MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, SEPTEMBER 28, 2015:

A regular meeting of the Board of Directors of the Palmdale Water District was held Monday, September 28, 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 7:02 p.m.

1) Pledge of Allegiance.

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

2) Roll Call.

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

3) Adoption of Agenda.

President Mac Laren stated that Agenda Item No. 11.1 will not be considered this evening after which 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 amended, removing Agenda Item No. 11.1.

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Presentations:

5.1) Drought Report-Review of "Water Conservation and Reduction in Water Demand Efforts Report as of August, 2015." (PIO/Conservation Director McNutt)

PIO/Conservation Director McNutt stated that water use in August was reduced 29.6% compared to 2013 averaging a 29.4% reduction in water use; that residential gallons per capita per day is now at 142.8 gpcd; that fines are now being issued for water waste and for watering on non-designated days with 357 fines issued to date; and that overtime has been authorized for staff to search for water waste followed by discussion of the ability to meet the 32% mandated goal, the use of revenue from fines, and when fines are issued.

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 September 9, 2015.

6.2) Payment of Bills for September 28, 2015.

6.3) Approve Absence of President Mac Laren From September 9, 2015 Meeting Due to Employment Commitments. (General Counsel Dunn)

President Mac Laren announced the items included in the Consent Calendar after which it was moved by Director Alvarado, seconded by Director Dizmang, and unanimously carried by all members of the Board of Directors present at the meeting 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 to Authorize the Creation of an Ad Hoc Committee to Review Director Compensation and Expenses and the President to Appoint its Members Tabled From September 9, 2015 Regular Board Meeting. (President Mac Laren)

Director Dizmang stated that she requested this item to ensure the District has a consistent and appropriate policy regarding guidelines for Director compensation and expenses as these are public funds and the Board needs to scrutinize its own affairs, and after a brief discussion of the purpose of Committee meetings and of state law regarding Director meetings, it was moved by Director Dizmang, seconded by Director Alvarado, and carried on a 4 – 1 vote by all members of the Board of Directors present

at the meeting, with Director Estes opposed, to authorize the creation of an Ad Hoc Committee to review Director compensation and expenses with President Mac Laren appointing its members.

After a brief discussion of previous Ad Hoc Committees and of Ad Hoc Committee volunteers, President Mac Laren appointed Director Dino and Director Estes to the Ad Hoc Director Compensation and Expense Committee and directed that the Committee's findings be presented to the full Board for discussion.

It was then recommended that staff, General Counsel Dunn, and Dr. Mathis also attend this Ad Hoc Committee meeting.

7.2) 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) A.W.W.A. CA-NV Annual Fall Conference "Solutions for a Changing World" to be Held October 26 – 29, 2015 in Las Vegas, Nevada.

b) West Coast Infrastructure Exchange (WCX) "Public-Private Partnerships for the Water Sector" to be Held October 28 – 29, 2015 in Stanford, California.

After a brief discussion of attendance at conferences based on the approved budget, it was moved by Director Dino, seconded by Director Dizmang, 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: A.W.W.A. CA-NV Annual Fall Conference "Solutions for a Changing World" to be Held October 26 – 29, 2015 in Las Vegas, Nevada and West Coast Infrastructure Exchange (WCX) "Public-Private Partnerships for the Water Sector" to be Held October 28 – 29, 2015 in Stanford, California.

7.3) Adjourn to Public Facilities Corporation Meeting.

At 7:30 p.m., President Mac Laren adjourned the Regular Board Meeting to the annual meeting of the Public Facilities Corporation. She reconvened the Regular Board Meeting at 7:32 p.m.

7.4) Adjourn to Public Financing Authority Meeting.

At 7:32 p.m., President Mac Laren adjourned the Regular Board Meeting to a meeting of the Public Financing Authority. She reconvened the Regular Board Meeting at 7:34 p.m.

8) Information Items.

8.1) Reports of Directors:

a) Meetings/General Report.

