

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JANUARY 22, 2014:**

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

**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  
Jennifer Emery, Human Resources Manager  
Mynor Masada, Treatment Supervisor  
Amanda Williams, Water Quality Supervisor  
Dennis Hoffmeyer, Senior Accountant  
Robert Egan, Financial Advisor  
Dawn Deans, Executive Assistant  
8 member of the public

**3) Adoption of Agenda.**

It was moved by Director Alvarado, seconded by Director Dino, 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) Use of I-Pads by Directors. (Director Alvarado/Information Technology Manager Stanton)**

Information Technology Manager Stanton reviewed how Directors can use District-issued I-Pads for conducting day-to-day District business, email management, and agenda review and the potential cost savings from this use.

The Board then discussed the Directors' use of I-Pads, and it was recommended that this item be placed on the next agenda for consideration.

**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 January 8, 2014.**

**6.2) Payment of Bills for January 22, 2014.**

**6.3) Approval of Resolution No. 14-3 Authorizing Specified Individuals to Transact Business With UBS Financial Services, Inc. Amending Resolution No. 14-1. (Finance Manager Williams)**

**6.4) Approval of Temporary Employment Agreement for Retired Annuitant Claudette Beck. (General Manager LaMoreaux)**

It was moved by Director Dino, seconded by Director Alvarado, and unanimously carried to approve those items included in the Consent Calendar followed by President Mac Laren's announcement of the items included in the Consent Calendar.

A copy of Resolution No. 14-3 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) Presentation and Possible Action on 2014 Budget Which Includes 3% Water Rate Increase (Decreased From Previously Approved 8% Increase). (General Manager LaMoreaux)**

- a) Staff Presentation.**
- b) Public Comment.**

- c) **Board Discussion.**
- d) **Board Action.**

General Manager LaMoreaux reviewed a summary of the 2014 budget including the District's 2013 accomplishments and planned objectives for 2014, staff's proposed budget, efficient use of District funds, investing in the District's infrastructure, debt coverage ratios, the District's bond rating, reserve levels, outreach efforts, the effect of the drought on revenue, and potential revisions to the meter charges as part of the upcoming rate study followed by the Board's detailed review of the department budget line items and requested reductions from each department with these additional reductions totaling just under \$290,000.00 making the total amount of reductions by the Board \$650,000.00.

At 9:42 p.m., President Mac Laren called for a nine-minute recess. She reconvened the regular meeting at 9:51 p.m.

Financial Advisor Egan reviewed the District's debt coverage ratio based on additional budget cuts made this evening followed by discussion of re-evaluating the Directors' expenses, health insurance, Article 4 of the Rules and Regulations, and staff's efforts to reduce costs.

It was then moved by Director Dizmang and seconded by Director Alvarado to adopt the 2014 Budget with a 2% water rate increase, and after clarification that a 2% water rate increase will allow all existing monies to remain in the rate stabilization fund but no monies will be added to the rate stabilization fund in 2014, the motion unanimously carried.

**7.2) Consideration and Possible Action on Creating a Frank Collett Day.  
(Director Estes)**

After a brief discussion of honoring District employees, those who have passed and those who have retired, it was moved by Director Estes, seconded by Director Dizmang, and unanimously carried that staff develop a plan, including costs, for hosting a barbecue to honor District employees, employees who have passed, and retirees and present this plan to the Board for further consideration.

Mr. Steve Chisolm, Palmdale resident, recommended the District ask vendors to contribute towards the cost of the barbecue.

**7.3) Consideration and Possible Action on Board and Staff Attendance at Conferences, Seminars, and Training Sessions as Follows:**

**a) California Utility Executive Management Association (CUEMA) 2014 Elected Officials Summit to be Held March 4 – 5, 2014 in Indian Wells.**

After a brief discussion, it was moved by Director Dizmang, seconded by Director Dino, and unanimously carried to approve Board and staff attendance at the California Utility Executive Management Association (CUEMA) 2014 Elected Officials Summit to be held March 4 – 5, 2014 in Indian Wells.

