

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
PALMDALE WATER DISTRICT, AUGUST 13, 2014:**

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, August 13, 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.

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
Bill Wynder, Attorney
Tom Bunn, Attorney
Matt Knudson, Assistant General Manager
Mike Williams, Finance Manager
Jon Pernula, Water & Energy Resources Director
Mike McNutt, PIO/Conservation Director
Tim Moore, Facilities Manager
Mynor Masada, Treatment Plant Supervisor
Kelly Jeters, Systems Supervisor
Dennis Hoffmeyer, Senior Accountant
Bob Egan, Financial Advisor
Dawn Deans, Executive Assistant
2 member of the public

3) Adoption of Agenda.

President Mac Laren stated, and Attorney Wynder clarified, that an item arose subsequent to the posting of the agenda for tonight's meeting and requires action prior to the time of the next regular Board meeting and that pursuant to Government Code §54954.2(b)(2), requests that Agenda Item No. 7.1(a) as follows be added to tonight's agenda as an urgency item: "Consideration and possible action on setting Palmdale Water District's assessment rates for fiscal year 2014-2015 and adoption of Resolution No. 14-13 regarding said rates."

It was then moved by Director Estes, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to add Agenda Item No. 7.1(a), "Consideration and possible action on setting Palmdale Water District's

assessment rates for fiscal year 2014-2015 and adoption of Resolution No. 14-13 regarding said rates" as an urgency item.

It was then moved by Director Dizmang, 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, adding Agenda Item No. 7.1(a) as an urgency item.

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 scheduled.

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 July 23, 2014.

6.2) Payment of Bills for August 13, 2014.

6.3) Approval of Professional Services Agreement for Monitoring and Reporting of Wind Turbine. (\$10,500.00 – Budgeted – Assistant General Manager Knudson/Facilities Committee)

6.4) Approval of Revisions to Organization Chart. (Assistant General Manager Knudson/Personnel Committee)

6.5) Approval of Agreement Between San Bernardino Valley Municipal Water District (SBVMWD), Palmdale Water District (PWD), and the Department of Water Resources (DWR) for Transportation of Up to 2,500 Acre Feet of Supplemental Exchange Water in 2014. (Water & Energy Resources Director Pernula)

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.

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 30, 2014. (Financial Advisor Egan/Finance Committee)

Financial Advisor Egan reviewed the investment funds and cash flow reports as of June 30, 2014, including recent investments, the Butte payment, the overall decrease in cash of approximately \$158,000, water sales and conservation efforts, and DWR refunds, and stated that this is a positive report through the first six months of 2014.

7.1(a) Consideration and Possible Action on Setting Palmdale Water District's Assessment Rates for Fiscal Year 2014-2015 and Adoption of Resolution No. 14-13 Regarding Said Rates.

Financial Advisor Egan reviewed the process for calculating and establishing the District's annual tax assessment rates, and after a brief discussion of property values, the need to levy assessment rates to cover fixed costs associated with the State Water Project, secured and unsecured valuations, and Article 13(1)(b), 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 Resolution No. 14-13 Setting the Palmdale Water District's Assessment Rates for Fiscal Year 2014-2015 at a rate of 0.345856 by the following roll call vote: "ayes-President Mac Laren and Directors Alvarado, Dizmang, Estes, and Dino; noes- none; absent-none."

A copy of said Resolution No. 14-13 is hereby made a portion of the minutes of this meeting.

7.2) Status Report on Financial Statements, Revenue and Expense and Departmental Budget Reports for June 30, 2014. (Finance Manager Williams/Finance Committee)

Finance Manager Williams reviewed 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 30, 2014, along with the

graphic presentations for these reports, and stated that all departments, with the exceptions of Directors, Administration, Engineering, and Finance, operated at or below the targeted expenditure percentage of 50% and then reviewed the value of long-term assets regarding property, plant, and equipment and how the 2013 bond issue will help put money back into the infrastructure of the District, projected versus actual water sales, and stressed the importance of the need to continue to reinvest in the District's infrastructure.

Director Alvarado then requested a study on the fees and charges of other similar-sized water districts for all items listed under the District's 'other operating revenue' by the time of the next regular Board meeting.

