MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JANUARY 12, 2011:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, January 12, 2011, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Gordon Dexter, called the meeting to order at 7:00 p.m.

1) Pledge of Allegiance.

At the request of President Dexter, Director Cordova led the pledge of allegiance.

2) Moment of Silence.

Director Cordova requested everyone remain standing and observe a moment of silence and keep in mind those tragically taken from us in Arizona and those throughout the country.

3) Roll Call.

Attendance:	**Others Present:**
Gordon Dexter, President	Dennis LaMoreaux, General Manager
Steve Cordova, Vice President	Jim Ciampa, Attorney
Raul Figueroa, Secretary	Mike Williams, Finance Manager
Linda Godin, Treasurer	Matt Knudson, Engineering Manager
Jeff Storm, Director	Peter Thompson II, Operations Manager
	Tim Moore, Facilities Manager
	Ed Boka, Treatment Plant Supervisor
	Gene Taylor, Customer Service Supervisor
	Dawn Deans, Executive Assistant
	3 members of the public

4) Adoption of Agenda.

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

5) Public Comments for Non-Agenda Items.

There were no public comments.

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 December 22, 2010.

6.2) Payment of Bills for January 12, 2011.

6.3) Approval of Final Cell Tower Lease Agreement Between the District and Royal Street Communications. (Non-budgeted - $26,400 Revenue/Year – Engineering Manager Knudson)

It was moved by Director Figueroa, seconded by Director Godin, 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 Reorganization of the Board of Directors.

President Dexter recommended the organization of the Board of Directors remain the same after which it was moved by Director Storm, seconded by Director Figueroa, and after a brief discussion, unanimously carried that the organization of the Board of Directors remain as follows:

Gordon Dexter, President
Steve Cordova, Vice President
Raul Figueroa, Secretary
Linda Godin, Treasurer
Jeff Storm, Director

7.2) Consideration and Possible Action on Resolution No. 11-1 Supporting ACWA Policy Principles on Implementation of State and Federal Endangered Species Act. (Director Godin/General Manager LaMoreaux)

General Manager LaMoreaux reviewed ACWA's request for support of their position on the implementation of the Endangered Species Act, and after a brief discussion, it was moved by Director Storm, seconded by Director Godin, and

unanimously carried to approve Resolution No. 11-1 Supporting ACWA Policy Principles on Implementation of State and Federal Endangered Species Act.

A copy of Resolution No. 11-1 is hereby made a portion of the minutes of this meeting.

7.3) Consideration and Possible Action on District Policy Regarding Establishment of a Water Service Account. (President Dexter)

Customer Service Supervisor Taylor provided an overview of District policy regarding establishment of water service accounts including property owners being ultimately responsible for water service accounts, the update to this policy that only owners can establish water service accounts, and the reduced outstanding debt, improved efficiency and faster customer service, and convenience to property owners resulting from this policy.

Mr. Bruce B. Hailstone, real estate broker and property manager, then expressed concern with disallowing a tenant/occupant to establish water service in their name making them responsible for the water bill and stated that tenants are not as cautious with their water use when they are not responsible for payment of the water bill; that tenants run up large water bills and owners/property managers do not have the ability to disconnect water service because of fines from the health department; that non-payment of a water bill becomes the problem of the landlord/owner rather than the tenant; and then requested that the tenant be responsible for the water service account if the landlord/owner does not want to keep the water service in their name.

Mr. Hailstone's rental agreement policy for payment of the water bills and Los Angeles County Waterworks' policy for establishing water service were then clarified, Director Figueroa suggested an Ad Hoc Committee be formed to review the District's policy with a report back to the Board, and after a brief discussion, President Dexter stated that he will appoint an Ad Hoc Committee to review this policy.

7.4) Consideration and Possible Acton on General Manager Evaluation Process. (President Dexter)

After a brief discussion of the General Manager evaluation process and of recommendations from the ACWA Conference to use an outside consultant in this

process, it was determined that the cost for an evaluation consultant be reviewed by the Personnel Committee and brought back to the full Board for consideration.

