

# **MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, FEBRUARY 25, 2019:**

*A regular meeting of the Board of Directors of the Palmdale Water District was held Monday, February 25, 2019, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Vincent Dino, called the meeting to order at 6:05 p.m.*

## **1) Pledge of Allegiance/Moment of Silence.**

At the request of President Dino, Director Wilson led the pledge of allegiance followed by a moment of silence.

## **2) Roll Call.**

### **Attendance:**

Vincent Dino, President  
Kathy Mac Laren, Vice President  
Marco Henriquez, Treasurer  
Don Wilson, Secretary  
Robert Alvarado, Assistant  
Secretary

### **Others Present:**

Dennis LaMoreaux, General Manager  
Adam Ly, Assistant General Manager  
Eric Dunn, General Counsel  
Mike Williams, Finance Manager  
Judy Shay, Public Affairs Director  
Chris Bligh, Facilities Manager  
Jim Riley, Engineering/Grant Manager  
Tara Rosati, Customer Care Supervisor  
Bob Egan, Financial Advisor  
Dawn Deans, Executive Assistant  
3 members of the public

## **3) Adoption of Agenda.**

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 adopt the agenda, as written.

## **4) Public Comments for Non-Agenda Items.**

There were no public comments.

## **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 11, 2019.**

**6.2) Payment of Bills for February 25, 2019.**

**6.3) Approval of Revisions to the District's Capitalization Policy. (No Budget Impact – Finance Manager Williams/Finance 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 Resolution No. 19-5 Being a Resolution of the Board of Directors of the Palmdale Water District Approving the District's Grant Application for a Landscape Water Use Efficiency Phase 2 Project Under the U.S. Bureau of Reclamation's WaterSMART Program Entitled "Small-Scale Water Efficiency Projects for Fiscal Year 2019." (Potential Revenue – Engineering/Grant Manager Riley)**

Engineering/Grant Manager Riley provided an overview of the District's phase 1 Small-Scale Water Efficiency Project grant received and Resolution No. 19-5 for Phase 2 grant funding 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 Resolution No. 19-5 being a Resolution of the Board of Directors of the Palmdale Water District Approving the District's Grant Application for a Landscape Water Use Efficiency Phase 2 Project Under the U.S. Bureau of Reclamation's WaterSMART Program Entitled "Small-Scale Water Efficiency Projects for Fiscal Year 2019."

Resolution No. 19-5 is hereby made a portion of the minutes of this meeting.

**7.2) Discussion and Possible Action on Lobbying and Marketing Efforts for District Projects. (Director Mac Laren)**

Assistant General Manager Ly informed the Board of lobbying efforts available through the Community Water System Alliance as well as marketing efforts of other agencies for obtaining support and funding for various projects, and after a brief discussion of these options and of the proposed water tax and trust, staff was directed to obtain additional information about the Community Water System Alliance and other similar groups, ensure the District's customer base is considered when researching grant funding, and provide a summary of lobbying benefits provided through the District's membership in the Association of California Water Agencies, the American Water Works Association, and the California Special Districts Association.

**7.3) Consideration and Possible Action on Outreach Activities for 2019. (Public Affairs Director Shay)**

**a) Outreach Report.**

Public Affairs Director Shay provided an overview of publications featuring the District, including AWWA's Ca-NV Section magazine, the Palmdale School District's Foundation ad, the Greater Antelope Valley Economic Alliance's annual report, and the ACWA News, and then stated that over 90,000 people were reached through the District's social media posts regarding the overflow of Littlerock Dam.

**b) Upcoming Events/2019 Plans.**

She then provided an overview of upcoming events, including Read Across America, the second annual Water Ambassador's Academy on March 13, 20, 27, and 30, the junior Water Ambassador's Academy on May 16 for sophomore and junior high school students, and the Water Summit in October.

She then stated that staff is scheduled to meet with representatives from the U.S. Forest Service and Friends of Littlerock Dam to create a community day at Littlerock Dam as the area will not be open to the public this summer.

She then stated that the District submitted its Employee Buzz newsletter and the 100<sup>th</sup> anniversary event to the California Association of Public Information Officials' awards programs and will also submit the 100<sup>th</sup> anniversary event to ACWA's Best in Blue Program.



**c) Outreach Recommendations From Directors.**

Director Alvarado stated that he appreciates the profiles of different Directors featured on social media, and Director Mac Laren requested a Coffee with Directors be scheduled.

**7.4) 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 2019 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 December 2018. (Financial Advisor Egan/Finance Committee)**

Financial Advisor Egan provided an overview of the quarterly Investment Funds Report through December 31, 2018, including higher than budgeted year-end cash, the increase in investments, the scheduled Butte payment, capital improvement funds and Department of Water Resources refunds, a withdrawal from the rate stabilization account, and the cash flow statement, including water sales, expenses, and interest income.

He then commended the Board and staff for their careful administering of the District's finances and wished Director Henriquez the best in his future endeavors.

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

Finance Manager Williams reviewed in detail 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

December 2018 and stated that most departments are operating at or below the targeted expenditure percentage of 100%.

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

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.

He then stated that the RFP for the 2019 Water Rate Study was sent on February 19 to ten firms.

**8.2) Reports of Directors:**

**a) Meetings/General Report.**

Director Alvarado reported that on January 9, he attended a Board briefing with General Manager LaMoreaux regarding the January 14 meeting; that on January 16, he attended the Antelope Valley Homeless Coalition meeting; that on February 20, he attended a Board briefing with General Manager LaMoreaux regarding tonight's meeting; and that on February 21, he attended the Palmdale Recycled Water Authority meeting.

