MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JULY 24, 2013:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, July 24, 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 Dizmang led the pledge of allegiance.

2) Roll Call.

Attendance:	**Others Present:**
Kathy Mac Laren, President	Dennis LaMoreaux, General Manager
Gordon Dexter, Vice President	Jim Ciampa, Attorney
Gloria Dizmang, Treasurer	Mike Williams, Finance Manager
Robert Alvarado, Secretary	Kelly Jeters, Systems Supervisor
	Danielle Henry, Administrative Assistant
Steve Cordova, Director -- EXCUSED ABSENCE	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) Cash for Grass Rebate Program. (Water Conservation Supervisor Beck)

There were no Cash for Grass Rebate Program 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 July 10, 2013.

6.2) Payment of Bills for July 24, 2013.

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 Cafeteria Healthcare Plan Proposal and Minimal Employee and Retiree Premium Contribution Towards Health Insurance Benefits. (General Manager LaMoreaux/Personnel Committee)

General Manager LaMoreaux stated that after several months of review, a proposal was developed at the Personnel Committee level to cap the District's costs for employees' medical, dental, and vision insurance benefits at $1,600 per employee; to establish a 125 Plan, Flexible Savings Account up to $2,500 per year, and dependent care to help employees with costs over this cap on a pre-tax basis; to add a second PPO healthcare plan below the $1,600 cap; and to make these changes effective January 1, 2014 to allow employees the opportunity to review their plans and make any changes during open enrollment followed by discussion of employee response and concerns to the proposed Cafeteria Plan and revisions, indexing the cap and options for indexing the cap, lifting the freeze on the step and bonus merit increases, addressing cost of living adjustments, and future discussions regarding CalPERS contributions.

Director Dexter then moved to approve and establish a Cafeteria 125 Plan administered by a third-party firm that includes the option for a Flexible Savings Account (FSA) and dependent care; to add Blue Cross PPO (Prudent Buyer Advantage) to the District's existing three offered medical insurances; to cap the District's contribution to medical, dental, and vision insurance coverage at $1,600 per month per employee; to apply this action to future retirees; to make this action effective January 1, 2014; and that before the open enrollment period, a plan be developed to index the $1,600 cap. The motion died for lack of a second.

It was then moved by Director Dizmang, seconded by Director Alvarado, and carried on a 3 – 1 vote, with Director Dexter opposed, to approve and establish a Cafeteria 125 Plan administered by a third-party firm that includes the option for a Flexible Savings

Account (FSA) and dependent care; to add Blue Cross PPO (Prudent Buyer Advantage) to the District's existing three offered medical insurances; to cap the District's contribution to medical, dental, and vision insurance coverage at $1,600 per month per employee; to apply this action to future retirees; and to make this action effective January 1, 2014.

General Manager LaMoreaux then stated that proposals to administer the Cafeteria 125 Plan will be presented to the Board for consideration at a later date.

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

a) None at This Time.

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

8) Information Items.

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

Director Dexter reported that he attended the Water Supply & Reliability Committee meeting and the Facilities Committee meeting; that a wind turbine production summary reviewed at the Facilities Committee meeting indicates the wind turbine produced almost double the energy the treatment plant used from April 1 to June 29; and that a copy of this report has been placed before the Board this evening.

Director Alvarado reported that he attended the Outreach Committee meeting and the Facilities Committee meeting and that he attended two briefings.

Director Dizmang reported that she attended the Personnel Committee meeting where the Committee finalized the report on the benefits package; that she attended the Water Supply & Reliability Committee meeting; that she had a briefing; that this morning she attended the A.V. Water Briefing with Senator Steve Knight and other water agency representatives at the Leslie O. Carter Water Treatment Plant; that the afternoon Briefing scheduled with Assemblyman Steve Fox was postponed; that she met Steve Perez, General Manager for Rosamond Community Services District, at the Briefing; that Mr. Perez helped write the reserve policy through the California Special Districts Association; and that he is an excellent source to help update the District's Reserve Policy.

President Mac Laren reported that she also attended the Personnel Committee meeting; that she attended a Board briefing; and that she also attended today's A.V. Water Briefing where they enjoyed a wonderful tour of the Leslie O. Carter Water Treatment Plant and received wonderful information on local water issues; that General Manager LaMoreaux was well prepared to lead the group in discussions; that it was a very relaxing and open debate; that Senator Knight is going the same direction as the District, and he and the District can help each other regarding the upcoming water bond and other items of importance to the District and the state of California; that she looks forward to rescheduling the Briefing with Assemblyman Fox; and that Senator Knight will be starting a file on opportunities for the District's low income residents.

There were no further reports from Directors.

8.2) Report of General Manager.

a) District Vacancies.

General Manager LaMoreaux distributed an updated District Vacancies Report showing the District's two currently vacant positions of Human Resources Manager and Service Worker.

b) Palmdale Recycled Water Authority Status.

He then reported that Palmdale Recycled Water Authority staff are scheduled to meet next Monday to review issues and the need for an August meeting and that part of this review will include continuing work with the Sanitation Districts regarding the reallocation of recycled water to the Authority.

c) Monthly Department Reports.

He then reported that the Monthly Department Status Report was included in the agenda packets if there are any questions on same after which Director Dizmang requested that a portion of page 3 of the Monthly Department Status Report regarding the process on construction notifications be included in the minutes. This information is as follows:

"...the following is a summary of the notification process District staff uses to notify customers impacted by construction activity and emergency situations being performed by District staff:

Emergency Repairs/Interruptions: The District staff makes an effort to contact the affected customers prior to any emergency water outage or interruption in service. Staff will knock on doors of the affected customers and verbally notify them of the interruption and if no face-to-face contact can be made, will hang a "waterdrop" notification that provides the information of the interruption and contact information for any questions the customer may have. District staff will also notify the Customer Service Department and let them know the location and duration of any water outages or interruptions in case customers contact the office with questions or concerns.

Planned Repairs/Interruptions: The District staff will go door-to-door of the customers that are impacted by planned water outages or interruptions at least 24-hours prior to the construction activity. If no face-to-face contact can be made, staff will hang a "waterdrop" notification that provides the information of the interruption and contact information for any questions the customer may have. Staff also keeps the Customer Service Department aware of these activities and locations in case customers call the office with questions or concerns."

General Manager LaMoreaux then distributed the A.V. Water Briefing packet of materials to those Directors unable to attend the Briefing.

d) Before the First Drop Marketing Campaign Videos.

The Board viewed the two videos completed for the Before the First Drop marketing campaign and commended staff on the videos.

General Manager LaMoreaux then stated that on July 22, 1918, the County Board of Supervisors certified the vote creating the Palmdale Water District making the District two days into its 96th year.

8.3) Report of Attorney.

Attorney Ciampa stated that he has no report.

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)(a), 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. 34-2010-8900000561.***

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 7:33 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. 34-2010-8900000561* and *Velez v. City of Palmdale, Et Al, Los Angeles Superior Court Case No. MC023216.*

She reconvened the regular meeting at 7:47 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. 34-2010-8900000561* 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.

The 2014 budget process was discussed, and 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