**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, AUGUST 12, 2015:**

*A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, August 12, 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 at 7:00 p.m.*

**1) Pledge of Allegiance.**

At the request of President Mac Laren, Director Alvarado led the pledge of allegiance followed by a moment of silence in honor of our military personnel fighting for our freedom.

**2) Roll Call.**

| **Attendance:** | **Others Present:** |
|---|---|
| Kathy Mac Laren, President | Dennis LaMoreaux, General Manager |
| Robert Alvarado, Vice President | Christina Burrows, Assistant General Counsel |
| Gloria Dizmang, Treasurer | Matt Knudson, Assistant General Manager |
| Joe Estes, Secretary | Mike Williams, Finance Manager |
| Vincent Dino, Director | Jim Riley, Engineering/Grant Manager |
| | Mike McNutt, PIO/Conservation Director |
| | Jennifer Emery, Human Resources Director |
| | Tim Moore, Facilities Manager |
| | Dennis Hoffmeyer, Accounting Supervisor |
| | Dawn Deans, Executive Assistant |
| | 3 members of the public |

**3) Adoption of Agenda.**

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 adopt the agenda, as written.

**4) Public Comments for Non-Agenda Items.**

Ms. Barbara Griffin, Palmdale resident, requested relief for payment of a high water bill due to a leak at her residence, and after a brief discussion of her account, her lot size, and the District's Rate Assistance Program, General Manager LaMoreaux stated that he will review her Leak Adjustment Request Form for any adjustments that can be made to her water bill.

There were no further public comments.

**5) Presentations:**

**5.1) None at This Time.**

There were no presentations.

**6) Action Items – Consent Calendar: (The Public Shall Have an Opportunity to Comment on Any Action Item on the Consent Calendar as the Consent Calendar is Considered Collectively by the Board of Directors Prior to Action Being Taken.)**

**6.1) Approval of Minutes of Regular Meeting Held July 22, 2015.**

**6.2) Payment of Bills for August 12, 2015.**

**6.3) Receive and File Semi-Annual Employee Reimbursement Report for the Period Covering January 1, 2015 Through June 30, 2015. (Finance Manager Williams)**

President Mac Laren announced the items included in the Consent Calender after which Director Dizmang requested Agenda Item No. 6.2 be removed from the Consent Calendar for comment.

It was then moved by Director Estes, seconded by Director Alvarado, and unanimously carried by all members of the Board of Directors present at the meeting to remove Agenda Item No. 6.2 from the Consent Calendar.

It was then moved by Director Dino, seconded by Director Alvarado, and unanimously carried by all members of the Board of Directors present at the meeting to approve Agenda Item No.'s 6.1 and 6.3 included in the Consent Calendar.

Director Dizmang then stated that she remains concerned about building the District's reserves; that due to low reserve levels, the District must pay approximately $34,000.00 annually for insurance on Littlerock Dam; that this annual payment could be saved if reserve levels were met; and that she advises the Board to consider this as the 2016 Budget and water rates are discussed.

It was then moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried by all members of the Board of Directors present at the meeting to approve Agenda Item No. 6.2 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 June, 2015. (Financial Advisor Egan/Finance Committee)**

Accounting Supervisor Hoffmeyer reviewed the investment funds and cash flow reports as of June, 2015, including the decrease in cash due to the Butte payment, maturing cds, bond proceed payments, the decrease in water sales due to conservation efforts, assessments, and DWR refunds after which Director Dizmang stated that the $445,000 EPA grant will be received later this year.

**7.2) Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for June 30, 2015. (Finance Manager Williams/Finance Committee)**

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 June 30, 2015 and then stated that most departments are operating at or below the targeted expenditure percentage of 50% and reviewed line items over-budget.

**7.3) 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 but not yet committed with these projects listed in order of priority, and payments for projects funded from the Water Revenue Series 2013A Bonds followed by discussion of the benefits to the District from the meter replacement project and the status of an upcoming water main replacement project on Tierra Subida Avenue.

**7.4) Consideration and Possible Action on Resolution No. 15-12 Supporting the Nomination of Director Kathleen Tiegs as the Association of California Water Agencies President. (General Manager LaMoreaux)**

General Manager LaMoreaux reviewed the Presidency process for the Association of California Water Agencies, and after a brief discussion of the qualifications of Ms. Tiegs, 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 Resolution No. 15-12 Supporting the Nomination of Director Kathleen Tiegs as the Association of California Water Agencies President.

