

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, MAY 25, 2011:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, May 25, 2011, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Vice President, Steve Cordova, called the meeting to order at 7:00 p.m.

1) Pledge of Allegiance.

At the request of Vice President Cordova, Director Godin led the pledge of allegiance.

2) Moment of Silence.

Director Storm requested everyone remain standing and observe a moment of silence for those affected by the disaster in Joplin, Missouri.

3) Roll Call.

Attendance:

Steve Cordova, Vice President
Linda Godin, Treasurer
Jeff Storm, Director

Gordon Dexter, President --
Raul Figueroa, Secretary --

EXCUSED ABSENCE

Others Present:

Dennis LaMoreaux, General Manager
Jim Ciampa, Attorney
Mike Williams, Finance Manager
Matt Knudson, Engineering Manager
Peter Thompson II, Operations Manager
Claudette Roberts, Water Conservation Spvsr.
Kelly Jeters, Systems Supervisor
Linda Garza, Water Conservation Aide
Dawn Deans, Executive Assistant
6 members of the public

4) Adoption of Agenda.

It was moved by Director Storm, 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) Cash for Grass Rebates. (Water Conservation Supervisor Roberts)

Vice President Cordova stated that conserving water is top priority for those of us at the Palmdale Water District; we are proud that so many of our customers are joining us in this vital activity; and to date, 112 customers have signed up for the Cash for Grass program.

Water Conservation Supervisor Roberts then thanked everyone for their efforts to install water-wise landscapes and stated that several schools, as well as the City of Palmdale, are participating in the District's Cash for Grass rebate program; that the District appreciates these recent conservation efforts; that the District has concentrated on water conservation efforts for the past 20 years; and then presented a rebate check in the amount of \$513.60 to John and Stacia Nemeth, a rebate check in the amount of \$530.00 to Elsie and Lorenzo Gabo, and a rebate check in the amount of \$756.40 will be mailed to Larry and Mattie Thompson.

Photographs of the renovated landscapes were circulated, and the Board expressed their appreciation to the rebate participants for their water conservation efforts.

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 May 11, 2011.

7.2) Payment of Bills for May 25, 2011.

It was moved by Director Storm, 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 Change Order No. 1 for Specification No. 1002 Being the Construction of the Water Main Replacement in Avenue Q Between 10th Street East and 20th Street East. (\$37,563.00 – Budgeted – Engineering Manager Knudson)

Engineering Manager Knudson reviewed staff's recommendation to approve Change Order No. 1 to Specification No. 1002, and after a brief discussion of the percentage of change orders for projects, it was moved by Director Storm, seconded by Director Godin, and unanimously carried to approve Change Order No. 1 in the not-to-exceed amount of \$37,563.00 for Specification No. 1002 being the construction of the water main replacement in Avenue Q from 10th Street East to 20th Street East.

8.2) Consideration and Possible Action on 2011 District Membership in the Water Research Foundation (Formerly Known as American Water Works Association Research Foundation). (\$13,196.93 – Budgeted – Operations Manager Thompson II)

Operations Manager Thompson II provided an overview of the benefit of membership in the Water Research Foundation, and after a brief discussion of the reports and information available to the District from this membership, it was moved by Director Storm, seconded by Director Godin, and unanimously carried to approve 2011 District membership in the Water Research Foundation (formerly known as the American Water Works Association Research Foundation) in the amount of \$13,196.93.

9) Information Items.

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

9.1.1) Director Godin: Finance Committee Report Summarizing District's Financial Status.

Director Godin reported that discussion and review of the District's finances for the month ending April 30, 2011 included the Cash Report status at the end of April and through December, 2011 and that the District's financial position is as predicted; the Cash Flow Report was revised to reflect approved 2011 projects and carry-over 2010 projects to a projected year-end reserve balance of \$7.8 million; Financial Advisor Egan reported the increase in cash from March to April is mainly due to the nearly \$1.5 million in tax money received in April, approximate \$98,000 in DWR refunds, \$99,000 in other revenue, \$76,200 in grant funding, and \$252,000 in tax funds for the month of May; all financial statements, including the balance sheet, profit and loss statement, a year-to-date comparison, the month-to-month revenue analysis, individual departmental budget reports, and consumption comparisons through the end of April along with the charts for these reports were reviewed; and departmental budget expenditures as a whole are under 33% of budget. She then reviewed the charts associated with these reports.

Director Storm commended Director Godin on a job well done in reporting financial information; that this was his intent when the Treasurer position was created; that he is glad to see the position being fulfilled to the highest extent; and that she has done a fantastic job in this position.

There were no further reports from Directors.

9.2) Report of General Manager.

General Manager LaMoreaux reported that the monthly Top 5 Department Status Report was included in the agenda packets if there are any questions on same.

He then reported that staff is working with AVEK regarding their request for an intertie to supply the District's treated water to AVEK's Acton system; that District staff is collecting information and investigating the requirements to have this intertie in place by next March; and that information on this intertie will be presented to Committee and the Board in June.

9.3) Report of Attorney.

Attorney Ciampa reported that the deadline for bills to move out of their house of origin is next Friday; that at that point, they will have a better idea of pending legislation; and that they will prepare a report for the Board as legislative matters progress.

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(a), Pending Litigation: *Los Angeles and Orange Counties Building and Construction Trades Council, et al. v. Palmdale Water District, United States District Court, Central District, Case No. CV11 02279 (Project Labor Agreement Litigation)*.

At 7:25 p.m., Vice President Cordova called for a closed session pursuant to Government Code Section 54956.9(a), Existing Litigation – eight 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 *Los Angeles and Orange Counties Building and Construction Trades Council, et al. v. Palmdale Water District, United States District Court, Central District, Case No. CV11 02279 (Project Labor Agreement Litigation)*. He reconvened the regular meeting at 7:35 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 – eight 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 Los Angeles and Orange Counties Building and Construction Trades Council, et al. v. Palmdale Water District, United States District Court, Central District, Case No. CV11 02279 (Project Labor Agreement Litigation); that the Board was updated on the current status of each of these items of existing litigation; and that no reportable action under the Brown Act was taken in closed session on any of these matters.

13) Board Members' Requests for Future Agenda Items.

Status reports of how our ratepayers are using the District's web site were requested, and it was clarified that this information is detailed in the monthly Department Status Reports under Information Technology Manager Stanton's report.

There were no further 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 7:38 p.m.



Secretary