

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, MARCH 26, 2014:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, March 26, 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 Alvarado 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
William Wynder, Attorney
Matt Knudson, Assistant General Manager
Mike Williams, Finance Manager
Peter Thompson II, Operations Manager
Jennifer Emery, Human Resources Manager
Mynor Masaya, Treatment Supervisor
Kelly Jeters, Systems Supervisor
Dawn Deans, Executive Assistant
2 members of the public

3) Adoption of Agenda.

President Mac Laren requested Agenda Item No.'s 9, 10, and 11 be considered after Agenda Item No. 4 after which it was moved by Director Estes, seconded by Director Dizmang, and unanimously carried to adopt the agenda, as amended, to consider Agenda Item No.'s 9, 10, and 11 after Agenda Item No. 4.

4) Public Comments for Non-Agenda Items.

Mr. Michael Leighty, Palmdale resident, requested the Board adopt a policy or take a position regarding fracking and work with other water agencies to determine if either a statewide or areawide position is appropriate.

There were no further public comments.

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*.

10.5) Government Code Section 54956.9(d)(1), pending litigation: *Omar Ramirez v. Palmdale Water District*.

At 7:07 p.m., President Mac Laren called for a closed session pursuant to Government Code Section 54956.9(d)(1), Pending Litigation – Five 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* and *Omar Ramirez v. Palmdale Water District*.

She reconvened the regular meeting at 7:38 p.m.

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

General Manager LaMoreaux reported that a closed session had been held under Government Code Section 54956.9(d)(1), Pending Litigation – One Case: *Antelope Valley Ground Water Cases*; that the Board was briefed on the current status of this item of litigation; and that no reportable action was taken in closed session.

Attorney Wynder then reported that a closed session had also been held under Government Code Section 54956.9(d)(1), Pending Litigation – Four Cases:

- *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* – General Counsel provided a privileged and confidential briefing on the status of this case, and no reportable action was taken nor was any solicited in closed session.
- *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561* – No report was provided on this item in closed session.
- *Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216* – This case has been settled, the settlement agreement has been reviewed and approved by General Counsel and executed by General Manager LaMoreaux, and he is pleased to report to the Board and to the public that the District will be dismissed from this litigation with prejudice upon the payment of zero dollars of consideration.
- *Omar Ramirez v. Palmdale Water District* – No report was provided on this item in closed session.

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 March 12, 2014.

6.2) Payment of Bills for March 26, 2014.

6.3) Approval of Attorney Conflict Waiver for Palmdale Recycled Water Authority. (General Manager LaMoreaux)

It was moved by Director Dizmang, seconded by Director Estes, 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.

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 Proposal Received From CWI Cal-West for Purchase and Installation of New Audio Equipment for Main Board Room. (\$26,400.00 – Non-Budgeted – Information Technology Manager /Facilities Committee)

Director Estes, Chair of the Facilities Committee, reviewed the age of the existing Board room audio system and the proposal received from CWI Cal-West for the purchase and installation of new audio equipment for the main Board room after which General Manager LaMoreaux reviewed funding options for this equipment and clarified that staff did receive higher verbal quotes for this work.

Director Dizmang then requested comparative bids be presented at the time of Board consideration after which it was moved by Director Estes and seconded by Director Dino to accept the proposal received from CWI Cal-West for the purchase and installation of new audio equipment for the main Board room in the not-to-exceed amount of \$30,000.00.

Mr. Michael Leighty, Palmdale resident, then concurred with Director Dizmang's comment regarding formal bids as verbal quotes may not be a vendor's best bid, and the Board is not harmed by the competitive bidding process.

After a further discussion, President Mac Laren made a substitute motion to accept the proposal received from CWI Cal-West for the purchase and installation of new audio equipment for the main Board room in the not-to-exceed amount of \$30,000.00 with staff providing proof of verbal quotations in a future written report. The motion was seconded by Director Dizmang and unanimously carried cancelling the previous motion by Director Estes.

7.2) Consideration and Possible Action on Presentation of Certificates of Appreciation to Non-Water-Related Organizations. (Director Estes/Outreach Committee)

General Manager LaMoreaux stated that this item is being discussed through the Strategic Plan Workshops and recommended this item be tabled until this process is complete after which it was moved by Director Dizmang, seconded by Director Dino, and unanimously carried to table this item until the Strategic Plan process is complete.

