



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

MINUTES
REGULAR MEETING

9:00 AM

February 15, 2022

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Don Patterson.

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 Assembly Bill 361, which suspended certain requirements of the Ralph M. Brown Act to support social distancing guidelines associated with response to the coronavirus (COVID-19) outbreak. Susan Brown, Administrative Assistant, conducted the roll call.

Present: Directors Charles Caspary, Jay Lewitt, Lynda Lo-Hill, Len Polan, and Lee Renger (via teleconference)
Absent: None
Staff Present: David Pedersen, General Manager
Joe McDermott, Director of Engineering and External Affairs
Don Patterson, Director of Finance and Administration
Jim Korkosz, Acting Director of Facilities and Operations/Facilities Manager
Josie Guzman, Clerk of the Board
Susan Brown, Administrative Assistant
Keith Lemieux, District Counsel

2. APPROVAL OF AGENDA AND APPROVAL OF FINDINGS OF RESOLUTION NO. 2603 (AB 361)

General Manager David Pedersen asked that the Board remove Item 7A from the agenda as the public hearing notice was not published in the newspaper as required.

Director Polan moved to approve the agenda as amended with the removal of Item 7A, and approve the findings of Resolution No. 2603 (AB 361). Motion seconded by Director Caspary. Motion carried unanimously by roll call vote.

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

A List of Demands: February 15, 2022: Receive and file

B Minutes Regular Meeting of February 1, 2022: Approve

C Directors' Per Diem – January 2022: Ratify

D Claim by Alan Pine

Deny the claim by Alan Pine.

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

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A MWD Representative Report

Glen Peterson, MWD Representative, reported that the MWD Board authorized contracts for design improvements of utilities at the Iron Mountain and Gene Colorado River Aqueduct Pumping Plants; authorized preliminary design and environmental support services for upgrades to the water quality laboratory in La Verne; and authorized entering into agreements with the State Water Contractors, Inc., to pursue 2022 Sacramento Valley water transfer supplies and make a \$5 per acre-foot initial administrative deposit and disbursement. He noted that the California Department of Water Resources announced an increase to the State Water Project allocation from zero percent to 15 percent. He also reported that the MWD Board received a presentation on State Water Project reliant area solutions. He noted that the MWD Board held a special Board meeting on January 25th to consider Chairwoman Gloria Gray's recommended appointments for MWD Board Vice Chairs and Standing Committee Chairs and Vice Chairs; however, the MWD Board voted against Chairwoman Gray's recommended appointments. He stated that the NAACP was taking a role regarding this issue, and he expressed concern that the MWD Board appeared to be fractured.

Mr. Peterson responded to a question regarding the approval of a reverse-cyclic

agreement with participating agencies to preserve the availability of State Water Project supplies by stating that this dealt with groundwater replenishment agencies. General Manager David Pedersen added that this program would assist groundwater replenishment agencies to defer taking deliveries of replenishment water during a critical water shortage, and would allow them to purchase the water in a future year at the current rate and forego taking deliveries of the replenishment water. He stated that agencies taking replenishment water this year could conflict with the District's ability to obtain water to meet its demands.

Mr. Peterson responded to a question regarding the price of water for the next three years by stating that a price was not yet determined; however, the MWD Board had discussed an eight percent increase.

Board President Lewitt expressed concern that the MWD Board should take care of its business and not play politics, and that the District, as a member agency, was concerned with the MWD Board's internal strife. He asked Mr. Peterson to continue to advocate for water reliability to the MWD Board.

B Legislative and Regulatory Updates

Joe McDermott, Director of Engineering and External Affairs, reported that an update was provided at the Las Virgenes – Triunfo Joint Powers Authority (JPA) meeting regarding the U.S. Bureau of Reclamation (USBR) Title XVI Program and the March 15th grant application deadline. He noted that the District was in the process of acquiring letters of support from legislators and local cities for a JPA application seeking approximately \$7 million in grant funding. He also reported that February 18th would be the state legislative deadline for introduction of new bills, and District staff would monitor proposed bills that could be of interest to the District, including a bill related to a COVID-19 vaccination mandate and AB 1845 (Calderon) – MWD Alternative Project Delivery Methods. He stated that AB 1845 would modify the California Public Contract Code to allow MWD to pursue alternative delivery methods, and the District would submit a letter of support. He also reported that he, General Manager David Pedersen, and federal lobbyists from Best Best & Krieger LLP would meet to discuss scheduling in-person meetings in Washington D.C. with the District's federal delegation. He stated that staff would reach out to Congresswoman Julia Brownley's office to invite her for a tour of the Pure Water Demonstration Facility.

