



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

MINUTES
SPECIAL MEETING

5:00 PM

December 18, 2018

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Lynda Lo-Hill.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **5:00 p.m.** by Vice Chair Caspary 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, Lynda Lo-Hill, Len Polan, 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
Keith Lemieux, District Counsel

2. APPROVAL OF AGENDA

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

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

A List of Demands: December 18, 2018: Receive and file.

B Minutes: Special Meetings of November 12, 2018, November 15, 2018, November 26, 2018 and December 4, 2018: Approve

C Directors' Per Diem: November 2018

D Monthly Cash and Investment Report: October 2018

Receive and file the Monthly Cash and Investment Report for October 2018.

E Supply and Delivery of Water Meters: Contract Increase

Authorize the General Manager to increase an annual purchase order to Zenner Performance Meters, Inc., by \$12,000, from \$34,970.99 to \$46,970.99, for the current term and four one-year renewal options for the supply and delivery of water meters.

F Backflow Prevention Device Testing: Award

Accept the bid from Verne's Plumbing, Inc., and authorize the General Manager to issue a one-year contract, in the amount of \$107,065, with four one-year review options for backflow prevention device testing services.

G Landscape Maintenance Services: Contract Extension

Authorize the General Manager to execute a six-month extension, in the amount of \$37,000, for the current agreement with Villa Esperanza Services for landscape maintenance services.

H Designation of Applicant's Agents for California Governor's Office of Emergency Services

Pass, approve and adopt Cal OES 130, Designation of Applicant's Agent Resolution for Non-State Agencies, designating and authorizing the General Manager, Director of Finance and Administration, and Director of Facilities and Operations to represent the District with the California Governor's Office of Emergency Services.

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

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

A Oath of Office for Jay Lewitt, Lynda Lo-Hill, and Lee Renger

Josie Guzman, Clerk of the Board, administered the Oath of Office to Directors Jay Lewitt, Lynda Lo-Hill, and Lee Renger.

B MWD Representative Report

Glen Peterson, MWD Representative, reported that the City of Beverly Hills experienced a leak in its main water delivery pipeline from MWD, the Santa Monica Feeder. He noted that repair work was currently underway. He also reported that the MWD Board awarded a \$26.9 million contract to rehabilitate the circulating water and sump discharge pipeline systems at each Colorado River Aqueduct pumping plant; voted to support entering into seven agreements to implement the Colorado River Lower Basin Drought Contingency Plan; and approved extending the contract for the State Water Project. He also noted that last week was Randy Record's final meeting as the MWD Chair.

C Legislative and Regulatory Updates

Joe McDermott, Director of Resource Conservation and Public Outreach, reported that Assemblymember Richard Bloom introduced AB 134, a spot bill that would address the Safe, Clean, Affordable, and Accessible Drinking Water for Noncompliant Systems. He stated that this spot bill is expected to incorporate much of the language from SB 623 and SB 845 for a water tax. He noted that staff has been working with the District's lobbyist, Syrus Devers, to monitor this bill. He also reported that the California Municipal Utilities Association (CMUA) issued a White Paper concerning Safe, Clean, Affordable, and Accessible Drinking Water. He noted that the Association of California Water Agencies (ACWA) is joining this effort. He stated that the White Paper suggests the need to have more reliable and accurate data, a better needs assessment, the need to address governance, and technical assistance and funding for noncompliant systems. He also stated that the White Paper discusses a single-use bottled water tax and the creation of a volunteer mentor network. He stated that he would provide a copy of the White Paper to the Board.

D Water Supply Conditions Update

Joe McDermott, Director of Resource Conservation and Public Outreach, presented the report. He noted that the initial 2019 State Water Project allocation was 10 percent.

6. **TREASURER**

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

7. **BOARD OF DIRECTORS**

A Election of Officers: President, Vice President, Secretary and Treasurer Elect Directors to serve two-year terms as President, Vice President, Secretary and Treasurer of the Board of Directors.

Vice Chair Caspary noted that nominations for President, Vice President, Secretary, and Treasurer were made at the December 4, 2018 Special Board meeting. He stated that Director Jay Lewitt was nominated to serve as President of the Board of Directors.

