

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE  
PALMDALE WATER DISTRICT, SEPTEMBER 24, 2014:**

*A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, September 24, 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  
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  
Peter Thompson II, Operations Manager  
Mynor Masaya, Treatment Plant Supervisor  
Dawn Deans, Executive Assistant  
35 members of the public

**3) Adoption of Agenda.**

President Mac Laren requested Agenda Item No.'s 9, 10, and 11 be considered after Agenda Item No. 5 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) So Cal Terror Baseball. (Director Estes)**

Director Estes thanked the Board for including this presentation on the agenda and then welcomed the So Cal Terror Baseball team, coaches, and team mom and commended them on their performance in the recent Championship Game at the New York Cooperstown Classic Baseball Tournament after which the team, coaches, and team mom were awarded Certificates of Recognition from the Palmdale Water District.

**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*.

At 7:30 p.m., President Mac Laren called for a closed session pursuant to Government Code §54956.9 (d)(1), to confer with legal counsel via telephone conference regarding pending litigation to which the District is a party – One Case: *Antelope Valley Ground Water Cases*.

She reconvened the regular meeting at 7:42 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 telephone conference on the current status of this item of litigation; and that no reportable action was taken in closed session.

**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 September 10, 2014.**

**6.2) Payment of Bills for September 24, 2014.**

President Mac Laren announced the items included in the Consent Calendar after which 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 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 Award of Contract for Meter Procurement for Upcoming Meter Replacement Project. (\$725,000.00 – Budgeted – Assistant General Manager Knudson)**

Assistant General Manager Knudson provided an overview of staff's recommendation for awarding a contract for meter procurement for the upcoming meter replacement project, the bid proposal process, the purchase of Itron Encoders, and installation of the meters after which it was moved by Director Dizmang and seconded by Director Dino to award a contract to Inland Water Works Supply Company in the not-to-exceed amount of \$512,402.46 for the supply and delivery of cold water meters multijet type under Specification No. 1403.

Mr. Arthur Hendey, independent consultant, stated that the bid bonds required under the District's specification for this bid were cumbersome and eliminated some companies from bidding; that he recommends the Board purchase American-made products rather than meters made in China; and that the Board should hire an independent firm to research the meters.

Mr. Martin Johnson then informed the Board of the meter Encoder he can provide and requested the Board rebid this project without the requirement for a bid bond.

After a further discussion of the bid specifications and process, the purpose of a bid bond for the protection of the District, A.W.W.A. Standards, the meter warranty, and American-made products, Director Dizmang withdrew her motion and Director Dino withdrew his second to award a contract to Inland Water Works Supply Company in the not-to-exceed amount of \$512,402.46 for the supply and delivery of cold water meters multijet type under Specification No. 1403.

It was then moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried by all members of the Board of Directors present at the meeting to table this item to the next regular Board meeting and directed staff to request further information and conduct further review of the performance of the product within the specifications of the original bid for Specification No. 1403.

Attorney Quilizapa then clarified that all bidders have the right to provide public comment on this item in accordance with the bid process.

Director Alvarado then requested a summary of staff's research supporting their recommendations be included with future staff reports.

**7.2) Consideration and Possible Action on Revisions to the District's VSP Vision Plan. (\$10,296.00 Annually – Non-Budgeted – Human Resources Director Emery/Personnel Committee)**

Human Resources Director Emery reviewed proposed revisions to the District's VSP Vision Plan, and after a brief discussion of the revisions and the increased cost, it was moved by Director Dizmang, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to approve revisions to the District's VSP Vision Plan in the not-to-exceed amount of \$10,296.00.

**7.3) Consideration and Possible Action on Proposal Received From Mathis Consulting Group for Facilitated General Manager Evaluation 2014. (\$6,000.00 – Non-Budgeted – Chair Mac Laren)**

After a brief discussion of the proposal received from the Mathis Consulting Group for a facilitated General Manager evaluation, of the District's budget, and of facilitating this evaluation in-house or through other methods, there was no action taken on this item.

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

**a) American Water Works Association Customer Service Workshop to be Held September 30 to October 1, 2014 in San Diego.**

After a brief review of the conferences, seminars, or training sessions presented, it was moved by Director Alvarado, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve Board

and staff attendance at conferences, seminars, and training sessions as follows: American Water Works Association Customer Service Workshop to be held September 30 to October 1, 2014 in San Diego.

