

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, OCTOBER 23, 2023:**

*A regular meeting of the Board of Directors of the Palmdale Water District was held Monday, October 23, 2023, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District Office. President, Don Wilson, called the meeting to order at 6:00 p.m.*

**1) Pledge of Allegiance/Moment of Silence.**

At the request of President Wilson, Director Kellerman led the Pledge of Allegiance followed by a moment of silence.

**2) Roll Call.**

**Attendance:**

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

Gloria Dizmang, Assistant Secretary  
--Absent

**Others Present:**

Dennis LaMoreaux, General Manager  
Adam Ly, Assistant General Manager  
Pam Lee, General Counsel  
Dennis Hoffmeyer, Finance Manager  
Bob Egan, Financial Advisor  
Judy Shay, Public Affairs Director  
Angelica Garcia, Human Resources Director  
Danielle Henry, Executive Assistant  
Patricia Guerrero, Management Analyst  
4 members of the public

**3) Adoption of Agenda.**

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 adopt the agenda, as written:

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

**4) Public Comments for Non-Agenda Items.**

Mrs. Marelin Huerta, Palmdale resident, expressed her concerns regarding the District's outreach on debris found during flushing of the District's transmission line fed from the Clearwell.

There were no further public comments.

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 amend the previous motion to adopt the agenda, as amended, moving Agenda Item 8.3 after Agenda Item No. 4:

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

**8.3) Report of General Manager.**

**a) October 2023 Written Report of Activities through September 2023.**

General Manager LaMoreaux provided a summary of the October 2023 written report including the concerns expressed by Mrs. Huerta.

The Board then thanked Mrs. Huerta and expressed their own concerns with the inaccurate information circulating on social media.

**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 Board Meeting held October 9, 2023.**

**6.2) Payment of Bills for October 23, 2023.**

**6.3) Approval of Resolution No. 23-14 being a Resolution of the Board of Directors of the Palmdale Water District Establishing Its Investment Policy. (No Budget Impact – Finance Manager Hoffmeyer/Financial Advisor Egan/Finance Committee)**

President Wilson announced the items included in the Consent Calendar after which it was moved by Director Mac Laren-Gomez, 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 those items included in the Consent Calendar:

President Wilson – aye  
Director Kellerman – aye  
Director Dizmang – aye  
Director Dino – aye

Resolution No. 23-14 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) Consideration and Possible Action on Approval of Amendment No. 8 to General Manager Employment Agreement Between Palmdale Water District and Dennis D. LaMoreaux Dated July 30, 2015. (Budgeted – Budget Item No. 1-02-4000-000, Salaries – General Counsel Lee)**

General Counsel Lee provided a detailed overview of this proposed Amendment after which it was moved by Director Mac Laren-Gomez, 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 Amendment No. 8 to General Manager Employment Agreement Between Palmdale Water District and Dennis D. LaMoreaux dated July 30, 2015:

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

**7.2) Consideration and Possible Action on Resolution No. 23-15 being a Resolution of the Board of Directors of the Palmdale Water District Adopting a Reserve Policy. (No Budget Impact – Finance Manager Hoffmeyer/Financial Advisor Egan/Finance Committee)**

Finance Manager Hoffmeyer reviewed the recommended changes to the District's Reserve Policy, including the addition of Table A to the Policy outlining annual audited Operation and Maintenance Expenses establishing a calculation guideline of 25% to set the reserve goals for Board Designated Funds No. 2 and No. 3 in-lieu of specific dollar amounts, after which it was moved by Director Mac Laren-Gomez, 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. 23-15 being a Resolution of the Board of Directors of the Palmdale Water District Adopting a Reserve Policy:

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

Resolution No. 23-15 is hereby made a portion of the minutes of this meeting.

