MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JANUARY 14, 2015:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, January 14, 2015, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Kathy Mac Laren, called the meeting to order.

1) Pledge of Allegiance.

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

2) Roll Call.

Attendance:	**Others Present:**
Kathy Mac Laren, President	Dennis LaMoreaux, General Manager
Robert Alvarado, Vice President	Patty Quilizapa, General Counsel
Gloria Dizmang, Treasurer	Matt Knudson, Assistant General Manager
Joe Estes, Secretary	Mike Williams, Finance Manager
Vincent Dino, Director	Jennifer Emery, Human Resources Director
	Mynor Masaya, Operations Manager
	Mike McNutt, PIO/Conservation Director
	Tim Moore, Facilities Manager
	Jim Riley, Engineering/Grant Manager
	Jim Stanton, Information Technology Manager
	Kelly Jeters, Systems Supervisor
	Judith Hernandez, Asst. Customer Service Spvsr.
	Dennis Hoffmeyer, Senior Accountant
	Bob Egan, Financial Advisor
	Dawn Deans, Executive Assistant
	18 members of the public

3) Adoption of Agenda.

President Mac Laren requested Agenda Item No. 12 be considered under Agenda Item No. 10.2 as this item involves the process and the evaluation of the General Manager after which it was moved by Director Dino, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to adopt the agenda, as amended.

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Presentations:

5.1) Introduction of Palmdale Water District Interns and Presentation of Certificates of Completion. (Human Resources Director Emery)

Human Resources Emery stated that the first semester of the District's Internship Program semester is now complete and that six interns participated in this program from Antelope Valley Youthbuild and from area colleges after which Facilities Manager Moore, Information Technology Manager Stanton, and Assistant Customer Service Supervisor Hernandez introduced the interns from their departments and reviewed their accomplishments during their internship.

Interns Enrique Trujillo, Willie Jones, Jessica Martinez, Alexander Mosley, and Bryan Herrera then informed the Board of their experience with the Internship Program, thanked the Board and the District for the opportunity to learn from the District, and commended District staff for their assistance and knowledge sharing. Intern Laura Gallegos-Gutierrez was unable to attend the meeting.

Meia Johnson, representing Antelope Valley Youthbuild along with David Whitman and Matt Kerian, thanked Director Dino, the Board, and District staff for the opportunity for their students to learn skills and poise from District staff.

President Mac Laren then stated that the Board is pleased to be able to extend the opportunity to all interns after which Human Resources Director Emery commended the interns for their professionalism and work ethic.

5.2) Recess to 7:00 p.m. (President Mac Laren)

At 6:24 p.m., President Mac Laren called for a 36-minute recess. She reconvened the regular meeting at 7:00 p.m. and the Board, again, thanked the interns for their efforts during the program.

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 December 10, 2014.

6.2) Ratification of Payment of Bills for December 24, 2014.

6.3) Payment of Bills for January 14, 2015.

6.4) Receive and File Semi-Annual Employee Reimbursement Report for the Period Covering July 1, 2014 through December 31, 2014. (Finance Manager Williams)

6.5) Approval of Reappointment of Helen Velador to Palmdale Recycled Water Authority Board. (General Manager LaMoreaux)

6.6) Approval of Resolution No. 15-1 being a Resolution for Employer Paid Member Contributions for CalPERS. (Human Resources Director Emery)

6.7) Approval of Resolution No. 15-2 being a Resolution Approving Employee Work Schedules. (Human Resources Director Emery)

6.8) Ratification of Addendum No. 1 to Employment Contract for General Manager of Palmdale Water District. (General Counsel Quilizapa)

President Mac Laren announced the items included in the Consent Calendar after which it was moved by Director Alvarado, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve those items included in the Consent Calendar.

Copies of said Resolution No.'s 15-1 and 15-2 are hereby made a portion of the minutes of this meeting.

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 Reorganization of the Board of Directors. (President Mac Laren)

Director Estes recommended this item be considered later in the meeting for further discussion.

After a brief discussion, it was moved by Director Dizmang, seconded by Director Dino, and carried on a 4 – 1 vote, with Director Estes opposed, that the officers of the Board of Directors remain as follows:

Kathy Mac Laren, President
Robert Alvarado, Vice President
Gloria Dizmang, Treasurer
Joe Estes, Secretary
Vincent Dino, Director

7.2) Status Report on Cash Flow Statement and Current Cash Balances as of November 30, 2014. (Financial Advisor Egan/Finance Committee)

Financial Advisor Egan reviewed the investment funds and cash flow reports as of November 30, 2014 along with preliminary reports through December 31, 2014, the maturing of several cd's, assessments and pass-through funds received, the Butte payment, and capital expenditures followed by discussion of interest earnings, maturity dates for cd's, investments in accordance with the District's Investment Policy, projects carried forward to 2015, and projected year-end balances compared to budgeted.