7.3) Status Report on Committed Contracts Issued. (Assistant General Manager Knudson/Finance Committee)

Assistant General Manager Knudson reviewed the status of engineering projects included in the Committed Contracts and Payout Schedule, including those projects contractually committed and budgeted projects, payments under the Water Quality Fund, and payments for projects funded from the Water Revenue Series 2013A Bonds and then provided an update on the \$485,000.00 EPA grant earmarked for the District for water main replacement projects and potential Prop. 84 grant funding for the Littlerock Dam Recharge and Recovery Project.

7.4) Consideration and Possible Action on Policy for Rate Assistance Program. (Finance Manager Williams/Finance Committee)

Finance Manager Williams reviewed the proposed Rate Assistance Program, including those eligible and key factors of the Program, and after a brief discussion of funding and promotion of the Program, offering applications in Spanish, and expanding the Program eligibility group from seniors 62 and older to other low income residents as funds are available, it was moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried by all members of the Board of Directors present at the meeting to approve a policy for the Rate Assistance Program with the Program open to seniors 62 and older and the Program offered to other low income residents after implementation depending on the success and rate of participation in the Program.

7.5) Consideration and Possible Action on Revisions to Rules and Regulations Article 10.03-B – Refund of Deposit. (Finance Manager Williams/Personnel Committee)

Finance Manager Williams reviewed the proposed revision to Article 10.03-B of the District's Rules and Regulations regarding restrictions for deposit refunds 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 remove Sections 10.03.B.1.b and 10.03.B.2.a from the District's Rules and Regulations regarding deposit refunds for single family residences.

7.6) Consideration and Possible Action on Revisions to Rules and Regulations Section 8.02.H – Consumer's Responsibility for District Property and 8.03.C.7 – Rates, Miscellaneous Charges, Property Damage. (Finance Manager Williams/Personnel Committee)

Finance Manager Williams reviewed the proposed revision to Section 8.02.H and 8.03.C.7 of the District's Rules and Regulations regarding fees for angle stop damages and replacement after which it was moved by Director Estes, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to revise Sections 10.03.B.1.b and 10.03.B.2.a of the District's Rules and Regulations regarding angle stop fees and the installation of isolation valves.

7.7) Consideration and Possible Action on Board and Staff Attendance at Conferences, Seminars, and Training Sessions as Follows:

a) 30th Annual Tri-State Seminar to be Held September 23 – 25, 2014 in Las Vegas, Nevada.

b) American Water Works Association CA-NV Section Fall Conference to be Held October 20 – 23, 2014 in Reno, Nevada.

c) Special District Leadership Academy Governance Series Conference to be Held November 16 – 19, 2014 in San Diego.

d) Association of California Water Agencies Fall Conference & Exhibition to be Held December 2 – 5, 2014 in San Diego.

After a brief discussion of the conferences, seminars, and training sessions presented, it was moved by Director Dizmang, seconded by Director Estes, and unanimously carried to approve Board and staff attendance at conferences, seminars, and training sessions as follows: 30th Annual Tri-State Seminar to be held September 23 – 25, 2014 in Las Vegas, Nevada; American Water Works Association CA-NV Section

Fall Conference to be held October 20 – 23, 2014 in Reno, Nevada; Special District Leadership Academy Governance Series Conference to be held November 16 – 19, 2014 in San Diego; and Association of California Water Agencies Fall Conference & Exhibition to be held December 2 – 5, 2014 in San Diego.

8) Information Items.

8.1) Reports of Directors:

a) Meetings/General Report.

Director Estes apologized for not being able to prepare a report for this evening.

Director Alvarado reported that on July 24, he attended the Antelope Valley State Water Contractors Association meeting; that on July 28, he attended the Site Supervisor Recycled Water training at the City of Palmdale's facilities; that on August 4, he attended the Personnel Committee meeting; that on August 6, he attended the Outreach Committee meeting; that on August 7, he attended a briefing with Mr. Dave Saltman, of Passantino-Andersen, regarding the Rate Study and upcoming outreach meetings; and that on August 12, he attended a Board briefing with Director Estes and General Manager LaMoreaux.

