



**LAS VIRGENES MUNICIPAL WATER DISTRICT**  
4232 Las Virgenes Road, Calabasas CA 91302

**MINUTES**  
**REGULAR MEETING**

---

5:02 PM

July 24, 2018

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Linda Northrup.

**1. CALL TO ORDER AND ROLL CALL**

The meeting was called to order at **5:00 p.m.** by Board President Peterson in the Board Room at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road, Calabasas, CA 91302. Josie Guzman, Clerk of the Board, conducted the roll call.

Present: Directors Charles Caspary, Jay Lewitt, Len Polan, Glen Peterson, and Lee Renger

Absent: None

Staff Present: David Pedersen, General Manager  
David Lippman, Director of Facilities and Operations  
Joe McDermott, Director of Resource Conservation and Public Outreach  
Don Patterson, Director of Finance and Administration  
Josie Guzman, Clerk of the Board  
Steven O'Neill, District Counsel

**2. APPROVAL OF AGENDA**

Director Polan moved to approve the agenda. Motion seconded by Director Caspary. Motion carried unanimously.

**3. PUBLIC COMMENTS**

None.

**4. CONSENT CALENDAR**

**A List of Demands: July 24, 2018: Ratify**

**B Minutes: Regular Meeting of July 10, 2018: Approve**

**C Claim by Miguel Mendoza Chavez**

**Deny the claim from Miguel Mendoza Chavez.**

**D Annual Fleet Vehicle Maintenance Agreement: Award**

**Authorize the General Manager to execute an annual service agreement, in the amount of \$60,000, with four one-year renewal options, to Vince Barnes Automotive for fleet vehicle maintenance.**

Director Renger moved to approve the Consent Calendar. Motion seconded by Director Lewitt. Motion carried unanimously.

**5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS**

**A 60th Anniversary Recognition of Partners in Service: Cities of Agoura Hills, Calabasas, Hidden Hills, and Westlake Village**

Mike McNutt, Public Affairs and Communications Manager, provided introductory remarks recognizing the District's community partnerships.

Board President Petersen welcomed and recognized the City Councilmembers representing the Cities of Agoura Hills, Calabasas, Hidden Hills, and Westlake Village, and briefly discussed the collective partnerships developed over the years.

Director Lewitt presented the 60th Anniversary Partner in Service Award to Mayor William Koehler, Mayor Pro Tem Linda Northrup, Councilmember Illece Buckley Weber, and Councilmember Denis Weber from the City of Agoura Hills. Mayor Koehler thanked the Board on behalf of the City of Agoura Hills.

Director Renger presented the 60th Anniversary Partner in Service Award to Mayor Fred Gaines, Mayor Pro Tem David Shapiro, and Councilmember Alicia Weintraub from the City of Calabasas. Mayor Gaines thanked the Board on behalf of the City of Calabasas.

Director Caspary presented the 60th Anniversary Partner in Service Award to Councilmember Larry Weber from the City of Hidden Hills. Councilmember Weber thanked the Board on behalf of the City of Hidden Hills.

Director Polan presented the 60th Anniversary Partner in Service Award to Mayor Mark Rutherford from the City of Westlake Village. Mayor Rutherford thanked the Board on behalf of the City of Westlake Village

The Board recessed to a break at 5:38 p.m. and reconvened at 5:56 p.m.

## **B Legislative and Regulatory Updates**

Joe McDermott, Director of Resource Conservation and Public Outreach, reported that the House of Representatives and the Senate had passed their respective versions of the Fiscal Year 2019 Energy and Water Appropriations Bill. He noted that the House bill would provide \$1.54 billion for the Clean Water State Revolving Fund, slightly over \$1 billion for the Drinking Water State Revolving Fund, and \$75 million for the Water Infrastructure Finance and Innovation Act (WIFIA). He also noted that the Senate bills would provide similar funding amounts. He also reported that progress has been made on the Water Resources Development Act (WRDA). He noted that this funding would go through the Army Corps of Engineers to help fund various projects. He reported that Metropolitan Water District of Southern California (MWD) voted to support Proposition 3 (Water Supply and Water Quality Act of 2018) on the November 6, 2018 ballot, which would provide \$8.9 billion in funding if passed by the voters. He also reported that Proposition 9, an initiative to split California into three states, was blocked by the California Supreme Court due concerns regarding whether California voters have the authority to split the state and thereby abolish the California State Constitution.

## **C Water Supply Conditions Update**

No additional report was provided.

## **6. TREASURER**

Director Renger stated that the Treasurer's report was in order.

