MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, AUGUST 10, 2016:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, August 10, 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.

President Alvarado recognized former Director Gloria Dizmang and stated that the District's Antelope Valley Press reporter is absent from the meeting due to surgery.

1) Pledge of Allegiance.

At the request of President Alvarado, Director Estes led the pledge of allegiance followed by a moment of silence to support our troops.

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	Tom Bunn, Special Litigation Counsel
Kathy Mac Laren, Director	Mike Williams, Finance Manager
	Jennifer Emery, Human Resources Director
	Mike McNutt, Public Affairs & Sustainability Dir.
	Dawn Deans, Executive Assistant
	9 members of the public

3) Adoption of Agenda.

It was moved by Director Dino, seconded by Director Mac Laren, 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.

President Alvarado stated that all speakers will have three minutes of uninterrupted time.

Mr. Omar Ruiz, Palmdale resident, as translated by Reliable Translations, stated that he and President Alvarado disagree on several things regarding Facebook and the closing of his Facebook page; that now this gentleman wants to run for a position in the

District; and then asked how far are we going to get with this, if this is the face of the people, and we want people to be responsible in a place like this and in a city like this.

Wendy, Palmdale resident, District 13, as translated by Reliable Translations, stated that she gives her place and time to Mr. Ruiz after which General Counsel Dunn clarified that each person has three minutes and he advises that each person cannot give time to another as people can speak for themselves for the three minutes they are authorized under the Brown Act.

Mr. Pharoah Mitchell, Palmdale resident, stated that he knows Omar Ruiz; that Facebook chose to block Mr. Ruiz' page because he was harassing; that he does not understand why Mr. Ruiz is doing this; and that this is not helping the community whatsoever and has nothing to do with the Palmdale Water District.

There were no further public comments.

5) Presentations:

5.1) None at This Time.

There were no presentations.

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 July 21, 2016.

6.2) Approval of Minutes of Regular Meeting Held July 27, 2016.

6.3) Payment of Bills for August 10, 2016.

6.4) Approve Absence of Director Estes From July 21, 2016 Meeting Due to Illness.

6.5) Receive and File Semi-Annual Employee Reimbursement Report for the Period Covering January 1, 2016 Through June 30, 2016. (Finance Manager Williams)

President Alvarado announced the items included in the Consent Calendar after which it was moved by Director Henriquez, seconded by Director Mac Laren, 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) Status Report on Cash Flow Statement and Current Cash Balances as of June, 2016. (Finance Manager Williams for Financial Advisor Egan)

Finance Manager Williams reviewed the investment funds report as of June, 2016, including the transfer of funds, anticipated payments, clarification of bond maturities as requested by Director Henriquez, and the decrease of overall funds due to the Butte County payment followed by discussion of upcoming bond maturities as requested by President Alvarado.

He then provided an overview of the cash flow statement for June, grant funds received, the Butte County payment, capital improvement fees received, the State Water Project payment for July, and year-ending cash balance followed by discussion of any grant opportunities as requested by President Alvarado.

7.2) Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for June, 2016. (Finance Manager Williams)

Finance Manager Williams reviewed in detail the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending June, 2016; stated that most departments are operating at or below the targeted expenditure percentage of 50%; and then reviewed department line items above the targeted expenditure percentage followed by discussion and clarification of the Director's budget and expenses as requested by Director Mac Laren.

7.3) Status Report on Committed Contracts Issued and Water Revenue Bond Projects. (Assistant General Manager Knudson)

Assistant General Manager Knudson stated that an update on the Water Revenue Series 2013A Bond funds was included with the agenda packets; that funds

paid out to date are $7.98 million; that the remaining $500,000 will be paid out by the end of 2016 towards the Upper Amargosa Recharge Project, Littlerock Sediment Removal EIR/EIS/Permit process, and the Palmdale Regional Recharge and Recovery Project; and that $930,000 will be paid from the general operating budget for these projects in 2017 followed by discussion of several City of Palmdale and District projects.

He then stated that there has been little change to the Projected Payout Schedule and an update will be provided next month.

7.4) Discussion and Possible Action on the Development of a Citizen's Advisory Committee. (Ad Hoc Spanish Interpreter Committee-Director Mac Laren/Director Dino)

Director Mac Laren stated that she and former Director Gloria Dizmang discussed the formation of a Citizen's Advisory Committee and requested Public Affairs & Sustainability Director McNutt review how the formation of such a Committee can benefit the District in its outreach goals after which Public Affairs & Sustainability Director McNutt stated that the idea behind this type of a committee is to provide an opportunity for the District to engage the public, share the District's goals, listen to the public's ideas, and make the community part of the District's processes; that a better name is a Citizen's Liaison Committee, that this is a great opportunity to showcase the District's transparency, openness, and honesty; and then reviewed the timing and location for these Committee meetings, the application and selection process for interested members of the public, and quarterly Board meetings to review input from the meetings.

After a brief discussion of the formation of a Citizen's Liaison Committee and the purpose of this Committee, it was the general consensus of the Board to move forward with the formation of a Citizen's Liaison Committee, and they directed staff to refine ideas, develop more details, and present same at a future Board meeting.

