**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, MAY 25, 2016:**

*A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, May 25, 2016, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Robert Alvarado, called the meeting to order at 7:00 p.m.*

**1) Pledge of Allegiance.**

At the request of President Alvarado, a Vietnam Veteran led the pledge of allegiance.

**2) Roll Call.**

| **Attendance:** | **Others Present:** |
|---|---|
| Robert Alvarado, President | Dennis LaMoreaux, General Manager |
| Vincent Dino, Vice President | Matt Knudson, Assistant General Manager |
| Marco Henriquez, Treasurer | Eric Dunn, General Counsel |
| Kathy Mac Laren, Director | Mike Williams, Finance Manager |
| | Jim Riley, Engineering/Grant Manager |
| Joe Estes, Secretary -- | Tim Moore, Facilities Manager |
| EXCUSED ABSENCE | Mike McNutt, PIO/Conservation Director |
| | Mynor Masaya, Operations Manager |
| | Jim Stanton, Information Technology Manager |
| | Dennis Hoffmeyer, Accounting Supervisor |
| | 8 members of the public |

**3) Adoption of Agenda.**

It was moved by Director Dino and seconded by Director Henriquez to adopt the agenda, as written. It was then stated that Agenda Item No.'s 9, 10, 11, and 12 can be removed from the agenda as there is no need for closed session after which Director Dino amended his motion, Director Henriquez amended his second, and it was unanimously carried by all members of the Board of Directors present at the meeting to adopt the agenda, as amended, removing Agenda Item No.'s 9, 10, 11, and 12.

**4) Public Comments for Non-Agenda Items.**

Director Alvarado clarified that every speaker will have three full uninterrupted minutes for public comments and a Spanish translator is available.

Mr. Roger Schaefer, Palmdale resident, read a statement into the record, a copy of which is hereby made a portion of the minutes of this meeting, and offered legal assistance for unclaimed funds to former Palmdale contractor, Michael Fizzolio.

Ms. Joanne Granai, Palmdale resident, stated that some Board members have made their intent clear regarding the Palmdale City Council; that she is concerned about the rumor that Director Henriquez is running for Palmdale City Council; that if this rumor is true, as a ratepayer, this is very upsetting to her as many promises were made to the community and there was trust placed in him by electing him; and that this rumor is important and needs to be addressed after which Director Henriquez clarified that he does not know where this rumor is from but he has never said he is running for Palmdale City Council; that he has no intent; that he does not look forward to hopping from one place to another; that standards need to be set with trust from the public on these matters; and that if he had intended to run for Palmdale City Council, he would not have run for the Palmdale Water District Board.

President Alvarado then stated that a professional interpreter, Julie Young, is available this evening for Spanish translations.

There were no further public comments.

**5) Presentations:**

**5.1) Drought Report-Review of "Water Conservation and Reduction in Water Demand Efforts Report as of April, 2016." (PIO/Conservation Director McNutt)**

PIO/Conservation Director McNutt stated that staff is reviewing new state water conservation regulations; that the State Water Resources Control Board is now leaving it up to local water agencies to adopt a conservation plan, and staff is developing a plan for presentation at an upcoming Board meeting; that citations continue to be issued to those watering on the wrong days or who are violating water reduction mandates with 82 citations issued to date with all but one being a first violation; that twelve appeals have been received; that to date, water savings through April, 2016 is at 25.6%, which is less than the 32% mandated goal but this goal is in transition; that residential gallons per capita per day use it at 92.3; that drought surcharge revenue is at $64,319; and that cumulative water savings since June 1, 2015 are at 24.6%.

Director Henriquez inquired about continued citations after which General Manager LaMoreaux stated that citations will continue to be issued under the existing

order, and a new Resolution will be presented to the Board for consideration once the new order is finalized.

**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 11, 2016.**

**6.2) Payment of Bills for May 25, 2016.**

**6.3) Approval of 2016 Proposed Bylaws Amendments for the California Special Districts Association (CSDA). (General Manager LaMoreaux)**

**6.4) Approval to Deny Claim of Basil Hilo. (Finance Manager Williams)**

**6.5) Approval of Communications Site Lease Agreement Between Palmdale Water District and Verizon Wireless. ($3,000.00/Month Revenue – Assistant General Manager Knudson/Facilities Committee)**

**6.6) Approval of Scanner/Plotter Purchases. ($50,000.00 – Budgeted – Information Technology Manager Stanton/Facilities Committee)**

