

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, FEBRUARY 26, 2014:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, February 26, 2014, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Kathy Mac Laren, called the meeting to order.

1) Pledge of Allegiance.

President Mac Laren led the pledge of allegiance followed by a moment of silence in honor of our men and women fighting overseas.

2) Roll Call.

Attendance:

Kathy Mac Laren, President
Robert Alvarado, Vice President
Gloria Dizmang, Treasurer
Joe Estes, Secretary
Vincent Dino, Director

Others Present:

Dennis LaMoreaux, General Manager
Tom Bunn, Attorney
Matt Knudson, Assistant General Manager
Mike Williams, Finance Manager
Peter Thompson II, Operations Manager
Jennifer Emery, Human Resources Manager
Dawn Deans, Executive Assistant
4 members of the public

3) Adoption of Agenda.

After a brief discussion of Agenda Item No. 6.6, it was moved by Director Alvarado, seconded by Director Estes, and unanimously carried to adopt the agenda, as amended, removing Agenda Item No. 6.6.

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Presentations:

5.1) No Presentations Scheduled at this Time.

There were no presentations.

6) Action Items – Consent 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.)

6.1) **Approval of Minutes of Regular Meeting Held February 12, 2014.**

6.2) **Payment of Bills for February 26, 2014.**

6.3) **Approve and Authorize an Agreement With MWH (\$196,043) for the Update of the Water System Master Plan. (\$200,000.00 – Budgeted – Assistant General Manager Knudson/Facilities Committee)**

6.4) **Approval to Fill One Vacant District Position as Follows: Field Service Tech. 1. (Budgeted – Human Resources Manager Emery/Personnel Committee)**

It was moved by Director Estes, seconded by Director Dino, and unanimously carried to approve those items included in the Consent Calendar with the exception of Agenda Item No. 6.5, which is pulled for separate discussion, followed by President Mac Laren's announcement of the items included in the Consent Calendar.

6.5) **Approval to Concurrently Fund the Community & Government Affairs Coordinator Position and Defund the Water Conservation Supervisor Position. (Human Resources Manager Emery/Personnel Committee)**

After a brief discussion of the Personnel Committee's review of this item, it was moved by Director Dizmang, seconded by Director Estes, and unanimously carried to direct staff to contact The Mathis Group to obtain a proposal for recruitment for a position of this nature with this proposal to be presented to the Board for consideration at the next regular Board meeting.

President Mac Laren then recommended the Board provide ideas on this position to The Mathis Group.

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 Resolution No. 14-7 Honoring Retired Sheriff Lee Baca for his 48 Years of Service. (Director Estes)**

After a brief discussion of improving the District's image through the presentation of certificates at community events, of retired Sheriff Lee Baca's 48-year career, and of how Sheriff Baca affected the District, Mr. Michael Leighty, Palmdale

resident, questioned why the Board is singling out retired Sheriff Baca followed by discussion of his contributions to the water industry.

It was then moved by Director Estes, seconded by Director Alvarado, and carried on a 4 – 0 – 1 vote, with Director Dizmang abstaining, to approve Resolution No. 14-7 Honoring Retired Sheriff Lee Baca.

A copy of said Resolution No. 14-7 is hereby made a portion of the minutes of this meeting.

7.2) Consideration and Possible Action on Board and Staff Attendance at Conferences, Seminars, and Training Sessions as Follows: None at This Time.

There were no conferences, seminars, or training sessions to consider.

7.3) Adjourn to Meeting of the Palmdale Water District Public Facilities Corporation.

At 7:16 p.m., the regular meeting of the Board of Directors of the Palmdale Water District was adjourned to the meeting of the Palmdale Water District Public Facilities Corporation.

7.4) Consideration and Possible Action on Resolution No. 14-8 Approving an Amendment to Installment Purchase Agreement and Certain Other Actions in Connection Therewith. (Finance Manager Williams)

After a brief discussion, it was moved by Director Alvarado, seconded by Director Estes, and unanimously carried to approve Resolution No. 14-8 Approving an Amendment to Installment Purchase Agreement and Certain Other Actions in Connection Therewith.

