MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, AUGUST 14, 2013:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, August 14, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Vice President, Gordon Dexter, called the meeting to order.

1) **Pledge of Allegiance.**

Vice President Dexter led the pledge of allegiance.

2) **Roll Call.**

Attendance:	**Others Present:**
Gordon Dexter, Vice President	Dennis LaMoreaux, General Manager
Gloria Dizmang, Treasurer	Jim Ciampa, Attorney
Robert Alvarado, Secretary	Mike Williams, Finance Manager
Steve Cordova, Director	Matt Knudson, Engineering Manager
	Peter Thompson II, Operations Manager
Kathy Mac Laren, President -- EXCUSED ABSENCE	Jim Stanton, Information Technology Manager
	Kelly Jeters, Systems Supervisor
	Amanda Williams, Water Quality Supervisor
	Bob Egan, Financial Advisor
	Dawn Deans, Executive Assistant
	3 members of the public

3) **Adoption of Agenda.**

It was moved by Director Alvarado, seconded by Director Dizmang, and unanimously carried to adopt the agenda, as written.

4) **Public Comments for Non-Agenda Items.**

There were no public comments.

5) **Presentations:**

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 July 24, 2013.

6.2) Payment of Bills for August 14, 2013.

6.3) Receive and File Semi-Annual Employee Reimbursement Report for the Period Covering January 1, 2013 Through June 30, 2013. (Finance Manager Williams)

It was moved by Director Dizmang, 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 Claim Received From Omar Ramirez. (Finance Manager Williams)

Finance Manager Williams reviewed the claim received from Omar Ramirez, and after a brief discussion, it was moved by Director Dizmang, seconded by Director Cordova, and unanimously carried to reject the claim received from Omar Ramirez.

7.2) Status Report on Cash Flow Statement and Current Cash Balances as of June 30, 2013. (Financial Advisor Egan/Finance Committee)

Financial Advisor Egan reviewed the investment funds report as of June 30, 2013 and stated that water sales are higher than anticipated; that he recommends an account change based on market value and to eliminate the need for an investment manager; that July's report will include a payment to the Department of Water Resources and an anticipated Butte payment; that he sees all positives in the District's cash flow; and that year-end shows a positive increase in cash of approximately $2 million over budget.

7.3) Status Report on Financial Statements, Revenue and Expense and Departmental Budget Reports for June 30, 2013. (Finance Manager Williams)

Finance Manager Williams 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 June 30, 2013 and stated that all departments are operating at or below the targeted expenditure percentage of 50% or less and continue to keep expenses down and under control.

7.4) Status Report on Committed Contracts Issued. (Engineering Manager Knudson/Finance Committee)

Engineering Manager Knudson reviewed payments included in the Committed Contracts and Payout Schedules for capital projects, projects funded by the Water Quality Fee, and projects funded from the Water Revenue Series 2013A Bonds followed by discussion of the upcoming bid opening for the water main replacement project in 20th St. East, 22nd St. East, Ave. Q-1, Ave. Q-2, Malby Ave., Ladelle Ave., Ave. Q-5, Sweetbrier St., and Puerta Ave. and the District's Local Vendor and Contractor Policy.

7.5) Consideration and Possible Action on Setting Palmdale Water District's Assessment Rates for Fiscal Year 2013-2014 and Adoption of Resolution No. 13-11 Regarding Said Rates. (Financial Advisor Egan)

Financial Advisor Egan provided an overview of the process and recommendation for setting the District's annual assessment rates, and after a brief discussion and clarification of the rates, it was moved by Director Dizmang, seconded by Director Cordova, and unanimously carried on the following roll call vote "ayes – Directors Alvarado, Dexter, Dizmang, and Cordova; noes – none; absent – Director Mac Laren" to adopt Resolution No. 13-11 Setting the Palmdale Water District's Assessment Rates for Fiscal Year 2013-2014 at 0.328978.

A copy of said Resolution No. 13-11 is hereby made a portion of the minutes of this meeting.

7.6) Consideration and Possible Action on Removing Freeze on Annual Cost of Living Adjustment. ($130,000 – Budgeted But Frozen – General Manager LaMoreaux/Personnel Committee)

Director Dizmang, Personnel Committee Member, provided an overview of the Committee's discussions regarding the annual cost of living adjustment, and after a brief discussion of the 2013 annual cost of living and of potential future employee contributions towards CalPERS, it was moved by Director Alvarado, seconded by Director Dizmang, and unanimously carried to remove the freeze on the annual cost of living adjustment granting an annual cost of living adjustment to the District's employees' salaries in the amount of 2.2% retroactive to January 1, 2013.

7.7) Consideration and Possible Action on Proposal Received From The Mathis Group to Recruit for the Position of Human Resources Manager and to Provide

Guidance for an RFQ for Board/District's Attorney. ($15,560.00 – Non-Budgeted – General Manager LaMoreaux/Personnel Committee)

Director Dizmang, Personnel Committee Member, provided an overview of the proposal received from The Mathis Group, and after a brief discussion of the cost for these services and conducting these services in-house, it was moved by Director Alvarado and seconded by Director Dizmang to accept the proposal received from The Mathis Group to recruit for the position of Human Resources Manager and to provide guidance for an RFQ for Board/District's attorney in the not-to-exceed amount of $15,560.00.

