



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

**MINUTES**  
**SPECIAL MEETING**

5:00 PM

September 13, 2018

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance to the Flag was led by Susan Mulligan.

**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 (arrived at 5:18 p.m.), Len Polan, Glen Peterson, and Lee Renger.

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  
Wayne Lemieux, District Counsel

**2. APPROVAL OF AGENDA**

Director Renger moved to approve the agenda. Motion seconded by Director Polan. Motion carried by the following vote:

AYES: Caspary, Peterson, Polan, Renger

NOES: None

ABSTAIN: None

ABSENT: Lewitt

3. **PUBLIC COMMENTS**

Joe McDermott, Director of Resource Conservation and Public Outreach, introduced newly hired employee Tyler Hehr, Customer Service Field Representative I.

4. **CONSENT CALENDAR**

Director Caspary asked to pull Item 4E from the Consent Calendar.

- A **List of Demands: September 13, 2018: Ratify**
- B **Minutes: Regular Meeting of August 28, 2018: Approve**
- C **Directors' Per Diem – August 2018: Ratify**
- D **Monthly Cash and Investment Report: July 2018**

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

Director Caspary moved to approve the Consent Calendar as amended. Motion seconded by Director Renger. Motion carried by the following vote:

AYES: Caspary, Peterson, Polan, Renger  
NOES: None  
ABSTAIN: None  
ABSENT: Lewitt

4. **CONSENT CALENDAR – (Separate action item)**

- E **Fiscal Year 2017-18 Capacity Fee Report**

**Receive and file the Fiscal Year 2017-18 Capacity Fee Report.**

Director Caspary inquired whether the interest paid in the amount of \$1,584,901 reflected the entire investment portfolio. Don Patterson, Director of Finance and Administration, responded that this amount was the interest accrued over multiple years.

Director Caspary moved to approve Item 4E. Motion seconded by Director Renger. Motion carried by the following vote:

AYES: Caspary, Peterson, Polan, Renger  
NOES: None  
ABSTAIN: None  
ABSENT: Lewitt

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

**A 60th Anniversary Recognition of Partner in Service: Calleguas Municipal Water District**

Mike McNutt, Public Affairs and Communications Manager, provided introductory remarks recognizing Calleguas Municipal Water District (Calleguas) as the District's Partner in Service.

Board President Peterson shared the history of the District's partnership with Calleguas Municipal Water District, and presented the 60th Anniversary Recognition of Partner in Service to Calleguas Directors Thomas Slosson and Andres Santamaria and General Manager Susan Mulligan.

Directors Thomas Slosson and Andres Santamaria, and General Manager Susan Mulligan expressed their appreciation for the District's longstanding relationship with Calleguas.

Director Lewitt arrived at 5:18 p.m.

**B Legislative and Regulatory Updates**

Joe McDermott, Director of Resource Conservation and Public Outreach, noted that a list of bills of interest was distributed to the Board. He reported that AB 2050 (Cabellero), the Small System Water System Authority Act of 2018, was on Governor Brown's desk for his signature; however, Governor Brown could potentially veto this bill. He also reported that SB 845 (Monning), the Safe and Affordable Drinking Water Fund, was not moving forward. He stated that a letter opposing SB 998 (Dodd) related to water system shutoffs was sent to Governor Brown, who would have until September 30th to sign the bill.

A discussion ensued regarding sending a copy of the letter in opposition to SB 998 to the *Ventura County Star* and *The Acorn*, or having staff write an editorial in order to inform the ratepayers of the reasons the District opposes this bill and the impacts to the District. General Manager David Pedersen stated that staff would follow-up.

**C Water Supply Conditions Update**

No additional update was provided.

6. **TREASURER**

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

7. **GENERAL MANAGER**

**A 2018 General Liability and Property Insurance Renewal**

**Accept the proposal from Tolman & Wiker Insurance Services, LLC, in the aggregate**

amount of \$899,886, and authorize the General Manager to execute the necessary contracts and forms to purchase general liability and property insurance from Argonaut Insurance Company/Trident Public Risk Solutions for the term of October 1, 2018 through September 30, 2019.

Don Patterson, Director of Finance and Administration, presented the report.

Jeff Dodds, representing Tolman & Wiker Insurance Services, LLC, provided an overview of the general insurance market. He noted that the structure of this insurance program has been the same since 2012 with the same carriers. He addressed the increase in self-insured retention, which would increase to \$100,000 for the District's liability policies. He also addressed the District's property insurance first party coverage for covering assets, liability coverage to third parties, management liability limits, and employment practices liability limits.

Board President Peterson expressed concern that the District's risk and rates are increasing, and the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) was not asked to provide a quote.

