tour of their Westside Water Bank.

Director Estes stated that on November 8, he is attending the Palmdale Water District Board meeting and that he attended the following non-District related meeting: a veteran's housing conference during the week of October 25.

President Alvarado reported that on November 1, he attended an agenda review and approval meeting; that on November 6, he attended a telephone agenda review and approval meeting for the Strategic Plan Workshop; and that on November 7, he attended a Board briefing with General Manager LaMoreaux regarding tonight's meeting.

President Alvarado then stated that he is now the District's Fin & Feather Club Liaison and that he discussed this change with Director Henriquez.

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

1) None.

There were no further reports on Standing Committee/Assignments.

8.2) Report of General Manager.

General Manager LaMoreaux stated that the Strategic Plan Workshop is scheduled for November 14, 2017 at 4:00 p.m. followed by discussion of providing dinner at the meeting.

He then reported that he and Public Affairs Director Shay attended a recent Juniper Hills Town Council meeting to address their concerns about being within the District's boundaries, voting in the District's election, and hauled water for their area after which Director Estes requested a meeting with General Manager LaMoreaux to further discuss this matter as the Juniper Hills area is within his division.

General Manager LaMoreaux then reported that there have been 76 water leaks through September, 2017.

8.3) Report of General Counsel.

General Counsel Dunn reported that they are working on a water hauling agreement for the Juniper Hills area; that he may have a legislative report at the next meeting; and then apologized for being late to the meeting.

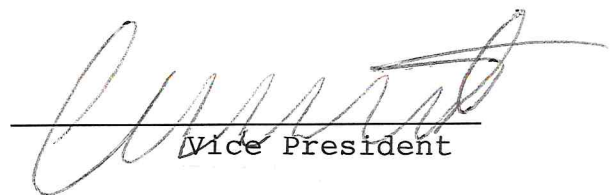
9) Board Members' Requests for Future Agenda Items.

Director Mac Laren requested future agenda items for "Consideration and possible action on reorganization of the Board of Directors" and "Discussion on conducting a Board Performance Assessment including the transition for the new Board President."

There were no further requests for future agenda items.

10) Adjournment.

There being no further business to come before the Board, the meeting was adjourned at 7:37 p.m.


Vice President