MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, FEBRUARY 24, 2020:

A regular meeting of the Board of Directors of the Palmdale Water District was held Monday, February 24, 2020, 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 Alvarado 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	Eric Dunn, General Counsel
Gloria Dizmang, Treasurer	Adam Ly, Assistant General Manager
Don Wilson, Secretary	Mike Williams, Finance Manager
Robert Alvarado, Assistant Secretary	Judy Shay, Public Affairs Director
	Scott Rogers, Engineering/Grant Manager
	Chris Bligh, Facilities Manager
	Claudia Bolanos, Resource & Analytics Supervisor
	Dawn Deans, Executive Assistant
	1 member of the public

3) Adoption of Agenda.

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 adopt the agenda, as written.

4) Public Comments for Non-Agenda Items.

There were no public comments for non-agenda items.

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 February 10, 2020.

6.2) Payment of Bills for February 24, 2020.

6.3) Approval to Declare District Equipment as Surplus and Offering Same for Sale and/or Lease Returns. (Potential Revenue – Facilities Manager Bligh/Resource and Facilities Committee)

President Dino announced the items included in the Consent Calendar after which 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 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 Update to the District's Standard Specifications for Water Distribution Construction. (No Budget Impact – Engineering/Grant Manager Rogers/Resource and Facilities Committee)

Engineering/Grant Manager Rogers provided an overview of proposed revisions to the Standard Specifications, and after a brief discussion, it was moved by Director Dizmang, seconded by Director Wilson, and unanimously carried by all members of the Board of Directors present at the meeting to approve the update to the District's Standard Specifications for Water Distribution Construction.

7.2) Consideration and Possible Action on Award of Contract for a Well Rehabilitation Prioritization Program to Kyle Groundwater. ($139,992.00 – Budgeted – Budget Line Item No. 1-02-5070-007 – Engineering/Grant Manager Rogers/Resource and Facilities Committee)

Engineering/Grant Manager Rogers provided an overview of the Well Rehabilitation Prioritization Program, and after a brief discussion, it was moved by Director Alvarado, seconded by Director Mac Laren, and unanimously carried by all

members of the Board of Directors present at the meeting to award a contract for a Well Rehabilitation Prioritization Program to Kyle Groundwater in the not-to-exceed amount of $139,992.00.

7.3) Consideration and Possible Action on Approval of Resolution No. 20-4 Being a Resolution of the Board of Directors of the Palmdale Water District Approving an Amendment to Appendix M – Bid Procurement and Change Order Policy of the Palmdale Water District's Rules and Regulations. (No Budget Impact – Engineering/Grant Manager Rogers/Resource and Facilities Committee)

Engineering/Grant Manager Rogers provided an overview of proposed revisions to Appendix M, including electronic bidding and updated dollar amounts, and after a brief discussion, it was moved by Director Dizmang, seconded by Director Mac Laren, and unanimously carried by all members of the Board of Directors present at the meeting to approve Resolution No. 20-4 being a Resolution of the Board of Directors of the Palmdale Water District Approving an Amendment to Appendix M – Bid Procurement and Change Order Policy of the Palmdale Water District's Rules and Regulations.

Resolution No. 20-4 is hereby made a portion of the minutes of this meeting.

7.4) Consideration and Possible Action on Updates to Water Use Efficiency Rebate Programs Including the Implementation of a New Smart Controller Rebate program and Increases to the Rebate Amounts for the Current High Efficiency Toilet Rebate and High Efficiency Clothes Washer Rebate Programs. (Budgeted Under Department Rebate Programs – Resource and Analytics Supervisor Bolanos/Resource and Facilities Committee)

Resource and Analytics Supervisor Bolanos provided an overview of the proposed Smart Controller Rebate Program and increases to existing rebate programs, and after a brief discussion, 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 updates to the District's Water Use Efficiency Rebate Programs including the implementation of a new Smart Controller Rebate Program and increases to the rebate amounts for the High Efficiency Toilet Rebate Program from $60 to $100 and for the High Efficiency Clothes Washer Rebate Program from $100 to $150.

7.5) 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 2020 Budget:

a) None at This Time.

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

8) Information Items:

8.1) Finance Reports:

a) Status Report on Cash Flow Statement and Current Cash Balances as of December 2019. (Financial Advisor Egan/Finance Committee)

Finance Manager Williams provided an overview of the Investment Funds Report through December 2019, including the increase in cash due to assessments, capital improvement fees received, and interest income and the decrease due to a transfer to the Rate Stabilization Fund, and then reviewed the cash flow statement, including receipts for water sales, the scheduled Butte payment, carry-over projects, and the increased year-end balance.

b) Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for December 2019. (Finance Manager Williams/Finance Committee)

Finance Manager Williams reviewed in detail the balance sheet, profit and loss statement and trends, and revenue and expense analysis reports for the period ending December 2019 and stated that most departments are operating at or below the targeted expenditure percentage of 100% with the exception of Engineering, Operations, and Human Resources and stated that the reports indicate the District's financial position is stable.