The Board voted unanimously to elect Director Jay Lewitt as President.

Vice President Caspary handed the gavel to Board President Lewitt.

Board President Lewitt noted that Charles Caspary and Len Polan were nominated for Vice President. Director Caspary withdrew his name for nomination as Vice President.

The Board voted unanimously to elect Director Len Polan as Vice President.

Board President Lewitt opened the nominations for Secretary of the Board of Directors. Director Renger nominated Charles Caspary. There were no other nominations.

The Board voted unanimously to elect Director Charles Caspary as Secretary.

Board President Lewitt noted that Director Lynda Lo-Hill was nominated for Treasurer and there were no other nominations.

The Board voted unanimously to elect Director Lynda Lo-Hill as Treasurer.

B Appointment of Deputy Secretaries and Deputy Treasurer

Appoint David W. Pedersen, General Manager, and Josie Guzman, Executive Assistant/Clerk of the Board, as Deputy Secretaries; and Donald Patterson, Director of Finance and Administration, as Deputy Treasurer.

General Manager David Pedersen presented the report.

Director Renger moved to approve Item 7B. Motion seconded by Director Polan. Motion carried unanimously.

C Consideration of Time Change for Regular Board Meetings

Consider the merits of changing the time of day for regular Board meetings and, if desired, pass, approve, and adopt proposed Resolution No. 2547, adjusting the time of the meetings from 5:00 p.m. to 9:00 a.m. on the second and fourth Tuesday of each month.

RESOLUTION NO. 2547

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT AMENDING RESOLUTION NO. 2468 (ADMINISTRATIVE CODE) AS IT RELATES TO THE TIME OF DISTRICT MEETINGS

(Reference is hereby made to Resolution No. 2547 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

General Manager David Pedersen presented the report.

Director Caspary moved to approve Item 7C. Motion seconded by Director Polan.

A discussion ensued regarding the merits of changing the time of the Regular Board Meetings, facilitating public participation via live streaming and virtual participation, contemplating the technology that might be needed, and holding public workshops and award presentations in the evening,

Wayne Lemieux, District Counsel, spoke regarding the use of webcasting and noted that the public could place electronic public comment cards to request to speak on a specific item. He noted that most water agencies meet during daytime hours, and there is minimal public attendance.

Director Caspary and Board President Lewitt were in favor of the motion. Director Lo-Hill was opposed. Director Polan and Director Renger abstained. Motion failed.

General Manager David Pedersen suggested that staff could bring back information at the January 29, 2019 Special Board Meeting regarding video streaming and virtual participation.

Director Renger suggested that Information Systems staff and the District's contractor, Stephen Bigilen, discuss the technologies that are available.

Board President Lewitt asked staff to explore what other water districts use for video streaming and virtual participation.

8. GENERAL MANAGER

A Woolsey Fire Response and Recovery Effort: Continuation of Emergency and Progress Update

Approve the continuation of an emergency declaration due to the Woolsey Fire.

General Manager David Pedersen provided introductory remarks.

David Lippman, Director of Facilities and Operations, provided a briefing regarding the immediate operational response, recovery, and restoration efforts. He noted that a Request for Proposals (RFP) would be developed for design and repair of the various facilities damaged by the fire. He stated that staff calculated the amount of water used

during the six-day period and estimated that 93 acre-feet, or 30.5 million gallons of water, was used for firefighting or was lost due to leaks. He also stated that the value of the water was approximately \$172,000 based on the full-burdened cost used in the budget for the potable water system. He responded to a question regarding the low water pressure experienced in the west end of the system by stating that the system did not gain storage at Equestrian and Morrison Tanks despite pumping through Cornell Pump Station. He stated that staff attributed the low water pressure to firefighting efforts and due to a broken 10-inch water main on the bridge that failed on Mulholland Highway near Troutdale Drive. He noted that staff restored the system, recovered storage in the tanks, and restored pressure in the system once the break was discovered.

Don Patterson, Director of Finance and Administration noted that staff was tracking time and expenses related to response and recovery efforts, and that the District would not be reimbursed for water used for firefighting efforts.