7.5) Consideration and possible action on Board attendance at conferences, seminars, and training sessions as follows:

7.5.1) California Special Districts Association (CSDA) "Required Ethics Compliance Training-AB1234 Webinar" to be held January 18, 2011;

7.5.2) California Special Districts Association (CSDA) "Gateway to Digital Document Management Webinar" to be held January 21, 2011;

7.5.3) California Special Districts Association (CSDA) "How to be an Effective Board Member" to be held January 27, 2011 in Riverside and February 3, 2011 in Pebble Beach;

7.5.4) California Special Districts Association (CSDA) "Board Secretary/Clerk Foundations Training" to be held February 9, 2011 in Sacramento and April 7, 2011 in Fountain Valley;

7.5.5) California Special Districts Association (CSDA) "Staying in Compliance: Understanding Fundamental Laws" to be held February 10, 2011 in Sacramento and April 8, 2011 in Fountain Valley;

7.5.6) California Special Districts Association (CSDA) "Required Sexual Harassment Prevention Webinar" to be held February 16, 2011;

7.5.7) Special District and Local Government Institute "Governance – Learn How to be a More Effective Leader in These Challenging Times" to be held February 17-18, 2011 in Anaheim;

7.5.8) Antelope Valley Board of Trade Business Outlook Conference "Navigating Change" to be held February 18, 2011 in Lancaster;

7.5.9) Special District and Local Government Institute "Beyond the Basics-Making Better Decisions Workshop" to be held February 19, 2011 in Anaheim;

7.5.10) Special District and Local Government Institute "Dollars and Sense – Attracting, Retaining, and Compensating Employees Workshop" to be held February 19, 2011 in Anaheim;

7.5.11) California Special Districts Association (CSDA) "Electronic Document Management" to be held February 24, 2011 in Monterey;

7.5.12) California Special Districts Association (CSDA) "Governance Foundations" to be held February 24, 2011 in Rancho Cucamonga and March 31, 2011 in Sacramento;

7.5.13) California Special Districts Association (CSDA) "Board's Role in Finance & Fiscal Accountability" to be held February 25, 2011 in Mira Loma and April 28, 2011 in Sacramento;

7.5.14) California Special Districts Association (CSDA) "Must Have Communication Protocols for Board & Staff Webinar" to be held February 28, 2011;

7.5.15) California Special Districts Association (CSDA) "Green Financing 101-Reduce Carbon Footprint Webinar" to be held March 1, 2011;

7.5.16) California Special Districts Association (CSDA) "Board Secretary/Clerk Conference" to be held March 3 - 4, 2011 in Seaside;

7.5.17) California Special Districts Association (CSDA) "Understanding the Brown Act-Core Components/Updates Webinar" to be held March 8, 2011;

7.5.18) Association of California Water Agencies (ACWA) "2011 Legislative Symposium" to be held March 16, 2011 in Sacramento;

7.5.19) California Special Districts Association (CSDA) "Ethics AB 1234 Compliance Training" to be held March 18, 2011 in Antelope and June 2, 2011 in Port Hueneme;

7.5.20) California Special Districts Association (CSDA) "General Manager Roles & Responsibilities" to be held March 22, 2011 in Antelope;

7.5.21) California Special Districts Association (CSDA) "Special District Risk Management Authority Safety/Claims Education Day" to be held March 31, 2011 in Sacramento;

7.5.22) California Special Districts Association (CSDA) "Setting Direction/Community Leadership" to be held April 1, 2011 in Mira Loma and May 2, 2011 in Sacramento;

7.5.23) California Special Districts Association (CSDA) "What Every Public Agency Should Know About Prevailing Wage Webinar" to be held April 5, 2011;

7.5.24) California Special Districts Association (CSDA) "Understanding & Effectively Managing Group Dynamics Webinar" to be held April 12, 2011;

7.5.25) California Special Districts Association (CSDA) "Board's Role in Human Resources" to be held April 14, 2011 in Sacramento and June 24, 2011 in Mira Loma;

7.5.26) California Special Districts Association (CSDA) "Best Practices-Agenda Preparation & Minutes Webinar" to be held April 19, 2011;

7.5.27) California Special Districts Association (CSDA) "2011 Special Districts Legislative Days" to be held May 3-4, 2011 in Sacramento;

7.5.28) Association of California Water Agencies (ACWA) "2011 Spring Conference & Exhibition" to be held May 10 – 13, 2011 in Sacramento;

7.5.29) California Special Districts Association (CSDA) "How to Assist Board-Running an Effective Meeting Webinar" to be held May 17, 2011;

7.5.30) California Special Districts Association (CSDA) "Controlling Health & Retirement Benefit Costs Webinar" to be held May 19, 2011;

7.5.31) California Special Districts Association (CSDA) "Rules of Order & Facilitating Board Protocols Webinar" to be held May 24, 2011;

7.5.32) California Special Districts Association (CSDA) "Understanding Board Member & District Liability Webinar" to be held May 26, 2011;

7.5.33) California Special Districts Association (CSDA) "Records Retention & Management Webinar" to be held June 7, 2011;

7.5.34) California Special Districts Association (CSDA) "Strategies for Excellent Customer Service Webinar" to be held June 9, 2011;

7.5.35) California Special Districts Association (CSDA) "Annual Conference" to be held October 10 -13, 2011 in Monterey; and

7.5.36) Association of California Water Agencies (ACWA) "2011 Fall Conference & Exhibition" to be held November 29 to December 2, 2011 in Anaheim.

