

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, APRIL 28, 2025:

A regular meeting of the Board of Directors of the Palmdale Water District was held Monday, April 28, 2025, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District Office. President, Kathy Mac Laren-Gomez, called the meeting to order at 6:00 p.m.

1) Pledge of Allegiance/Moment of Silence.

President Mac Laren-Gomez invited Joziah Barreras, 7th Grade Sage Magnet Academy student, to lead the Pledge of Allegiance.

2) Roll Call.

Attendance:

Kathy Mac Laren-Gomez, President
Scott Kellerman, Vice President
Don Wilson, Treasurer
Vincent Dino, Secretary
Cynthia Sanchez, Assistant Secretary

Others Present:

Dennis LaMoreaux, General Manager
Paul Early, General Counsel
Dennis Hoffmeyer, Finance Manager
Shadi Bader, Engineering Manager
Judy Shay, Public Affairs Director
Danielle Henry, Executive Assistant
Robert Rosati, Water Use Efficiency Specialist I
Maria Avelar, Water Use Efficiency Specialist I
65 members of the public

3) Adoption of Agenda.

It was moved by Director Dino, seconded by Director Wilson, 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) 2025 Water Use Efficiency Earth Day Poster Contest. (Water Use Efficiency Specialist I Avelar/ Water Use Efficiency Specialist I Rosati)

Water Use Efficiency Specialist I Rosati stated that this year marks the 55th Earth Day Anniversary and that two hundred and sixty-four student submissions were received from 5 local schools for the 2025 Water Use Efficiency Earth Day Poster Contest and then announced the 2nd through 8th Grade winners from the 13 participating teacher classrooms after which Water Use Efficiency Specialist I Avelar presented each contest winner and teacher with certificates and gift cards.

Staff and the Board then thanked the teachers, students, and their families for their participation and for attending this evening followed by a group photo.

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 Board Meeting held April 14, 2025.

6.2) Payment of Bills for April 28, 2025.

6.3) Approval of Leadership Training for Supervisors and Managers. (\$20,139.00 – Budgeted – Human Resources Director Garcia)

6.4) Approval of Ratification of Job Description Update for Finance Manager/CFO Position. (No Budget Impact – Human Resources Director Garcia)

President Mac Laren-Gomez announced the items included in the Consent Calendar, and after General Manager LaMoreaux's recommendation to pull the incorrect invoice received from Los Angeles County for the 2024 General Elections, it was moved by Director Dino, seconded by Director Sanchez, and unanimously carried by all members of the Board of Directors present at the meeting to approve those items included in the Consent Calendar with the exception of payment to Los Angeles County for the 2024 General Elections.

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) Discussion and Possible Action on Directors' Compensation. (Potential Budget Impact – Director Dino/General Counsel Early)

General Counsel Early provided a brief overview of the Director compensation increase request, the last increase approved in 2021, and the Water Code requirements

for future increases, and after discussion of rising costs, of the 2021 Board compensation comparison survey, of the requested increase amount, and of conducting a new survey of Board compensation rates with comparable agencies, it was moved by Director Kellerman, seconded by Director Dino, and carried on a 4-1-0 vote, with Director Wilson opposed, to consider the Director compensation increase from \$220.00 to \$255.00 for each day's attendance at approved meetings or each day's service rendered as a Member of the Board of Directors at the next Regular Board Meeting on May 27, 2025.

7.2) Consideration and Possible Action on Authorizing the General Manager to Execute a Change Order with W.M Lyles Co. for the Construction of the Pure Water Antelope Valley Demonstration Facility. (\$151,534.00 – Not-to-Exceed – Budgeted – Project No. 22-656 – Engineering Manager Bader)

Engineering Manager Bader provided an overview of the construction update and change order request for the Pure Water Antelope Valley Demonstration Facility, including the scope of additional service and costs, after which it was moved by Director Dino, seconded by Director Sanchez, and unanimously carried by all members of the Board of Directors present at the meeting to approve authorization of the General Manager to execute a Change Order with W.M Lyles Co. for the construction of the Pure Water Antelope Valley Demonstration Facility in the not-to-exceed amount of \$151,534.00.

