MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JUNE 22, 2016:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, June 22, 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, Danny Bazzell, Field Representative for Senator Sharon Runner, led the pledge of allegiance followed by a moment of silence in honor of our veterans and the victims of shootings.

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
Kathy Mac Laren, Director	Jennifer Emery, Human Resources Director
	Mike McNutt, PIO/Conservation Director
	Tim Moore, Facilities Manager
	Mynor Masaya, Operations Manager
	Amanda Williams, Water Quality/Reg. Affairs Spvsr.
	Dawn Deans, Executive Assistant
	14 members of the public

3) Adoption of Agenda.

It was moved by Director Dino and seconded by Director Henriquez to adopt the agenda, as written. It was then stated that Agenda Item No. 11.2 can be removed from the agenda as there is no update on this item after which Director Dino amended his motion, Director Henriquez amended his second, and it was 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.

4) Public Comments for Non-Agenda Items.

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

Mr. Juan Blanco, Palmdale resident, reminded the Board that an Air Force Plant 42 Environmental Restoration Advisory Board meeting will be held in the District's Board room on July 13 and that one of the topics is the loss of containment of the TCE plume under Building 150, which could be hazardous and may affect pumping on the south side of the plant.

Chair Alvarado then clarified that Director Mac Laren will be replacing him as a member of the Air Force Plant 42 Environmental Restoration Advisory Board.

Mr. Darren Parker, Antelope Valley resident, Special Assistant to the California Assembly Speaker, Appointee by the Governor to the Fair Board, and the Statewide Chairman of the African American Caucus, stated that in his many years in the Antelope Valley public officials committed to public service and being servants have been attacked on many different levels; that he rises today to make sure that the Board knows with all confidence that the residents in the Antelope Valley appreciate the style of their leadership, appreciate the fact that they take into account all are served, deliver a quality product, and are committed to the service of the people and not the almighty dollar; that it is far time that someone spoke on the Board's behalf to let you know that the job you do is one that is very difficult but is much appreciated by the community; and that he thanks the Board for their service and leadership and asks the Board to continue as a collective group to do the good works as it says in scripture to serve the people.

There were no further public comments.

5) Presentations:

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

PIO/Conservation Director McNutt stated that conservation numbers are reported to the State Water Resources Control Board on a monthly basis; that to date for 2016, twelve appeal letters have been received for water waste citations, and 123 water waste citations have been issued; that water savings through May is at 26.6%; that residential gallons per capita per day use is at 108.26; that drought surcharge revenue for May was $85,568.00; and that cumulative water saving since June 1, 2015 is 24.7%.

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 Special Meeting Held June 1, 2016.

6.2) Approval of Minutes of Regular Meeting Held June 8, 2016.

6.2) Payment of Bills for June 22, 2016.

6.3) Approval of Statement of Work Between the District and Ernst & Young for 2016-2017 State Water Project Procedures to be Performed in Relation to the Department of Water Resources' Statement of Charges. ($7,714.00 – Budgeted – General Manager LaMoreaux)

President Alvarado announced the items included in the Consent Calendar 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 approve the Consent Calendar, as presented.

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) Public Hearing on Adoption of 2016 Public Health Goal Report. (Water Quality/Regulatory Affairs Supervisor Thompson)

President Alvarado stated that the Public Hearing on the adoption of 2016 Public Health Goals is now open.

Water Quality/Regulatory Affairs Supervisor Thompson provided an overview of the mandatory annual Consumer Confidence Report, which provides an overview of the District's water quality for the prior year and stated that the District has maintained 100% compliance with all regulatory water quality data and that postcards stating the Consumer Confidence Report is available on line in both English and Spanish have been sent to all ratepayers, tenants, businesses, and apartment units.

She then provided an overview of the Public Health Goal Report, which must be presented and adopted every three years, including the difference between Public Health Goals and Maximum Contaminant Levels and the contaminants above Public Health Goals but well below Maximum Contaminant Levels, and stated that the District has been 100% in compliance with the primary drinking water standards during the years 2013 – 2015 and continues this compliance through 2016.

Director Henriquez thanked Water Quality/Regulatory Affairs Supervisor Thompson for the detailed presentation, and hearing no further public comment, President Alvarado stated that the Public Hearing on the adoption of 2016 Public Health Goals is now closed.

7.2) Consideration and Possible Action on Adoption of 2016 Public Health Goal Report. (Water Quality/Regulatory Affairs Supervisor Thompson)

It was moved by Director Mac Laren, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to adopt the 2016 Public Health Goal Report.

7.3) Consideration and Possible Action on California Special Districts Association 2016 Board Elections. (General Manager LaMoreaux)

General Manager LaMoreaux provided an overview of the California Special Districts Association 2016 Board elections, and after a brief discussion of the candidates, it was moved by Director Mac Laren, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting that President Alvarado cast the District's ballot in the California Special Districts Association 2016 Board elections.

