MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, MARCH 23, 2016:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, March 23, 2016, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Robert Alvarado, called the meeting to order at 7:00 p.m.

1) Pledge of Allegiance.

At the request of President Alvarado, Director Henriquez led the pledge of allegiance followed by a moment of silence in honor of the 31 victims of the Belgium terrorist attack.

2) Roll Call.

Attendance:	**Others Present:**
Robert Alvarado, President	Dennis LaMoreaux, General Manager
Vincent Dino, Vice President	Matt Knudson, Assistant General Manager
Marco Henriquez, Treasurer	Eric Dunn, General Counsel
Joe Estes, Secretary	Mike Williams, Finance Manager
	Jennifer Emery, Human Resources Director
Kathy Mac Laren, Director --	Jim Riley, Engineering/Grant Manager
EXCUSED ABSENCE	Mynor Masaya, Operations Manager
	Dawn Deans, Executive Assistant
	16 members of the public

3) Adoption of Agenda.

General Counsel Dunn stated that he has no report under Agenda Item No. 11.2, and President Alvarado recommended that Agenda Item No. 5.1 be considered prior to Agenda Item No. 4 after which it was moved by Director Henriquez, 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. 11.2 and considering Agenda Item No. 5.1 prior to Agenda Item No. 4.

President Alvarado then stated that Agenda Item No. 5.1 would now be considered.

5) Presentations:

5.1) Palmdale Water District Employees Care – Easter Meals. (PIO/Conservation Director McNutt)

Human Resources Director Emery welcomed the Chavez and Robinson families and stated that District staff, Board members, and families are pleased to present Easter dinners to the two families and wish them a happy, healthy Easter after which the Board stated that this is a wonderful gesture from District staff and commended staff for helping families in time of need.

Cindy, representing Palmdale Community Church, then thanked District staff and presented a Certificate of Appreciation to the District.

At 7:08 p.m., President Alvarado called for an eight-minute recess. He reconvened the regular Board meeting at 7:16 p.m. and stated that Agenda Item No. 4 will now be considered.

4) Public Comments for Non-Agenda Items.

Director Alvarado clarified that every speaker will have three full uninterrupted minutes for public comments.

Mr. Thomas Llewellyn, Palmdale resident, stated that there is a stark contrast between the last two Board meetings with one being very efficient and quick with business conducted, presentations made, votes taken, and folks speaking not being interrupted, intimidated, or bullied and the other being a meeting with classroom bullies on the podium, people interrupted when speaking, and the meeting disrupted and ending prematurely with law enforcement being called; that the difference between those two meetings was Director Joe Estes' presence; and that Director Estes has demonstrated that he is not a moral person, has demonstrated he does not represent him and other constituents, and requested Director Estes to please step down.

He then requested clarification on rumors that the long-time caretaker for the Fin & Feather Club is unable to do his job and has been given two-weeks' notice to vacate his home on the premises and thanked Palmdale Water District staff as he appreciates all staff does, and this evening is a beautiful presentation of how District staff serves the community not just in delivering water but in looking for new and innovative ways to truly take care of the community.

General Manager LaMoreaux then clarified that the caretaker is an employee of the Fin & Feather Club; that the District has no say in that matter but does require a caretaker on the premises; and that this matter will be discussed with the Fin & Feather Club.

Mr. Danny Bazzell, Field Representative for Senator Sharon Runner, invited the Board and the public to attend a Water Education Forum hosted by Senator Runner on April 2, 2016 at the Lancaster Public Library Community Room from 10 a.m. to noon where a broad overview of the state of the state's water supply as of April 1, 2016 will be presented along with how water is transported to the Antelope Valley, water basics, water banking, water conservation, the Governor's emergency order and the status, reservoir and snowpack levels, illegal dumping and how this affects the groundwater supply, the groundwater adjudication, and the seating of the Watermaster Board with a question and answer session upon completion of the presentations.

