

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

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

At the request of President Mac Laren, Director Estes led the pledge of allegiance followed by a moment of silence in honor of those fighting for us this holiday season.

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
Patty Quilizapa, Assistant General Counsel
Tom Bunn, Special Counsel
Matt Knudson, Assistant General Manager
Mike Williams, Finance Manager
Jennifer Emery, Human Resources Director
Mynor Masaya, Operations Manager
Mike McNutt, PIO/Conservation Director
Dawn Deans, Executive Assistant
1 member of the public

3) Adoption of Agenda.

President Mac Laren stated that Agenda Item No.'s 7.3 and 7.4 can be removed from the agenda after which it was moved by Director Alvarado, 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.

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Presentations:

5.1) Cash for Grass Rebate Program. (PIO/ Conservation Director McNutt)

PIO/Conservation Director McNutt reviewed before and after photos of recent Cash for Grass Rebate Program recipients, the total amount of Cash for Grass Program rebates, grass removed, and water saved to date, and then awarded a rebate check to Ms. Lynn Ohren for \$1,479.00. Ms. Ohren then provided an overview of her experience with the Cash for Grass Rebate Program and thanked the District for the rebate opportunity.

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 November 12, 2014.

6.2) Payment of Bills for November 26, 2014.

6.3) Approval of Resolution No. 14-19 Amending the Conflict of Interest and Disclosure Code for the Palmdale Water District. (General Manager LaMoreaux)

President Mac Laren announced the items included in the Consent Calendar after which it was moved by Director Dizmang, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve those items included in the Consent Calendar.

A copy of said Resolution No. 14-19 is hereby made a portion of the minutes of this meeting.

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 Cancelling Second Regular Board Meeting in December. (General Manager LaMoreaux)

After a brief discussion, it was moved by Director Alvarado, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to cancel the second regular Board meeting in December.

7.2) Consideration and Possible Action on Continuation of the District's Internship Program. (Human Resources Director Emery/Personnel Committee)

Human Resources Director Emery reviewed the District's Internship Program and recommendation to offer a Level 2 Internship Program in addition to the Level 1 Internship Program, and after a brief discussion of the benefits of this Program and recommended new intern positions, it was moved by Director Dino, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to continue the District's Internship Program.

8) Information Items.

8.1) Reports of Directors:

a) Meetings/General Report.

Director Dino reported that on November 20, he attended a budget briefing with General Manager LaMoreaux, Assistant General Manager Knudson, Financial Advisor Egan, Finance Manager Williams, and PIO/Conservation Director McNutt; that on November 21, he attended the Budget Workshop, which was interesting; that on November 24, he attended the Water Supply & Reliability Committee meeting with Director Dizmang, and she will have a full report as the Chair of that Committee; that also on November 24, he attended a Board briefing with General Manager LaMoreaux; and that on November 25, he attended the Ad Hoc Fin & Feather Committee meeting with Director Alvarado and the President and Vice President of the Fin & Feather Club regarding any concerns with Palmdale Water District, and a full report will be provided at the next regular Board meeting.

Director Dizmang reported that on November 16 – 19, she attended the California Special Districts Association Special District Leadership Academy Conference in Anaheim, and a written report was provided to each of the Directors in their mailbox regarding the meetings attended, Board Governance materials for reference, and the agenda for the Conference; that on November 20, she attended a budget briefing with General Manager LaMoreaux, Assistant General Manager Knudson, Financial Advisor Egan, Finance Manager Williams, and PIO/Conservation Director McNutt; that on November 21, she attended the Budget Workshop; and that on November 24, she attended the Water Supply & Reliability Committee meeting with Director Dino where they discussed unchanged water conditions, the rain up north, the level of dams and reservoirs still being below capacity, and the rain forecast for this weekend.

Director Alvarado reported that on November 16 - 19, he attended the California Special Districts Association Special District Leadership Academy Conference in Anaheim

attending the classes of Roberts Rules of Order, AB1825 harassment prevention training, Reaching Out to the Community, Sex, Lies and Social Media a Survival Guide, Board's Role in Human Resources parts 1 and 2, and the Board's Role in Finance and Fiscal Accountability, all courses were very educational and interesting, and he took extensive notes to share and discuss new ideas learned at the Conference; that on November 20, he attended a budget briefing with General Manager LaMoreaux, Assistant General Manager Knudson, Financial Advisor Egan, Finance Manager Williams, and PIO/Conservation Director McNutt; that on November 21, he attended the Budget Workshop; that on November 24, he attended a Board briefing with General Manager LaMoreaux; that also on November 24, he attended the Water Supply & Reliability Committee meeting; that also on November 24, he completed his performance evaluation of General Manager LaMoreaux; and that on November 25, he attended the Ad Hoc Fin & Feather Committee meeting with Director Dino and the President and Vice President of the Fin & Feather Club, there was a positive outcome from the meeting, he and Director Dino will meet and draft reports of their two Ad Hoc meetings, and the observations, findings, and recommendations will be presented at a future Board meeting.

