

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, SEPTEMBER 27, 2017:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, September 27, 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 7:01 p.m.

1) Pledge of Allegiance/Moment of Silence.

At the request of President Alvarado, Financial Advisor Egan led the pledge of allegiance followed by a moment of silence in honor of our troops, law enforcement, and those who lost their lives in recent catastrophic natural disasters and in memory of Executive Assistant Deans' mother, Dolores Hensley, and long-time Fin & Feather Club member, Wayne Nygaard.

2) Roll Call.

Attendance:

Robert Alvarado, President
Marco Henriquez, Treasurer
Joe Estes, Secretary

EXCUSED ABSENCE --

Vincent Dino, Vice President
Kathy Mac Laren, Director

Others Present:

Mike Williams, Finance Manager
Eric Dunn, General Counsel
Judy Shay, Public Affairs Director
Mynor Masaya, Operations Manager
Jim Stanton, Information Technology Manager
Jon Pernula, Water & Energy Res. Dir.
Peter Thompson II, Deputy Water & Energy Res. Dir.
Bob Egan, Financial Advisor
Danielle Henry, Administrative Assistant
2 members of the public

3) Adoption of Agenda.

It was moved by Director Henriquez and seconded by Director Estes to adopt the agenda, as written. General Counsel Dunn then stated that Agenda Item No. 11.2 can be removed from the agenda as there are no updates on this item after which Director Henriquez amended his motion, Director Estes amended his second, and it was unanimously carried by all members of the Board of Directors present at the meeting to adopt the agenda, as amended, removing Agenda Item No. 11.2.

4) Public Comments for Non-Agenda Items.

Mr. David Palmer, Palmdale resident, presented information about hydro-power, clean energy, grants for water system efficiency upgrades, and potential cost saving measures for the Palmdale Water District.

President Alvarado requested Water & Energy Resources Director Pernula provide an update on the California Water Fix.

Water & Energy Resources Director Pernula provided an overview of the California WaterFix, which is the construction of two large tunnels to transport water supplies around the Delta to help preserve the Delta, funding options for construction, agencies who have voted for and against the California WaterFix, how the California WaterFix will affect water deliveries for the Palmdale Water District, and how the District will fund its share of construction through property value taxes rather than through water rates followed by discussion of the District's agreement with Butte County for State Water Project water supplies.

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 September 13, 2017.

6.2) Payment of Bills for September 27, 2017.

6.3) Approval of Resolution No. 17-23 Being a Resolution of the Board of Directors of the Palmdale Water District Amending the Conflict of Interest and Disclosure Code for the Palmdale Water District. (General Manager LaMoreaux)

President Alvarado announced the items included in the Consent Calendar, and after clarification of Resolution No. 17-23, it was moved by Director Henriquez, 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.

A copy of Resolution No. 17-23 is hereby made a portion of the minutes of this meeting.

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 July, 2017. (Financial Advisor Egan/Finance Committee)

Financial Advisor Egan reviewed the investment funds report as of July, 2017 including assessments received, interest income, and remaining 2013A Water Revenue Bond funds and then provided an overview of the cash flow statement including higher assessments received, capital improvement fees received, transferring of funds, and projected 2017 year-end cash followed by discussion of repayment of capital improvement funds borrowed from the general fund.

7.2) Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for July, 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 July, 2017 and stated that most departments are operating at or below the targeted expenditure percentage of 58% followed by discussion of water sales and water use in each of the tiers.

7.3) Status Report on Committed Contracts Issued and Water Revenue Bond Projects. (Finance Manager Williams)

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, committed and projected capital expenditures, available funding sources, and remaining Water Revenue Bond Series 2013A funds and payments to date.

7.4) Discussion and Possible Action on Policy for Use of the Palmdale Water District's Drone. (President Alvarado/Information Technology Manager Stanton/General Counsel Dunn)

Information Technology Manager Stanton provided a detailed overview of the capabilities of the District's drone, and after a brief discussion of the District's intended

use of the drone, potentially infringing on personal and private property, FAA registration, flight restrictions, and the proposed policy for use of the drone, it was determined that General Counsel Dunn finalize a policy for use of the District's drone and present the policy for consideration at the next Regular Board Meeting.

