MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, SEPTEMBER 25, 2013:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, September 25, 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, General Manager LaMoreaux led the pledge of allegiance.

2) Roll Call.

Attendance:	**Others Present:**
Kathy Mac Laren, President	Dennis LaMoreaux, General Manager
Gordon Dexter, Vice President	Jim Ciampa, Attorney
Gloria Dizmang, Treasurer	Vincent Dino, Director Elect
Robert Alvarado, Secretary	Joe Estes, Director Elect
Steve Cordova, Director	Mike Williams, Finance Manager
	Tim Moore, Facilities Manager
	Peter Thompson II, Operations Manager
	Dawn Deans, Executive Assistant
	1 member of the public

3) Adoption of Agenda.

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

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 Regular Meeting Held September 11, 2013.

6.2) Payment of Bills for September 25, 2013.

6.3) Approval of Communications Site Lease Agreement Between Palmdale Water District and New Cingular Wireless PCS, LLC. (Revenue $28,800/Year – Engineering Manager Knudson/Facilities Committee)

It was moved by Director Dexter, seconded by Director Cordova, 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 District Participation on the Municipal Water Quality Investigations Technical Advisory Committee. ($23,250.00 – Budgeted – Operations Manager Thompson II /Facilities Committee)

Operations Manager Thompson II provided an overview of the District's participation on the Municipal Water Quality Investigations Technical Advisory Committee after which it was moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried to approve District participation on the Municipal Water Quality Investigations Technical Advisory Committee in the not-to-exceed amount of $23,250.00.

7.2) Consideration and Possible Action on Proposal From The Mathis Group for Updating the District's Strategic Plan Beginning January, 2014 Tabled From the August 28, 2013 Board Meeting. ($7,000 Plus Expenses – Non-Budgeted – General Manager LaMoreaux)

General Manager LaMoreaux reviewed the tabling of this item from the August 28, 2013 Board meeting and budgeting for this item, and after a brief discussion of postponing this item until 2014, of the incoming Board being involved in the decision-making process for this proposal, of the process for updating the Strategic Plan in-house

or through a facilitator, of the cost of the proposal, of including new ideas in the Strategic Plan, and of clarification that a facilitator is for the education of the Board, it was moved by Director Alvarado, seconded by Director Dizmang, and carried on a 3 – 2 vote, with Directors Dexter and Cordova opposed, to approve the proposal received from The Mathis Group for updating the District's Strategic Plan beginning January, 2014 in the not-to-exceed amount of $7,000 plus expenses.

7.3) Consideration and Possible Action on the District's Grievance Policy. (General Manager LaMoreaux/Personnel Committee)

General Manager LaMoreaux reviewed the process for updating the District's Grievance Policy, and after a brief discussion of Department Manager's opinions on the proposed updates, it was moved by Director Dizmang, seconded by Director Dexter, and unanimously carried to approve the update of the District's Grievance Policy in the form presented at the meeting.

7.4) Consideration and Possible Action on 1% Employee Contribution Toward CalPERS Retirement Effective January 1, 2014. ($61,000 Savings – General Manager LaMoreaux/Personnel Committee)

After a brief discussion of a 1% employee contribution toward CalPERS retirement, of cost of living adjustments, of an employee survey, and of the 2018 requirement under state law for employees to pay their full CalPERS retirement contribution, it was moved by Director Dexter, seconded by Director Cordova, and unanimously carried to refer this item back to the Personnel Committee for further review and discussion.

7.5) Consideration and Possible Action on Removing Freeze on Merit and Bonus Incentives. ($103,000 – Budgeted but Frozen – General Manager LaMoreaux/Personnel Committee)

After a brief discussion of the budget for this item, of the District's financial stability to support removing the freeze on this item and still gain reserves at year-end, of support for providing merit and bonus incentives, of how the District's step pay scale system and merit and bonus incentives operate, and of the detail provided and discussed at the Personnel Committee level, Director Dizmang requested staff provide comparisons to other Districts' pay scale systems and merit and bonus incentive programs.

It was then moved by Director Dexter, seconded by Director Cordova, and unanimously carried to refer this item back to the Personnel Committee for further review and discussion.

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

a) Project Management Workshop to be Held October 23, 2013 in Lancaster.

b) American Backflow Prevention Association Regions 5, 6, & 7 "2013 Western Regional Backflow Conference" to be Held October 28 – 30, 2013 in Las Vegas, Nevada.

c) California Special District Association's Special District Leadership Academy Conference to be Held November 17 – 20, 2013 in Napa Valley.

After a brief discussion, 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: Project Management Workshop to be Held October 23, 2013 in Lancaster; American Backflow Prevention Association Regions 5, 6, & 7 "2013 Western Regional Backflow Conference" to be Held October 28 – 30, 2013 in Las Vegas, Nevada; and California Special District Association's Special District Leadership Academy Conference to be Held November 17 – 20, 2013 in Napa Valley.

8) Information Items.

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

Director Dizmang reported that she attended several meetings and the outreach package to be provided to area elected officials is still being developed through the Outreach Committee.

President Mac Laren stated that she missed the Palmdale Recycled Water Authority meeting but provided a written report in support of a resolution for the Authority to support the City of Palmdale's power plant and that on September 12, she attended the Antelope Valley State Water Contractors Association meeting.

