MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, MAY 22, 2013:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, May 22, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Kathy Mac Laren, called the meeting to order.

1) Pledge of Allegiance.

At the request of President Mac Laren, Director Alvarado led the pledge of allegiance followed by a moment of silence for those affected by the recent tornado in Oklahoma.

2) Roll Call.

Attendance:	**Others Present:**
Kathy Mac Laren, President	Dennis LaMoreaux, General Manager
Gordon Dexter, Vice President	Jim Ciampa, Attorney
Gloria Dizmang, Treasurer	Mike Williams, Finance Manager
Robert Alvarado, Secretary	Matt Knudson, Engineering Manager
Steve Cordova, Director	Peter Thompson II, Operations Manager
	Randy Hardenbrook, Equipment Mechanic Spvsr.
	Amanda Williams, Water Quality Supervisor
	Dawn Deans, Executive Assistant
	8 members of the public

3) Adoption of Agenda.

It was moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried to adopt the agenda, as written.

4) Public Comments for Non-Agenda Items.

Mr. Mark Hoover, 4311 Windstar Way, Palmdale, informed the Board that water bill payments are time-stamped on the web site on or before the due date; but that sometimes there is lag time from when payments are made on the website of one to four days until the payments are posted in the office; that he was charged a late fee within three months and the Customer Service Department will not waive the late fee; that he was told a late fee can only be reversed once a year; that he has proof he paid on time; and that the Customer Service Department needs the ability to waive late fees especially when it is not the consumer's fault.

President Mac Laren requested Mr. Hoover provide his paperwork and information to General Manager LaMoreaux for review and thanked him for bringing this matter to the Board's attention.

Mr. Joseph Yore, Palmdale resident, inquired about the District's process for laying pipe or making repairs; specifically the effect on the soil near the leak and potential sinkholes created by leaks. General Manager LaMoreaux then reviewed the District's process for repairing pipelines, the equipment used for leak detection, and the type of soil in the area.

There were no further public comments.

5) Presentations:

5.1) No Presentations Scheduled.

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 Regular Meeting Held May 8, 2013.

6.2) Approval of Minutes of Workshop Meeting Held May 13, 2013.

6.3) Payment of Bills for May 22, 2013.

It was moved by Director Dexter, seconded by Director Alvarado, and unanimously carried 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 Resolution No. 13-9 Being a Resolution Authorizing Participation of Palmdale Water District in the Local Agency Investment Fund. (Finance Manager Williams)

Finance Manager Williams provided an overview of Resolution No. 13-9, and after a brief discussion of the District's investments in the Local Agency Investment Fund and of the need to update the account information and authorized signatories, it was moved by Director Dizmang, seconded by Director Cordova, and unanimously carried to adopt Resolution No. 13-9 being a Resolution Authorizing Participation of Palmdale Water District in the Local Agency Investment Fund.

A copy of Resolution No. 13-9 is hereby made a portion of the minutes of this meeting.

7.2) Consideration and Possible Action on Resolution No. 13-10 Being a Resolution to Tax Defer Member Paid Contributions – IRC 414(h)(2) Employer Pick-Up California Public Employees' Retirement System. (Finance Manager Williams)

Finance Manager Williams provided an overview of Resolution No. 13-10 after which it was moved by Director Dizmang, seconded by Director Dexter, and unanimously carried to adopt Resolution No. 13-10 being a Resolution to Tax Defer Member Paid Contributions – IRC 414(h)(2) Employer Pick-Up California Public Employees' Retirement System.

A copy of Resolution No. 13-10 is hereby made a portion of the minutes of this meeting.