A copy of said Resolution No. 15-12 is hereby made a portion of the minutes of this meeting.

**7.5) Consideration and Possible Action on Setting Palmdale Water District's Assessment Rates for Fiscal Year 2015-2016 and Adoption of Resolution No. 15-13 Regarding Said Rates. (Financial Advisor Egan/Finance Committee)**

Finance Manager Williams reviewed the District's proposed assessment rate for fiscal year 2015-2016, and after a brief discussion of the purpose of the assessment rates and of the increase in property values, it was moved by Director Dizmang, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve Resolution No. 15-13 Setting the Palmdale Water District's Assessment Rates for Fiscal Year 2015-2016.

President Mac Laren then requested that the press be informed that the District's actions have not affected property values as property values have increased.

A copy of said Resolution No. 15-13 is hereby made a portion of the minutes of this meeting.

**7.6) Consideration and Possible Action on Continuation of the District's Internship Program. (Human Resources Director Emery/Personnel Committee)**

Human Resources Director Emery reviewed staff's recommendation to continue the District's Internship Program for the fall semester increasing the number of interns from six to seven, and after a brief discussion of the success of this Program, it was moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried by all

members of the Board of Directors present at the meeting to continue the District's Internship Program for the fall semester.

**7.7) Consideration and Possible Action on Authorization of the Following Conferences, Seminars, and Training Sessions for Board and Staff Attendance Within Budget Amounts Previously Approved in the 2015 Budget:**

**a) Coaching and Mentoring Skills for Leadership Success Seminar to be Held August 20, 2015 in Burbank.**

**b) 2015 Western Regional Backflow Conference to be Held September 28 – 29, 2015 in Las Vegas, Nevada.**

**c) Scada & Security Products Telepace Studio Ladder Logic Training Class to be Held October 6 – 8, 2015 in Mill Valley.**

**d) Scada & Security Products ClearSCADA Training Class-Level 1 to be Held October 19 – 22, 2015 in Mill Valley.**

After a brief discussion of attendance at conferences based on the approved budget, it was moved by Director Dizmang, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve Board and staff attendance at the following conferences, seminars, and training sessions within budget amounts previously approved in the 2015 Budget: Coaching and Mentoring Skills for Leadership Success Seminar to be Held August 20, 2015 in Burbank; 2015 Western Regional Backflow Conference to be Held September 28 – 29, 2015 in Las Vegas, Nevada; Scada & Security Products Telepace Studio Ladder Logic Training Class to be Held October 6 – 8, 2015 in Mill Valley; and Scada & Security Products ClearSCADA Training Class-Level 1 to be Held October 19 – 22, 2015 in Mill Valley.

**8) Information Items.**

**8.1) Reports of Directors:**

**a) Meetings/General Report.**

Director Estes reported that on August 4, he attended the Facilities Committee meeting with Director Dino where they approved Amendment No. 3 to the Professional Services Agreement with Tripepi Smith & Associates for developing the District's intranet

in the not-to-exceed amount of $14,400.00 and reviewed the status of the new security system, the brine storage tanks, the nearly complete water meter replacement project and water main replacement projects, which are having incredible results on the reduction in water losses reducing losses from 12% to 9%, the installation of flow meters at the well sites, and the wind turbine status and that on August 11, he attended a Board briefing with General Manager LaMoreaux and Director Alvarado.

Director Alvarado reported that on August 4, he, Director Dizmang, and President Mac Laren were speakers at an event with other candidates and he is very proud of their responses to water-related subjects; that on August 10, he attended a meeting to discuss the Antelope Valley International Heritage's 21st Annual Festival, which will be held September 12 from 9 a.m. to 3 p.m. at Poncitlan Square, is an approved event for District attendance, and all items are free of charge; that on August 11, he attended a Board briefing with General Manager LaMoreaux and Director Estes; that also on August 11, he attended iPad laptop training with Information Technology Manager Stanton; and that the Antelope Valley State Water Contractors Association meeting is scheduled for August 13, 2015 at 6:30 p.m.

