



LAS VIRGENES MUNICIPAL WATER DISTRICT
26800 Mulholland Hwy, Calabasas, CA 91302

MINUTES
SPECIAL MEETING

9:00 AM

March 28, 2023

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Susan Brown.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **9:00 a.m.** by Board President Lewitt in the Community Meeting Room at King Gillette Ranch, 26800 Mulholland Hwy, Calabasas, CA 91302. Susan Brown, Administrative Assistant, conducted the roll call.

Present: Directors Gary Burns, Charles Caspary, Andy Coradeschi, Jay Lewitt, and Len Polan

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
Susan Brown, Administrative Assistant
Josie Guzman, Clerk of the Board
Steven O'Neill, District Counsel
Doug Anders, Administrative Services Coordinator
Steven Baird, Public Affairs Associate II
Ursula Bosson, Customer Service Manager
Sophia Crocker, Human Resources Manager
James Green, MWD Retired Annuitant
Veronica Hurtado, Water Reclamation Manager
Darrell Johnson, Water Systems Manager

Craig Jones, Resource Conservation Manager
Ivo Nkwenji, Information Systems Manager
Brian Richie, Finance Manager
Debbie Rosales, Financial Analyst II
Eric Schlageter, Principal Engineer

2. APPROVAL OF AGENDA

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

3. PUBLIC COMMENTS

There were no public comments.

Following self-introductions, General Manager David Pedersen provided an overview of the agenda.

4. FISCAL YEARS 2022-24 FINANCIAL UPDATE

A Fiscal Year 2023-24 Budget: Review of Approved Plan

Review and provide feedback on the approved Fiscal Year 2023-24 budget plan.

Brian Richie, Finance Manager, presented the report.

A discussion ensued regarding the use of recycled water penalty revenue to fund water conservation programs; depreciation of the future Advanced Water Treatment Facility; consideration of aged-related impacts to infrastructure; and budget impacts due to recent heavy rain.

B Annual Review of the District's Investment, Financial, and Debt Policy

Review and provide feedback on the District's Investment, Financial, and Debt Management Policies

Brian Richie, Finance Manager, presented the report.

A discussion ensued regarding the District's conservative investments in treasuries and securities, and holding investments to maturity.

It was the consensus of the Board to make no changes to the District's Investment, Financial, and Debt Policies.

Debbie Rosales, Financial Analyst II, returned to Item 4A and presented the Fiscal Years 2022-23 and 2023-24 budget overview.

A discussion ensued regarding the District's Rate Stabilization Fund and the strategy for utilizing these funds, and the status of CIP No. 10771 – Building No. 1 Improvements including lease negotiations and building maintenance needs.

The Board recessed to a break at 10:10 a.m., and reconvened at 10:22 a.m.

5. DEPARTMENT GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

A Fiscal Years 2022-24 Departmental Goals and Performance Measures

Receive and file an update on the Fiscal Years 2022-24 Departmental Goals and Performance Measures.

Brian Richie, Finance Manager, provided a summary of the preparation of the highest quality budget and financial reporting documents, and noted that the District received Certificates of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the District's budget document and for the Annual Comprehensive Financial Report. He also noted that the Finance and Administration Department filled eight positions in the past 18 months.

Ivo Nkwenji, Information Systems Manager, provided a summary of improvements to the District's security systems; pursuing a cloud first strategy; and the implementation of Information Technology Service Management (ITSM) software for staff to submit requests for information system support needs.

Sophia Crocker, Human Resources Manager, provided a summary of human resource recruitment efforts, including plans to attend two in-person career fairs; the creation of recruitment videos; revisions to job descriptions; efforts to enhance the recruitment process; and enhancements to the employee retention strategy.

Darrell Johnson, Water Systems Manager, provided a summary of Facilities and Operation's efforts to protect public health and environment, and noted the challenges due to disinfection issues, inability to flush the system, water storage, and upcoming projects.

Veronica Hurtado, Water Reclamation Manager, provided a summary of the implementation of the Water Information Management System (WIMS) software program, which was used for National Pollution Discharge Elimination System (NPDES) permit reporting.

Doug Anders, Administrative Services Coordinator, provided a summary regarding coordinating the development of the Infrastructure Investment Plan (IIP) for succession planning and efficiency purposes; integration with the Enterprise Resource Planning (ERP) system; efforts on solar projects; and development of an on-demand service agreements with vendors.

A discussion ensued regarding making the Annual Water Quality Report easier to

understand while meeting state reporting requirements, and resuming the District's LV Tap program to encourage residents to drink water from the tap.

Joe McDermott, Director of Engineering and External Affairs, noted that a report would be presented to the Board to accept the completion of the AMR/AMI Project. He also reported that the District achieved a 20 percent reduction in water use in calendar year 2022. He also provided a summary of public outreach, messaging efforts, and tours provided of District facilities.

General Manager David Pedersen noted that Mike McNutt, Public Affairs and Communications Manager, attended MWD's press conference last year regarding its emergency water conservation plan due to the drought emergency, which allowed the District to form relationships with the media and which led the District to become the go-to source for information related to the drought.

A discussion ensued regarding resuming the quarterly tours led by JPA Board Members.