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

- a) Update on 100th Year Anniversary Events.**
- b) Outreach Plans for 2017.**

Public Affairs Director Shay provided an update on 100th year anniversary events including two recent tours of the District's facilities for Peruvian students and for members of the public with the next public tour scheduled for October 19; scheduling interviews for filming of a video about the District and its history; high school involvement through the creation of public service announcements; and elementary school involvement through a photo display, a potential art contest, and historical curriculum in the classrooms.

Director Estes requested outlook calendar notification of tours followed by discussion of the number of Directors that can attend the tours.

At 8:30 p.m., President Alvarado called for a two-minute recess. He reconvened the Regular Board Meeting at 8:32 p.m.

- c) Upcoming Events.**

Public Affairs Director Shay stated that Café Con Leche interviews continue, and Director Estes is invited to attend on October 11; that a District team will be participating in the Children's Cup Golf Tournament fund raiser; and that a tour for elected officials is scheduled for October 12 as part of Imagine a Day Without Water.

- d) Outreach Recommendations From Directors.**

There were no outreach recommendations from Directors.

7.6) Consideration and Possible Action on Resolution No. 17-24 Being a Resolution of the Board of Directors of the Palmdale Water District Recognizing September 15–October 15 as National Hispanic Heritage Month. (President Alvarado)

President Alvarado requested Resolution No. 17-24 be modified to recognize all federally approved heritage months for 2018 beginning January 1, 2018, and after a brief discussion, 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 approve Resolution No. 17-24, as modified, to be a Resolution of the Board of Directors of the Palmdale Water District Recognizing all Federally Approved Heritage Months for 2018 Beginning January 1, 2018.

A copy of Resolution No. 17-24 is hereby made a portion of the minutes of this meeting.

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:

a) American Water Works Association (AWWA) Annual Conference “Water in the Wild West” to be Held October 23 – 26, 2017 in Reno, Nevada.

b) ArcGIS for Server: Site Configuration and Administration Course to be Held December 11 – 13, 2017 in Broomfield, Colorado.

After a brief discussion of these conferences, it was moved by Director Henriquez, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to approve Board and staff attendance at the following conferences, seminars, and training sessions within budget amounts previously approved in the 2017 budget: American Water Works Association (AWWA) Annual Conference “Water in the Wild West” to be Held October 23 – 26, 2017 in Reno, Nevada and ArcGIS for Server: Site Configuration and Administration Course to be Held December 11 – 13, 2017 in Broomfield, Colorado.

Mr. David Palmer inquired if all operations of the drone under Agenda Item No. 7.4 are autonomous and if flights will occur inside tanks after which Information Technology Manager Stanton addressed these concerns.

Mr. Palmer then inquired about budget items and was advised to meet with Finance Manager Williams at a later date to discuss his concerns.

8) Information Items:

8.1) Reports of Directors:

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

Director Henriquez reported that on September 21, he attended a Strategic Plan meeting with senior staff members; that on September 25, he attended the Finance Committee meeting where they reviewed the items discussed earlier this evening and bids for repainting the main office building and determined that financial reports will be presented to the full Board on a quarterly basis with these reports continuing to be presented to the Finance Committee on a monthly basis; and that on September 26, he attended a Board briefing with Finance Manager Williams.

Director Estes apologized for missing a Strategic Plan meeting with senior staff on September 21 and stated that on September 25, he attended a Board briefing with Finance Manager Williams.

President Alvarado reported that on September 14, he attended an Ad Hoc Community Liaison Committee meeting; that on September 19, he attended a California WaterFix briefing with General Manager LaMoreaux; that also on September 19, he attended an agenda review and approval meeting; that on September 25, he attended the Finance Committee meeting; and that on September 26, he attended a Board briefing with Finance Manager Williams.

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

- 1) Finance Committee**
- 2) Palmdale Recycled Water Authority.**

There were no further reports on Standing Committee/Assignments.

8.2) Report of General Manager.

a) September, 2017 Written Report of Activities Through August 2017.

Finance Manager Williams stated that General Manager LaMoreaux included a written report with the agenda packets if there are any questions on same.

Director Henriquez stated that water leaks are significantly reduced from last year followed by discussion of water production, water consumption, water leaks, and the percentage of water losses for 2017.

8.3) Report of General Counsel.

