



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

MINUTES
REGULAR MEETING

9:00 AM

December 15, 2020

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Glen Peterson.

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) outbreak. 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

2. APPROVAL OF AGENDA

General Manager David Pedersen noted that Dennis Nagdeman would be speaking on Item 4H, and he suggested that the Board pull this item from the Consent Calendar.

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

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

A List of Demands: December 15, 2020: Receive and file

B Minutes Regular Meeting of December 1, 2020

C Directors' Per Diem – November 2020: Ratify

D Monthly Cash and Investment Report: October 2020

Receive and file the Monthly Cash and Investment Report for October 2020.

E Summary of Financial Impacts of COVID-19

Receive and file a summary of the financial impacts of COVID-19.

F Response to Coronavirus (COVID-19) Pandemic: Continuation of Emergency

Approve the continuation of an emergency declaration for response to the coronavirus (COVID-19) pandemic.

G CIS Software: Annual Support and Maintenance Agreement

Authorize the General Manager to execute an annual support and maintenance agreement with Advanced Utility Systems, in the amount of \$77,515.21, plus applicable taxes, for the District's Customer Information Systems software.

I Calleguas-Las Virgenes Municipal Water District Interconnection Project: SCE Right-of-Way and Utility Crossing Consent Agreement

Authorize the General Manager to execute a Right-of-Way and Utility Crossing Agreement with Southern California Edison for the Calleguas-Las Virgenes Municipal Water District Interconnection Project.

J Calleguas-Las Virgenes Municipal Water District Interconnection Project: Change Order No. 1

Authorize the General Manager to approve Change Order No. 1 to provide an additional 50 calendar days to the construction duration for the Calleguas-Las Virgenes Municipal Water District Interconnection Project.

Director Polan moved to approve the Consent Calendar as amended with the exception of Item 4H. Motion seconded by Director Caspary. Motion carried unanimously by roll call vote.

4. CONSENT CALENDAR – SEPARATE ACTION ITEM

H Claim by Dennis Nagdeman and Rebecca Hurst Hass Nagdeman

Deny the claim submitted by Dennis Nagdeman and Rebecca Hurst Hass Nagdeman.

Dennis Nagdeman, claimant, addressed the claim that he filed with the District for alleged property damages that occurred between the last six months and up to three years ago. He stated that the water main break mentioned in the staff report that occurred on August 14, 2020 did not affect his home. He also stated that he was concerned regarding three separate water main breaks that occurred in the past three years that were within 10 to 20 feet of his home on the uphill side. He stated that he was unaware that his home would experience damages due to water running under his home before the water broke through the pavement on the street, how much water flow had occurred, and for how long the water removed the subsurface material under his home. He noted that during one of the water main breaks, the water shot up one and one-half feet into the street. He stated that he did not know what was causing issues when he observed cracking in the hardscape in the front and backyards and interior damages to his home. He also stated that he hired two geological experts who indicated that the damage was most likely caused from the underground water flow before and during the water main breaks. He stated that he was unaware that there was a time limit to file a claim. He also stated that it would cost at least \$40,000 to stabilize and lift the foundation. It was unknown how much it would cost to repair the hardscape that separated from the house, and it was unknown how much it would cost for interior repairs. He stated that the total cost to repair and replace the damages caused by the underground water to his home would be greater than \$200,000. He asked the Board to consider his claim.

Board President Lewitt stated that staff would review Mr. Nagedman's claim and report back to the Board.

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Oath of Office for Directors Charles Caspary and Len Polan

Josie Guzman, Executive Assistant/Clerk of the Board, administered the Oath of Office to Directors Charles Caspary and Len Polan. The Board congratulated Directors Caspary and Polan on their reappointment to the Board of Directors.

4. CONSENT CALENDAR – SEPARATE ACTION ITEM (resumed)

H Claim by Dennis Nagdeman and Rebecca Hurst Hass Nagdeman

General Manager David Pedersen asked the Board to clarify whether they wished to receive the staff report or have staff bring back the item. The Board expressed an interest in having staff bring back additional information, including the location of the property in relation to the area where soil movement damaged facilities in the past.