After a brief discussion of the best method for approving Board attendance at conferences, seminars, and training sessions, it was recommended that the Board review the information presented and request specific conferences be placed on a future agenda for consideration.

After a further discussion of the conferences, seminars, and training sessions presented, it was moved by Director Figueroa, seconded by Director Storm, and unanimously carried to approve attendance at the Antelope Valley Board of Trade Business Outlook Conference "Navigating Change" to be held February 18, 2011 in Lancaster and that the remaining items under Agenda Item No. 7.5 be tabled.

Director Godin then requested that the remaining classes required for the California Special Districts Association certification program be determined.

8) Information Items.

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

Director Storm reported that he gave his written report on the ACWA Conference last year; that the Water Supply & Reliability Committee met; and that he will leave this report to the Chair of that Committee.

8.1.1) Director Godin: Finance Committee Report Summarizing District's Financial Status.

Director Godin reported that the Finance Committee met; that she will not review graphs this evening as the budget process was just completed; that the Committee discussed and reviewed with staff and Financial Advisor Egan the status of the cash report at December 31, 2010 and cash flow report for December 31, 2011, which indicate the District's financial situation is very similar to last month; that the cash flow report will be revised to reflect approved 2011 projects and carry-over 2010 projects with a projected reserve balance of $7.1 million in December 2011; that financial statements including the balance sheet, the profit and loss statement, a year-to-date comparison, the month-to-month revenue analysis, individual reports, and consumption comparisons through the end of November along with the charts associated with these reports indicate that departmental budget expenditures are at 92% of the budget and operating revenues and expenditures are projected to be below budgeted figures; that a 12-month review of billing under the new rate structure will be provided at the next Finance Committee meeting; that the Committed Contracts Schedule will be updated monthly to continue to track expenses; and that the audit is scheduled to begin this month with a target completion date of March 31, 2011.

President Dexter then reported that the Water Supply & Reliability Committee met yesterday; that it is a good water year for water supplies; that we are at a 50% allocation from the State Water Project, which may end up somewhat higher; that snow pack is above average right now; and that potential water deals, which is an ongoing issue for the District, were also discussed.

There were no further reports from Directors.

8.2) Report of General Manager.

General Manager LaMoreaux reported that the Board has been informed that Mr. Paxton has accepted a position at another agency with a start date of January 24; that he is currently on leave; and that a lunch will be scheduled next week.

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 54957, Personnel Matters: Financial Advisor Evaluation.

10.2) Government Code Section 54956.9(a), Existing Litigation: ***Antelope Valley Ground Water Cases.***

10.3) Government Code Section 54956.9(a), Existing Litigation: ***City of Palmdale vs. Palmdale Water District, Case No. BC413432 (Rate Litigation).***

10.4) Government Code Section 54956.9(a), Existing Litigation: ***City of Palmdale vs. Palmdale Water District and Palmdale Water District Public Facilities Corporation, Case No. BC413907 (Validation Action).***

10.5) Government Code Section 54956.9(a), Existing Litigation: ***Palmdale Water District vs. City of Palmdale, Case No. BC420492 (Recycled Water Litigation).***

10.6) Government Code Section 54956.9(a), Existing 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.***

10.7) Government Code Section 54956.9(a), Existing Litigation: ***Palmdale Water District vs. City of Palmdale, Case No. MC021487 (Excavation Permit Litigation).***

10.8) Government Code Section 54956.9(a), Pending Litigation: ***Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561.***

10.9) Government Code Section 54956.9(b), Potential Litigation: Two Cases.

