

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JANUARY 22, 2024:

A regular meeting of the Board of Directors of the Palmdale Water District was held Monday, January 22, 2024, 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.

At the request of President Mac Laren-Gomez, Director Kellerman led the Pledge of Allegiance followed by a moment of silence in honor of our troops.

2) Roll Call.

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

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
Joe Marcinko, Operations Manager
Danielle Henry, Executive Assistant
1 member of the public

3) Adoption of Agenda.

It was moved by Director Wilson, seconded by Director Dino, 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.

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 January 8, 2024.**
- 6.2) Payment of Bills for January 22, 2024.**

President Mac Laren-Gomez announced the items included in the Consent Calendar 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 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) 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 2024 Budget:

- a) 6th Annual Palmdale School District Foundation Dinner to be held February 2, 2024.**

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 to approve the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2024 Budget: 6th Annual Palmdale School District Foundation Dinner to be held February 2, 2024.

8) Information Items:

8.1) Finance Reports:

- a) Status Report on Cash Flow Statement and Current Cash Balances as of December 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 December 2023, including account transfers, assessments received, increased interest and market values, scheduled payments, capital improvement funds, water transfer revenues, and the healthy year-end balance.

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

Finance Manager Hoffmeyer provided an overview of 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, and individual departmental reports for the period ending December 2023 and stated that operating revenues are below the historical trend average at 97.5%, that expenses are below the historical trend average at 97.7%, and that most departments operated at or near the traditional budgetary percentage of 100% followed by a brief discussion of accounts over this percentage primarily due to the purchase and treatment of additional water supply.

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 and 2023A Series Water Revenue Bonds through December 2023 and stated that uncommitted funds from the 2021A Series Bond will be allocated towards the Well 15 discharge basin work.

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

1) Accounts Receivable Overview.

Finance Manager Hoffmeyer provided a brief overview of outstanding balances of amounts greater than \$50.00 for each account type at sixty and ninety days past due and stated that the increase in single family residential accounts is due to the delay of

shut-offs during the District's holiday closure and that as of December 31, there are ten payment arrangements totaling \$11,841.62 with \$7,711.92 collected to date.

2) Revenue Projections.

He then stated that based on selling 14,500 AF of water, 2023 revenue is behind projections by approximately \$1,731,525 as of December 31 followed by a brief discussion of customers' water usage and 2024 Budget projections.

3) Payment Transactions by Type.

He then stated that electronic payments continue to be the leading payment type with 220,917 of 296,257 payments being electronic in 2023.

4) Billing and Collection Statistics.

He then reviewed the Billing and Collections Statistics through December 2023 and stated that customers have returned to pre-pandemic patterns.

8.2) Reports of Directors:

a) Standing Committees; Organization Appointments; Agency Liaisons:

**1) Antelope Valley East Kern Water Agency (AVEK) – January 9.
(Director Dino, Board Liaison/President Mac Laren-Gomez, Alt.)**

Director Dino reported that on January 9, he attended an AVEK Board Meeting where they approved a change order with Nicolas Construction for recharge system improvement for their High Desert Water Bank.

**2) Finance Committee Meeting – January 16. (Director Wilson,
Chair/President Mac Laren-Gomez)**

Director Wilson reported that on January 16, he attended the Finance Committee Meeting and that he has nothing to add to the detailed reports provided this evening.

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

Director Dino reported that on January 16, he attended the PRWA Meeting where they approved the appointment of Public Member Director Zakeya Anson for a one-year term; that Laura Bettencourt has replaced Director Andrea Alarcón; and that an informational print-out provided by Mr. Jason Zink, AV Land and Development Consultant, has been distributed in the Director mailboxes.

4) Special Districts Association North Los Angeles County (SDANLAC) Board Meeting – January 17. (Director Dino, CSDA Chapter Chair)

Director Dino reported that on January 17, he attended the SDANLAC Board Meeting and stated that their Strategic Plan has been completed with the hard work and dedication of SDANLAC Directors Elvie Ancheta and Kathye Armitage and that the next Chapter Luncheon will be held February 21 at The Centre in Santa Clarita.

b) General Meetings Reports of Directors.

Director Kellerman reported that on January 18, he attended a Board Briefing and that on January 22, he is attending the Palmdale Water District Regular Board Meeting.

Director Wilson reported that on January 8, he attended the Palmdale Water District Regular Board Meeting; that on January 9, he attended an Agenda Review Briefing for the Finance Committee; that on January 16, he attended the Finance Committee Meeting; and that on January 18, he attended a Board Briefing.

Director Mac Laren-Gomez reported that on January 16, she attended the Finance Committee Meeting; that on January 16, she also attended the PRWA Meeting; that on January 18, she attended a Board Briefing; and that on January 22, she attended a Public Water Suppliers Meeting.

Director Dino reported that on January 4, he attended a Board Briefing; that on January 8, he attended the Palmdale Water District Regular Board Meeting; that on January 9, he attended an AVEK Board Meeting; that on January 16, he attended the PRWA Meeting; that on January 17, he attended a SDANLAC Chapter Meeting; that on January 18, he attended a Board Briefing; and that on January 22, he is attending the Palmdale Water District Regular Board Meeting.

8.3) Report of General Manager.

a) January 2024 Written Report of Activities through December 2023.

General Manager LaMoreaux stated that a written report was included in the agenda packet and highlighted the San Luis Reservoir level and its impact on State Water Project Table A allocations; the District's water production and continued conservation measures by customers; and the significant reduction in mainline and service line leaks as a result of the District's investment in water main replacement projects.

Assistant General Manager Ly then introduced Mr. Joe Marcinko, the District's new Operations Manager, after which Mr. Marcinko provided an overview of his professional background and experience and stated that he is glad to be part of the PWD team.

8.4) Report of General Counsel.

General Counsel Lee reported that the comment period for the Environmental Protections Agency's proposed rule regarding lead water line replacements and testing requirements for drinking water agencies has been extended.

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 6:49 p.m.



Secretary