A discussion ensued regarding having the Board contact legislators and the local cities to encourage them to submit letters of support for the USBR Title XVI grant application, and to provide a virtual meeting and tour of the Pure Water Demonstration Facility for Congresswoman Brownley and other elected officials as an alternative.

C Water Supply Conditions Update: Receive and file

Joe McDermott, Director of Engineering and External Affairs, reported that the National Oceanic and Atmospheric Administration (NOAA) had predicted very dry weather conditions with above average temperatures for January and February. He noted that one

inch of snow had fallen the previous day in the Northern Sierra; however, the Northern Sierra snowpack was well below average for this time of year and the 8-station precipitation index was at 31.5 inches. He noted that the California Department of Water Resources announced a 15 percent allocation from the State Water Project, and the District would continue its water conservation messaging to District customers.

D Coronavirus (COVID-19) Pandemic: Customer-Related Impacts

Ursula Bosson, Customer Service Manager, presented the current COVID-19 customer-related impacts. She noted that the District received \$227,720.18 in arrearages payment from the state. She stated that \$93,930.38 was applied to past due accounts and \$6,639.44 was applied to administrative costs; however, the District would need to return \$127,150.36 because the guidelines for the arrearages program only allowed for payments to be applied for the time period of March 5, 2020 through June 15, 2021. She also reported that District staff was in the process of applying for wastewater arrearages for the same time period, and the District was expected to receive approximately \$20,000 to \$30,000 to apply towards past due wastewater accounts. She responded to a question regarding the amount of past due balances by stating that the past due balances were approximately \$500,000, however, these past due balances did not occur during the March 5, 2020 through June 15, 2021 time period and would not qualify for the arrearages program. She stated that past due balances would decrease once the District begins disconnection for nonpayment. General Manager David Pedersen added that the amount of funding required for the arrearages program statewide was substantially less than what was estimated, and there was an effort by a number of professional organizations to request that the remainder of the funds, including the portion that would be returned by the District, be reallocated and applied to balances accrued beyond June 15, 2021.

A discussion ensued regarding the Association of California Water Agencies (ACWA) reaching out to legislators to extend the time period for the arrearages program, and working with ACWA to circulate letters to legislators.

Don Patterson, Director of Finance and Administration, provided an update regarding the Omicron variant's impacts to the District. He noted that on December 22, 2021, the District experienced a COVID-19 outbreak as defined by the County of Los Angeles. He stated that the District implemented its COVID-19 surge policy, and provided walk-in customer service by appointment only, limited in-person meetings and Pure Water Demonstration Facility (PWDF) tours, increased telecommuting for office staff, and changed reporting requirements for field staff. He also stated that following an inspection by the Los Angeles County Department Public Health on January 3rd in response to the outbreak, the County confirmed that the District was following all local and Centers for Disease Control and Prevention (CDC) policies and guidelines. He noted that the County released the District on January 28th, and the last confirmed positive COVID-19 test at the District occurred January 23rd. He stated that with the decrease in COVID-19 positive cases and the decrease in Omicron variant numbers in Los Angeles County, the District would propose to rescind the COVID-19 surge policy on February 21st. He also stated that the District would reopen for walk-in service to the public; return to more in-person meetings, interviews, and PWDF tours; limit telecommuting as described in the Memoranda of Understanding with the various bargaining units; and reinstate normal reporting

requirements for field staff. He also noted that the indoor mask mandate would be lifted on February 16th for most areas in the state; however, the mandate would continue in Los Angeles County until further notice, and masks would still be required at the District.

6. TREASURER

Director Lo-Hill stated that the Treasurer's report was in order.

7. BOARD OF DIRECTORS

A Re-divisioning of District Director Boundaries: Public Hearing - (This item was removed from the agenda.)

Conduct a public hearing in accordance with California Elections Code 22000 et seq., to receive public input and feedback on the proposed re-divisioning of the District Director boundaries; and schedule a second public hearing for approval of the re-divisioning on March 1, 2022.

8. FINANCE AND ADMINISTRATION

A Financial Review: Second Quarter of Fiscal Year 2021-22

Receive and file the financial review for the second quarter of Fiscal Year 2021-22.

Brian Richie, Finance Manager, presented the report and PowerPoint presentation.

Director Caspary moved to approve Item 8A. Motion seconded by Director Polan.

A discussion ensued regarding the assessment of wasteful water use penalties, continuing to focus on water conservation messaging especially during the seasonal change, and updating the method used to calculate the evapotranspiration projections shown on customer bills.

General Manager David Pedersen responded to a concern regarding the statement that the District had experienced minimal financial impact from the COVID-19 pandemic by stating that staff would revise this statement to be more sensitive to customer impacts.