Mr. Omar Ruiz, Palmdale resident, as translated by Director Henriquez, stated that he would like to talk about the last two Board meetings and the treatment from Director Joe Estes; that he wants to let the public know about the aggressive treatment by Director Estes; that Director Estes has to remember he is a worker of the community; that Director Estes also treats the employees of this company badly, and they have investigated this; and that he requests guidance from President Alvarado and Director Henriquez on how Director Estes can be removed from this position.

Ms. Ruth Tinajero, community activist, stated that two Board meetings ago Spanish speaking individuals were present and were very disrespected by Director Joe Estes; that Director Estes also indicated she is not well educated as to his case; that she did her homework and distributed a copy of the minute order from the court hearing regarding Director Estes' case; and that the minute order indicates Director Estes' counsel is hopeful that Director Estes has learned his lesson not to touch other people's property, Director Estes pled no contest, the court requested his understanding that a no contest plea is treated the same as a guilty plea, his answer was yes, and the minute order states he is guilty. She then requested a sincere apology to the Latino community as they pay for the services provided by the District, the money made by the Board is paid for by them, the Board is there to serve the community, and they will not accept or take any more discrimination and requested clarification from Director Henriquez if he still says Director Estes is innocent.

There were no further public comments.

5) Presentations:

5.2) Drought Report-Review of "Water Conservation and Reduction in Water Demand Efforts Report as of February, 2016." (PIO/Conservation Director McNutt)

General Manager LaMoreaux provided an overview of the District's Water Conservation and Reduction in Water Demand Efforts Report and Reporting Table through February, 2016 and stated that this is the end of the 32% State Water Resources Control Board's mandated water use reduction for the period of June 1, 2015 to February 29, 2016; that 1,313 citations for water waste were issued during this period; that 178 appeal letters were filed with 93 fines suspended, 5 waived, 11 required to pay the fine as water use was not reduced, and 6 refunded as water use was reduced as required; that water use was reduced 24% through February, 2016 compared to the same period of 2013; and that the District's customers used 70 gallons of water per capita per day during the month of February followed by discussion of continuing efforts to provide water education to the ratepayers and clarification on the time period for the State Water Resources Control Board's new mandate being March 1 through October 31, 2016, and any water waste violation fines issued as of March 1 will be issued at the first stage of the District's four stages of fines regardless of any previous fines.

5.3) Palmdale Regional Groundwater Recharge and Recovery Project. (Assistant General Manager Knudson)

Assistant General Manager Knudson stated that he and Kennedy/Jenks Consultants provided a presentation on the Palmdale Regional Groundwater Recharge and Recovery Project at last week's WateReuse Conference, which focuses on using recycled water for beneficial use throughout the state of California, and then reviewed the Project's purpose, the District's long-term water supply strategy and multiple benefits of this Project, a detailed description of the Project, the schedule, timeline, and recharge schedule for phased construction, potential future customers, the location and size of the Project, funding opportunities, upcoming testing, and potential challenges and then stated that the Title 22 Report has been submitted to the State Water Resources Control Board as part of the permitting process and that staff hopes to present the Final Environmental Impact Report for this Project to the Board for consideration in the next few months followed by discussion of using recycled water on cemeteries and golf courses in addition to parks and schools, staff's current licenses and certifications for distribution of the processed water, use of recycled water by grading contractors and street sweepers, and clarification of long term surface water supplies being from Littlerock Reservoir.

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 March 9, 2016.

6.2) Approval of Minutes of Ad Hoc Committee Meeting Held June 4, 2014.

6.3) Approval of Minutes of Outreach Committee Meeting Held September 10, 2015.

6.4) Approval of Minutes of Water Supply & Reliability Committee Meeting Held October 5, 2015.

6.5) Approval of Minutes of Informational Meeting of the Outreach Committee Held October 15, 2015.

6.6) Payment of Bills for March 23, 2016.

6.7) Approve Absence of Director Estes From March 9, 2016 Meeting Due to Family Obligation.

President Alvarado announced the items included in the Consent Calendar after which it was moved by Director Estes and seconded by Director Dino to approve those items included in the Consent Calendar.