**8) Information Items.**

**8.1) Reports of Directors:**

**a) Meetings/General Report.**

Director Dizmang reported that on September 11, she met with Director Dino, General Manager LaMoreaux, Assistant General Manager Knudson, and City of Palmdale Manager Dave Childs and Assistant City Manager Mike Mischel regarding communication of the District's rate information and addressing any questions on this process, and they indicated the District was doing a good job as far as informing the City on the rate process and that after this meeting, she and Director Dino viewed the District's new dump truck, and the new water truck is one of the great inventions in the state of California.

Facilities Manager Moore then provided an overview of staff's innovation in retrofitting the District's water truck and the process for the purchase of the new dump truck.

Director Dizmang then congratulated everyone on their efforts in the purchase and retrofit of these vehicles and reported that on September 17 she attended a Board briefing with General Manager LaMoreaux; that also on September 17, she attended the Special Board meeting regarding the rates; and that on September 22 she attended the Water Supply & Reliability Committee meeting with Director Dino where they discussed the 11% reduction in water production, progress on water conservation and meeting the year 2020 water use reduction goal, and having a Committee member attend AVEK meetings at least once a month with an invitation issued to AVEK for one of their Board members to attend the District's Board meetings in hopes of better cooperation and communication between the groups.

Director Alvarado reported that on September 11, he attended the Antelope Valley State Water Contractors Association meeting; that on September 15, he had a briefing with General Manager LaMoreaux; that on September 17, he attended the Special Board meeting regarding the rates; and that on September 22, he attended a Board briefing with

General Manager LaMoreaux and Director Estes. A detailed summary of Director Alvarado's report is hereby made a portion of the minutes of this meeting.

Director Estes reported that on September 11, he attended the Antelope Valley State Water Contractors Association meeting with Director Alvarado; that on September 13, he attended the Antelope Valley International Heritage Festival where Director Alvarado did an incredible job as emcee; that on September 14, he attended the Palmdale Fin & Feather annual barbecue with President Mac Laren and Senator Tony Strickland; that on September 15, he attended a Board briefing with General Manager LaMoreaux; that on September 17, he attended the Special Board meeting regarding the rates; that on September 18, he attended the Taste of Palmdale; that on September 20, his family took him to the Los Angeles County Fair for his birthday; that on September 22, he attended a Board briefing with General Manager LaMoreaux and Director Alvarado; that also on September 22, he attended an assemblyman debate; and that on September 23, he attended a District school tour where he had fun with Conservation Aide Trevino and PIO/Conservation Director McNutt as they toured Ocotillo school fifth graders around the Board room, office, and lunch at Littlerock Dam. He then thanked PIO/Conservation Director McNutt and Human Resources Director Emery for sharing great information, and the teacher stated it was one of the best District tours they have had.

Director Dino reported that on September 11, he attended the meeting at the City of Palmdale with Director Dizmang, General Manager LaMoreaux, Assistant General Manager Knudson, and City of Palmdale Manager Dave Childs and Assistant City Manager Mike Mischel; that on September 16, he attended a Board briefing with General Manager LaMoreaux; that on September 17, he attended the Special Board meeting regarding the rates; that on September 22, he attended the Water Supply & Reliability Committee meeting with Director Dizmang; and that on September 23, he attended a Board briefing with General Manager LaMoreaux.

Director Dizmang then clarified that the September 17 Special Board meeting was not to increase water rates but to set a cap for future rate increases.

President Mac Laren reported that on September 17, she attended a Board briefing; that also on September 17, she attended the Special Board meeting regarding the rates and thanked everyone for their efforts as everything was ready, homework was done, and everyone was prepared, and stated she was surprised at some comments made at the hearing as these comments were not information the District has been distributing; that on September 23, she had a telephone briefing with General Manager LaMoreaux; that also on September 23, she attended the AVEK Board meeting, and they have suggested the

District install electric vehicle chargers with grant funding; and that on September 24, she attended the Ad Hoc Board Norms Committee meeting with Director Dizmang, and a workshop will be scheduled soon to discuss the Committee's recommendations.

Director Dizmang then requested the Board address a letter or certificate of appreciation to Assistant Customer Service Supervisor Hernandez for her translation skills at the September 17 Special Board meeting.

There were no further reports from Directors.