7.3) Consideration and Possible Action on Article 4 of the District's Rules and Regulations Relating to the Board of Directors. (General Manager LaMoreaux)

General Manager LaMoreaux stated that the provisions of Article 4 have been previously discussed and recommended this item be tabled until the Strategic Plan Workshops are complete with an Ad Hoc Committee assigned at that time to review Article 4 in detail, and after a brief discussion, it was moved by Director Dizmang, seconded by Director Dino, and unanimously carried to table this item until the Strategic Plan process is complete.

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

a) OCT Water Quality Academy "3-Day Water Treatment Test Prep. Grade 5" to be Held May 28 – 20, 2014 in McClellan.

After a brief discussion, it was moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried to approve Board and staff attendance at conferences, seminars, and training sessions as follows: OCT Water Quality Academy "3-Day Water Treatment Test Prep. Grade 5" to be Held May 28 – 30, 2014 in McClellan.

8) Information Items.

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

Director Estes reported that on March 15, he attended Sheriff Lee Baca's retirement party; that on March 19, he attended the Facilities Committee meeting with Director Dino; that also on March 19, he attended the employee all-hands lunch with Director Dino; that on March 20, he attended a meeting with Dr. Mathis regarding the Strategic Plan update; that also on March 20, he attended the City of Palmdale's airshow kick-off; that on March 24, he attended the Strategic Plan Workshop; that on March 25, he attended a Board briefing with General Manager LaMoreaux and Director Alvarado; and that also on March 25, he attended the Littlerock Dam Sediment Removal Project scoping meeting. A

copy of Director Estes' detailed written report is hereby made a portion of the minutes of this meeting.

Director Alvarado stated that in the interest of time, he attended the same Committee meetings, events, and activities as Director Estes.

Director Dizmang reported that on March 24, she attended the Strategic Plan Workshop and that also on March 24, she attended a Board briefing with General Manager LaMoreaux.

Director Dino reported that on March 13, he attended a meeting with Dr. Mathis regarding topics for the Strategic Plan update; that March 16 – 18, he attended the WateReuse Conference in Newport Beach with Assistant General Manager Knudson, and this conference focused on recycled water, purification, and standards and was very educational; that on March 19, he attended the Facilities Committee meeting with Director Estes; that on March 24, he attended the Strategic Plan Workshop, and this was very informative; that on March 25, he attended a Board briefing with General Manager LaMoreaux; and that on March 26, he is attending the Board meeting.

President Mac Laren reported that on March 20, she attended a meeting with Dr. Mathis regarding topics for the Strategic Plan update; that on March 24, she attended the Strategic Plan Workshop; and that also on March 24, she attended a Board briefing with General Manager LaMoreaux and Director Dizmang.

There were no further reports from Directors.

8.2) Report of General Manager.

a) District Vacancies.

General Manager LaMoreaux stated that an updated Hiring Status Organization Chart was included with the agenda packets and that new hires for open positions are scheduled to begin in the next few weeks.

b) Palmdale Recycled Water Authority Status.

General Manager LaMoreaux stated that no Authority meeting was held in March and that a workshop meeting will be held in April to review the draft Master Plan in detail.

c) Monthly Department Reports.

General Manager LaMoreaux stated that the Monthly Department Status Report was included with the agenda packets if there are any questions on same.

He then reported that after legal counsel approval, the RFP for the water rate study and outreach assistance for conducting the Proposition 218 process was distributed yesterday; that proposals are due April 17; and that staff anticipates presenting the proposals to the Board for consideration shortly thereafter.

He reported further that thanks to the Board for the cost of living increase and for implementing the increase at the beginning of the year was expressed at the employee all-hands lunch.

He reported further that as a follow-up to Director Alvarado's previous question regarding conservation efforts of the District's customers, Finance Manager Williams developed a Historical Water Consumption Per Connection chart, which indicates the District's customers have not voluntarily reduced their water use 20% as requested by the Governor through January and February.

d) 2014 Water Supply Status.

General Manager LaMoreaux stated that as of last Friday, the state set carry-over water amounts at 100%; that staff is researching other State Water Contractors who may not need their carry-over for additional supply; that the status of additional water supply options should be known within six weeks; and that a water conservation message that may be different from the Governor's message will be developed for the District's customers at that time.