Director Renger moved to table this item to the January 5, 2021 Board meeting. Motion seconded by Director Polan. Motion carried unanimously by roll call vote.

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS (resumed)

B MWD Representative Report

Glen Peterson, MWD Representative, reported that nearly 150 people provided testimony during the December 8th MWD Board meeting, mostly regarding the Delta Conveyance Project. He noted that the MWD Board voted unanimously to fund its share of the environmental planning and pre-construction costs for the project. He also reported that the MWD Board adopted the COVID-19 Member Agency Payment Deferral Program. He noted that several member agencies in the central Los Angeles area were financially stressed and might take advantage of this program. He also reported that generally in December the MWD Board approves the Chair's committee assignments; however, there was concern that the Executive Committee had not previously reviewed the committee assignments. He stated that the MWD Board would hold a special joint meeting with the Executive Committee in the afternoon to consider the Chair and Vice Chair appointments for the term commencing on January 1, 2021. He noted that Chairwoman Gloria Gray appointed him as the Chair of the Water Planning and Stewardship Committee. He also reported that the MWD Board approved an agreement with the Southern Nevada Water Authority to support the development of the Regional Recycled Water Program. He noted that Roger Patterson, Assistant General Manager for Strategic Water Initiatives, announced his retirement. He responded to questions posed by the Board regarding the environmental impact report and alternate alignment for the tunnel as part of the Delta Conveyance Project, underground storage in the Antelope Valley, and speculation on water in the financial markets with the recent listing of water futures.

C Legislative and Regulatory Updates

Joe McDermott, Director of Engineering and External Affairs, reported that over 150 people participated in the first Virtual Working Group Workshop held by the South Coast Air Quality Management District on December 10th to discuss the rulemaking process for the Proposed Amended Rule (PAR) 1110.2 - Emissions from Gaseous- and Liquid-Fueled Engines, PAR 1470 - Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines, and PAR 1472 - Requirements for Facilities with Multiple Stationary Emergency Standby Diesel-Fueled Internal Combustion Engines. He noted that the District contracted with Greg Wolffe from York Engineering to

assist with the rulemaking process for relief from emergency generator runtimes during Public Safety Power Shutoffs events and for maintenance and testing. He stated that the next workshop would be held in February 2021, and new draft rules and regulations were anticipated in the summer. He also reported that the California Board of Forestry released proposed revisions to the State Fire Safety regulations in response to recent wildfires in California. He noted that Julia Hall, Senior Legislative Advocate from the Association of California Water Agencies (ACWA), reached out to the District and other agencies that were impacted by wildfires to seek comments on the draft regulations. He stated that ACWA would prepare a letter from member agencies and seek comments by December 18th. He noted that the District would remind Ms. Hall, other agencies, and stakeholders that potable water systems are not designed for putting out wildfires, rather they were designed to put out a fire affecting the largest single structure in any specific pressure zone.

D Water Supply Conditions Update

Joe McDermott, Director of Engineering and External Affairs, reported that the snowpack in the Sierras was at 44 percent of normal, and the upper Colorado snowpack for the Colorado River Basin was at 77 percent of normal. He stated that although there were concerns regarding a possible drought, it was still early in the water year and rain and snow is typically experienced after the New Year. He also stated that there was sufficient water in storage to last the next several years to address below normal rainfall and snowpack. He responded to a question regarding how the snowpack levels in the Sierras related to the previous five years of drought conditions by stating that previously the District was allocated less than 30 percent from the State Water Project. General Manager David Pedersen added that in the last year the District received a 20 percent allocation from the State Water Project, and the Metropolitan Water District of Southern California (MWD) was able to balance its water supplies with demands. He noted that MWD currently needed a 20 percent minimum allocation to balance supply and demand.