Mr. Steve Chisolm, Palmdale resident, inquired about the suspension of the Water Supply & Reliability Committee after which General Manager LaMoreaux stated that the Water Supply & Reliability Committee and the Outreach Committee have been disbanded with the information instead provided monthly to the full Board.

The motion then carried by all members of the Board of Directors present at the meeting with Director Henriquez abstaining on Agenda Item No.'s 6.2, 6.3, 6.4, and 6.5.

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 Additional Costs Associated With Completion of Front Office Space Remodel. ($7,775.00 – Budgeted – Project Manager Thompson)

Project Manager Thompson reviewed the additional work needed to complete the front office space remodel and the cost involved after which it was moved by Director Dino, seconded by Director Henriquez, and after clarification from Director

Henriquez that taller panels are needed for noise and uninterrupted job performance, it was unanimously carried by all members of the Board of Directors present at the meeting to approve the proposal received from Rothman Business Interiors in the not-to-exceed amount of $7,775.00 to complete the front office remodel.

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 2016 Budget:

a) Central Basin Municipal Water District Water Education Tour to be Held April 8, 2016 in Commerce.

b) The Copywriter's Workshop to be Held June 2 – 3, 2016 in Pasadena.

General Manager LaMoreaux provided an overview of these conferences after which it was moved by Director Henriquez, seconded by Director Dino, and after President Alvarado clarified that questions asked from the Board help ensure transparency, it was unanimously carried by all members of the Board of Directors present at the meeting 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: Central Basin Municipal Water District Water Education Tour to be Held April 8, 2016 in Commerce and The Copywriter's Workshop to be Held June 2 – 3, 2016 in Pasadena.

8) Information Items.

8.1) Reports of Directors:

a) Meetings/General Report.

Director Estes reported that on February 22, he attended a Board briefing with General Manager LaMoreaux and that on February 26, he attended the Antelope Valley Board of Trade Conference.

Director Henriquez reported that on March 10, he attended the Antelope Valley State Water Contractors Association meeting as the Alternate Commissioner; that on March 16, he attended the Palmdale Chamber of Commerce luncheon with the topic of the high speed rail, and the Palmdale Water District is the speaker at next month's

luncheon; that on March 17, he attended the Greater Antelope Valley Economic Alliance 2016 Roundtable Report where interesting information was provided along with a robot geared towards medicine; and that on March 22, he attended a Board briefing with General Manager LaMoreaux.

Director Dino reported that on March 10, he attended the Palmdale Women's Club luncheon presentation with President Alvarado and PIO/Conservation Director McNutt, who provided a great presentation on water, the response from the Club was positive, and they stated the District is a very good neighbor; that on March 17, he attended the Greater Antelope Valley Economic Alliance 2016 Roundtable Report with great guest speakers including the inventors of Rita the Robot; that also on March 17, he attended a St. Patrick's Day dinner at the Palmdale Women's Club; that on March 21, he attended a Board briefing with General Manager LaMoreaux; and that on March 22, he attended the AVEK Board meeting where it was reported that Dwayne Chisam is the new General Manager and Oroville and Shasta Dams are 100% full.

President Alvarado reported that on March 10, he attended the water presentation at the Palmdale Women's Club luncheon with Director Dino and PIO/Conservation Director McNutt, and it was a pleasant gathering; that also on March 10, he chaired the Antelope Valley State Water Contractors Association meeting where the Commissioners decided to delegate more responsibilities to the member agencies regarding events and joint projects; that also on March 10, he attended the Boys and Girls Club Installation and Youth of the Year Awards Ceremony; that on March 15, he attended an agenda review meeting with General Manager LaMoreaux and Executive Assistant Deans; that on March 17, he attended the Greater Antelope Valley Economic Alliance 2016 Roundtable Report, and it was very interesting with a state of the art robot performing an on the spot diagnosis; and that on March 21, he attended a Board briefing with General Manager LaMoreaux.