Director Mac Laren reported that on February 12, she attended a CSDA Webinar regarding financing for capital improvement projects; that on February 14, she attended the A.V. Watermaster Public Water Suppliers meeting; that on February 19, she attended the Antelope Valley State Water Contractors Association meeting; that on February 21, she attended a Board briefing with General Manager LaMoreaux and Assistant General Manager Ly regarding tonight's meeting; that also on February 21, she attended the Palmdale Recycled Water Authority meeting; and that on February 22, she attended the Antelope Valley Board of Trade Business Outlook Conference.

Director Henriquez reported that on February 19, he attended the Antelope Valley State Water Contractors Association meeting where President Dino was appointed Vice President for the Association.

Director Wilson reported that on February 20, he attended a Board briefing with General Manager LaMoreaux and Assistant General Manager Ly regarding tonight's meeting and that on February 22, he attended the Antelope Valley Board of Trade Business Outlook Conference.

President Dino reported that on January 31, he attended an agenda review and approval meeting with General Manager LaMoreaux; that on February 12, he attended an AVEK Board meeting; that on February 13, he attended an agenda review and approval meeting with General Manager LaMoreaux; that on February 19, he attended the Antelope Valley State Water Contractors Association meeting; that on February 20, he attended a Board briefing with General Manager LaMoreaux and Assistant General Manager Ly regarding tonight's meeting; that on February 21, he attended the Palmdale Recycled Water Authority meeting; and that on February 25, he is attending the Palmdale Water District Regular Board Meeting.

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

- 1) Finance Committee**
- 2) Antelope Valley State Water Contractors Association**
- 3) Palmdale Recycled Water Authority.**

There were no further reports on Standing Committee/Assignments.

**8.2) Report of General Manager.**

**a) February 2019 Written Report of Activities Through January 2019.**

General Manager LaMoreaux stated that he submitted a written report included with the agenda packets if there are any questions; that the District's State Water Project allocation has been increased to 35%, or nearly 11,000 acre feet of water including Butte water, and the District will be adjusting its annual water production plan for the year to make the most of surface water and to continue to build ground water carryover rights; that there have been five leaks as of January 31; that rainfall is at 40.1 inches to date; that Oroville Dam is being managed with low levels resulting in a possible loss of carryover water for some agencies; and that pilot testing continues on the Big Rock Creek Joint Groundwater Recharge Project.



Director Alvarado then recommended that General Manager LaMoreaux or President Dino consider campaigning for one of the three available seats on the California Special Districts Association's Board of Directors.

**8.4) Report of General Counsel.**

**a) Update on Statewide Amendments Affecting Recycled Water Policies. (Director Alvarado)**

General Counsel Dunn stated that 2009 mandates to increase the use of recycled water by 2020 and 2030 have not been enforced; that a new policy was adopted last week removing the mandates and implementing goals to use 1.5 million acre feet a year more recycled water compared to 2002 levels by 2020 and 2.5 million acre feet more recycled water by 2030; and that better tracking, reporting, and monitoring guidelines were also added to the policy.

**b) Update on Water Tax. (Director Alvarado)**

He then reviewed the state's proposal of a water tax on all households to fund water quality and water infrastructure for disadvantaged communities and stated that Eastern Municipal Water District is leading an effort to designate funds from the state's general fund reserve towards a trust to aid disadvantaged communities rather than implementing a water tax.

**9) Board Members' Requests for Future Agenda Items.**

Director Mac Laren requested a future agenda item for "Consideration and possible action on District membership in the Palmdale Sheriff Boosters."

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 7:27 p.m.

  
Secretary

**RESOLUTION NO. 19-5**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE PALMDALE WATER DISTRICT**  
**APPROVING THE DISTRICT'S GRANT APPLICATION FOR A**  
**LANDSCAPE WATER USE EFFICIENCY PHASE 2 PROJECT UNDER**  
**THE U.S. BUREAU OF RECLAMATION'S**  
**WATERSMART GRANTS SMALL SCALE WATER EFFICIENCY**  
**PROJECTS FOR FISCAL YEAR 2019**

**WHEREAS**, the United States Department of Interior, Bureau of Reclamation (the "Bureau") has established the WaterSMART: Small-Scale Water Efficiency Projects Program for 2019 (the "WaterSMART Program") to provide funding opportunities for entities seeking new water supplies using water efficiency technology;

**WHEREAS**, the Palmdale Water District has need for funding to complete a Landscape Water Use Efficiency Phase 2 Project to meet future municipal and industrial water needs;

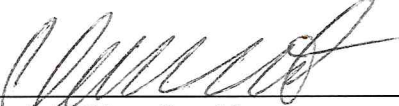
**WHEREAS**, the WaterSMART Program requires at least 50 percent non-Federal cost share funding and/or in-kind contribution from applicants, and the Board finds the District has the capability of funding its required share of the Project.


**NOW THEREFORE, THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** Funding for the Landscape Water Use Efficiency Phase 2 Project (the "Project") under the WaterSMART Grant Program meets the objectives of Strategic Initiative No. 1 – Water Resource Reliability.


**SECTION 2.** If selected for a WaterSMART Grant, up to 50% (\$75,000) of the total project costs of \$150,000 through monetary contribution shall be committed for funding the District's proportionate share of the Project, as may be required by the Bureau of Reclamation under the WaterSMART Grant Program, and the District will work with the Bureau to meet established deadlines for entering into an agreement to commit such funds.

**PASSED, APPROVED AND ADOPTED THIS:** 25<sup>th</sup> day of February 2019.

  
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Vincent Dino, President  
Board of Directors  
Palmdale Water District

  
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Don Wilson, Secretary  
Board of Directors  
Palmdale Water District

**APPROVED AS TO FORM:**

  
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Aleshire & Wynder, LLP  
District Legal Counsel