

## **MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, MAY 14, 2014:**

*A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, May 14, 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 followed by a moment of silence for the miners who perished in Turkey.

### **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  
Peter Thompson II, Operations Manager  
Tim Moore, Facilities Manager  
Bob Egan, Financial Consultant  
Claudette Beck, Retired Annuitant  
Dennis Hoffmeyer, Senior Accountant  
Dawn Deans, Executive Assistant  
2 members of the public

### **3) Adoption of Agenda.**

It was moved by Director Dino, 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 April 23, 2014.**

**6.2) Payment of Bills for May 14, 2014.**

**6.3) Approval of Pipeline Crossing Agreement With Union Pacific Railroad Company for Palmdale Water District Specification No. 1207 Railroad Crossing. (Assistant General Manager Knudson)**

President Mac Laren announced the items included in the Consent Calendar after which it was moved by Director Dizmang, seconded by Director Estes, 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) Status Report on Cash Flow Statement and Current Cash Balances as of March 31, 2014. (Financial Advisor Egan/Finance Committee)**

Financial Advisor Egan stated that the cash flow report presented this evening has been updated from the Finance Committee meeting and then reviewed the investment funds and cash flow reports as of March 31, 2014, including the overall decrease in cash of \$2.1 million due to the bond payment and expected capital expenditure payments, and stated that projected year-end looks positive and will fluctuate month-to-month.

**7.2) Status Report on Financial Statements, Revenue and Expense and Departmental Budget Reports for March 31, 2014. (Finance Manager Williams/Finance Committee)**

Senior Accountant Hoffmeyer reviewed the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending March 31, 2014 along with the graphic presentations for these reports and stated that all

departments, with the exceptions of Administration, Engineering, and Finance, operated at or below the targeted expenditure percentage of 25% or less.

**7.3) Status Report on Committed Contracts Issued. (Assistant General Manager Knudson/Finance Committee)**

Assistant General Manager Knudson reviewed the status of engineering projects included in the Committed Contracts and Payout Schedule, including those projects contractually committed and budgeted projects, and payments for projects funded from the Water Revenue Series 2013A Bonds.

**7.4) Consideration and Possible Action on Resolution No. 14-9 Being a Resolution of the Board of Directors of the Palmdale Water District Urging Heightened Water Conservation by Customers in Response to Drought. (General Manager LaMoreaux)**

General Manager LaMoreaux reviewed Resolution No. 14-9 after which it was moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried by all members of the Board of Directors present at the meeting to approve Resolution No. 14-9 being a Resolution of the Board of Directors of the Palmdale Water District Urging Heightened Water Conservation by Customers in Response to Drought.

A copy of said Resolution No. 14-9 is hereby made a portion of the minutes of this meeting.

**7.5) Consideration and Possible Action on the District's Participation in the Palmdale Community Foundation's Community Garden Program. (\$7,000.00 – Budgeted – Retired Annuitant Beck)**

Retired Annuitant Beck reviewed the proposed Community Garden Program and the District's requested participation after which it was moved by Director Estes, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve the District's participation in the Palmdale Community Foundation's Community Garden Program in the not-to-exceed amount of \$7,000.00.

**7.6) Consideration and Possible Action on Award of Contract for the Construction of the Water Main Abandonment and Service Reconnection in 10<sup>th</sup> St. E. From Palmdale Blvd. to Ave. Q-4 and Water Main Replacement in 10<sup>th</sup> St. E. From Ave.**

**Q-4 to Ave. P Under Specification No. 1207. (\$1,264,382.00 – Budgeted – Water Revenue Bonds, Series 2013A – Assistant General Manager Knudson)**

Assistant General Manager Knudson reviewed this project and the bids received after which it was moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried by all members of the Board of Directors present at the meeting to award a contract to Cedro Construction, Inc., as the lowest responsible bidder, for the construction of the water main abandonment and service reconnection in 10<sup>th</sup> St. E. from Palmdale Blvd. to Ave. Q-4 and water main replacement in 10<sup>th</sup> St. E. from Ave. Q-4 to Ave. P under Specification No. 1207 in the not-to-exceed amount of \$1,264,382.00.

