MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JANUARY 23, 2013:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, January 23, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Gordon Dexter, called the meeting to order.

1) Pledge of Allegiance.

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

2) Roll Call.

Attendance:	**Others Present:**
Gordon Dexter, President	Dennis LaMoreaux, General Manager
Gloria Dizmang, Vice President	Jim Ciampa, Attorney
Kathy Mac Laren, Treasurer	Jenny Kim, Attorney
Robert Alvarado, Secretary	Mike Williams, Finance Manager
Steve Cordova, Director	Matt Knudson, Engineering Manager
	Peter Thompson II, Operations Manager
	Dawn Deans, Executive Assistant
	2 members of the public

3) Adoption of Agenda.

President Dexter stated that Director Dizmang requested Agenda Item No. 6.3 be removed from the Consent Calendar for consideration, Director Alvarado requested Agenda Item No. 6.2 be removed from the Consent Calendar for consideration, and Mr. LaMoreaux had informed him that Agenda Item No. 7.1 is not ready for the Board's possible action and can therefore be removed from the agenda. He then recommended Agenda Item No.'s 6.2 and 6.3 be considered prior to Agenda Item No. 7.2 after which it was moved by Director Dizmang, seconded by Director Mac Laren, and unanimously carried to adopt the agenda, as amended.

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Presentations:

5.1) No Presentations Scheduled at This Time.

There were no presentations.

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 Workshop Meeting Held January 4, 2013.

6.4) Approval of Resolution No. 13-1 Adopting the Reapportionment Plan for the District. (Engineering Manager Knudson)

It was moved by Director Dizmang, seconded by Director Mac Laren, and unanimously carried to approve those items included in the Consent Calendar.

A copy of Resolution No. 13-1 is hereby made a portion of the minutes of this meeting.

6.2) Approval of Minutes of Regular Meeting Held January 9, 2013.

Director Alvarado requested "and that he has no specific areas for making additional budget cuts" be removed from the minutes under his comments on page 4, and after a brief discussion, it was moved by Director Cordova and seconded by Director Mac Laren to approve the January 9, 2013 minutes, as amended, as requested by Director Alvarado.

Ms. Alisha Semchuck, Antelope Valley Press, stated that based on her review of the recording, she feels the minutes are accurate.

The motion then carried on a 4 – 0 vote, with Director Dizmang abstaining.

6.3) Payment of Bills for January 23, 2013.

Director Dizmang stated that the payables for January 23 include a Verizon Wireless payment in the amount of $9,086.10 for Apple I-Pads, which are for the Directors, and then requested these I-Pads be returned to Verizon Wireless as she does not approve of this purchase.

General Manager LaMoreaux then clarified the purchase and intended use of these I-Pads after which it was moved by Director Dizmang, seconded by Director Mac Laren,

and unanimously carried to approve payment of the bills for January 23, 2013, as amended, with the Verizon Wireless I-Pads reassigned from the Board of Directors to the field crew.

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.)

7.2) Consideration and Possible Action on Adoption of Resolution No. 13-2 Authorizing the Submission of an Application to the California Department of Water Resources to Obtain Stormwater Flood Management Grant Funding Pursuant to the Disaster Preparedness and Flood Prevention Bond Act of 2006 (Public Resource Code Section 5096.800 et. seq.) for the Littlerock Reservoir Sediment Removal Project and to Enter into an Agreement With Respect Thereto. (Engineering Manager Knudson)

Engineering Manager Knudson gave an overview of Resolution No. 13-2 and the grant opportunity available for funding approximately 50% of the Littlerock Reservoir Sediment Removal Project through the Proposition 1E process after which it was moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried to approve Resolution No. 13-2 Authorizing the Submission of an Application to the California Department of Water Resources to Obtain Stormwater Flood Management Grant Funding Pursuant to the Disaster Preparedness and Flood Prevention Bond Act of 2006 (Public Resource Code Section 5096.800 et. seq.) for the Littlerock Reservoir Sediment Removal Project and to Enter into an Agreement With Respect Thereto.

A copy of said Resolution No. 13-2 is hereby made a portion of the minutes of this meeting.

