

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, MAY 9, 2022:

A regular meeting of the Board of Directors of the Palmdale Water District was held Monday, May 9, 2022, at 2029 East Avenue Q, Palmdale, CA 93550 and via teleconference. President, Gloria Dizmang, called the meeting to order at 6:00 p.m.

1) Pledge of Allegiance/Moment of Silence.

At the request of President Dizmang, General Manager LaMoreaux led the pledge of allegiance followed by a moment of silence.

2) Roll Call.

Attendance:

Gloria Dizmang, President
Vincent Dino, Vice President
Don Wilson, Treasurer
Kathy Mac Laren-Gomez, Secretary
Scott Kellerman, Director

Others Present:

Dennis LaMoreaux, General Manager
Adam Ly, Assistant General Manager
G. Ross Trindle, General Counsel
Dennis Hoffmeyer, Finance Manager
Judy Shay, Public Affairs Director
Scott Rogers, Engineering Manager
Dawn Deans, Executive Assistant
1 member 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 on the following roll call vote to adopt the agenda, as written:

President Dizmang – aye
Director Dino – aye
Director Wilson – aye
Director Mac Laren-Gomez – aye
Director Kellerman – aye

4) Public Comments for Non-Agenda Items.

Executive Assistant Deans read a written public comment from Loel Haviland regarding the use of recycled water for the District's construction purposes.

There were no further public comments for non-agenda items.

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 Board Meeting Held April 19, 2022.

6.2) Approval of Minutes of Regular Board Meeting Held April 25, 2022.

6.3) Payment of Bills for May 9, 2022.

President Dizmang announced the items included in the Consent Calendar after which it was moved by Director Mac Laren-Gomez, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting on the following roll call vote to approve those items included in the Consent Calendar:

President Dizmang – aye
Director Dino – aye
Director Wilson – aye
Director Mac Laren-Gomez – aye
Director Kellerman – aye

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 Request Received From Antelope Valley Economic Development & Growth Enterprise (AVEDGE) for Sponsorship of 2022 Spring Business Summit. (Amount to be Determined – Non-Budgeted – General Manager LaMoreaux)

Mr. Drew Mercy, Executive Director for the AVEDGE, provided an overview of the benefits of sponsoring the 2022 Spring Business Summit, and after a brief discussion of sponsorship amounts, it was moved by Director Mac Laren-Gomez, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting on the following roll call vote to approve the request received from the AVEDGE for sponsorship of the 2022 Spring Business Summit in the amount of \$2,500.00:

President Dizmang – aye
Director Dino – aye
Director Wilson – aye
Director Mac Laren-Gomez – aye
Director Kellerman – aye

7.2) Consideration and Possible Action on Approving Resolution No. 22-12 Being a Resolution of the Board of Directors of the Palmdale Water District Authorizing the District’s Application for Funding From the Bureau of Reclamation WaterSMART: Drought Response Program: Drought Resiliency Projects for Federal Fiscal Year 2023 for the Design and Construction of Well 36 and Well 37. (\$2,000,000 Potential Revenue – Engineering Manager Rogers)

Engineering Manager Rogers provided an overview of the grant opportunity under Resolution No. 22-12 after which it was moved by Director Dino, seconded by Director Kellerman, and unanimously carried by all members of the Board of Directors present at the meeting on the following roll call vote to approve Resolution No. 22-12 being a Resolution of the Board of Directors of the Palmdale Water District Authorizing the District’s Application for Funding from the Bureau of Reclamation WaterSMART: Drought Response Program: Drought Resiliency Projects for Federal Fiscal Year 2023 for the Design and Construction of Well 36 and Well 37:

President Dizmang – aye
Director Dino – aye
Director Wilson – aye
Director Mac Laren-Gomez – aye
Director Kellerman – aye

Resolution No. 22-12 is hereby made a portion of the minutes of this meeting.