Director Alvarado reported that on September 12, he attended the Antelope Valley International Heritage Festival, and he is pleased with the number of people who visited the District's booth for shower heads, other giveaways, and information regarding how to save water; that on September 13, he attended the Palmdale Fin & Feather Club annual barbecue, it was a lot of fun, and he saw many people from the community and their families who fish at the Club; that on September 16, the Palmdale Recycled Water Authority meeting scheduled for this date was cancelled; that on September 17, he attended the Antelope Valley State Water Contractor Association's meeting with Commissioner Mac Laren; and that on September 28, he attended a Board briefing with General Manager LaMoreaux.

Director Dizmang reported that on September 10, she attended the Outreach Committee meeting with Director Estes; that on September 12, she also attended the Antelope Valley International Heritage Festival, and it was a very nice event; that on September 13, she also attended the Palmdale Fin & Feather Club annual barbecue where she was able to visit with old friends; that on September 14, she attended the Water Supply & Reliability Committee meeting with Director Dino; and that on September 22, she attended the Antelope Valley Board of Trade luncheon where members of the Antelope Valley Resource Conservation District presented information on their garden and on water conservation.

She then reported that at the Outreach Committee meeting, they received reports from PIO/Conservation Director McNutt regarding the status of filming for the Public Service Announcement; the District of Distinction award, which was presented at the annual California Special Districts Association meeting; recent speaking engagements; the booth at the Antelope Valley International Heritage Festival; the Small Business Symposium sponsored by Assemblyman Lackey and the African American Chamber of

Commerce; increased enforcement to meet drought regulations; the success of the Water Summit and comments made by the Vice President of the State Water Resources Control Board regarding the adequate water supply in the Orange County aquifer; the status of elementary and high school water education programs; and Committee Member Estes requested a short video be prepared on how to read the water bill including comparing 2013 usage to today's usage. She then congratulated PIO/Conservation Director McNutt on becoming a Board Member for the Palmdale Chamber of Commerce and for the Greater Antelope Valley Economic Alliance.

She then reported that at the Water Supply & Reliability Committee meeting, they received reports from Water & Energy Resources Director Pernula on water supply projections; information on how the community is conserving water and the shortfalls; the selection of a consultant for the preparation of the 2015 Urban Water Management Plan budgeted at $40,000.00, and staff was directed to request a scope of work from several consultants; fifteen water waste fines had been issued as of the date of the Committee meeting; the Forest Service not yet completing their review of the environmental document for the Littlerock Dam Sediment Removal Project, and she requested a timeline of the Forest Service delays on this Project and a meeting be scheduled with Congressman Knight to discuss these delays; continuing work on the design drawings for the Upper Amargosa Recharge Project; continuing work on the CEQA documents for the Palmdale Groundwater Recharge & Recovery Project; and continuing work on water purchase opportunities.

Director Estes reported that on September 10, he attended the Outreach Committee meeting with Director Dizmang; that on September 13, he attended the Palmdale Fin & Feather Club annual barbecue, and he was also able to visit with old friends; that last week, he attended the California Special Districts Association meeting in Monterey and will provide a full report at a later date; and that on September 28, he attended the Personnel Committee meeting with President Mac Laren.

Director Dino reported that on September 14, he attended the Water Supply & Reliability Committee meeting with Director Dizmang and that September 20 – 24, he attended the California Special Districts Association Conference in Monterey, which was very, very good, and attended sessions regarding computer hacking, how easily this is accomplished, and how we must protect ourselves with secure passwords; the Brown Act, which is important to stay up-to-date on, where it was discussed that public speakers do not have to provide their name and do not have to complete a Speaker Request Card; liabilities on public properties where it is important to have maintenance contracts in

place; and disruptive behavior from the public, the public can address Directors on most any topic, and it is beneficial to have a speaker timer.