**8) Information Items.**

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

Director Estes reported that on January 14, he attended the C.S.D.A. Leadership Academy Module 3 on the Board's Role in Finance & Fiscal Accountability; that on January 15, he attended the Budget Workshop; and that on January 21, he attended a Board briefing. A copy of Director Estes' written report is hereby made a portion of the minutes of this meeting.

Director Alvarado reported that on January 9, he and General Manager LaMoreaux attended a meeting at Supervisor Antonovich's office regarding the "Before the First Drop" campaign; that on January 14, he, Director Dizmang, and General Manager LaMoreaux attended a meeting with Mayor Ledford regarding the "Before the First Drop" campaign; that on January 15, he attended a Budget Workshop; that on January 21, he attended a Board briefing; and that on January 23, he and President Mac Laren will be attending the Antelope Valley State Water Contractors Association meeting. A copy of Director Alvarado's written report is hereby made a portion of the minutes of this meeting.

Director Dizmang reported that the District has been recognized by ACWA/JPIA and received their Presidential Special Recognition Awards for having a loss ratio of 20% or less in liability, property, and workers compensation insurances; that on January 13, she attended the Ad Hoc Legal Services Committee, and legal counsel interviews have been scheduled for a special Board meeting on January 29; that on January 14, she met with Director Alvarado, General Manager LaMoreaux, and Mayor Ledford regarding the "Before the First Drop" campaign; that on January 15, she attended the Budget Workshop; and that on January 21, she attended a Board briefing.

Director Dino reported that on January 13, he attended the Ad Hoc Legal Services Committee with Director Dizmang; that on January 14, he attended the C.S.D.A. Leadership Academy Module 3 on the Board's Role in Finance & Fiscal Accountability; and that on January 15, he attended the Budget workshop.

President Mac Laren reported that on January 14, she attended the C.S.D.A. Leadership Academy Module 3 on the Board's Role in Finance & Fiscal Accountability; that on January 14, she attended the Budget Workshop; and that on January 21, she attended a Board briefing.

There were no further reports from Directors.

**8.2) Report of General Manager.**

**a) District Vacancies.**

General Manager LaMoreaux stated that the Organization Chart included in the agenda packets indicates the status of filling authorized positions.

**b) Palmdale Recycled Water Authority Status.**

He then stated that no Authority meeting was held in January and that Authority staff will develop a status report regarding the Authority's Master Plan and a budget proposal for the February Authority meeting.

**c) Monthly Department Reports.**

He then stated that the Monthly Departmental Report for December, 2013 was included with the agenda packets if there are any questions on same after which Director Alvarado stated that he will meet with General Manager LaMoreaux at a later time regarding his questions.

**8.3) Report of Attorney.**

Attorney Ciampa reported that the Public Water Agencies Group met earlier today and then reviewed several handouts from that meeting including state reservoir conditions, the Bay Delta Conservation, or Two Tunnels, Plan, and an ACWA document regarding the allocation of water bond monies and then reported that Assembly member Tony Atkins, from San Diego, has been selected as the new Speaker of the Assembly.

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 10:38 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 10:42 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 items of pending litigation; 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.**

Director Alvarado requested an item be placed on the next agenda for "Consideration and possible action on the use of I-Pads by Directors."

He then requested a future presentation on "Summary report of the District's Emergency Disaster Plan" and that a plan be developed for conducting a District-wide disaster drill.

President Mac Laren requested a press release be developed regarding the Board's action tonight regarding the budget and a 2% water rate increase and that this be publicized in the same manner as tonight's meeting after which General Manager LaMoreaux stated that staff will develop a press release based on tonight's actions and will also place the message on next month's water bills indicating the increase will become effective in March.

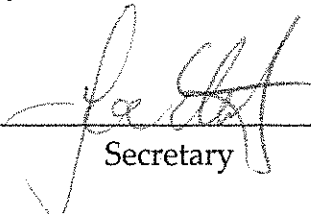
She then requested that attendance at the February 21 Antelope Valley Board of Trade Business Outlook Conference be placed on the next agenda for consideration.