He then reported that upcoming events include the March 24 Palmdale Chamber of Commerce tour of the Leslie O. Carter Water Treatment Plant; that also on March 24, the Water Take 1 Video Awards Ceremony will be held in Ventura, and the District is being considered for an award; that on March 25, the Antelope Valley Old Timers Association will be hosting a luncheon at the Antelope Valley Country Club, which is open to anyone who has lived in the Antelope Valley for 25 years; that on March 27 from 5 – 8 p.m. is the traditional fish fry at St. Mary's Church; that on April 2, Senator Sharon Runner is hosting a Water Education Forum at the Lancaster Public Library Community Room from 10 a.m. to noon; that also on April 2 at 9 a.m., a coffee with Assemblyman Tom Lackey is scheduled at Lancaster City Park; that on April 8, a

water tour will be held in the City of Commerce; that also on April 8, the African-American Chamber of Commerce is hosting a free prime rib dinner and debate with the first 250 people receiving a free dinner; that on April 12, the first Finance Committee meeting for this year will be held; and then reminded Directors that all Form 700's are due April 1 to Executive Assistant Deans.

Director Henriquez then clarified that the last fish fry at St. Mary's Church may have been held last week.

Director Dino then added to his report that on March 21, he attended a Board briefing with General Manager LaMoreaux.

b) Standing Committee/Assignment Reports. (Chair)

1) Antelope Valley State Water Contractors Association

President Alvarado stated that a report on the Antelope Valley State Water Contractors Association was provided earlier in the meeting.

8.2) Report of General Manager.

a) March, 2016 Written Report of Activities Through February, 2016.

General Manager LaMoreaux provided an overview of his written report including a detailed review of the District's cumulative savings for the State Water Resources Control Board's 2015 and 2016 emergency orders and ultimate goal for the current order through the end of October, 2016, the 20 x 2020 Legislation Water Reduction Goal of 176 gallons per person per day and the District's customers use of 124 gallons per person per day, water production versus projected water sales, North Sierra Precipitation levels, which are 51.8" at Oroville Dam and led to the announcement of the increased State Water Project allocation to 45%, and minimal mainline leaks through February, 2016 and stated that this information was previously discussed at Water Supply & Reliability Committee meetings and is available on the District's website.

He then reported that a Staff Conference/Seminar Report Form has been provided as part of his report; that this Form was developed several years ago and will now be included with agenda packets as part of his report; and that this Staff

Conference/Seminar Report Form is for recent attendance at the 2016 WateReuse California Annual Conference.

He reported further that he will be out of the office between April 8 and April 19, 2016, and Assistant General Manager Knudson will be in charge.

Director Estes then inquired if the State Water Project allocation will continue to increase if snowpack levels increase after which General Manager LaMoreaux stated that future State Water Project allocations are difficult to determine, but the state may be in an awkward position of raising allocations and requiring a 25% statewide mandatory conservation goal at the same time.

President Alvarado inquired if Mr. Chisolm was happy with the water supply report stating the benefits of providing this report to the full Board after which Mr. Chisolm stated it was a very good report and recommended this information be included on the website as people are asking him if the drought is over, if they can water their yards more, and at what point the maximum is reached when the District cannot sell any more water because of the mandatory reduction level after which General Manager LaMoreaux stated that there have been no changes to watering restrictions or mandatory reduction amounts, which is at 28% through the end of October, 2016, and The Pipeline included in this month's bills explains watering rules and restrictions.

Director Henriquez then recommended the content of The Pipeline be reworked with one side printed in English and one side printed in Spanish after which General Manager LaMoreaux stated he will bring this to the attention of PIO/Conservation Director McNutt.

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.

There was no break prior to closed session.

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.*

At 8:48 p.m., President Alvarado called for a closed session pursuant to Government Code Section §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.*

He reconvened the regular meeting at 8:54 p.m.

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

President Alvarado stated that a closed session was held pursuant to Government Code Section §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 the Board was updated on the status of this matter; but that no reportable action was taken.

13) Board members' requests for future agenda items.

President Alvarado requested an item be included on the next agenda for "Presentation of Certificate of Recognition to Palmdale Water District customer Mr. Vincent Ortiz for his heroic actions that saved two lives."

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 8:56 p.m.

Secretary