MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, DECEMBER 21, 2011:

A special meeting of the Board of Directors of the Palmdale Water District was held Wednesday, December 21, 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.

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

2) Roll Call.

Attendance:	**Others Present:**
Gordon Dexter, President	Dennis LaMoreaux, General Manager
Steve Cordova, Vice President (arrived late)	Tim Gosney, Attorney
Robert Alvarado, Director	Mike Williams, Finance Manager
Gloria Dizmang, Director	Matt Knudson, Engineering Manager
Kathy Mac Laren, Director	Jeannie Burns, Human Resources Manager
	Jon Pernula, Water & Energy Resources Mngr.
	Dawn Deans, Executive Assistant
	2 members of the public

3) Adoption of Agenda.

Attorney Gosney stated that matters have developed regarding several pending litigation matters appropriate for conducting a closed session this evening; that the Brown Act provides that matters can be agendized or publicly announced; and then announced that the Board will be meeting in Closed Session under Government Code Section 54956.9(a) to discuss three cases of pending litigation being the rate litigation, the validation action, and the recycled water litigation involving disputes with the City of Palmdale after Agenda Item No. 6.

It was then moved by Director Alvarado, seconded by Director Mac Laren, and unanimously carried to adopt the agenda, as amended, to include Closed Session agenda items as stated by Attorney Gosney.

4) 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.)

4.1) Consideration and Possible Action on Financial Advisor Egan Contract. (Director Dizmang)

Director Dizmang reviewed the duties of and need for Financial Advisor Egan's services, and after a brief discussion of the issues facing the District, the Agreement with Financial Advisor Egan, and clarification of the previous termination letter, it was moved by Director Dizmang and seconded by Director Mac Laren to rescind the previous Board decision to terminate Financial Advisor Egan's Independent Contractor Agreement.

Mr. Steve Chisolm, Palmdale resident, provided comment on Mr. Egan's Agreement after which the terms of Mr. Egan's Independent Contractor Agreement with the District were clarified.

The motion then carried on a 3 – 1 vote, with President Dexter opposed.

5) Report of Ad Hoc Committee – Payroll Software Update. (Director Alvarado/Director Dizmang)

President Dexter stated that he understands staff pushed Cogsdale and updates were performed over the weekend; that the Ad Hoc Committee met yesterday for an update; and then requested Director reports on the Ad Hoc Committee meeting.

Director Alvarado reported that he has nothing but appreciation and high praise for District staff; that under the direction of General Manager LaMoreaux, staff literally burned the midnight oil to find a quick, efficient, and economical solution to the payroll dilemma; and that part of staff working on this solution included I.T. Manager Jim Stanton, I.T. Specialist Tyrone Jones, and Finance Manager Mike Williams.

Director Dizmang reported that the major problem is resolved; that there will be some clean up changing over from the old system to the new system; and that payroll ran on the new system.

6) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

7) Closed Session Under:

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

7.2) 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).***

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

At 6:44 p.m., President Dexter called for a closed session pursuant to Government Code Section 54956.9(a), existing litigation – three cases: *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).*

He reconvened the special meeting at 7:52 p.m.

8) Public Report of Any Action Taken in Closed Session.

Attorney Gosney reported that a closed session had been held under Government Code Section 54956.9(a), existing litigation – three cases: *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);* that the Board was briefed on the current status of each of these matters; that the Board gave staff and counsel instructions as to how to proceed; and that no reportable action under the Brown Act was taken in closed session on any of these matters.

9) Adjournment.

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

Robert E. Alvarez
Secretary