MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JULY 27, 2016:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, July 27, 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, Engineering/Grant Manager Riley led the pledge of allegiance followed by a moment of silence in honor of our troops, our police officers, our fire fighters, and the victims of the sand fire.

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	Christina Burrows, Assistant General Counsel
Joe Estes, Secretary	Mike Williams, Finance Manager
Kathy Mac Laren, Director	Jennifer Emery, Human Resources Director
	Tim Moore, Facilities Manager
	Jim Riley, Engineering/Grant Manager
	Dawn Deans, Executive Assistant
	4 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. General Manager LaMoreaux then stated that there is no report on Agenda Item No. 7.3, and this item can be removed from the agenda 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. 7.3.

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Presentations:

5.1) Status Report on Upper Amargosa Recharge Project. (Assistant General Manager Knudson)

Assistant General Manager Knudson provided an overview of the Upper Amargosa Creek Flood Control, Recharge, and Habitat Restoration Project, the partners being the City of Palmdale, Antelope Valley East Kern Water Agency, Los Angeles County Waterworks, and the District, the total project cost of $14,500,000, grants received, the location, the District's 25% partnership cost, the nature park, the District's well field and extracting water from this project, the studies conducted to determine the recharge rate, the benefits to the District, the anticipated completion date of late 2017, and on-going operation and maintenance costs.

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 July 12, 2016.

6.2) Payment of Bills for July 27, 2016.

President Alvarado announced the items included in the Consent Calendar and stated that the regular meeting minutes have been corrected to reflect the correct date of July 13, 2016 after which it was moved by Director Henriquez, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to approve the Consent Calendar, as amended, to reflect the correct date of the minutes as July 13, 2016.

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) Presentation and Discussion by NHA Advisors to Potentially Refund the 2012 Installment Purchase Agreement and a Portion of the 2013A Water Revenue Bonds. (Finance Manager Williams/Mark Northcross, NHA Advisors/Finance Committee)

Finance Manager Williams stated that the Finance Committee is in favor of potentially refunding the 2012 Installment Purchase Agreement and a portion of the 2013A Water Revenue Bonds, and final resolutions for the refunding can be presented for consideration at the August 24, 2016 Regular Board Meeting after which Mr. Mark Northcross, NHA Advisors, financial advisor for the District's bonds, provided an overview of the cost savings to the District from refinancing the Series 2013A and 2012

Bonds, refinancing goals and benefits, and the potential schedule and next steps for refinancing followed by discussion of rates, present value savings, escrowing a certain portion of the bonds, and the cost to refinance.

7.2) Consideration and Possible Action on Annual Salary Review of the General Manager. (Personnel Committee)

Director Mac Laren, Chair of the Personnel Committee, stated that the Board conducted a performance evaluation for General Manager LaMoreaux at the July 21, 2016 Special Board Meeting; that the performance evaluation was rated as more than satisfactory; and after a brief discussion of the General Manager contract, of the excellent performance of General Manager LaMoreaux, and positive reviews from all Directors, she moved to award a CPI salary increase of 1.83% to General Manager LaMoreaux in accordance with his Employment Contract. The motion was seconded by Director Estes and unanimously carried by all members of the Board of Directors present at the meeting.

7.4) 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) American Water College "Management & Supervisor Leadership Training Program" to be Held September 20 – 22, 2016 in Irvine.

b) American Water College "Advanced Management & Supervisory Leadership Training Program" to be Held September 20 – 22, 2016 in Pasadena.

c) ACWA's 2016 Regulatory Summit – Water and Energy: Beyond the Nexus to be Held October 3 – 4, 2016 in Sacramento.

After a brief discussion of this Conference, 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 authorize the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2016 Budget as follows: American Water College "Management & Supervisor Leadership Training Program" to be Held September 20 – 22, 2016 in Irvine; American Water College "Advanced Management & Supervisory Leadership Training Program" to be Held September 20 – 22, 2016 in Pasadena; and ACWA's 2016

Regulatory Summit – Water and Energy: Beyond the Nexus to be Held October 3 – 4, 2016 in Sacramento.

8) Information Items:

8.1) Reports of Directors:

a) Meetings/General Report.