7.3) Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for November 30, 2014. (Finance Manager Williams)

Finance Manager Williams reviewed the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending November 30, 2014, along with the graphic presentations for these reports, and then stated that most departments are operating below the targeted expenditure percentage of 92% and reviewed the reasons for departments over budget.

7.4) Status Report on Committed Contracts Issued and Water Revenue Bond Projects. (Assistant General Manager Knudson/Finance Committee)

Assistant General Manager Knudson reviewed the status of approved 2015 engineering projects included in the Committed Contracts and Payout Schedule, including those projects contractually committed, budgeted projects, and payments for projects funded from the Water Revenue Series 2013A Bonds followed by discussion of Granular Activated Carbon and progress on the City of Palmdale's Upper Amargosa Recharge Project.

It was then determined that a presentation on the status of the City of Palmdale's Upper Amargosa Recharge Project be made at a future Board meeting.

7.5) Consideration and Possible Action on Proposal Received From The Pun Group LLP for Auditing Services for the Fiscal Year Ending December 31, 2014. ($18,000.00 – Budgeted – Financial Advisor Egan/Finance Committee)

Financial Advisor Egan provided an overview of The Pun Group LLP proposal and the Finance Committee's recommendation to accept the proposal after which it was moved by Director Alvarado, seconded by Director Estes, and unanimously carried to enter into a contract with The Pun Group LLP for auditing services for the fiscal year ending December 31, 2014 in the not-to-exceed amount of $18,000.00 subject to General Counsel's approval of said contract.

7.6) Consideration and Possible Action on Revision to Employee Handbook Regarding the Holiday Schedule. (Human Resources Director Emery)

Human Resources Director Emery reviewed the recommended revision to the District's holiday schedule to eliminate the Good Friday Holiday, add the Martin Luther King Jr. Holiday, eliminate the Friday after Thanksgiving Holiday, add one additional Floating Holiday, and add a Floating Holiday for an employee with a regularly scheduled day off during a holiday in order to eliminate payout of holidays, and after a brief discussion of the proposed revision and the availability of the additional Floating Holiday, it was moved by Director Estes, seconded by Director Dizmang, and unanimously carried to approve the revision to the Employee Handbook regarding the holiday schedule.

7.7) Consideration and Possible Action on District Policy Regarding Monitoring and Coverage of Fin and Feather Club Meetings by District Employees. (Ad Hoc Fin & Feather Committee-Director Alvarado/Director Dino)

Director Alvarado, of the Ad Hoc Fin & Feather Committee, reported that to address concerns raised by Director Estes, the Ad Hoc Fin & Feather Committee of himself and Director Dino met separately with General Manager LaMoreaux and Assistant General Manager Knudson to obtain the history of the Fin & Feather Club; that a meeting was held with Fin & Feather Club officers to discuss their concerns, which were requested in writing; that these concerns were then addressed with General Manager LaMoreaux and Assistant General Manager Knudson, and he is pleased to report that the concerns of the Fin & Feather Club have been addressed within the terms of the lease agreement; that the Committee is grateful and happy with the productive outcome of the meetings and gave kudos to General Manager LaMoreaux and Assistant General Manager Knudson for making it possible to address the Fin & Feather Club's concerns;

that the relationship between the Fin & Feather Club and the District has never been better; and that the Committee recommends the Fin & Feather Club officers and an Ad Hoc Committee of the Board meet once or twice a year to maintain open lines of communication to minimize any opportunity for a misunderstanding.

Mr. Perry Duggan, Immediate Past President and Club Liaison for the Fin & Feather Club, thanked Directors Alvarado and Dino, General Manager LaMoreaux, and Assistant General Manager Knudson for taking the time to meet and address their concerns and that the relationship with the District has never been better and they look forward to continuing this relationship.

President Mac Laren then stated that these changes were all completed by staff within the existing lease agreement and do not require Board action and she looks forward to great communication with the Fin & Feather Club.

Director Estes then thanked his fellow Board members, especially Directors Alvarado and Dino and District staff, for addressing raised concerns, and this process has been beneficial for both parties.

7.8) Consideration and Possible Action on Board and Staff Attendance at Conferences, Seminars, and Training Sessions as Follows:

a) Antelope Valley Board of Trade 2015 Business Outlook Conference to be Held February 27, 2015 in Lancaster.

b) American Water College Public Utilities and Waterworks Management Institute to be Held March 10 – 12, 2015 in Palmdale at the District.

