

PALMDALE RECYCLED WATER AUTHORITY (PRWA)

**MINUTES OF JANUARY 20, 2016
REGULAR MEETING AGENDA NO. 22 OF THE
PALMDALE RECYCLED WATER AUTHORITY (PRWA)
HELD AT CITY OF PALMDALE
CITY HALL COUNCIL CHAMBERS
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA**

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1. CALL TO ORDER.

Chair Ledford called the meeting to order at 7:00 p.m.

2. PLEDGE OF ALLEGIANCE.

3. ADMINISTRATION OF OATH OF OFFICE. – (Staff Reference: Authority Secretary Smith).

Authority Secretary Smith administered the oath of office to Alternate Director Steven Hofbauer.

4. ROLL CALL: DIRECTORS JAMES C. LEDFORD, JR., KATHY MAC LAREN, ROBERT ALVARADO, FRED THOMPSON, AND HELEN VELADOR

PRESENT: Chair Ledford, Directors Mac Laren, Alvarado, Velador, and Alternate Director Hofbauer.

Director Fred Thompson was absent and Director Steve Hofbauer served as an alternate in his place.

5. WAIVER OF FULL READING OF RESOLUTION(S).

Motion: Move to waive full reading of the Resolution(s) to be considered and voted on at this meeting.

Moved by Alternate Director Hofbauer, seconded by Director Velador.

Vote: Motion Carried (5-0)

Yes: Chair Ledford, Directors Mac Laren, Alvarado, Velador, and Hofbauer.

Absent: Director Thompson.

6. CONSENT CALENDAR – PUBLIC COMMENTS ONLY:

There were no public comments.

Directors Hofbauer and Mac Laren asked to pull Item 7.1 as they will abstain on that item since they were not present at that meeting.

7. CONSENT CALENDAR:

7.1 Approve the Minutes from the previous meeting held on November 18, 2015.
(Staff Reference: Secretary Smith)

7.2 Approve Receipt and Filing of the Treasurer's Report for the twelve months ending December 31, 2015.

Staff Recommendation: Move to approve the recommendations and findings on all items listed under this Consent Calendar.

Moved by Director Velador, seconded by Director Alvarado.

Vote: Motion Carried (5-0)

Yes: Chair Ledford, Directors Mac Laren, Alvarado, Velador, and Hofbauer.

Abstain: Directors Hofbauer and Mac Laren abstained on Item 7.1.

Absent: Director Thompson.

8. ACTION CALENDAR:

8.1 Consideration and possible action on authorizing the submittal of required resolutions for the Water Recycling Grant and Construction Loan application to State Water Resources Control Board for the Palmdale Recycled Water Authority Recycled Water Line Phase 2 Project. (Staff Reference: Executive Director LaMoreaux)

Executive Director LaMoreaux presented the staff report.

8.1a Approval for staff to prepare construction grant and loan application to the California State Water Resources Control Board (SWRCB).

8.1b Approve a construction grant request to the SWRCB to provide construction grant funding of 35% of construction costs of the Recycled Water Line Phase 2 project.

- 8.1c Approve submitting a loan interest construction loan application to the SWRCB for the Recycled Water Line Phase 2 project.
- 8.1d Authorize the Chair to execute Resolutions No(s). PRWA 2016-001; PRWA 2016-002; and PRWA 2016-003.
 - i. RESOLUTION NO. PRWA 2016-001, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY AUTHORIZING THE REIMBURSEMENT OF PROJECT FUNDS FOR THE PHASE 2 RECYCLED WATER LINE TO THE CALIFORNIA STATE WATER RESOURCES CONTROL BOARD.
 - ii. RESOLUTION NO. PRWA 2016-002, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY AUTHORIZING THE EXECUTION OF A FINANCIAL ASSISTANCE APPLICATION AND AGREEMENT WITH THE CALIFORNIA STATE WATER RESOURCES CONTROL BOARD FOR THE RECYCLED WATER LINE PHASE II OF THE MASTER PLAN PROJECT.
 - iii. RESOLUTION NO. PRWA 2016-003, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY AUTHORIZING THE PLEDGING OF REVENUES FROM THE SALES OF RECYCLED WATER FOR REPAYMENT OF THE LOANED FUNDS FOR THE RECYCLED WATER LINE PHASE II OF THE MASTER PLAN PROJECT.
- 8.1e Authorize the Executive Director to transmit the grant and loan application when completed to SWRCB.

There were no public comments.

Motion: Move to approve all items required to prepare the Water Recycling Grant and Construction Loan application to State Water Resources Control Board for the Palmdale Recycled Water Authority Recycled Water Line Phase 2 Project.

Moved by Director Alvarado, seconded by Director Hofbauer.

Vote: Motion Carried (5-0)

Yes: Chair Ledford, Directors Mac Laren, Alvarado, Velador, and Hofbauer.