7.3) Consideration and Possible Action on Award of Contract for the Construction of the Water Main Replacement in Division St., Carolside Ave., Glenraven Ave., Stanridge Ave., 3rd St. E., and Sumac Ave. Under Specification No. 1204. ($806,857.00 – 2013A Series Water Revenue Bond – Engineering Manager Knudson)

Engineering Manager Knudson provided an overview of the bidding process for Specification No. 1204, and after a brief discussion of the water main material, the bids received, and the recommended contractor, it was moved by Director Alvarado, seconded by Director Dexter, and unanimously carried to award the contract for the construction of the water main replacement in Division St., Carolside Ave., Glenraven Ave., Stanridge Ave., 3rd St. E., and Sumac Ave. under Specification No. 1204 to B.V. Construction, Inc. in the not-to-exceed amount of $806,857.00 conditioned upon the issuance of the District's Series 2013A Water Revenue Bonds.

7.4) Consideration and Possible Action on Agreement for Water Storage Tank Maintenance Services. ($319,100.00/Year for 5-Years – Budgeted – Engineering Manager Knudson)

Engineering Manager Knudson provided an overview of the Agreement and scope of work for the water storage tank maintenance services and the Facilities Committee's recommendation to award a contract to Superior Tank Solutions, Inc., and after a brief discussion, it was moved by Director Dexter and seconded by Director Cordova to award a contract to Superior Tank Solutions, Inc. in the not-to-exceed amount of $319,100.00/year for the next five years for water storage tank maintenance services.

Mr. Joseph Yore, Palmdale resident, inquired about ownership of the water tanks and inspection of the water tanks due to earthquakes, after which General Manager LaMoreaux stated that water tanks are owned either by the District or Los Angeles County Waterworks and reviewed the District's water tank inspection process.

The motion then unanimously carried.

7.5) Consideration and Possible Action on Handling of Potential Internal Promotions During an Approved Hiring Process. (President Mac Laren)

General Manager LaMoreaux reviewed the November 14, 2012 approved Organization Chart highlighted with five positions approved for hiring and clarified the sequence for filling these positions with internal hirees leaving their former positions vacant, the process for filling vacated internal positions, and the completion of the hiring process with external candidates followed by discussion of the hiring process for internal and external candidates, positions eliminated with the approval of the Organization Chart, the hiring freeze, and maintaining the number of approved positions on the Organization Chart. General Manager LaMoreaux then recommended that the highlighted Organization Chart become the standard "District vacancies" report and include discussion of any vacancies in positions created by the hiring of existing District employees to fill vacant positions.

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

a) Association of California Water Agencies "ACWA Region 8 – What Lies Beneath? A Look at Groundwater in Southern California" to be Held June 13, 2013 in Carson.

After a brief discussion of the District's involvement with ACWA and with Region 8, it was moved by Director Dexter, seconded by Director Cordova, and unanimously carried to approve Board and staff attendance at conferences, seminars, and training sessions as follows: Association of California Water Agencies "ACWA Region 8 – What Lies Beneath? A Look at Groundwater in Southern California" to be held June 13, 2013 in Carson.

8) Information Items.

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

Director Dexter reported that he attended the Facilities Committee meeting yesterday and as stated by Director Alvarado, Chair of the Committee, the Agreement with Superior Tank Solutions was reviewed and discussed.

Director Alvarado reported that on May 13, he participated in the Strategic Plan Workshop where the Strategic Plan was reviewed item by item with the goal of becoming more familiar with the Strategic Plan in order to make recommendations for updates in the near future, and he understands there is another workshop to be scheduled; that on May 15, he attended the Plant 42 Environmental Restoration Advisory Board meeting, it was the current Chair's last day and appreciation was expressed to the Chair for his many years of service and dedication, the membership elected Director Alvarado as the new Co-Chair, and he is looking forward to serving in this capacity; that on May 21, he chaired the Facilities Committee meeting, District staff provided informative and accurate reports, and the Committee appreciates their efforts; and that earlier today, he attended The Mathis Group individual interview for Directors, and he is looking forward to reading the final feedback and recommendation from their survey.