**6.7) Approval to Declare Various Vehicles and Equipment as Surplus Property Per Article 12.08 of the District's Rules and Regulations. (Facilities Manager Moore/Facilities Committee)**

**6.8) Approval to Purchase Used Construction Equipment Utilizing Proceeds From Selling Surplus Equipment. (Facilities Manager Moore/Facilities Committee)**

President Alvarado announced the items included in the Consent Calendar after which Director Dino requested Agenda Item No.'s 6.4, 6.5, 6.6, 6.7, and 6.8 be removed from the Consent Calendar for separate consideration and moved to approve Consent Calendar Agenda Item No.'s 6.1, 6.2, and 6.3. The motion was seconded by Director Henriquez and unanimously carried by all members of the Board of Directors present at the meeting.

**6.4) Approval to Deny Claim of Basil Hilo. (Finance Manager Williams)**

Finance Manager Williams provided an overview of the claim received from Basil Hilo, and after clarification of road conditions requested by Director Henriquez, it was moved by Director Mac Laren, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to deny the claim of Basil Hilo.

**6.5) Approval of Communications Site Lease Agreement Between Palmdale Water District and Verizon Wireless. ($3,000.00/Month Revenue – Assistant General Manager Knudson/Facilities Committee)**

Assistant General Manager Knudson provided an overview of the proposed lease with Verizon Wireless, and after clarification of the Facilities Committee's recommendation to approve this lease, it was moved by Director Henriquez, seconded by Director Mac Laren, and unanimously carried by all members of the Board of Directors present at the meeting to approve the Communications Site Lease Agreement between Palmdale Water District and Verizon Wireless.

**6.6) Approval of Scanner/Plotter Purchases. ($50,000.00 – Budgeted – Information Technology Manager Stanton/Facilities Committee)**

Information Technology Manager Stanton provided an overview of the scanner/plotter purchases, and after clarification of the Facilities Committee's recommendation to approve this purchase, the brand, and the price, it was moved by Director Henriquez, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve the purchase of scanner/plotter purchases in the not-to-exceed amount of $50,000.00.

**6.7) Approval to Declare Various Vehicles and Equipment as Surplus Property Per Article 12.08 of the District's Rules and Regulations. (Facilities Manager Moore/Facilities Committee)**

Facilities Manager Moore provided an overview of the various vehicles and equipment staff recommends be declared as surplus, and after clarification of the vehicle recommended for surplus and potential future vehicle leases, it was moved by Director Mac Laren and seconded by Director Dino to declare various District vehicles and equipment as surplus property per Article 12.08 of the District's Rules and Regulations.

Ms. Joanne Granai, Palmdale resident, stated that she recommends corporate repair store franchises, such as Aamco, be contacted to determine which lease companies are rated the best.

The motion was then unanimously carried by all members of the Board of Directors present at the meeting.

**6.8) Approval to Purchase Used Construction Equipment Utilizing Proceeds From Selling Surplus Equipment. (Facilities Manager Moore/Facilities Committee)**

Facilities Manager Moore provided an overview of the equipment staff recommends be purchased with proceeds from selling surplus equipment and after clarification of this equipment, it was moved by Director Henriquez, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve the purchase of used construction equipment utilizing proceeds from selling surplus equipment.

**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 Appeal of Iraj Hormozi of the Determination of Emergency Water Conservation Restriction Violation Upholding the Water Waste Fine. (General Manager LaMoreaux)**

General Manager LaMoreaux provided an overview of the events leading up to the issuance of a water waste fine for Mr. Hormozi's rental property, Mr. Hormozi's appeal of the fine, and water conservation efforts at the property, which may lead to a refund of the fine.

Director Mac Laren then stated that Mr. Hormozi has five rental properties within the District's boundaries, which also receive notifications regarding the District's policies, and then moved to deny the appeal of Iraj Hormozi of the determination of emergency water conservation restriction violation upholding the water waste fine. The motion was seconded by Director Dino.

Director Henriquez then recommended that tenants be allowed to sign up for water service followed by a brief discussion of the District's policy regarding water

service for homeowners and tenants, and the motion carried on a 3 – 1 vote, with Director Henriquez opposed.

**7.2) Consideration and Possible Action on Approval of the Amended and Restated Lease Agreement with the Palmdale Fin & Feather Club. (General Manager LaMoreaux)**

General Manager LaMoreaux provided an overview of revisions to the lease agreement with the Palmdale Fin & Feather Club negotiated by District staff, Director Henriquez, and Palmdale Fin & Feather Club representatives.