7.4) Consideration and Possible Action on Lease Options for the District's Lighter Duty Vehicles. ($10,000.00 – Non-budgeted – Finance Manager Williams/Facilities Manager Moore/Facilities Committee)

Finance Manager Williams provided an overview of the benefit to the District from leasing light duty fleet vehicles, staff's revised list of vehicles to be included in the lease resulting in a lease amount of $11,000.00 for the remainder of 2016 and $32,000.00 for 2017, the Geotracker device in the leased vehicles, and staff's and the Facilities Committee's recommendation to enter into a Master Lease Agreement with Enterprise Fleet Management.

Director Estes then stated that there is an added benefit of not having to prepare surplus vehicles for auction and inquired about overages on mileage and maintenance after which Mr. Lennon McGowan, of Enterprise Fleet Management, reviewed the terms of the lease and provided an overview and the benefit of the Geotracker device.

It was then moved by Director Estes, seconded by Director Henriquez, and unanimously carried by all members of the Board of Directors present at the meeting to authorize the District to enter into a Master Lease Agreement with Enterprise Fleet Management for leasing the District's lighter duty vehicles in the amount of $11,000.00 for the remainder of 2016 and $32,000.00 for 2017.

7.5) Consideration and Possible Action on Approval of Organizational Changes. (Assistant General Manager Knudson/Human Resources Director Emery/Personnel Committee)

Human Resources Director Emery provided an overview of recommended revisions to the District's Organizational Chart and staff's and the Personnel Committee's recommendation to approve these revisions, and after a brief discussion of shifting staff resources based on the District's needs, of the neutral financial impact on the budget from these changes, and of staff's assessment of positions as employees retire, it was moved by Director Mac Laren, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve organizational changes as presented.

7.6) Consideration and Possible Action on Outreach Activities. (PIO/Conservation Director McNutt)

a) Strategic Initiative Review.

PIO/Conservation Director McNutt stated that the District's Strategic Plan was recently revised with new Strategic Initiatives to guide staff and the Board through the decision making process ensuring the District's goal of providing the highest quality water at the most reasonable cost.

b) Long-Term Vision for Financial and Water Sustainability:

1) Palmdale Regional Groundwater Recharge and Recovery Project.

2) Littlerock Dam Sediment Removal Project.

He then stated that the District has been in long-term negotiations with the United States Forest Service to complete the Littlerock Dam Sediment Removal Project as this Project is important for securing the capacity of Littlerock Reservoir, which is an important water source for the District and may help stabilize water rates in the future.

He then stated that the Palmdale Regional Groundwater Recharge and Recovery Project will blend recycled water with raw water from the State Water Project and store this water in the ground for future use and that this is also an important Project for the stability of the community and for the long term health of the City of Palmdale and will also help stabilize water rates long-term for the community.

He then stated that he is tasked with speaking in the community about these important Projects, but both Projects hinge on the District's financial stability and water rate increases for this stability; that these Projects will ensure future water rates do not fluctuate as it is less expensive to have a local water supply source than to purchase more expensive State Water Project water; that he requests the confidence from the Board to go into the community and begin providing education on these important Projects as they will be implemented and assistance to find speaking engagements to share the significance and importance of these two Projects and why they are important to the growth of Palmdale; and that he requests anyone or any group interested in learning more about these Projects call him at the District.

President Alvarado then stated, on behalf of the Board, that the Board is in 100% full support to share this information with the ratepayers and then translated this information into Spanish.

c) Calendar of Upcoming Events.

PIO/Conservation Director McNutt stated that spring and fall are busier times for presentations and that presentations over the past few months have been made to schools and clubs regarding water, water conservation, and District projects.

d) AguaPalooza Music Contest

He then stated that the name of this contest is called AguaVaganza; that it will launch July 11 and last three months; that any style or form of music can be submitted; that two categories for prizes will include a people's choice award and a panel of judges for other winners; that High Desert Broadcasting is partnering with the District on this contest; and that it is designed to engage the public to think about water.

e) Rebates/Cash for Grass Program

He then stated that there is a backlog on processing Cash for Grass Rebate Program applications, and staff is considering not taking any additional applications and that other rebate applications are received on a regular basis.

f) Board Media Training.

He then stated that Board media training would involve him meeting with Board members to ensure the Board is well-versed in speaking with the media followed by discussion of times for this training.

g) Outreach Board Input.

He then stated that as a Palmdale Chamber of Commerce Board member, he will be manning the fireworks booth selling legal fireworks beginning June 28, 2016.

President Alvarado then recommended the District partner with the Coalition for Humane Immigrant Rights of Los Angeles (CHIRLA) and translated this comment into Spanish after which Director Mac Laren stated that as a point of privilege, she had reached out to CHIRLA to obtain names of their leaders to meet with the Ad Hoc Spanish Interpreter Committee.