A copy of said Resolution No. 14-8 is hereby made a portion of the minutes of this meeting.

8) Information Items.

8.1) Reports of Directors: Meetings/Committee Meetings/General Report.

Director Dino reported that on February 14, he attended the Drought Webinar and requested more webinars be held at the District; that on February 19, he attended the Palmdale Recycled Water Authority meeting and was sworn in as an Alternate Director for the Authority; that on February 21, he attended the Antelope Valley Board of Trade Conference, which was very educational; that on February 24, he attended the Water Supply & Reliability Committee meeting where Water & Energy Resources Manager Pernula provided information about the District's good conservation efforts; and that on February 25, he observed the dredging process at Palmdale Lake, which is quite an operation.

Director Dizmang reported that on February 14, she also attended the Drought Webinar, which was scary for some areas; that on February 21, she also attended the Antelope Valley Board of Trade Conference, which was very informative; that on February 24, she attended the Water Supply & Reliability Committee meeting, and the Committee reviewed the District's position in support of Governor Brown's recommendations on the drought; that on February 24, she attended a Board briefing with General Manager LaMoreaux and Assistant General Manager Knudson; and that on February 26, she attended an editorial briefing and an Antelope Valley Press editorial meeting, which went well.

Director Alvarado reported that on February 13, he attended the Palmdale City Planning Commission meeting; that on February 14, he also attended the Drought Webinar; that on February 17, he attended the A.V. International Heritage Committee meeting; that on February 19, he attended the Palmdale Recycled Water Authority meeting and was sworn in as a Director for the Authority; that on February 21, he also attended the Antelope Valley Board of Trade Conference; that on February 22, he participated in the 2014 Dancing with the A.V. Stars Contest and Fundraiser; that on February 24, he attended the Personnel Committee meeting; that on February 25, he attended a Board briefing with Director Estes, General Manager LaMoreaux, and Assistant General Manager Knudson; that also on February 25, he observed pipeline construction and the dredging process at Palmdale Lake; and that on February 27, he and President Mac Laren will be attending the Antelope Valley State Water Contractors Association meeting. A copy of Director Alvarado's detailed written report is hereby made a portion of the minutes of this meeting.

Director Estes reported that on February 14, he also attended the Drought Webinar; that on February 19, he attended the Palmdale Recycled Water Authority meeting; that on February 21, he also attended the Antelope Valley Board of Trade Conference; that on February 24, he attended the Personnel Committee meeting; that on

February 25, he attended a Board briefing with Director Alvarado, General Manager LaMoreaux, and Assistant General Manager Knudson; that also on February 25, he observed pipeline construction and the dredging process at Palmdale Lake; and that on February 26, he attended an editorial briefing and an Antelope Valley Press editorial meeting. A copy of Director Estes' detailed written report is hereby made a portion of the minutes of this meeting.

President Mac Laren reported that on February 19, she attended the Palmdale Recycled Water Authority meeting and was sworn in as a Director for the Authority, and a presentation was made on the options included in the Recycled Water Master Plan; that on February 21, she also attended the Antelope Valley Board of Trade Conference, which was very interesting, and the economic forecast indicates improvement; that on February 24, she attended the Personnel Committee meeting, and several items discussed will be discussed further at the Strategic Plan Workshop; that on February 24, she attended a Board briefing with General Manager LaMoreaux and Assistant General Manager Knudson; and that on February 26, she observed pipeline construction and the dredging process at Palmdale Lake, and it is hoped that the Antelope Valley Press will publish pictures of this construction to assure Palmdale residents that the District is taking the necessary steps to prepare for the seriousness of the drought.

There were no further reports from Directors.

8.2) Report of General Manager.

a) District Vacancies.

General Manager LaMoreaux stated that previously authorized recruitments are complete; that new employees will start work within the next few weeks; and that the recruitment process for the Field Service Tech. 1 position authorized this evening will begin immediately.

b) Palmdale Recycled Water Authority Status.

He then reported that the Palmdale Recycled Water Authority meeting was discussed earlier this evening and that a more detailed workshop on the Recycled Water Master Plan will be held at the April Authority meeting.

c) Monthly Department Reports.