President Alvarado then reviewed the progress he and Director Dino made on the District's partnership with the Palmdale Fin & Feather Club and then introduced and welcomed the President, officers, and members of the Palmdale Fin & Feather Club to the meeting.

Mr. Joe Beach, Acting President of the Palmdale Fin & Feather Club, thanked the Board and General Manager LaMoreaux for the efforts over the past few years, and they appreciate the District's assistance and time on the lease negotiations.

Mr. Michael Maine, Membership Director of the Palmdale Fin & Feather Club, thanked the Board and staff for the great relationship and he looks forward to continued good work.

Director Henriquez, the District's Fin & Feather Club liaison, then commended District staff for their work on the lease.

It was then moved by Director Mac Laren, seconded by Director Henriquez, and unanimously carried by all members of the Board of Directors present at the meeting to approve the Amended and Restated Lease Agreement with the Palmdale Fin & Feather Club.

**7.3) Consideration and Possible Action on Purchasing an Ad in a Spanish Publication for Publishing the List of Unclaimed Funds. (President Alvarado/General Manager LaMoreaux)**

President Alvarado requested the Board consider investing a small sum of money to advertise the District's unclaimed funds in a Spanish publication followed by discussion of required legal advertising, improved posting of this information on the

District's website, updated future ads, Spanish publication options, monitoring effectiveness of future ads, and clarification of the District's process for unclaimed funds, and it was moved by Director Henriquez, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to direct staff to investigate the cost of purchasing an ad in a Spanish publication for publishing a list of District unclaimed funds.

**7.4) Consideration and Possible Action on Outreach Activities. (PIO/Conservation Director McNutt)**

**a) Rebates/Cash for Grass Program**

PIO/Conservation Director McNutt stated that to date, the District has received 201 Cash for Grass Program applications; that there are limited funds for this Program; and that applications for the District's other rebate programs continue to be received.

He then stated that regarding additional outreach, staff has been very active in the community providing information on the District's programs and then requested contact assistance from each of the Directors regarding speaking engagements within their divisions.

**b) AguaPalooza Music Contest**

Director Henriquez inquired as to the status of the AguaPalooza Music Contest after which PIO/Conservation Director McNutt stated that a meeting is scheduled with High Desert Broadcasting to coordinate this Contest.

**c) High Desert Water Summit**

There were no additional updates on this item.

**d) Palmdale Chamber Activities**

There were no additional updates on this item.

**e) Calendar of Upcoming Events**

There were no additional updates on this item.

**f) Board Media Training**

There were no additional updates on this item.

**g) Outreach Board Input.**

Director Henriquez then inquired about the potential benefit of SaveOurWaterRebates.com and requested staff investigate this resource and recommended staff meet with the Palmdale School District Superintendent as they are pleased with the partnership with the District and the support the District has provided regarding the Palmdale Promise.

PIO/Conservation Director McNutt then stated that the District has partnered with the Palmdale School District to help promote their Footsteps to Brilliance Program with English and Spanish bill inserts, and this partnership has been positive for the District and for the Palmdale School District.

He then stated that the District has donated bottled water to several local organizations for various events in the community.

**7.5) 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 2016 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 Dino reported that on May 18, he attended the Palmdale Recycled Water Authority meeting where discussion was held regarding compensation for the fifth member, which is to be paid from recycled water revenues; that on May 19, he attended the Facilities Committee meeting with Director Henriquez where they discussed the items considered earlier this evening; that also on May 19, he attended the

presentation at the District regarding the Littlerock Dam Sediment Removal Project, which was great, but very few members of the public attended; that on May 23, he attended a Board briefing with General Manager LaMoreaux; that on May 24, he attended the AVEK Board meeting; that on May 25, he attended the Ad Hoc Committee meeting with Director Mac Laren to discuss the hiring of a translator, he is pleased a translator is present this evening, and prominent Hispanic leaders in the community will be asked to join the Ad Hoc Committee meeting.

Director Mac Laren reported that on May 25, she attended a Board briefing with General Manager LaMoreaux; that also on May 25, she attended the Ad Hoc Committee meeting with Director Dino, and as reported by Director Dino, the next step is to invite local community leaders to help shape the direction of the Committee; and that she is in attendance at tonight's meeting.

Director Henriquez reported that on May 18, he attended the Palmdale Chamber of Commerce luncheon with Director Dino, the speaker was Mr. Raul Maldonado, of the Palmdale School District, and they thanked the District for their support and relationship with the District; that on May 19, he attended the Facilities Committee meeting with Director Dino, and items from that meeting were presented for approval earlier this evening; that also on May 19, he attended the Littlerock Dam Sediment Removal Project meeting and presentation at the District; and that on May 23, he attended a Board briefing with General Manager LaMoreaux.