Director Estes reported that on November 16 – 19, he attended the California Special Districts Association Special District Leadership Academy Conference in Anaheim, all Directors are now ready for the Districts of Distinction award, the breakout sessions were extremely useful and informational, he left the Conference with a far more practical knowledge as a public official than anticipated, and completion of the program will be a great service to the District; that on November 20, he attended the Personnel Committee meeting with President Mac Laren; that also on November 20, he attended a budget briefing with General Manager LaMoreaux, Assistant General Manager Knudson, Financial Advisor Egan, Finance Manager Williams, and PIO/Conservation Director McNutt; that on November 21, he attended the Budget Workshop; and that on November 24, he attended a Board briefing with General Manager LaMoreaux.

President Mac Laren reported that on November 16 – 19, she attended the California Special Districts Association Special District Leadership Academy Conference in Anaheim, it was a great opportunity to attend the remaining Academy modules, all Directors have accomplished the task of completing all four Academy modules, the District can look forward to receiving the Districts of Distinction award and Certificate of Transparency, and the District will be the first agency in the Antelope Valley to be awarded this distinction; that on November 20, she attended a budget briefing with General Manager LaMoreaux, Assistant General Manager Knudson, Financial Advisor Egan, Finance Manager Williams, and PIO/Conservation Director McNutt; that also on November 20, she attended the Personnel Committee meeting with Director Estes; and

that on November 21, she attended the Budget Workshop, the budget was passed in a timely manner ahead of schedule, and any changes in the rate structure will be presented to the ratepayers at one time.

There were no further reports from Directors.

b) Standing Committee/Assignment Reports (Chair):

- 1) Personnel Committee**
- 2) Water Supply & Reliability Committee**
- 3) Palmdale Recycled Water Authority**

President Mac Laren reported that the Personnel Committee met and discussed the Internship Program considered earlier this evening, there are a few other items under consideration, and Human Resources Director Emery has a full calendar of items for the Committee to consider.

Director Dizmang stated that in addition to her earlier Water Supply & Reliability Committee report, there has been some forward movement on the Littlerock Creek Recharge and Recovery Project and the Littlerock Dam Sediment Removal Project.

General Manager LaMoreaux reported that regarding the Palmdale Recycled Water Authority, an Authority meeting will be scheduled when information on the reallocation of recycled water is available and that the Recycled Water Master Plan is under environmental review with a few comments received.

8.2) Report of General Manager.

General Manager LaMoreaux stated that copies of the completed budget, with the exception of the Executive Summary, are in the Board's mailboxes and that he, Human Resources Director Emery, Assistant General Manager Knudson, and PIO/Conservation Director McNutt met with all available staff to make them aware of the 2015 Budget.

8.3) Report of Attorney.

Assistant General Counsel Quilizapa stated that they have no report but that she appreciates the vote of confidence from the last Board meeting, and General Counsel changes will take effect January 1, 2015 and that she will be co-chairing a conference on

municipal water rate setting and rate setting laws on January 7, 2015 in Long Beach, and invitations will be sent to the Board.

9) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

10) Closed session under:

10.1) Conference with Legal Counsel – Existing Litigation: A Closed Session Will be Held, Pursuant to Government Code §54956.9 (d)(1), to Confer With Legal Counsel Regarding Pending Litigation to Which the District is a Party. The Title of Such Litigation is as Follows: *Antelope Valley Ground Water Cases*.

10.2) Conference with Legal Counsel – Existing Litigation: A Closed Session Will be Held, Pursuant to Government Code §54956.9 (d)(1), to Confer With Legal Counsel Regarding Pending Litigation to Which the District is a Party. The Title of Such Litigation is as Follows: *Central Delta Water Agency vs. Department of Water Resources; Sacramento Superior Court Case No. 34-2010-80000561*.

10.3) Conference with Legal Counsel – Personnel: A Closed Session Will be Held Pursuant to Government Code §54957 to Conduct an Employee Evaluation for the Position of General Manager.

10.4) Conference with Legal Counsel – Employment Contract Negotiations: A Closed Session Will be Held Pursuant to Government Code §54957.6 With District General Counsel Regarding Employment Contract Negotiations With District General Manager.