Director Dizmang reported that on May 13, she also attended the Strategic Plan Workshop; that on May 15, she attended the PRWA meeting; that she has been working with District staff to discover a method for offering water bill senior discounts, and on May 16, she and District staff met with a private citizen to discuss this status, and her most recent efforts in this area include contacting the offices of Assemblyman Fox and Governor Brown and numerous calls to AARP; that on May 20, she attended the Ad Hoc Legal Committee regarding legal counsel and attended a Board briefing afterwards; and that she met with The Mathis Group earlier today on the organizational review.

President Mac Laren reported that on May 13, she also attended the Strategic Plan Workshop, it was very informative, and she looks forward to the next Workshop and that

on May 15, she attended the PRWA meeting, and the Authority is moving forward in baby steps.

There were no further reports from Directors.

8.2) Report of General Manager.

a) District vacancies.

General Manager LaMoreaux stated that the District vacancies report was provided under Agenda Item No. 7.5.

b) Palmdale Recycled Water Authority Status.

General Manager LaMoreaux reported that the Palmdale Recycled Water Authority meeting was held May 15; that there was discussion about creating a website for the Authority both to share information between the two member agencies and to start providing more information to the public; and that the Chair and Vice Chair were officially chosen with Mayor Ledford as the Chair and President Mac Laren as the Vice Chair.

He then reported that he attended a Public Water Agencies Group meeting earlier today where Mr. Tim Quinn, Executive Director for A.C.W.A., presented an update on various issues, Attorney Ciampa provided a great deal of other information, and he will compile a packet of this information for the Board.

Finance Manager Williams then informed the Board that the selling of the 2013A Water Revenue Bonds went very well; that the Bonds are set to close May 29 and signatures will be needed from the President and Secretary; and that pricing was better than expected.

General Manager LaMoreaux then informed the Board that the monthly Department Status Report was provided with the agenda packets if there are any questions.

8.3) Report of Attorney.

Attorney Ciampa expanded on the Public Water Agencies Group meeting stating that Mr. Quinn presented good details on Delta issues and planning at both the federal

and state level for these issues and on the Water Bond including the reduction of the Water Bond from $11.14 billion to $8.4 billion, amounts under the Bond for storage projects will remain at $3 billion, but the amounts allocated for Delta Ecosystem funding and local resource projects will be reduced, and the earmarks that were added in the current Water Bond will be removed.

He continued that the Public Water Agencies Group also discussed the hiring of an Emergency Preparedness Coordinator for Los Angeles County water agencies either through the Group or through his office as a consultant; that water agencies in Orange County have a dedicated Emergency Preparedness Coordinator employed by Municipal Water District of Orange County who ensures water agencies are on the same page as far as emergency preparedness, materials and training, and necessary certifications; and that the details of this position will be further discussed by the Group and will eventually be presented to the Board for consideration if the District desires to participate in that position; and that the electronic delivery of Consumer Confidence Reports was also discussed, there is now guidance available for this method of delivery, and this would be a cost savings to agencies such as the District.

9) **Public Comments on Closed Session Agenda Matters.**

There were no public comments on closed session agenda matters.

At 8:00 p.m., President Mac Laren called for a four-minute recess. She reconvened the regular meeting at 8:04 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), Existing Litigation:** ***Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-8900000561.***

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

10.5) Government Code Section 54956.9(a), Pending Litigation: ***Miller v. Fairweather, Et Al, Los Angeles Superior Court Case No. MC023677.***

At 8:04 p.m., President Mac Laren called for a closed session pursuant to Government Code Section 54956.9(a), Existing and Pending Litigation – Five 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. 34-2010-8900000561* and *Velez v. City of Palmdale, Et Al, Los Angeles Superior Court Case No. MC023216* and *Miller v. Fairweather, Et Al, Los Angeles Superior Court Case No. MC023677.*

She reconvened the regular meeting at 8:11 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 – Five 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. 34-2010-8900000561* and *Velez v. City of Palmdale, Et Al, Los Angeles Superior Court Case No. MC023216* and *Miller v. Fairweather, Et Al, Los Angeles Superior Court Case No. MC023677*; that the Board was briefed on the current status of these items of pending 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.

