MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JANUARY 13, 2016:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, January 13, 2016, 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 7:03 p.m.

1) Pledge of Allegiance.

At the request of President Mac Laren, Director Henriquez led the pledge of allegiance followed by a moment of silence in honor of former Palmdale Water District Director James L. Cole, who was a Director from 1978 – 1980.

2) Roll Call.

Attendance:	**Others Present:**
Kathy Mac Laren, President	Dennis LaMoreaux, General Manager
Robert Alvarado, Vice President	Matt Knudson, Assistant General Manager
Joe Estes, Secretary	Eric Dunn, General Counsel
Vincent Dino, Director	Jim Riley, Engineering/Grant Manager
Marco Henriquez, Director	Jennifer Emery, Human Resources Director
	Mike McNutt, PIO/Water Conservation Director
	Tim Moore, Facilities Manager
	Mynor Masaya, Operations Manager
	Amanda Thompson, Water Quality/Regul. Affairs Spvsr.
	Dawn Deans, Executive Assistant
	5 members of the public

3) Adoption of Agenda.

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 written.

4) Public Comments for Non-Agenda Items.

PIO/Conservation Director McNutt informed the Board that Senator Runner and Assemblyman Lackey have presented the District with a California Legislature Assembly Resolution recognizing the District's efforts and hard work to become a District of Transparency and District of Distinction through the Special District Leadership Foundation and commended the District for prudent fiscal practices, effective operations, and successful governance and extended their sincere best wishes for future success.

There were no further public comments.

5) Presentations:

5.1) Palmdale Water District Flushing Program. (Water Quality/Regulatory Affairs Supervisor Thompson)

Water Quality/Regulatory Affairs Supervisor Thompson provided an overview of the District's Flushing Program, including the flushing operation and requirements, goals, water quality, challenges, and achievements followed by discussion of coordination with the City of Palmdale or contractors to fill water trucks and notification to customers.

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 December 9, 2015.

6.2) Ratify Payment of Bills for December 23, 2015.

6.3) Ratify Payment of Bills for December 30, 2015.

6.4) Payment of Bills for January 13, 2016.

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

President Mac Laren stated that the position of President shall be considered after which Director Dino moved to nominate Director Alvarado as President.

Director Estes then recommended that Board officer positions be on a succession rotation basis.

The motion to nominate Director Alvarado as President was then seconded by Director Henriquez and unanimously carried by all members of the Board of Directors present at the meeting.

It was then moved by Director Alvarado to nominate Director Dino as Vice President.

The succession rotation of Directors and Article 4 of the District's Rules and Regulations regarding Board Officers were then discussed.

The motion to nominate Director Dino as Vice President was then seconded by President Mac Laren and carried on a 4 – 1 vote, with Director Estes opposed.

It was then moved by Director Alvarado and seconded by Director Dino to nominate Director Estes as Treasurer, and after Director Estes' acceptance of the position, the motion was unanimously carried by all members of the Board of Directors present at the meeting.

It was then moved by Director Alvarado and seconded by Director Dino to nominate Director Henriquez as Secretary, and after Director Henriquez' acceptance of the position, the motion was unanimously carried by all members of the Board of Directors present at the meeting.

The officers for the Palmdale Water District are as follows:

Robert Alvarado, President
Vincent Dino, Vice President
Joe Estes, Treasurer
Marco Henriquez, Secretary
Kathy Mac Laren, Director

President Alvarado then stated that it is an honor to lead the District into the future for the next year or two, he looks forward to ensuring what is best for the District, and thanked Director Mac Laren for her years of leadership.

7.2) Consideration and Possible Action on Proposal Received From Rothman Business Interiors for Front Office Modifications. ($4,241.00 – Budgeted – Human Resources Director Emery)

Human Resources Director Emery provided an overview of the proposal received for front office modifications, and after a brief discussion of the modifications and commendations to staff for providing cost-saving alternatives, it was moved by Director Mac Laren and seconded by Director Dino to approve the proposal received from Rothman Business Interiors to modify the front office work space in the not-to-exceed amount of $4,241.00.