At 7:37 p.m., President Mac Laren called for a closed session pursuant to Government Code §54956.9 (d)(1) to confer with legal counsel regarding pending litigation to which the District is a party – two cases: *Antelope Valley Ground Water Cases* and *Central Delta Water Agency vs. Department of Water Resources* and *Sacramento Superior Court Case No. 34-2010-80000561*; pursuant to Government Code §54957 to conduct an employee evaluation for the position of General Manager; and pursuant to Government Code §54957.6 regarding employment contract negotiations with the District General Manager.

She reconvened the regular meeting at 9:02 p.m.

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

President Mac Laren reported that a closed session had been held pursuant to Government Code §54956.9 (d)(1) to confer with legal counsel regarding pending litigation to which the District is a party – one case: *Antelope Valley Ground Water Cases*; that the Board was briefed by Special Counsel Bunn on the current status of this item of litigation; and that no reportable action was taken in closed session.

Assistant General Counsel Quilizapa reported that a closed session had also been held pursuant to Government Code §54956.9 (d)(1) to confer with legal counsel regarding pending litigation to which the District is a party – one case: the *Central Delta Water Agency vs. Department of Water Resources; Sacramento Superior Court Case No. 34-2010-80000561*; that the Board was provided a status update on this matter; and that no reportable action was taken in closed session.

Assistant General Counsel Quilizapa then reported that a closed session had also been held pursuant to Government Code §54957 to conduct an employee evaluation for the position of General Manager; that the Board voted in closed session to direct General Counsel to retain a firm, collect information and qualifications of other candidates, and conduct the evaluation for the position of the existing General Manager in tandem with the review and qualifications of other candidates with a contract for any firm retained to be brought before the Board for approval at the December 10, 2014 Board meeting.

Assistant General Counsel Quilizapa then reported that a closed session had also been held pursuant to Government Code §54957.6 regarding employment contract negotiations with the District General Manager; that no status report was provided on this matter; and that no reportable action was taken in closed session.

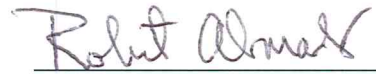
12) Board Members' Requests for Future Agenda Items.

Director Estes requested "Consideration and Possible Action on District Policy Regarding Monitoring and Coverage of Fin and Feather Club Meetings by District Employees" be placed on the agenda for the next regular Board meeting based on the conclusion of the Ad Hoc Fin and Feather Committee.

There were no further requests for future agenda items.

13) **Adjournment.**

There being no further business to come before the Board, the meeting was adjourned.

A handwritten signature in dark ink, appearing to read "Robert Almad", is written over a horizontal line.

Vice President

RESOLUTION NO. 14-19

RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT AMENDING THE CONFLICT OF INTEREST AND DISCLOSURE CODE FOR THE PALMDALE WATER DISTRICT

WHEREAS, the Political Reform Act (“Act”), Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes; and

WHEREAS, under the Act, the District must periodically review its internal organization to determine: (i) whether any position that has been added to the District constitutes a designated position under the District’s Conflict of Interest and Disclosure Code (“Code”); or (2) whether the duties of any existing position that is currently not a designated position have changed such that the position now constitutes a designated position under the District’s Code; and

WHEREAS, Exhibit A of the District’s Code is hereby modified with the deletion of obsolete language regarding disclosure and with the definition for income to include ‘receipt of gifts, loans and travel payments’ wherever the word ‘income’ appears; and

WHEREAS, Exhibit B of the District’s Code is hereby modified with the inclusion of an expanded definition for Consultants and New Positions under Government Code Section 81008 and is further modified to revise titles and delete one position for the following designated positions as reflected on the Palmdale Water District Organization Chart attached hereto as “Exhibit 1” and incorporated herein by reference:

- a) General Manager is now General Manager/CEO
- b) Assistant General Manager is now Assistant General Manager/COO
- c) Water and Energy Resources Manager is now Water and Energy Resources Director
- d) Engineering Manager is now Engineering/Grant Manager
- e) Human Resources Manager is now Human Resources Director
- f) Community & Government Affairs Coordinator is now Public Information Officer/Conservation Director
- g) Water Conservation Supervisor deleted

There are no changes in job duties and, therefore, no changes in the level of disclosure is required; and

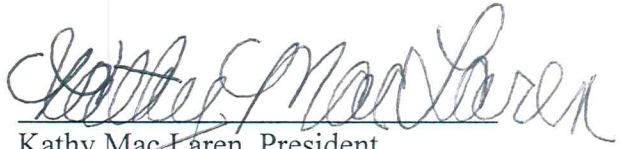
WHEREAS, the District's Code adopted by the County of Los Angeles Board of Supervisors effective October 15, 2014 is attached hereto as "Exhibit 2" and incorporated herein by reference; and

WHEREAS, to meet the requirements of the Act, the District must amend its Conflict of Interest and Disclosure Code to reflect these changes.


NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Palmdale Water District does hereby amend Exhibit A and Exhibit B of its Conflict of Interest and Disclosure Code, setting forth the designated positions within the District and their disclosure obligations, as set forth on the attached "Exhibit 2."

BE IT FURTHER RESOLVED, that individuals holding newly-designated positions shall file Statements of Economic – Assuming Office Statements with the District General Manager or his designee, as required under the District's Code. All other individuals holding designated positions shall file Statements of Economic Interests as required by law and the District's Code. Within five days of receipt of the Statements filed by the Directors and by the General Manager, the District shall make and retain copies and forward the originals of these statements to the Los Angeles County Board of Supervisors. Statements for all other designated individuals will be retained by the District.

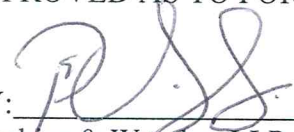
PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Palmdale Water District held on November 26, 2014.

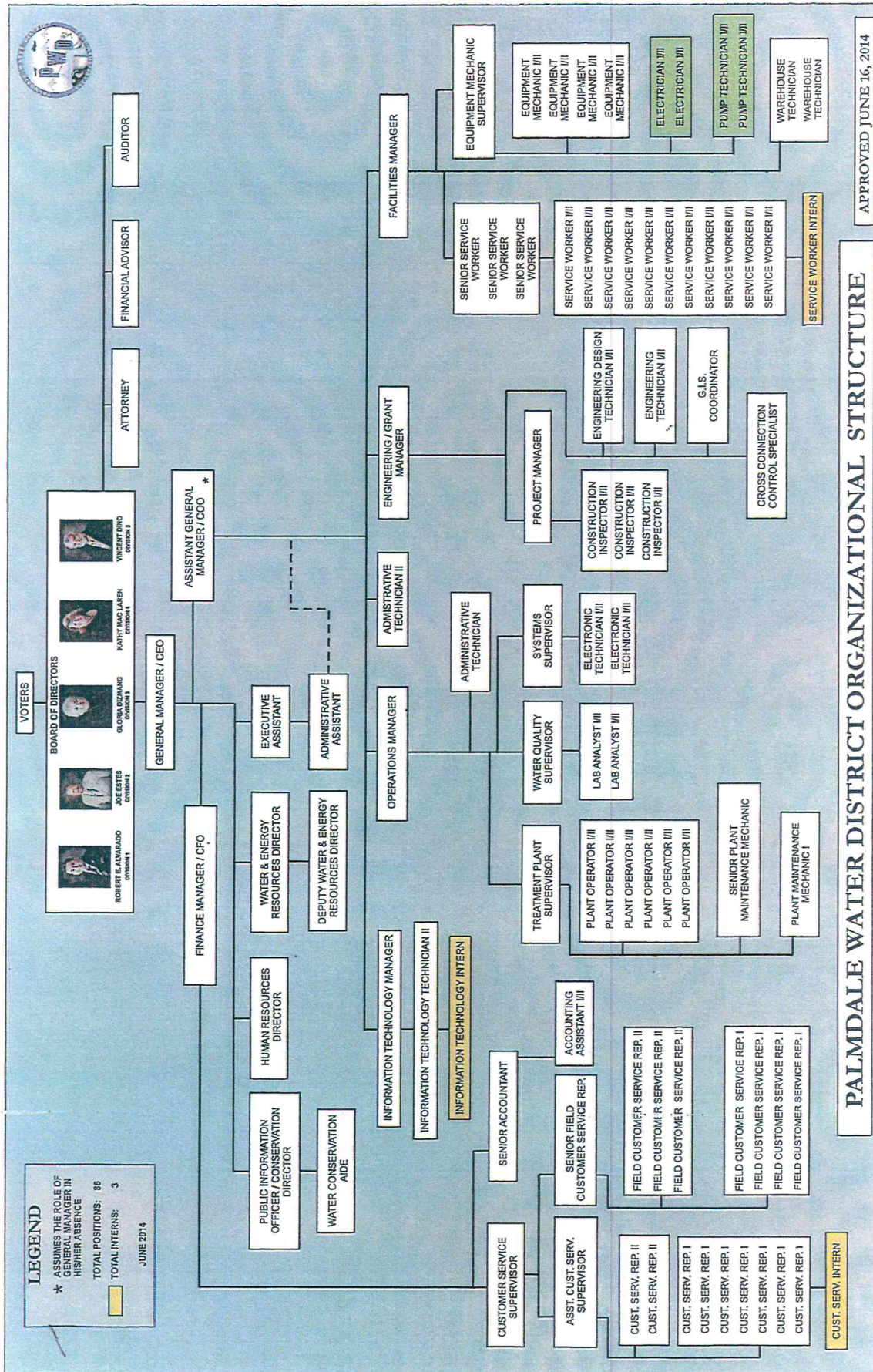

Kathy Mac Laren, President

ATTEST:


Joe Estes, Secretary

APPROVED AS TO FORM:

BY: 
Aleshire & Wynder, LLP, General Counsel



"EXHIBIT 2"

Conflict of Interest Code of the

PALMDALE WATER DISTRICT

Incorporation of FPPC Regulation 18730 (2 California Code of Regulations, Section 18730) by Reference

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the conflict of interest code of this agency by reference. This regulation and the attached Appendices (or Exhibits) designating officials and employees and establishing economic disclosure categories shall constitute the conflict of interest code of this agency.

Place of Filing of Statements of Economic Interests

All officials and employees required to submit a statement of economic interests shall file their statements with the agency head; or his or her designee. The agency shall make and retain a copy of all statements filed by its Board of Directors, General Manager, and forward the originals of such statements to the Executive Office of the Board of Supervisors of Los Angeles County.

The agency shall retain the originals of statements for all other Designated Positions named in the agency's conflict of interest code. All retained statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

PALMDALE WATER DISTRICT

EXHIBIT "A"

CATEGORY 1

Persons in this category shall disclose, in accordance with this Code, all interest in real property within the District, except personal residences or property used primarily for personal recreational purposes. Real property shall be deemed to be within the jurisdiction of the District if the property or any part of it is located within or not more than two miles outside the boundaries of the District or within two miles of any land owned or used by the District.

CATEGORY 2