**7.7) Consideration and Possible Action on Proposed California Special Districts Association Bylaws Updates. (General Manager LaMoreaux)**

General Manager LaMoreaux provided a brief overview of the proposed bylaws after which it was moved by Director Alvarado, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to approve the proposed California Special Districts Association bylaws updates.

**7.8) Consideration and Possible Action on Development of an Employee Recognition Fund. (General Manager LaMoreaux/Personnel Committee)**

General Manager LaMoreaux reviewed the Personnel Committee's recommendation that JPIA refunds be applied towards increasing the District's Employee Retention budget line item to allow for an annual picnic, Christmas party, and t-shirts for employees, and after a brief discussion of these options and other employee retention items, it was moved by Director Estes, seconded by Director Alvarado, and unanimously carried by all members of the Board of Directors present at the meeting to increase the Employee Retention budget in the amount of \$18,500.00 with funds from the JPIA refund for a total Employee Retention budget line item of \$20,000.00.

**7.9) Consideration and Possible Action on Lifting the Hiring Freeze With the Exception of Supervisor/Management Positions. (General Manager LaMoreaux/Personnel Committee)**

General Manager LaMoreaux reviewed the Personnel Committee's recommendation regarding lifting the hiring freeze for specific positions after which it was moved by Director Alvarado, seconded by Director Estes, and unanimously carried

by all members of the Board of Directors present at the meeting that the hiring freeze be lifted with the exception of Supervisor/Management positions.

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

**a) ESRI International User Conference to be Held July 14 – 18, 2014 in San Diego.**

After a brief discussion, it was moved by Director Dizmang, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to approve Board and staff attendance at conferences, seminars, and training sessions as follows: ESRI International User Conference to be held July 14 – 18, 2014 in San Diego.

**8) Information Items.**

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

Director Estes reported that on April 25, he attended the CSDA Module II Setting Direction/Community Leadership in Bakersfield; that May 5 – 9, he attended the ACWA/JPIA 2014 Spring Conference Running on Empty in Monterey; that on May 12, he attended the Strategic Plan Workshop; and that on May 13, he attended a Board briefing with Director Alvarado and General Manager LaMoreaux. A copy of Director Estes' detailed written report is hereby made a portion of the minutes of this meeting.

Director Alvarado reported that on April 25, he attended the CSDA Module II Setting Direction/Community Leadership in Bakersfield; that on April 26, he participated in the Desert Sands Park Beautification Project; that on May 3, he participated in the Lake Los Angeles Cinco de Mayo Parade and Festival; that on May 12, he attended the Strategic Plan Workshop; that on May 13, he and Director Estes had a Board briefing with General Manager LaMoreaux; and that also on May 13, he chaired the Air Force Plant 42 Environmental Restoration Advisory Board meeting. A copy of Director Alvarado's detailed written report is hereby made a portion of the minutes of this meeting.

President Mac Laren reported that May 9 - 11, she also attended the ACWA/JPIA 2014 Spring Conference Running on Empty in Monterey, she attended many different and informative sessions and came back with many questions and good ideas, there was a lot of discussion regarding the drought and making plans to avoid future drought issues, and

there was a call to all agencies to work together; that on May 12, she attended the Strategic Plan Workshop, the strategic goals were finalized for the Strategic Plan, and the Board and staff working together as a team are excited about the Strategic Plan; and that also on May 12, she attended a Board briefing with General Manager LaMoreaux.

Director Dizmang reported that on April 28, she attended a Water Supply & Reliability Committee meeting where they discussed continuing to look for sources of water, and a map of reservoir levels was reviewed indicating the bad water supply situation; that on May 7, she attended the Palmdale City Council meeting where Assistant General Manager Knudson provided a very professional presentation on the District's water supply along with Water & Energy Resources Manager Pernula, and another water agency also made a presentation; that on May 12, she attended a Board briefing with General Manager LaMoreaux; that also on May 12, she attended the Strategic Plan Workshop and she is excited how this process has evolved.

She then thanked the Communications Committee for their article in the in-house newsletter, and she appreciates the thoughtfulness and research in these groups.