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

Finance Manager Williams provided an overview of the Contractual Commitments and Needs 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 the summary of Water Revenue Bond Series 2018A payouts through December 2019.

d) Other Financial Items Including Payment Transactions, Billing and Collection Statistics, Accounts Receivable Aging Report, Revenue Projections, and the Rate Assistance Program Status. (Finance Manager Williams/Finance Committee)

Finance Manager Williams provided an overview of payment transactions by type, billing and collection statistics, the accounts receivable aging report as of December 31, 2019, revenue projections, and the number of participants in the Rate Assistance Program followed by discussion of a potential shift in manpower due to the implementation of SB 998, undeliverable mail issues, and clarification of the Director's budgets and reports.

8.2) Reports of Directors:

a) Meetings; Standing Committee/Assignment Reports; General Report.

Director Alvarado reported that on February 4, he attended the Palmdale Fin and Feather Club Board meeting; that on February 11, he attended the Resource and Facilities Committee meeting; that also on February 11, he attended his first Tacos at Pedro's event with Division 1 Director; that on February 12, he attended iPad Training; that on February 13, he attended a tour of the Amargosa Creek Recharge Project; that also on February 13, he attended the Antelope Valley State Water Contractors Association meeting; that on February 18, he attended the Palmdale Fin and Feather Club Board Meeting; that on February 19, he attended a conference with Dr. Mathis; that also on February 19, he attended the Palmdale Water District's Let's Talk H20 event; that on February 20, he attended a Board briefing with General Manager LaMoreaux and Assistant General Manager Ly regarding tonight's Board Meeting; that on February 24, he attended his Coffee with Division 1 Director event at Irene's Burger Café; that on February 25, he will be attending his Tacos at Pedro's event with Division 1 Director; that also on February 25, he will be attending the Outreach Committee meeting; that on February 27, he will be attending the Palmdale Recycled Water Authority meeting; and that on February 28, he will be attending the Antelope Valley Board of Trade Business Outlook Conference.

Director Mac Laren reported that on February 11, she attended the Resource and Facilities Committee meeting; that on February 12, she attended iPad Training; that on February 13, she attended a tour of the Amargosa Creek Recharge Project; that also on February 13, she attended the Antelope Valley State Water Contractors Association meeting; that on February 18, she attended the Antelope Valley Watermaster Public Water Supplier meeting; that also on February 18, she had a meeting with Dr. Mathis;

that also on February 18, she attended an AVEK meeting with a potential presidential candidate; that also on February 18, she attended the Palmdale Fin and Feather Club Board Meeting; and that on February 19, she attended the Palmdale Water District's Let's Talk H20 event.

As Chair of the Resource and Facilities Committee, she reported that the Committee discussed and reviewed items approved by the Board earlier this evening as well as several other items.

Director Dizmang reported that on February 6, she attended the Personnel Committee meeting and, as Chair, previously provided a report on this meeting; that also on February 6, she attended a Board briefing with General Manager LaMoreaux regarding the February 10 Board Meeting; that on February 10, she attended the Palmdale Water District Regular Board Meeting; that on February 13, she attended and passed Computer Security Training; that on February 18, she attended the Finance Committee meeting; that on February 20, she attended a Board briefing with General Manager LaMoreaux regarding tonight's Board Meeting; that on February 21, she attended a phone conference with Dr. Mathis; that on February 24, she is attending the Palmdale Water District Regular Board Meeting; and that on February 28, she will be attending the Antelope Valley Board of Trade Business Outlook Conference.

As Chair of the Finance Committee, she reported that Finance Manager Williams provided a report earlier this evening on items discussed at the Committee meeting and that the Committee also developed goals for 2020, which are similar to those of 2019 with the addition of maintaining transparency in the District's financial matters.

Director Wilson reported that on February 6, he attended a Board briefing with General Manager LaMoreaux regarding the February 10 Board Meeting; that on February 11, he attended the Resource and Facilities Committee meeting; that on February 12, he attended iPad Training; that on February 13, he attended the Antelope Valley State Water Contractors Association meeting; that on February 18, he attended a financial webinar presented by the District's auditor, Paul Kaymark; that also on February 18, he attended the Finance Committee meeting; that on February 20, he attended a Board briefing with General Manager LaMoreaux and Assistant General Manager Ly regarding tonight's Board Meeting; that on February 21, he had a phone conference with Dr. Mathis; that on February 25, he will be attending the Outreach Committee meeting; and that on February 28, he will be attending the Antelope Valley Board of Trade Business Outlook Conference.

President Dino reported that on February 11, he attended an AVEK Board Meeting; that on February 12, he attended an Agenda Review and Approval meeting with General Manager LaMoreaux; that on February 13, he attended the Antelope Valley State Water Contractors Association meeting; that on February 17, he attended a meeting with Dr. Mathis; that on February 18, he attended iPad Training; that on February 19, he attended and passed Computer Security Training; that on February 20, he attended a Board briefing with General Manager LaMoreaux and Assistant General Manager Ly regarding tonight's Board Meeting; that on February 24, he is attending the Palmdale Water District Regular Board Meeting; that on February 25, he will be attending an AVEK Board Meeting; and that on February 27, he will be attending the Palmdale Recycled Water Authority meeting.