Director Dizmang reported that on July 29, she attended an AVEK meeting regarding the adjudication; that on August 4, she attended the Ad Hoc Board Norms Committee meeting with President Mac Laren where they discussed Board Handbook and Rules and Regulations materials; that on August 6, she attended the Outreach Committee meeting with Director Estes where the Committee is working on the District's new webpage and then welcomed Mr. Mike McNutt to the District as the District's new Public information Officer/Conservation Director; that on August 8, she attended the African American Chamber of Commerce luncheon and heard the presentation regarding the drought and the rate study; that on August 11, she attended a Board briefing with General Manager LaMoreaux; that also on August 11, she attended the Finance Committee meeting where they discussed the Rate Assistance Program, work continues on the District's bid procedures, and they received an update on the status of the 2014 Rate Study; and that also on August 11, she attended a briefing with Mr. Dave Saltman, of Passantino-Andersen, regarding the Rate Study and upcoming outreach meetings.

Director Dino reported that on July 29, he attended the AVEK meeting regarding the adjudication with Director Dizmang; that on August 7, he attended a briefing with Mr.

Dave Saltman, of Passantino-Andersen, regarding the Rate Study and upcoming outreach meetings; that on August 11, he attended the Facilities Committee meeting with Director Estes; that also on August 11, he attended the Finance Committee meeting with Director Dizmang; and that on August 12, he attended a Board briefing with General Manager LaMoreaux.

President Mac Laren reported that on July 28, she attended the Site Supervisor Recycled Water training; that on August 4, she attended the Ad Hoc Board Norms Committee meeting with Director Dizmang where they discussed the Rules and Regulations and Board Handbook, and the Committee will review revisions at their next meeting; that on August 11, she attended a Board briefing with General Manager LaMoreaux; and that also on August 11, she attended a briefing with Mr. Dave Saltman, of Passantino-Andersen, regarding the Rate Study and upcoming outreach meetings and talking points.

Director Alvarado then thanked General Manager LaMoreaux and Passantino-Andersen for the presentation at the recent African-American Chamber of Commerce luncheon and reported that he and General Manager LaMoreaux have interviewed with Spanish newspapers and radio stations regarding the District's rules and restrictions regarding the drought.

b) Standing Committee/Assignment Reports (Chair):

- 1) Facilities Committee**
- 2) Finance Committee**
- 3) Personnel Committee**
- 4) Outreach Committee**
- 5) Water Supply & Reliability Committee**
- 6) Antelope Valley State Water Contractors Association**
- 7) Palmdale Recycled Water Authority**

President Mac Laren stated that Director Dizmang provided a report on the items under discussion at the Outreach Committee and Finance Committee meetings and requested an update on Facilities Committee discussions.

Director Estes then reported that the Committee reviewed the new vehicles that have been ordered and the wind turbine's performance.

Director Dizmang then stated that the Water Supply & Reliability Committee meeting will be held later this month.

President Mac Laren then reported that the Personnel Committee discussed the revisions to the Organization Chart approved earlier this evening, is reviewing alternatives for improvements to the District's health benefits, and a human resources calendar has been developed.

She then stated that she was absent from the Antelope Valley State Water Contractors Association meeting and requested Director Estes, as the Alternate Commissioner, provide a report on this meeting after which Director Estes reported that revisions to officer positions were discussed.

Director Alvarado then reported that the by-laws of the Association state there must be an officer from each of the member agencies, and the officers were revised with an AVEK member now serving as Secretary for the Association.

President Mac Laren then stated that General Manager LaMoreaux will provide a report on the Palmdale Recycled Water Authority under his report.

There were no further reports from Directors.

8.2) Report of General Manager.

General Manager LaMoreaux reported that the Palmdale Recycled Water Authority is scheduled to meet next week to continue discussion on a closed session item and then reminded the Board of the upcoming public workshops regarding the Rate Study scheduled for August 14 at Golden Poppy School and August 21 at Palmtree School from 5:30 to 8:30 p.m.

8.3) Report of Attorney.

Attorney Wynder stated that he has no report this evening.

9) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

At 8:40 p.m., President Mac Laren called for a ten-minute recess. She reconvened the regular meeting at 8:50 p.m.

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*.

At 8:50 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 – One Case: *Antelope Valley Ground Water Cases*.

She reconvened the regular meeting at 9:20 p.m.

11) Public Report of Any Action Taken in Closed Session.

Attorney Bunn 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 on the current status of this item of litigation; and that no reportable action was taken in closed session.

12) Board Members' Requests for Future Agenda Items.

Director Dizmang restated her previous request for a comparison of the District's electricity bills and energy-saving measures.

Director Alvarado requested a study on the fees and charges of other similar-sized water districts for all items listed under the District's 'other operating revenue.'

President Mac Laren then appointed the Ad Hoc Committee of herself and Director Dizmang to meet with the City of Palmdale regarding the District's Proposition 218 process and rates to ensure a full understanding of the process.

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.


Vice President

**PALMDALE WATER DISTRICT
RESOLUTION NO. 14-13**

WHEREAS, the Los Angeles County Auditor-Controller has submitted to the Palmdale Water District the assessed value information necessary to enable the District to establish its assessment rates; and

WHEREAS, the Board of Directors has reviewed the assessed value information and has calculated the amounts needed to be raised to meet the State Water Contract; and

WHEREAS, the Board of Directors has determined the assessment rate required to raise the required funds.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Palmdale Water District hereby establishes the following secured tax rates for 2014-2015:

<u>ACCOUNT #</u>	<u>AGENCY NAME</u>	<u>TAX RATE</u>
308.60	Palmdale Water District	.000000
308.61	Palmdale Water District Zone B	0.345856
308.62	Palmdale Water District Zone B2	0.345856
308.63	Palmdale Water District Zone C	0.345856
308.65	Palmdale Water District Zone E	0.345856
308.66	Palmdale Water District Zone A	0.345856
308.67	Palmdale Water-Westmont Imp. Dist.	.000000

FURTHER RESOLVED, that the Board of Supervisors of the County of Los Angeles, State of California, is hereby authorized and directed, at the time and in the manner directed by law, in addition to any and all other taxes and assessments levied against the lands within the Palmdale Water District, to levy and collect assessments against all of the lands within said District and the aforesaid improvement District at the rates set forth above.

PASSED AND ADOPTED at a regular meeting of the Board of Directors held on August 13, 2014, by the following roll call vote:

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

NO: None

ABSENT: None

I hereby certify under penalty of perjury that the tax rates levied herein are exempt from the application of Article XIII A, Section 1(A) of the Constitution of the State of California.


Name: Kathy Mac Laren
Title: President, Board of Directors

DATED: August 13, 2014

RESOLUTION NO. 14-13

CR52RPTA

COUNTY OF LOS ANGELES
AUDITOR-CONTROLLER, TAX DIVISION

2014 - 15 SECURED TAX RATES

ACCT #	AGENCY NAME	TAX RATE
308.60	PALMDALE WATER DIST	<u>.000000</u>
308.61	PALMDALE WATER DIST ZONE B	<u>0.345856</u>
308.62	PALMDALE WATER DIST ZONE B2	<u>0.345856</u>
308.63	PALMDALE WATER DIST ZONE C	<u>0.345856</u>
308.65	PALMDALE WATER DIST ZONE E	<u>0.345856</u>
308.66	PALMDALE WATER DIST ZONE A	<u>0.345856</u>
308.67	PALMDALE WATER-WESTMONT IMP DIST	<u>.000000</u>

I, Kathy Mac Laren, ~~AM-A-MEMBER-OF-THE-CITY-COUNCIL;~~ A
MEMBER OF THE GOVERNING BOARD, ~~THE-CHIEF-EXECUTIVE-OR-THE-CHIEF--~~
~~FINANCIAL-OFFICER~~ FOR THIS AGENCY AND I HEREBY CERTIFY THAT THE TAX
RATES LEVIED HEREIN ARE IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE XIII
SECTION 1(b) OF THE CONSTITUTION OF THE STATE OF CALIFORNIA.


AUTHORIZED SIGNATURE

President
Board of Directors
TITLE

August 13, 2014
DATE