## **7. FACILITIES AND OPERATIONS**

### **A Saddle Peak and Cordillera Tank Rehabilitation Project: Award of Design Contract**

**Accept the proposal from Cannon Corporation, and authorize the General Manager to execute a professional services agreement, in the amount of \$59,100, for engineering design and design support during construction for the Saddle Peak and Cordillera Tank Rehabilitation Project.**

General Manager David Pedersen presented the report.

Director Polan moved to approve Item 7A. Motion seconded by Director Renger.

David Lippman, Director of Facilities and Operations, responded to questions related to the quotes received from the two contractors.

Motion carried unanimously.

## **8. FINANCE AND ADMINISTRATION**

### **A Monthly Cash and Investment Report: June 2018**

**Receive and file the Monthly Cash and Investment Report for June 2018.**

Don Patterson, Director of Finance and Administration, presented a PowerPoint presentation, which included a chart showing the cash held by policy plus assigned, actual cash, and available funds for capital.

Director Lewitt moved to approve Item 8A. Motion seconded by Director Caspary.

Don Patterson, Director of Finance and Administration, responded to a question regarding the chart showing cash held by policy plus assigned, actual cash, available for capital by stating that the policy plus assigned includes funds that the Board has assigned, such as the Reserve Policy plus \$5 million to the Recycled Water Enterprise and \$10 million to the Sanitation Enterprise for the Pure Water Project.

Board President Peterson requested that staff provide advance copies of new charts from PowerPoint presentations to the Board. He also asked staff to explore a pre-funding dues program similar to the program used by the Association of California Water Agencies to fund their building.

Motion carried unanimously.

### **B Contractor Debarment Policy**

**Pass, approve, and adopt Resolution No. 2538, modifying Las Virgenes Municipal Water District Code to establish a process for the Board to debar a contractor, prohibiting it from entering into any agreement with the District.**

#### **RESOLUTION NO. 2538**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT ADOPTING LAS VIRGENES MUNICIPAL WATER DISTRICT CODE TITLE 2, CHAPTER 6, ARTICLE 4 – PURCHASING – AND REPEALING CONFLICTING SECTIONS OF RESOLUTION NO. 2468**

(Reference is hereby made to Resolution No. 2538 on file in the District's Resolution book and by this reference the same is incorporated herein.)

General Manager David Pedersen presented the report. He noted that staff compared the proposed contractor debarment policy against Metropolitan Water District of Southern California's policy and found that the policies were consistent and identical in several areas. He also noted that he spoke with Steve Blois, Director for Calleguas Municipal Water District and a former contractor, who recommended that the Board be judicious when debarring a contractor for issues related to labor infractions or false claims. He further noted that reputable contractors have expressed appreciation for this type of policy so that work is not awarded to unscrupulous contractors.

Director Renger moved to approve Item 8B. Motion seconded by Director Caspary.

Steven O'Neill, District Counsel, responded to a question regarding the debarment procedures and process.

Motion carried unanimously.

### **C Discussion of AMR/AMI Financing Options**

#### **Provide input on the options to finance the AMR/AMI Project.**

General Manager David Pedersen presented the report. He recommended continuing to pursue the Clean Water State Revolving Fund Loan, which includes eligibility for principal forgiveness.

Don Patterson, Director of Finance and Administration, summarized the financing options for the AMR/AMI Project, including the Clean Water State Revolving Fund Loan, a private placement bank loan, and internal borrowing between enterprise funds. He also recommended focusing on the Clean Water State Revolving Fund Program or a bank loan in order to preserve financing for the Pure Water Project. He responded to a question regarding the payback period for the new meters by stating that the payback period would be based on the \$200,000 cost savings from the current contracted meter reading services. He also responded to a question regarding negotiating no prepayment penalties on fixed term bank loans.

Director Caspary requested that staff continue to explore and identify new AMR/AMI technologies as they become less expensive.

Don Patterson, Director of Finance and Administration, responded to a question regarding whether any water districts have had ratepayers participate in subsidizing AMR/AMI projects in order to save money on their water bills by stating that he was aware that some agencies have issued municipal bonds to set aside a portion that is sold directly to ratepayers who are benefitting from that service. He stated that another approach would be through a general obligation bond where customers are billed through their property tax bill.

Joe McDermott, Director of Resource Conservation and Public Outreach, responded to a question regarding the replacement of approximately 22,000 existing water meters by stating that 5,000 newer, existing meters would be retrofitted instead of replaced. He noted that the largest part of this project would be the cost of replacing the existing meters.