6. TREASURER

Director Lo-Hill reported that the new Tyler Munis Enterprise Resource Planning System was implemented, and reports would therefore appear differently. She stated that the Monthly Investment Report showed lower rates of return versus historical rates due to current market conditions.

7. BOARD OF DIRECTORS

A Election of Officers: President, Vice-President, Secretary, and Treasurer

Accept any final nominations and elect Directors to serve two-year terms as President, Vice-President, Secretary, and Treasurer of the Board of Directors.

General Manager David Pedersen presented the report.

No additional nominations were received.

Director Caspary moved to approve Item 7A with election of Director Lewitt as President, Director Polan as Vice-President, Director Renger as Secretary and Director Lo-Hill as Treasurer. Motion seconded by Director Polan. Motion carried unanimously by roll call vote.

Board President Lewitt thanked the Board of Directors for electing him to serve as Board President for two additional years.

B Reappointment of Representative to Metropolitan Water District of Southern California

Reappoint Glen Peterson as the District's representative to the Metropolitan Water District of Southern California.

General Manager David Pedersen presented the report.

Director Polan moved to approve Item 7B. Motion seconded by Director Lo-Hill. Motion carried unanimously by roll call vote.

C Reappointment of Deputy Secretaries and Deputy Treasurer

Reappoint 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 Caspary moved to approve Item 7C. Motion seconded by Director Polan. Motion carried unanimously by roll call vote.

8. GENERAL MANAGER

A Attorney Retainer Agreement with Olivarez Madruga Lemieux O'Neill, LLP: Approval

Authorize the General Manager to execute an updated Attorney Retainer Agreement with Olivarez Madruga Lemieux O'Neill, LLP, for legal services.

General Manager David Pedersen presented the report.

Director Polan moved to approve Item 8A. Motion seconded by Director Lo-Hill.

General Manager David Pedersen responded to a question regarding the timing of the proposed annual Consumer Price Index (CPI) adjustment by stating that the contract would be adjusted in January based on the October to October CPI. He noted that the increase for 2021 would be approximately 1.7 percent based on the CPI.

Director Caspary stated that for transparency purposes, he would request a future agenda item to have staff provide an annual report to the Board regarding contracts that receive annual CPI adjustments.

Motion carried unanimously by roll call vote.

9. FACILITIES AND OPERATIONS

A Replacement of Construction Truck: Approval

Authorize the General Manager to issue a purchase order to TransWest Truck Center of Fontana, in the amount of \$159,493.99, for an F-550 service truck with utility bed, one-ton truck-mounted crane, Boss power take-off driven air compressor/generator and associated equipment.

Shaw Triplett, Facilities Maintenance Supervisor, presented the report.

Director Lo-Hill moved to approve Item 9A. Motion seconded by Director Caspary. Motion carried unanimously by roll call vote.

10. FINANCE AND ADMINISTRATION

A Proposed Potable Water, Recycled Water, and Sanitation Rates: Schedule Public Hearing

Receive and file the 2020 Potable Water, Recycled Water, and Sanitation Rate Study and Proposition 218 Notice, and schedule a virtual public hearing on proposed potable water, recycled water, and sanitation rates for February 2, 2021, at 9:00 a.m.

Don Patterson, Director of Finance and Administration, presented the report and PowerPoint presentation. He noted that Sanjay Gaur from Raftelis Financial Consultants, Inc., was available to respond to questions.

Keith Lemieux, District Counsel, responded to a question regarding whether the item was only to schedule the public hearing by stating that the Board could discuss anything related to the proposed rates.

Director Caspary moved to approve Item 10A. Motion seconded by Director Polan.

Director Lo-Hill noted that she viewed Mr. Gaur's presentation during the virtual ACWA Fall Conference regarding Western Municipal Water District's Superior Court victory on its budget-based rate structure. She stated that the presentation made it easier for her to understand the rate study.

Mr. Patterson responded to a question regarding staff involvement in the public workshops by stating that he was working with staff from Engineering and External Affairs on the workshop content and presentation.