Director Dino reported that on April 25, he attended the CSDA Module II Setting Direction/Community Leadership in Bakersfield, and this was very informative; that on April 28, he attended the Water Supply & Reliability Committee meeting, and it was very interesting as reported by Director Dizmang; that May 5 – 9, he attended the ACWA/JPIA 2014 Spring Conference Running on Empty in Monterey and, as reported, they were kept very busy; that on May 12, he attended the Strategic Plan Workshop, and Dr. Mathis has helped him in the strategic planning process; and that on May 13, he attended a Board briefing with General Manager LaMoreaux.

There were no further reports from Directors.

## **8.2) Report of General Manager.**

General Manager LaMoreaux reported that at the ACWA/JPIA Conference, he attended a seminar regarding the use of drought factors in water budget rate structures that will be useful in the District's Proposition 218 process, a seminar regarding water transfers and efforts from the various agencies to streamline these efforts, and a meeting regarding additional water supply for this year.

He then stated that the link for all presentations from the ACWA/JPIA Conference has been sent to all Directors followed by discussion of the importance of water banking.

**8.3) Report of Attorney.**

Attorney Wynder stated that their written report included with the agenda packet includes information regarding parliamentary procedure as requested by Director Dizmang; that this information can be kept in binders for easy reference; and that as legal counsel, he thinks the Board is doing a good job in conducting their meetings, and he applauds the Board for this. He then reviewed the process for considering an item and stated that some agencies receive and file reports making the reports part of the permanent record of the legislative body; that closed session agenda items do not have to be on each agenda unless a report is available; that he likes what the Board is doing, and they are doing it right; and that tonight everyone made it very clear of the action, and there is a very clear record of the proceedings.

He then stated that he has no report on Agenda Item No.'s 10.2, 10.3, and 10.4.

Director Dizmang then stated that she appreciates the format of Attorney Wynder's billing statement.

**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: *Omar Ramirez v. Palmdale Water District*.

At 8:12 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 8:26 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.

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

The Board viewed a hot-tapping video, and there were no requests for future agenda items.

General Manager LaMoreaux then requested the Board provide input as soon as possible for the Strategic Plan brochure.

**13) Adjournment.**

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

  
Secretary



**RESOLUTION NO. 14-9**  
**BOARD OF DIRECTORS OF THE**  
**PALMDALE WATER DISTRICT**  
**URGING HEIGHTENED WATER CONSERVATION BY CUSTOMERS IN**  
**RESPONSE TO DROUGHT**

**WHEREAS**, California is experiencing one of the most severe droughts on record; and

**WHEREAS**, the 2014 water year has been one of the driest in decades and follows two consecutive dry years throughout the State; and

**WHEREAS**, even after recent rain and snowfall, the state's major reservoirs remain well below average levels for the date, and the statewide snowpack is less than a third of normal with little time remaining to recover in 2014; and

**WHEREAS**, many areas of the State will face water shortages this year; and

**WHEREAS**, the State Water Project (Project) has announced an initial allocation of 5%, then zero, and then 5% again for its customers in 2014 making this year the lowest-ever allocations for its contractors, creating a real possibility that 25 million Californians and nearly a million acres of farmland will receive little water from the Project this year; and

**WHEREAS**, Governor Brown declared a drought state of emergency on January 17, 2014 and called on all Californians to do their part to reduce their water use; and

**WHEREAS**, though local water supply conditions vary around the State, California is nevertheless in a statewide drought, and it is critical that all residents do what they can to use water wisely to maximize supplies and protect water reserves in case next year is dry too; and

**WHEREAS**, Palmdale Water District has made significant investments in local programs and projects to improve water supply reliability, including supplemental water supply contracts, local water storage projects, water conservation, water recycling and other strategies to stretch supplies, and will continue to do so; and

**WHEREAS**, Palmdale Water District customers have made significant progress in water use efficiency by exceeding a 26% reduction in water use compared to pre-2009 water use levels, therefore, exceeding the state required 20% reduction by the year 2020.