President Mac Laren reported that on August 12, she attended the Lancaster Chamber of Commerce luncheon; that the District's upcoming Water Summit was announced; that aides for Supervisor Antonovich and Congressman Knight are expected to attend the Summit; and that the Summit will bring our region together over the drought situation and create partnerships to make things better moving forward.

Director Dizmang reported that on August 4, she attended an event with other candidates and clarified that disclaimers announcing her, Director Alvarado's, and President Mac Laren's personal opinions were stated; that on August 10, she attended the Finance Committee meeting with Director Dino where they reviewed the agenda items considered earlier this evening, the debt service coverage, which is 1.28, revisions to the Rate Assistance Program to include seniors, veterans, and low income, and these revisions will be presented to the full Board for consideration, the lobby kiosk where approximately 60 customers have taken advantage of this payment option, and a timeline for the 2016 budget; and that on August 11, she attended a Board briefing with General Manager LaMoreaux.

Director Dino reported that on August 4, he attended the Facilities Committee meeting with Director Estes; that on August 10, he attended the Finance Committee meeting with Director Dizmang; and that on August 11, he attended a Board briefing with General Manager LaMoreaux.

There were no further reports from Directors.

**b) Standing Committee/Assignment Reports (Chair):**

**1) Facilities Committee**
**2) Finance Committee**

President Mac Laren stated that reports on the Facilities Committee and Finance Committee meetings were provided earlier in the meeting.

**8.2) Report of General Manager.**

**a) Status Report on the Preparation of Regulatory Agency Planning Reports and Due Dates. (Director Alvarado/Assistant General Manager Knudson**

General Manager LaMoreaux stated that as requested by Director Alvarado, Assistant General Manager Knudson prepared a summary of all Regulatory Agency Planning Reports and their due dates and he is available to answer any questions after which Director Alvarado stated that he requested this information to ensure all reports are completed in a timely manner.

The Board then commended staff for their effort on ensuring planning and regulatory reports are completed in a timely manner.

**8.3) Report of Attorney.**

Assistant General Counsel Burrows stated that she has no report.

**9) Public Comments on Closed Session Agenda Matters.**

There were no public comments on closed session agenda matters.

At 8:03 p.m., President Mac Laren called for a five-minute recess. She reconvened the regular meeting at 8:08 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 Special**

**Litigation Counsel regarding pending litigation to which the District is a party. The title of such litigation is as follows: *Antelope Valley Ground Water Cases.***

At 8:08 p.m., President Mac Laren called for a closed session pursuant to Government Code §54956.9 (d)(1) to confer with Special Litigation Counsel regarding pending litigation to which the District is a party. The title of such litigation is as follows: *Antelope Valley Ground Water Cases.*

She reconvened the regular meeting at 8:23 p.m.

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

General Manager LaMoreaux stated that a closed session was held pursuant to Government Code §54956.9 (d)(1), to confer with Special Litigation Counsel regarding pending litigation to which the District is a party, the title of such litigation being the *Antelope Valley Ground Water Cases*; that Special Litigation Counsel briefed the Board via telephone as to the status of this matter; and that no reportable action was taken in closed session on this matter.

**12) Board Members' Requests for Future Agenda Items.**

President Mac Laren requested an item be placed on the next agenda for Consideration and possible action on creating a standing agenda item for 'Break prior to closed session.'

Director Dizmang requested items be placed on the next agenda for "Review of Board policy regarding Director reimbursements" and "Consideration and possible action to develop and present a financial plan for an office remodel for Board consideration and approval upon completion of the current design contract."

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 at 8:26 p.m.

Secretary

**RESOLUTION NO. 15-12**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT SUPPORTING THE NOMINATION OF DIRECTOR KATHLEEN TIEGS AS THE ASSOCIATION OF CALIFORNIA WATER AGENCIES PRESIDENT**

**WHEREAS,** the Palmdale Water District Board of Directors are active participants in the Association of California Water Agencies (ACWA); and

**WHEREAS,** Director Kathleen Tiegs has expressed her interest in serving as the ACWA President for the 2015-2016 term; and

**WHEREAS,** Director Kathleen Tiegs has served in a variety of leadership positions in ACWA, including Vice-President of the Board, the Local Government Committee, the Groundwater Committee, Vice-Chair of the Federal Affairs Committee, Region 9 Board of Directors, and as a member of ACWA/JPIA Executive Committee; and

**WHEREAS,** Director Kathleen Tiegs is committed to advancing ACWA's Policy Principles and finding common ties between members to develop a long-term strategy that provides a sustainable water future for all members and their constituents.

