

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

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, March 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 Cordova 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:

Gordon Dexter, President
Steve Cordova, Vice President
Raul Figueroa, Secretary
Linda Godin, Treasurer
Jeff Storm, Director

Others Present:

Dennis LaMoreaux, General Manager
Jim Ciampa, Attorney
Mike Williams, Finance Manager
Matt Knudson, Engineering Manager
Peter Thompson, Operations Manager
Jim Stanton, Information Technology Manager
Dawn Deans, Executive Assistant
4 members of the public

4) Adoption of Agenda.

It was moved by Director Figueroa, seconded by Director Godin, 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) Demonstration of Electronic Bill Presentment and Payment (EBPP).
(Finance Manager Williams/Infosend)**

Finance Manager Williams introduced Mr. Jerry Finnegan, Sales Manager, and Mr. J.D. McNaul, Vice President of Sales, of InfoSend, the District's water bill processor, who then provided a live demonstration of the operation of the District's new web site Electronic Bill Presentment and Payment features from the customer's viewpoint including enrollment, paying water bills on line, paperless water bills, and the ability to schedule automatic payments, pay with either credit card or ACH check, view up to 18 months of water bills and payments, view up to twelve months of water bill inserts, manage multiple accounts, and ask questions or request information via email.

The ease of use and convenience of these options to the District's customers and to the District's Customer Service Representatives, tracking paperless accounts, and the number of customers currently enrolled in the District's web site were then discussed.

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 March 9, 2011.

7.2) Payment of Bills for March 23, 2011.

It was moved by Director Figueroa, seconded by Director Godin, 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. 11-3 Concurring in Nomination of E.G. "Jerry" Gladbach to the Office of President of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA).

It was moved by Director Storm, seconded by Director Godin, and unanimously carried to approve Resolution No. 11-3 Concurring in Nomination of E.G. "Jerry" Gladbach to the Office of President of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA).

A copy of Resolution No. 11-3 is hereby made a portion of the minutes of this meeting.

8.2) Status Report on District Policy Regarding Establishment of a Water Service Account. (President Dexter/Ad Hoc Committee)

President Dexter stated that the Ad Hoc Committee of himself and Director Figueroa and District staff met with members of the Greater Antelope Valley Association of Realtors (GAVAR) as a result of concerns raised at a recent Board meeting by Mr. Bruce Hailstone, local realtor, about the District's policy on the establishment of water service accounts and that staff was given direction to look into some of the matters discussed at the meeting after which General Manager LaMoreaux gave a status report on staff's progress on this work.

President Dexter then stated the Committee is still waiting for information to be provided by GAVAR and that staff is waiting to receive copies of pertinent city and county ordinances. The Committee will provide further updates to the Board as work progresses. No action was taken on this item.

8.3) Consideration and Possible Action on Amendment No. 1 to General Manager Employment Contract.

President Dexter reviewed the purpose of Amendment No. 1 to the General Manager Employment Contract, and after a brief discussion, it was moved by Director Figueroa and seconded by Director Cordova to approve Amendment No. 1 to the General Manager Employment Contract.

President Dexter then thanked General Manager LaMoreaux for bringing the need for this amendment to his attention and stated that it has been a pleasure working with him this past year, Director Cordova commended General Manager LaMoreaux, and the motion unanimously carried.

9) Information Items.

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

Director Godin reported that the Finance Committee met and discussed and reviewed the status of the cash report at February 28, 2011 and cash flow report through December 31, 2011; that the cash flow report was revised to reflect approved 2011 projects and carry-over 2010 projects to a projected reserve balance of \$8.5 million at December 31, 2011; that Financial Advisor Egan's report reflected the unanticipated insurance refund of almost \$106,000; that the March bond payment has been made; and that January and

February water revenues and all financial statements including the balance sheet, profit and loss statement, year-to-date comparisons, month-to-month revenue analysis, individual departmental budgets, and consumption comparisons were reviewed and then gave a detailed overview of the charts associated with these reports, which indicate the District's current cash position of \$8.3 million and departmental expenses all below 16.6% of their budgets.

She then reported that she attended ACWA's legislative meeting and kick-off Communications Committee meeting in Sacramento last week and that hand-outs and notes will be provided at the next meeting.

There were no further reports from Directors.

9.2) Report of General Manager.

General Manager LaMoreaux reported that he and Operations Manager Thompson attended AVEK's last Board meeting; that Operations Manager Thompson gave an overview of the District's experience with G.A.C. over the last 26 months; and that the information seemed to be useful to their Board.

He then reported that a Department Status Report highlighting the five most important projects in each of the Departments was included in the agenda packets; that this Report provides the Board with a good feel of what is going on at the District; and then requested Board input on providing either more or less information in future Reports.

President Dexter stated that he liked the Report and then commented that Water & Energy Resources Manager Pernula has kept a close watch on water resources; that because of this close watch, the District's 4,500 acre feet of carry-over water was saved and used to repay a water debt to West Kern Water Agency; and that it is critical to keep an eye on water resources.

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.**

At 7:45 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. He reconvened the regular meeting at 7:52 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 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 briefed on the current status of each of these items of 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 updated on this matter of potential litigation; and that no reportable action under the Brown Act was taken in closed session on this matter.

13) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

14) 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 7:54 p.m.


Vice President