7.3) Consideration and Possible Action on Cost Estimate for Implementing a Level Pay Program. (Director Dizmang/Finance Manager Williams)

Finance Manager Williams gave an overview of staff's efforts to date to investigate the cost for implementing a Level Pay Program, and after a brief discussion of other agencies' experiences with customer participation in Level Pay Programs, of the cost per customer and timing for starting a Level Pay Program, of gauging customer interest through a survey, and of anticipated savings from this Program, it was moved by Director Dizmang, seconded by Director Mac Laren, and unanimously carried to table this item until a customer survey can be obtained to determine if there is enough interest to

implement a Level Pay Program in light of the costs the District will incur in establishing such a Program.

The Board then thanked staff for their work on this item.

7.4) Consideration and Possible Action on Establishing a Staff Per Diem Travel Expense Policy. (Director Dizmang/Finance Manager Williams)

Finance Manager Williams reviewed staff's recommendation that the District's existing Staff Expense Reimbursement Policy remain unchanged with the exception of minor revisions to air travel arrangements, incidentals, the dinner allowance, and transportation. He then reviewed a proposed Per Diem Travel Policy, and after a brief discussion, it was moved by Director Dizmang, seconded by Director Mac Laren, and unanimously carried that no action be taken on this item, and the District's existing Staff Expense Reimbursement Policy remain unchanged.

7.5) Consideration and Possible Action on Reorganization of the Board of Directors. (Director Alvarado)

President Dexter stated that there was a change in the Board this past year; that he stayed on as Board President; that his goals were to have the Board work cooperatively, to ensure everyone had the opportunity to speak, to get past campaign rhetoric, and to ensure everyone's opinions were valued; that he made wise choices in establishing and appointing Committees as the work of these Committees is showing significant savings for the District; that some of this work still needs to be done with the Personnel Committee working on saving insurance costs and the Ad Hoc Committee reviewing legal fees and issues; and that the Board is functioning very well now.

Director Cordova stated that he would like to see the Board officers remain the same as they have all done great jobs.

Director Alvarado then thanked President Dexter for his leadership and mentorship to the new Directors during their first year, and this is appreciated and then moved that Director Mac Laren become President of the Board of Directors. The motion was seconded by Director Dizmang and carried on a 3 – 2 vote, with President Dexter and Director Cordova opposed.

It was then moved by Director Cordova, seconded by Director Dizmang, and unanimously carried that President Dexter become Vice President of the Board of Directors.

It was then moved by Director Mac Laren, seconded by Director Alvarado, and unanimously carried that Director Dizmang become Treasurer of the Board of Directors.

It was then moved by Director Dizmang, seconded by Director Mac Laren, and unanimously carried that Director Alvarado remain Secretary of the Board of Directors.

Director Dizmang then thanked President Dexter for all the help he has given the Board and stated that everyone has made the effort to work together and he has made a great difference in bringing this about.

Director Mac Laren then stated that she called President Dexter and thanked him for doing a good job as Board President; that she would like to see the opportunity of Board President given to all Directors; and that she will try to do her best to continue to guide the Board along the lines of moving forward.

President Dexter then stated that the officers of the Board of Directors effective at the beginning of the next regular Board meeting are as follows:

Kathy Mac Laren, President
Gordon Dexter, Vice President
Gloria Dizmang, Treasurer
Robert Alvarado, Secretary
Steve Cordova, Director

7.6) Consideration and Possible Action on Board and Staff Attendance at Conferences, Seminars, and Training Sessions as Follows:

a) American Water Works Association 2013 Inorganic Contaminants Symposium and Water Research Foundation Hexavalent Chromium Workshop to be Held February 4 – 6, 2013 in Sacramento.

b) California Special Districts Association Board Secretary/Clerk Conference to be Held February 28 – March 1, 2013 in Anaheim.

After a brief discussion, it was moved by Director Alvarado, seconded by Director Mac Laren, and unanimously carried to approve Board and staff attendance at the American Water Works Association 2013 Inorganic Contaminants Symposium and Water Research Foundation Hexavalent Chromium Workshop to be Held February 4 – 6, 2013 in Sacramento and the California Special Districts Association Board Secretary/Clerk Conference to be Held February 28 – March 1, 2013 in Anaheim.