Absent: Director Thompson.

- 8.2 Oral Report regarding discussion and possible action on providing compensation for the 5th board member. (Staff Reference: Authority Counsel Ditzhazy)

Authority Counsel Dunn gave an oral report.

Chair Ledford spoke regarding the Joint Exercise of Powers Agreement and stated that bylaws created initially did not include compensation. Therefore, no action was taken by City Council at their last meeting.

Directors Alvarado and Mac Laren stated they would like the Board to consider changing the Joint Exercise of Powers Agreement to allow compensation.

Authority Counsel Dunn provided clarification regarding the Joint Exercise of Powers Agreement and spoke about the compensation language in the bylaws.

Executive Director Dennis LaMoreaux clarified that the budget does not have a line item for compensation of Palmdale Recycled Water Authority Members.

Chair Ledford stated they could bring it back to the City of Palmdale Council to consider a policy change.

Authority Counsel Dunn stated the Palmdale Recycled Water Authority Board could adopt a Resolution relating to the reimbursement for conferences.

Executive Director LaMoreaux stated that he could bring back a PRWA budget that will add a travel and registration line item to cover the cost of conferences for the 5th member.

Authority Counsel Dunn stated in the Joint Exercise of Powers Agreement it states that the compensation issue needs to go back to each of the Agencies for consideration. He suggested adopting a resolution to compensate for conferences.

Chair Ledford agreed with travel and conferences coming out of the budget from the Palmdale Recycled Water Authority, but the compensation must be brought back to City Council.

Director Hofbauer suggested that staff create a line item in the budget.

Director Alvarado made a motion to direct staff to draft a Resolution to approve the Authority to pay for compensation of the 5th Member and then

this Resolution could then be presented to the individual boards for consideration. This motion died for lack of a second.

Executive Director Dennis LaMoreaux stated there is income from the construction meters for recycled water which could fund compensation.

Authority Counsel Dunn stated the Joint Exercise of Powers Agreement can be changed by the two agencies and policies can be changed with many options.

Director Alvarado made an amendment to his earlier motion that directed staff to draft a resolution to address the issue of compensation to include the component of different options. This motion died for lack of a second.

There was further discussion by the Board.

Director Alvarado withdrew his prior motion. Authority Counsel Dunn stated that a motion or vote is not necessary and stated there is a consensus to bring back options to the Board.

9. SPECIAL REPORT:

- 9.1 Oral report on 2016 Palmdale Recycled Water Authority Budget. (Staff Reference: Assistant Executive Director Mischel)

Assistant Executive Director Mischel asked to continue this item to the next meeting to develop a more detailed budget.

10. NON-AGENDA ITEMS - PUBLIC COMMENTS:

There were no public comments.

11. CLOSED SESSION – PUBLIC COMMENTS ONLY:

There were no public comments.

12. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

12.1 The reason for holding a closed session is for the purpose of conferring with and/or receiving advice from the Authority's legal counsel and to receive direction from the Board of Directors regarding the possible initiation of litigation in one matter.

This closed session is being held pursuant to the authority of California Government Code Section 54956.9(c). Number of cases – One.

Possible litigation by the Authority regarding a possible civil action which the Authority believes is not yet known to potential defendants.

Closed session is recommended because the Board will assess the merits of this matter and consider the Authority's perspective. Based on existing facts and circumstances it is the opinion of Authority Counsel that it would prejudice the position of the Authority to discuss these matters in public or to disclose further the circumstances in this potential case; such disclosure may harm other efforts to resolve the matter and, it is believed possible defendants are unaware of possible litigation.

13. CLOSED SESSION.

Closed session was held from 7:30 p.m. – 8:05 p.m.

14. ANNOUNCEMENT BY AUTHORITY COUNSEL of item(s) discussed in Closed Session.

Item 12.1 – Authority Counsel Dunn updated the Chairman and Board of Directors on the anticipated litigation and the Authority gave direction to staff. There was no reportable action at this time.

Director Hofbauer asked is there a legal issue with the additional Alternate Director in the audience being brought into closed session discussions. Authority Dunn stated he can check the JPA, but in his opinion the Authority would have more than a majority of the body in closed session and it is just not allowed and could be a Brown Act violation.

15. INFORMATIONAL REPORT OF THE BOARD OF DIRECTORS, EXECUTIVE DIRECTOR, AND ASSISTANT EXECUTIVE DIRECTOR.

There were no informational reports.

16. ADJOURNMENT:

Chair Ledford adjourned the meeting at 8:10 p.m. to February 17, 2016 at 7:00 p.m. at the City of Palmdale Council Chambers located at 38300 Sierra Highway, Suite B, Palmdale, California.

PASSED, APPROVED, and ADOPTED this 17th day of February 2016.

James C. Ledford, Jr.
Chair

ATTEST:

Rebecca J. Smith
Secretary