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 2022 Budget:

a) East Valley Water District Sterling Natural Resource Center Ribbon Cutting Ceremony to be Held July 23, 2022 in Highland. (Director Dino)

After a brief discussion of this event, 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 on the following roll call vote to approve the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2022 Budget: East Valley Water District Sterling Natural Resource Center Ribbon Cutting Ceremony to be held July 23, 2022 in Highland:

President Dizmang – aye
Director Dino – aye
Director Wilson – aye
Director Mac Laren-Gomez – aye
Director Kellerman – aye

8) Information Items:

8.1) Finance Reports:

8.1.a) Status Report on Cash Flow Statement and Current Cash Balances as of March 2022. (Financial Advisor Egan/Finance Committee)

Finance Manager Hoffmeyer provided an overview of the Investment Funds Report and Cash Flow Statement through March 2022, including bond expenditures, the Butte County payment, transfers, assessments, grant funding, capital improvement funds received, and the projected year-end balance.

8.1.b) Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for March 2022. (Finance Manager Hoffmeyer/Finance Committee)

Finance Manager Hoffmeyer reviewed in detail the balance sheet, profit and loss statement, and departmental budgets versus actual for the period ending March 2022

and stated that most departments are operating at or near the historical trend average of 20.6% for revenues, the historical trend average of 22.7% for expenses, and the traditional budgetary percentage of 25%. He then provided an overview of these percentages and the expenditures over these percentages.

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

Finance Manager Hoffmeyer provided an overview of the Contractual Commitments and Needs 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 projects paid out through the 2018A Series and 2021A Series Water Revenue Bonds through March 2022.

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

a) The Effect of COVID-19 Event.

Finance Manager Hoffmeyer stated that due to COVID-19 events, as of March 2022, there were 1,469 single family accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$671,119; 2,082 accounts as of February 2022 with an outstanding balance of \$675,812; 2,013 accounts as of January 2022 with an outstanding balance of \$612,784; and 1,619 accounts as of March 2021 with an outstanding balance of \$846,200.

He then stated that payment arrangements have been established for several past due accounts followed by discussion of methods to ensure payment arrangements are honored.

b) Revenue Projections.

He then stated that based on selling 17,000 AF of water, 2022 revenue is behind projections by approximately \$1.3 thousand as of March 2022.

c) Payment Transactions by Type.

He then stated that front counter payment transaction activity has increased since re-opening the front office, and electronic and telephone payments are consistent with past years through March 2022.

8.2) Reports of Directors:

a) Standing Committees; Organization Appointments; Agency Liaisons:

1) Finance Committee Meeting – April 26. (Director Wilson, Chair/President Dizmang)

Director Wilson reported that he attended the Finance Committee Meeting on April 26 and that Finance Manager Hoffmeyer provided a detailed report of the meeting.

2) Antelope Valley East Kern Water Agency (AVEK) – April 26. (Director Dino/Director Mac Laren-Gomez, Alt.)

Director Dino reported that he attended an AVEK Board Meeting on April 26 where they approved a Wheeling Agreement with Los Angeles County Waterworks District No. 40 and Quartz Hill Water District to provide water to Quartz Hill Water District.

b) General Meetings Reports of Directors.

Director Kellerman reported that on April 25, he attended a California Special Districts Association (CSDA) Webinar “General Manager Evaluations;” that also on April 25, he attended a CSDA Webinar “Completing Your Form 700;” that on April 27, he attended a meeting with General Manager LaMoreaux to review the District’s Rules and Regulations; that also on April 27, he attended the Water Ambassadors Academy; that on April 30, he attended the Water Ambassadors Academy tour of the Leslie O. Carter Water Treatment Plant and Littlerock Dam; that he attended CSDA webinars “Who Does What in Best Practices-Board/Staff Relations” and “Board and District Liability Issues 2022” and gave an overview of these webinars; and that on May 5, he attended a Board Briefing.

Director Wilson reported that on April 26, he attended the Finance Committee Meeting and submitted a written report included with the agenda packets and that on May 5, he attended a Board Briefing.

Director Mac Laren-Gomez reported that on April 27, she attended the Antelope Valley Watermaster Meeting and gave an overview of this meeting.

