

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JULY 26, 2017:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, July 26, 2017, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Vice President, Vincent Dino, called the meeting to order at 7:00 p.m.

1) Pledge of Allegiance/Moment of Silence.

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

2) Roll Call.

Attendance:

Robert Alvarado, President --
(ARRIVED AT 7:26 P.M.)

Vincent Dino, Vice President

Joe Estes, Secretary

Kathy Mac Laren, Director

Marco Henriquez, Treasurer --
(EXCUSED ABSENCE)

Others Present:

Dennis LaMoreaux, General Manager

Maya Mouawad, Assistant General Counsel

Tom Bunn, Special Litigation Counsel

Mike Williams, Finance Manager

Jim Riley, Engineering/Grant Manager

Mynor Masaya, Operations Manager

Judy Shay, Public Affairs Director

Dawn Deans, Executive Assistant

3 members of the public

3) Adoption of Agenda.

It was moved by Director Estes, seconded by Director Mac Laren, 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, presented information about NASA's gravity recovery and climate experiment.

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 Special Meeting Held July 10, 2017.

6.2) Approval of Minutes of Regular Meeting Held July 12, 2017.

6.3) Payment of Bills for July 26, 2017.

Vice President Dino announced the items included in the Consent Calendar after which 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 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 May, 2017. (Financial Advisor Egan/Finance Committee)

Finance Manager Williams reviewed the investment funds report as of May, 2017 including the increase in cash due to the receipt of redevelopment agency funds, maturing CDs, and Capital Improvement Fees and then provided an overview of the cash flow statement including water sales, the upcoming Butte payment, and projected 2017 year-end cash.

7.2) Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for May, 2017. (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 May, 2017 and stated that most departments are operating at or below the targeted expenditure percentage of 42% followed by discussion of overtime in the Operations Department.

7.3) Status Report on Committed Contracts Issued and Water Revenue Bond Projects. (Finance Manager Williams/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 along with an update on the Water Revenue Bond Series 2013A Bond funds and payments to date.

7.4) Consideration and Possible Action on Proposal for the Preparation of the 2017 Sanitary Survey and Drinking Water Source Assessment Update. (\$49,773.00 – Budgeted – Operations Manager Masaya)

Operations Manager Masaya reviewed the need to prepare a 2017 Sanitary Survey and Drinking Water Source Assessment Update after which 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 approve the proposal received from Black & Veatch for the preparation of the 2017 Sanitary Survey and Drinking Water Source Assessment update in the not-to-exceed amount of \$49,773.00.

At 7:26 p.m., President Alvarado arrived at the meeting.

7.5) Consideration and Possible Action on Approval to Hire a Consultant to Complete a Grant Application to the U.S. Bureau of Reclamation Title XVI Water Recycling Projects Under the WIIN Act. (\$19,500.00, Not-to-Exceed – Non-Budgeted – Engineering/Grant Manager Riley)

Engineering/Grant Manager Riley reviewed the opportunity and time frame for submitting a grant application to the U.S. Bureau of Reclamation, and after a brief discussion of previous grant applications submitted by Kennedy/Jenks Consultants, it was moved by Director Estes, seconded by Director Mac Laren, and unanimously carried by all members of the Board of Directors present at the meeting to authorize the hiring of Kennedy/Jenks Consultants to complete a grant application to the U.S. Bureau of Reclamation Title XVI Water Recycled Projects under the WIIN Act in the not-to-exceed amount of \$19,500.00.

7.6) Consideration and Possible Action on Contract Amendment No. 1 to General Manager Employment Agreement Dated July 30, 2015 Authorizing a 2.7% Cost

of Living Increase, Authorizing a 2.3% Salary Increase, and Approving an Extension of the General Manager Employment Agreement to July 30, 2020. (General Manager LaMoreaux)

After a brief review of Contract Amendment No. 1 to the General Manager Employment Agreement, 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 Contract Amendment No. 1 to the General Manager Employment Agreement dated July 30, 2015 Authorizing a 2.7% Cost of Living Increase, Authorizing a 2.3% Salary Increase, and Approving an Extension of the General Manager Employment Agreement to July 30, 2020.

President Alvarado then stated that the salary for General Manager LaMoreaux under Contract Amendment No. 1 is \$213,969.34.

7.7) Consideration and Possible Action on Outreach Activities for 2017. (Public Affairs Director Shay)

a) Announcement of 100th Year Anniversary Events.