7.3) 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 2025 Budget:

a) **OpenGov Southern California Regional Conference to be held May 8, 2025 in Long Beach.**

b) **California's Water Future: Integrating Reuse and Desalination 2025 Workshop (AWWA California-Nevada Section) to be held May 19, 2025 in El Segundo.**

General Manager LaMoreaux provided a brief overview of the proposed conferences for staff attendance and stated that Assistant General Manager Rogers will be speaking at the AWWA California-Nevada Section Workshop after which it was moved by Director Kellerman, seconded by Director Wilson, 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 2025 Budget: OpenGov Southern California Regional Conference to be held May 8, 2025 in Long Beach and California's Water Future: Integrating Reuse and Desalination 2025 Workshop (AWWA California-Nevada Section) to be held May 19, 2025 in El Segundo.

8) Information Items:

8.1) Finance Reports:

a) Status Report on Cash Flow Statement and Current Cash Balances as of March 2025. (Financial Advisor Egan/Finance Committee)

Finance Manager Hoffmeyer provided an overview of the Quarterly Major Account Activity Report, the Investment Funds Report, and the Cash Flow Statement through March 2025, including account transfers, assessments received, increased capital improvement funds, interest and market values, scheduled payments, anticipated grant reimbursements, and the projected year-end balance followed by a brief discussion of the decrease in assessments received and the potential budget impact from increasing the Directors' compensation.

b) Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for March 2025. (Finance Manager Hoffmeyer/Finance Committee)

Finance Manager Hoffmeyer reviewed in detail the Balance Sheet Report, the Balance Sheet Annual Quarterly Comparison Report, the Profit and Loss Statement, the Profit and Loss Quarterly Comparisons, the departmental budgets versus actual, the projected year-end interest earnings, and individual departmental reports for the period ending March 2025, including Table A water transfer sales, water revenue bond payments, increased meter fees, anticipated year-end water sales, and the increase in capital improvement funds (CIF) received and stated that operating revenues are above the historical trend average at 24.8% and expenses are below the historical trend average at 20.7% followed by a brief discussion of the influx in capital improvement payments in response to the CIF rate increase.

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

Finance Manager Hoffmeyer stated that a new General Fund Report was provided to the Finance Committee along with the standard Contractual Commitments and Needs Report and that this report will also be provided to the full Board for future quarterly reporting and then provided an overview of active District projects and contractor payments through the general construction fund and the 2023A and 2024A Series Water Revenue Bonds in March 2025 followed by a brief discussion of anticipated reimbursement and future WIFIA Loan withdrawals for the Pure Water AV Project.

d) Other Financial Reports. (Finance Manager Hoffmeyer/Finance Committee)

1) Accounts Receivable Overview.

Finance Manager Hoffmeyer provided a brief update on outstanding balances for accounts 60 days delinquent and stated that as of March 31, there are twenty-six payment arrangements totaling \$9,975.81 with \$4,973.49 collected to date and that the contributing factors of arrangements are related to leak adjustments and posting errors.

2) Revenue Projections.

He then stated that based on selling 15,000 Acre Feet (AF) of water, 2025 revenue is ahead of projections by approximately \$923,000.00 as of March 31.

He then provided a brief update on the status of the Meter Exchange Project, on the audit reports for the District, the Antelope Valley State Water Contractors Association and the Palmdale Recycled Water Authority, on the new financial software and reporting systems, and on the payroll outsourcing with Paylocity.

8.2) Reports of Directors:

a) Standing Committees; Organization Appointments; Agency Liaisons:

1) Antelope Valley East Kern Water Agency (AVEK) Meeting – April 15. (Director Dino, Board Liaison/President Mac Laren-Gomez, Alt)

Director Dino clarified that the AVEK Board Meeting was held on April 22, not April 15, and then reported that they approved a purchase order with Sierra Construction and Excavation for a valve installation on the Phillips Lab Feeder in the not-to-exceed amount of \$46,900.00.

2) Plant 42 Environmental Restoration Advisory (ERAB) Meeting – April 16. (Director Wilson/Director Sanchez, Alt.)