**NOW, THEREFORE, BE IT RESOLVED THAT THE PALMDALE WATER DISTRICT BOARD OF DIRECTORS:**

1) Does hereby place its full and unreserved support of the nomination of Director Kathleen Tiegs as President of the Association of California Water Agencies for the 2015-2016 term.

**ADOPTED** this 12th day of August, 2015.

President, Board of Directors

Secretary, Board of Directors

APPROVED AS TO FORM:

BY: _____
ALESHIRE & WYNDER, General Counsel

# PALMDALE WATER DISTRICT
# RESOLUTION NO. 15-13

WHEREAS, the Los Angeles County Auditor-Controller has submitted to the Palmdale Water District the assessed value information necessary to enable the District to establish its assessment rates; and

WHEREAS, the Board of Directors has reviewed the assessed value information and has calculated the amounts needed to be raised to meet the State Water Contract; and

WHEREAS, the Board of Directors has determined the assessment rate required to raise the required funds.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Palmdale Water District hereby establishes the following secured tax rates for 2015-2016:

| ACCOUNT # | AGENCY NAME | TAX RATE |
|---|---|---|
| 308.60 | Palmdale Water District | .000000 |
| 308.61 | Palmdale Water District Zone B | 0.299219 |
| 308.62 | Palmdale Water District Zone B2 | 0.299219 |
| 308.63 | Palmdale Water District Zone C | 0.299219 |
| 308.65 | Palmdale Water District Zone E | 0.299219 |
| 308.66 | Palmdale Water District Zone A | 0.299219 |
| 308.67 | Palmdale Water-Westmont Imp. Dist. | .000000 |

FURTHER RESOLVED, that the Board of Supervisors of the County of Los Angeles, State of California, is hereby authorized and directed, at the time and in the manner directed by law, in addition to any and all other taxes and assessments levied against the lands within the Palmdale Water District, to levy and collect assessments against all of the lands within said District and the aforesaid improvement District at the rates set forth above.

PASSED AND ADOPTED at a regular meeting of the Board of Directors held on August 12, 2015, by the following roll call vote:

AYE: Kathy Mac Laren, Robert Alvarado, Gloria Dizmang, Joe Estes, Vincent Dino

NO: None

ABSENT: None

I hereby certify under penalty of perjury that the tax rates levied herein are exempt from the application of Article XIII A, Section 1(A) of the Constitution of the State of California.

Name: Kathy Mac Laren
Title: President, Board of Directors

DATED: August 12, 2015

RESOLUTION NO. 15-13

CR52RPTA

COUNTY OF LOS ANGELES
AUDITOR-CONTROLLER, TAX DIVISION

2015 - 16 SECURED TAX RATES

| ACCT # | AGENCY NAME | TAX RATE |
|---|---|---|
| 308.60 | PALMDALE WATER DIST | .000000 |
| 308.61 | PALMDALE WATER DIST ZONE B | 0.299219 |
| 308.62 | PALMDALE WATER DIST ZONE B2 | 0.299219 |
| 308.63 | PALMDALE WATER DIST ZONE C | 0.299219 |
| 308.65 | PALMDALE WATER DIST ZONE E | 0.299219 |
| 308.66 | PALMDALE WATER DIST ZONE A | 0.299219 |
| 308.67 | PALMDALE WATER-WESTMONT IMP DIST | .000000 |

I, KATHY MAC LAREN, AM ~~A MEMBER OF THE CITY COUNCIL, A~~ MEMBER OF THE GOVERNING BOARD, ~~THE CHIEF EXECUTIVE OR THE CHIEF FINANCIAL OFFICER~~ FOR THIS AGENCY AND I HEREBY CERTIFY THAT THE TAX RATES LEVIED HEREIN ARE IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE XIII SECTION 1(b) OF THE CONSTITUTION OF THE STATE OF CALIFORNIA.

Kathy MacLaren

AUTHORIZED SIGNATURE

President
Board of Directors
TITLE

August 12, 2015
DATE