A discussion ensued regarding projected decreases in Recycled Water Enterprise operating revenues, fluctuations in utility billing cycles, the series of the wasteful water use penalties assessed under the Stage 3 of the District's Water Shortage Contingency Plan, and the positive effect of recycled water conservation, which reduces the need for potable water supplement.

Motion carried unanimously by roll call vote.

B Approval of Memorandum of Understanding with General and Office Units: January 1, 2022 through December 31, 2024

Authorize the General Manager to execute the proposed Memorandum of Understanding with the General and Office Units for a term of January 1, 2022 through December 31, 2024.

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

Director Caspary moved to approve Item 8B. Motion seconded by Director Lo-Hill. Motion carried unanimously by roll call vote.

9. NON-ACTION ITEMS

A Organization Reports

None.

B Director's Reports on Outside Meetings

Director Polan reported that he attended the ACWA Water Management Committee meeting on February 10th, where they discussed the proposed new regulations for water use efficiency standards. He reviewed a handout that he prepared showing the 2020, 2025 and 2030 indoor water use allocations, including proposals from AB 1434 and the California Department of Water Resources (DWR). He noted that AB 1434 was withdrawn and would likely be resubmitted, and the recommendation from DWR could move forward, which would decrease the current indoor water use allocation of 55 gallons per person per day to 47 gallons per person per day in 2025 and 42 gallons per person per day in 2030.

The Board discussed concerns with the proposed reduction of the indoor water use allocation, the ability to meet health and safety needs, and enforcement of the regulations. The Board also discussed that revised legislation should be based on science or studies.

C General Manager Reports

(1) General Business

General Manager David Pedersen reported that two separate water main breaks occurred on Jed Smith Road in Hidden Hills. He noted that the District previously replaced a segment of water main on Jed Smith Road; however, the water main breaks occurred beyond the limits of the replaced pipe. He also noted that the construction crew completed the repairs and restored water service, and would return to repair the damage to the equestrian trail. He stated that staff would follow-up with the City of Hidden Hills regarding the deteriorated asbestos cement pipe. He acknowledged the construction crew for their efforts and acknowledged the City of Hidden Hills for its patience. He also reported that the California Fish and Game Commission would meet on February 16th and 17th, and would consider the potential listing of the Southern Steelhead as a candidate endangered species under the California Endangered Species Act. He stated that a 12-month period would begin for a more thorough analysis if approved by the Commission. He also stated that this could impact the minimum flow requirement for Malibu Creek, and he expressed

concern that there needed to be consistency between the state and federal listing of the Southern Steelhead as an endangered species. He also reported that the Rancho Las Virgenes Composting Facility recently experienced odor control issues at the biofilter. He noted that water had gone into a large diameter header, and odors had built up in the reactor building. He stated that the issue was addressed, and the biofilter was functioning as intended. He noted that District offices would be closed on February 21st in observance of the Presidents' Day Holiday, and office hours would resume on February 22nd for walk-in customers. He also noted that staff was preparing the two-year budget and would schedule a budget/strategic planning workshop in April for the District, as well as a similar JPA workshop focusing on the Pure Water Project Las Virgenes-Triunfo.

(2) Follow-Up Items

General Manager David Pedersen stated that staff would follow-up with MWD staff to provide an update on the Delta Conveyance Project at a future Board meeting.

D Directors' Comments

Director Lo-Hill commended staff on their efforts to implement recent changes to the District's phone tree and website.

10. FUTURE AGENDA ITEMS

None.

11. PUBLIC COMMENTS

Barbara Gewert addressed a claim for damages filed on behalf of the Mont Calabasas Homeowners Association (HOA). She provided an overview of the damages that occurred on October 14, 2021. She noted that the Board previously denied the claim, and she requested that the District accept responsibility.

Steve Hopwood expressed concern that the Board did not address Mont Calabasas' concerns, and that the HOA would file a lawsuit against the District.

Josie Guzman, Clerk of the Board, read comment cards submitted in support of Mont Calabasas' tort claim from David Vassegh, Tessa Vassegh, John Youngson, Joseph Lichtenstein, Nancy and Brent Milburn, and Christina and Timothy Oswald.

12. CLOSED SESSION

A Conference with District Counsel – Anticipated Litigation (Government Code Section 54956.9(d)(2)):

Tort Claim by Mont Calabasas

The Board recessed to Closed Session at **10:42 a.m.** and reconvened to Open Session at **11:32 a.m.**

Keith Lemieux, District Counsel, announced that the Board received a report during the Closed Session, and there was no reportable action. He noted that staff would reach out to the representatives from Mont Calabasas Homeowners Association.

13. OPEN SESSION AND ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **11:33 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)