MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, FEBRUARY 23, 2011:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, February 23, 2011, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Gordon Dexter, called the meeting to order at 7:00 p.m.

1) Pledge of Allegiance.

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

2) Moment of Silence.

President Dexter requested everyone remain standing and observe a moment of silence.

3) Roll Call.

Attendance:	**Others Present:**
Gordon Dexter, President	Dennis LaMoreaux, General Manager
Steve Cordova, Vice President	Jim Ciampa, Attorney
Linda Godin, Treasurer	Mike Williams, Finance Manager
Jeff Storm, Director	Matt Knudson, Engineering Manager
	Jeannie Burns, Human Resources Manager
Raul Figueroa, Secretary -- EXCUSED ABSENCE	James Stanton, Information Technology Manager
	Peter Thompson, Operations Manager
	Ed Boka, Treatment Plant Supervisor
	Kelly Jeters, Systems Supervisor
	Dawn Deans, Executive Assistant
	Danielle Doll, Administrative Assistant
	2 members of the public

4) Adoption of Agenda.

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

5) Public Comments for Non-Agenda Items.

There were no public comments.

6) Presentations:

6.1) Overview of New Palmdale Water District Website. (Information Technology Manager Stanton/Administrative Assistant Doll/Outreach Committee)

Administrative Assistant Doll and Information Technology Manager Stanton provided an overview of the District's new website including the timeline for the redesign and planned mid-March launch; the meetings, webmaster, and customer involvement with the new website; the ease of navigation and user-friendliness of the site; and key features of benefit to our customers and District departments being the search engine, the ability for potential customers to determine whether or not their address is within the District's boundaries, a detailed listing of contacts, a department description and features for each department, employment features, the ease of use of the customer service features including auto-pay, e-check payments, and access to customer accounts, the enhanced boundary and division map, and the event calendar.

Monitoring of the District's Facebook account was then discussed, and the Board commended staff on a job well done with the new website.

Information Technology Manager Stanton then requested the Board's permission to submit the website for awards, and the Board concurred with this request.

7) 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.)

7.1) Approval of Minutes of Regular Meeting Held February 9, 2011.

7.2) Payment of Bills for February 23, 2011.

7.3) Approval of Legislative Support Letters. (General Manager LaMoreaux)

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

8) 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.)

8.1) Consideration and Possible Action on Resolution No. 11-2 Authorizing the Execution and Delivery of an Installment Sale Agreement and Authorizing and

Directing Certain Actions in Connection with the Acquisition of Vehicles and Equipment. ($1,500,000.00 – Budgeted – Finance Manager Williams)

Finance Manager Williams provided an overview of Resolution No. 11-2, as well as the cost of the Installment Sale Agreement and proposed vehicles and equipment to be purchased under this Agreement, and after a brief discussion, it was moved by Director Godin, seconded by Director Storm, and unanimously carried to approve Resolution No. 11-2 Authorizing the Execution and Delivery of an Installment Sale Agreement and Authorizing and Directing Certain Actions in Connection with the Acquisition of Vehicles and Equipment.

A copy of Resolution No. 11-2 is hereby made a portion of the minutes of this meeting.

8.2) Consideration and Possible Action on Electronic Transaction Processing Agreements with EPX. (Finance Manager Williams)

Finance Manager Williams stated that the District does not currently receive a utility discount for electronic transaction processing and then provided an overview of the proposed agreement and fees with EPX for these services, and after a brief discussion, it was moved by Director Storm, seconded by Director Cordova, and unanimously carried to approve the Electronic Transaction Processing Agreements with EPX.

8.3) Consideration and possible action on Board attendance at conferences, seminars, and training sessions as follows:

8.3.1) California Special Districts Association (CSDA) "Must Have Communication Protocols for Board & Staff Webinar" to be held February 28, 2011;

8.3.2) California Special Districts Association (CSDA) "Green Financing 101-Reduce Carbon Footprint Webinar" to be Held March 1, 2011;

8.3.3) California Special Districts Association (CSDA) "Board Secretary/Clerk Conference" to be held March 3 – 4, 2011 in Seaside;

8.3.4) California Special Districts Association (CSDA) "Understanding the Brown Act-Core Components/Updates Webinar" to be held March 8, 2011;

8.3.5) Association of California Water Agencies (ACWA) 2011 Legislative Symposium to be held March 16, 2011 in Sacramento;

8.3.6) California Special Districts Association (CSDA) "Ethics AB 1234 Compliance Training" to be held March 18, 2011 in Antelope and June 2, 2011 in Port Hueneme;

8.3.7) California Special Districts Association (CSDA) "General Manager Roles & Responsibilities" to be held March 22, 2011 in Antelope;