Attorney Ciampa then commented on the need to refine the description of legal services to be provided so that it more accurately describes the services provided by the District's legal counsel, and after a brief discussion, the motion unanimously carried.

7.8) Consideration and Possible Action on Attorney Services Agreement Between the District and Lagerlof Senecal Gosney & Kruse LLP. (General Manager LaMoreaux/Ad Hoc Legal Committee)

Director Dexter, Ad Hoc Legal Committee member, reviewed the Committee's discussions regarding developing a legal services contract and recommendation to approve the Attorney Services Agreement with Lagerlof Senecal Gosney & Kruse LLP after which it was moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried to approve the Attorney Services Agreement between the District and Lagerlof Senecal Gosney & Kruse LLP in the form presented to the Board.

7.9) Consideration and Possible Action on ACWA Region 8 Election for the 2014-2015 Term. (General Manager LaMoreaux)

It was moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried to cast the District's ballot for ACWA's recommended slate for the ACWA Region 8 Election for the 2014-2015 term.

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

a) California Utility Executive Management Association "Leadership Summit 2013" to be held September 4 – 6, 2013 in San Diego, California.

b) Public Works – Utilities - Waterworks Management Institute "Basic Management Institute" to be held September 16 - 20, 2013 in Salt Lake City, Utah.

c) AUMA Actuator, Inc. "Service Training and AC Parameterization" to be held September 23 – 26, 2013 in Tustin, California.

d) Shimadzu Customer Training and Education Center "Gas Chromatography Mass Spectrometry Training" to be held September 24 – 27, 2013 in Columbia, Maryland.

After a brief discussion, it was moved by Director Dizmang, seconded by Director Cordova, and unanimously carried to approve Board and staff attendance at conferences, seminars, and training sessions as follows: California Utility Executive Management Association "Leadership Summit 2013" to be held September 4 – 6, 2013 in San Diego, California; Public Works – Utilities - Waterworks Management Institute "Basic Management Institute" to be held September 16 - 20, 2013 in Salt Lake City, Utah; AUMA Actuator, Inc. "Service Training and AC Parameterization" to be held September 23 – 26, 2013 in Tustin, California; and Shimadzu Customer Training and Education Center "Gas Chromatography Mass Spectrometry Training" to be held September 24 – 27, 2013 in Columbia, Maryland.

8) Information Items.

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

Director Dizmang reported that on July 30, she attended the Ad Hoc Legal Committee meeting; that on August 5, she attended the Outreach Committee meeting; that on August 7, she attended the Personnel Committee meeting; that on August 12, she attended the Water Supply Fee Board Workshop; and that on August 14, she attended the Finance Committee meeting.

Director Alvarado reported that on August 5, he attended the Outreach Committee meeting; that on August 7, he attended the Personnel Committee meeting; that on August 12, he attended the Water Supply Fee Board Workshop; and that on August 13, he attended a Board briefing that lasted three hours, which was very informative and interesting, and thanked General Manager LaMoreaux and Finance Manager Williams for their time.

Director Dexter reported that he attended the Water Supply & Reliability Committee meeting at the end of last month, an Ad Hoc Legal Committee meeting, and the Water Supply Fee Board Workshop.

There were no further reports from Directors.

8.2) Report of General Manager.

General Manager LaMoreaux stated that he distributed a chart summarizing the types of certifications needed for District positions if there are any questions on same after which the Board thanked him for the detailed chart.

a) Selection of Winner for 'Facebook Like' Campaign. (Information Technology Manager Stanton)

General Manager LaMoreaux informed the Board of the Outreach Committee's efforts to gain more interest in the District and stated that the 'Facebook Like' campaign was conducted over the last month with ten random winners to be selected to receive a t-shirt after which Information Technology Manager Stanton reviewed the increase in the District's social media presence from this campaign and from staff's efforts at Thursday-Night-on-the-Square.

The Board and legal counsel then selected the following ten random winners of the District's 'Facebook Like' campaign: Sonia Casanova, Bo Shim, Leslie Jay, Rolando Salazar, Bonnie Burton, JoAnn Molzahn, Miltha Harrold, Jimmy Portillo, Rosemary Nord, and Jose Alvarez.

8.3) Report of Attorney.

Attorney Ciampa reported that AB 145 was not passed by the Senate Appropriations Committee, but was instead placed in the Appropriations Committee's suspense file; that it may be removed from the suspense file at a subsequent committee hearing and would then move to the Senate floor; and that if the bill is not removed from the suspense file, it will not move forward and will "die" there.