He then stated that the monthly Department Status Report was included in the agenda packets if there are any questions on same.

He then reported that the Antelope Valley Press editorial meeting went well, and he has submitted the requested follow-up information and that the Board room sound system was discussed at the Facilities Committee meeting; that the sound system equipment in use this evening is on loan through the middle of March; and that a proposal for this equipment will be discussed at the next Facilities Committee meeting.

8.3) Report of Attorney.

Attorney Bunn reviewed the requirement of Directors' verbal or written reports and stated that a closed session agenda item will be included on future agendas regarding the Omar Ramirez matter.

9) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

10) Closed Session Under:

10.1) Government Code Section 54956.9(d)(1), pending litigation: *Antelope Valley Ground Water Cases.*

10.2) Government Code Section 54956.9(d)(1), pending litigation: *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.*

10.3) Government Code Section 54956.9(d)(1), pending litigation: *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561.*

10.4) Government Code Section 54956.9(d)(1), pending litigation: *Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216.*

At 7:41 p.m., President Mac Laren called for a closed session pursuant to Government Code Section 54956.9(d)(1), Pending Litigation – Four Cases: *Antelope Valley Ground Water Cases* and *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 and Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561 and Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216.

She reconvened the regular meeting at 8:28 p.m.

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

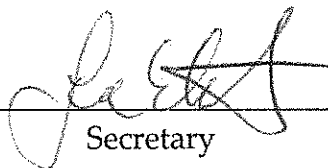
Attorney Bunn reported that a closed session had been held under Government Code Section 54956.9(d)(1), Pending Litigation – Four Cases: *Antelope Valley Ground Water Cases* and *United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California Case No. ED CV06-0055-GW* and *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561* and *Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216*; that the Board was briefed on the current status of each of these items of pending litigation and discussed these items; but that no reportable action under the Brown Act was taken in closed session on any of these matters.

12) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

13) Adjournment.

There being no further business to come before the Board, the regular meeting of the Board of Directors of the Palmdale Water District was adjourned.


Secretary

Resolution No. 14-7

***A Resolution of the Board of Directors
of the Palmdale Water District
Honoring Retired Sheriff Lee Baca
For his 48 Years of Service***

WHEREAS, Leroy Baca began his public service career on August 23, 1965 as a Deputy Sheriff Trainee;

WHEREAS, Sheriff Baca was appointed to Captain in 1981, was promoted to Commander of numerous stations as well as the Aero Bureau and Special Enforcement Bureau, and was again promoted to Chief on January 21, 1992;

WHEREAS, On December 7, 1998, Sheriff Baca was sworn in as Los Angeles County's 30th Sheriff having been elected by the citizens of Los Angeles County and was re-elected to a fourth term in 2010;

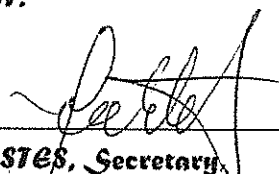
WHEREAS, Sheriff Baca provided leadership, management, and direction to thousands of deputy sheriffs and police officers throughout his career and was named the 2013 Sheriff of the Year by the National Sheriffs' Association.

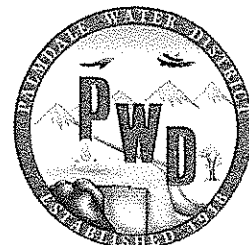
NOW, THEREFORE, the Board of Directors of the Palmdale Water District do hereby recognize retired Sheriff Lee Baca for his 48 years of service and overall contributions to the community and for his department's role in keeping the county's crime rate among the lowest among major metropolitan areas.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District at a regular meeting held February 26, 2014.