8.3.8) California Special Districts Association (CSDA) "Special District Risk Management Authority Safety/Claims Education Day" to be held March 31, 2011 in Sacramento;

8.3.9) California Special Districts Association (CSDA) "Governance Foundations" to be held March 31, 2011 in Sacramento;

8.3.10) California Special Districts Association (CSDA) "Setting Direction/Community Leadership" to be held April 1, 2011 in Mira Loma and May 2, 2011 in Sacramento;

8.3.11) California Special Districts Association (CSDA) "What Every Public Agency Should Know About Prevailing Wage Webinar" to be held April 5, 2011;

8.3.12) California Special Districts Association (CSDA) "Board Secretary/Clerk Foundations Training" to be held April 7, 2011 in Fountain Valley;

8.3.13) California Special Districts Association (CSDA) "Staying in Compliance: Understanding Fundamental Laws" to be held April 8, 2011 in Fountain Valley;

8.3.14) California Special Districts Association (CSDA) "Understanding & Effectively Managing Group Dynamics Webinar" to be held April 12, 2011;

8.3.15) California Special Districts Association (CSDA) "Board's Role in Human Resources" to be held April 14, 2011 in Sacramento and June 24, 2011 in Mira Loma;

8.3.16) California Special Districts Association (CSDA) "Best Practices-Agenda Preparation & Minutes Webinar" to be held April 19, 2011;

8.3.17) California Special Districts Association (CSDA) "Board's Role in Finance and Fiscal Accountability" to be held April 28, 2011 in Sacramento;

8.3.18) California Special Districts Association (CSDA) "2011 Special Districts Legislative Days" to be held May 3 – 4, 2011 in Sacramento;

8.3.19) Association of California Water Agencies (ACWA) "2011 Spring Conference & Exhibition" to be held May 10 – 13, 2011 in Sacramento;

8.3.20) California Special Districts Association (CSDA) "How to Assist Board-Running an Effective Meeting Webinar" to be held May 17, 2011;

8.3.21) California Special Districts Association (CSDA) "Controlling Health & Retirement Benefit Costs Webinar" to be held May 19, 2011;

8.3.22) California Special Districts Association (CSDA) "Rules of Order & Facilitating Board Protocols Webinar" to be held May 24, 2011;

8.3.23) California Special Districts Association (CSDA) "Understanding Board Member & District Liability Webinar" to be held May 26, 2011;

8.3.24) California Special Districts Association (CSDA) "Records Retention & Management Webinar" to be held June 7, 2011;

8.3.25) California Special Districts Association (CSDA) "Strategies for Excellent Customer Service Webinar" to be held June 9, 2011.

After a brief discussion of the conferences, seminars, and training sessions presented for Board attendance, it was determined that staff present a list of upcoming conferences, seminars, and training sessions to the Board and that Board Members then request specific conferences, seminars, and training sessions be placed on a future agenda for consideration.

8.3.5) Association of California Water Agencies (ACWA) 2011 Legislative Symposium to be held March 16, 2011 in Sacramento;

It was then moved by Director Godin, seconded by Director Storm, and carried on a 3 – 1 vote, with Director Cordova opposed, to approve Board attendance at the Association of California Water Agencies (ACWA) 2011 Legislative Symposium to be held March 16, 2011 in Sacramento.

CSDA's Districts of Distinction Program was then discussed, and it was determined that this be placed on a future agenda for consideration.

8.3.19) Association of California Water Agencies (ACWA) "2011 Spring Conference & Exhibition" to be held May 10 – 13, 2011 in Sacramento;

It was then moved by Director Godin, seconded by Director Storm, and unanimously carried to approve Board attendance at the Association of California Water

Agencies (ACWA) "2011 Spring Conference & Exhibition" to be held May 10 – 13, 2011 in Sacramento.

8.3.1) California Special Districts Association (CSDA) "Must Have Communication Protocols for Board & Staff Webinar" to be held February 28, 2011;

8.3.2) California Special Districts Association (CSDA) "Green Financing 101- Reduce Carbon Footprint Webinar" to be Held March 1, 2011;

8.3.4) California Special Districts Association (CSDA) "Understanding the Brown Act-Core Components/Updates Webinar" to be held March 8, 2011;

8.3.11) California Special Districts Association (CSDA) "What Every Public Agency Should Know About Prevailing Wage Webinar" to be held April 5, 2011;

8.3.14) California Special Districts Association (CSDA) "Understanding & Effectively Managing Group Dynamics Webinar" to be held April 12, 2011;

8.3.16) California Special Districts Association (CSDA) "Best Practices-Agenda Preparation & Minutes Webinar" to be held April 19, 2011;

8.3.20) California Special Districts Association (CSDA) "How to Assist Board-Running an Effective Meeting Webinar" to be held May 17, 2011;

8.3.21) California Special Districts Association (CSDA) "Controlling Health & Retirement Benefit Costs Webinar" to be held May 19, 2011;

8.3.22) California Special Districts Association (CSDA) "Rules of Order & Facilitating Board Protocols Webinar" to be held May 24, 2011;

8.3.23) California Special Districts Association (CSDA) "Understanding Board Member & District Liability Webinar" to be held May 26, 2011;

8.3.24) California Special Districts Association (CSDA) "Records Retention & Management Webinar" to be held June 7, 2011;

8.3.25) California Special Districts Association (CSDA) "Strategies for Excellent Customer Service Webinar" to be held June 9, 2011.