Ms. Patricia Salazar, Fellow Organizer for CHIRLA, as translated by President Alvarado, stated that they are here tonight to thank a Board member; that some of these meetings are quite long, they do not understand everything, and this is why the audience is not very big; that she apologizes for being off the agenda and this is a very intense work the Board does; that they thank Director Henriquez for his support of their organization and presented him with a Certificate of Appreciation; and that for the Board's information they meet once a month on the third Wednesday at 10:00 a.m. at Tumbleweed, and the Board is welcome to attend.

7.7) 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) 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 Dino reported that on June 9, he attended a meeting with Dr. Mathis; that on June 13, he chaired the Facilities Committee meeting and the item discussed at that meeting was considered earlier this evening; that on June 14, he attended the Personnel Committee meeting; and that on June 20, he attended a Board briefing with General Manager LaMoreaux.

Director Mac Laren reported that on June 9, she attended the Ad Hoc Board Norms Committee meeting, and there will be several items added to the Board Norms including Board etiquette; that also on June 9, she attended the Antelope Valley State Water Contractors Association meeting where they discussed the upcoming SMART Landscaping Expo; that on June 14, she chaired the Personnel Committee meeting, and the item discussed at that meeting was considered earlier this evening; and that she had several telephone Board briefings with General Manager LaMoreaux.

Director Henriquez reported that on June 9, he attended the Ad Hoc Board Norms Committee meeting; that also on June 9, he attended the Antelope Valley State Water Contractors Association meeting as a guest; that on June 13, he attended the Facilities Committee meeting; that on June 14, he attended the Personnel Committee meeting as a guest; that on June 16, he attended a meeting with General Manager LaMoreaux, Assistant General Manager Knudson, Finance Manager Williams, Human Resources Director Emery, and PIO/Conservation Director McNutt regarding the water budget rate structure and the salary survey, and he appreciated this meeting; and that on June 21, he attended a Board briefing with General Manager LaMoreaux.

Director Estes reported that on June 22, he attended a Board briefing with General Manager LaMoreaux.

President Alvarado reported that on June 9, he attended the Antelope Valley State Water Contractors Association meeting where they discussed the November 5 SMART Landscaping Expo, which will offer free parking and free admission; that on June 14, he attended an agenda review meeting with General Manager LaMoreaux and Executive Assistant Deans; and that on June 20, he attended a Board briefing with General Manager LaMoreaux and then translated this information into Spanish.

He then thanked Antelope Valley Press Reporter Alisha Semchuck for her recent article clarifying stipends for the Directors and translated this information into Spanish.

b) Standing Committee/Assignment Reports. (Chair)

1) Antelope Valley State Water Contractors Association.

2) Facilities Committee

3) Personnel Committee

President Alvarado stated that reports on the Antelope Valley State Water Contractors Association, Facilities Committee, and Personnel Committee meetings were provided earlier in the meeting.

8.2) Report of General Manager.

General Manager LaMoreaux reported that no requests for a Spanish interpreter were received within the 48 hour timeframe for this meeting, which is close of business Monday for the Wednesday Board meeting; that the Spanish interpreter was provided this evening because of the public hearing; and that if a request for a Spanish interpreter would have been received by close of business on Monday, the interpreter would have stayed the entire meeting after which President Alvarado translated this information into Spanish.

a) June, 2016 Written Report of Activities Through May, 2016.

He then reviewed the highlights of his June, 2016 written report and stated that staff anticipates presenting a new resolution to the Board at the first meeting in July changing conservation measures to match new regulations passed by the state in May; that detailed information on the Sites Reservoir surface water storage reservoir is also included in the report; and then provided an update on leaks, which shows the value of investing into the infrastructure to keep it from failing after which President Alvarado translated this information to Spanish.

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 8:27 p.m., President Alvarado called for a nine-minute recess. He reconvened the regular meeting at 8:36 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.*

At 8:36 p.m., President Alvarado called for a closed session 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 being the *Antelope Valley Ground Water Cases.*

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.

Director Dino then reported that he attended an additional meeting on June 14 being the AVEK Board meeting.

13) Board Members' Requests for Future Agenda Items.

Director Mac Laren stated that her last request for information, which was a result of the recent agenda item by Director Henriquez for clarification of Appendix V, included Director expenses and reimbursements; that in reviewing this information, she noted some Directors have District credit card charges over the $55 daily meal limit and no detailed itemized receipts were submitted; that itemized detailed credit card receipts are

required; that she has a problem with this and would appreciate all Directors review their expenses, reimburse the District for any amounts over the $55 daily meal charge limit, and turn in the required itemized detailed credit card receipts; and that District policy will be revised to indicate no reimbursement without itemized District credit card receipts.

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 8:50 p.m.

Secretary