**KATHY MAC LAREN, President,
Board of Directors**

ATTEST:


**JOE ESTES, Secretary,
Board of Directors**



RESOLUTION NO. 14-8

RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT APPROVING AN AMENDMENT TO INSTALLMENT PURCHASE AGREEMENT AND CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Palmdale Water District (the "District") is an irrigation district duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, the District is authorized to enter into agreements with the Palmdale Water District Public Facilities Corporation (the "Corporation") to finance the acquisition and construction of improvements to the District's water system; and

WHEREAS, the District and the Corporation have previously entered into that certain Installment Purchase Agreement, dated as of November 1, 2012, as amended by that certain Amendment No. 1 to Installment Purchase Agreement, dated as of May 1, 2013 (collectively, the "2012 Installment Purchase Agreement"), for the purpose of prepaying certain installment payments in order to reduce the District's borrowing costs; and

WHEREAS, the District and the Corporation desire to further amend the 2012 Installment Purchase Agreement for the purpose of revising certain provisions therein relating to the Rate Stabilization Fund;

NOW, THEREFORE, the Board of Directors of the Palmdale Water District hereby finds, determines, declares and resolves as follows:

SECTION 1. Each of the above recitals is true and correct.

SECTION 2. Each of the President of the Board of Directors, the General Manager of the District and the Director of Financial Services of the District, or their designees (collectively, the "Authorized Officers"), acting alone, is hereby authorized to enter into an amendment to the 2012 Installment Purchase Agreement substantially in the form of Amendment No. 2 to Installment Purchase Agreement on file with the Secretary in order to revise certain provisions relating to the Rate Stabilization Fund. The Authorized Officers are hereby further authorized to take any other actions necessary to effect such amendment.

SECTION 3. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District, California, this 26th day of February, 2014, by the following vote:

AYES: Kathy Mac Laren, Robert Alvarado, Gloria Dizmang, Joe Estes, Vincent Dino

NAYS: None.

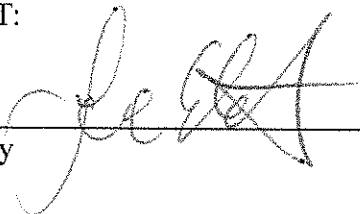
ABSENT: None.

ABSTAIN: None.



President

ATTEST:



Secretary

DIRECTOR ALVARADO'S REPORT

FEBRUARY 26, 2014

ON FEBRUARY 13, I ATTENDED THE MEETING OF THE PALMDALE CITY PLANNING COMMISSION AND SPOKE ON BEHALF OF A LOCAL BUSINESS THAT OPERATES IN DIVISION 1 OF OUR DISTRICT.

ON VALENTINE'S DAY, THIS BOARD ATTENDED A STATE WIDE WEBINAR AND HEARD THE LATEST AND NOT SO GOOD REPORTS ON THE 2014 CA DROUGHT AND THE PLAN OF ACTION WE ALL NEED TO TAKE IN ORDER TO DEAL WITH THIS CURRENT WATER CRISIS.

ON THE 17TH, I ATTENDED THE AV INTERNATIONAL HERITAGE COMMITTEE MEETING AND INFORMED THE OFFICERS THAT PWD WILL BE PARTICIPATING AGAIN AT THEIR FESTIVAL ON SEPT 13TH

ON THE 19TH, I ATTENDED MY SWEARING IN CEREMONY OF THE NEW PALMDALE RECYLED WATER AUTHORITY BOARD. CONGRATULATIONS ARE IN ORDER TO RETURNING DIRECTOR MC LAREN AND NEW DIRECTOR DINO SERVING AS AN ALTERNATE.

ON THE 21ST, MY FELLOW DIRECTORS AND I ATTENDED THE 2014 AV OUTLOOK CONFERENCE SPONSORED BY THE AV BOARD OF TRADE. I REALLY ENJOYED THE ECONOMIC FORECAST REPORTS AND THE INSPIRATIONAL SPEAKERS. THIS EVENT TOOK PLACE AT THE MOHAVE AIR AND SPACE PORT. GREAT FACILITIES UP THERE.

ON THE 22ND, I PARTICIPATED IN THE 2014 DANCING WITH THE AV STARS CONTEST AND FUNDRAISER AT AV COLLEGE WHERE THOUSANDS OF DOLLARS WERE RAISED TO HELP PROVIDE FREE DANCING CLASSES TO LOCAL STUDENTS AS AN AFTER SCHOOL PROGRAM. OUR PALMDALE SCHOOLS WILL BENEFIT FROM IT BIG TIME .