She then stated that she discussed outreach to the Chambers of Commerce with General Manager LaMoreaux; that she recommends the Chairs of the Board's Standing Committees schedule meetings; and then thanked the Board and staff for their effort and cooperation on the adoption of the 2014 Budget.

There were no further 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

RESOLUTION NO. 14-3

A RESOLUTION OF THE  
PALMDALE WATER DISTRICT  
AUTHORIZING SPECIFIED INDIVIDUALS TO  
TRANSACT BUSINESS WITH UBS FINANCIAL SERVICES, INC.  
AMENDING RESOLUTION NO. 14-1

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-24016; 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-24016.

ADOPTED THIS 22ND DAY OF JANUARY, 2014.

  
President, Board of Directors



## DIRECTOR MEETING REPORT FORM

**NAME:** Joe Estes

**DATE:** 01/22/2014

NAME OF ORGANIZATION/MEETING:

- 1} CSDA's Moduel 3, Board's Role In Finance & Fiscal Accountability.
- 2} Budget Workshop at PWD District Office on January, 15 2014.
- 3} Board Briefing Regarding upcoming Agenda.

LOCATION/DATE OF MEETING:

- 1} (CSDA) Conference was held in Bakersfield at Stuart T. Pyle Water Resources Center. 3200 Rio Mirada Drive Bakersfield, CA 93308.
- 2} Budget Workshop at PWD District Office on January, 15 2014.
- 3} Board Briefing was at the PWD District Office on January, 15 2014.

GENERAL SUBJECT MATTER OF MEETING:

- 1} (CSDA) Board's Role In Finance & Fiscal Accountability.
- 2} (Budget) Line by line review regarding 3% increase.
- 3} (Briefing) Regarding upcoming Agenda. and possible changes or additions.

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

- 1} Understanding the physical and economic limitations of the district,
- 2} Knowing the history of the district, 3} Fiscal review is a board activity, not an individual activity, 4} Be a voice for the community and to the community, Be Mindful of your role as a policy maker.

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

David Aranda is currently the General Manager for North of the river municipal water district and board president for SDR-May.

# DIRECTOR ALVARADO'S REPORT

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JANUARY 22, 2014

**ON THE 9<sup>th</sup>, OUR GENERAL MANAGER AND I ATTENDED A MEETING AT THE MIKE ANTONIVICH'S OFFICE PROMOTING OUR SUCCESSFUL "BEFORE THE FIRST DROP CAMPAIGN".**

**ON THE 14<sup>th</sup>, DIRECTOR DIZMANG JOINED US AT PALMDALE CITY HALL WHERE WE VISITED WITH MAYOR JIM LEDFORD. WE PRESENTED PROPOSALS FOR BOTH THE CITY AND PWD TO COLLABORATE IN PROMOTING MUTUAL WATER RELATED PROGRAMS AND SERVICES IN OUR NEWSLETTERS AND WEBSITES. IN ADDITION, THE CITY WILL PROMOTE OUR "BEFORE THE FIRST DROP CAMPAIGN" IN THEIR CITY MAGAZINE AND T.V. CHANNEL. WE ARE EXCITED AND LOOK FORWARD TO THIS VERY IMPORTANT PARTNERSHIP.**

**ON THE 15<sup>TH</sup> I ATTENDED A BUDGET WORKSHOP**

**ON THE 21<sup>ST</sup>, DIRECTOR ESTES AND I ATTENDED A THREE HOUR LONG BRIEFING. WE COVERED THE BUDGET FROM A-Z**

**ON THE 23<sup>RD</sup>, PRES. McCLAREN AND I WILL BE REPRESENTING PWD AS COMMISSIONERS AT THE STATE WATER CONTRACTORS ASSOCIATION MEETING.**

**THIS CONCLUDES MY REPORT.**