Director Dino reported that on April 26, he attended an AVEK Board Meeting; that on April 27, he attended a CSDA Chapter Meeting; that on May 5, he attended a Board Briefing; and that on May 9, he is attending the Palmdale Water District Regular Board Meeting.

President Dizmang reported that on April 26, she attended the Finance Committee Meeting; that she was unable to attend the CSDA Chapter Meeting on April 27; that May 2 to 6, she attended the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA) Conference in Sacramento, provided a brief overview, and will provide a detailed written report; that she attended a Board Briefing at the ACWA Conference; and that on May 12, she will be attending a CSDA Chapter Meeting.

8.3) Report of General Manager.

General Manager LaMoreaux stated that he submitted a written report included with the agenda packets on accomplishments for 2021 and anticipated accomplishments through 2022 if there are any questions and then reported that a meeting was held at the ACWA Conference regarding the Delta Conveyance Project where it was indicated that the Draft EIR will be released late June or July, and a Final EIR is anticipated by the end of 2023.

8.4) Report of General Counsel.

General Counsel Trindle provided updates on a litigation matter involving indemnity issues for the Local Agency Formation Commission (LAFCO) and a litigation matter involving the Americans with Disabilities Act; reported that CalOSHA adopted and updated their FAQ on COVID-19 Emergency Temporary Standards and that several laws are moving through the legislature being AB1944 and AB2449 regarding continuing current teleconferencing requirements under the Brown Act, AB2369 regarding State Water Board governing requirements on the Bay Delta Plan, and SB1205 for the State Water Board to develop regulations regarding methods and practices for determining water availability; and then provided updates on the State Water Contractors vs. Department of Water Resources and the J-M Manufacturing matter, which involve the District.

9) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

At 7:22 p.m., President Dizmang called for a ten-minute recess. She reconvened the Regular Board Meeting at 7:32 p.m.

10) Closed Session Under:

10.1) Government Code §54957: Public Employee Performance Evaluation: General Manager.

At 7:32 p.m., President Dizmang called for a closed session pursuant to Government Code §54957 to conduct a Public Employee Performance Evaluation: General Manager. She reconvened the Regular Meeting at 8:33 p.m.

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

General Counsel Trindle reported that a closed session was held pursuant to Government Code §54957 to conduct a Public Employee Performance Evaluation: General Manager; that the Board completed the General Manager evaluation process in closed session; and that the Board provided direction to General Counsel's office to implement an amendment to the Employment Agreement with General Manager LaMoreaux.

12) Consideration and Possible Action on Amendment No. 6 to General Manager Employment Agreement Dated July 30, 2015. (Budgeted – Budget Item No. 1-02-4000-000, Salaries – President Dizmang)

General Counsel Trindle reported that an amendment to the contract for General Manager LaMoreaux was offered providing for a 4.9% CPI increase and a 2.5% merit increase totaling a 7.4% salary increase, and it was also offered to add one additional year to the current Employment Agreement.

It was then moved by Director Mac Laren-Gomez, seconded by Director Dino and unanimously carried by all members of the Board of Directors present at the meeting on the following roll call vote to approve Amendment No. 6 to the General Manager Employment Agreement with General Manager LaMoreaux dated July 30, 2015 providing for a 4.9% CPI increase and a 2.5% merit increase totaling a 7.4% salary increase and adding one additional year to the Employment Agreement:

President Dizmang – aye
Director Dino – aye
Director Wilson – aye
Director Mac Laren-Gomez – aye
Director Kellerman – aye

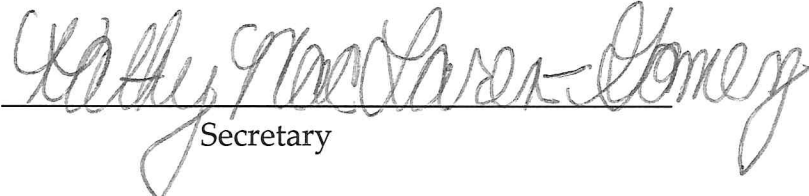
9) Board Members' Requests for Future Agenda Items.