The motion was then unanimously carried by all members of the Board of Directors present at the meeting on the following roll call vote:

Director Estes – aye
Director Mac Laren – aye
President Alvarado – aye
Director Henriquez – aye
Director Dino - aye

7.3) Consideration and Possible Action on Change Order No. 1 to Specification No. 1402-A Being the Construction and Implementation of the Palmdale Water District Site Security Improvement Project. ($28,628.90 – Budgeted – Project Manager Thompson Sr.)

Project Manager Thompson Sr. provided an overview of Change Order No. 1 to Specification No. 1402-A, and after a brief discussion of the revisions and the cost of the Change Order, it was moved by Director Mac Laren and seconded by Director Dino to approve Change Order No. 1 to Specification No. 1402-A being the construction and implementation of the Palmdale Water District Site Security Improvement Project in the not-to-exceed amount of $28,628.90.

The motion was then unanimously carried by all members of the Board of Directors present at the meeting on the following roll call vote:

Director Estes – aye
Director Mac Laren – aye
President Alvarado – aye
Director Henriquez – aye
Director Dino - aye

7.4) Consideration and Possible Action on Adoption of Strategic Plan. (General Manager LaMoreaux)

General Manager LaMoreaux provided an overview of revisions to the Strategic Plan, which were reviewed in detail at the recent President's Dinner, and after a brief discussion of the revisions and the need to update the Strategic Plan, it was moved by Director Mac Laren and seconded by Director Dino to adopt the updated Strategic Plan with the following Strategic Initiatives:

Initiative No. 1 – Water Resource Reliability
Initiative No. 2 – Organizational Excellence
Initiative No. 3 – Systems Efficiency
Initiative No. 4 – Financial Health and Stability
Initiative No. 5 – Regional Leadership
Initiative No. 6 – Customer Care and Advocacy

Mr. Jason Zink, resident, then recommended the Littlerock Sediment Removal Project be included in these initiatives and stated that he can ensure this Project is completed, and after clarification of the inclusion of this Project in the Strategic Plan update and of Forest Service delays, the motion was unanimously carried by all members of the Board of Directors present at the meeting on the following roll call vote:

Director Estes – aye
Director Mac Laren – aye
President Alvarado – aye
Director Henriquez – aye
Director Dino – aye

7.5) Consideration and Possible Action on Scheduling President's Dinner. (Board President)

After a brief discussion of the benefit of a President's Dinner and of clarification of the involvement of Dr. Mathis in these Dinners, it was moved by Director Mac Laren and seconded by Director Henriquez to schedule a President's Dinner.

The motion was then unanimously carried by all members of the Board of Directors present at the meeting on the following roll call vote:

Director Estes – aye
Director Mac Laren – aye
President Alvarado – aye
Director Henriquez – aye
Director Dino – aye

7.6) 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 2016 Budget:

a) Palmdale Chamber of Commerce 75th Anniversary Celebration and Installation of 2016 Board of Directors to be Held January 22, 2016 in Palmdale.

b) Antelope Valley Board of Trade Business Outlook Conference to be Held February 26, 2016 in Lancaster.

After a brief discussion of these conferences, it was moved by Director Mac Laren and seconded by Director Estes to authorize the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2016 Budget as follows: Palmdale Chamber of Commerce 75th Anniversary Celebration and Installation of 2016 Board of Directors to be Held January 22, 2016 in Palmdale and Antelope Valley Board of Trade Business Outlook Conference to be Held February 26, 2016 in Lancaster.

The motion was then unanimously carried by all members of the Board of Directors present at the meeting on the following roll call vote:

Director Estes – aye
Director Mac Laren – aye
President Alvarado – aye
Director Henriquez – aye
Director Dino – aye

8) Information Items.

8.1) Reports of Directors:

a) Meetings/General Report.

Director Mac Laren reported that it was a slow month due to the holidays, and her holidays were good.

Director Estes reported that on January 11, he attended a Board briefing with General Manager LaMoreaux.

Director Henriquez reported that on December 15, December 29, and January 11, he attended Board briefings with General Manager LaMoreaux and that also on January 11, he attended the Palmdale Chamber of Commerce breakfast.

Director Dino reported that on January 11, he attended a Board briefing with General Manager LaMoreaux; that on January 12, he attended the AVEK Board meeting where he presented the District's Certificate of Appreciation to outgoing General Manager Dan Flory, who was very grateful and stated he has enjoyed working with the District; and that he is attending tonight's Board meeting.

