MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, APRIL 8, 2015:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, April 8, 2015, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Kathy Mac Laren, called the meeting to order.

1) Pledge of Allegiance.

At the request of President Mac Laren, Director Alvarado led the pledge of allegiance.

2) Roll Call.

Attendance:	**Others Present:**
Kathy Mac Laren, President	Dennis LaMoreaux, General Manager
Robert Alvarado, Vice President	Patty Quilizapa, General Counsel
Gloria Dizmang, Treasurer	Matt Knudson, Assistant General Manager
Joe Estes, Secretary	Jim Riley, Engineering/Grant Manager
Vincent Dino, Director	Mike McNutt, PIO/Conservation Director
	Jennifer Emery, Human Resources Director
	Mynor Masaya, Operations Manager
	Kelly Jeters, Systems Supervisor
	Dawn Deans, Executive Assistant
	6 members of the public

3) Adoption of Agenda.

It was moved by Director Dizmang, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to adopt the agenda, as written.

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Presentations:

5.1) Presentation on ACWA/JPIA Insurance Rebate. (Melody McDonald, ACWA/JPIA Executive Committee)

Ms. Melody McDonald, of the ACWA/JPIA Executive Committee, thanked the District for participating in ACWA/JPIA's pooled program, highlighted the District's accomplishments for participation in ACWA/JPIA's Professional Development Program, Target Safety training, and attendance at ACWA/JPIA training and webinars and then presented the District with a refund check in the amount of $81,446.00.

The Board then thanked Ms. McDonald for the presentation.

5.2) Presentation on New On-Site Water Recycling Technologies and Their Application in the Antelope Valley Area. (Mark Petroff, CEO, NexusEwater)

Mr. Mark Petroff, CEO of NexusEwater, stated that NexusEwater has developed the world's first on-site gray water recycling system for new home construction and then reviewed how the system works, the construction of the system, smart phone apps for operating the system, and how the system can reduce water consumption and waste water followed by a brief discussion of the cost of the system for new home construction and for retrofitting existing homes.

The Board then thanked Mr. Petroff for the presentation.

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 March 25, 2015.

6.2) Payment of Bills for April 8, 2015.

6.3) Approval of Job Description and Salary Range for Operations Technician I/II Which Will Include Our Current Pump Operator I/II, Equipment Mechanic I/II, Plant Maintenance Mechanic I/II, and Senior Plant Maintenance Mechanic. (Human Resources Director Emery/Personnel Committee)

President Mac Laren announced the items included in the Consent Calendar after which it was moved by Director Estes, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting 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) Discussion and Possible Action on Itzen Architects' Office Remodel Recommendations and Potential Next Steps. (Itzen Architects/General Manager LaMoreaux)

Mrs. Jana Itzen and Mr. William Itzen, of Itzen Architects, reviewed their recommended schematic design for remodeling the front lobby, Customer Care Department, restroom and public restroom facilities, break room, printing room, and Finance Department, and after a brief discussion of the remodel and of the next steps in this process, it was moved by Director Dizmang, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to direct the General Manager to request Itzen Architects to submit a proposal for developing a detailed design concept and a construction cost estimate for moving forward with the remodel.

7.2) Consideration and Possible Action on Resolution No. 15-8 Approving the Submittal of a Water Recycling Planning Grant Request for the Palmdale Regional Groundwater Recharge and Recovery Project. (Engineering/Grant Manager Riley)

Engineering/Grant Manager Riley reviewed the status of the grant proposal submitted to the Bureau of Reclamation for the Palmdale Regional Groundwater Recharge and Recovery Project and grant funds available from the State Water Resources Control Board for the planning process for this Project, and after a brief discussion of potential grant funding, it was moved by Director Dino, seconded by Director Dizmang, and unanimously carried by all members of the Board of Directors present at the meeting to authorize staff to prepare a water recycling planning grant application to the California State Water Resources Control Board (SWRCB), to approve a grant request to the SWRCB to provide $75,000 or any amount deemed eligible by SWRCB in cost share funding from the Water Recycling component of Proposition 1, to approve Resolution No. 15-8 Approving the Submittal of a Water Recycling Planning Grant Request for the Palmdale Regional Groundwater Recharge and Recovery Project, and to authorize General Manager LaMoreaux to transmit the application to the SWRCB.

A copy of said Resolution No. 15-8 is hereby made a portion of the minutes of this meeting.

7.3) Consideration and possible action on Authorization of the Following Conferences, Seminars, and Training Sessions for Board and Staff Attendance Within Budget Amounts Previously Approved in the 2015 Budget: None at This Time.

There were no conferences, seminars, or training sessions to consider.