**7.3) Consideration and Possible Action on Approval of 2024 Budget. (Finance Manager Hoffmeyer/Financial Advisor Egan/Finance Committee)**

Finance Manager Hoffmeyer provided a detailed overview of the 2024 Budget, including revenue and expenses based on revised projections from the 2019 Water Rate Study selling 14,500 Acre Feet of water, the expense adjustment increase of \$56k, personnel expenses, transfers to the Rate Stabilization Fund, projected water sales and assessments, capital expenditures, bond and grant funding, and departmental budgets, after which it was moved by Director Kellerman, 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:

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

**7.4) 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 2023 Budget:**

- a) **None at This Time.**

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

**8) Information Items:**

**8.1) Finance Reports:**

- a) **Status Report on Cash Flow Statement and Current Cash Balances as of September 2023. (Financial Advisor Egan/Finance Committee)**

Financial Advisor Egan provided an overview of the monthly Major Account Activity Report, the Quarterly Major Account Activity Report, the Investment Funds Report, and the Cash Flow Statement through September 2023, including account transfers, assessments received, water transfer revenue, capital improvement fees, semi-annual payments, increased interest and market value received, the rate stabilization funds, and the projected year-end balance.

- b) **Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for September 2023. (Finance Manager Hoffmeyer/Finance Committee)**

Finance Manager Hoffmeyer provided an overview of the Balance Sheet Report, the Balance Sheet Quarterly Comparison Report, the Profit and Loss Statement, the Profit and Loss Quarterly Comparison, the departmental budgets versus actual, and individual departmental budgets for the period ending September 2023, including bond and capital lease payments, water transfer revenue, the increase in surface water delivery and treatment costs, the increased interest received, and the higher expenses due to inflation.

He then commended staff for their best efforts in controlling expenses.

**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 2021A Series Water Revenue Bonds through September 2023

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

**1) Accounts Receivable Overview.**

Finance Manager Hoffmeyer provided a detailed overview of outstanding balances of amounts greater than \$50.00 for each account type at sixty and ninety days past due and stated that there are twenty-six payment arrangements as of September 30 and that payments continue to be received through the Low-Income Household Water Assistance Program (LIHWAP) for these accounts.

**2) Revenue Projections.**

He then stated that based on selling 14,500 AF of water, revenue is behind projections by approximately \$1,308,790 as of September 2023.

**3) Payment Transactions by Type.**

He then stated that electronic payments have increased significantly over the last ten years and continues to be the leading payment type.

**4) Billing and Collection Statistics.**

There was no report on this item.

**8.2) Reports of Directors:**

**a) Standing Committees; Organization Appointments; Agency Liaisons:**

**1) Antelope Valley East Kern Water Agency (AVEK) – October 10.  
(Director Dino, Board Liaison/Director Mac Laren-Gomez, Alt.)**

Director Dino reported that on October 10, he attended an AVEK Board Meeting where they approved purchase orders with Core & Maine Supply for a Roll Grooving Machine and the Central Feeder Pump Station Check Valve Replacement Project.

**2) Special Districts Association North Los Angeles County (SDANLAC) Board Meeting – October 12. (Director Dino, CSDA Chapter Chair/Director Dizmang)**

Director Dino reported that on October 12, he attended the SDANLAC Luncheon Meeting and that a written report will be distributed.

**3) Antelope Valley State Water Contractors Association (AVSWCA) Meeting – October 12. (President Wilson/Director Mac Laren-Gomez/Director Kellerman, Alt.)**

President Wilson reported that on October 12, he attended the AVSWCA Meeting and that a written report will be distributed.

**4) Palmdale Recycled Water Authority (PRWA) Meeting – October 16. (President Wilson/Director Dino/Director Mac Laren-Gomez, Alt.)**

President Wilson reported that on October 16, he attended the PRWA Meeting and that a written report will be distributed.

**5) Finance Committee Meeting – October 17. (President Wilson, Chair/Director Mac Laren-Gomez)**

President Wilson reported that on October 17, he attended the Finance Committee Meeting and that he has nothing to add to the detailed financial reports that were provided this evening.