After a brief discussion, it was moved by Director Alvarado, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to approve Board and staff attendance at the Antelope Valley Board of Trade 2015 Business Outlook Conference to be Held February 27, 2015 in Lancaster and the American Water College Public Utilities and Waterworks Management Institute to be Held March 10 – 12, 2015 in Palmdale at the District.

8) Information Items.

8.1) Reports of Directors:

a) Meetings/General Report.

Director Dizmang reported that her absence in December was unavoidable and thanked everyone for the well wishes, the visits, and the gifts, and a thank you card has been posted as she appreciates the warm thoughts; that on January 12, 2014, she attended the Finance Committee meeting with Director Dino and discussed the items considered on tonight's agenda and also discussed the number of customers qualified for the Rate Assistance Program and she recommends the Program be presented at the City of Palmdale's Senior Center, implementation of the new rate structure, and a summary of the budget being prepared for the Board after which Finance Manager Williams provided a status report on participation in the Rate Assistance Program.

President Mac Laren then suggested the District's meetings be broadcast on YouTube.

Director Alvarado reported that on December 17, he attended the Palmdale Recycled Water Authority meeting where they adopted the Recycled Water Master Plan prepared by Carollo Engineers and the Authority is moving forward; that on January 8, he attended the Antelope Valley State Water Contractors Association meeting where they discussed the successful Water Conservation Expo sponsored by the Association, the Association voted to continue this event, and kudos go to staff who worked on the Expo; that on December 9, he chaired the Environmental Restoration Advisory Board (ERAB) meeting, the meeting was successful, they reviewed the wells having difficulty with chromium levels, he requested a field trip of two high offender wells for ERAB members and a select group of community members, former civilian ERAB chair Juan Blanco will be invited on the field trip, and the field trip will begin at the District; and that on January 12, he attended a pleasant briefing with General Manager LaMoreaux.

Director Dino reported that on January 12, he attended the Finance Committee meeting with Director Dizmang for which she gave a report; that on January 13, he attended a Board briefing with General Manager LaMoreaux; and that on January 14, he attended the JPIA training held at the District, which was very informative and he is glad he attended this training.

Director Estes apologized for missing meetings in December, the absence was unavoidable, he is doing much better, and thanked Human Resources Director Emery, PIO/Conservation Director McNutt, and District staff for the well wishes and the book and that on January 14, he attended the JPIA training held at the District, and it was very informative.

President Mac Laren reported that on December 17, she attended the Palmdale Recycled Water Authority meeting, and it is good news that everything is moving forward with the Authority; that on January 8, she attended the Antelope Valley State Water Contractors Association meeting, and in addition to Director Alvarado's report, there is a new sense of working together, and she would like to see items from the District's previous Water Fairs incorporated into a future Water Conservation Expo or event to involve children; and that on January 14, she attended the JPIA training held at the District, it was very interesting, reminders were provided for the Directors, she learned that if you have friends on the Board, you can only have one friend at a time, and it was a wonderful class.

Director Dizmang then expressed thanks to staff involved with the Christmas Parade float, the float was well done, and the float won an award and stated that she heard good things about the Holiday Party and thanked staff involved with the planning for this event and that she also heard good things about the Christmas Customer Appreciation Day, and Santa Alvarado was very popular.

Director Alvarado then thanked staff for the monthly calendars, the good information shared in the employee newsletter and The Pipeline, and offered kudos to staff involved with these efforts as they are appreciated.

Director Estes then commended Human Resources Director Emery on her work for the District and for developing the District's Internship Program.

There were no further reports from Directors.

b) Standing Committee/Assignment Reports (Chair):

1) Finance Committee

It was stated that the Finance Committee meeting report was provided earlier in the meeting.

8.2) Report of General Manager.

General Manager LaMoreaux reported that a written report regarding the Christmas Customer Appreciation Day was included with the agenda packets; that this was a well-attended event; that staff learned that the lobby is not large enough for kids events; and that staff that worked the event did a great job.

He then reported that three Directors have attended the second course of iPad training and President Mac Laren and Director Estes need to schedule their training.

8.3) Report of Attorney.

General Counsel Quilizapa stated that they have no report but that absences of the Directors in December were both excused absences; that the District has no formal process for reporting absences; and that the process for future absences will be included in the Consent Calendar.

9) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

At 8:25 p.m., President Mac Laren called for a five-minute recess. She reconvened the regular meeting at 8:30 p.m.

10) Closed session under:

10.1) Conference with Legal Counsel – Existing Litigation: A Closed Session Will be Held, Pursuant to Government Code §54956.9 (d)(1), to Confer With Legal Counsel Regarding Pending Litigation to Which the District is a Party. The Title of Such Litigation is as Follows: ***Antelope Valley Ground Water Cases.***

10.2) Conference with Legal Counsel – Personnel: A Closed Session Will be Held Pursuant to Government Code §54957 to Conduct an Employee Evaluation for the Position of General Manager.

