

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
PALMDALE WATER DISTRICT, NOVEMBER 27, 2013:**

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, November 27, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Kathy Mac Laren, called the meeting to order.

1) Pledge of Allegiance.

At the request of President Mac Laren, Director Alvarado led the pledge of allegiance.

2) Roll Call.

Attendance:

Kathy Mac Laren, President
Gordon Dexter, Vice President
Robert Alvarado, Secretary

Gloria Dizmang, Treasurer –
Steve Cordova, Director –
EXCUSED ABSENCE

Others Present:

Dennis LaMoreaux, General Manager
Tom Bunn, Attorney
Mike Williams, Finance Manager
Matt Knudson, Engineering Manager
Peter Thompson II, Operations Manager
Tim Moore, Facilities Manager
Jon Pernula, Water & Energy Resources Mngr.
Mynor Masada, Treatment Supervisor
Amanda Williams, Water Quality Supervisor
Dawn Deans, Executive Assistant
3 members of the public

3) Adoption of Agenda.

It was moved by Director Dexter, seconded by Director Alvarado, and unanimously carried to adopt the agenda, as written.

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Presentations:

5.1) No Presentations Scheduled at This Time.

There were no presentations.

6) Action Items – Consent 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.)

6.1) Approval of Minutes of Regular Meeting Held November 13, 2013.

6.2) Payment of Bills for November 27, 2013.

6.3) Approval of 2014 District Membership in Association of California Water Agencies. (\$20,102.50 – Budgeted – General Manager LaMoreaux)

6.4) Approval of 2014 District Membership in California Special Districts Association. (\$5,294.00 – Budgeted – General Manager LaMoreaux)

6.5) Approval on Removing Freeze on Merit Incentives. (\$45,200.00 – Budgeted but Frozen – General Manager LaMoreaux/Subject to Personnel Committee Recommendation)

6.6) Approval on Removing Freeze on Bonus Incentives. (\$58,000.00 – Budgeted but Frozen – General Manager LaMoreaux/Subject to Personnel Committee Recommendation)

6.7) Approval on Filling Three Vacant District Positions as Follows: Service Worker I/II, Service Worker I/II, and Construction Inspector I/II. (Budgeted – General Manager LaMoreaux/Subject to Personnel Committee Recommendation)

6.8) Approval on Concurrently Funding the Assistant General Manager Position and Defunding the Engineering Manager Position. (\$13,000.00 – General Manager LaMoreaux/Subject to Personnel Committee Recommendation)

It was moved by Director Dexter, seconded by Director Alvarado, and unanimously carried 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 Entering Into and Funding Purchase Options in the 2014 State Water Contractors Dry Year Water Transfer

Program. (\$25,000.00 - Budgeted – Water & Energy Resources Manager Pernula/Water Supply & Reliability Committee)

Water & Energy Resources Manager Pernula provided an overview of the State Water Contractors Dry Year Water Transfer Program and the benefit to the District from participation in this Program after which it was moved by Director Dexter, seconded by Director Alvarado, and unanimously carried to approve entering into and funding purchase options in the 2014 State Water Contractors Dry Year Water Transfer Program with an initial deposit of \$25,000.00 and an estimated cost of \$300.00 per acre foot of water.

7.2) Consideration and Possible Action to Recommend Approval of the Cooperative Agreement Between the City of Palmdale, Antelope Valley East Kern Water Agency, Palmdale Water District, and Los Angeles County Waterworks District No. 40, Antelope Valley to Design, Construct, Operate and Maintain the Upper Amargosa Creek Flood Control, Recharge, and Habitat Restoration Project. (\$1.25 Million – Water Revenue Series 2013A Bond Funding – Engineering Manager Knudson/Water Supply & Reliability Committee)

Engineering Manager Knudson provided an overview of the four-way Cooperative Agreement, the cost to the District, and the amount of water available to the District through the Upper Amargosa Creek Flood Control, Recharge, and Habitat Restoration Project, and after discussion of the adjudication process, the construction of this Project, and of the need for water banking projects, it was moved by Director Dexter, seconded by Director Alvarado, and unanimously carried to approve the Cooperative Agreement between the City of Palmdale, Antelope Valley East Kern Water Agency, Palmdale Water District, and Los Angeles County Waterworks District No. 40, Antelope Valley to design, construct, operate and maintain the Upper Amargosa Creek Flood Control, Recharge, and Habitat Restoration Project in the not-to-exceed amount of \$1.25 million and that General Manager LaMoreaux is authorized to execute said Agreement.

7.3) Consideration and Possible Action on Postponing Any Automatic Rate Increases Until After Adoption of the 2014 Budget. (General Manager LaMoreaux)

General Manager LaMoreaux recommended the automatic 8% water rate increase scheduled for January 1, 2014 be postponed until the Board adopts the 2014 Budget after which it was moved by Director Dexter, seconded by Director Alvarado,

and unanimously carried to postpone any automatic rate increases until after adoption of the 2014 Budget.

