

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
PALMDALE WATER DISTRICT, APRIL 11, 2012:**

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, April 11, 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 Cordova 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

Others Present:

Dennis LaMoreaux, General Manager
Tim Gosney, Attorney
Mike Williams, Finance Manager
Peter Thompson II, Operations Manager
Tim Moore, Facilities Manager
Jeannie Burns, Human Resources Manager
Robert Egan, Financial Advisor
Kelly Jeters, Systems Supervisor
Joe Kerschner, Water Quality Supervisor
Dawn Deans, Executive Assistant
2 members of the public

3) Adoption of Agenda.

President Dexter stated that staff has requested Agenda Item No. 7.4 be removed from the agenda after which it was moved by Director Mac Laren, seconded by Director Dizmang, and unanimously carried to adopt the agenda, as amended, removing Agenda Item No. 7.4.

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Presentations:

5.1) No Presentations Scheduled at This Time.

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 March 28, 2012.

6.2) Payment of Bills for April 11, 2012.

It was moved by Director Mac Laren, 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) Status Report on Cash Flow Statement and Current Cash Balances as of February, 2012. (Financial Advisor Egan)

Financial Advisor Egan gave an overview of the District's current cash and investments as of February, 2012, including cash reduction factors and the difference between a cash flow statement and an income statement, and then reviewed the estimated cash flow report through the end of 2012, including water revenue, bond interest, assessments, and capital expenditures.

7.2) Status Report on 2012 Financial Statements, Revenue and Expense and Departmental Budget Reports for February, 2012. (Finance Manager/CFO Williams)

Financial Manager/CFO Williams reviewed the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month revenue analysis, and expense analysis as of February, 2012; stated that all departments are at or below the targeted budget level of 16.92% or lower for February, 2012; and then reviewed departmental budget line items over-budget.

President Dexter then requested staff prepare a Personnel to Operating Expense Chart comparing the District to other water districts and entities on an annualized basis for presentation at the next meeting.

7.3) Status Report on Committed Contracts Issued. (Engineering Manager Knudson)

General Manager LaMoreaux provided an overview of the Engineering Department Project Payout Schedule, including changes from last month's Schedule.

7.5) Consideration and Possible Action on Certification of Compliance With Government Code Section 7507 for Two-Year Service Credit Retirement Incentive Program. (\$804,425.86 Amortized Over 20 Years – Human Resources Manager Burns)

Human Resources Manager Burns provided an overview of the Two-Year Service Credit Retirement Incentive Program, the cost based on eligible employees, and potential savings to the District, and after a brief discussion, it was moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried to approve the Certification of Compliance with Government Code Section 7507 making public the estimated cost of \$804,425.86 amortized over 20 years for providing two years additional service credit for twenty eligible employees who may retire during the designated period.

7.6) Consideration and Possible Action on Election of Directors for Antelope Valley Board of Trade. (General Manager LaMoreaux)

After a brief discussion of Director candidates for the Antelope Valley Board of Trade, Director Alvarado recommended the District cast its ballot for all incumbents plus Josh Mann, and after a further discussion of the voting process and of the due date for the ballot, President Dexter requested each Director submit his or her recommendations to be tallied by staff, with the outcome to be announced later in the meeting, and that he would cast the District ballot in accordance with the Board's cumulative recommendation.

8) Information Items.

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

Director Mac Laren reported that the Personnel Committee met; that the Board took action this evening on a Committee item; and that the Committee is making progress on additional cost-saving measures after which President Dexter stated that Agenda Item No. 7.5 is the result of Personnel Committee work; that it has been in progress for some time; and that the Committee will continue to monitor savings from this item.

Director Dizmang reported that the Outreach Committee met; that Information Technology Manager Stanton reported that the Google translation toolbar has been added to the District's web site; that staff proposed a program for distribution of electronic information to the District's customers at a cost of \$3,000.00, and a reduced cost for basic

program services will be presented at the next Committee meeting; that the Committee is working to correct the problem of the media not reporting simply when the District has its Board meetings; that Committee Member Alvarado added several new media sources to the District's press release distribution list and eliminated those no longer functioning; that the Committee has decided to resurrect AquaDog; and that the Committee is looking into a public awareness activity for the spring.

Director Alvarado reported that he also attended the Outreach Committee meeting; that the Committee is looking at reviving programs that were successful in the past; and that the Committee is eager to provide information to the community about the wonderful things that the Palmdale Water District is doing on behalf of their customers and employees and also discussed the best utilization of the District's newsletter.

There were no further reports from Directors.

8.2) Report of General Manager.

General Manager LaMoreaux stated that he has no report.

8.3) Report of Attorney.

Attorney Gosney reported 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.*

At 7:34 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. 34-2010-80000561.*

He reconvened the regular meeting at 8:37 p.m.

11) Public Report of Any Action Taken in Closed Session.

Attorney Gosney 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*; *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 the Board was briefed on each of these matters, and the Board gave staff and counsel instructions as to how to proceed; but that no reportable action under the Brown Act was taken in closed session on any of these matters.

President Dexter then reported that the outcome for Agenda Item No. 7.6 "Consideration and possible action on election of Directors for the Antelope Valley Board of Trade" is as originally recommended by Director Alvarado with the District casting its ballot for all incumbents plus Josh Mann.

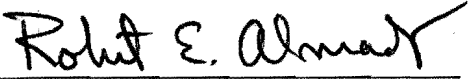
12) Board Members' Requests for Future Agenda Items.

Director Dizmang requested an item be placed on the next agenda for "Consideration and possible action on a hiring freeze for top positions" after which President Dexter recommended the Personnel Committee review this matter prior to Board consideration.

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.


Secretary