

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, OCTOBER 22, 2014:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, October 22, 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 Alvarado led the pledge of allegiance followed by a moment of silence due to a recent tragedy.

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
Patty Quilizapa, Attorney
Matt Knudson, Assistant General Manager
Mike Williams, Finance Manager
Mike McNutt, PIO/Conservation Director
Jennifer Emery, Human Resources Director
Tim Moore, Facilities Manager
Mynor Masaya, Operations Manager
Kelly Jeters, Systems Supervisor
Dennis Hoffmeyer, Senior Accountant
Dawn Deans, Executive Assistant
3 members of the public

3) Adoption of Agenda.

It was moved by Director Dino, seconded by Director Alvarado, 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.

There were no 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 as Each Item is Considered by the Board of Directors Prior to Action Being Taken.)

6.1) Approval of Minutes of Regular Meeting Held October 8, 2014.

6.2) Payment of Bills for October 22, 2014.

President Mac Laren announced the items included in the Consent Calendar after which 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 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) Consideration and Possible Action on Proposal Received From Itzen Architects, Inc. to Develop a Schematic Design for Improvements to Customer Service Counter and Lobby Area. (\$18,000.00 – Non-Budgeted – General Manager LaMoreaux)

General Manager LaMoreaux provided an overview of the multi-step proposal received from Itzen Architects, Inc. and of potential bond funds available for improvements to the office building, and after a brief discussion of the proposal and of the District's standard Professional Services Agreement, 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 approve a contract with Itzen Architects, Inc. to develop a schematic design for improvements to the customer service counter and lobby area in the not-to-exceed amount of \$18,000.00 provided a contract is reflected in the District's standard form Professional Services Agreement subject to approval as to form by General Counsel.

7.2) Consideration and Possible Action on District Policy Regarding Monitoring and Coverage of Fin and Feather Club Meetings by District Employees. (Director Estes)

Director Estes stated that the Fin and Feather Club (Club) is within his Director service area and he has been asked to help with a long time issue between the District and the Club; that he has his own issues as well; that the make-up and duties of the Club's Board involve fishing conditions, memberships, and repairs and maintenance to boats; that salaried District employees have been tasked with attending Club Board meetings; that his concerns involve District resources being used to monitor Club issues unrelated to District business, the District foregoing staff time to cover non-District issues, the District's recently adopted rate increase and the need to trim expenses and allocate resources to the necessary work of the District, benefit to the District, unnecessary exposure to liability, exceeding the legal terms of the District's lease with the Club, personal conflict of interest issues, staff comments made in front of local elected officials, and prior communications being limited to necessary issues with no representation at Club Board meetings; and then moved to direct the General Manager to suspend staff coverage of the Fin and Feather Club meetings.

Past practices and requests by President Mac Laren and Director Dizmang for District staff to attend Club Board meetings based on the Club's request for a means of open communication were then discussed after which Director Alvarado requested General Manager LaMoreaux and Legal Counsel review all points raised by Director Estes and Attorney Wynder clarified this is a policy question and there are no significant legal impediments for continuing status quo or changing status quo followed by discussion of the letter received from the Club President acknowledging District staff attendance at their Board meetings.

At the request of President Mac Laren, General Manager LaMoreaux then clarified staff's purpose for attending Club Board meetings to help maintain the best level of communication as possible answering questions and informing the Club Board and membership about the District's operation of Palmdale Lake; that District staff has attended Club meetings since the District began treating drinking water from Palmdale Lake; that District staff does not participate in Club closed sessions; that he has worked through and resolved past issues with the Club's Board President and has received no complaints from the Club regarding threats or issues with District staff attending Club meetings; that there was an incident a few weeks ago that could have been handled differently; and that it is a value to the District and the Club to have this open communication at no cost to the District as District staff attending are salaried and receive no additional compensation.

After a further discussion of previous direction to General Manager LaMoreaux to have open communication with the Club and the Club's concerns conveyed to Director

Estes, Director Estes restated his motion to direct the General Manager to suspend coverage of the Fin and Feather Club meetings. The motion died for lack of a second, and there was no action taken on this item.