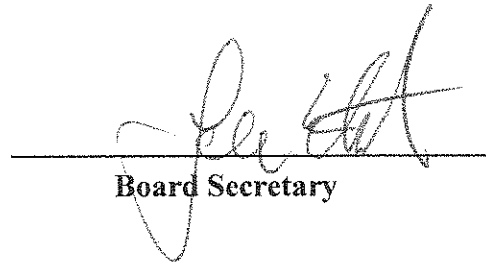
**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Palmdale Water District recognizes that California is in a statewide drought, and there is a critical need for all Californians to use water wisely on an ongoing basis and heighten their conservation efforts now as the State continues to face drought conditions.

**BE IT FURTHER RESOLVED**, that the Board of Directors thanks its customers for their ongoing water use efficiency efforts and asks that they re-double those efforts wherever possible this year in response to the drought.

**I certify that this is a true copy of Resolution No. 14-9 as passed by the Board of Directors of the Palmdale Water District at its meeting on May 14, 2014 in Palmdale, California.**

**Date: May 14, 2014**

  
\_\_\_\_\_  
**Board President**

  
\_\_\_\_\_  
**Board Secretary**

## ***Director Joe Estes Board Report for May 14, 2014***

- 1) On April 25, 2014, I attended CSDA,s Module II (***Setting Direction/Community Leadership***) in Bakersfield at the Stuart T. Pyle Water Resources Center.

### **Discussion:**

- 1) Workshop on establishing the vision, mission and strategic goals of the district. Discussions why the process of setting direction is important and how it benefits the district.
- 2) On May 05-Through the 9<sup>th</sup> Director's Dino, Mac Laren, and I along with our General Manager Dennis LaMoreaux attended ACWA's JPIA's 2014 Spring Conference in Monterey. (***Running on Empty***)

### **Discussion:**

- 1) Most of the discussions were regarding the drought.
- 3) On May 12, 2014 Along with all other directors we attended part three of the Strategic Planning workshop here at the district office with Dr. Mathias and the staff.
- 4) On May 13, 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 May 13, 2014

# **DIRECTOR ALVARADO'S REPORT**

**MAY 14, 2014**

**ON FRIDAY, APRIL 25<sup>th</sup>, I ATTENDED THE MODULE 2 TRAINING IN BAKERSFIELD. THE PRESENTATION WAS OUTSTANDING AND THE MATERIAL VERY INFORMATIVE. I WANT TO THANK DIRECTOR DINO FOR DOING THE DRIVING AND FOR THE LIVELY CONVERSATION.**

**ON SATURDAY MAY 26<sup>th</sup>, DIRECTOR DINO AND I SPENT SOME QUALITY TIME WITH OUR GARDENING TOOLS AT THE DESERT SANDS PARK BEAUTIFICATION PROJECT. I WOULD LIKE TO THANK THE LDS COMMUNITY FOR SELECTING A PARK LOCATED IN DIVISION 1 WHICH I REPRESENT. THERE WERE HUNDREDS OF VOLUNTEERS THERE.**

**ON SATURDAY, MAY 3<sup>rd</sup>, I PARTICIPATED IN THE LAKE LOS ANGELES CINCO DE MAYO PARADE AND FESTIVAL. THE EVENT WAS VERY FESTIVE AND WELL ATTENDED, I WOULD SAY IN THE THOUSANDS. LOTS OF PALMDALE BUSINESSES AND RESIDENTS JOINED THE FESTIVITIES.**

**ON MAY 12, I ATTENDED THE THIRD STRATEGIC PLAN WORKSHOP. KUDOS TO ALL DEPARTMENT HEADS FOR A GREAT PRESENTATION.**

**ON MAY 13, DIRECTOR ESTES AND I HAD A BRIEFING WITH OUR GENERAL MANAGER. WE WENT OVER THE AGENDA, BILLS AND OTHER WATER RELATED ISSUES.**

**LAST NIGHT I CHAIRED THE AIR FORCE PLANT 42 ENVIROMENTAL RESTAURATION ADVISORY BOARD. WE ARE MAKING PROGRESS IN CLEANING UP DIFFERENT SITES, WELLS AND THE PLUME.**

**THIS CONCLUDES MY REPORT.**