Mr. Harold Brand, Lake Los Angeles resident, stated that he is concerned with chloramines; that the District needs to present to the public what it has done for water quality by treating water with Granular Activated Carbon so the public can appreciate what the District has done; that this is a great way to engage the community and share information; and that he is interested in being a member of a Citizen's Liaison Committee.

Elena, Palmdale resident, stated that the formation of such a Committee is a wonderful idea and inquired about Spanish translation at these meetings.

General Manager LaMoreaux then stated that staff will prepare by-laws that will govern how a Citizen's Liaison Committee will function, including interpretation services, if needed.

7.5) 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) 32nd Annual Tri-State Seminar to be Held September 20 – 22, 2016 in Las Vegas, Nevada.

b) Gas Chromatography Mass Spectrometry (GCMS) Training to be Held October 25 – 28, 2016 in Columbia, Maryland.

After a brief discussion of these Conferences, 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 authorize the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2016 Budget as follows: 32nd Annual Tri-State Seminar to be Held September 20 – 22, 2016 in Las Vegas, Nevada and Gas Chromatography Mass Spectrometry (GCMS) Training to be Held October 25 – 28, 2016 in Columbia, Maryland.

8) Information Items:

8.1) Reports of Directors:

a) Meetings/General Report.

Director Estes reported that he had a great few weeks with his family and that on August 9, he attended a Board briefing with General Manager LaMoreaux.

Director Henriquez reported that on August 8, he attended a Board briefing with General Manager LaMoreaux and that on August 9, he attended the Finance Committee with President Alvarado, some items were presented earlier this evening, and the Committee also approved entering into a Professional Services Agreement with NHA

Advisors for bond disclosure reporting through 2020 at the rate of $1,500 per year for the first bond series, $1,000 for a second bond series, and $750 for any future bond series, and this Agreement also includes an escape clause for the District to cancel at any time.

Director Mac Laren reported that on August 2, she attended the Personnel Committee meeting with Director Dino; that on August 3, she attended her first Air Force Plant 42 Restoration Advisory Board meeting, the information presented is alarming, and she is excited to be on this Board; that on August 8, she attended a Board briefing with General Manager LaMoreaux; that on August 9, she attended a meeting with Public Affairs & Sustainability Director McNutt and Josh Mann, from Waste Management, regarding partnership opportunities; and that also on August 9, she attended the Finance Committee meeting.

Director Dino reported that on August 2, he attended the Personnel Committee meeting with Director Mac Laren; that on August 8, he attended a Board briefing with General Manager LaMoreaux; and that he is attending the Board meeting this evening.

President Alvarado reported that on August 2, he attended an agenda review and approval meeting with General Manager LaMoreaux; that on August 3, he attended the Air Force Plant 42 Restoration Advisory Board meeting with Director Mac Laren; that on August 8, he attended a Board briefing with General Manager LaMoreaux; and that on August 9, he attended the Finance Committee meeting with Director Henriquez.

b) Standing Committee/Assignment Reports (Chair):

1) Finance Committee.

2) Personnel Committee.

President Alvarado stated that reports on these meetings were provided earlier in the meeting.

8.2) Report of General Manager.

General Manager LaMoreaux stated that he has no report.

8.3) Report of General Counsel.

General Counsel Dunn stated that he has no report.

President Alvarado then stated that the ACWA News provided updates on AB1755, which will provide better data and sharing of information and will help with water use, water markets, and implementation of the Groundwater Management Act of 2014, and AB2909, which will require the State Water Resources Control Board and the Department of Water Resources to implement and expedite the thirty day review process for re-occurring water transfers after which General Manager LaMoreaux provided an update on the status of AB2909.

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 8:12 p.m., President Alvarado called for an eleven-minute recess. He reconvened the Regular Meeting at 8:23 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 8:23 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 existing litigation to which the District is a party, the title of such litigation being the *Antelope Valley Ground Water Cases.*

He reconvened the regular meeting at 8:59 p.m.

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

Special Litigation Counsel Bunn stated that a closed session was held pursuant to Government Code Section §54956.9 (d)(1), to confer with Special Litigation Counsel

regarding existing 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 in closed session.

13) Board Members' Requests for Future Agenda Items.

Director Mac Laren stated that she attended the Finance Committee meeting and requested Director Henriquez, Chair of the Finance Committee, be provided with departmental presentations showing the need for staffing in each department, which also shows the District is not overstaffed, and how they chose The Mathis Group over a more expensive organizational assessment consultant as he has requested the preparation of a Request for Proposals to hire a consultant to see how the District can save money.

General Manager LaMoreaux then stated that the Committee directed staff to prepare a draft Request for Proposals to hire an outside consultant to determine additional cost reductions for the District and bring it to the full Board for discussion and that part of that package to the full Board will include all background information appropriate for that discussion.

Director Mac Laren then requested that package also include all cost cutting measures taken since she has been on the Board.

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 9:03 p.m.

Secretary