He then reported that there was a recent Proposition 218 case involving water users suing the City of San Juan Capistrano for violating Proposition 218; that the citizens were successful in their challenge; and that the ruling involved the same basic issue as the District as far as not having adequate justification in the record.

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.*

10.5) Government Code Section 54956.9(d)(1), Pending Litigation: *SCWA v. DWR, Superior Court of California for the County of Sacramento, Case No. 34-2008-00016338 CU-BC-GDS (Area of Origin Litigation).*

10.6) Government Code Section 54956.9(d)(2), Conference With Legal Counsel Regarding Potential Litigation.

At 8:10 p.m., Vice President Dexter 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. 34-2010-8900000561* and *Velez v. City of Palmdale, Et Al, Los Angeles Superior Court Case No. MC023216* and *SCWA v. DWR, Superior Court of California for the County of Sacramento, Case No. 34-2008-00016338 CU-BC-GDS (Area of Origin Litigation)* and pursuant to Government Code Section 54956.9(d)(2), Conference with legal counsel regarding potential litigation.

He reconvened the regular meeting at 8:30 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 – 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. 34-2010-8900000561* and *Velez v. City of Palmdale, Et Al, Los Angeles Superior Court Case No. MC023216* and *SCWA v. DWR, Superior Court of California for the County of Sacramento, Case No. 34-2008-00016338 CU-BC-GDS (Area of Origin Litigation);* that the Board was apprised of the current status of each of these items of pending litigation; that closed session was also held pursuant to Government Code Section 54956.9(d)(2), Conference with legal counsel regarding potential litigation; that the Board was updated regarding the facts and circumstances concerning this item of potential 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.

General Manager LaMoreaux informed the Board that The Mathis Group has emailed a set of recommended agenda items for the next regular Board meeting and that these items will be placed on the agenda for the next regular Board meeting for consideration.

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

PALMDALE WATER DISTRICT
RESOLUTION NO. 13-11

WHEREAS, the Los Angeles County Auditor-Controller has submitted to the Palmdale Water District the assessed value information necessary to enable the District to establish its assessment rates; and

WHEREAS, the Board of Directors has reviewed the assessed value information and has calculated the amounts needed to be raised to meet the State Water Contract; and

WHEREAS, the Board of Directors has determined the assessment rate required to raise the required funds.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Palmdale Water District hereby establishes the following secured tax rates for 2013-2014:

ACCOUNT #	AGENCY NAME	TAX RATE
308.60	Palmdale Water District	.000000
308.61	Palmdale Water District Zone B	0.328978
308.62	Palmdale Water District Zone B2	0.328978
308.63	Palmdale Water District Zone C	0.328978
308.65	Palmdale Water District Zone E	0.328978
308.66	Palmdale Water District Zone A	0.328978
308.67	Palmdale Water-Westmont Imp. Dist.	.000000

FURTHER RESOLVED, that the Board of Supervisors of the County of Los Angeles, State of California, is hereby authorized and directed, at the time and in the manner directed by law, in addition to any and all other taxes and assessments levied against the lands within the Palmdale Water District, to levy and collect assessments against all of the lands within said District and the aforesaid improvement District at the rates set forth above.

PASSED AND ADOPTED at a regular meeting of the Board of Directors held on August 14, 2013, by the following roll call vote:

AYE: Directors Robert Alvarado, Gordon Dexter, Gloria Dizmang, and Steve Cordova

NO: None

ABSENT: Director Kathy Mac Laren

I hereby certify under penalty of perjury that the tax rates levied herein are exempt from the application of Article XIII A, Section 1(A) of the Constitution of the State of California.

Name: Gordon Dexter
Title: Vice President, Board of Directors

DATED: August 14, 2013

RESOLUTION NO. 13-11

CR52RPTA

COUNTY OF LOS ANGELES
AUDITOR-CONTROLLER, TAX DIVISION

2013 - 14 SECURED TAX RATES

ACCT #	AGENCY NAME	TAX RATE
308.60	PALMDALE WATER DIST	.000000
308.61	PALMDALE WATER DIST ZONE B	0.328978
308.62	PALMDALE WATER DIST ZONE B2	0.328978
308.63	PALMDALE WATER DIST ZONE C	0.328978
308.65	PALMDALE WATER DIST ZONE E	0.328978
308.66	PALMDALE WATER DIST ZONE A	0.328978
308.67	PALMDALE WATER-WESTMONT IMP DIST	.000000

I, GORDON DEXTER, AM A ~~MEMBER OF THE CITY COUNCIL~~, A MEMBER OF THE GOVERNING BOARD, ~~THE CHIEF EXECUTIVE OR THE CHIEF FINANCIAL OFFICER~~ FOR THIS AGENCY AND I HEREBY CERTIFY THAT THE TAX RATES LEVIED HEREIN ARE EXEMPT FROM THE APPLICATION OF ARTICLE XIII A, SECTION 1(A) OF THE CONSTITUTION OF THE STATE OF CALIFORNIA.

AUTHORIZED SIGNATURE	TITLE	DATE
	Board Vice President	August 14, 2013