MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JUNE 22, 2015:

A regular meeting of the Board of Directors of the Palmdale Water District was held Monday, June 22, 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 7:02 p.m.

1) Pledge of Allegiance.

At the request of President Mac Laren, Director Estes 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
Joe Estes, Secretary	Matt Knudson, Assistant General Manager
Vincent Dino, Director	Jim Riley, Engineering/Grant Manager
	Mike Williams, Finance Manager
Gloria Dizmang, Treasurer -- EXCUSED ABSENCE	Mike McNutt, PIO/Conservation Director
	Jim Stanton, Information Technology Manager
	Jennifer Emery, Human Resources Director
	Dawn Deans, Executive Assistant
	2 members of the public

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

3) Adoption of Agenda.

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 adopt the agenda, as written.

4) Public Comments for Non-Agenda Items.

Mr. Garry Cope, Palmdale resident and member of the Old Town Homeowner's Association, recognized and thanked Assistant General Manager Knudson for his helpfulness and assistance regarding the clean-up of property on Avenue Q-12.

He then urged the District to reconsider its policy regarding watering restrictions and recommended the District adopt the restrictions of Los Angeles County Waterworks as his fruit trees may not survive the District's guidelines and the Board should not dictate which days the public can use water after which General Manager LaMoreaux provided an overview of the District's rules for reducing water use and watering fruit trees and recommended Mr. Cope meet with PIO/Conservation Director McNutt to further discuss his water use.

Mrs. Marta Kester, Old Town Homeowner's Association, inquired about District-hosted classes for gray water use from washing machines after which Director Estes referred Mrs. Kester to the City of Palmdale's gray water program.

There were no further public comments.

5) Presentations:

5.1) Palmdale Water District Water Supply and Planning Efforts in Response to Growth. (Director Alvarado/Assistant General Manager Knudson)

Assistant General Manager Knudson provided an overview of the District's water supply and infrastructure planning efforts, future water supply and infrastructure needs, and water supply and capital improvement fees including the challenges faced by the District in meeting water supply needs, planning documents prepared to help the District meet its water supply and demands and financing to meet these needs, projected future water supply needs, service zones, and ensuring new development pays for the cost of new water supply and infrastructure. He then recommended the District remain innovative in water supply planning and continue to diversify the District's water portfolio.

Director Alvarado then stated that he requested this item as many of the District's customers and ratepayers have inquired about several of the issues presented and thanked Assistant General Manager Knudson for the presentation.

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 June 10, 2015.

6.2) Payment of Bills for June 22, 2015.

6.3) Approval of Amendment to Water Treatment and Transportation Agreement Between Palmdale Water District and Antelope Valley-East Kern Water Agency (Acton Water Treatment Plant). (Assistant General Manager Knudson)

6.4) Approve Absences of Director Dizmang and Director Estes From June 10, 2015 Meeting Due to Vacation and Illness, Respectively. (General Counsel Dunn)

President Mac Laren announced the items included in the Consent Calendar after which it was moved by Director Dino and seconded by Director Estes to approve those items included in the Consent Calendar.

After a brief discussion of the fees listed in the Water Treatment and Transportation Agreement under Agenda Item No. 6.3, the motion was unanimously carried by all members of the Board of Directors present at the meeting.

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 Adoption of the Pat McElfresh Pride, Achievement, Creativity, and Enthusiasm (P.A.C.E.) Program. (Human Resources Director Emery/Information Technology Manager Stanton/Personnel Committee)

Information Technology Manager Stanton provided an overview of the P.A.C.E. Employee Recognition Program after which Mr. Cope suggested an on-the-spot recognition program for the public to recognize employees.

It was then moved by Director Alvarado, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to adopt the Pat McElfresh Pride, Achievement, Creativity, and Enthusiasm (P.A.C.E.) Program with awards presented at the end-of-year all-hands meeting and at a Board meeting.

7.2) Discussion and Possible Action Regarding Priority of Use of Recycled Water and a Status on the Recycled Water Allocation Agreements. (Director Dizmang/General Manager LaMoreaux)

General Manager LaMoreaux stated that a meeting was held last Wednesday with the two Cities, the Sanitation Districts, Los Angeles County Waterworks, the District, PRWA, and Supervisor Antonovich regarding the status of the reallocation of recycled water; that Los Angeles County Waterworks was directed by Supervisor Antonovich to cancel their recycled water contract with the Sanitation Districts; that four new contracts will then be entered into with the City of Palmdale, the City of Lancaster, the Palmdale Recycled Water Authority, and the County of Los Angeles for Apollo Park; and that a progress meeting is scheduled regarding the direction given to Los Angeles County Waterworks.

Attorney Dunn then reported that legal counsel for the Sanitation Districts will distribute copies of all recycled water agreements to ensure the agreements are equal and all legal counsel can review the agreements.

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:

a) Microsoft Excel Beyond the Basics Seminar to be Held June 26, 2015 in Long Beach.

b) ESRI User Conference to be Held July 20 – 24, 2015 in San Diego.

After a brief discussion of attendance at conferences based on the approved budget, it was moved by Director Dino, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to approve Board and staff attendance at the following conferences, seminars, and training sessions within budget amounts previously approved in the 2015 Budget: Microsoft Excel Beyond the Basics Seminar to be held June 26, 2015 in Long Beach and ESRI User Conference to be held July 20 – 24, 2015 in San Diego.

8) Information Items.

8.1) Reports of Directors:

a) Meetings/General Report.