8) Information Items.

8.1) Reports of Directors:

a) Meetings/General Report.

Director Dino reported that on April 6, he attended the Facilities Committee meeting with Director Estes and that on April 7, he attended a Board briefing with General Manager LaMoreaux.

Director Dizmang reported that on March 26, she attended the CSDA Legislative Update Webinar with Director Alvarado, and she will be attending the ACWA Drought Update Webinar tomorrow; that on March 28, she attended the City of Palmdale's Courson Park clean-up assisting with painting; that also on March 28, she worked at the Home & Garden Show with PIO/Conservation Director McNutt; that on April 1, she attended the Outreach Committee meeting with Director Estes where they discussed all outreach items completed in March and are proceeding with items as previously reported; that on April 7, she attended a Board briefing with General Manager LaMoreaux; and that also on April 7, she attended the Antelope Valley Hispanic Chamber of Commerce luncheon where she introduced PIO/Conservation Director McNutt, and they presented an award to the Teacher of the Year.

Director Alvarado reported that on March 26, he attended the CSDA Legislative Update Webinar with Director Dizmang; that on March 27, he attended the Old Timer's Association meeting and met a gentleman who worked as a Meter Reader for the District many years ago; that on March 27, he worked at the Antelope Valley State Water Contractors Association's booth at the Home and Garden Show where there was a good showing of Directors helping and they shared information about the drought; that on March 28, he joined Director Dizmang, Director Dino, General Manager LaMoreaux, PIO/Conservation Director McNutt, and other members of District staff at the City of

Palmdale's Courson Park clean-up; that also on March 28, he again worked the Antelope Valley State Water Contractors Association's booth at the Home and Garden Show; that on March 29, he attended the Cesar Chavez Festival in Littlerock; that also on March 29, he again worked the Antelope Valley State Water Contractors Association's booth at the Home and Garden Show; that on April 1, he attended the Outreach Committee meeting; and that on April 6, he attended a Board briefing with Assistant General Manager Knudson.

Director Estes reported that on March 27, he worked at the Antelope Valley State Water Contractors Association's booth at the Home and Garden Show; that on April 1, he attended the Outreach Committee meeting with Director Dizmang; that on April 2, he attended the Personnel Committee meeting with President Mac Laren; that on April 6, he attended the Facilities Committee meeting with Director Dino where they reviewed the presentation from Itzen Architects considered earlier this evening and received a detailed update on 2015 budgeted projects including timelines, milestones, and project managers, the $30,000 in savings reported by Systems Supervisor Jeters for performing in-house a transformer change-out at Well No. 7, the area-wide Wi-Fi project and upcoming meetings with local agency partners, and the temporary closure of the Littlerock Dam area for safety reasons; and that on April 7, he attended a Board briefing with General Manager LaMoreaux.

President Mac Laren reported that on April 2, she attended the Palmdale Chamber of Commerce breakfast and that also on April 2, she attended the Personnel Committee meeting with Director Estes where they discussed the job description and salary survey considered earlier this evening, succession planning, several on-going items, and they continue to research new personnel items on teamwork and for making the District a happier place to work.

There were no further reports from Directors.

b) Standing Committee/Assignment Reports (Chair):

1) Outreach Committee
2) Personnel Committee
3) Facilities Committee

President Mac Laren stated that the Outreach Committee, Personnel Committee, and Facilities Committee meeting reports were provided earlier in the meeting.

8.2) Report of General Manager.

General Manager LaMoreaux reported that a chart tracking the number of customers helped from 5:00 to 6:00 p.m. has been distributed indicating District staff helped 346 customers for the month of March; that this is more than normal Friday customer assistance; that in addition, use of the automated telephone system has increased on Fridays and weekends; and that this chart indicates the District is serving more customers with the new work hours.

He then reported that the District will host the ACWA Drought Briefing Webcast tomorrow beginning at 8:30 a.m. and that a member of CalWARN, the California Water Agency Response Network, will be making a presentation on their services to help water agencies respond to emergencies at the April 16 Antelope Valley State Water Contractors Association meeting, which starts at 6:30 p.m.

He then reported that the ACWA/JPIA meeting will be held May 4 and 5 at the upcoming ACWA Conference; that voting for the ACWA/JPIA Executive Committee will take place at this time; that if the District's designated ACWA/JPIA Representative or Alternate Representative will not be attending, the Board can designate another Board member to vote on behalf of the District; and that this designation must be noted in the minutes, and after a brief discussion, the Board designated Director Dino or President Mac Laren to vote on behalf of the District at the ACWA/JPIA meetings at the upcoming ACWA Conference.