It was then moved by Director Storm, seconded by Director Cordova, and unanimously carried to approve Board attendance at California Special Districts Association (CSDA) webinars as follows: "Must Have Communication Protocols for Board & Staff Webinar" to be held February 28, 2011; "Green Financing 101- Reduce Carbon Footprint Webinar" to be Held March 1, 2011; "Understanding the Brown Act-Core Components/Updates Webinar" to be held March 8, 2011; "What Every Public

Agency Should Know About Prevailing Wage Webinar" to be held April 5, 2011; "Understanding & Effectively Managing Group Dynamics Webinar" to be held April 12, 2011; "Best Practices-Agenda Preparation & Minutes Webinar" to be held April 19, 2011; "How to Assist Board-Running an Effective Meeting Webinar" to be held May 17, 2011; "Controlling Health & Retirement Benefit Costs Webinar" to be held May 19, 2011; "Rules of Order & Facilitating Board Protocols Webinar" to be held May 24, 2011; "Understanding Board Member & District Liability Webinar" to be held May 26, 2011; "Records Retention & Management Webinar" to be held June 7, 2011; and "Strategies for Excellent Customer Service Webinar" to be held June 9, 2011.

9) Information Items.

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

Director Storm stated that the Facilities Committee is scheduled to meet tomorrow to discuss the items to be purchased under Agenda Item No. 8.1.

Director Godin reported that the Environmental Committee met yesterday and staff provided a detailed overview of the District's cost saving energy programs and rate structures for these programs; reviewed that the hydro-electric plant at Palmdale Lake was commissioned in 2008, the wind turbine at Palmdale Lake was constructed in 2004, and the solar panels at the shop building were completed in 2003; discussed that it is hopeful that progress will be seen this spring for the Natural Solutions soil bio-remediation pilot program at Pete Knight High School and that Mr. Cox will be conducting a landscape workshop on his product for the District; and it was determined that the Environmental Committee will begin meeting every other month with the next meeting scheduled for April 5.

There were no further reports from Directors.

9.2) Report of General Manager.

General Manager LaMoreaux stated that he provided the Board with the packet of information provided to the Antelope Valley Board of Trade members who toured Littlerock Dam earlier this afternoon and that this group has requested a tour this summer to see the base of the Dam.

He then reported that the Department of Water Resources distributes a publication internally and to State Water Contractors; that the District, as a State Water Contractor,

will be featured in an upcoming issue; and that he will circulate the draft article to the Board for review and comment prior to publication.

He then reported that he is working with department heads to develop a concise list of metrics or projects to be reported to the Board on a monthly basis to keep the Board apprised of District operations.

9.3) Report of Attorney.

Attorney Ciampa stated that he has no report.

10) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

11) Closed Session Under:

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

11.2) Government Code Section 54956.9(a), Existing Litigation: ***City of Palmdale vs. Palmdale Water District, Case No. BC413432 (Rate Litigation).***

11.3) Government Code Section 54956.9(a), Existing Litigation: ***City of Palmdale vs. Palmdale Water District and Palmdale Water District Public Facilities Corporation, Case No. BC413907 (Validation Action).***

11.4) Government Code Section 54956.9(a), Existing Litigation: ***Palmdale Water District vs. City of Palmdale, Case No. BC420492 (Recycled Water Litigation).***

11.5) 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.***

11.6) Government Code Section 54956.9(a), Existing Litigation: ***Palmdale Water District vs. City of Palmdale, Case No. MC021487 (Excavation Permit Litigation).***

11.7) 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.***

11.8) Government Code Section 54956.9(b), Potential Litigation: One Case.

11.9) Government Code Section 54957, Personnel Matters: General Manager Evaluation.

At 7:46 p.m., President Dexter called for a closed session pursuant to Government Code Section 54956.9(a), Existing Litigation – seven cases: *Antelope Valley Ground Water Cases* and *City of Palmdale vs. Palmdale Water District, Case No. BC413432 (Rate Litigation)* and *City of Palmdale vs. Palmdale Water District and Palmdale Water District Public Facilities Corporation, Case No. BC413907 (Validation Action)* and *Palmdale Water District vs. City of Palmdale, Case No. BC420492 (Recycled Water Litigation)* 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 *Palmdale Water District vs. City of Palmdale, Case No. MC021487 (Excavation Permit Litigation)* and *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561* and pursuant to Government Code Section 54956.9(b), potential litigation: one case and pursuant to Government Code Section 54957, Personnel Matters: General Manager evaluation. He reconvened the regular meeting at 8:30 p.m.

