

## MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JANUARY 8, 2014:

*A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, January 8, 2014, 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 Estes led the pledge of allegiance followed by a moment of silence for the passing of George "Frank" Collett, a long-time District employee.

### 2) Roll Call.

#### Attendance:

Kathy Mac Laren, President  
Robert Alvarado, Vice President  
Gloria Dizmang, Treasurer  
Joe Estes, Secretary  
Vincent Dino, Director

#### Others Present:

Dennis LaMoreaux, General Manager  
Jim Ciampa, Attorney  
Matt Knudson, Assistant General Manager  
Mike Williams, Finance Manager  
Tim Moore, Facilities Manager  
Peter Thompson II, Operations Manager  
Jim Stanton, Information Technology Manager  
Mynor Masada, Treatment Supervisor  
Amanda Williams, Water Quality Supervisor  
Kelly Jeters, Systems Supervisor  
Dennis Hoffmeyer, Senior Accountant  
Robert Egan, Financial Advisor  
Dawn Deans, Executive Assistant  
1 member of the public

### 3) Adoption of Agenda.

It was moved by Director Alvarado, seconded by Director Estes, 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 December 11, 2013.**

**6.2) Ratification of Payment of Bills for December 25, 2013.**

**6.3) Payment of Bills for January 8, 2014.**

**6.4) Approval of Pipeline Crossing Agreement With Union Pacific Railroad Company for the All Parts Auto Recycling Center Railroad Crossing. (Assistant General Manager Knudson)**

**6.5) Approval of Resolution No. 14-1 Authorizing Specified Individuals to Transact Business With UBS Financial Services, Inc. (Finance Manager Williams)**

**6.6) Approval of Resolution No. 14-2 Authorizing Specified Individuals to Transact Business With Citizens Business Bank. (Finance Manager Williams)**

It was moved by Director Alvarado, seconded by Director Dino, and unanimously carried to approve those items included in the Consent Calendar.

Copies of Resolution No. 14-1 and Resolution No. 14-2 are 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 Special District LAFCO Alternate Representative. (General Manager LaMoreaux)**

After a brief discussion of the Special District LAFCO Alternate Representative candidates, it was moved by Director Dizmang, seconded by Director Dino, and unanimously carried to cast the District's ballot for B.J. Atkins.

**7.2) Discussion of and Possible Action on Appointment of the District's Standing Committees. (President Mac Laren)**

President Mac Laren presented the 2014 Standing Committees and Appointments List followed by discussion of scheduling Committee meetings.

There was no action taken on this item.

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

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

**8) Information Items.**

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

Director Dizmang reported that she and Director Alvarado, as part of the Outreach Committee, met with local representatives regarding the District's 'Before the First Drop' campaign and to address any questions about the District and provide a better understanding of rates; that they met with Mr. Kennedy of Congressman McKeon's office on December 13, with Ms. Angel of Assemblyman Fox's office on December 16, and with Senator Knight on December 19; and that on December 17, she attended the C.S.D.A. Leadership Academy Module 1 on Governance.

Director Alvarado reported that he attended the same meetings as Director Dizmang.

Director Estes reported that on December 17, he attended the C.S.D.A. Leadership Academy Module 1 on Governance. A copy of Director Estes' written report is hereby made a portion of the minutes of this meeting.

The Director Meeting Report Form was then discussed.

President Mac Laren acknowledged the following District employee birthdays: Kelly Jeters – January 1, Robert Wallace – January 8, Chris Vidal – January 18, Clay Gibbons – January 20, Eric Bouthillier – January 21, Shawn Webb – January 23, Salvador Zuniga – January 31, retiree Claudette Beck – January 22, and retiree Sonja Murry – January 28.

There were no further reports from Directors.

**8.2) Report of General Manager.**

**a) Monthly Department Reports.**

General Manager LaMoreaux stated that the Monthly Departmental Report for November, 2013 was included with the agenda packets if there are any questions on same after which Director Dizmang stated that she appreciates the information on Staff Meetings and Conferences.

**b) Status Report on Cash Flow Statement and Current Cash Balances as of November 30, 2013 (Financial Advisor Egan); Financial Statements, Revenue and Expense and Departmental Budget Reports for November 30, 2013 (Finance Manager Williams); and Committed Contracts Issued (Assistant General Manager Knudson).**

General Manager LaMoreaux stated that this item will be discussed under Agenda Item No. 12.

**8.3) Report of Attorney.**

Attorney Ciampa reported that the legislature will begin meeting again and items will be shared with the Board as they progress; that discussions continue on the Water Bond and the shift of Department of Public Health services to the State Water Resources Control Board; and that the Public Water Agencies Group is scheduled to meet January 22 where updates on these, as well as other items, are expected to be reviewed.

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

There were no public comments on closed session agenda matters.

**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 7:22 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 7:42 p.m.

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

Attorney Ciampa 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 was briefed on the current status of each of these matters of pending litigation; but that no reportable action under the Brown Act was taken in closed session on any of these matters.

