

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
PALMDALE WATER DISTRICT, FEBRUARY 22, 2012:**

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, February 22, 2012, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Gordon Dexter, called the meeting to order.

1) Pledge of Allegiance.

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

2) Roll Call.

Attendance:

Gordon Dexter, President
Gloria Dizmang, Vice President
Kathy Mac Laren, Treasurer
Robert Alvarado, Secretary

Steve Cordova, Director --
EXCUSED ABSENCE

Others Present:

Dennis LaMoreaux, General Manager
Jim Ciampa, Attorney
Mike Williams, Finance Manager
Matt Knudson, Engineering Manager
Peter Thompson II, Operations Manager
Jon Pernula, Water & Energy Resources Manager
Kelly Jeters, Systems Supervisor
Dawn Deans, Executive Assistant
6 members of the public

3) Adoption of Agenda.

President Dexter stated that there are no presentations under Agenda Item No. 5.1 after which it was moved by Director Mac Laren, 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) Cash for Grass Rebate Program. (Water Conservation Supervisor Roberts)

There were no Cash for Grass Rebate Program presentations.

5.2) Services Provided by Capitol Dynamics. (Board)

Mr. Keith Dunn, of Capitol Dynamics, provided an overview of their efforts to date on behalf of the District to seek funding for the District through their contacts with several legislators and federal and state agencies including \$500,000 in grants for pipeline replacements, potential funds for the Littlerock Dam Sediment Removal Project, tracking legislation of interest to the District on water deliveries, and ensuring the priorities of the District are included in the upcoming Water Bond.

Director Dizmang then inquired how Capitol Dynamics would pursue funding for the District's replacement projects after which Mr. Dunn informed the Board of their methods for pursuing grants.

Director Mac Laren then requested Capitol Dynamics pursue programs or funding for any type of senior rate discounts and grants and for expanding the District's conservation program and inquired if it helps for the Board to contact legislative officials on their own for grants.

President Dexter inquired as to the length of Capitol Dynamics' contract and the success rate for securing funds for the District as he is somewhat skeptical about the benefit to the District from the \$6,000.00 per month contract with Capitol Dynamics over the past 3-1/2 years and that due to the District's funding, at some point, he would like the value of their service reviewed as well as a determination of any benefit the District is receiving from Capitol Dynamics over and above existing sources.

Mr. Dunn then addressed the Board's questions and concerns and stated that he welcomes the opportunity for further discussions with the Board, hopes to continue working with the District, and stated that Capitol Dynamics provides a valuable benefit to the District and the District should not walk away from the process with Capitol Dynamics.

5.3) Palmdale Water District Energy Savings Programs. (Water & Energy Resources Manager Pernula)

Water and Energy Resources Manager Pernula provided a detailed overview of the District's energy programs including staff's ongoing efforts to meet with Southern California Edison to secure the most efficient rates and programs for the District while meeting customer demand, staff's methods for using the most efficient pumps first to meet demand, how the various energy strategies meet the District's mission statement and core values, the electricity costs and various rate structures for each site for obtaining

the best rates, and the natural gas commodity rates and savings to the District from this pricing and then informed the Board that various firms have been unsuccessful in finding additional areas of energy efficiency for the District followed by review of the District's green energy projects.

Director Alvarado then inquired as to the number of firms the District does business with for energy and gas and the number of remote sites on interruptible programs after which Water and Energy Resources Manager Pernula and Systems Supervisor Jeters informed the Board of the firms and reviewed the savings from the interruptible programs for the different sites.

Director Alvarado then thanked staff for their efforts in securing these rates and savings for the District.

Director Dizmang then thanked staff for the presentation and stated that this information needs to be presented to our ratepayers; that many of our customers do not understand the work of the District; and that the information presented has been very enlightening.

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 February 8, 2012.

6.2) Payment of Bills for February 22, 2012.

It was moved by Director Mac Laren, seconded by Director Dizmang, 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 Board Attendance at Conferences, Seminars, and Training Sessions as follows:

7.9.1) ACWA 2012 Legislative Symposium to be Held March 7, 2012 in Sacramento.