Director Alvarado then stated that he notices a huge difference with Customer Care Department staff and gave "kudos" to General Manager LaMoreaux and Assistant General Manager Knudson for their efforts in this area followed by discussion of the positive effort of creating a Customer Care Department and Personnel Committee discussions of developing a Customer Care Certification Training Program, which can be shared with other agencies.

8.3) Report of Attorney.

General Counsel Quilizapa reviewed her written report distributed this evening regarding Governor Brown's recently issued Executive Order requiring statewide mandatory water reductions and stated that they will continue to monitor the enforceability of the State Water Resources Control Board's regulations and fines; that a notable part of the Executive Order is direction to urban water suppliers to develop rate structures with tiered rates; that this may be in question due to litigation in San Juan

Capistrano, who had their tiered rate structure invalidated; and that this litigation is under appeal.

9) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

10) Closed Session Under:

10.1) Conference with Legal Counsel – Existing Litigation: A Closed Session Will be Held Pursuant to Government Code §54956.9 (d)(1), to Confer with Special Litigation Counsel Regarding Pending Litigation to Which the District is a Party. The Title of Such Litigation is as Follows: *Antelope Valley Ground Water Cases.*

At 8:18 p.m., President Mac Laren called for a closed session pursuant to Government Code §54956.9 (d)(1) to confer with Special Litigation Counsel regarding pending litigation to which the District is a party being the *Antelope Valley Ground Water Cases.*

She reconvened the regular meeting at 8:37 p.m.

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

President Mac Laren reported that a closed session had been held pursuant to Government Code §54956.9 (d)(1) to confer with Special Litigation Counsel regarding pending litigation to which the District is a party being the *Antelope Valley Ground Water Cases;* that the Board received a telephonic update by Special Litigation Counsel on the status of this matter; and that no reportable action was taken in closed session.

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 meeting was adjourned.

Secretary

RESOLUTION NO. 15-8

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT APPROVING THE SUBMITTAL OF A WATER RECYCLING PLANNING GRANT REQUEST FOR PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT

WHEREAS, the voters of the State of California approved on November 4, 2014 the Water Quality, Supply and Infrastructure Act of 2014 (Act) authorizing $7.5 billion in general obligation bonds for new water programs;

WHEREAS, the Act authorizes $630 million in funding for water recycling projects;

WHEREAS, the California State Water Resources Control Board (SWRCB) issued in March, 2015 water recycling guidelines for grant funding under the water recycling component of the Act for eligible entities interested in conducting a feasibility level study of projects that make beneficial use of recycled water;

WHEREAS, the Palmdale Water District has need for funding to complete a feasibility level study of using recycled water to meet future municipal and industrial water needs, particularly for the Palmdale Regional Groundwater Recharge and Recovery Project (the "Project");

WHEREAS, the SWRCB guidelines state that grant funds will cover 75% of eligible costs up to a maximum of $75,000 with the remaining project costs to be funded by local agency cost sharing;

WHEREAS, the Board of Directors of the Palmdale Water District has approved $1,530,000 in local cost sharing funds for the Project;

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Funding for the Palmdale Regional Groundwater Recharge and Recovery Project (the "Project") under the Proposition 1 Grant Program meets the objectives of Strategic Initiative # 1 – Outstanding Water Management and Strategic Initiative #4 – Regional Leadership.

SECTION 2. If selected for a Water Recycling Grant, up to $1,530,000 of funds shall be committed for funding the District's proportionate share of the Project, as may be required by the SWRCB under the Water Recycling Grant component of Proposition 1, and the District will work with the SWRCB to meet established deadlines for entering into an agreement to commit such funds.

SECTION 3. The General Manager or his/her designee is hereby authorized to sign and file, for and on behalf of the Palmdale Water District, a Water Recycling Planning Grant Application for a grant from the State Water Resources Control Board in the amount of $75,000, or any other amount deemed eligible by the State Water Resources Control Board, for a facilities planning study of the Palmdale Regional Groundwater Recharge and Recovery Project.

SECTION 4. The Palmdale Water District hereby agrees and further does authorize the aforementioned representative or his/her designee to certify that the Agency has and will comply with all applicable state statutory and regulatory requirements related to any state grant funds received.

SECTION 5. The General Manager or his/her designee of the Palmdale Water District is hereby authorized to negotiate and execute a contract and any amendments or change orders thereto on behalf of the Palmdale Water District.

PASSED, APPROVED and ADOPTED this 8th day of April, 2015.

Kathy Mac Laren, President
Board of Directors
Palmdale Water District

Joe Estes, Secretary
Board of Directors
Palmdale Water District

Approved as to form:

Aleshire & Wynder, LLP
District Legal Counsel