At 7:44 p.m., President Mac Laren called for an eight-minute recess. She reconvened the regular meeting at 7:52 p.m.

**12) Consideration and Possible Action on 2014 Budget. (General Manager LaMoreaux/Department Heads)**

General Manager LaMoreaux provided an overview of the 2014 Budget including 2013 accomplishments, 2014 objectives, the need for a 3% water rate increase to continue investing in the District's assets and ensure compliance with the District's Reserve Policy and bond covenants, and proposed reductions of \$1.6 million from the first draft of the 2014 budget.

After a further discussion and review of the budget, it was moved by Director Dizmang, seconded by Director Dino, and unanimously carried to table this item to a Budget Workshop meeting to be held January 15, 2014 at 6:30 p.m.

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

Director Dizmang requested that Attorney Ciampa address a letter to the District Attorney's office regarding their recent decision to take no action regarding their conclusion that a Brown Act violation likely occurred, despite admitting there is no evidence to support that conclusion. No director objected to that request.

Director Alvarado inquired about the enactment of SB 751 after which Attorney Ciampa reviewed this legislation regarding the need for roll call votes and the designation of directors' respective votes when there is not a unanimous vote of the Board.


Director Estes reviewed Frank Collett's history with the District and recommended an item be included on the next agenda for "Consideration and possible action on creating a Frank Collett Day" with this day including a barbecue at the Fin & Feather Club.

Director Alvarado requested a future agenda item for "Presentation on the use of i-pads by Directors."

There were no further requests for future agenda items.

**14) 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

**RESOLUTION NO. 14-1**

**A RESOLUTION OF THE  
PALMDALE WATER DISTRICT  
AUTHORIZING SPECIFIED INDIVIDUALS TO  
TRANSACTION BUSINESS WITH UBS FINANCIAL SERVICES, INC.**

WHEREAS, the Board of Directors of the Palmdale Water District (the "District") has authorized certain public investments to be deposited with UBS Financial Services, Inc., for the purpose of protecting public assets and earning a safe rate of return on those invested assets being long-term Account No. SS-11475 and short-term Account No.'s SS-11432 and SS-11469 and rate stabilization fund Account SS-11810; and

WHEREAS, from time to time the Palmdale Water District has cause to withdraw, deposit, reinvest, or otherwise change the disposition of those invested assets to fulfill the mission of the District; and

WHEREAS, the Board of Directors of the District, at their regular meeting of January 8, 2014, did authorize the Secretary to execute resolutions with respect to accounts of the District held by UBS Financial Services, Inc.; and

WHEREAS, the Board of Directors of the District, at their meeting of January 8, 2014, did hereby approve the above described resolutions authorizing certain individuals to act on the District's behalf with respect to the certain specified investments of the District with UBS Financial Services, Inc.; and

WHEREAS, the Board of Directors of the District intends and requires at least one Director acting with another Director or designated staff member or two designated staff members acting together to exercise authority over investment accounts.

NOW THEREFORE, BE IT RESOLVED, that Joe Estes, Gloria Dizmang, Kathy Mac Laren, and Robert Alvarado, with any two of them acting together, are hereby authorized and directed to open an account with UBS Financial Services, Inc. in the District's name and on its behalf, for the purpose of purchasing and selling securities, and that UBS Financial Services, Inc. is hereby authorized to act upon any orders and instructions with respect to such accounts listed below and/or the delivery of securities or money therefrom when received from any of the two said individuals, acting together, who are each likewise hereby authorized to sign and deliver in the District's name and in its behalf, receipts for securities and/or funds so delivered or paid.

BE IT FURTHER RESOLVED, that any two of the following, Joe Estes, Gloria Dizmang, Kathy Mac Laren, or Robert Alvarado acting together or any one of them together with Dennis D. LaMoreaux, Robert M. Egan or Michael A. Williams or Dennis D. LaMoreaux and Michael A. Williams acting together are hereby authorized to act on behalf of the District with respect to long-term Account No. SS-11475, the short-term Account No.'s SS-11432 and SS-11469, and rate stabilization fund Account No. SS-11810.

ADOPTED THIS 8TH DAY OF JANUARY, 2014.

  
President, Board of Directors

**RESOLUTION NO. 14-2**

**A RESOLUTION OF THE  
PALMDALE WATER DISTRICT  
AUTHORIZING SPECIFIED INDIVIDUALS TO  
TRANSACTION BUSINESS WITH CITIZENS BUSINESS BANK**

WHEREAS, the Board of Directors of the Palmdale Water District (the "District") has authorized certain public funds to be deposited with Citizens Business Bank for the purpose of protecting public funds; and

WHEREAS, from time to time the Palmdale Water District has cause to withdraw, deposit, reinvest, or otherwise change the disposition of those invested assets to fulfill the mission of the District; and

WHEREAS, the Board of Directors of the District, at their regular meeting of January 8, 2014, did authorize the President and/or Secretary to execute agreements with respect to accounts of the District held by Citizens Business Bank; and

WHEREAS, the Board of Directors of the District, at their meeting of January 8, 2014, did hereby approve the above described agreements authorizing certain individuals to act on the District's behalf with respect to the certain specified accounts of the District with Citizens Business Bank; and

WHEREAS, the Board of Directors of the district intends and requires two Directors acting together or at least one Director acting with another director or designated staff member to execute authority over designated Treasury Management Agreement.

