



**LAS VIRGENES MUNICIPAL WATER DISTRICT**  
28901 Canwood Street, Agoura Hills, CA 91302

**MINUTES**  
**SPECIAL MEETING**

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9:00 AM

April 22, 2019

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

The meeting was called to order at **9:00 a.m.** by Board President Lewitt at Homewood Suites, 28901 Canwood Street, Agoura Hills, CA 91301. 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  
Doug Anders, Administrative Services Coordinator  
Brett Dingman, Water Reclamation Manager  
Mike Hamilton, Financial Analyst  
Darrell Johnson, Customer Service Manager  
Jim Korkosz, Interim Facilities Manager  
Mike McIntyre, Acting Information Systems Manager  
Mike McNutt, Public Affairs and Communications Manager  
Sherri Paniagua, Human Resources Manager  
Dave Roberts, Resource Conservation Manager  
Angela Saccareccia, Finance Manager  
John Zhao, Principal Engineer

**2. APPROVAL OF AGENDA**

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

**3. PUBLIC COMMENTS**

None.

**4. STRATEGIC PLANNING**

**A Review of District's Strategic Plan**

General Manager David Pedersen provided a summary of the District's Strategic Plan and noted that the next update is scheduled for 2020.

Director Polan suggested that the Strategic Plan include education on the environmental aspects of the District's work.

Director Lo-Hill spoke in support of educating the community and seeking the community's support for the Pure Water Project Las Virgenes-Triunfo (Pure Water Project).

**5. TACTICAL ACTIONS AND ACTIVITIES**

**A Fiscal Years 2018-20 Tactical Actions and Activities**

The Department Heads and Department Managers presented the status of the Fiscal Year 2018-20 Tactical Actions and Activities. Staff responded to several questions posed by the Board.

The Board recessed to a break at 11:33 a.m. and reconvened at 11:45 a.m.

**6. FISCAL YEARS 2019-20 FINANCIAL UPDATE**

**A Financial Review: Third Quarter of Fiscal Year 2018-19 and Other Post Employment Benefits**

**Receive and file the financial review for the third quarter of Fiscal Year 2018-19 and update on other post-employment benefits.**

Angela Saccareccia, Finance Manager, provided a PowerPoint presentation and responded to questions posed by the Board.

Director Polan moved to receive and file Item 6A. Motion seconded by Director Casparly. Motion carried unanimously.

## **B Cash and Investment Report for March 2019**

### **Receive and file the Cash and Investment Report for March 2018**

Don Patterson, Director of Finance and Administration, provided a PowerPoint presentation.

Director Caspary moved to receive and file Item 6B. Motion seconded by Director Lo-Hill. Motion carried unanimously.

## **C Annual Review of Financial Policies**

Don Patterson, Director of Finance and Administration, presented the District's current financial policies.

There were no changes made to the Financial Policies.

## **D Annual Review of Investment Policy**

Don Patterson, Director of Finance and Administration, presented the District's current Investment Policy and responded to questions posed by the Board.

There were no changes made to the Investment Policy.

## **7. INSTITUTIONAL ISSUES FOR JPA AND PURE WATER PROJECT LAS VIRGENES-TRIUNFO**

### **A Institutional Issues for JPA and Pure Water Project Las Virgenes-Triunfo**

David Lippman, Director of Facilities and Operations, provided a PowerPoint presentation and an overview of the JPA's formation, agreement, and structure. He noted that the remaining institutional issues for the Pure Water Project included the following: Calleguas Municipal Water District's role in transferring water from the Las Virgenes system to Triunfo Sanitation District's (TSD) water system; a policy for expansion of the recycled water system and whether it should be a JPA or individual partner policy; how costs would be shared for District-only facilities; and whether the JPA should finance the project jointly or whether each JPA partner should finance its own share.

A discussion ensued regarding exploring financing options, continued maintenance of recycled water infrastructure, and the JPA's apportioned capacity rights with LVMWD having 70.6% and TSD having 29.4%.

General Manager David Pedersen discussed options for TSD's use of District-only facilities. He suggested that TSD would not obtain a capacity right in District-only facilities. TSD could pay a fixed fee for offset repair and rehabilitation costs of the infrastructure and store its advanced treated recycled water in Las Virgenes Reservoir for a maximum of 12 months after which it must take delivery of the water. TSD would also share

proportionally in the evaporative losses. He stated that if TSD was unable to take delivery of its supplies after 12 months, the water could potentially revert back to the District or the District could purchase the water. He also stated that this model could be included as a supplement to the current JPA agreement. He recommended that the Board continue with the JPA structure and conduct contingency planning should TSD be unable to finance its share of the cost for the Pure Water Project. He stated that the advantages of the current equity partnership mode are that it is consistent with the JPA agreement, there would be a shared capital investment and shared risk, and the project would be a multi-jurisdictional project when applying for grants. He also stated that the disadvantages of an equity partnership are that there is a shared governance and each partner could have different financial capabilities.

Don Patterson, Director of Finance and Administration, presented a PowerPoint presentation describing two potential financing mechanisms: (1) using the current JPA equity partnership structure, and (2) a pay for service model where the District would build and own the advanced water treatment facility. He explained that with a pay for service model, the District would own the advanced water treatment facility and TSD would pay the District to dispose of its treated wastewater. He also stated that TSD would have the first right to purchase the recycled water instead of receiving a guaranteed amount.

A discussion ensued regarding the option to continue with the current JPA equity partnership model as opposed to a pay for service model.

General Manager David Pedersen summarized that there was general consensus amongst the Board Members for a proposal where TSD would not develop capacity rights in District-only facilities, and each JPA partner would pay its own share of the project costs. The Board expressed commitment to the JPA partnership using the framework of the existing JPA agreement, and the Board could consider the pay for service model as a contingency plan.

## 8. **BOARD MEMBER ROUNDTABLE**

Director Lo-Hill commended staff on their presentation of the tactical actions and activities. She expressed support for the District to stay committed to the JPA partnership.

Director Renger spoke in support of maintaining the existing JPA partnership.

Board President Lewitt stated that holding the workshop was very helpful, and he suggested that a similar workshop be held with the JPA. He also suggested that the JPA consider changing its meeting time to 9:00 a.m.

Director Caspary expressed his appreciation for the opportunity to receive staff's update and for the workshop format.

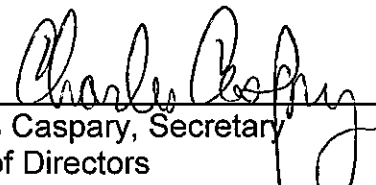
Director Polan thanked staff for their efforts.

9. **ADJOURNMENT**

Seeing no further business to come before the Board, the meeting was duly adjourned at **1:51 p.m.**

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

ATTEST:

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

(SEAL)