President Mac Laren reported that on September 13, she attended the Palmdale Fin & Feather Club barbecue, it was enjoyable, and they are very happy and positive about the partnership between the District and the Club; that on September 17, she attended the Antelope Valley State Water Contractors Association meeting with Commissioner Alvarado where the three member agencies discussed business of the State Water Contractors beneficial to the entire Antelope Valley, the upcoming Water Expo, and there is improvement on efforts of the three member agencies to work together on a regional basis; that September 21 – 24, she attended the California Special Districts Association Conference in Monterey where the District was awarded the District Transparency Certificate of Excellence and the District of Distinction award, there were only three agencies to achieve this honor, and the District is a gold member due to education and training attended by the Board and General Manager LaMoreaux; she attended a session at this Conference on outreach on a tight budget, many other breakout sessions, and enjoyed open communication with members of other agencies, and she leaves these types of conferences feeling energized, enriched, and knowledgeable on how and why the way the District conducts business; that on September 28, she attended the Personnel Committee meeting where they reviewed the Salary Survey, the Committee is pleased with the results, it is available for review, it has been reviewed with staff, and no one understands just how hard District employees work to be innovative and creative in everything they do to save money, conduct research, and conduct work in-house, and other agencies may begin using our Salary Survey as a model; and that also on September 28, she attended a Board briefing with General Manager LaMoreaux.

There were no further reports from Directors.

b) Standing Committee/Assignment Reports (Chair):

1) Outreach Committee

2)

3) Water Supply & Reliability Committee

4) Antelope Valley State Water Contractors Association

President Mac Laren stated that reports on the Outreach Committee, Water Supply & Reliability Committee, and Antelope Valley State Water Contractors Association meetings were provided earlier in the meeting.

8.2) Report of General Manager.

a) September, 2015 Written Report.

General Manager LaMoreaux stated that a written General Manager report for September, 2015 was provided this evening if there are any questions on same and then briefly reviewed the highlights of the report including the challenge of meeting the 32% mandated water use reduction, appeals received for water waste fines, some of which may appear before the Board at a later date, the Governor's Drought Task Force and L.A. County Supervisor Sheila Kuehl's meetings regarding the drought and flood management, updated charts regarding water use savings, long-term per capita numbers, stable water losses, 85 main line leaks through the end of August compared to nearly 800 a few years ago, and the area targeted for a water meter replacement project.

8.3) Report of Attorney.

General Counsel Dunn expanded on Director Dino's report stating that public speakers are not required to provide a name or fill in a Speaker Request Card, this information may be required at public hearings, and there is no case law in this area and that regarding the public criticizing the Board, the appellate court upheld that the public has the right to criticize Board members and employees by name as long as it is within the confines of the business of the agency and agreed that speaker timers are helpful.

9) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

10) Break Prior to Closed Session.

At 8:02 p.m., President Mac Laren called for an eight-minute recess. She reconvened the regular meeting at 8:10 p.m.

11) Closed Session Under:

11.1) 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.***

11.2) Conference with Legal Counsel – Potential Litigation: A Closed Session Will be Held, Pursuant to Government Code §54956.9 (d)(4), to Confer With District Counsel Regarding to Determine Whether to Initiate Litigation, One Case.

At 8:10 p.m., President Mac Laren called for a closed session pursuant to Government Code §54956.9 (d)(4), to confer with District Counsel regarding to determine whether to initiate litigation, one case.

She reconvened the regular meeting at 8:34 p.m.

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

General Counsel Dunn stated that as President Mac Laren stated earlier, Agenda Item No. 11.1 was removed from the agenda and was not discussed in closed session and that a closed session was held pursuant to Government Code §54956.9 (d)(4), to confer with District Counsel regarding to determine whether to initiate litigation, one case; that the Board was updated on the status of this case; that the Board gave direction to staff; but that no reportable action was taken in closed session on this matter.

13) Board Members' Requests for Future Agenda Items.

Director Dizmang requested an item be placed on the next agenda for "Report/discussion on the apparent non-fulfillment of the District's contract with the City of Palmdale regarding recycled water."

Director Alvarado then requested an item be placed on the next agenda for "Status report on District grants applied for, grants currently being worked on, and grants being considered to be applied for in the near future."

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 8:37 p.m.

Robert E. Alvarado
Vice President