At 7:40 p.m., President Dexter called for a closed session pursuant to Government Code Section 54957, Personnel Matters: Financial Advisor Evaluation; pursuant to Government Code Section 54956.9(a), Existing Litigation – seven cases: *Antelope Valley Ground Water Cases* and *City of Palmdale vs. Palmdale Water District, Case No. BC413432 (Rate Litigation)* and *City of Palmdale vs. Palmdale Water District and Palmdale Water District Public Facilities Corporation, Case No. BC413907 (Validation Action)* and *Palmdale Water District vs. City of Palmdale, Case No. BC420492 (Recycled Water Litigation)* 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 *Palmdale Water District vs. City of Palmdale, Case No. MC021487 (Excavation Permit Litigation)* and *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561;* and pursuant to Government Code Section 54956.9(b), potential litigation: two cases. He reconvened the regular meeting at 7:53 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 54957, Personnel Matters: Financial Advisor Evaluation and that no action reportable under the Brown Act was taken in closed session on this matter.

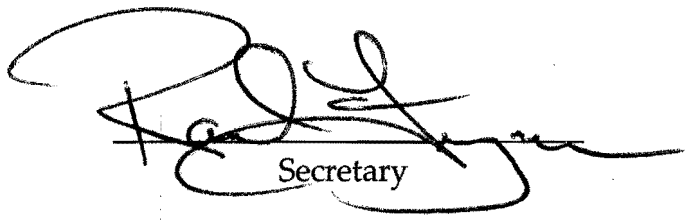
He then reported that the closed session had also been held under Government Code Section 54956.9(a), Existing and Pending Litigation – seven cases: *Antelope Valley Ground Water Cases* and *City of Palmdale vs. Palmdale Water District, Case No. BC413432 (Rate Litigation)* and *City of Palmdale vs. Palmdale Water District and Palmdale Water District Public Facilities Corporation, Case No. BC413907 (Validation Action)* and *Palmdale Water District vs. City of Palmdale, Case No. BC420492 (Recycled Water Litigation)* 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 *Palmdale Water District vs. City of Palmdale, Case No. MC021487 (Excavation Permit Litigation)* and *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561* and under Government Code Section 54956.9(b) for two items of potential litigation; that the Board was briefed on the current status of affairs for these matters; and that no action reportable under the Brown Act was taken in closed session on any of these matters.

12) Board Members' Requests for Future Agenda Items.

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 at 7:56 p.m.



Secretary

RESOLUTION NO. 11-1

BOARD OF DIRECTORS OF THE

PALMDALE WATER DISTRICT

SUPPORTING ACWA POLICY PRINCIPLES ON

IMPLEMENTATION OF STATE AND FEDERAL ENDANGERED SPECIES ACT

WHEREAS, ESA implementation activities in California- particularly in the Delta – have had a major impact on water deliveries in recent years. Restrictions on water diversions to protect Delta smelt and salmon have exacerbated the effects of multiple dry years, resulting in significant economic disruption without a measurable improvement to the Delta ecosystem or affected species; and

WHEREAS, the current situation in the Delta provides a significant opportunity to improve the implementation of the state and federal Endangered Species Act (ESA); and

WHEREAS, the current approach of trying to protect aquatic species through a single action only – restricting water diversions from the south Delta – is not working for either ecosystem sustainability or water supply reliability; and

WHEREAS, local water agencies support the goals of the ESA but believe that the state and federal agencies have greater discretion to develop comprehensive strategies that also consider economic and social stability; and

WHEREAS, the timing is critical to make sure the new state administration and the Obama administration understand the importance and broad support among the water community for co-equal goals; and

WHEREAS, the Association of California Water Agencies Board of Directors adopted policy principles in July on ESA implementation issues developed by a diverse group of ACWA members; and

WHEREAS, these policy principles outline a more effective approach to ESA implementation that incorporates the co-equal goals of water supply reliability and ecosystem enhancement that are the basis of California law; and

WHEREAS, these policy principles identify the direction ESA implementation must take to meet the needs of species and the state's communities, farms and businesses in the 21st century; and

WHEREAS, we recognize that California's water future rests on linking commitment to restoration and supply reliability; and

WHEREAS, we urge senior management at the ESA implementing resource agencies to use these principles to implement a more integrated and diversified approach.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Palmdale Water District believes the principles developed by ACWA can help move the dialog on a path that leads to constructive improvements in ESA implementation at the state and federal levels; and

BE IT FURTHER RESOLVED, that the Palmdale Water District Board supports the Association's policy principles on "Implementation of State and Federal Endangered Species Acts."

I certify that this is a true copy of Resolution No. 11-1 as passed by the Board of Directors of the Palmdale Water District at its meeting on January 12, 2011 in Palmdale, California.

January 12, 2011

Date

Gordon Dexter, President,
Board of Directors
Palmdale Water District

Attest:

Raul Figueroa, Secretary,
Board of Directors
Palmdale Water District