8.3) Report of General Manager.

a) February 2020 Written Report of Activities Through January 2020.

General Manager LaMoreaux stated that a written report was included with the agenda packets if there are any questions on same and then reviewed highlights from the report regarding water supply, the opening of the Littlerock Reservoir area by the Forest Service, tours for members of the Friends of Littlerock Dam (FOLD) and other town council members, and three leaks for the month of January.

Based on questions from several Directors, he then stated that the state and federal government are closer to agreeing on the operations of the Delta despite comments made by President Trump regarding the Kern Friant Canal, and the manager for the State Water Contractors is scheduled to present information on the State Water Project at an upcoming meeting of the Antelope Valley State Water Contractors Association; that staff is keeping a close eye on the potential for a dry year event, and the early stages of additional notifications from the Urban Water Management Plan regarding drought may be implemented depending on water supply in April; that maintenance on Palmdale Ditch is scheduled to begin soon; that staff follows specific protocol when water waste is reported from a school site, and most schools are responsive to reports of leaks; and that staff is researching the possibility of placing a DMV-approved stamp for obtaining a Real I.D. on District envelopes.

8.4) Report of General Counsel.

General Counsel Dunn stated that he has no report.

9) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

10) Adjournment.

There being no further business to come before the Board, the meeting was adjourned at 7:20 p.m.

Secretary

RESOLUTION NO. 20-4
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT APPROVING AN AMENDMENT TO APPENDIX M – BID PROCUREMENT AND CHANGE ORDER POLICY OF THE PALMDALE WATER DISTRICT'S RULES AND REGULATIONS

WHEREAS, Appendix M – Bid Procurement and Change Order Policy of the Palmdale Water District's Rules and Regulations establishes the manner of calling for bids and letting contracts for the performance of work for the District or the acquisition of materials or equipment.

WHEREAS, the Palmdale Water District (District) would like to be more environmentally conscientious, progressive towards sustainability, and update policies adopted by the Board in 1990. Electronic bidding will achieve these goals by giving the ability to District staff to develop bids and contractors to submit bids electronically to a secure web-based bidding service. The amended policy will allow a greater efficiency in the distribution of bid documents and access to a greater number of bidders.

WHEREAS, the District would like to update Appendix M – the Bid Procurement and Change Order Policy of the District's Rules and Regulations to update the allowable cost to be more current to the worth of the dollar today. The policy is updated for work costs based upon the Construction Cost Index (CCI) as reported by the Engineering News Record (ENR) by the percentage increase of the indexes from December 1990 and December 2019.

WHEREAS, in accordance with said December 2019 CCI as reported by the ENR and as stated in said Appendix M, the General Manager shall have the authority to authorize all contracts for any work or unit of work and all acquisitions of materials or equipment estimated to cost or to have a value when completed of less than $6,000.00.

WHEREAS, in accordance with said December 2019 CCI as reported by the ENR and as stated in said Appendix M, the appropriate Board Committee shall have the authority to authorize all contracts for any work or unit of work and all acquisitions of materials or equipment having been submitted by either informal or formal bids estimated to cost or to have a value when completed of more than $6,000.00 but no more than $50,000.00.

WHEREAS, in accordance with said December 2019 CCI as reported by the ENR, except as otherwise stated in said Appendix M, all contracts for any improvement, job, construction project, or unit of work and all acquisitions of material or equipment estimated to cost or to have a value when completed in excess of $50,000.00 shall be let to the lowest responsible bidder in the manner described in said Appendix M.

NOW THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Notwithstanding any contrary provision in Article 17 of the Palmdale Water District's Rules and Regulations, the use of electronic media is authorized for any formal and informal bidding process pursuant to said Appendix M, including without limitation, submission,

identification, opening and reporting of bids electronically ("electronic bidding"; "E-Bid"), provided that it be in accordance with state law. Electronic bidding shall include measures as the District deems appropriate for security of the bidding, approval, and award processes and accurate retrieval or conversion of electronic information into a medium which permits inspection and copying. All electronic bids shall be submitted in a manner set forth in the Notice Inviting Bids and/or the bid instructions.

SECTION 2. The District may, in its sole discretion, require electronic bidding for any informal and formal bids authorized under Article 17 of the Palmdale Water District's Rules and Regulations. If the District elects to use electronic bidding, then all bids must be submitted electronically consistent with the Notice Inviting Bids and/or bid instructions. If electronic bidding is not selected, then no bids may be submitted electronically at a date, time and place.

SECTION 3. The District shall adjust said Appendix M for the allowable amounts in the policy by the percentage increase per said 2019 Construction Cost Index as reported by the Engineering News Record.

PASSED, APPROVED AND ADOPTED THIS: 24th day of February 2020.

Vincent Dino, President
Board of Directors
Palmdale Water District

Don Wilson, Secretary
Board of Directors
Palmdale Water District

APPROVED AS TO FORM:

Aleshire & Wynder. LLP
District General Counsel