General Counsel Dunn stated that he 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 9:02 p.m., President Alvarado called for an eight-minute recess. He reconvened the regular meeting at 9:10 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 9:10 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 9:23 p.m.

12) Public Report of Any Action Taken in Closed Session.

President Alvarado stated that a closed session had been 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*; that the Board was updated on the status of this matter; but that no reportable action was taken in closed session.

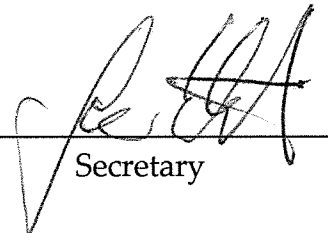
13) Board Members' Requests for Future Agenda Items.

President Alvarado requested Executive Assistant Deans' mother, Dolores Hensley, be included 'in memory of' under Agenda Item No. 1.

There were no requests for future agenda items.

14) Adjournment.

There being no further business to come before the Board, the meeting was adjourned at 9:24 p.m.


Secretary

RESOLUTION NO. 17-23

RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT AMENDING THE CONFLICT OF INTEREST AND DISCLOSURE CODE FOR THE PALMDALE WATER DISTRICT

WHEREAS, the Political Reform Act (“Act”), Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes; and

WHEREAS, under the Act, the District must periodically review its internal organization to determine: (i) whether any position that has been added to the District constitutes a designated position under the District’s Conflict of Interest and Disclosure Code (“Code”); or (2) whether the duties of any existing position that is currently not a designated position have changed such that the position now constitutes a designated position under the District’s Code; and

WHEREAS, the District’s Code was last approved by the County of Los Angeles Board of Supervisors effective December 21, 2016; and

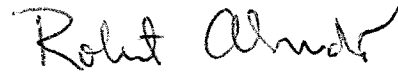
WHEREAS, Exhibit B of the District’s Code must be modified to revise the title of Public Affairs & Sustainability Director to Public Affairs Director as reflected on the Palmdale Water District Organization Chart attached hereto as “Exhibit 1” and as shown on the revised Code attached hereto as “Exhibit 2” both incorporated herein by reference; and

WHEREAS, to meet the requirements of the Act, the District must amend its Conflict of Interest and Disclosure Code to reflect this change.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Palmdale Water District does hereby amend Exhibit B of its Conflict of Interest and Disclosure Code, setting forth the designated positions within the District and their disclosure obligations, as set forth on the attached “Exhibit 2.”

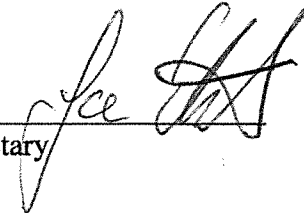
BE IT FURTHER RESOLVED, that individuals holding newly-designated positions shall file Statements of Economic – Assuming Office Statements with the District General Manager or his designee, as required under the District’s Code. All other individuals holding designated positions shall file Statements of Economic Interests as required by law and the District’s Code. Within five days of receipt of the Statements filed by the Directors and by the General Manager, the District shall make and retain copies and forward the originals of these statements to the Los Angeles County Board of Supervisors. Statements for all other designated individuals will be retained by the District.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Palmdale Water District held on September 27, 2017.




Robert Alvarado, President

ATTEST:


Joe Estes, Secretary

APPROVED AS TO FORM:

BY: 
Aleshire & Wynder, LLP, General Counsel



"EXHIBIT 2"

PROPOSED CODE

Conflict of Interest Code
of the

PALMDALE WATER DISTRICT

Incorporation of FPPC Regulation 18730 (2 California Code of Regulations, Section
18730) by Reference

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the conflict of interest code of this agency by reference. This regulation and the attached Appendices (or Exhibits) designating officials and employees and establishing economic disclosure categories shall constitute the conflict of interest code of this agency.

Place of Filing of Statements of Economic Interests

All officials and employees required to submit a statement of economic interests shall file their statements with the agency head; or his or her designee. The agency shall make and retain a copy of all statements filed by its Board of Directors, General Manager/CEO, and forward the originals of such statements to the Executive Office of the Board of Supervisors of Los Angeles County.