Board President Lewitt requested that staff include in the PowerPoint presentation in parenthesis what percentage of ratepayers were in each group in potable water to make it easier to understand. He also requested that ratepayers be informed how much their bill would increase every month in each tier.

Mr. Patterson responded to a question regarding when the proposed rates would become effective by stating that the first adjustment for the proposed rates would become effective March 1, 2021, with subsequent adjustments on January 1st of each year thereafter through 2025. He stated that an online payment calculator would be available on the District's website. He also responded to a question regarding the sanitation rate structure by stating that the sanitation rate would be based on the number of people in a household. He noted that the budget-based rates for potable water would be based on a calculation of landscaped area and 55 gallons of water per person per day. Joe McDermott, Director of Engineering and External Affairs, added that AB 1668 and SB 606 related to water conservation mandates included water conservation standards, and the entire state of California was moving towards budget-based rates.

Motion carried unanimously by roll call vote.

11. ENGINEERING AND EXTERNAL AFFAIRS

A **Automatic Meter Reading/Advanced Metering Infrastructure Project: Partial Termination and Award of Meter Installation Services**

Authorize the General Manager to partially terminate the agreement with Ferguson Waterworks and execute a new agreement, in the amount of \$2,167,565.10, for installation of water meters based on an updated special wage determination provided by the California Department of Industrial Relations for the Automatic Meter Reading/Advanced Metering Infrastructure Project.

Joe McDermott, Director of Engineering and External Affairs, presented the report.

Craig Jones, Management Analyst II, discussed the request for special wage determination from the State of California Department of Industrial Relations (DIR) for a Meter Technician classification for the installation of the meters. He noted that although the District received a special wage determination in February 2019, the wage determination expired in February 2020. He also noted that the project was awarded in May 2020; however, the DIR would not extend the special wage determination from February 2019. He stated that it was determined that it would be best to request a new special wage determination and award a new agreement based on the new special wage determination.

Director Caspary moved to approve Item 11A. Motion seconded by Director Polan.

Director Caspary commented that he would like to see an editorial on how the State of California was conducting its affairs that impact local agencies providing a vital public health and safety service.

Mr. Jones responded to a question regarding the timeline to install the new meters by stating that the beta phase for installation of 2,000 meters would begin in January 2021, followed by full implementation from April 2021 through June 2022.

General Manager David Pedersen responded to a question regarding sharing information with other water districts on obtaining a special wage determination from the DIR for AMI/AMI installations by stating that he would be holding a teleconference with staff from the City of Burbank regarding their project, and he would share this information.

Motion carried unanimously by roll call vote.

12. INFORMATION ITEMS

A Reimbursable Expenses for Fiscal Year 2019-20

B Las Virgenes (Westlake) Dam Spillway Repairs

13. NON-ACTION ITEMS

A Organization Reports

Director Caspary reported that he was reelected as the Chair of the Santa Monica Bay Restoration Commission (SMBRC). He noted that the SMBRC Governing Board meeting in January would include a discussion regarding revising the Memorandum of Agreement between the Bay Commission and the Bay Foundation for restoration work in the Ballona Wetlands. He noted that both the Bay Commission and the Bay Foundation were previously sued and were currently being sued by the Ballona Wetlands Land Trust. He responded to a question regarding whether the Bay Commission would be involved in the removal of Rindge Dam by stating that it would be involved. He noted that the Army Corps of Engineers was the primary regulatory agency that would design the plans. He also noted that the SMBRC did not have any funds allocated by the legislature; however, it sometimes has recommendation authority as to which grants would likely be most competitive when grant funds are available. He stated that the grant funds were usually allocated by the California Coastal Conservancy. He noted that the latest plan would involve excavating materials and trucking them out of the canyon, and materials deemed suitable for beach replenishment would be hauled to the harbor in Port Hueneme, placed on barges, and floated to Malibu where beach replenishment material would be restored to the near shore environment and become part of the beach sand. He acknowledged General Manager David Pedersen and staff on their support and assistance to the SMBRC.