Mr. Lippman responded to a question regarding the Westlake Filtration Plant and ensuring that fire-rated materials are used by stating that fire resilience would be taken into consideration for the facility and landscaping.

Joe McDermott, Director of Resource Conservation and Public Outreach, provided an update regarding efforts taken to address customers impacted by the fire. He noted that staff had been assisting customers with billing adjustments and responding to inquiries. He also noted that staff attended the City of Agoura Hills' recovery forum on December 6th and Supervisor Sheila Kuehl's forum on December 13th. He stated that the majority of interactions with customers had been positive, and no concerns were expressed at the forums regarding the District's response. He also noted that the billing period for the Hidden Hills area would be for 39 days due to delays in meter reading. He stated that staff was tracking billing adjustments, which amounted to \$108,000 to date, and which was expected to surpass the \$172,000 amount reported earlier.

Director Caspary asked staff to contact the Hidden Hills City Manager regarding the 39-day billing period.

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

9. FACILITIES AND OPERATIONS

A 8-inch Water Main Break on Lewis and Clark Road in Hidden Hills: End of Emergency

Approve the end of an emergency declaration for the 8-inch Water Main Break on Lewis and Clark Road in Hidden Hills.

General Manager David Pedersen presented the report.

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

10. FINANCE AND ADMINISTRATION

A 2018 Miscellaneous Fees Study: Review

Provide any feedback on the proposed miscellaneous fees, charges and penalties.

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

Andrea Boehling, Raftelis Project Manager, provided a PowerPoint presentation summarizing the miscellaneous fees framework, methodology/approach, sample fee calculations, results, and next steps. She provided an overview of the methodology/approach for overhead and indirect costs calculation, fully burdened hourly rates, and departmental costs. She also provided an overview of a sample fee calculation using a full-cost user fee for backflow testing.

Director Renger noted that the Board approved a contract for conducting backflow testing at a cost of \$95, as opposed to the \$25 cost shown in the example. General Manager David Pedersen responded that this study was done before the bid results were received on Item 4F. He explained that a third-party contractor conducts the testing in the field, and the Customer Service Program Supervisor reviews the results. He stated that the study would be revised to reflect the updated cost of backflow testing.

Ms. Boehling continued the presentation and provided an overview of a penalty fee calculation using an example of a broken meter seal or lock fee. She also presented a list of proposed user and penalty fees. She noted that the fee charged for Landscape Plan Check was proposed to be decreased significantly. She also noted that it would be up to the Board whether to recover the full cost of user fees. Don Patterson, Director of Finance and Administration, noted that staff would recommend that a customer's first request for a water audit would be at no charge, but a fee would be assessed for subsequent audits.

Board President Lewitt inquired regarding the penalty fee for Detector Check (DC) Unauthorized Use and Illegal Water Consumption fees. General Manager David Pedersen responded that the DC Unauthorized Use fee is charged when a commercial customer who has a separate fire system and detector check purposely interconnects the two systems and draws water through the fire system to avoid paying for water. He noted that the current \$75 penalty fee was not discouraging customers from this practice. He also stated that the reason the Landscape Plan Check fee was proposed to be decreased was that District staff only verify whether customers are following the State's water efficient landscaping ordinance from a conservation standpoint. He stated that the District's specific function does not require much staff time. He addressed the proposed fee for Illegal Water Consumption and stated that in the past the District experienced water being taken illegally from fire hydrants. He noted that this proposed fee would allow the District to apply a fee to discourage this practice.

Director Caspary referred to the proposed 10 percent late fee of water bill balances and inquired how late fees are assessed and how much late fee revenue is generated monthly. He also inquired regarding rejected ACH payments. Angela Saccareccia, Finance Manager, responded that the District experiences 30 to 40 rejected ACH payments per month, and typically they are rejected because the customer typed the bank account number incorrectly, had insufficient funds, used a closed bank account, or issued a stop payment on the ACH transaction. Darrell Johnson, Customer Service Manager, added that when ACH payments are returned, the customer will receive a door tag and a phone call notifying them that they have 72 hours to remedy the payment.

