MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, SEPTEMBER 28, 2011:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, September 28, 2011, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Gordon Dexter, called the meeting to order.

1) Pledge of Allegiance.

President Dexter led the pledge of allegiance.

2) Roll Call.

Attendance:	**Others Present:**
Gordon Dexter, President	Mike Williams, Finance Manager
Steve Cordova, Vice President	Jim Ciampa, Attorney
Raul Figueroa, Secretary	Matt Knudson, Engineering Manager
Linda Godin, Treasurer	Peter Thompson II, Operations Manager
Jeff Storm, Director	Claudette Roberts, Water Conservation Spvsr.
	Peter Thompson, Project Manager
	Linda Garza, Water Conservation Aide
	Sandra Lebo, Administrative Technician
	Dawn Deans, Executive Assistant
	2 members of the public

3) Adoption of Agenda.

It was moved by Director Figueroa, seconded by Director Godin, 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 Rebates. (Water Conservation Supervisor Roberts)

Water Conservation Supervisor Roberts informed the Board of the six recipients for the Cash for Grass rebate program being Balwinder Sukhija in the amount of $617.20, Antonio Lujan in the amount of $183.60, Hector Guzman in the amount of $502.00, Catina

Cruz in the amount of $698.00, the City of Palmdale in the amount of $9,852.00, and Patricia Herbert in the amount of $753.20 followed by discussion of the guidelines for the Cash for Grass rebate program.

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 September 14, 2011.

6.2) Payment of Bills for September 28, 2011.

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 Request Received From the Association of California Water Agencies for Letter of Concern Regarding the Draft Delta Plan. (General Manager LaMoreaux)

Finance Manager Williams reviewed the draft letter of concern included in the agenda packets, and after a brief discussion, it was moved by Director Figueroa, seconded by Director Cordova, and unanimously carried to approve the request received from the Association of California Water Agencies for a letter of concern from the District regarding the draft Delta Plan.

Director Storm then stated that he agrees with the substance of the letter of concern but feels the existing 20% x 20/20 state requirements are highly intrusive.

8) Information Items.

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

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

Director Godin reported that the Finance Committee met and discussed and reviewed all financial statements through August, 2011 including the cash report status and cash flow report and stated that these statements indicated the District's financial condition continues as predicted; that the cash flow report includes approved 2011 projects, carry-over 2010 projects, and potential projects to a projected reserve balance of $6.1 million at December, 2011; that August water sales were approximately $300,000 more than expected; that revisions to the cash flow projections included costs and income related to the Acton-AVEK intertie, the indefinite delay of federal grant funds, and a delay in additional adjudication legal costs; that departmental budget expenditures should be at 66.7% of the budget and as a whole remain under this percentage; and then reviewed the slides and charts associated with the financial statements.

She then reported that the Commissioners for the Antelope Valley State Water Contractors Association met and authorized staff to establish separate bank accounts for management of grant funds; that Association staff and the member agencies' General Managers are scheduled to meet and discuss regional control of the water from the State Water Project and point of delivery agreements as the first step towards a joint recharge/water banking project on the east side of the Antelope Valley; that the Association's web site is currently being redesigned; that Association staff is scheduled to meet with DWR staff on October 19, 2011 to review the draft agreement and terms and conditions for the Prop. 84 planning grant funding for the Integrated Regional Water Management Plan; and that the next meeting is scheduled for October 13, 2011 at 6:30 p.m. at the District's office.

There were no further reports from Directors.

8.2) Report of General Manager.

Finance Manager Williams stated that a breakdown of the water budget rate structure for the last 24-months was presented to the Finance Committee and then reviewed this information, which includes total revenue by category from July 2009 to June 2010 and from July 2010 to June 2011, noting the percentages of revenue from meter fees and tier charges, seasonal changes in usage, and average bills for 2010 and the first six months of 2011.

He then reported that staff has reviewed seven months of tier adjustment refunds; that the total refund issued to bills for single family residences is 42,677 credits in the

amount of $122,569.00; that the total refund issued to bills for multi-family residences is 333 credits in the amount of $3,109.00; that the total refund issued to bills for irrigation accounts is 435 credits in the amount of $48,062.00; that the first four months of June through September, 2009 were posted on customer's September bills; and that October through December will be posted on customer's bills in the October billing cycle.

8.3) Report of Attorney.

Attorney Ciampa stated that he has no report.

President Dexter then stated that Agenda Item No. 5 will again be considered.

5) Presentations:

5.1) Cash for Grass Rebates. (Water Conservation Supervisor Roberts)

Water Conservation Supervisor Roberts awarded a Cash for Grass rebate program check to Balwinder Sukhija in the amount of $617.20 and stated that checks will be mailed to the other recipients.

Mr. Sukhija then thanked the District for the rebate opportunity and that he plans to take advantage of the program with several other properties, and the Board thanked him for his water conservation efforts.

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(a), Existing Litigation: ***Antelope Valley Ground Water Cases.***

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

10.3) 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).***

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

10.5) 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.***

10.6) 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.***

10.7) Government Code Section 54956.9(a), existing litigation: ***Rosedale-Rio Bravo Water Storage District v. California Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000703.***

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

10.9) Government Code Section 54956.8, Conference with Real Property Negotiator:

Subject: Water Storage Rights
Property Negotiator: Dennis LaMoreaux, Jon Pernula
Negotiation Party: Homer, LLC
Under Negotiation: Price and Terms

10.10) Government Code Section 54957, Personnel Matters: ***General Manager evaluation.***

At 7:23 p.m., President Dexter called for a closed session 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 *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561* and *Rosedale-Rio Bravo Water Storage District v. California Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000703* and pursuant to Government Code Section 54956.9(b), potential litigation: two cases and pursuant to Government Code Section 54956.8, Conference with Real Property Negotiator - Subject: Water Storage Rights, Property Negotiator: Dennis LaMoreaux, Jon Pernula, Negotiation Party: Homer, LLC, Under Negotiation: Price and Terms and pursuant to Government Code Section 54957, Personnel Matters: *General Manager evaluation.*

He reconvened the regular meeting at 7:45 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(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 *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561* and *Rosedale-Rio Bravo Water Storage District v. California Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000703*; that the Board was updated on each of these items of litigation; and that no reportable action under the Brown Act was taken in closed session on any of these matters.

He reported further that a closed session was also held pursuant to Government Code Section 54956.9(b), potential litigation: two cases and that no reportable action under the Brown Act was taken in closed session on any of these matters.

He reported further that no closed session was also held under Government Code Section 54956.8, Conference with Real Property Negotiator - Subject: Water Storage Rights, Property Negotiator: Dennis LaMoreaux, Jon Pernula, Negotiation Party: Homer, LLC, Under Negotiation: Price and Terms.

He reported further that no closed session was held under Government Code Section 54957, Personnel Matters: General Manager evaluation.

12) Consideration and Possible Action on General Manager Evaluation.

President Dexter stated that General Manager LaMoreaux is not present at tonight's meeting and that Finance Manager Williams did a fine job in his absence.

13) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

14) 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