**8.2) Report of General Manager.**

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

General Manager LaMoreaux stated that of the District's two vacancies, staff is conducting the recruitment for the Operations Manager position and the Mathis Consulting Group is conducting the recruitment for the Engineering/Grant Writer Manager position.

**b) Operations Department Activities. (Operations Manager Thompson II)**

Operations Manager Thompson II provided an overview of the duties and responsibilities of the Operations Department being to clean and deliver water effectively and efficiently to the distribution system through their mission components of production, quality, operations, and regulatory compliance; reviewed the functions of each of these components; reviewed the complexity of the District's system and certifications required to operate the system; and introduced Operations Department staff and their duties.

Director Alvarado then offered kudos to the Operations Department staff and especially to Treatment Plant Supervisor Masaya for the positive comments he has heard, for the excellent detail he provided in a recent tour of the water treatment plant, and for the ideas he has brought to the District.

Director Estes then offered congratulations to Operations Manager Thompson II on his new position.

Finance Manager Williams then informed the Board that he offered his services to several speakers at the rate hearing to review their accounts and that he has not received any responses to his offer.

**c) Strategic Initiative Projects Update. (Assistant General Manager Knudson/Department Managers)**

General Manager LaMoreaux stated that the Strategic Initiative Projects Report included in the agenda packets is the first status report on all Board-approved projects included under the Strategic Initiatives of the District's Strategic Plan after which Assistant General Manager Knudson reviewed the Report and requested any recommendations for improvements to the Report.

**8.3) Report of Attorney.**

Attorney Quilizapa stated that she has no report and stated that the Board and staff handled all questions well at the Proposition 218 hearing.

Director Dizmang then offered kudos to President Mac Laren for running the Proposition 218 hearing.

**12) Board Members' Requests for Future Agenda Items.**

Director Dizmang requested an item be included on the next agenda for "Presentation of Certificate of Appreciation to Assistant Customer Service Supervisor Hernandez for her translation skills at the September 17 Special Board meeting."

Director Estes requested negotiations begin on the Fin & Feather Club lease, which will expire in 2016.

President Mac Laren requested an item be placed on the Outreach Committee meeting agenda for "Discussion of the development of a Community Advisory Board."

She then requested an item be placed on the Finance Committee meeting agenda for "Discussion of a Level Pay Plan."

She then requested District staff schedule a free energy audit through ACWA.

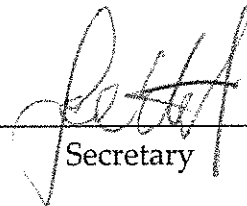


Finance Manager Williams then stated that customer service staff is developing classes for customers on how to read their bills and other customer service options, and these classes will be held on Saturdays.

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.

  
Secretary

**DIRECTOR ALVARADO'S REPORT  
SEPTEMBER 24, 2014**

**ON THURSDAY SEPTEMBER 11, I ATTENDED THE AV STATE WATER CONTRACTORS ASSOCIATION MEETING. I'M HAPPY TO REPORT THAT ALL MEMBER WATER AGENCIES AGREED TO WORK TOGETHER AND HOST A WATER AWARENESS DAY AT THE AV FAIRGROUNDS THIS FALL.**

**ON MONDAY THE 15, I MET WITH THE GENERAL MANAGER AND HAD A BRIEFING REGARDING THE PROP. 218 RATE STRUCTURE AND THE PUBLIC HEARING AND HOW IT WOULD AFFECT OUR WATER CUSTOMERS.**

**ON WEDNESDAY THE 17, I ATTENDED THE PWD SPECIAL MEETING AND PUBLIC HEARING TO ADDRESS PROPOSITION 218 WHERE OUR RATEPAYERS HAD AN OPPORTUNITY TO VOICE THEIR CONCERNS ABOUT THE PROPOSED 5.5% CAP OF WATER RATE INCREASES FOR THE NEXT FIVE YEARS. I LISTENED ATTENTIVELY TO EACH ONE OF THEM AS THEY APPROACHED THE PODIUM PLEADING IN OPPOSITION OF THE RATE HIKE.**

**ON MONDAY THE 22<sup>nd</sup>, I HAD A BRIEFING WITH THE GENERAL MANAGER REGARDING TONIGHT'S ITEMS ON THE AGENDA AND OTHER WATER RELATED ISSUES.**

**THIS CONCLUDES MY REPORT .**