Mr. Patterson addressed the late fees and stated that the District has a policy that allows waiving one late fee per year. He noted that the current two percent late fee has not proven to be a deterrent and most agencies charge either a ten percent late fee or a flat fee. He stated that the proposal to increase the late fees was in order to discourage late payments and recognizing that Customer Service would still have discretion in waiving late fees once per year. Mr. Johnson stated that he would bring back information regarding the amount of late fees collected monthly.

Director Caspary expressed support for doubling the current late fee, if necessary, and then consider an additional percentage in the future. He noted that current legislation would make it difficult to shut off water for nonpayment.

Ms. Boehling continued the presentation and suggested that charging a late fee based on a percentage of the water bill would be more appropriate and reasonable than charging a flat fee. She noted that returned checks fees are governed by the Civil Code.

Director Lo-Hill expressed concern with imposing penalties to customers who are experiencing financial hardships, and she inquired whether imposing penalties is a deterrent. She stated that she was surprised to learn that the District issues up to 400 disconnect notices (door tags) per month. Mr. Johnson responded that by the time a customer receives a door tag, the customer is three months behind on paying the water bill. He noted that typically customers who are experiencing a hardship contact Customer Service, and staff issues time extensions or a payment plan. He noted that most of the door tags issued are for customers who are chronically late

Director Renger expressed concern with charging a 10 percent late fee penalty.

Director Caspary suggested that after the miscellaneous fees are adopted, customers who receive door tags should also receive a notice informing them that the door tag fee will increase.

Director Lo-Hill referred to SB 998 (Dodd), Discontinuation of Residential Water Service, and suggested that the District's penalty fee schedule include conditions for income-challenged customers.

Ms. Boehling continued the presentation and provided an overview of next steps.

Mr. Patterson stated that an item would be brought back at the January 29, 2019 Special Board Meeting for the Board to consider adopting a comprehensive fee resolution and a proposal to implement the changes to the fees and penalties effective sometime prior to July 1, 2019, to provide ample time to communicate the new fees to customers.

Director Caspary requested that staff review the State law regarding changes to disconnect requirements and advise the Board regarding any issues. Mr. Patterson responded that staff discussed whether to incorporate the law into the study; however, the new requirements do not go into effect until April 2020. He noted that in order to not have large adjustments in the future staff would review and provide recommendations during the biannual budget process.

B Federally Declared Emergency Purchasing Procedures: Adoption

Pass, approve and adopt proposed Resolution No. 2546, modifying the Las Virgenes Municipal Water District Code to add federally declared emergency purchasing procedures.

RESOLUTION NO. 2546

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, SECTION 412 – FEDERALLY DECLARED EMERGENCY PURCHASING PROCEDURES

(Reference is hereby made to Resolution No. 2546 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

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

Director Caspary moved to approve Item 10B. Motion seconded by Director Polan. Motion carried unanimously.

C Enterprise Resource Planning (ERP) System: Award

Accept the proposal from Tyler Technologies and authorize the General Manager to execute a contract, in the total amount of \$1,462,545, for an Enterprise Resource Planning System; and accept the proposal from SDI Presence LLC and authorize the General Manager to execute a contract, in the amount of \$273,000, for consulting services associated with implementation of the Enterprise Resource Planning System.

Angela Saccareccia, Finance Manager, presented the report. She responded to a question regarding the current annual cost for the existing software licensing by stating that it is approximately \$95,000 per year; however, there are other impending costs such as that for a new server. She noted that the District would gain efficiencies with the new system, such as a savings in staff time, new functionalities, web-based system, and

human resources components. Don Patterson, Director of Finance and Administration, added that there would be a savings related to the costs for the server and back-up recovery due to the ERP system being a cloud-based system.

A discussion ensued regarding the District paying for software modules in the past that were not used. Angela Saccareccia, Finance Manager, noted that Tyler Technologies would provide a District-wide license, and the District would only need to pay for one license as a whole as opposed to paying for individual licenses. Also, she explained that the District would not pay for software modules that it does not use.

Director Caspary moved to approve Item 10C. Motion seconded by Director Renger. Motion carried unanimously.

11. RESOURCE CONSERVATION AND PUBLIC OUTREACH

A Rancho Las Virgenes Farm Sprayfields Operation and Maintenance: Renewal of Agreement

Authorize the General Manager to execute a one-year agreement, in an amount not-to-exceed \$250,000, with W. Litten Land Preparation for the operation and maintenance of the Rancho Las Virgenes Farm Sprayfields.