8.3) Report of Attorney.

Attorney Wynder stated that he has no report but thanked the Board for the opportunity to serve as General Counsel for the District and then provided the Board with his personal background.

12) Board Members' Requests for Future Agenda Items.

Director Dizmang requested staff provide an update regarding fracking and whether or not ACWA has taken a position on this matter.

President Mac Laren requested staff provide an update regarding ACWA's, the Governor's, and our local assemblyperson's opinions on the water bond and the different proposals presented and whether or not the District should take a position on this matter.

Director Estes read a letter from former AVEK Director Andy Rutledge thanking the Board for the retirement resolution.

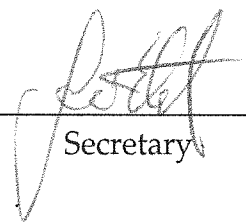
Director Dizmang then stated that she provided General Manager LaMoreaux with an article from the Los Angeles Times regarding the Delta, and he will distribute this article to the other Directors.

Director Alvarado then stated that the District has an outstanding group of employees; that they go the extra mile and are innovators; that most departments have operated below their designated budget and are conscious of the ratepayer's money; that the Board appreciates their diligence and fidelity to job assignments and what they do on behalf of the District; and that he would like the Board, General Manager LaMoreaux, and Assistant General Manager Knudson to consider bringing back some items employees enjoyed including a t-shirt and hat, the employee picnic, and the employee Christmas dinner.

General Manager LaMoreaux then stated that these items were eliminated due to budget constraints and will be considered as part of future budgets and that staff will provide a report at an upcoming meeting regarding an employee picnic as previously requested by Director Estes.

13) Adjournment.

There being no further business to come before the Board, the meeting was adjourned.


Secretary

Director Joe Estes Board Report for March 26, 2014

- 1) On Saturday March 15, 2014 Director Alvarado and I attended Sheriff Lee Baca's retirement party honoring the Sheriff's 48 Years of service and commitment to the Antelope Valley. This event was held at Dr. Farrukh's home. Dr. Farrukh also happens to be the President of the AV Hospital Board. It was good joining the many organizations across this city to name a few the AV Hospital Board, all of the School District, collage board, Charter schools the Chambers, Palmdale City, the list goes on it was an honor to be there as a representative of the Palmdale Water District.

- 2) On March 19, 2014, Director Dino and I attended or Facilities Meeting

Discussion:

- 1) Consideration for Purchase and installation of the new audio system we have been using courtesy of CWI Cal-West
Director Dino and I along with the full support of the staff unanimously agreed to bring it to the full board for approval.
- 2) Some discussion and a request from myself regarding unrestricted access to all facilities for all board members. My request was to have staff and the attorneys come up with a way that is safe and without an entourage of people following us when we decide to visit any of our locations.
- 3) Report on the wind turbine performance, from our Assistant General Manager Matt Knudson. Dennis LaMoreaux
- 4) There was also a public tour of the facilities just before we adjourned the meeting.

3) Also On March 19, 2014,
Director Dino and I attended the employee all hands luncheon.
It was good to see can't wait tell the next one. All the food was great
especially the beans that Tim made more like chili. I think I speak for
Director Dino as well I would like to thank the staff for making us feel so
welcome would like to see a lot more of this in the future I think it's great
for morale.

4) On March 20, 2014, Director Alvarado and I attended a meeting here at the
district office with Dr. Mathias.

Discussion:

Some of that discussion was regarding our Strategic Plan.

5) Also On March 20, 2014, I attended Palmdale City's airshow kick off
along with the Mayor and many other elected officials. It couldn't have been
held at a better place than our own Palmdale airpark museum tremendous
event.

6) On March 20, 2014, along with all other directors we attended the
Strategic Planning workshop here at the district office with Dr. Mathias and
the staff.

7) On March 25, 2014, Director Alvarado and I had a Board Briefing with our
General Manager Dennis LaMoreaux here at the PWD District Office.

Discussion:

(Agenda) For Regular Board Meeting to be held on March 26, 2014

8) Also On March 25, 2014, Director's Alvarado Dino and I attended the
Little Rock Dam Sediment Removal Scoping meeting. Along with the
Forestry Dept. General Manager Dennis LaMoreaux and Assistant General
Manager Matt Knudson here at the district office. I'm sure I speak for
everyone it will be good to see this project underway.