



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

MINUTES
SPECIAL MEETING

9:00 AM

April 13, 2020

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by David Pedersen.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **9:00 a.m.** by Board President Lewitt via teleconference in the Board Room at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road, Calabasas, CA 91302. The meeting was conducted via teleconference pursuant to the provisions of the Governor's Executive Order, N-29-20, which suspended certain requirements of the Ralph M. Brown Act to support social distancing guidelines associated with response to the coronavirus (COVID-19) pandemic. 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
Joe McDermott, Director of Engineering and External Affairs
Don Patterson, Director of Finance and Administration
John Zhao, Director of Facilities and Operations
Josie Guzman, Clerk of the Board
Keith Lemieux, District Counsel
Doug Anders, Administrative Services Coordinator
Ursula Bosson, Customer Service Manager
Brett Dingman, Water Reclamation Manager
Darrell Johnson, Water Systems Manager
Jim Korkosz, Facilities Manager

Mike McNutt, Public Affairs and Communications Manager
Ivo Nkwenji, Information Systems Manager
Sherri Paniagua, Human Resources Manager
Dave Roberts, Resource Conservation Manager
Angela Saccareccia, Finance Manager
Eric Schlageter, Principal Engineer

2. APPROVAL OF AGENDA

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

3. PUBLIC COMMENTS

None.

4. STRATEGIC PLANNING

A Review of District's Strategic Plan

General Manager David Pedersen reviewed the District's Strategic Plan. He noted that the Strategic Plan was scheduled to be updated by July 2021, and he suggested that staff begin to review the plan by the end of the year to ensure that it was current. He responded to several comments and questions posed by the Board.

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 Years 2018-20 Tactical Actions and Activities. Staff responded to several comments and questions posed by the Board. The Board recessed to a break during the presentation at 10:47 a.m., and reconvened at 10:55 a.m.

6. FISCAL YEARS 2020-22 FINANCIAL UPDATE

A Review of District's Financial Position

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

Don Patterson, Director of Finance and Administration, suggested that the Board hold a budget workshop on April 27, 2020, at 9:00 a.m.

B Schedule and Process for 5-Year Rate Study

Don Patterson, Director of Finance and Administration, provided an update regarding the 5-year rate study, and noted that the Proposition 218 public hearing would be held on October 20, 2020.

C Annual Review of Financial Policies

Review and provide any feedback on the District's Financial Policies.

Don Patterson, Director of Finance and Administration, provided a PowerPoint presentation and recommended no changes to the District's Financial Policies. He responded to several questions posed by the Board.

D Annual Review of Investment Policy

Review and provide any feedback on the District's Investment Policy.

Don Patterson, Director of Finance and Administration, provided a PowerPoint presentation and recommended no changes to the District's Investment Policy. He responded to several questions posed by the Board.

The Board recessed to a break at 12:24 p.m., and reconvened at 12:58 p.m.

7. PURE WATER PROJECT LAS VIRGENES- TRIUNFO

A Pure Water Project Outstanding Issues

General Manager David Pedersen noted that an outstanding issue was the approach that would be taken for sharing the cost for District-only facilities, including Las Virgenes Reservoir, Westlake Filtration Plant, Westlake Pump Station, and some of the potable water distribution system that transmits water between the filter plant and potentially to the new Calleguas Municipal Water District (Calleguas) interconnection. He stated that the previous proposal was that the District and TWSD would share the cost to operate, maintain, and rehabilitate any of the District-only facilities, and TWSD would not take any ownership rights in those facilities. He noted that this would protect the District's ratepayers' investment in those facilities, and would allow the District's ratepayers to have first priority to those facilities for their benefit. He stated that any available and surplus capacity would be made available for the Pure Water Project Las Virgenes-Triunfo. He noted the cost-sharing approach was utilized when the Board and the JPA approved a license agreement for the use of Building No. 1 for the Pure Water Demonstration Facility. He recommended that this model be followed for the use of all other District-only facilities. He discussed Calleguas' future role in transferring water from the District's system to TWSD's water system, and noted that negotiations for an operating agreement with Calleguas would begin in the coming year.

A discussion ensued regarding the possibility of amending the JPA agreement or entering into a complementary JPA agreement that would be project-specific.

General Manager David Pedersen provided an update regarding implementing a future policy for expanding the recycled water system and the potential role in collaborating with the City of Thousand Oaks for brine disposal and groundwater treatment.

B Update on Financing Strategy

Don Patterson, Director of Finance and Administration, provided an update regarding the financing strategy. He noted that the District hired Piper Sandler Companies to provide financial advisory services for the Pure Water Project Las Virgenes-Triunfo. He responded to questions posed by the Board regarding TWSD's proposed rate increase and the District's financing contingency planning.