12) 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 – seven cases: *Antelope Valley Ground Water Cases* and *City of Palmdale vs. Palmdale Water District, Case No. BC413432 (Rate Litigation)* and *City of Palmdale vs. Palmdale Water District and Palmdale Water District Public Facilities Corporation, Case No. BC413907 (Validation Action)* and *Palmdale Water District vs. City of Palmdale, Case No. BC420492 (Recycled Water Litigation)* 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 *Palmdale Water District vs. City of Palmdale, Case No. MC021487 (Excavation Permit Litigation)* and *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561;* that the Board was updated on each of these items of existing and pending litigation; and 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(b) potential litigation, one case; that the Board was briefed on this item of potential litigation; and that no reportable action under the Brown Act was taken in closed session on this matter.

He then reported that the closed session had also been held under Government Code Section 54957, personnel matters, General Manager evaluation; that the Board reviewed the form of evaluation that will be used for the General Manager's evaluation; and that this form was unanimously approved by the Board in closed session.

13) Consideration and Possible Action on Evaluation of General Manager.

President Dexter stated that this item was not completed.

14) Board Members' Requests for Future Agenda Items.

Director Storm stated that he has four items for consideration at a future meeting regarding compensation and retirement and that he will present this list of items to President Dexter.

Director Godin then requested "Consideration and possible action on District participation in the California Special Districts Association's Districts of Distinction Program" be placed on the next agenda for consideration.

General Manager LaMoreaux then suggested that the presentation on the District's overall energy programs recently provided at the Environmental Committee meeting be made to the full Board at a future meeting.

There were no further requests for future agenda items.

15) 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 at 8:34 p.m.

Secretary

RESOLUTION NO. 11-2

AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS IN CONNECTION WITH THE ACQUISITION OF VEHICLES AND EQUIPMENT

WHEREAS, the Palmdale Water District (the "District") is an Irrigation District duly organized and existing under and pursuant to the laws of the State of California; and

WHEREAS, the District desires to provide for financing in the approximate amount of $1,500,000 for the acquisition of vehicles and equipment (the "Property"); and

WHEREAS, Municipal Finance Corporation (the "Corporation") has proposed a cost-effective five year installment sale financing arrangement at a 3.85% interest rate.

NOW, THEREFORE, it is resolved by the Board of Directors of the Palmdale Water District as follows:

SECTION 1. Installment Sale Agreement and Acquisition Fund Agreement. The President of the Board of Directors, the General Manager or a designee in writing (each, an "Authorized Officer") is hereby authorized to enter into an Installment Sale Agreement and an Acquisition Fund Agreement with the Corporation to finance the Property, subject to approval as to form by the District's legal counsel.

SECTION 2. Attestations. The Secretary of the Board or other appropriate District officer is hereby authorized and directed to attest the signature of the Authorized Officer, and to affix and attest the seal of the District, as may be required or appropriate in connection with the execution and delivery of the Installment Sale Agreement and the Acquisition Fund Agreement.

SECTION 3. Other Actions. The Authorized Officer and other officers of the District are each hereby authorized and directed, jointly and severally, to take any and all actions and to execute and deliver any and all documents, agreements and certificates which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms of this Resolution and the Installment Sale Agreement. Such actions are hereby ratified, confirmed and approved.

SECTION 4. Qualified Tax-Exempt Obligations. The Installment Sale Agreement is hereby designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The District, together with all subordinate entities of the District, do not reasonably expect to issue during the calendar year in which the Installment Sale Agreement is issued more than $10,000,000 of obligations which it could designate as "qualified tax-exempt obligations" under Section 265(b) of the Code.

SECTION 5. Reimbursement of Prior Expenditures. The District declares its official intent to be reimbursed from the proceeds of the Installment Sale approved hereby for a maximum principal amount of $1,500,000 of Property expenditures occurring no earlier than sixty days prior to the adoption of this Resolution. All reimbursed expenditures will be capital expenditures as defined in Section 1.150-1(b) of the Federal Income Tax Regulations.

SECTION 6. Effect. This Resolution shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED this 23rd day of February, 2011, by the following vote:

AYES: Directors Dexter, Cordova, Godin, and Storm

NOES: None

ABSTENTIONS: None

ABSENT: Director Figueroa

Approved: _____
President of the Board

Attest: _____
Treasurer of the Board