Action Item No. 12) Consideration and Possible Action on 360 Degree Evaluation of the General Manager. (Director Dizmang)

10.3) Conference with Legal Counsel – Employment Contract Negotiations: A Closed Session Will be Held Pursuant to Government Code §54957.6 With District General Counsel Regarding Employment Contract Negotiations With District General Manager.

At 8:25 p.m., President Mac Laren called for a closed session pursuant to Government Code §54956.9 (d)(1) to confer with legal counsel regarding pending litigation to which the District is a party – two cases: *Antelope Valley Ground Water Cases;*

pursuant to Government Code §54957 to conduct an employee evaluation for the position of General Manager; and pursuant to Government Code §54957.6 regarding employment contract negotiations with the District General Manager.

She reconvened the regular meeting at 9:54 p.m.

11) Public report of any action taken in closed session.

President Mac Laren reported that a closed session had been held pursuant to Government Code §54956.9 (d)(1) to confer with legal counsel regarding pending litigation to which the District is a party – one case: *Antelope Valley Ground Water Cases*; that the Board was briefed via teleconference by Special Counsel Bunn on the current status of this item of litigation; and that no reportable action was taken in closed session.

General Counsel Quilizapa then reported that a closed session had also been held pursuant to Government Code §54957 to conduct an employee evaluation for the position of General Manager; that the Board indicated they would like feedback from staff on the position of the General Manager; that the Board met with the General Manager and he agreed to this feedback process; and that the General Manager and the Board have agreed to seek anonymous and confidential feedback from staff through a form and process to be prepared by Human Resources Director Emery subject to the General Manager's approval prior to circulation to staff.

General Counsel Quilizapa then reported that a closed session had also been held pursuant to Government Code §54957.6 regarding employment contract negotiations with the District General Manager; that there was discussion on the process regarding contract negotiations; and that no reportable action was taken in closed session.

12) Board Members' Requests for Future Agenda Items.

Director Dizmang requested that Human Resources Director Emery prepare a history of actions regarding how General Managers have been chosen for the District in the last ten years.

There were no further requests for future agenda items.

13) Adjournment.

There being no further business to come before the Board, the meeting was adjourned.

Secretary

RESOLUTION NO. 15-1

RESOLUTION FOR EMPLOYER PAID MEMBER CONTRIBUTIONS

WHEREAS, the governing body of the Palmdale Water District has the authority to implement Government Code Section 20691;

WHEREAS, the governing body of the Palmdale Water District has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the Palmdale Water District of a Resolution to commence said Employer Paid Member Contributions (EPMC);

WHEREAS, the governing body of the Palmdale Water District has identified the following conditions for the purpose of its election to pay EPMC:

- This benefit shall apply to all employees of the Palmdale Water District.
- This benefit shall consist of paying 5.33 percent of the normal member contributions as EPMC.
- The effective date of this Resolution shall be January 1, 2015.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Palmdale Water District elects to pay EPMC, as set forth above.

BY:

Name of Official

President, Board of Directors
Title

January 14, 2014
Date adopted and approved

APPROVED AS TO FORM:

BY:
ALESHIRE & WYNDER, General Counsel

RESOLUTION NO. 15-2

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT APPROVING EMPLOYEE WORK SCHEDULES

WHEREAS, the Board of Directors of the Palmdale Water District has adopted an Alternative Work Schedule policy in order to gain the maximum efficiency for the District and to allow employees additional opportunities to enjoy their non-work hours; and

WHEREAS, eligibility to participate in the Alternative Work Schedule program is subject at all times to the needs of the District and may be modified as those needs dictate.

NOW, THEREFORE, BE IT RESOLVED that a 5/8 workweek schedule, which consists of five/eight-hour workdays Monday – Friday, has been approved as part of the Alternative Work Schedule.

BE IT FURTHER RESOLVED that a 9/80 workweek schedule, which consists of eight nine-hour workdays and one eight-hour workday Monday – Friday, has been approved as part of the Alternative Work Schedule.

BE IT FURTHER RESOLVED that a 3/12 workweek schedule, which consists of three twelve-hour workdays, has been approved as part of the Alternative Work Schedule.

BE IT FURTHER RESOLVED that a 4/10 workweek schedule, which consists of four ten-hour workdays Monday – Thursday, has been approved as part of the Alternative Work Schedule.

BE IT FURTHER RESOLVED that beginning March 1, 2014, all District offices and departments, with the exception of the water treatment plant, will be closed on Friday.

PASSED AND ADOPTED this 14th day of January, 2015.

President, Board of Directors

Secretary, Board of Directors

APPROVED AS TO FORM:

BY: _____
ALESHIRE & WYNDER, General Counsel