

MINUTES OF WORKSHOP OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT NOVEMBER 21, 2014:

A Workshop meeting of the Board of Directors of the Palmdale Water District was held Friday, November 21, 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) 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
Matt Knudson, Assistant General Manager
Mike Williams, Finance Manager
Tim Moore, Facilities Manager
Mynor Masaya, Operations Manager
Jim Stanton, Information Technology Manager
Jennifer Emery, Human Resources Director
Mike McNutt, PIO/Conservation Director
Kelly Jeters, Systems Supervisor
Randy Hardenbrook, Equipment Mechanic Spvsr.
Dennis Hoffmeyer, Senior Accountant
Peter Thompson II, Deputy Water & Energy Res. Dir.
Dawn Deans, Executive Assistant
2 members of the public

2) Adoption of Agenda.

It was moved by Director Dino, seconded by Director Alvarado, and unanimously carried to adopt the agenda, as written.

3) Public Comments for Non-Agenda Items.

There were no public comments.

4) Discussion and Workshop on 2015 Budget.

General Manager LaMoreaux reviewed the 2015 budget proposal including the purpose of a budget, the water rate restructure and rate plan adopted in September, how funds are used, replacement of water mains and equipment, the District's 2014 activities, the drought, projects for 2015 according to the Strategic Plan, maintaining compliance with the bond covenants, maintaining reserves, the District's rates compared to other

agencies, a 5.5% water rate increase resulting in a 3.5% overall revenue increase, and staff's efforts to reduce the 2015 budget \$1.9 million lower than the 2014 budget.

A lengthy discussion then ensued regarding changes to the water rate structure, maintaining the District's debt service coverage, maintaining reserves, drought surcharges, employees' contributions to CalPERS, cost of living, and the approved rate plan.

At 3:56 p.m., President Mac Laren called for a three-minute recess. She reconvened the workshop meeting at 3:59 p.m.

5) Consideration and Possible Action on 2015 Budget.

After clarification of net revenue increases and further discussion of the proposed 2015 budget, maintaining reserves, debt service coverage, and Southern California Edison rates, it was moved by Director Estes, seconded by Director Alvarado, and carried on a 3 – 2 vote, with Directors Dizmang and Dino opposed, to approve the 2015 Budget with a 2.5% water rate increase resulting in a 0.5% revenue increase and to require employees to contribute 1.67% towards CalPERS, which is equal to the cost of living included in the 2015 budget.

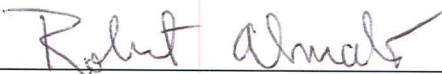
General Manager LaMoreaux then stated that staff will make the approved changes to the 2015 budget for future distribution.

6) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

7) Adjournment.

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



Vice President