Director Alvarado then requested a future agenda item for developing an Ad Hoc Committee to meet with the Fin and Feather Club Board.

7.3) Consideration and Possible Action on Board and Staff Attendance at Conferences, Seminars, and Training Sessions as Follows: Not at This Time.

There were conferences, seminars, and training sessions to consider.

8) Information Items.

8.1) Reports of Directors:

a) Meetings/General Report.

Director Dizmang reported that on October 21, she attended a Board briefing with General Manager LaMoreaux and that on October 22, she, PIO/Conservation Director McNutt, and General Manager LaMoreaux presented information to East Side High School students regarding Proposition 1 and the perils of the drought, this request for speakers followed the District's policy and they attended based on the established policy, and she was impressed with the overall politeness and courtesy of the students and the dedication of the teachers in presenting a mock election.

Director Dino reported that on October 9, he attended the Facilities Committee meeting with Director Estes; that on October 13, he attended iPad training and commended Information Technology Manager Stanton on his teaching efforts; and that on October 20, he attended a Board briefing with General Manager LaMoreaux.

President Mac Laren reported that on October 9, she attended the Antelope Valley State Water Contractors Association meeting with Director Alvarado; that on October 13, she attended iPad training; and that on October 22, she had a briefing with Legal Counsel.

Director Alvarado reported that on October 9, he attended the Antelope Valley State Water Contractors Association meeting with President Mac Laren, this organization is partnering with other water agencies in co-hosting a Landscaping Water Conservation Expo on November 1 at the Antelope Valley Fairgrounds, the event is free, each water

agency will host a booth and a presentation, vendors will be attending, and the public is invited to attend this educational expo; that on October 20, he attended iPad training; and that on October 21, he attended a Board briefing with General Manager LaMoreaux.

Director Estes reported that on October 9, he attended the Facilities Committee meeting with Director Dino where they discussed a potential electric charging station in front of the District office for public access at an approximate cost of \$20,000, discussions will be continued when grant funding for up to 80% of the capital cost is available from the Antelope Valley Air Quality Management District, and recovery costs may be available from Southern California Edison Company; Facilities Manager Moore and Assistant General Manager Knudson gave an update on goals and projects for facilities; twelve bids around \$1.2 million were received for the water main replacement project in the neighborhood east of 30th Street East south of Avenue Q; the Project Labor Agreement will be used with the next project being a water meter replacement project; and Systems Supervisor Jeters gave a detailed report on the SCADA system upgrades, and he and his crew are to be recognized for the \$1.1 million savings to the District by programming the SCADA system in-house; that on October 13, he attended iPad training; that on October 14, he attended an IBEW event with President Mac Laren and Director Alvarado for Congress candidate Tony Strickland, and Director Alvarado gave a very impressive, high energy, inspirational speech; that on October 14, he attended the Lancaster City Council meeting where the So Cal Terror baseball team was recognized for their achievement in Cooperstown, New York; that on October 20, he attended a Board briefing with General Manager LaMoreaux; and that on October 21, he had a telephone conference with Legal Counsel regarding policy for tonight.

There were no further reports from Directors.

- a) **Standing Committee/Assignment Reports (Chair).**
 - 1) **Facilities Committee**
 - 2) **Antelope Valley State Water Contractors Association**

President Mac Laren stated that Director Estes provided the Facilities Committee report, and Director Alvarado provided the Antelope Valley State Water Contractors Association report.

8.2) Report of General Manager.

- a) **District Vacancies. (General Manager LaMoreaux)**

General Manager LaMoreaux reported that there are two vacancies shown on the Organization Chart being a Service Worker position and the Engineer/Grant Writer position; that staff is working on recruitment for the Service Worker position, and an intern may be qualified for this position; and that The Mathis Group is recruiting for the Engineer/Grant Writer position with interviews scheduled next week for four finalists.