ON THE 24th, I ATTENDED THE PERSONNEL COMMITTEE MEETING.

ON THE 25TH DIRECTOR ESTES AND I ATTENDED OUR THIRD BRIEFING TOGETHER. IT IS SUCH A PLEASURE TO WORK WITH HIM ON SEVERAL AREAS. THIS IS TRULY A WONDERFUL GROUP OF INDIVIDUALS THAT REALLY CARE ABOUT THIS AGENCY, THE STAFF AND THE RATEPAYERS. SO KUDOS TO MY FELLOW DIRECTORS.

ALSO ON THE 25TH, DIRECTOR ESTES AND I JOINED OUR GENERAL MANAGER AND OUR ASSISTANT GENERAL MANAGER ON THE FIELD BY VISITING WATER SYSTEM IMPROVEMENTS ON 22ND STREET EAST WHERE THEY ARE REPLACING AGING WATER MAINS.

FROM THERE WE WENT TO THE WATER TREATMENT PLANT TO SEE THE PROGRESS ON THE PALMDALE LAKE OUTLET DREDGING AND REPAIR. IT IS ALWAYS GREAT TO SEE OUR EMPLOYEES WORKING HARD AND SIDE BY SIDE WITH CONTRACTORS, FIXING AND REPAIRING THINGS TO SAVE PWD AND OUR RATEPAYERS MONEY. WE ARE REALLY PROUD OF ALL OF OUR EMPLOYEES, AND I WANT ALL OF YOU TO KNOW WE APPRECIATE YOU AND YOUR FAMILIES.

COMING UP ...

ON THE 27TH, COMMISSIONER MC LAREN, AND I WILL BE ATTENDING THE AV STATE WATER CONTRACTORS ASSOCIATION MEETING ON THESE CHAMBERS. DIRECTOR ESTES IS OUR ALTERNATE TO THIS AGENCY. THAT EVENING WE WILL HAVE A PRESENTATION ON THE LITTLEROCK CREEK RECHARGE AND RECOVERY PROJECT. REALLY INTERESTING STUFF, SO I HOPE TO SEE YOU ALL THERE.

THIS CONCLUDES MY REPORT.

Director Joe Estes Board Report for February 26, 2014

- 1) On February 14, 2014 Directors and I attended a Webinar regarding 2014 Drought Briefing at the PWD District Office

Some of the topics discussed were

Impacts and Actions on our current drought.

- 2) On February 19, 2014 I attended the Palmdale Recycled Water Authority meeting at the city of Palmdale. Where I watched all new Directors get sworn in.

Discussion:

Palmdale Recycled Water Authority's review of the Master Plan and 2014 budget.

- 3) On February 21, 2014 all Directors and I along with General Manager Dennis LaMoreaux and assistant General Manager Matt Knudson attended the sold out AV Board of Trade, (*Breaking Boundaries*) in Mojave.
- 4) On February 24, 2014 Director Mac Laren and I attended the Personnel Committee. At the PWD District Office.

Discussion:

Draft of employee Organizational Chart, and Strategic Plan

- 5) On February 25, 2014 Director Alvarado and I attended a Board Briefing with Dennis and Matt at the PWD District Office.

Discussion: (Agenda) For Regular Board Meeting to be held on February 26, 2014

- 6) Also On February 25, 2014 After Board Briefing General Manager Dennis LaMoreaux and assistant General Manager Matt Knudson and Director Alvarado and I went on a very informative field trip to the pipeline main replacement project on 22ed St East, also we visited Palmdale Lake to see the progress on the Dredging of the Lake Outlet and Repair of the screen.
- 7) On February 26, 2014 Director Dizmang and I attended a 10:00 am Outreach Meeting regarding the AV Press with General Manager Dennis LaMoreaux at the PWD District Office.

Discussion:

How to present our drought situation to the public

- 8) Also On February 26, 2014 Director Dizmang and I along with General Manager Dennis LaMoreaux attended a 4:30 pm Outreach Meeting with the AV Press with Dennis Anderson (Editor)

Some of the topics discussed were

Strategic Plan, before the first drop campaign, and Impacts and Actions being taken on our current drought situation and how to present them to the public.