# MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, MARCH 14, 2012:

*A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, March 14, 2012, 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 Alvarado led the pledge of allegiance.

## 2) Roll Call.

| **Attendance:** | **Others Present:** |
|---|---|
| Gordon Dexter, President | Dennis LaMoreaux, General Manager |
| Gloria Dizmang, Vice President | Jim Ciampa, Attorney |
| Kathy Mac Laren, Treasurer | Mike Williams, Finance Manager |
| Robert Alvarado, Secretary | Matt Knudson, Engineering Manager |
| Steve Cordova, Director | Peter Thompson II, Operations Manager |
| | Robert Egan, Financial Advisor |
| | Kelly Jeters, Systems Supervisor |
| | Ed Boka, Treatment Plant Supervisor |
| | Dawn Deans, Executive Assistant |
| | 2 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:

### 5.1) No Presentations Scheduled at this Time.

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 February 22, 2012.**

**6.2) Approval of Minutes of Personnel Committee Meeting Held August 3, 2011.**

**6.3) Payment of Bills for March 14, 2012.**

It was moved by Director Cordova, 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) Status Report on 2012 Cash Flow Statement and Current Cash Balances as of January, 2012.**

Financial Advisor Egan gave an overview of the District's current cash and investments as of January, 2012 and then reviewed the estimated cash flow report through 2012.

**7.2) Status Report on 2012 Financial Statement, Revenue, and Expense Budget by Department as of January, 2012. (Finance Manager/CFO Williams)**

Finance Manager Williams gave an overview of the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month revenue analysis, and expense analysis as of January, 2012, including OPEB recording requirements, and informed the Board that all departments are at or below the targeted budget level for January, 2012, water sales reflect more customers remaining in tier 1 of the water budget rate structure, and then reviewed District policy for bad debt accounts.

**7.3) Status Report on Water Budget Rate Structure for 2011. (Finance Manager/CFO Williams)**

Finance Manager Williams gave an overview of water sales and revenue under the water budget rate structure for 2011 and informed the Board that 70% of the District's

revenue is received through meter fees and tier 1 charges and more of the District's customers are staying within their water budget.

President Dexter then recommended a workshop be held regarding the water budget rate structure and how to calculate water bills, and the Board concurred with this recommendation.

**7.4) Status Report on Committed Contracts Issued. (Engineering Manager Knudson)**

Engineering Manager Knudson gave an overview of the latest Projected Payout Schedule for the District's current and anticipated contracts.

**7.5) Consideration and Possible Action on Change Order No. 1 to Specification No. 0903 Being the Construction of the Water Main Replacement in 9th Street East, Avenue Q-4, Friendly Avenue, 8th Street East, 12th Street East, Avenue Q-4, Avenue Q-5, and 13th Street East. ($74,441.01 – Budgeted – Engineering Manager Knudson)**

Engineering Manager Knudson provided an overview of Change Order No. 1 to Specification No. 0903, and after a brief discussion, it was moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried to approve Change Order No. 1 to Specification No. 0903 being the construction of the water main replacement in 9th Street East, Avenue Q-4, Friendly Avenue, 8th Street East, 12th Street East, Avenue Q-4, Avenue Q-5, and 13th Street East in the not-to-exceed amount of $74,441.01 including a 24-calendar day extension to the contract.

**7.6) Consideration and Possible Action on Offer From City of Palmdale to Purchase Road Easement and Electrical Transmission Easement. ($32,000.00 – Revenue – Engineering Manager Knudson)**

Engineering Manager Knudson provided an overview of the offer received from the City of Palmdale and the purpose and location of the proposed road and electrical transmission easements, and after a brief discussion, it was moved by Director Alvarado, seconded by Director Mac Laren, and unanimously carried to accept the offer received from the City of Palmdale in the amount of $32,000.00 to purchase a road easement and an electrical transmission easement from the District.

**7.7) Consideration and Possible Action on Special District LAFCO Representative. (General Manager LaMoreaux)**

General Manager LaMoreaux provided an overview of the special district seats available on the Local Agency Formation Commission (LAFCO), and after discussion of several recommendations for a candidate, it was moved by Director Dizmang, seconded by Director Cordova, and carried on a 4 – 1 vote, with Director Alvarado opposed, to cast the District's ballot for Donald L. Dear as Special District LAFCO Representative.

**7.8) Consideration and Possible Action on Support of Senate Bill 250 (Senator Rubio).**

General Manager LaMoreaux provided an overview of Senate Bill 250, and after a brief discussion, it was moved by Director Dizmang, seconded by Director Mac Laren, and unanimously carried that the District support Senate Bill 250.

**7.9) Consideration and Possible Action on Amendment No. 3 to Procurement Contract with Calgon Carbon Corporation to Furnish and Install Granular Activated Carbon (GAC) Media. ($1,518,647.96 – Budgeted – Operations Manager Thompson II)**

Operations Manager Thompson II provided an overview of Amendment No. 3 to the Procurement Contract with Calgon Carbon Corporation, staff's pilot testing efforts to evaluate and reduce carbon costs, and the District's invitation to present these efforts at the upcoming American Water Works Association conference, and after a brief discussion, it was moved by Director Alvarado, seconded by Director Cordova, and unanimously carried to approve Amendment No. 3 to the Procurement Contract dated April 30, 2009 with Calgon Carbon Corporation in the not-to-exceed amount of $1,518,647.96 to furnish and install Granular Activated Carbon (GAC) media for up to seven contactors.