## **9. INFORMATION ITEMS**

### **A Calleguas–Las Virgenes Municipal Water District Interconnection Project: Update on Pump and Pressure Reducing Station Location**

General Manager David Pedersen reported that Rancho Simi Recreation and Park District approved granting the easement to Calleguas Municipal Water District for the project.

## **10. NON-ACTION ITEMS**

### **A Organization Reports**

#### **(1) MWD Representative Report**

Board President Peterson reported that the MWD Committees met earlier in the day, including the Agriculture and Industrial Relations Committee, the Audit and Ethics Committee, and the Special Committee on Bay-Delta. He noted that Dr. Tim LaSalle from California State University Chico, Institute for Sustainable Development, provided a presentation regarding the Regenerative Agriculture Initiative to build up soil degradation. He also reported that at the previous MWD Board meeting, the Board took a new vote to fund the California WaterFix Project. He noted that this item was brought back for a revote due to claims of an alleged Brown Act violation, and a majority of the Board voted in favor once again. He also reported that the newly formed Delta Conveyance Financing Joint Powers Authority (JPA) met on July 19, 2018, and appointed Randy Record as the Chair. He noted that he expressed concern regarding potential Brown Act issues because Chair Record represents over 50 percent of the vote and he questioned whether meetings should be noticed. He stated that he suggested having two directors in order to split the vote. He also noted that the JPA applied for a \$1.5 billion Water Infrastructure Finance and Innovation Act loan.

#### **(2) Other**

### **B Director's Reports on Outside Meetings**

None.

### **C General Manager Reports**

#### **(1) General Business**

General Manager David Pedersen reported that a tour of District facilities would be provided to Congressman Ted Lieu and staff on August 1, 2018, from 9:00 a.m. to 11:00 a.m. He noted that several elected officials and Councilmembers from the cities of Agoura

Hills and Calabasas were invited, and the tour would include visits to the Tapia Water Reclamation Facility, Rancho Las Virgenes Composting Facility, 30800 Agoura Road site, and Westlake Filtration Plant. He also noted that the Board was provided a spreadsheet listing the Councilmembers who have attended the MWD Colorado River Aqueduct and State Water Project Inspection Trips. He asked the Board to reach out to the elected officials in their areas and encourage them to attend these inspection trips. Board President Peterson suggested that staff send invitations directly to the Councilmembers' email addresses.

(2) Follow-Up Items

**D Directors' Comments**

None.

**11. FUTURE AGENDA ITEMS**

Director Lewitt suggested that the Board schedule a Special Board meeting to discuss the Board's respective roles in preparation of the upcoming retirement of Board President Peterson. He also suggested that it would be in the best interest of the District and its customers for the Board to plan in advance, recognizing that Board President Peterson fills a number of roles for the District. Board President Peterson suggested scheduling a Special Meeting in September, following the nomination period for the November 6, 2018 election, and he asked staff to poll the Board members for possible meeting dates.

**12. PUBLIC COMMENTS**

None.

**13. CLOSED SESSION**

**A Conference with District Counsel – Pending Litigation (Government Code Section 54956.9(a)):**

San Diego County Water Authority v. Metropolitan Water District of Southern California

**B Conference with District Counsel – Existing Litigation (Government Code Section 54956.9(a)):**

Jackson McPherson v. Las Virgenes Municipal Water District (California Supreme Court Case No. BC711424)

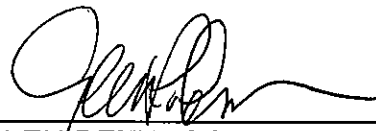
The Board recessed to Closed Session at **6:40 p.m.** and reconvened to Open Session at **7:26 p.m.**

District Counsel Steven O'Neill announced that the Board received a report regarding Closed Session Item 13B, and authorized Olivarez Madruga Lemieux O'Neill, LLP to defend the case. He also announced that the Board received a report regarding Closed Session Item 13A, and authorized Olivarez Madruga Lemieux O'Neill, LLP to defend the action.

**14. OPEN SESSION AND ADJOURNMENT**

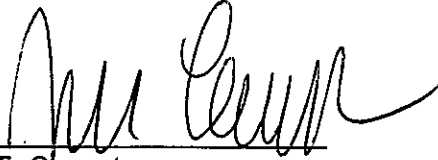
Seeing no further business to come before the Board, the meeting was duly adjourned at **7:28 p.m.**





\_\_\_\_\_  
GLEN PETERSON, President  
Board of Directors  
Las Virgenes Municipal Water District

ATTEST:



\_\_\_\_\_  
JAY LEWITT, Secretary  
Board of Directors  
Las Virgenes Municipal Water District

(SEAL)