Director Alvarado reported that on September 12, he attended the Antelope Valley State Water Contractors Association meeting; that he and President Mac Laren represented the District as Commissioners, and President Mac Laren is also Chair of the Association; that Antelope Valley East Kern Water Agency and Littlerock Creek Irrigation District also had their respective representatives present; that these agencies continue to work together in several areas; and that the Association's General Manager, Matt Knudson, gave a detailed report on this important valley-wide partnership; that on September 14, the District had an informational booth at the 19th Annual A.V. International Heritage Festival, and he would like to thank District staff for the good work they did with the general public, the children with educational water games, and it was a lot of fun; that Director Dizmang also attended this event and was introduced along with other elected officials; and that the parade of nations, music, dances, and delicious international free meal were among the highlights of this multi-cultural family event; that on September 15, he and Director Dizmang attended and enjoyed the fun and exciting family barbecue at the Fin and Feather Club; that they both got their fair share of vitamin D waiting in line for their food, but it was worth it; and that it was very nice to see quite a few District employees working along with Fin and Feather Club staff; that on September 16, he attended the Facilities Committee meeting and the Personnel Committee meeting, and everyone is working very hard to provide our customers and employees with the quality service they expect and deserve; that on September 18, he attended the Palmdale Recycled Water Authority meeting at the City Council Chambers; and that on September 24, he attended a briefing with General Manager LaMoreaux and Engineering Manager Knudson.

Director Dexter reported that on September 23, he attended the Water Supply & Reliability Committee meeting, and one item will be presented to the full Board for consideration at the second meeting in October; that on September 18, he attended the Palmdale Recycled Water Authority meeting; and that an Ad Hoc Legal Committee meeting was held with Director Dizmang regarding legal counsel, and this process will be presented to the full Board for clarification.

There were no further reports from Directors.

8.2) Report of General Manager.

a) District Vacancies. (No Changes)

General Manager LaMoreaux reported that there have been no changes to the District Vacancies report; that two positions remain vacant and unfilled; and that recruitment continues for one position.

b) Palmdale Recycled Water Authority Status.

He then reported that the Palmdale Recycled Water Authority's Board took a position to support the City of Palmdale's power plant; that the operational impacts and future phasing of the recycled water system were discussed; and that the next meeting will be held the third Wednesday in November.

c) Monthly Department Reports.

He then reported that the Monthly Department Status Reports were included in the agenda packets if there are any questions.

President Mac Laren then commended Operations staff on the completion of a waiver request to save $40,000 by not having to conduct SOC testing and staff on a good job regarding the on line bill payment.

Director Dizmang then complimented staff on the painting of the GAC adsorption system at the Underground Booster Station.

8.3) Report of Attorney.

Attorney Ciampa stated that he has no report.

At 7:45 p.m., President Mac Laren called for a two-minute recess. She reconvened the regular meeting at 7:47 p.m.

9) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

10) Closed Session Under:

10.1) Government Code Section 54956.9(d)(1), pending litigation: ***Antelope Valley Ground Water Cases.***

10.2) Government Code Section 54956.9(d)(1), pending 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(d)(1), 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(d)(1), pending litigation: ***Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216.***

10.5) Government Code Section 54956.9(d)(1), pending litigation: ***SCWA v. DWR, Superior Court of California for the County of Sacramento, Case No. 34-2008-00016338 CU-BC-GDS (Area of Origin Litigation).***

At 7:47 p.m., President Mac Laren called for a closed session pursuant to Government Code Section 54956.9(d)(1), 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. 34-2010-80000561* and *Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216* and *SCWA v. DWR, Superior Court of California for the County of Sacramento, Case No. 34-2008-00016338 CU-BC-GDS (Area of Origin Litigation).*

She reconvened the regular meeting at 8:03 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(d)(1), 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 v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216*; that the Board was updated on the current status of each of these four items of pending litigation; but that no reportable action under the Brown Act was taken in closed session on any of these matters.

He then reported that the closed session had also been held under Government Code Section 54956.9(d)(1), Pending Litigation – One Case: *SCWA v. DWR, Superior Court of California for the County of Sacramento, Case No. 34-2008-00016338 CU-BC-GDS (Area of Origin Litigation);* that this case has been settled and will be removed from future agendas. He stated the settlement is very complex and that if anyone needs further details concerning the settlement, they are welcome to contact Mr. LaMoreaux or him. He stated that the area of origin litigation involved four separate cases into which the District intervened due to its status as a State Water Project Contractor; that the plaintiffs in the respective cases are Solano County Water Agency, Butte County, Yuba City, and Napa County Flood Control and Water Conservation District; that the cases involved claims by the plaintiffs, all of whom are located north of the Sacramento-San Joaquin Delta, to increase shares of State Water Project water based on the area of origin statutes, Water Code Sections 11460 and following and Water Code Section 10505; that under the settlement, the plaintiffs will be entitled to increased shares of State Water Project water under a new "North of Delta" allocation to be calculated by the Department of Water Resources and the allocations of State Water Project water to the "South of Delta" State Water Project contractors, including the District, will be reduced proportionately; that for that allocation, Butte County will receive 6,000 acre feet per year but that amount would be decreased in any year in which the Department of Water Resources South of Delta allocation is less than 20 percent; that the settlement also allows for Yuba City, Solano County Water Agency, and Napa Flood Control and Water Conservation District to borrow Advanced Table A water from the next year's State Water Project allocation; and that lastly, the Butte County settlement agreement contains some limitations on Butte County's ability to lease its State Water Project water, including when the State Water Project allocation is less than 20%.

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 Alvarez

Secretary