President Alvarado reported that on January 11, he attended a Board briefing with General Manager LaMoreaux and then invited everyone to attended the Antelope Valley State Water Contractors Association meeting scheduled for January 14, 2016 at 6:30 p.m. at the District.

There were no further reports from Directors.

b) Standing Committee/Assignment Reports (Chair):

1) None at This Time.

President Alvarado stated that there are no further Standing Committee/Assignment Reports.

8.2) Report of General Manager.

a) Written Status Report on Cash Flow Statement and Current Csh Balances as of November 30, 2015. (Financial Advisor Egan)

b) Written Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for November 30, 2015. (Finance Manager Williams)

c) Written Status Report on Committed Contracts Issued. (Assistant General Manager Knudson)

General Manager LaMoreaux stated that written financial status reports as of November, 2015 were included with the agenda packets, and financial status reports as of December, 2015 will be provided at the first Board meeting in February.

d) Status Report on Approved Antelope Valley Adjudication Judgment.

He then reported that part of the Antelope Valley Adjudication Judgment provides for a five-member Watermaster Board; that one member is filled by AVEK, and they have appointed Director Rob Parris to this seat; that the second known seat is filled by Los Angeles County Waterworks; that two other seats are filled by overlyers; that the fifth seat is filled by the remaining public agencies and public water suppliers; that the judgment allows the Watermaster to take advantage of AVEK's staff for administrative duties; and that a meeting is scheduled for next Thursday at AVEK where AVEK and Los Angeles County Waterworks will announce their members of the Board, and the status of the other members will be discussed.

He then reported that a meeting of the eleven public agencies and public water suppliers was held today to determine how the single seat for this group will be filled and that each of these agency representatives has been directed to request Board action regarding which agencies are interested in representing this group and who will be appointed as a group representative from each agency.

He then presented an Antelope Valley Adjudication Judgment t-shirt designed by Attorney Brunick.

e) Director Reporting and Compensation Procedures.

He then reported that updated standardized compensation, expense, and reporting forms were reviewed with the Directors and hard copies and electronic versions will be provided.

8.3) Report of General Counsel.

General Counsel Dunn stated that he has no report.

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 8:45 p.m., President Alvarado called for a nine-minute recess. He reconvened the regular meeting at 8:54 p.m.

11) Closed Session Under:

11.1) 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.

11.2) Conference with Legal Counsel – Existing Litigation: A Closed Session Will be Held, Pursuant to Government Code §54956.9 (d)(1), to Confer With District General Counsel Regarding Pending Litigation to Which the District is a Party. The title of such litigation is as follows: *United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California; Case No. ED CV06-0055-GW.*

At 8:54 p.m., President Alvarado 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 and pursuant to Government Code §54956.9 (d)(1), to confer with District General Counsel regarding pending litigation to which the District is a party. The title of such litigation is as follows: *United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California; Case No. ED CV06-0055-GW.*

He reconvened the regular meeting at 9:08 p.m.

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

General Counsel Dunn stated that a closed session was held pursuant Government Code §54956.9 (d)(4), to confer with District Counsel regarding to determine whether to initiate litigation, one case and pursuant to Government Code §54956.9 (d)(1), to confer with District General Counsel regarding pending litigation to which the District is a party. The title of such litigation is as follows: *United States, et al. v. J-M Manufacturing Company,*

Inc., et al., United States District Court for the Central District of California; Case No. ED CV06-0055-GW; that in both matters, the Board was updated and direction provided to staff; but that no reportable action was taken.

13) Board Members' Requests for Future Agenda Items.

Director Estes recommended a photo opportunity for Director Henriquez with the California Legislature Assembly Resolution.

President Alvarado directed staff and General Counsel to revise Article 4 of the District's Rules and Regulations to reflect a full and complete rotation of the Board and present a draft to the Board for consideration at a future meeting.

He then requested an item be placed on the next agenda for "Presentation of Certificate of Appreciation to Director Mac Laren for her contribution as President of the Board of Directors."

General Manager LaMoreaux stated that items regarding the Watermaster will be placed on the next agenda for consideration.

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 9:12 p.m.

Secretary