Director Alvarado requested an item be placed on the next agenda for "Consideration and possible action on the establishment of Board norms and some working agreements" after which General Manager LaMoreaux recommended the Board review Article 4 of the District's Rules and Regulations as a starting point for this item.

There were no further 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.

Secretary

RESOLUTION NO. 13-9

AUTHORIZING PARTICIPATION OF PALMDALE WATER DISTRICT IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, California Government Code Section 16429.1 has established the Local Agency Investment Fund; and

WHEREAS, Palmdale Water District desires to be a participant in said Local Agency Investment Fund;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Palmdale Water District, 2029 East Avenue Q, Palmdale, California, 93550, that:

1. Palmdale Water District agrees to deposit or withdraw money in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein.
2. The names and titles of the officials authorized by this Resolution to order the deposit or withdrawal of money in the Local Agency Investment Funds are:

Dennis LaMoreaux, General Manager or

Michael Williams, Finance Manager or

Robert Egan, Financial Advisor

I, Kathy Mac Laren, and I, Robert Alvarado, President and Secretary of the Board of Directors of Palmdale Water District, respectively, do hereby certify that the foregoing is a true copy of a resolution duly adopted by said Board of Directors at a regular meeting thereof duly held and convened on the 22nd day of May, 2013, at which meeting more than a quorum of said Board was present and acting throughout.

Dated this 22nd day of May, 2013.

Kathy Mac Laren, President

Robert Alvarado, Secretary

RESOLUTION NO. 13-10

RESOLUTION TO TAX DEFER MEMBER PAID CONTRIBUTIONS – IRC 414(h)(2) EMPLOYER PICK-UP

WHEREAS, the governing body of the Palmdale Water District has the authority to implement the provisions of section 414(h)(2) of the Internal Revenue Code (IRC); and

WHEREAS, the Palmdale Water District has determined that even though the implementation of the provisions of section 414(h)(2) IRC is not required by law, the tax benefit offered by section 414(h)(2) IRC should be provided to All Employees who are members of the California Public Employees' Retirement System:

NOW, THEREFORE, BE IT RESOLVED:

I. That the Palmdale Water District will implement the provisions of section 414(h)(2) Internal Revenue Code by making employee contributions pursuant to California Government Code Section 20691 to the California Public Employees' Retirement System on behalf of all its employees or all its employees in a recognized group or class of employment who are members of the California Public Employees Retirement System. "Employee contributions" shall mean those contributions to the Public Employees' Retirement System which are deducted from the salary of employees and are credited to individual employee's accounts pursuant to California Government Code section 20691.

II. That the contributions made by the Palmdale Water District to the California Public Employees' Retirement System, although designated as employee contributions, are being paid by the Palmdale Water District in lieu of contributions by the employees who are members of the California Public Employees' Retirement System.

III. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the Palmdale Water District to the California Public Employees' Retirement System.

IV. That the Palmdale Water District shall pay to the California Public Employees' Retirement System the contributions designated as employee contributions from the same source of funds as used in paying salary.

V. That the amount of the contributions designated as employee contributions and paid by the Palmdale Water District to the California Public Employees' Retirement System on behalf of an employee shall be the entire contribution required of the employee by the California Public Employees' Retirement Law (California Government Code Sections 20000, et seq.).

VI. That the contributions designated as employee contributions made by Palmdale Water District to the California Public Employees' Retirement System shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by the California Public Employees' Retirement System.

PASSED AND ADOPTED by the governing body of the Palmdale Water District

_____
this day of May 22, 2013.

BY _____
(Signature of Official)

President, Board of Directors
(Title of Official)

RETURN ADDRESS:

Palmdale Water District

2029 East Avenue Q

Palmdale, CA 93550

FOR CALPERS USE ONLY

RESOLUTION TO TAX DEFER MEMBER PAID CONTRIBUTIONS - IRC 414(h)(2)

Approved by: _____

Title: _____