Director Mac Laren reported that on July 14, she attended a meeting with Dr. Mathis regarding the evaluations for General Manager LaMoreaux and General Counsel Dunn; that on July 18, she attended the Ad Hoc Spanish Interpreter Committee meeting with Director Dino where community allies provided ideas and insight and the Ad Hoc Committee recommends a Community Advisory Board be formed; that on July 20, she attended the Palmdale Recycled Water Authority Meeting, and this organization is reviewing rotation of leadership; that on July 21, she attended the Special Board meeting regarding the evaluations for General Manager LaMoreaux and General Counsel Dunn; and that on July 27, she attended a Board briefing with General Manager LaMoreaux.

Director Dino reported that on July 15, he attended a meeting with Dr. Mathis regarding the evaluations for General Manager LaMoreaux and General Counsel Dunn; that on July 18, he attended the Ad Hoc Spanish Interpreter Committee meeting with Director Mac Laren; that on July 20, he attended the Personnel Committee meeting with Director Mac Laren; that also on July 20, he attended the Palmdale Recycled Water Authority meeting; that on July 21, he attended the Special Board Meeting regarding the evaluations for General Manager LaMoreaux and General Counsel Dunn; that on July 25, he attended a Board briefing with General Manager LaMoreaux; and that on July 26, he attended an AVEK Board meeting.

Director Estes reported that on July 15, he attended a meeting with Dr. Mathis regarding the evaluations for General Manager LaMoreaux and General Counsel Dunn and that on July 27, he attended a Board briefing with General Manager LaMoreaux.

Director Henriquez reported that on July 14, he attended a meeting with Dr. Mathis regarding the evaluations for General Manager LaMoreaux and General Counsel Dunn; that on July 21, he attended the Special Board Meeting regarding the evaluations for General Manager LaMoreaux and General Counsel Dunn; and that on July 25, he attended a Board briefing with General Manager LaMoreaux.

President Alvarado reported that on June 14, he attended an agenda review and approval meeting with Assistant General Manager Knudson; that on July 14, he attended a meeting with Dr. Mathis regarding the evaluations for General Manager LaMoreaux and General Counsel Dunn; that on July 20, he attended an agenda review and approval meeting with General Manager LaMoreaux; that also on July 20, he attended a Board briefing with General Manager LaMoreaux; that also on July 20, he attended the Palmdale Recycled Water Authority meeting; that on July 21, he attended the Special Board Meeting regarding the evaluations for General Manager LaMoreaux and General Counsel Dunn; and that on July 26, he attended a Board briefing with General Manager LaMoreaux.

b) Standing Committee/Assignment Reports (Chair):

1) Finance Committee.

2) Personnel Committee.

President Alvarado stated that reports on these meetings were provided earlier in the meeting.

8.2) Report of General Manager.

a) July, 2016 Written Report of Activities Through June, 2016.

General Manager LaMoreaux reported that a written report was included with the agenda packets and then stated that information included in the report reflects the District's status regarding water use reductions by 2020; that the new numbers are from the 2015 Urban Water Management Plan; and that the District's customers are 48% below the baseline, which is well ahead of the 2020 goal.

He then reported that mainline leaks through June have increased but are well below past years and that plans are in place to replace pipelines in the areas most affected by leaks followed by discussion of potential causes for the increase in leaks.

He then reported that the first meeting of the Interim Antelope Valley Watermaster Board is scheduled for August 17, 2016 at 2:00 p.m. at Lancaster City Hall.

Upcoming specification jobs for public bid and Project Labor Agreements were then discussed.

President Alvarado then thanked the Antelope Valley Press for the recent good press regarding the Palmdale Regional Groundwater Recharge and Recovery Project and gave kudos to staff for their effort on this project, which is very important for the District's future and future water usage in the Antelope Valley, followed by discussion of an Antelope Valley Press article regarding the Delta water tunnels.

Director Henriquez then inquired about water extractions from Palmdale Lake for the Sand Fire followed by discussion of the SuperScooper process.

President Alvarado then invited everyone to attend the Air Force Plant 42 Environmental Restoration Advisory Board meeting scheduled for August 3 at 6:30 p.m. in the District's Board room and stated that he will chair the meeting for the last time and will introduce Director Mac Laren as the District's representative on the Advisory Board.

8.3) Report of General Counsel.

Assistant General Counsel Burrows stated that she has no report.

9) Board Members' Requests for Future Agenda Items.

Director Mac Laren requested an item be included on a future agenda for "Discussion and possible action on the development of a Community Advisory Board."

There were no further requests for future agenda items.

10) Adjournment.

There being no further business to come before the Board, the meeting was adjourned at 8:58 p.m.

Secretary