



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

**MINUTES**  
**SPECIAL MEETING**

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9:00 AM

April 27, 2020

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance to the Flag was led by Wayne Lemieux.

**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  
Wayne Lemieux, District Counsel

**2. APPROVAL OF AGENDA**

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

**3. PUBLIC COMMENTS**

None.

**4. FINANCE AND ADMINISTRATION**

**A Cash and Investment Report for March 2020**

**Receive and File the Cash and investment Report for March 2020**

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

Director Caspary moved to approve Item 4A. Motion seconded by Director Polan.

Director Caspary expressed an interest in continuing to maintain liquidity in the District's investments to meet on-going financial obligations.

Mr. Patterson responded to questions related to the District's reserves and investment in the Local Agency Investment Fund (LAIF). He noted that the District previously invested in the California Asset Management Program (CAMP) in 2008 during the financial crisis, and he suggested the District could invest in both LAIF and CAMP.

Director Polan expressed an interest in receiving additional information regarding investing in CAMP.

Motion carried unanimously by roll call vote.

**B Fiscal Years 2020-22 Two-Year Draft Budget**

**Review and provide feedback on the Fiscal Years 2020-22 Two-Year Draft Budget**

General Manager David Pedersen presented the report and reviewed on-going impacts due to the COVID-19 pandemic.

Don Patterson, Director of Finance and Administration, provided an overview of significant budget factors and assumptions.

Director Lo-Hill moved to review and provide feedback on the Fiscal Years 2020-22- Two-Year Draft Budget. Motion seconded by Director Renger.

Mr. Patterson responded to questions related to the District's investment portfolio.

Director Lo-Hill expressed an interest in potentially foregoing one or more of the Other Postemployment Benefits (OPEB) contributions as a cost-saving measure.

Angela Saccareccia, Finance Manager, provided an overview of the significant budget changes.

Mr. Patterson responded to questions regarding the error in calculating the projected revenue for the Potable Water Enterprise in the adopted Fiscal Year 2019-20 Budget.

General Manager David Pedersen responded to a question regarding the potential \$4.46 million in cost-saving measures that could be implemented to adapt to changing economic conditions.

Mr. Patterson provided an overview of the plan for an on-going review of the budget and adjusting the budget based on economic conditions. He recommended moving forward with a "status quo" budget, while remaining dedicated and responsive to changes in economic conditions that occur in the near term

General Manager David Pedersen noted that the District would be facing escalating costs, which were reflected in the draft budget. He also addressed potable water sales assumptions estimated at 18,280 acre-feet per year, and recommended moving forward with maintaining potable water sales at that level. He noted that the District was experiencing a slight increase in water usage with the Safer at Home Order of approximately five gallons per person per day. He also noted that staff compares the budget to actuals on a monthly basis and provides a quarterly financial report to the Board. He stated that staff would provide monthly budget to actual comparisons prior to providing the quarterly financial report.

Board President Lewitt stated that it would be helpful to have an asterisk placed next to the changes made in the budget to reflect expenditures in the appropriate divisions.

Joe McDermott, Director of Engineering and External Affairs, responded to a question regarding the proposed increase to the Public Education Program budget line item by stating that a large portion of this budget item would be for the LV Tap Program and the annual Tap-In Event. Mike McNutt, Public Affairs and Communications Manager, discussed the various outreach efforts proposed for this line item.

Darrell Johnson, Water Systems Manager, responded to questions regarding backflow prevention device testing, which would be transitioned to be conducted in-house rather than contracted out. He noted that previously customers were not charged for this service, and the District would now begin to bill customers at the current rate to mitigate the cost. He also noted that customers may hire their own backflow prevention device testing contractor, and the District would mail a letter to customers informing them when the testing is due.

Director Polan expressed concern that the threads were painted on the valves of the backflow prevention device at the school district, which would make it difficult to operate in the future. Mr. Johnson responded that staff would follow-up.

Director Caspary requested a copy of the potable water and sanitation rates comparison with other agencies. Mr. McDermott responded that he would provide a copy to the Board.

Mr. Patterson responded to a question regarding the revenues received from unsustainable water use penalties by stating that penalty revenues were not included in the budget because they were outside of the rate and Proposition 218 process. He noted that the Board directed that some of the penalty revenues be used for the AMR/AMI Project and for sustainability and water conservation efforts. He also responded to a question regarding the status of the Boardroom Improvements Project by stating the project was included in the Capital Improvements Program and would be carried forward; however, staff was reviewing the types of improvements that could be done in the interim.

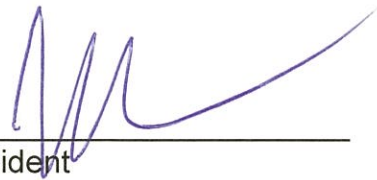
Eric Schlageter, Principal Engineer, responded to a question regarding the budget for the Potable Water System Rehabilitation Project (CIP No. 201847) by stating that the budget was carried forward annually and could be used towards repairs that arise during the year. Mr. McDermott noted that a separate Capital Improvement Project for the Potable Water System Pipe Rehabilitation and Replacement Project (CIP No. 201878) would include an assessment study to identify pipe replacement priorities.

General Manager David Pedersen stated that the Board's comments would be incorporated in the final budget, which was expected to be presented at either the May 19th or June 2nd Board meeting.

Motion carried unanimously by roll call vote.

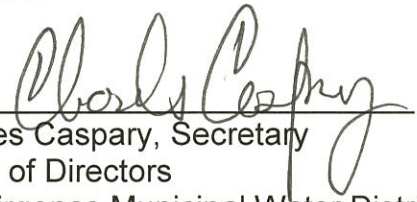
## 5. ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at 10:55 a.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)

