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

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

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	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
	Dennis Hoffmeyer, Accounting Supervisor
	Dawn Deans, Executive Assistant
	5 members of the public

3) Adoption of Agenda.

President Mac Laren stated that there is no need for a Closed Session this evening 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 adopt the agenda, as amended, removing Agenda Item No.'s 11 and 12.

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 September, 2015." (PIO/Conservation Director McNutt)

PIO/Conservation Director McNutt showcased the District's plaques for earning the California Special Districts Association Districts of Distinction and District of Transparency certifications, provided an overview of the District's Water Conservation and Reduction in Water Demand Efforts Report and Reporting Table for September, 2015, which shows a 29.4% reduction in water use compared to June through September, 2013, and stated that to date, 905 citations for water waste have been issued totaling $50,950 in fines; that General Manager LaMoreaux is processing 79 appeals received for these fines; and that residential gallons per capita per day is now at 120.1.

Notifications to ratepayers regarding appealing citations, fines to agencies not meeting mandated water use reductions, and the District's visibility and proactive outreach approach were then discussed followed by viewing of the District's new Public Service Announcement commercial, which will be marketed through various sources.

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 October 14, 2015.

6.2) Payment of Bills for October 28, 2015.

6.3) Approve Absence of Director Estes from October 14, 2015 Meeting Due to Illness. (General Counsel Dunn)

6.4) Approval of 2016 District Membership in California Special Districts Association. ($6,089.00 – Budgeted – General Manager LaMoreaux)

President Mac Laren announced the items included in the Consent Calendar 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 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 on Ratification of Arrangement for Palmdale Water District to Temporarily Deliver Treated Water to Antelope Valley-East

Kern Water Agency Via Existing Inter-Connection Located at Rancho Vista Boulevard and Division Street Under the Water Treatment and Transportation Agreement Between Palmdale Water District and Antelope Valley-East Kern Water Agency. (Assistant General Manager Knudson)

Assistant General Manager Knudson provided an overview of the recent flood damage to the California Aqueduct, Los Angeles County Waterworks' request for emergency assistance to provide water temporarily to their customers, and the District's arrangement to provide assistance according to the existing Transportation Agreement between the District and the Antelope Valley East-Kern Water Agency, and after a brief discussion of this Agreement and collaboration with area agencies as a Regional Leader, 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 ratify the mutual understanding and arrangement to temporarily deliver treated water to the Antelope Valley-East Kern Water Agency via the existing inter-connection located at Rancho Vista Boulevard and Division Street under the Water Treatment and Transportation Agreement between Palmdale Water District and the Antelope Valley-East Kern Water Agency.

Director Dino then stated that he attended AVEK's Board meeting last night, and they publicly thanked the Palmdale Water District for this arrangement and for delivering emergency water.

Assistant General Manager Knudson then informed the Board that District policy requires a consensus of the Board for staff to draw the level of Palmdale Lake to anything lower than five feet from full, which is 2812.5'; that staff intends to draw the level of Palmdale Lake to no lower than 2805' as no State Water Project water has been available; and that the Lake level will be increased to close to full prior to the Palmdale Fin & Feather Club's opening day in February after which the Board concurred with staff's operations of Palmdale Lake.

7.2) Consideration and possible action on Salary Survey. (Assistant General Manager Knudson/Human Resources Director Emery/Personnel Committee)

Human Resources Director Emery reviewed staff's preparation of the Salary Survey, and after a brief discussion, 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 the Salary Survey, as presented.

General Manager LaMoreaux then stated that the Salary Survey will become effective January 1, 2016.

7.3) 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) None at This Time.

There were no conferences, seminars, and training sessions to consider.

8) Information Items.

8.1) Reports of Directors:

a) Meetings/General Report.

Director Estes stated that he has no report.

Director Alvarado reported that on October 15, he attended the Antelope Valley State Water Contractor Association's meeting, and this organization is planning the second annual Smart Landscaping Expo on November 7 at the Antelope Valley Fairgrounds with additional vendors invited; that on October 21, he attended the Palmdale Recycled Water Authority meeting where they had discussions regarding different items the Authority needs to do to be proactive and are continuing to work together; and that on October 27, he attended a Board briefing with General Manager LaMoreaux.

President Mac Laren reported that on October 21, she also attended the Palmdale Recycled Water Authority meeting where they are working together to finalize outstanding issues to move forward with projects; that on October 26, she attended a field trip to the Inland Empire Utility Agency's recycled water recharge project in Chino with General Manager LaMoreaux and Assistant General Manager Knudson, this project uses storm capture basins, and the District can learn from this project; and that on October 27, she attended a Board briefing with Director Dizmang and General Manager LaMoreaux.