Director Wilson reported that on April 16, he attended the Plant 42 ERAB Meeting where the new Project Manager, Laura Funk, provided an environmental cleanup overview including Trichloroethylene (TCE) contaminated soil and groundwater at Site 29 and the PFAS remedial feasibility study.

General Manager LaMoreaux then stated that the Watermaster Board approved new monitoring wells for Site 29 in March followed by a brief discussion of the groundwater levels as a result of pumping, of the long cleanup history, and of the District's involvement with ERAB since 1995.

3) Palmdale Fin & Feather Club Meeting – April 19. (Director Wilson/Director Kellerman, Alt.)

Director Wilson reported that the April 19 Fin and Feather Club Meeting was cancelled.

4) Palmdale Recycled Water Authority (PRWA) Meeting – April 21. (Director Kellerman/Director Wilson/President Mac Laren-Gomez, Alt.)

Director Kellerman reported that on April 21, he attended the Palmdale Recycled Water Authority (PRWA) Meeting where they administered the Oath of Office of new Public Member Joe Pallon, reviewed financial reports, and discussed the future of PRWA after which General Counsel Early stated that he was directed to prepare a memo for the next PRWA Meeting regarding options to modify the direction or dissolve PRWA.

The Littlerock Reservoir Recreation Ad Hoc Committee was then briefly discussed.

5) Finance Committee Meeting – April 22. (Director Wilson, Chair/Director Kellerman/Director Sanchez, Alt.)

Director Wilson reported that on April 22, he attended the Finance Committee Meeting and that a written report will be distributed.

b) General Meetings Reports of Directors.

Director Kellerman reported that on April 21, he attended the PRWA Meeting; that on April 22, he participated in the Earth Day Poster Contest judging; that on April 22, he also attended the Finance Committee Meeting; and that on April 24, he attended a Board Briefing.

Director Wilson reported that on April 16, he attended the Plant 42 ERAB Meeting; that on April 21, he attended the PRWA Meeting; that on April 22, he participated in the Earth Day Poster Contest judging; that on April 22, he also attended the Finance Committee Meeting; and that on April 24, he attended a Board Briefing.

Director Sanchez reported that on April 16, she attended the Plant 42 ERAB Meeting; that on April 22, she participated in the Earth Day Poster Contest judging; that on April 22, she also attended the Finance Committee Meeting; that on April 23, she attended the Watermaster Meeting; and that on April 24, she attended a Board Briefing.

Director Mac Laren-Gomez reported that on March 25, she attended the AVEK Board Meeting; that on April 17, she attended an Agenda Review Briefing; that on April 21, she attended the PRWA Meeting; that on April 22, she participated in the Earth Day Poster Contest judging and really enjoyed all the entries; that on April 22, she also attended the AVEK Board Meeting; that on April 23, she attended the Watermaster Meeting; and that on April 24, she attended a Board Briefing.

Director Dino reported that on April 14, he attended the PWD Regular Board Meeting; that on April 17, he attended a CSDA on-demand webinar regarding Managing Challenging Employee Situations; that on April 18, he attended a CSDA on-demand webinar regarding Water and Service Rates in Today's Society; that on April 22, he attended the AVEK Board Meeting; that on April 24, he attended a Board Briefing; and that on April 28, he is attending the PWD Regular Board Meeting.

8.3) Report of General Manager.

a) April 2025 Written Report of Activities through March 2025.

General Manager LaMoreaux announced that Public Affairs Director Shay and her team successfully completed another Water Ambassadors Academy (WAA) and then commended their hard work followed by a brief discussion of the WAA graduates now totaling 110.

He then stated that a written report was provided in the agenda packet and highlighted the long-term average of the Northern Sierra precipitation being reached, the increase in customer usage by 12-13% more than anticipated, and no mainline leaks to date this year.

He then reported that staff is working with Joshua Acres Mutual Water Company through the process of providing service to their customers.

8.4) Report of General Counsel.

General Counsel Early reported that all bills he has previously reported on continue through committees and that he had the opportunity to attend and participate in the District's Water Ambassadors Academy as a general member of the public and stated that it was extremely informative and a wonderful experience followed by a brief discussion of the attendee engagement and the outreach benefits of this program.

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 7:43 p.m.


Secretary