**b) Status of Specification No. 1205 Award and EPA Grant Administration.
(Assistant General Manager Knudson)**

He then reported that a memo was included with the agenda packets regarding the status of the award of contract for Specification No. 1205, which is being postponed to ensure the EPA grant funds are available for this project; that the grant amount is \$485,000.00; and that staff anticipates presenting this project to the Board for consideration and award of contract at the first regular Board meeting in November.

c) Finance Department Activities. (Finance Manager Williams)

Finance Manager Williams provided a detailed overview of the Finance Department including staffing, core responsibilities, additional duties, the short and long-term challenges faced by the Field Service Division, the Office Division, and the Finance Division, statistical information for each of these Divisions, and the Office Division's mission statement followed by discussion of advertising unclaimed funds notifications in Spanish and the reduction in the number of leaks.

PIO/Conservation Director McNutt then stated that the District is a finalist in ACWA's Best in Blue Awards Program for the Before the First Drop Campaign, which was developed by former Water Conservation Supervisor Beck; that she is to be commended for her work on this program; and that several District representatives have been invited to attend the ACWA Conference luncheon to receive the award.

Director Alvarado then recommended Director Dizmang represent the District at this event, in addition to President Mac Laren, as the Before the First Drop campaign would not have been possible without Director Dizmang's input and hard work on this campaign, and Director Dizmang thanked Director Alvarado and District staff for their effort on this campaign.

8.3) Report of Attorney.

Attorney Wynder stated that he has no report.

9) **Public Comments on Closed Session Agenda Matters.**

At 8:25 p.m., President Mac Laren called for a five minute recess. She reconvened the regular meeting at 8:30 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*.**

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.**

At 8:30 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; Sacramento Superior Court Case No. 34-2010-80000561* and pursuant to Government Code §54957 to conduct an employee evaluation for the position of General Manager.

She reconvened the regular meeting at 9:30 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 via teleconference on the current status of this item of litigation; and that no reportable action was taken in closed session.

Attorney Wynder 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: *Central Delta Water Agency vs. Department of Water Resources*; *Sacramento Superior Court Case No. 34-2010-80000561*; that the Board was briefed on this ongoing litigation; and that no reportable action was taken in closed session on this item nor was any solicited.

Attorney Wynder 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 a privileged and confidential briefing was held regarding the performance evaluation process; a sample performance evaluation form, the General Manager's self-evaluation, and a sample proposal for an extended contract were distributed to the Board members to review; that the direction of the Board was to place a closed session agenda item on the next agenda to discuss the performance evaluation of the General Manager and also to add an additional closed session agenda item under Government Code §54957.6 to engage in new contract negotiations with the General Manager; and that no reportable action occurred in closed session.

12) Board Members' Requests for Future Agenda Items.

Director Alvarado requested an item be placed on the next agenda for "Consideration and possible action on the creation of an Ad Hoc Committee for the purpose of meeting with the Executive Board of the Fin and Feather Club to discuss appropriate District staff and Executive Board relationship" after which Director Estes recommended Director Alvarado and President Mac Laren be appointed to this Ad Hoc Committee.

Director Estes requested Agenda Item No. 7.2 be placed on the agenda for the next regular Board meeting for reconsideration, and after a brief discussion of the Ad Hoc Committee meeting, Director Estes rescinded this request and requested his item be placed on the agenda for reconsideration after the Ad Hoc Committee meeting is held.

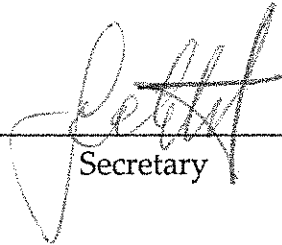
Director Estes then requested an independent audit of the District's payroll for all supervisors and managers be conducted including vacation time, bonuses, admin perks, entitlements, and what employees receive as salaried employees.

There were no further requests for future agenda items.

General Manager LaMoreaux then stated that a proposal has been received from Starnik, Inc. for programming changes regarding the recently adopted rate structure, and a special meeting is needed next week to consider this item.

13) Adjournment.

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


Secretary