

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, MAY 24, 2017:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, May 24, 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 7:00 p.m.

1) Pledge of Allegiance/Moment of Silence.

At the request of President Alvarado, Mrs. Laura LaMoreaux led the pledge of allegiance followed by a moment of silence in honor of our troops and law enforcement.

2) Roll Call.

Attendance:

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

Joe Estes, Secretary --
EXCUSED ABSENCE

Others Present:

Dennis LaMoreaux, General Manager
Matt Knudson, Assistant General Manager
Maya Mouawad, Assistant General Counsel
Mike Williams, Finance Manager
Jennifer Emery, Human Resources Director
Tim Moore, Facilities Manager
Laura Gallegos, Public Affairs Specialist
Dawn Deans, Executive Assistant
5 members of the public

3) Adoption of Agenda.

It was moved by Director Dino, 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. Herb Calles, Palmdale, informed the Board of his business specializing in vehicle tracking systems to monitor driving of District-owned vehicles and stated he would be happy to meet with District staff to discuss these systems.

There were no further 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 April 26, 2017.

6.2) Ratification of Payment of Bills for May 10, 2017.

6.3) Payment of Bills for May 24, 2017.

President Alvarado announced the items included in the Consent Calendar after which it was moved by Director Dino, seconded by Director Henriquez, 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) Presentation, Consideration, and Possible Action on Receiving and Filing of 2016 Audit and Management Report. (The Pun Group/Financial Advisor Egan/Finance Manager Williams/Finance Committee)

Mr. Paul Kaymark, of The Pun Group, provided an overview of the District's Annual Financial Report for the Years Ended December 31, 2016 and 2015, including the District's net financial position, strong assets, and non-cash pension liability, and stated that the auditor's opinion is that financial information presented is materially correct followed by discussion of funding pension liability.

It was then 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 receive and file the 2016 Audit and Management Report.

7.2) Status Report on Cash Flow Statement and Current Cash Balances as of March, 2017. (Financial Advisor Egan/Finance Committee)

Finance Manager Williams reviewed the investment funds report as of March, 2017 including the decrease in cash due to the bond principal and interest payments, transfers for operating expenses, and CDs and then provided an overview of the cash flow statement including redevelopment fees, capital improvement fees, Department of Water Resources' receipts, and projected 2017 year-end cash.

7.3) Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for March, 2017. (Finance Manager Williams)

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 March, 2017 and stated that most departments are operating at or below the targeted expenditure percentage of 25%.

He then provided a detailed overview of customer care statistics including collection activities, the continued increase in electronic payments and decrease in front counter and mail payments, customer calls and front counter activity by quarter, and customer activity between 5 p.m. and 6 p.m.

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

Finance Manager Williams provided an overview of the updated Contractual Commitments and Needs for 2017 capital projects, consulting and engineering support projects, new and replacement equipment, water quality fee funded projects, a summary of committed and projected capital expenditures, and available funding sources and an update on the Water Revenue Bond Series 2013A Bond funds and payments to date.

7.5) Consideration and Possible Action on Amendment to Existing Contract with Aspen Environmental Group for the Design of the Grade Control Structure Associated with the Littlerock Reservoir Sediment Removal Project. (\$231,719.00 – Budgeted – Assistant General Manager Knudson)

Assistant General Manager Knudson reviewed the amendment to the Aspen Environmental Group contract and progress to date on the Littlerock Reservoir Sediment Removal Project, and after a brief discussion of the total contract amount with Aspen Environmental Group, 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 the amendment to the existing contract with Aspen Environmental Group for the design of the grade control structure associated with the Littlerock Reservoir Sediment Removal Project in the not-to-exceed amount of \$231,719.00 and to authorize General Manager LaMoreaux to execute an amendment with Aspen Environmental Group utilizing the District's standard professional services amendment form.

7.6) Consideration and Possible Action on Amendment to Article 4.07.4 of the District's Rules and Regulations Regarding Director Expenses. (General Manager LaMoreaux)

General Manager LaMoreaux provided an overview of recommended revisions to Article 4.07.4, and after a brief discussion of ensuring transparency, 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 an amendment to Article 4.07.4 of the District's Rules and Regulations.

7.7) 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: None at This Time.

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

8) Information Items:

8.1) Reports of Directors:

- a) **President's Report.**
- b) **Meetings/General Report.**

Director Henriquez reported that on May 15, he attended the Café Con Leche radio show with Public Affairs Specialist Gallegos and on May 24, he reviewed the audio for the May 22, 2017 Finance Committee meeting.

Director Mac Laren reported that May 8 to 12, she attended the ACWA Conference where she completed mandatory sexual harassment training and attended courses on Oroville Dam, drones, energy storage, and the Delta; that on May 15, she attended the Palmdale Recycled Water Authority meeting; and that on May 18, she attended the Antelope Valley State Water Contractors Association meeting.

Director Dino reported that May 8 to 12, he attended the ACWA Conference where he completed mandatory sexual harassment training and attended the JPIA course, Oroville Dam, and shared information on the District's Rate Assistance Program; that on May 15, he attended the Palmdale Recycled Water Authority meeting; that on May 16, he attended the AVEK Special Board meeting; that on May 22, he attended a Board briefing with General Manager LaMoreaux; that on May 23, he attended an AVEK Board meeting; and that on May 24, he is attending the Palmdale Water District Board meeting.

President Alvarado reported that on May 15, he attended the Palmdale Recycled Water Authority meeting; that on May 16, he attended an agenda review and approval meeting; that on May 18, he attended the Antelope Valley State Water Contractors Association meeting; that on May 22, he attended the informational Finance Committee meeting; and that on May 23, he attended a Board briefing with General Manager LaMoreaux.

c) Standing Committee/Assignment Reports (Chair):

- 1) AVSWCA**
- 2) Finance Committee**

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

8.2) Report of General Manager.

a) Status of Community Liaison Bylaws. (Director Mac Laren)

General Manager LaMoreaux stated that the Community Liaison Bylaws are in final draft form and have been submitted to legal counsel for review.

b) May, 2017 Written Report of Activities Through April, 2017.

He then reviewed his written report including the new state requirement for development of a water budget, who controls this process, ACWA's opinion that this should be the Legislature, and proposed bills introduced by Senator Rubio regarding this matter; total water year precipitation; normal water use patterns; and leaks through the end of April and stated that he and Engineering/Grant Manager Riley will be visiting the Bureau of Reclamation's office in June to ensure the Palmdale Regional Groundwater Recharge Project is on the list for federal grant funding and that he has extended invitations to Assemblyman Lackey and Senator Wilk regarding a tour of the District's facilities.

Public Affairs Specialist Gallegos informed the Board that they knocked on 50 doors, talked to 20 people, and reached out to seniors providing them with applications for the Rate Assistance Program during the first Water Walk and that Water Walks will be held once a month.

President Alvarado requested Assistant General Counsel Mouawad provide a report on Senator Rubio's bill at the next regular Board meeting.

General Manager LaMoreaux then informed the Board that a farewell lunch for Assistant General Manager Knudson will be held tomorrow at noon, and the Board is invited to attend.

8.3) Report of General Counsel.

Assistant General Counsel Mouawad stated that she 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 8:30 p.m.


Secretary