MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JUNE 10, 2015:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, June 10, 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 at 7:00 p.m.

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	Eric Dunn, General Counsel
Vincent Dino, Director	Matt Knudson, Assistant General Manager
	Jim Riley, Engineering/Grant Manager
Gloria Dizmang, Treasurer --	Mike Williams, Finance Manager
Joe Estes, Secretary --	Mike McNutt, PIO/Conservation Director
EXCUSED ABSENCE	Dawn Deans, Executive Assistant
	4 members of the public

It was moved by Director Alvarado, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to excuse the absences of Director Dizmang and Director Estes from tonight's meeting.

3) Adoption of Agenda.

It was moved by Director Dino, seconded by Director Alvarado, 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.

Ms. Joshie Jacobs, Palmdale resident, stated that her water meter had recently been replaced as part of the District's Meter Replacement Project; that she and her neighbors experienced air in their lines as a result creating rattling pipes; that Construction Inspector II Dykes visited her residence, explained the cause to her and her neighbors, and remedied the situation; and that they appreciate the extra effort he took to address their concerns.

She then requested assistance to ensure she stays below her allocated water usage after which General Manager LaMoreaux thanked her for her comments regarding Construction Inspector II Dykes, provided her with a copy of the District's water use restrictions, and offered to review her billing history for usage.

Mr. Brad Higley, President of the Palmdale Stake of the Church of Jesus Christ of Latter Day Saints distributed an invitation to the Board and PIO/Conservation Director McNutt to attend their special open house on June 25 to share what they may be able to do to help the District support and sustain the cutback of water after which President Mac Laren stated that four Directors will be out of town attending a Bay-Delta Tour and that she appreciates their efforts to help conserve natural resources. Director Alvarado and PIO/Conservation Director McNutt then stated that they are available to attend the event.

There were no further public comments.

5) Presentations:

5.1) None at This Time.

There were no presentations.

6) Action Items – Consent Calendar: (The Public Shall Have an Opportunity to Comment on Any Action Item on the Consent Calendar as the Consent Calendar is Considered Collectively by the Board of Directors Prior to Action Being Taken.)

6.1) Approval of Minutes of Regular Meeting Held May 27, 2015.

6.2) Payment of Bills for June 10, 2015.

6.3) Approval of Statement of Work (SOW) Between the District and Ernst & Young for 2015-2016 Procedures to be Performed Related to Department of Water Resources 2016 Statement of Charges. ($7,489.00 – Budgeted – General Manager LaMoreaux)

President Mac Laren announced the items included in the Consent Calendar after which it was moved by Director Dino, seconded by Director Alvarado, 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) Consideration and Possible Action on Palmdale Water District Rebate Programs. (Finance Manager Williams/PIO/Conservation Director McNutt)

PIO/Conservation Director McNutt provided an overview of the District's Cash for Grass Rebate Program, Water-Saving Device Rebate Program, and negative budget balance for these Programs and stated that staff recommends the Cash for Grass Rebate Program be placed on hold and revised to promote an incentive based approach to reducing water consumption and the District's interior Water-Saving Device Rebate Programs continue provided funds can be found elsewhere in the District's budget.

After a brief discussion of revising the Cash for Grass Program and of budget funds available, it was moved by Director Alvarado, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to place the current Cash for Grass Program on hold, to revise this Program to an incentive based approach to reducing water consumption, and to authorize the transfer of $14,000.00 to the Rebate Budget line item with this funding restricted to interior Water-Saving Device Rebate Programs.

Director Alvarado then thanked Water Conservation staff for their creativity with these Programs.

7.2) 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:

a) None at This Time.

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

8) Information Items.

8.1) Reports of Directors:

a) Meetings/General Report.

Director Alvarado reported that on June 9, he attended a Board briefing with General Manager LaMoreaux and that on June 11, the Antelope Valley State Water Contractors Association will meet in the District's Board room, and the public is invited to attend.

President Mac Laren reported that on June 3, she attended the Palmdale City Council meeting, where Assistant General Manager Knudson provided an overview of the District's water restrictions, and she is proud of his presentation, is pleased and proud of staff's foresight on the water restrictions, staff's efforts to always think about the customer, the District's plan moving forward, and revisions to the Cash for Grass Program and that on June 8, she attended the Personnel Committee meeting with Director Estes where the Squeaky Wheel bicycle shop presented information on how they can assist with the District's Wellness Program, and the Committee is reviewing other options to incorporate wellness into the work lives of staff.

Director Dino reported that on June 2, he attended the Facilities Committee meeting with Director Estes; that June 8, he attended a Board briefing with General Manager LaMoreaux; and that on June 9, he attended the AVEK Board Meeting, and he is happy to attend these meetings, he has learned a great deal, it is great for the District, and reports from AVEK Directors indicate the exchange of information is great for them too.

There were no further reports from Directors.

b) Standing Committee/Assignment Reports (Chair):

1) Facilities Committee
2) Personnel Committee

There were no additional reports for these Committees.

8.2) Report of General Manager.

PIO/Conservation Director McNutt stated that staff is working on the structure of the District's Water Waste Policy; that the District's answering service will be processing Water Waste Hotline calls to help staff expedite water waste reports; that new water waste door-tags, printed in both English and Spanish, will be delivered this week; that Senator Runner and Assemblyman Lackey are recording a joint PSA on the drought; and that this can be distributed to local media sources.

Director Alvarado then stated that this Saturday, PIO/Conservation Director McNutt will be speaking on Spanish Radio Station 1470 AM from 11 a.m. to noon.

General Manager LaMoreaux then reported that a letter sent to Supervisor Antonovich today on behalf of the Palmdale Recycled Water Authority urging assistance with the reallocation of recycled water has been distributed to the Board and other agencies and that an open session item and a closed session item will be placed on the next agenda for the Palmdale Recycled Water Authority to discuss the reallocation of recycled water.

8.3) Report of Attorney.

General Counsel Dunn stated that it is nice to meet the Board and he hopes to serve the Board and the District for some time to come.

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 – Anticipated Litigation: A Closed Session Will be Held, Pursuant to Government Code §54956.9(d)(2) Because There is a Significant Exposure to Litigation in One Case.

10.2) Conference with Legal Counsel – Potential Litigation: A Closed Session Will be Held, Pursuant to Government Code §54956.9(d)(4) to Confer with District General Counsel Regarding to Determine Whether to Initiate Litigation.

At 7:48 p.m., President Mac Laren called for a closed session pursuant to Government Code §54956.9(d)(2) because there is a significant exposure to litigation in one case and pursuant to Government Code §54956.9(d)(4) to confer with District General Counsel regarding to determine whether to initiate litigation.

She reconvened the regular meeting at 8:00 p.m.

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

General Counsel Dunn stated that a closed session was held pursuant to Government Code §54956.9(d)(2) because there is a significant exposure to litigation in one case; that the Board was provided an update on this matter and gave direction; but that no reportable action was taken in closed session.

General Counsel Dunn then stated that a closed session was also held pursuant to Government Code §54956.9(d)(4) to confer with District General Counsel regarding to determine whether to initiate litigation and that the Board unanimously approved the amendment to the Tolling Agreement extending the Agreement with the Lagerlof firm regarding a potential claim.

12) Board Members' Requests for Future Agenda Items.

Director Alvarado requested an item be placed on the next agenda for "Presentation on Palmdale Water District water supply and planning efforts in response to growth."

There were no further requests for future agenda items.

13) Adjournment.

There being no further business to come before the Board, the meeting was adjourned at 8:02 p.m.

Secretary