The agency shall retain the originals of statements for all other Designated Positions named in the agency's conflict of interest code. All retained statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

PALMDALE WATER DISTRICT

EXHIBIT "A"

CATEGORY 1

Persons in this category shall disclose, in accordance with this Code, all interest in real property within the District, except personal residences or property used primarily for personal recreational purposes. Real property shall be deemed to be within the jurisdiction of the District if the property or any part of it is located within or not more than two miles outside the boundaries of the District or within two miles of any land owned or used by the District.

Persons are not required to disclose a residence, such as a home or vacation cabin, used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

CATEGORY 2

Persons in this category shall disclose in accordance with this Code, all income (including receipt of gifts, loans and travel payments) from, investments in, and business positions with in businesses that produce products or provide services of a type utilized by the District, including the following areas:

- Office equipment and supplies
- Banks and savings and loans institutions
- Securities dealers and underwriters
- Real property
- Public utilities
- Financial audit services
- Insurance services
- Computer equipment, services, and supplies
- Printing, reproduction, or photographic equipment, services and supplies
- Periodicals, books, newspapers
- Chemicals
- Motor vehicles and specialty vehicles, parts and supplies
- Construction and maintenance equipment, services and supplies and building materials
- Petroleum products
- Transportation and lodging services
- Safety equipment and supplies
- Security services
- Food services and supplies
- Communication services

PALMDALE WATER DISTRICT

EXHIBIT "A" (Cont'd)

CATEGORY 2 (Cont'd)

Water quality testing equipment, supplies and services
Cathodic protection equipment, services and supplies
Engineering services
Employment / temporary help agencies
Educational equipment, services and supplies
Medical supplies, services and informational materials
Landscape services and supplies
Typographical services
4-color separations
General and specialty equipment rentals
Consulting Services: legal, energy and power, engineering, soils testing, water treatment, advertising, communications, design, art work, audio/visual, movie productions, planning, water pricing and demand, economists, desalting, environmental, appraisers, real estate sales, and investment services.

CATEGORY 3

~~Consultants performing the duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position.~~

~~In addition, consultants who, under contract, participate in decisions which affect financial interests by providing information, advice, recommendation or counsel to the District, or which could affect financial interests, and those consultants who, under contract, exercise primary responsibility for the management of public investments, shall be required to file Statements of Economic Interests disclosing reportable interests as determined by the General Manager of the District. (See footnote in Exhibit "B" for clarification*)~~

"EXHIBIT 2"

PROPOSED CODE

PALMDALE WATER DISTRICT

EXHIBIT "B"

<u>Designated Positions</u>	<u>Disclosure Categories</u>
Members of Board of Directors	1, 2
General Manager/CEO	2
Assistant General Manager/COO	2
Water and Energy Resources Director	2
Operations Manager	2
Facilities Manager	2
Finance Manager/CFO	2
Engineering/Grant Manager	2
Human Resources Director	2
Information Technology Manager	2
Public Affairs Director (was) Public Affairs & Sustainability Director	2 Title Change
Consultants/New Positions	3*

PALMDALE WATER DISTRICT

EXHIBIT "B"

*Consultants/New Positions are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitations:

The General Manager/CEO or his or her designee may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with disclosure requirements in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager/CEO or his or her designee's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

Individuals who perform under contract the identical duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position.

EFFECTIVE DATE:

RESOLUTION NO. 17-24

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT
RECOGNIZING ALL FEDERALLY APPROVED HERITAGE MONTHS ANNUALLY
BEGINNING JANUARY 1, 2018**

WHEREAS, many cities celebrate residents' cultural heritage during federally approved heritage months;

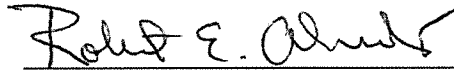
WHEREAS, Palmdale Water District is pleased to celebrate all heritages whose contributions to our country, state, city and District are invaluable and truly appreciated.

WHEREAS, Palmdale Water District recognizes its Board of Directors members and staff who are of all ethnicities.

WHEREAS, Palmdale Water District appreciates its customers who are of all ethnicities and share in their celebration months.

NOW, THEREFORE, BE IT RESOLVED, that Palmdale Water District supports and recognizes all federally approved heritage months annually beginning January 1, 2018.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Palmdale Water District held on September 27, 2017.




Robert Alvarado, President

ATTEST:

Joe Estes, Secretary

APPROVED AS TO FORM:

BY: 

Aleshire & Wynder, LLP, General Counsel