Director Mac Laren-Gomez requested future agenda items for "Discussion of workshop topics" and "Consideration and possible action on updating the 2020 Strategic Plan."

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 8:36 p.m.


Secretary

RESOLUTION 22-12

RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT AUTHORIZING THE DISTRICT'S APPLICATION FOR FUNDING FROM THE BUREAU OF RECLAMATION WATERSMART: DROUGHT RESPONSE PROGRAM: DROUGHT RESILIENCY PROJECTS FOR FEDERAL FISCAL YEAR 2023 FOR THE DESIGN AND CONSTRUCTION OF WELL 36 AND WELL 37

WHEREAS, Palmdale Water District is an irrigation district established pursuant to Division 11, Section 20500 et seq. of the California Water Code.

WHEREAS, water supply in the Palmdale area is facing a growing list of challenges associated with regulatory cutbacks on State Water Project deliveries, Bay-Delta instability, climate change, aging infrastructure, and growing population; and

WHEREAS, the United States Department of the Interior, Bureau of Reclamation under the Drought Response Program: Drought Resiliency Projects Grant makes funding available to qualifying applicants; and

WHEREAS, the Board of Directors of the Palmdale Water District has identified two projects that exemplifies the objectives of the WaterSMART Grant in the design and construction of Well 36 and Well 37; and

WHEREAS, Palmdale Water District agrees to the administration and cost sharing requirements of the WaterSMART Grant criteria.

NOW, THEREFORE, LET IT BE RESOLVED by the Board of Directors of the Palmdale Water District as follows:

SECTION 1. Palmdale Water District is hereby authorized to receive, if awarded, the WaterSMART: Drought Response Program: Drought Resiliency Projects for 2023 grant funding in an amount up to \$2,000,000 and will make a good faith effort to enter into a cooperative agreement with Reclamation for the receipt and administration of said grant funds.

SECTION 2. The General Manager, Dennis LaMoreaux, or his designee, is hereby authorized to take any and all action which may be necessary for the completion and execution of the project agreement and to take any and all other action which may be necessary for the receipt and administration of the grant funding in accordance with the requirements of the Bureau of Reclamation.

SECTION 3. This resolution officially becomes a component part of the Palmdale Water District's grant application.

SECTION 4. The Board of Directors has reviewed and supports the application to be submitted.

SECTION 5. Palmdale Water District is capable of providing the amount of funding and/or in-kind contributions specified in the grant application funding plan.

SECTION 6. This Resolution shall be effective as of the date of adoption.

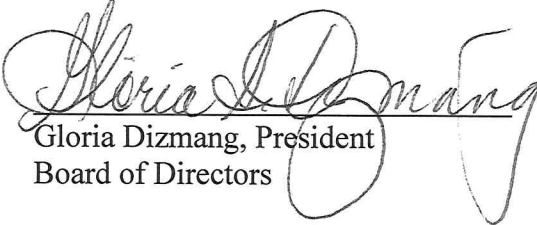
CERTIFICATION

PASSED, APPROVED and ADOPTED by the Board of Directors of the Palmdale Water District this 9th day of May, 2022, by the following vote:


AYES: President Dizmang, Directors Dino, Wilson, Mac Laren-Gomez, Kellerman

NOES: None.

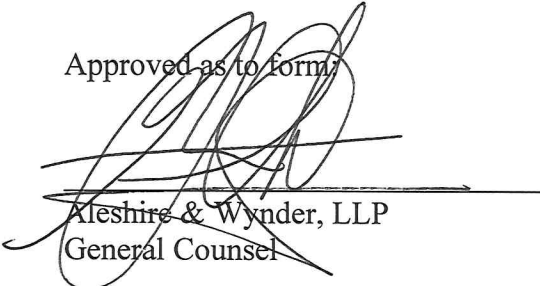
ABSTAIN: None.


Gloria Dizmang, President
Board of Directors

ATTEST:


Kathy MacLaren-Gomez, Secretary
Board of Directors

Approved as to form:


Aleshire & Wynder, LLP
General Counsel