General Manager David Pedersen presented the report.

Director Renger moved to approve Item 11A. Motion seconded by Director Polan. Motion carried unanimously.

12. INFORMATION ITEMS

A Reimbursable Expenses for Fiscal Year 2017-18.

B Claim by Richard Yost

13. NON-ACTION ITEMS

A Organization Reports/Agenda

None.

B Director's Reports on Outside Meetings

Board President Lewitt reported that he and General Manager David Pedersen attended the Business H2O Water Innovation Summit in Phoenix, Arizona. He noted that he and the General Manager met with Jim Gebhardt, Director of the U.S. Environmental Protection Agency's Water Infrastructure and Resiliency Finance Center, and discussed funding opportunities for the Pure Water Project Las Virgenes-Triunfo. He stated that Mr. Gebhardt expressed interest in meeting with District staff in Washington D.C.

Director Caspary reported that he attended the Santa Monica Bay Restoration Commission meeting the previous week where the Commission approved a list of ten projects, which would be forwarded to the California Coastal Conservancy Board. He noted that the Pure Water Demonstration Project was included on the list for a grant from Proposition 12 funds. He explained that General Manager David Pedersen and Resource Conservation Manager Dave Roberts also attended the meeting and answered questions posed by the Commission. He commented that it was likely the District would receive some grant funding for the project.

C General Manager Reports

(1) General Business

General Manager David Pedersen wished everyone Happy Holidays and a Happy New Year. He noted that the Las Virgenes – Triunfo Joint Powers Authority Meeting would be held on January 7, 2019, and the next Board meeting would be held on January 8, 2019.

(2) Follow-Up Items

General Manager David Pedersen noted that staff would be bringing back an item regarding back-up emergency generators.

D Directors' Comments

Board President Lewitt expressed his appreciation for being elected as the Board President. He also formally welcomed Director Lo-Hill to the Board.

Director Caspary noted that the Board signed proclamations recognizing three retiring District employees: Jan Dougall, Harold Matthews, and Larry Miller. He stated that he would personally miss these employees, and they would be hard to replace. Director Polan expressed the same sentiments.

14. FUTURE AGENDA ITEMS

None.

15. PUBLIC COMMENTS

None.

16. CLOSED SESSION

A Conference with Labor Negotiator (Government Code Section 54957.6):

Agency Designated Representatives: David W. Pedersen, General Manager; Donald Patterson, Director of Finance and Administration; Sherri Paniagua, Human Resources Director; and Kristi Recchia, Liebert Cassidy Whitmore

Employee Organizations: General and Office Units represented by the Service Employees International Union Local 721.

B Conference with Labor Negotiator (Government Code Section 54957.6):

Agency Designated Representatives: David W. Pedersen, General Manager; Donald Patterson, Director of Finance and Administration; Sherri Paniagua, Human Resources Director; and Kristi Recchia, Liebert Cassidy Whitmore

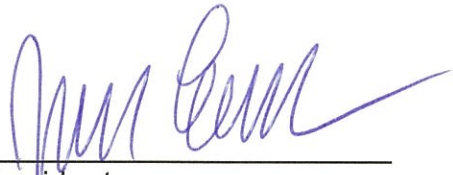
Employee Organization: Las Virgenes Manager, Supervisor, Professional and Confidential Employees Association.

The Board recessed to Closed Session at **7:34 p.m.** and reconvened to Open Session at **7:59 p.m.**

Keith Lemieux, District Counsel, announced that that during the Closed Session the Board received a report, provided direction to the labor negotiators, and there was no reportable action taken.

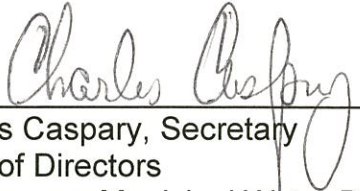
15. OPEN SESSION AND ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **7:59 p.m.**



Jay Lewitt, President
Board of Directors
Las Virgenes Municipal Water District

ATTEST:



Charles Caspary, Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)