Director Caspary moved to approve Item 7A. Motion seconded by Director Lewitt. Motion carried by the following vote:

AYES: Caspary, Lewitt, Polan, Renger  
NOES: Peterson  
ABSTAIN: None  
ABSENT: None

## 8. FACILITIES AND OPERATIONS

### A Proposed Debarment of Zusser Construction, Inc.

**Authorize the General Manager to issue a Notice of Proposed Debarment to Zusser Company, Inc., in a form approved by District Counsel.**

General Manager David Pedersen presented the report.

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

A discussion ensued regarding tabling this item due to the outstanding arbitration and litigation.

Director Caspary moved to withdraw his motion. Director Renger withdrew his second to the motion. No action was taken on the item.

### B **Barrymore Pressure Reduction Station No. 25 Rehabilitation Project: Final Acceptance**

**Execute a Notice of Completion and have the same recorded; extend the contract**

duration by 55 calendar days; appropriate \$100,853.31 in additional funds; and, in the absence of claims from subcontractors and others, release the retention, in the amount of \$8,377.50, within 30 calendar days after filing the Notice of Completion for the Barrymore Pressure Reducing Station Rehabilitation Project.

General Manager David Pedersen presented the report.

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

David Lippman, Director of Facilities and Operations, responded to a question regarding the delays caused by the Los Angeles County Department of Public Works in granting an encroachment permit and ways to avoid delays in the future by stating that staff worked diligently with the County to obtain the encroachment permits; however, at times they take a long time and there is no way to shorten the time period. He noted that generally the District requires the contractor to obtain the encroachment permit, and staff attempts to work with the County to streamline that process.

A discussion ensued regarding concerns that the General and Administrative (G&A) costs were three times the cost of District labor. Angela Saccareccia, Finance Manager, explained that staff conducted a thorough account analysis for total G&A and labor hours. She noted that this project contained many District labor hours and that the calculation methodology for G&A includes allocating total G&A costs across all projects by labor hours for consistency purposes. Don Patterson, Director of Finance and Administration suggested that staff could review the labor hours for this particular project and ensure that the labor hours were appropriately charged to this account.

Director Caspary suggested staff include a footnote with an explanation for this particular project, and requested that staff bring back an agenda item to discuss how G&A was allocated for this project. Don Patterson, Director of Finance and Administration, responded that staff would bring back details on the G&A for this project and a discussion regarding how G&A allocations are currently calculated.

Motion carried unanimously.

## **9. FINANCE AND ADMINISTRATION**

### **A GIS Software: Renewal of Small Utility Enterprise License Agreement**

**Authorize the General Manager to execute a three-year Small Utility Enterprise License Agreement with ESRI, Inc., at an annual cost of \$25,000 plus applicable taxes, for the District's Geographical Information System software.**

General Manager David Pedersen presented the report.

Director Renger moved to approve Item 9A. Motion seconded by Director Caspary. Motion carried unanimously.

**B Claim by Calabasas Medical Center c/o Majestic Asset Management**

**Authorize the General Manager to settle the claim by Calabasas Medical Center LLC, in the amount of \$11,451.78, upon receipt of proof of payment by the claimant.**

General Manager David Pedersen presented the report.

Director Caspary moved to approve Item 9B. Motion seconded by Director Polan.

Darrell Johnson, Customer Service Manager, responded to a question regarding the useful life and inspection schedule for detector checks by stating that the facilities are inspected on a monthly basis. He noted that this detector check was in a grass area and it had extensive root intrusion, which shortened the life of the pipe spool. He also noted that staff continues to work on raising detector checks above ground.

David Lippman, Director of Facilities and Operations, responded to a question regarding inspection programs by stating that the District has tens of thousands of appurtenances in the system and that staff strives to inspect them on a regular basis. He noted that the District also has a program to rehabilitate its pressure reducing stations, and corrosion is the main cause of failures.

Motion carried unanimously.

**C Fiscal Year 2018-19 Budget in Brief**

**Receive and file the Fiscal Year 2018-19 Budget in Brief.**

General Manager David Pedersen presented the report.

Director Renger moved to approve Item 9C. Motion seconded by Director Caspary. Motion carried motion carried unanimously.

**10. RESOURCE CONSERVATION AND PUBLIC OUTREACH**

**A Proposed Memorial for Hal Helsley: Review of Concept**

**Provide staff with feedback on the concept for a proposed memorial for Harold Helsley.**

Joe McDermott, Director of Resource Conservation and Public Outreach, presented the report and a PowerPoint presentation. He suggested the Board consider commissioning an oversized bronze or wood carved acorn with a plaque giving Mr. Helsley's story, and also suggested three possible locations at the District Headquarters. He also discussed plans to plant an oak tree in front of Building No. 1 as part of the Demonstration Garden, and the possible placement of the oversized acorn and plaque under the new oak tree.