Director Dizmang reported that on October 15, she attended the Outreach Committee meeting, which was informational only as Director Estes was ill, where staff provided updates on drought outreach, the number of citations issued to date, the change

in water use reporting requirements, video production, Educational Conservation Programs, working with school curriculum directors to provide Program information to teachers, her request for an outline of these Programs for the elementary and high schools, and the District's participation in the Salute to Youth job information program; that on October 16, she attended the African American Chamber of Commerce luncheon; that on October 19, she attended the Special Finance Committee meeting with Director Dino where they reviewed the preliminary 2016 Budget, which includes only basics and a possible 5.5% water rate increase, and she requested this be re-evaluated at a lower level along with evaluating reductions in the Board budget, employees paying additional towards CalPERS, and departmental reductions, discussions included ensuring the benefits cap is still in place and being very conscious of the need to meet the Debt Service Coverage to qualify for future funding, and the Finance Committee will meet again prior to the Budget Workshop; that on October 21, she attended the Palmdale Recycled Water Authority meeting; that on October 27, she attended a Board briefing with President Mac Laren and General Manager LaMoreaux; that on October 28, she attended a welcome event with the City of Palmdale's new City Manager; and that also on October 28, she attended a spaghetti dinner at the Palmdale Women's Club.

President Mac Laren then stated that there are several rumors about the District eliminating the Cash for Grass Program and requested clarification from staff after which General Manager LaMoreaux clarified that staff will be presenting a restructured Cash for Grass Program to the Board for consideration at a future meeting with the intent to fund this Program as of January 1, 2016.

President Mac Laren then stated that staff is also pursuing grant funding for the Cash for Grass Program, and it was further clarified that it has never been discussed to eliminate the Cash for Grass Program.

Director Dino reported that on October 15, he attended the Outreach Committee meeting; that on October 19, he attended the Finance Committee meeting; that on October 21, he attended the Palmdale Recycled Water Authority meeting; that on October 27, he attended a Board briefing with General Manager LaMoreaux; and that also on October 27, he attended the AVEK Board meeting.

There were no further reports from Directors.

b) Standing Committee/Assignment Reports (Chair):

1) Antelope Valley State Water Contractors Association

2) Outreach Committee

3) Special Finance Committee

4) Palmdale Recycled Water Authority.

President Mac Laren stated that reports on the Antelope Valley State Water Contractors Association, the Outreach Committee meeting, the Special Finance Committee meeting, and the Palmdale Recycled Water Authority were provided earlier in the meeting.

8.2) Report of General Manager.

a) October, 2015 Written Report.

General Manager LaMoreaux reported that the October, 2015 written report was provided this evening and includes graphs showing conservation goals and efforts and mainline leaks through the end of September, which is a significant reduction from years past.

He then stated that the Smart Landscaping Expo is scheduled for Saturday, November 7, at the A.V. Fairgrounds after which Director Alvarado stated that Directors from the three member agencies of the Antelope Valley State Water Contractors Association are invited to work the booth at the Expo.

Water levels in Littlerock Reservoir and Palmdale Lake from recent rain were then discussed after which Director Alvarado thanked and commended General Manager LaMoreaux for following the Board's direction to submit monthly written reports and for keeping the Board updated and informed.

8.3) Report of General Counsel.

General Counsel Dunn stated that he has no report.

9) Public Comments on Closed Session Agenda Matters.

Mr. Steve Chisolm, Palmdale resident, inquired if Governor Brown has declared a state of emergency for Quartz Hill Water District to recoup expenses for State Water Project repairs after which General Manager LaMoreaux stated that he has not heard of

this state of emergency but that the City of Palmdale did not think that a declaration of emergency would be made.

Mr. Chisolm then stated that Governor Brown signed a declaration for funds across the state for water capture and water storage and inquired if the District has received these funds after which General Manager LaMoreaux clarified that the Water Bond was passed by the voters last fall, and the District is actively involved in pursuing funds under the Water Bond.

There were no public comments on closed session agenda matters.

10) Break Prior to Closed Session.

President Mac Laren stated that no break will be held as there is no closed session this evening.

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.

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

President Mac Laren stated that no closed session was held.

13) Board Members' Requests for Future Agenda Items.

Director Alvarado requested General Counsel Dunn provide a written report on SB415 regarding consolidation of local elections and how this will affect the District.

President Mac Laren then requested written clarification on the City of Palmdale's landscaping requirements as this information may help customers further conserve water

after which General Manager LaMoreaux stated that this information will be included with discussions on the District's Cash for Grass Program.

There were no further requests for future agenda items.

14) Adjournment.

There being no further business to come before the Board, the meeting was adjourned at 7:53 p.m.

Secretary