8) Information Items.

8.1) Reports of Directors: Meetings/Committee Meetings/General Report.

Director Mac Laren reported that a lively Personnel Committee meeting was held; that the Committee set goals for the year; that the Committee looks forward to having choices and a direction for the District in plenty of time for staff to know this direction when they make choices during open enrollment; that the Committee is waiting for information on new rules and regulations; that Acting Human Resources Manager Burns provided the Committee with information on other types of healthcare programs; that the Committee has a lot of research to do and items to review; that the Committee wants to give staff fair notice of any changes; that the Committee is reviewing retiree coverages; that staff provided input at the meeting; and that the Committee is trying to make any changes as less stressful as possible.

Director Alvarado reported that on January 16, he attended the first meeting of the newly formed JPA between the City of Palmdale and the Palmdale Water District; that it was a historic event and congratulated the members of that body, Director Mac Laren and President Dexter; that on January 18, he attended the Water Supply & Reliability Committee meeting, and Water & Energy Resources Manager Pernula gave a clear report on where the District stands on water demand and supply; that on January 19, he attended a very successful Water Conservation Workshop with the emphasis on the District's popular Cash for Grass Program, and it was a full house so kudos to Water Conservation Supervisor Beck for putting this event together; that on January 22, he attended a Board briefing and the Personnel Committee meeting; and that earlier today, he attended the ACWA-JPIA Workshop held in the Board room.

Director Dizmang reported that on January 11, the Ad Hoc Committee met regarding the District's legal counsel status, and the Committee directed General Manager LaMoreaux to develop an RFI for the Committee's approval; that on January 16, she also attended the Joint Powers Association meeting that has been created with the City of Palmdale and the District; that on January 18, she attended the Water Supply & Reliability

Committee meeting, and Water & Energy Resources Manager Pernula is amazing, does a good job, and keeps the District in water; that she also attended a Board briefing; that she attended the very active Personnel Committee meeting where the Committee discussed possible insurance coverage alternatives and the possible impact this year on employees keeping in mind that the District is still hanging onto what is going to happen with Obamacare; that this afternoon, she attended the ACWA-JPIA Workshop on Employee Liability; and that she is present this evening.

President Dexter stated that most of his reports have been given; that he attended the Water Supply & Reliability Committee meeting; that the first meeting of the Palmdale Recycled Water Authority was held and started in on many questions of governance in that body, and the Authority will meet on a monthly basis for some time until all the issues are resolved; and that the legal issues Ad Hoc Committee has also asked for a survey of how other agencies handle the fee situation.

There were no further reports from Directors.

8.2) Report of General Manager.

a) District vacancies.

General Manager LaMoreaux reported that the list of current District vacancies was provided in the agenda packets; that this report remains unchanged at this time; and that it is hoped that changes to the report will occur by the time of the next Board meeting.

b) Palmdale Recycled Water Authority Status.

General Manager LaMoreaux reported that the site supervisor training conducted today for the field crews went well and that he is working with City staff on the preparation of an ad for the fifth Board member of the Palmdale Recycled Water Authority for posting on both agencies' web sites.

He then reported that a departmental report was also included in the agenda packets.

Director Alvarado requested an update on the closure of the water treatment plant after which General Manager LaMoreaux reported that the water treatment plant was

shut down this week for annual maintenance, the plant is expected to be down one or two weeks, and a follow-up report will be prepared when the maintenance is complete.

8.3) Report of Attorney.

Attorney Ciampa reported that the Public Water Agencies Group received a legislative preview at their last meeting; that the expectation is for a lot of activity in the water area including changes to the Water Bond, increased activity in the environmental justice area regarding AB684 implementation, i.e., the Human Right to Water, and in the areas of public contracting and labor relations.

Finance Manager Williams then gave a report on the significant increase in customer calls, visits, and field trips during the recent three day freeze and commended staff for their efforts during this time and stated that he will include a full report on the freeze in his next departmental report.

9) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

At 8:02 p.m., President Dexter called for a five-minute recess. He reconvened the regular meeting at 8:07 p.m.

10) Closed Session Under:

10.1) Government Code Section 54956.9(a), Existing Litigation: ***Antelope Valley Ground Water Cases.***

10.2) Government Code Section 54956.9(a), Existing Litigation: ***United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California Case No. ED CV06-0055-GW.***

10.3) Government Code Section 54956.9(a), Pending Litigation: ***Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561.***

10.4) Government Code Section 54956.9(a), Pending Litigation: ***Velez vs. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216.***

At 8:07 p.m., President Dexter called for a closed session pursuant to Government Code Section 54956.9(a), Existing and Pending Litigation – four cases: *Antelope Valley Ground Water Cases* and *United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California Case No. ED CV06-0055-GW* and *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561* and *Velez vs. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216*.

He reconvened the regular meeting at 8:12 p.m.

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

Attorney Ciampa reported that a closed session had been held under Government Code Section 54956.9(a), Existing and Pending Litigation – four cases: *Antelope Valley Ground Water Cases, United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California Case No. ED CV06-0055-GW* and *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561* and *Velez vs. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216;* that the Board was briefed on the current status of each of these items of litigation; but that no reportable action under the Brown Act was taken in closed session on any of these matters.

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 regular meeting of the Board of Directors of the Palmdale Water District was adjourned.

Robert E Alvarado

Secretary

PALMDALE WATER DISTRICT
RESOLUTION NO. 13-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT ADOPTING THE REAPPORTIONMENT PLAN FOR THE DISTRICT

WHEREAS, Palmdale Water District ("District") is a California Irrigation District under Division 11 of the California Water Code;

WHEREAS, Water Code Section 21605(b) provides that the boundaries of an irrigation district must be adjusted after each decennial census by following the requirements of Election Code Section 22000 et seq.;

WHEREAS, the District engaged National Demographics Corporation ("NDC") to prepare an analysis for the potential reapportionment of the District's boundaries;

WHEREAS, NDC presented its analysis, including a series of adjustment options, to the District's Board of Directors on January 9, 2013.