Director Renger suggested staff speak with Mr. Helsley's wife, Nancy Helsley, for her input on an appropriate memorial. He expressed support for a memorial placed at Location No. 1 at Headquarters. He also expressed concern with planting a large oak tree and whether it would survive. Mr. McDermott noted that another concern with Location No. 3 would be the timing of planting the tree with the Demonstration Project.

Director Lewitt spoke in support of having a bronze plaque with Mr. Helsley's story and planting an oak tree as opposed to commissioning a bronze acorn. He also suggested installing a bench at either Location No. 1 or 2.

Director Polan expressed interest in planting an oak tree. He also suggested meeting with artists to receive their interpretation of an acorn prior to settling on this concept.

Director Caspary expressed concern with the interpretation of an oak acorn as depicted in the PowerPoint presentation. He expressed support for planting a tree as opposed to commissioning a bronze acorn. He suggested doing something similar to the "Ann Dorgelo Water Awareness Perpetual Trophy Award" for the Annual Water Awareness Student Art Contest and potentially implementing a program to send acorns to the customers, telling Mr. Helsley's story and promoting the use of native plants.

Board President Peterson stated that Mr. Helsley's contribution to the District was the composting facility, and he suggested this might be the best location to recognize him.

Director Polan departed from the meeting at 6:10 p.m.

Mr. McDermott stated that staff would take back the Board's input and return with additional ideas and information at a future meeting.

## **11. INFORMATION ITEMS**

### **A Claim by Winfred Webb**

## **12. NON-ACTION ITEMS**

### **A Organization Reports**

#### **(1) MWD Representative Report/Agenda(s)**

Board President Peterson reported that he attended committee meetings and the MWD Board meeting. He noted that the MWD Board would be selecting a new Chair.

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

Director Lewitt reported that he attended the Association of California Water Agencies (ACWA) Federal Affairs Committee earlier in the day in Sacramento. He noted that ACWA Executive Director Tim Quinn would be attending his final ACWA Fall Conference in November, and his replacement would be announced on September 28th. He noted that Interior Secretary Ryan Zinke would be the featured speaker at the Thursday luncheon.

He also reported that the Federal Affairs Committee discussed the Endangered Species Act and the Water Energy Bill, and promoting the Annual Washington D.C. Conference in February.

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

Director Renger reported that he attended the Las Virgenes Homeowners Federation meeting on September 11th where they discussed Southern California Edison's plan to shut off power to local areas during high fire hazard conditions. David Lippman, Director of Facilities and Operations, noted that staff is working closely with Southern California Edison regarding this concern. Director Renger inquired how long the District would need to supply its own power after a large earthquake and whether all of the pump stations would be covered. David Lippman, Director of Facilities and Operations, responded that the District would be initiating a study to determine which of the critical pump stations would be considered for stationary emergency generation. He stated that staff could bring back an item regarding emergency generation capabilities and needs at a future meeting.

## **C General Manager Reports**

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

General Manager David Pedersen reported that the District would be sponsoring Oaks Christian High School and Calabasas High School for the Solar Cup. He reminded the Board there would be a Special Board Meeting/Workshop on September 18, 2018, at 9:00 a.m., at the City of Westlake Village Community Meeting Room.

### **(2) Follow-Up Items**

## **D Directors' Comments**

None.

## **13. FUTURE AGENDA ITEMS**

Director Renger requested a future agenda item to evaluate and consider the District's emergency power supply system.

Director Caspary requested a future agenda item regarding potential impacts to public water systems for the Governor's initiative to move to 100 percent renewable energy.

## **14. PUBLIC COMMENTS**

None.

## **15. CLOSED SESSION**

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



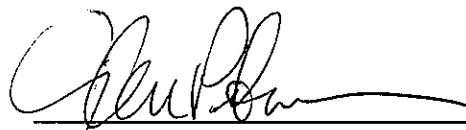
**Eitan Aizenshtein v. Las Virgenes Municipal Water District**

The Board recessed to Closed Session at 6:22 p.m. and reconvened to Open Session at 6:35 p.m.

Wayne Lemieux, District Counsel, announced that during the Closed Session the Board authorized settlement in litigation.

**16. OPEN SESSION AND ADJOURNMENT**

Seeing no further business to come before the Board, the meeting was duly adjourned at 6:35 p.m. in memory of Ella Mae Record, mother of MWD Chair Randy Record.



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

ATTEST:



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

(SEAL)