C Discussion of Project Delivery Methodology

General Manager David Pedersen provided an update regarding the environmental review process for the full-scale project. He noted that all of the funding commitments for grants were linked to clearing environmental review. He also noted that the District could not receive funding for the project until the District completes an environmental document in accordance with the requirements of the California Environmental Quality Act (CEQA). He further noted that the District would need to conduct preliminary engineering. He stated that the District had traditionally used the design-bid-build process. He also stated that alternative project delivery methods in the public sector were gaining adoption due to a variety of benefits in the different design-build options, including better risk sharing among the parties involved in the project, aligning the interests of the contractor and the owner, possibly sharing in cost-savings, and achieving earlier project cost certainty.

Joe McDermott, Director of Engineering and External Affairs, provided a summary of various project delivery methods, including construction management at risk (CMAR), progressive design-build, fixed price design-build, design-build-operate, and public-private partnerships (P3). He noted that the Las Virgenes Municipal Water District Code allowed for all of these types of project delivery methods. He also noted that a Request for Proposals would be issued for preliminary engineering and environmental work and for an Owner's Advisor/Program Manager, depending on the type of delivery method selected. He provided a summary of the benefits of a progressive design-build delivery method, which would include hiring a single design and construction team, securing a construction contractor early in the process, receiving project cost certainty or guaranteed maximum price (GMP), assuming less risk for the JPA and District, reducing the likelihood of change orders or claims, possibility receiving a higher quality end product, and providing the potential for a quicker overall project delivery. He noted that the deadline to complete the project would be November 2030, and there was a possibility that the project could be completed two to three years sooner through a progressive design-build delivery method.

Director Caspary requested that staff provide an updated project timeline.

Eric Schlageter, Principal Engineer, provided an overview of the scope of services for the Owner's Advisor/Program Manager, preliminary design elements, and the CEQA process

to define a project eligible for future funding opportunities. He noted that currently the estimated project cost was \$140 million, and the cost for services from an Owner's Advisor/Program Manager was anticipated to be in the range of \$4 to \$6 million. He stated that the scope of the Request for Proposals would include the following: program management; project priorities and drivers; project delivery methodology and procurement support; technical studies, drawings, and specifications that support preliminary design and bridging documents; environmental studies and regulatory compliance per CEQA to support the environmental impact report; and cost estimating and scheduling to develop a cost-loaded schedule to identify financial needs.

General Manager David Pedersen responded to several questions posed by the Board. He recommended scheduling a JPA workshop to discuss the Pure Water Project Las Virgenes-Triunfo, the progressive design-build delivery method, Request for Proposals for an Owner's Advisor/Program Manager, preliminary engineering, and environmental review process. The Board expressed support for scheduling a JPA workshop in June or July.

D Review of Operations and Staffing Plan

John Zhao, Director of Facilities and Operations, provided an update regarding the operations and staffing plan for the Pure Water Demonstration Facility with in-house staff, and cross-training staff from the Tapia Water Reclamation Facility and the Westlake Filtration Plant in preparation for the future operation of the full scale Pure Water Project Las Virgenes-Triunfo.

8. EMERGENCY RESPONSE PLANNING

A Review of Response to Coronavirus (COVID-19) Pandemic

General Manager David Pedersen stated that an update regarding the District's response to the COVID-19 pandemic would continue to be provided at each Board meeting. He also stated that lessons learned regarding the pandemic and related public health concerns would be incorporated into the District's Emergency Response Plan. He noted that staff was closely monitoring economic and financial impacts, including decreased water sales and customers' inability to pay their bills. He also noted the makeup of the District's potable water customers: 95 percent residential, four percent commercial, and one percent irrigation. As a result, the District's exposure to reduced water sales would be limited. He noted that he asked the various departments to consider potential cost-saving measures to recommend to the Board as part of the budget process.

Board President Lewitt suggested reaching out to the California Association of Sanitation Agencies (CASA), Association of California Water Agencies (ACWA), WaterReuse, elected officials, and the District's lobbyists to seek state and federal assistance. He also suggested delaying projects, such as the Boardroom Improvements Project. He stated that he was not seeking to cut employees' hours, salaries, or positions.

General Manager David Pedersen responded that staff was working on ideas to soften the impacts to customers, and was working with the District's lobbyists to seek reimbursement for forgiveness of delinquent water bills. He noted that currently he was authorized to provide customers a 12-month maximum payment plan plus interest for late bills, and he suggested that the Board consider authorizing a longer-term payment plan with partial deferral in the near term and no interest. The Board expressed support.

B Discussion of Earthquake Preparedness

General Manager David Pedersen discussed the need to be prepared for an earthquake and to be aware of the District's Emergency Response Plan. He noted that all District employees took an oath as disaster service workers, and District staff would be required to report to work following an earthquake after they determined that their families and homes were safe. He stated that the District was looking into a notification system, such as Everbridge, to communicate with employees and customers during and immediately a disaster such as an earthquake. He also stated that customers would be directed to visit the District's website for additional information.

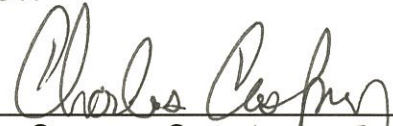
9. ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **2:27 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)