B Director's Reports on Outside Meetings

Director Lo-Hill reported that she attended a session at the virtual ACWA Fall Conference regarding working collaboratively to address water security on the Colorado River.

Board President Lewitt reported that he also attended the virtual ACWA Fall Conference.

He noted that David Reynolds, ACWA Director of Federal Affairs, moderated a post-election analysis focusing on President-elect Joe Biden's administration. He noted that the State of California was suing the federal government for environmental issues and Mr. Reynolds believed these issues would go away with the new administration. He also noted that the focus for the coming year would be disadvantaged communities and ensuring that all Californians have access to clean water, and focus on endangered species. He stated that updates were provided regarding Water Resources Development Act (WRDA), Water Infrastructure Finance and Innovation Act (WIFIA), Water Infrastructure Improvements for the Nation (WIIN) funding. He noted that an infrastructure bill might be included as part of a COVID-19 stimulus bill.

C General Manager Reports

(1) General Business

General Manager David Pedersen reported that the permit was received from Southern California Edison for the operation of the 4-megawatt Rancho Solar Generation Project Phase II Project. He noted that staff was in the process of putting together a video of the operation using a drone camera. He also reported that the repaired centrifuge was delivered to the District, and the other centrifuge would now be sent for repairs. He noted that Building No. 7 experienced a power outage, and the emergency generator did not start, which affected the operation of the SCADA system. He stated that staff would look into purchasing an uninterruptable power supply for the SCADA system. He noted that this year the Board was unable to deliver holiday baskets to all employees due to social gathering restrictions; therefore, staff arranged to have individually wrapped cookies delivered to all employees on behalf of the Board.

Director Caspary noted that he attended the Hidden Hills City Council virtual reorganization where one of the Councilmembers asked about a water outage that had occurred the previous morning. He inquired whether it might have been due to the SCADA system power interruption. General Manager David Pedersen responded that this was correct. Director Caspary asked that staff provide timely information on the website regarding any outages, and that staff follow-up with the City Manager of Hidden Hills. Board President Lewitt added that he wanted to have one staff person assigned to update the website and maintain banners regarding any outages.

(2) Follow-Up Items

General Manager David Pedersen stated that staff would bring back a report at the January 19th LVMWD Board meeting regarding the District's collection policies and practices, and the efforts taken to inform customers that they may update the number of people in their household for the purposes of sanitation billing and also their irrigated area data for water billing.

D Directors' Comments

Director Lo-Hill stated that she was disappointed that she was unable to deliver the holiday cookies to staff due to social gathering restrictions, and that she wished she could

have thanked staff in person. She congratulated Director Caspary on his reappointment as the Chair of the Santa Monica Bay Restoration Commission (SMBRC). She acknowledged General Manager David Pedersen and Resource Conservation Manager Dave Roberts for the presentation they provided at the SMBRC meeting regarding the Pure Water Demonstration Facility. She referred to the outreach efforts to the ratepayers on updating the number of people in their household to determine the sanitation rate and suggested that staff consider using a graphic of people stuffed inside a telephone booth to ask how many people reside in their home. She shared comments regarding water futures and noted that she previously traded oil and energy futures as part of her job. She stated that an idea arose regarding weather futures. She explained that a company that was impacted by cold weather conditions could purchase futures such that if it became very cold it could make money on the futures market to compensate for money it would lose because of the cold weather. She also explained that a company that lost money when the weather was hot could sell that future so that it could make money because the weather is hot. She stated that this could be a form of insurance in the market, and water futures could work in the same manner.

14. FUTURE AGENDA ITEMS

Director Caspary moved to have staff provide an annual report on cost changes for multi-year contracts that have CPI adjustments. Motion seconded by Director Polan.

15. PUBLIC COMMENTS

None.

16. OPEN SESSION AND ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **11:08 a.m.**



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

ATTEST:



Lee Renger Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)