7.4) Consideration and Possible Action on Cancelling Second Regular Board Meeting in December. (General Manager LaMoreaux)

General Manager LaMoreaux stated that the second regular Board meeting in December falls on December 25 during which time the District is scheduled to be closed after which it was moved by Director Alvarado, seconded by Director Dexter, and unanimously carried to cancel the second regular Board meeting in December.

7.5) Consideration and Possible Action on Board and Staff Attendance at Conferences, Seminars, and Training Sessions as Follows: None at This Time.

There was no action taken on this item.

8) Information Items.

8.1) Reports of Directors: Meetings/Committee Meetings/General Report.

Director Alvarado reported that on November 4, he attended the Outreach Committee meeting and that on November 26, he attended a Board briefing.

Director Dexter reported that the outcome of the Water Supply & Reliability Committee meeting was considered earlier this evening under Agenda Item No.'s 7.1 and 7.2.

President Mac Laren reported that on November 25, she attended the Personnel Committee meeting; that the District's new Human Resources Manager Emery was present; that quite a few items from the meeting were recommended for Board consideration; and that she attended a Board briefing after the Personnel Committee meeting.

There were no further reports from Directors.

8.2) Report of General Manager.

a) District Vacancies. (No Changes)

General Manager LaMoreaux reported that based on Board action tonight, the recruitment process will begin for the three vacant positions, being one Construction Inspector and two Water Service Workers.

b) Palmdale Recycled Water Authority Status.

General Manager LaMoreaux reported that the Palmdale Recycled Water Authority established 2014 officers at their last meeting; that the Authority is partially on hold due to the election concerns for the City of Palmdale; and that the Authority will not meet in December.

c) Monthly Department Reports.

General Manager LaMoreaux reported that the Monthly Department Reports were included in the agenda packet if there are any questions on same.

He then reported that all Directors were provided a copy of the current 2014 draft Budget.

He then reported that the Fire Department issued a press release on the scheduled burn at Palmdale Lake to improve the habitat of the tri-colored blackbird, and the Fin & Feather Club will be closed during the burn.

He reported further that The Mathis Group forwarded five proposals for legal counsel services and that to keep this process moving forward, a new member needs to be appointed to the Ad Hoc Legal Committee after which President Mac Laren stated that she will appoint a new member at the next regular Board meeting.

8.3) Report of Attorney.

Attorney Bunn provided a detailed report on several Proposition 218 cases, one being a trial court decision regarding the City of San Juan Capistrano's water rates where the court invalidated their tiered rate structure and determined the City could only charge a recycled water cost to customers receiving recycled water, and the other being a court of appeal decision regarding Pajaro Valley Water Management Agency's groundwater augmentation fee used to acquire additional water for banking where the court upheld that the Proposition 218 notice was only sent to property owners and not tenants and proportionality of costs does not have to be determined on a user by user basis, and that they will keep the Board abreast of developments in these cases.

The Board then discussed the Proposition 218 process and multi-year water rate plans.

9) **Public Comments on Closed Session Agenda Matters.**

There were no public comments on closed session agenda matters.

At 7:27 p.m., President Mac Laren called for a three-minute recess. She reconvened the regular meeting at 7:30 p.m.

10) **Closed Session Under:**

10.1) Government Code Section 54956.9(d)(1), pending litigation: *Antelope Valley Ground Water Cases*.

10.2) Government Code Section 54956.9(d)(1), pending litigation: *United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California Case No. ED CV06-0055-GW*.

10.3) Government Code Section 54956.9(d)(1), pending litigation: *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561*.

10.4) Government Code Section 54956.9(d)(1), pending litigation: *Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216*.

At 7:30 p.m., President Mac Laren called for a closed session pursuant to Government Code Section 54956.9(d)(1), Pending Litigation - Four Cases: *Antelope Valley Ground Water Cases* and *United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California Case No. ED CV06-0055-GW* and *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561* and *Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216*.

She reconvened the regular meeting at 7:52 p.m.

11) **Public report of any action taken in closed session.**

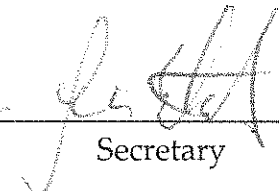
Attorney Bunn reported that a closed session had been held under Government Code Section 54956.9(d)(1), Pending Litigation – Four Cases: *Antelope Valley Ground Water Cases* and *United States, et al. v. J-M Manufacturing Company, Inc., et al.*, *United States District Court for the Central District of California Case No. ED CV06-0055-GW* and *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561* and *Velez v. City of Palmdale, et al*, *Los Angeles Superior Court Case No. MC023216*; that the Board received a report from Counsel on the current status of the first two matters being the Antelope Valley Ground Water Cases and the J-M Manufacturing Company, Inc. case; but that no reportable action under the Brown Act was taken in closed session on any of these matters.

12) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

13) Adjournment.

There being no further business to come before the Board, the regular meeting of the Board of Directors of the Palmdale Water District was adjourned.


Secretary