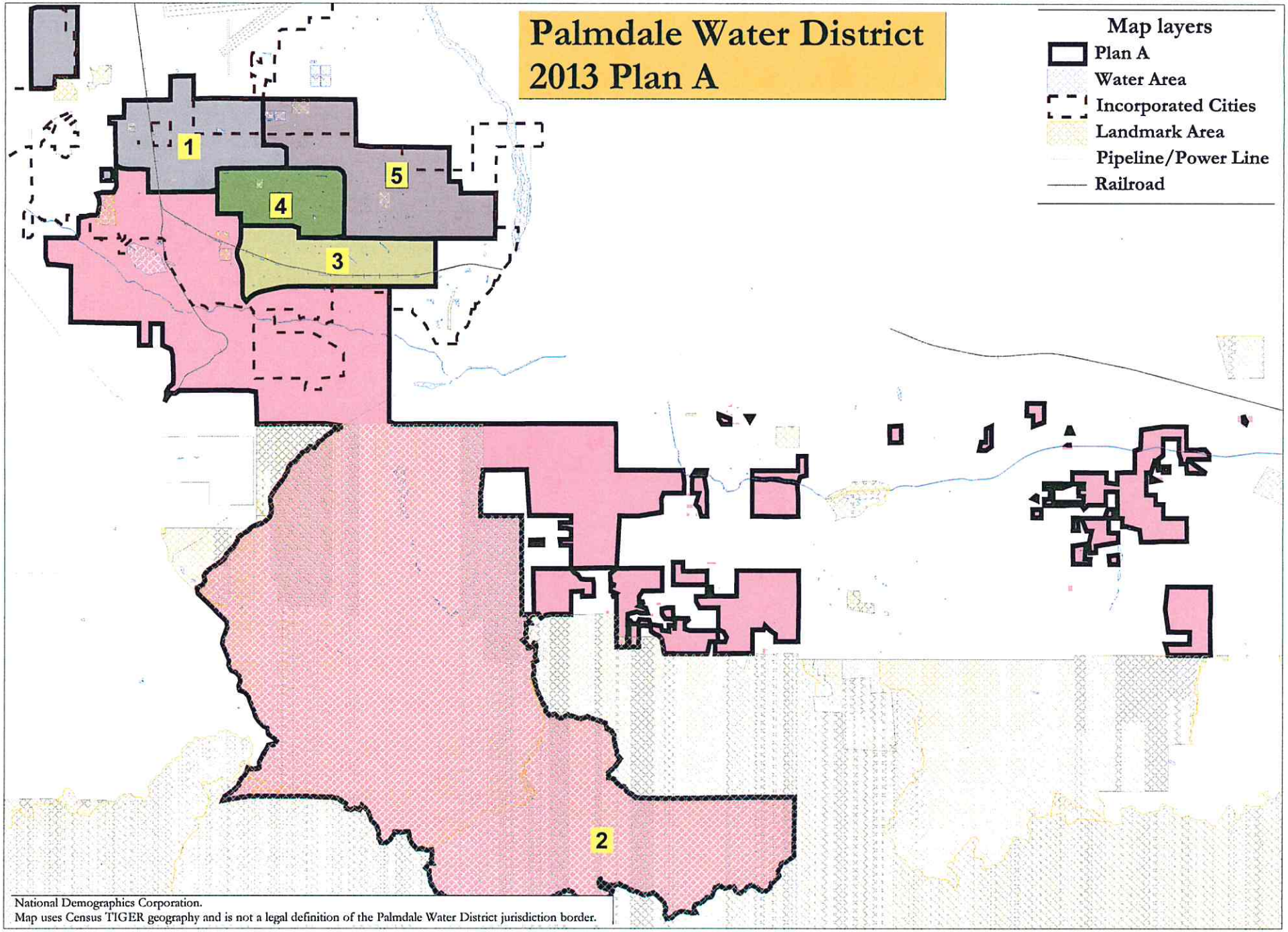
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Palmdale Water District hereby adopts Reapportionment Plan A, attached hereto as Exhibit A and incorporated herein by reference, and elects to proceed with the reapportionment of the District's boundaries pursuant to the terms and boundaries set forth in Reapportionment Plan A.

PASSED AND ADOPTED at a meeting of the Board of Directors of the Palmdale Water District on January 23, 2013.