Public Affairs Director Shay stated that the District's 100th Year Anniversary kicks-off August 5 with an Open House from 12 p.m. to 4 p.m. where top water savers will be honored and recognized and information about the District will be shared; that historical displays will be posted in the District's lobby and at the Palmdale City Library and will be rotated monthly covering a decade each month; that a float will be entered into the Antelope Valley Fair Parade on August 19 announcing the anniversary; that tours of Littlerock Dam will be offered monthly through July, 2018; that a grand celebration is scheduled in July, 2018; and that this month is the District's 99th anniversary followed by discussion of press releases and the float design.

7.8) 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) ACWA Region 8 Program "Water Reliability: The Continued Value of Local Projects" to be Held August 24, 2017 in Los Angeles.

b) Itron Utility Week Conference to be Held October 13 – 20, 2017 in Houston, Texas.

c) AWWA Water Quality Technology Conference 2017 to be Held November 12 – 16, 2017 in Portland, Oregon.

After a brief discussion of the conferences, seminars, and training sessions, 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 approve the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2017 Budget: ACWA Region 8 Program “Water Reliability: The Continued Value of Local Projects” to be held August 24, 2017 in Los Angeles; Itron Utility Week Conference to be held October 13 – 20, 2017 in Houston, Texas; and AWWA Water Quality Technology Conference 2017 to be held November 12 – 16, 2017 in Portland, Oregon.

8) Information Items:

8.1) Reports of Directors:

a) President’s Report.

b) Meetings/General Report.

Director Dino reported that on July 25, he attended an AVEK Board Meeting and that on July 26, he is attending the Palmdale Water District Board meeting.

Director Mac Laren reported that on July 20, she attended the Antelope Valley Watermaster Advisory meeting; that on July 26, she attended the Antelope Valley Watermaster Board meeting; and that also on July 26, she attended a Board briefing with General Manager LaMoreaux.

Director Estes reported that on July 25, he attended a Board briefing with General Manager LaMoreaux.

President Alvarado reported that on July 18, he attended an agenda review and approval meeting with General Manager LaMoreaux; that on July 24, he attended the Finance Committee meeting where the reports discussed this evening were reviewed; that on July 25, he attended a Board briefing with General Manager LaMoreaux; and that on July 26, he is attending the Palmdale Water District Board meeting.

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

1) Finance Committee.

There were no further reports on Standing Committee/Assignments.

8.2) Report of General Manager.

a) July, 2017 Written Report of Activities Through June, 2017.

General Manager LaMoreaux provided an overview of his written report including the increase in water use and the reduction in leaks due to the Board's efforts in replacing water mains.

He then reported that he assisted Kennedy/Jenks Consultants in a presentation at the recent IWA Recycled Water Conference regarding the Palmdale Regional Groundwater Recharge and Recovery Project and that the presentation was well-received.

8.3) Report of General Counsel.

Assistant General Counsel Mouawad stated that she has no report.

9) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

10) Break Prior to Closed Session.

At 7:53 p.m., President Alvarado called for a seventeen-minute recess. He reconvened the regular meeting at 8:10 p.m.

11) Closed session under:

11.1) Conference with Legal Counsel – Existing Litigation: A Closed Session Will be Held, Pursuant to Government Code §54956.9 (d)(1), to Confer with Special Litigation Counsel Regarding Existing Litigation to Which the District is a Party. The Title of Such Litigation is as Follows: *Antelope Valley Ground Water Cases*.

At 8:10 p.m., President Alvarado called for a closed session pursuant to Government Code §54956.9 (d)(1), to confer with Special Litigation Counsel regarding existing litigation to which the District is a party, the title of such litigation being: *the Antelope Valley Ground Water Cases*.

He reconvened the regular meeting at 8:32 p.m.

12) Public report of any action taken in closed session.

Special Litigation Counsel Bunn stated that a closed session was held pursuant to Government Code §54956.9 (d)(1), to confer with Special Litigation Counsel regarding existing litigation to which the District is a party, the title of such litigation being: *the Antelope Valley Ground Water Cases* and that no reportable action was taken in closed session.

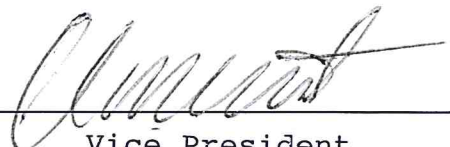
13) Board Members' Requests for Future Agenda Items.

Director Mac Laren requested future agenda items for "Consideration and possible action on cell phones for Directors" and "Status report on Community Liaison Committee."

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 8:35 p.m.


Vice President