

**MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
PALMDALE WATER DISTRICT, SEPTEMBER 6, 2012:**

A special meeting of the Board of Directors of the Palmdale Water District was held Thursday, September 6, 2012, at 38315 9th Street East, Palmdale, California, at Poncitlán Square.

1) Call to Order.

President Dexter called the special meeting of the Board of Directors to order.

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
Tom Bunn, Attorney
Danielle Henry, Administrative Assistant
Jim Ledford, City Mayor
Laura Bettencourt, City Council
Dave Childs, City Manager
Mike Mischel, Public Works Director
25 members of the public

3) Announcement of outcome of settlement discussions between the City of Palmdale and Palmdale Water District.

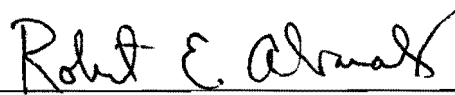
Mayor Ledford announced a global settlement of multiple claims and lawsuits between the City of Palmdale and Palmdale Water District and stated that the new spirit of cooperation and willingness to work together will better serve our residents. He then announced the beginning of a joint powers authority partnership between the City and Palmdale Water District for recycled water, tentatively named the Palmdale Recycled Water Authority. After thanking the Board of the Palmdale Water District, Public Works Director Mike Mischel, and the City attorneys, he turned to meeting back over to President Dexter.

President Dexter thanked Mayor Ledford and stated that he covered all the details of the agreement; that recycled water is a key part of the District's Strategic Water Resources Plan and the partnership is very important to make that happen; and that this is an opportunity for the City of Palmdale and Palmdale Water District to work together, building trust and a relationship beneficial to the community and customers of the Palmdale Water District.

President Dexter then introduced Directors Dizmang, Alvarado and Mac Laren, and after no comments from the public, President Dexter and Mayor Ledford proceeded with the execution of the agreement.

4) Adjournment.

There being no further business to come before the Board, the meeting was adjourned at 10:10 a.m.

A handwritten signature in black ink, reading "Robert E. Alvarado", written over a horizontal line.

Secretary