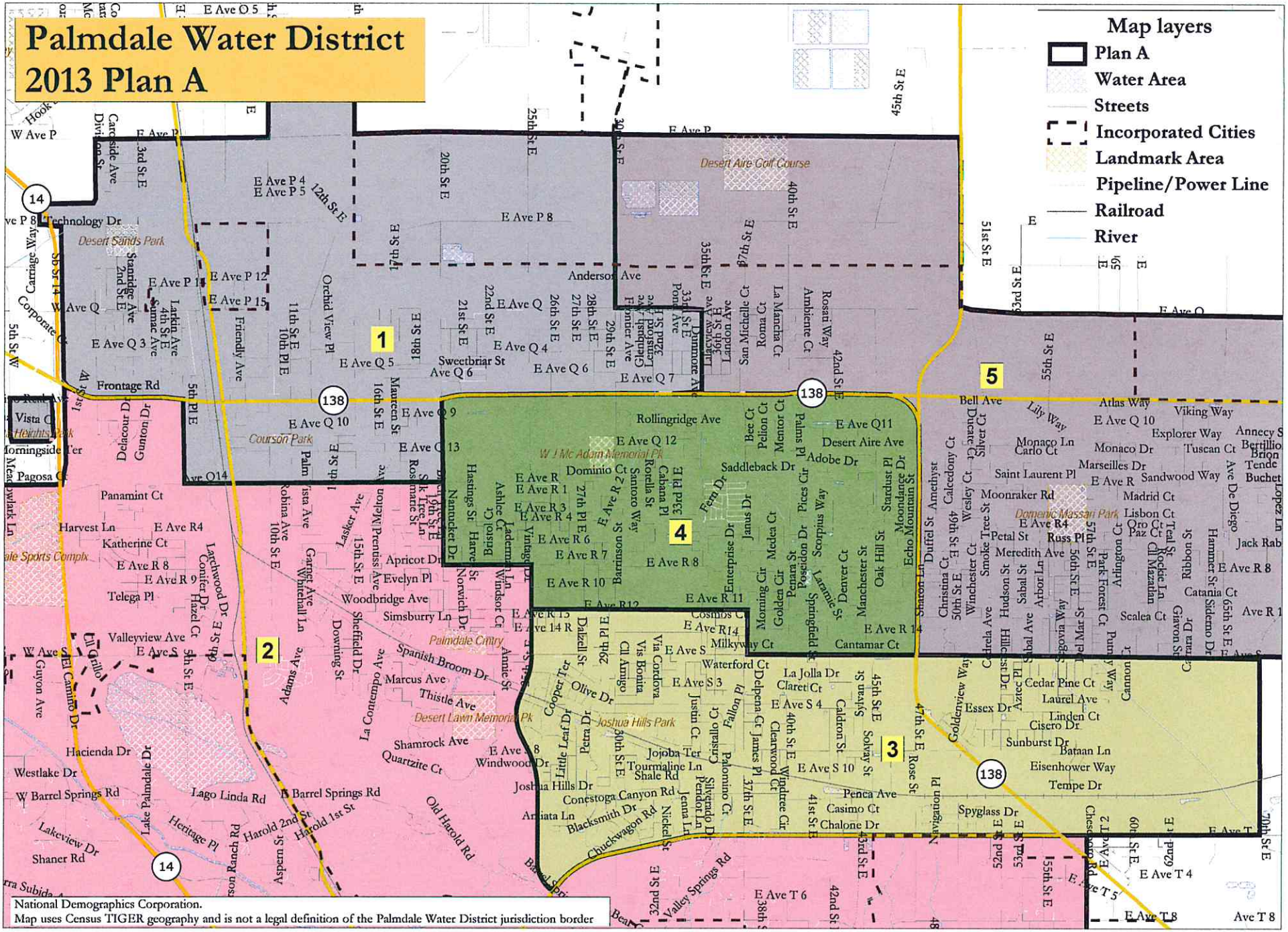
President — January 23, 2013 (date)

Secretary — January 23, 2013 (date)

Exhibit A


Palmdale Water District
2013 Plan A
Map layers
Plan A
Water Area
Incorporated Cities
Landmark Area
Pipeline/Power Line
Railroad
1
2
3
4
5
National Demographics Corporation.
Map uses Census TIGER geography and is not a legal definition of the Palmdale Water District jurisdiction border.

Palmdale Water District
2013 Plan A



NDC

National Demographics Corporation

Street by Street Division Border Description for
Palmdale Water District "Plan A"

First Division: The region bounded and described as follows: Beginning at the point of intersection of E Avenue P and 30th St E, and proceeding southerly along 30th St E to E Avenue Q, and proceeding easterly along E Avenue Q to 35th St E, and proceeding southerly along 35th St E to State Hwy 138, and proceeding westerly along State Hwy 138 to 20th St E, and proceeding southerly along 20th St E to E Avenue R, and proceeding westerly along E Avenue R to 5th St E, and proceeding northerly along 5th St E to State Hwy 138, and proceeding westerly along State Hwy 138 to the District border, and proceeding northerly and easterly to the point of beginning. The First District also includes all of the non-contiguous District territories located to the west and northwest of the primary district territory.

Second Division: The region bounded and described as follows: Beginning at the point of intersection of 70th St E and E Avenue T, and proceeding westerly along E Avenue T to Pearblossom Hwy, and proceeding westerly along Pearblossom Hwy to Barrel Springs Rd, and proceeding northerly along Barrel Springs Rd to 25th St E, and proceeding northerly along 25th St E to E Avenue R 8, and proceeding westerly along E Avenue R 8 to 20th St E, and proceeding northerly along 20th St E to E Avenue R, and proceeding westerly along E Avenue R to 5th St E, and proceeding northerly along 5th St E to State Hwy 138, and proceeding westerly along State Hwy 138 to the District border, and proceeding counter-clockwise along the District border to the point of beginning. The Second District also includes all of the non-contiguous District territories located to the south and southeast of the primary district territory.