Director Dino reported that on June 17, he attended the retirement party for City of Palmdale Manager Dave Childs at Legacy Commons, there was quite a turnout, and those

attending stated that they hated to see him go; that on June 17, he attended the Palmdale Recycled Water Authority Board meeting; and that on June 18, he attended a Board briefing with General Manager LaMoreaux.

President Mac Laren reported that on June 17, she attended a community coalition meeting at AVEK's office with representatives from the City of Lancaster, the City of Palmdale, AVEK, PWD, Quartz Hill, and other interested parties where they discussed working as a community, sharing information to help homeowners thinking of removing their lawn, the Hero program, developing sub-Committees, and streamlining and ensuring ratepayers understand the process as rebate funds are hard to come by; that also on June 17, she attended the Palmdale Chamber of Commerce luncheon where the City Manager spoke; that also on June 17, she attended the retirement party for outgoing City of Palmdale Manager Dave Childs as the District continues working on not only being a regional leader but on being part of the community and that a much better relationship with the City has been established, and we want to be very respectful and spend the time and effort to say goodbye to Mr. Childs; and that also on June 17, she attended the Palmdale Recycled Water Authority meeting where they received very good news about the Authority receiving recycled water, as well as other projects, and the use of recycled water is already turning into bigger projects that are being handed over to the Authority.

Director Alvarado reported that on June 11, he attended the Antelope Valley State Water Contractors Association meeting where they discussed on-going efforts on planning an Expo towards the end of the year; that on June 13, he attended the 1470 AM radio show interview with PIO/Conservation Director McNutt and General Manager LaMoreaux where they had a very successful turnout, were able to get the point across regarding the new regulations, what is needed regarding water conservation, the drought, and the misconceptions due to the number of water agencies and the service area of the District; that on June 17, he attended the Palmdale Recycled Water Authority meeting where they heard the wonderful news about the recycled water reallocation, and the Authority can start working on using recycled water in the very near future without any further delays; that on June 18, he attended the All-Hands Meeting where employees were in attendance in full force, different issues were discussed, he was introduced and addressed the employees, the luncheon was wonderful, many employees were recognized, updates were given regarding benefits with Human Resources Director Emery doing an outstanding job as usual, PIO/Conservation Director McNutt gave a very good presentation, it was a very informational meeting, all employees came out of that meeting knowing more about who they work for, and he expressed his thanks; that also on June 18, he attended a Board briefing with General Manager LaMoreaux; and that he

will be attending the Meet-the-Mormons Open House on June 25 with Director Dino and PIO/Conservation Director McNutt.

President Mac Laren then reported that she also attended the June 11 Antelope Valley State Water Contractors Association meeting.

Director Estes reported that on June 18, he attended the All-Hands Meeting with Director Alvarado, Director Alvarado expressed it very eloquently, it was quite the meeting, and the food was very good and that also on June 18, he attended a Board briefing with General Manager LaMoreaux. He then wished everyone a belated Happy Father's Day.

There were no further reports from Directors.

b) Standing Committee/Assignment Reports (Chair):

1) Antelope Valley State Water Contractors Association
2) Palmdale Recycled Water Authority

President Mac Laren stated that information on these meetings was reported.

8.2) Report of General Manager.

General Manager LaMoreaux reported that letters were sent to the District's legislators regarding trailer bills for the state budget, and they supported us to no avail; that one trailer bill involved the State Water Resources Control Board forcing consolidations of water districts from the state rather than local level in extreme circumstances; that the other trailer bill involved redesigning the state's fee structure as they are not receiving enough funding from public agencies; and that both legislator's offices were cooperative and helpful in these efforts.

He then reported that for the past few years, the District has hosted a Plant Sale with several vendors; that because of the ongoing drought and the District's watering rules, an Open House, rather than a Plant Sale, will be held on July 11 from 10 a.m. to 12 p.m. for the District's customers to learn more about the drought, the District's rules and restrictions, and gain assistance on handling the restrictions; and that an Open House to begin the environmental process for the Palmdale Regional Groundwater Recharge and Recovery Project will be held parallel to the District's Open House.

Mrs. Kester then inquired about the state's projects and increasing rates and recommended the Antelope Valley Resource Conservation District attend the Open House after which General Manager LaMoreaux stated that no plants will be for sale at the July 11 Open House but the Antelope Valley Resource Conservation District will be invited to attend when Plant Sales resume; that the state has a fee structure for oversight of water agencies, which is now under the State Water Resources Control Board; and that the District must pay the state for time spent reviewing the District's permits, amendments, and inspections.

8.3) Report of Attorney.

General Counsel Dunn 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) 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.*

10.2) 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.

10.3) 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 8:00 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. The Title of Such Litigation is as Follows: *Antelope Valley Ground Water Cases*; 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 8:21 p.m.

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

President Mac Laren stated that a closed session was held pursuant to Government Code §54956.9(d)(1) to confer with Special Litigation Counsel regarding the *Antelope Valley Ground Water* Cases; that the Board conferred with Special Litigation Counsel via telephone; that updates were given; 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)(2) and Government Code §54956.9(d)(4); that the Board conferred with General Counsel and was provided an update on these matters; but that no reportable action was taken in closed session.

12) Board Members' Requests for Future Agenda Items.

Director Alvarado requested an item be placed on a future agenda for "Status report on the Recycled Water Allocation Agreements" after which General Manager LaMoreaux stated that a status report will be available at the first regular Board meeting in August.

Director Estes requested an item be placed on the next agenda for "Status update on Littlerock Dam Sediment Removal Project."

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 8:22 p.m.

Secretary