Persons in this category shall disclose in accordance with this Code, all income (including receipt of gifts, loans and travel payments) from, investments in, and business positions with in businesses that produce products or provide services of a type utilized by the District, including the following areas:

- Office equipment and supplies
- Banks and savings and loans institutions
- Securities dealers and underwriters
- Real property
- Public utilities
- Financial audit services
- Insurance services
- Computer equipment, services, and supplies
- Printing, reproduction, or photographic equipment, services and supplies
- Periodicals, books, newspapers
- Chemicals
- Motor vehicles and specialty vehicles, parts and supplies
- Construction and maintenance equipment, services and supplies and building materials
- Petroleum products
- Transportation and lodging services
- Safety equipment and supplies
- Security services
- Food services and supplies
- Communication services
- Water quality testing equipment, supplies and services
- Cathodic protection equipment, services and supplies
- Engineering services
- Employment / temporary help agencies
- Educational equipment, services and supplies

PALMDALE WATER DISTRICT

EXHIBIT "A" (Cont'd)

CATEGORY 2 (Cont'd)

Medical supplies, services and informational materials

Landscape services and supplies

Typographical services

4-color separations

General and specialty equipment rentals

Consulting Services: legal, energy and power, engineering, soils testing, water treatment, advertising, communications, design, art work, audio/visual, movie productions, planning, water pricing and demand, economists, desalting, environmental, appraisers, real estate sales, and investment services.

CATEGORY 3

Consultants performing the duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position.

In addition, consultants who, under contract, participate in decisions which affect financial interests by providing information, advice, recommendation or counsel to the District, or which could affect financial interests, and those consultants who, under contract, exercise primary responsibility for the management of public investments, shall be required to file Statements of Economic Interests disclosing reportable interests as determined by the General Manager of the District. (See footnote for clarification*)

PALMDALE WATER DISTRICT

EXHIBIT "B"

<u>Designated Positions</u>	<u>Disclosure Categories</u>
Members of Board of Directors	1, 2
General Manager/CEO.	2
Assistant General Manager/COO	2
Water and Energy Resources Director	2
Operations Manager	2
Facilities Manager	2
Finance Manager/CFO	2
Engineering/Grant Manager	2
Human Resources Director	2
Information Technology Manager	2
Public Information Officer/Conservation Director	2
Consultants/New Positions*	3

*Consultants/New Positions are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitations:

The General Manager/CEO or his or her designee may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with disclosure requirements in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager/CEO or his or her designee's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

EFFECTIVE: 10/15/14