Third Division: The region bounded and described as follows: Beginning at the point of intersection of 25th St E and Barrel Springs Rd, and proceeding northerly along 25th St E to E Avenue R12, and proceeding easterly along E Avenue R12 to 37th St E, and proceeding southerly along 37th St E to E Ave S, and proceeding easterly along E Ave S to 70th St E, and proceeding southerly along the District border extending south from 70th St E to E Avenue T, and proceeding westerly along E Avenue T to Pearblossom Hwy, and proceeding westerly along Pearblossom Hwy to Barrel Springs Rd, and proceeding northerly along Barrel Springs Rd to the point of beginning.

Fourth Division: The region bounded and described as follows: Beginning at the point of intersection of State Hwy 138 and 20th St E, and proceeding easterly and southerly along State Hwy 138 to E Ave S, and proceeding westerly along E Ave S to 37th St E, and proceeding northerly along 37th St E to E Avenue R12, and proceeding westerly along E Avenue R12 to 25th St E, and proceeding northerly along 25th St E to E Ave R 8, and proceeding westerly along E Ave R 8 to 20th St E, and proceeding northerly along 20th St E to the point of beginning.

Fifth Division: The region bounded and described as follows: Beginning at the point of intersection of E Avenue P and 30th St E, and proceeding southerly along 30th St E to E Avenue Q, and proceeding easterly along E Avenue Q to 35th St E, and proceeding southerly along 35th St E to State Hwy 138, and proceeding easterly and southerly along State Hwy 138 to E Ave S, and proceeding easterly along E Ave S to the District border, and proceeding counter-clockwise along the District border to the point of beginning.

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RESOLUTION NO. 13-2

RESOLUTION OF BOARD OF DIRECTORS OF PALMDALE WATER DISTRICT AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES TO OBTAIN STORMWATER FLOOD MANAGEMENT GRANT FUNDING PURSUANT TO THE DISASTER PREPAREDNESS AND FLOOD PREVENTION BOND ACT OF 2006 (PUBLIC RESOURCE CODE SECTION 5096.800 ET. SEQ.) FOR THE LITTLEROCK RESERVOIR SEDIMENT REMOVAL PROJECT, AND TO ENTER INTO AN AGREEMENT WITH RESPECT THERETO

WHEREAS, Palmdale Water District ("District") is an irrigation district formed under Division 11 of the California Water Code; and

WHEREAS, the District is a "local agency" within the meaning of California Water Code §10701(a) and therefore is eligible to apply for a Stormwater Flood Management Grant administered by the California Department of Water Resources; and

WHEREAS, the District is in the process of developing a project known as the Littlerock Reservoir Sediment Removal Project, which will enable the District to more effectively and efficiently manage stormwater and its other resources for the benefit of its customers; and

WHEREAS, a grant from the California Department of Water Resources under the Local Groundwater Assistance Grant Program will be of significant benefit to the District and its customers in bringing the Littlerock Reservoir Sediment Removal Project to fruition.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the Palmdale Water District hereby authorizes and directs that an application be made to the California Department of Water Resources to obtain a Stormwater Flood Management Grant (the "Grant") pursuant to the Disaster Preparedness and Flood Prevention Bond Act of 2006 (Public Resource Code §5096.800, et. seq.).

BE IT FURTHER RESOLVED, the District's Board of Directors authorizes the District's General Manager to enter into an agreement to receive the Grant for the Littlerock Reservoir Sediment Removal Project, and the General Manager, or his designee, is hereby authorized and directed to prepare the necessary data, conduct investigations, file such applications and execute such grant agreements with the California Department of Water Resources as may be appropriate in connection with the Grant.

BE IT FURTHER RESOLVED, that the General Manager and the staff of Palmdale Water District are hereby authorized and directed to take such other and further action that may be necessary or appropriate to carry out and further the purposes of this resolution.

PASSED AND ADOPTED at a meeting of the Board of Directors of Palmdale Water District on January 23, 2013.

President — January 23, 2013 (date)

Secretary — January 23, 2013 (date)