NOW, THEREFORE, BE IT RESOLVED, that Kathy Mac Laren and Joe Estes, acting together, are hereby authorized and directed to open an account with Citizens Business Bank in the District's name and on its behalf, for the purpose of securing services, and that Citizens Business Bank is hereby authorized to act upon any orders and instructions with respect to such accounts listed below and/or the delivery of securities or money therefrom when received from any of the two said individuals, acting together, who are each likewise hereby authorized to sign and deliver in the District's name and in its behalf, receipts for securities and/or funds so delivered or paid.

BE IT FURTHER RESOLVED, that any two of Joe Estes, Gloria Dizmang, Kathy Mac Laren, Robert Alvarado, or Vincent Dino acting together are hereby authorized to withdraw funds or to act on behalf of the District with respect to the General Account No. 047031559; Merchant Account No. 047031567; Customer Refund Account No. 047031575.

ADOPTED THIS 8TH DAY OF JANUARY, 2014.

  
President, Board of Directors



## DIRECTOR MEETING REPORT FORM

NAME: Joe Estes DATE: 1.6.14

NAME OF ORGANIZATION/MEETING:

CSDA: Module 1 Governance Foundations

LOCATION/DATE OF MEETING:

Claremont ON 12/17/13.

GENERAL SUBJECT MATTER OF MEETING:

How to be an effective leader. Also, as a Board member how to be an effective team.

KEY POINT(S) RELATING TO PWD OPERATIONS AND/OR POLICIES:

LIST OF NEW CONTACT(S) AND HOW THEY CAN BENEFIT PWD:


David Aranda: General Manager for North of the River Municipal WB and a Board Director. He is an instructor for CSDA. He was very motivating + extremely knowledgeable. He offered to be available by phone or email if we had any questions. He knows how to distinguish the different roles between being a General Manager and a Board member, which he does well.

→ over

Joseph Ruzicki, Director for Three Valleys  
Municipal WD. He's a candidate for the LAFCO.

David Aranda is currently the General Manager, Board Secretary and Treasurer for North of the River Municipal Water District. For sixteen years he served as General Manager and Board Secretary for Stallion Springs Community Services District.

David was privileged to serve as a Committee Member in regard to working with the Legislature in drafting new CSD law. He currently serves as President of Special District Risk Management Authority, a JPA and The Special District Leadership Foundation. He was part of the original committee that drafted and produced the Leadership Academy classes.



# *North of the River*

## *Municipal Water District*

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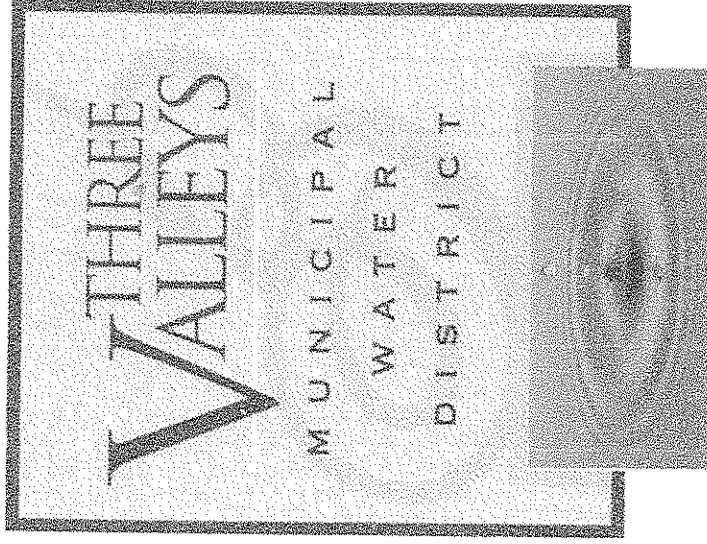
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**DAVID ARANDA, SDA**  
GENERAL MANAGER  
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## Director Joe Estes Board Report for January 8, 2014

A couple of topics that were discussed.

- 1) Never stop expanding your educational support for staff and board (it's imperative)
- 2) The need to create our own Governance Hand Book, and how to begin that process. I'm waiting for a sample copy from the Santa Clara water district.
- 3) How we as board members need to bring our creative ideas to the table.  
Talk together as a board.
- 4) Know the direction you're going, envision where your district will be in the next 5 to 10 years down the road.
- 5) As board members we need to acknowledge the staff as individuals.  
Examples on anniversary's or something done over and above their normal duties and invite them to the board room to do so.
- 6) David Aranda read a couple of short quotes I found compelling. 1) Unity of purpose, Out of many comes one. 2) How do I go from I to we without losing me.
- 7) Show board members new book.

When it comes time for future agenda items bring up bullet point #5 and then talk about Frank Collet.