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

**7.10.1) ACWA's 2012 Spring Conference & Exhibition "A Strong Foundation for Rebuilding California" to be Held May 8 – 11, 2012 in Sacramento.**

After a brief discussion of the location of this conference and of the location of ACWA's 2012 Fall Conference, there was no action taken on this item.

**8) Information Items.**

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

Director Alvarado congratulated staff for their hard work on the Board Committees, in the departments, and the ways staff is trying to save the District money; stated that the Board really appreciates these efforts; and then commended the enthusiasm he sees in District staff, the pride they have in some of the things the District is doing well, and the way the District is disseminating the good news to our customers via Facebook and in the District's newsletter.

Director Dizmang reported that an Outreach Committee meeting was held; that the Committee reviewed past and current outreach efforts with reports from Water Conservation Supervisor Roberts and Information Technology Manager Stanton; that the Committee requested Information Technology Manager Stanton develop a plan, with costs, to revise and expand the District's web site and Facebook presence; that Director Alvarado, Committee member, has agreed to help with a Spanish translation of these sites; that the Committee addressed speaking in public groups, agreed the Board and staff need to be informed when this will occur, staff experts need to attend the presentation if the speaker is a Board member, and a process will be developed for requesting District speakers; that they recommended the current overall District presentation be divided into categories for individual presentation; that items for future Committee consideration include development of an e-newsletter, creating mobile phone and web site applications, developing a financed newsletter, and creating a communications officer position to draw together these recommendations as the District is one of the few agencies of its size that does not have a position designated for communications.

Director Mac Laren reported that a Personnel Committee meeting was held; that staff brought many different ideas to the Committee; that the Committee has requested more information and comparisons for many of these ideas; that these ideas were presented in the internal employee newsletter for input; that there is promise in reducing the cost of the District's health insurance plans through a different agency while maintaining the benefits of the current plan, and the Committee will be reviewing shifts in both the ACWA and CalPERS health benefits plans; and that the Committee will be thoroughly reviewing the requested information and comparisons with input by all.

President Dexter reported that AB 1234 Ethics Training sponsored by the Antelope Valley State Water Contractors Association and presented by Attorney Ciampa is scheduled for Monday, March 19, from 6:30 p.m. to 8:30 p.m. and then reported that

ACWA/JPIA will be making a presentation on their services and activities at tomorrow night's Antelope Valley State Water Contractors Association meeting; that this is a good opportunity for Directors to hear what ACWA/JPIA offers; that he and Director Mac Laren are Commissioners on that Association's governing board; and that all Directors can attend the presentation but cannot participate.

There were no further reports from Directors.

**8.2) Report of General Manager.**

General Manager LaMoreaux reported that Executive Assistant Deans has worked with the local printer to revise the District's poster showing the history of District Directors and did a very good job.

**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(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 54957, Personnel Matters: *General Manager Evaluation.***

At 7:56 p.m., President Dexter called for a closed session pursuant to Government Code Section 54956.9(a), Existing Litigation – six 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. 34-2010-8000056* and pursuant to Government Code Section 54957, Personnel Matters: *General Manager Evaluation.*

He reconvened the regular meeting at 9:03 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 – six 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; 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;* that the Board was briefed on the current status of each of these items of existing litigation; but that no reportable action under the Brown Act was taken in closed session on any of these matters.

**12) Consideration and Possible Action on Evaluation of General Manager and on Approval of Amendment to General Manager Employment Contract to Comply With Government Code Section 3511.2.**

At the request of President Dexter, Attorney Ciampa provided an overview of recently enacted Government Code Section 3511.2, and after a brief discussion, it was moved by Director Dizmang, seconded by Director Mac Laren, and unanimously carried to approve the amendment to the General Manager Employment Contract to comply with Government Code Section 3511.2.

President Dexter then stated that the Board conducted the evaluation for General Manager LaMoreaux; that an evaluation process has been developed over the years for consistency; that he appreciates the efforts of the Board to get him the information for the evaluation; that General Manager LaMoreaux was rated either 'excellent' or 'good' with a few 'satisfactory' ratings and a few 'no basis for judgment' ratings; and that based on the ratings, the evaluation of General Manager LaMoreaux is considered 'excellent.'

He then gave an overview of the goals and objectives developed and expanded for General Manager LaMoreaux for 2012 followed by discussion of a salary increase for General Manager LaMoreaux after which it was moved by Director Alvarado, seconded by Director Mac Laren, and unanimously carried to approve a salary increase for General Manger LaMoreaux based on the CPI index of 2.2% pending verification of this CPI figure by Human Resources Manager Burns.

General Manager LaMoreaux then thanked the Board for their input and stated that he appreciates the opportunity to help the new Board members become acclimated with the District and appreciates the Board's direction in helping the District move forward.

**13) Board Members' Requests for Future Agenda Items.**

President Dexter stated he will work with General Manager LaMoreaux to schedule a water budget rate structure workshop in April.

Director Dizmang requested staff research a customer level payment program for presentation at a future Board meeting.

There were no further 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.

Robert E. Alvarez
Secretary