President Alvarado reported that on May 16, he attended the Wi-Fi meeting at the Palmdale School District, where different agencies are collaborating to bring about free Wi-Fi access to children in the City of Palmdale to assist with homework and research, and he was asked to relay that the Palmdale School District is very grateful to the District for their assistance and partnership; that on May 17, he attended a Board agenda review and approval meeting; that on May 18, he attended the Palmdale Recycled Water Authority meeting; that on May 19, he attended the Littlerock Dam Sediment Removal Project meeting at the District, and he looks forward to seeing this Project move forward; that on May 23, he attended a Board briefing with General Manager LaMoreaux; and that on May 25, he attended a Special Board meeting agenda review and approval meeting.

**b) Standing Committee/Assignment Reports. (Chair)**

**1) Facilities Committee.**

President Alvarado stated that a report on the Facilities Committee was provided earlier in the meeting.

**8.2) Report of General Manager.**

**a) May, 2016 Written Report of Activities Through April, 2016.**

General Manager LaMoreaux stated that his written report includes updated charts and graphs; that as mentioned earlier by PIO/Conservation Director McNutt, the District's customers are doing well regarding conservation; that staff is reviewing the new State Board Order and will bring a resolution updating the District's conservation measures to the Board for consideration at a later date; that the public hearing for the Littlerock Dam Sediment Removal Project was held last week, and the public comment period remains open until June 30, 2016; that next Wednesday, a Special Board Meeting is scheduled to hold a public hearing and consider the 2015 Urban Water Management Plan; and that through the end of April, there have been only 16 mainline leaks indicating that infrastructure projects have been very beneficial.

President Alvarado then stated that he volunteered the District's Board room as the location for the next Wi-Fi meeting, which will be held some time in August.

**8.3) Report of General Counsel.**

General Counsel Dunn stated that he has no report.

**13) Board members' requests for future agenda items.**

There were no requests for future agenda items.

**14) Adjournment.**

There being no further business to come before the Board, the meeting was adjourned at 8:31 p.m.

Secretary

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

BOARD MEETING
5/25/2016 7PM

MY NAME IS ROGER SCHAEFER. DURING THE 90's I WORKED FOR THE PALMDALE WATER DISTRIST AS A CONTRACTOR (P & R SERVICES CORP.) WE REPLACED STREET ASPHALT PATCHES AFTER YOUR CREWS FIXED PIPELINE LEAKS.

I AM HERE TODAY TO MAYBE HELP AGAIN. POSSIBLY TO SAVE THE DISTRICT $21,000. THE DISTRICT HAS PROPOSED TO PAY MICHAEL FIZZOLIO FOR DEVELOPER FEES ON PROJECTS HE FAILED TO PAY MANY A.V. CONTRACTORS FOR THEIR SERVICES AND MATERIALS. MY CORP. HE OWED OVER $20,000.

P&R SERVICES WON THE CLAIM AGAINST HIM, YET HE HID BEHIND THE BANKRUPTCY LAWS. I WENT TO HIS HEARING AND THE FEDERAL BANKRUPTCY JUDGE ASKED HIM IF HE HAD LISTED ALL HIS ASSETS CORRECTLY. I RECALL THE JUDGE DISLIKING MR. FIZZOLIO'S ANSWERS.

HERE WE ARE, OVER A DECADE LATER, NOT ONE-CENT FOR THE CREDITORS, AND MR. FIZZOILIO IS BEING OFFERED OVER $20,000 TOWARD THESE JOBS.

WHAT MIGHT THE BANKRUPTCY JUDGE SAY TODAY: HEY MR. FIZZOILIO DID YOU TELL ME ABOUT THESE FUNDS THAT WERE TO BE RELEASED TO YOU FROM THE PROJECT I COVERED YOUR DEBT? IF NOT, SHOULD I HAVE YOU ARRESTED FOR SOME TYPE OF FRAUD? MAYBE I SHOULD ORDER THE WATER DISTRICT TO PAY YOUR CREDITORS INSTEAD OF YOU?

BOTTOMLINE, I WOULD HOPE THAT THE DISTRICT FOLLOWS UP AND DOES THE RIGHT THING. IF I CAN BE OF ANY HELP, PLEASE CONTACT ME (661) 943-4981 HM OR ROGER-SCHAEFER@SBCGLOBAL.NET