**b) General Meetings Reports of Directors.**

Director Kellerman reported that on October 5, he attended a Board Briefing; that on October 12, he attended the SDANLAC Luncheon at AVEK; that on October 12, he also attended the AVSWCA Meeting; that on October 16, he attended the PRWA

Meeting; that on October 19, he attended a Board Briefing; and that on October 23, he attended the Grand Opening of AVEK's High Desert Water Bank and was very impressed with the size of the project.

President Wilson reported that on September 27, he attended an Agenda Review Briefing; that on October 11, he attended an Agenda Review Briefing; that on October 12, he attended the SDANLAC Luncheon at AVEK; that on October 12, he also attended the AVSWCA Meeting; that on October 16, he attended the PRWA Meeting; that on October 17, he attended the Finance Committee Meeting; that on October 19, he attended a Board Briefing; and that on October 26, he will be attending United Water Conservation District's 2023 Water Sustainability Summit.

Director Mac Laren-Gomez reported that on October 12, she attended the SDANLAC Luncheon at AVEK; that on October 12, she also attended the AVSWCA Meeting; that on October 17, she attended the Finance Committee Meeting; that on October 18, she attended a court hearing to testify for the Watermaster; that on October 19, she attended a Board Briefing; and that on October 23, she attended a Public Water Suppliers Meeting followed by a brief discussion of staff's creativity for the pumpkin decorating contest.

Director Dino reported that on October 10, he attended an AVEK Board Meeting; that on October 12, he attended the SDANLAC Luncheon at AVEK; that on October 16, he attended the PRWA Meeting; that on October 18, he attended a CSDA Chapter Meeting; that on October 19, he attended a Board Briefing; and that on October 23, he is attending the Palmdale Water District Regular Board Meeting.

### **8.3) Report of General Manager.**

General Manager LaMoreaux provided a brief overview of the actions taken at the October 16 PRWA Meeting, including approval of the 2024 Budget and joint funding of the East Avenue Q recycled water line followed by a brief discussion of future recycled water connections and grant funding.

#### **b) Finance Department. (Finance Manager Hoffmeyer)**

Finance Manager Hoffmeyer provided a detailed update of the Finance Department's current and projected activities, including the change in the District's payment processing platform from Electronic Payment Exchange (EPX) to InfoSend

beginning early 2024, the meter exchange project, and the preparation of Request for Proposals (RFPs) for the 2024 Rate Study and the 2023 Audit Actuarial.

**8.4) Report of General Counsel.**

General Counsel Lee provided a brief legislative update on AB1572 regarding the prohibition of potable water use for nonfunctional turf in various non-residential areas.

**9) Closed Session Under:**

**9.1) Conference with Real Property Negotiators (Government Code §54956.8):**

- a) Property: Transfer of Water Rights  
Agency Negotiator: Dennis LaMoreaux  
Negotiating Parties: Indian Wells Valley Groundwater Authority  
Under Negotiation: Price and Terms of Payment**

**9.2) Government Code §54957(b)(1):**

- a) Public Employee Performance Evaluation: General Manager.**

At 7:39 p.m., President Wilson called for a closed session pursuant to Government Code §54956.8 to conference with Real Property Negotiators and Government Code §54957(b)(1) to conduct a Public Employee Performance Evaluation: General Manager.

He reconvened the regular meeting at 8:33 p.m.

**10) Public Report of Any Action Taken in Closed Session.**

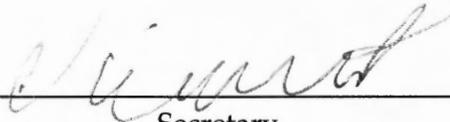
General Counsel Lee stated that a closed session was held pursuant to Government Code §54956.8 to conference with Real Property Negotiators and Government Code §54957(b)(1) to conduct a Public Employee Performance Evaluation: General Manager and that no reportable action was taken in closed session.

**11) Board Members' Requests for Future Agenda Items.**

There were no requests for future agenda items.

**12) Adjournment.**

There being no further business to come before the Board, the meeting was adjourned at 8:34 p.m.

  
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Secretary