After a brief discussion of potential content to be reviewed at this conference, there was no action taken on this item.

8) Information Items.

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

Director Alvarado reported that he and Water Conservation Supervisor Roberts gave a PowerPoint presentation about the District at GAVAR's MLS networking meeting; that 75 realtors attended the presentation; that applications for the District's rebate programs were provided, and the realtors were excited about the District's programs and services; and that they asked the realtors to communicate the rebate information to their respective buyers and renters to help continue to keep the District's ratepayers informed about the positive efforts and programs provided by the District.

Director Dizmang reported that she accompanied Engineering Manager Knudson to observe a water pipeline repair on Sumac Avenue; that she took pictures, made a map, and gained a much better understanding of the problems facing the District; and then personally thanked District employees Brian Enos, Tim Clifford, Shawn Webb, Tony Espinoza, and Engineering Manager Knudson for their patience and for the information provided during the adventure.

Director Mac Laren stated that she would like to attend a similar observation tour; that they were shown the inside of various pipes; and that she looks forward to a field tour to observe the actual pipeline replacement process.

President Dexter reported that the Water Supply & Reliability Committee met last week, and they are carefully tracking the State Water Project allocation as the Department of Water Resources is looking at reducing the initial 60% allocation.

He then reported that the Antelope Valley State Water Contractors Association met; that the Association is sponsoring AB 1234 training on March 19 at 6:30 p.m. at the District's office and encouraged the Directors to attend; and that ACWA/JPIA will be attending the Association's March meeting to present liability program rebate checks to the three Association member agencies and to present information on ACWA.

He then stated that District program and project presentations will continue so the Board is up-to-date; that he appreciates the comments about this information being

presented to the public; and that he appreciates any help the Directors can provide in getting this done.

There were no further reports from Directors.

8.2) Report of General Manager.

General Manager LaMoreaux reported that the Department of Water Resources has reduced the District's State Water Project allocation from 60% to 50%; that this is equivalent to about 2,000 acre feet of water for the District; that the District will have approximately 11,000 acre feet of water from the State Water Project for the year; that the District has saved approximately 1,000 acre feet of carry-over water that was not banked; and that the District should be able to meet demand based on these supplies and staff's planning efforts.

He then reported that the water banking project ended as of January 31, and the District now has a little over 2,600 acre feet of water banked in the Antelope Valley for future use followed by a discussion of treated water storage versus banked water in storage.

He then informed the Board that the monthly Department Status Report was included with the agenda packets if there are any questions on same.

8.3) Report of Attorney.

Attorney Ciampa stated that he has no report.

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(a), Existing Litigation: *Antelope Valley Ground Water Cases*.

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

10.3) 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).*

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

10.5) 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.*

10.6) 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.*

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

At 7:58 p.m., President Dexter called for a four-minute recess. He reconvened the regular meeting at 8:02 p.m.

At 8:02 p.m., President Dexter called for a closed session pursuant to Government Code Section 54956.9(a), Existing Litigation – six 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 *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-8000056* and pursuant to Government Code Section 54957, Personnel Matters: *General Manager Evaluation.*

He reconvened the regular meeting at 10:03 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(a), Existing Litigation – six 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 *Central Delta Water Agency vs. Department of Water Resources*, Sacramento Superior Court Case No. 34-2010-80000561; that no report was provided or instructions given on the *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 matters; that the Board was briefed on each of these items of existing litigation; but that no reportable action under the Brown Act was taken in closed session on any of these matters.

He then reported that a closed session had also been held under Government Code Section 54957, Personnel Matters: *General Manager evaluation*; that the evaluation of General Manager LaMoreaux was deferred to the next regular Board meeting; but that no reportable action under the Brown Act was taken in closed session on this matter and it will be revisited shortly.

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


President Dexter stated that as reported by Attorney Ciampa, the evaluation process of General Manager LaMoreaux has been deferred to the next regular Board meeting.

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.


Secretary