Ursula Bosson, Customer Service Manager, provided a summary of providing excellent customer service, including maximizing customer registration in the WaterSmart portal; achieving timely and accurate billings; and achieving courteous and knowledgeable interactions with customers.

Craig Jones, Resource Conservation Manager, provided a summary of supporting customers to meet water use efficiency standards during the drought emergency; implementation of landscape changes at District facilities; and efforts to reduce the District's carbon footprint. He noted that development of the District's Climate Action and Adaptation Plan was underway, staff was in the process of reviewing risk assessment and vulnerabilities, and a draft plan would be presented to the Board by June.

Eric Schlageter, Principal Engineer, stated that the environmental impact report for the Pure Water Project Las Virgenes-Triunfo was completed, and a Request for Qualifications for procurement to initiate the design-build services would soon be released. He noted that staff was continuing to manage and implement the Capital Improvement Program (CIP), and there were several unplanned projects that could lead to future CIP projects such as the Malibou Lake Siphon Replacement Project, Tapia Flood Wall Study, Wildlife Crossing Project, and Building No. 1 Improvements Project.

A discussion ensued regarding the District's involvement in the Wildlife Crossing Project, which consisted of supporting the relocation of a 30-inch potable water pipeline and an 18-inch recycled water main.

6. STRATEGIC PLANNING

A Update on Succession Planning Efforts

Sophia Crocker, Human Resources Manager, provided an overview of the District Succession Planning efforts to ensure continuity of leadership, address change, and

maintain a highly effective workforce.

John Zhao, Director of Facilities and Operations, noted that the District continued to be an “Employer of Choice,” and recent new hires were previously employed with similar agencies. He provided an overview of transferring job knowledge in anticipation of retirements.

A discussion ensued regarding referring people to the District’s website for job openings; asking people to submit a job interest card; conducting a new employee survey; the ability for District employees to work remotely; and focusing on employee retention.

B Customer Experience: Building on Maintaining Excellent Customer Service

General Manager David Pedersen provided introductory remarks regarding customer service and customer satisfaction as part of the District’s Strategic Plan.

Joe McDermott, Director of Engineering and External Affairs, provided an overview regarding building and maintaining excellent customer service and business values as part of the District’s Strategic Plan. He provided a summary of efforts by Public Affairs staff, including social media postings; newspaper articles; press releases; tours of District facilities; “Ten Billion Eyeballs” on drought messaging; digital advertising through AdTaxi; and the upcoming District podcast.

Ursula Bosson, Customer Service Manager, provided an overview of field and office customer service functions, including success with the use of flow restriction devices to reach water conservation goals, and the level of registration and use of the WaterSmart portal. She also noted that three temporary customer service representatives were hired due to the increased number of email and phone calls during the drought emergency. She stated that efforts were underway to upgrade the District’s phone system, which would include recorded phone calls and callback/hold feature. She also stated that a pool of qualified candidates was created to fill Customer Service positions more quickly, and efforts were progressing to reorganize Field Customer Service into two divisions to ensure that programs and operations are performed in a quality and timely manner.

A discussion ensued regarding the possibility of implementing a chat feature on the District’s website; assisting customers in understanding their water budget and water bill; encouraging the use of a weather-based irrigation controller; and conducting site visits.

Craig Jones, Resource Conservation Manager, provided an overview of watershed management and water conservation/water efficiency programs, including maintaining regulatory compliance; urban water use objectives; grant funding for various programs; engaging in emerging water and recycled water policies related to watershed management; and *Conservation as a California Way of Life*. He noted that the Water Conservation Team assisted customers; hosted public workshops for climate-appropriate planting; provided tours of the Pure Water Sustainability Garden to non-profit agencies; and conducted water surveys. He also noted that customers provided feedback on the use of the WaterSmart portal for leak detection and pipe break notifications. He also

provided an overview of MWD's free residential and commercial surveys. He noted that it was challenging for customers to understand water budgets, and the state was pushing towards mandating budget-based rates.

Eric Schlageter, Principal Engineer, provided an overview of Engineering and Technical Services' assistance to internal staff and customers, including new development; new water and sewer connections; utility requests; fire flow availability; plan check and plan review; water main extensions; and easement processing and recording. He stated that the department was successful in meeting with customers remotely, and staff was looking into acceptance of credit card and online payments.

The Board recessed to a break at 12:13 p.m. and reconvened at 12.36 p.m.

Joe McDermott, Director of Engineering and External Affairs, reviewed the questions for the proposed Customer Survey.

A discussion ensued regarding changing Question No. 2 to whether water/sewer bills were understandable; the possibility of providing a gift such as a water bucket to customers who submit a response to the survey; ways to send the survey to customers; and having the Board provide input on the survey questions.

C Landscape Transformation Program: Water Efficiency Rebates and Incentives

Craig Jones, Resource Conservation Manager, provided an overview of the proposed Landscape Transformation Program, including objectives and goals; program development and landscape transformation survey; program overview including Design Assistance Program and Drip Irrigation Direct Install/Tune-up Program; education and workshops; peripheral resources such as Rachio weather-based irrigation controllers, rain barrels and cisterns, native plant kits, and drip irrigation kits; program funding opportunities; and next steps.

A discussion ensued regarding fire-resistant landscaping; informing customers on the need to maintain drip irrigation systems; asking customers to share their landscape transformation to post on the District's website; and encouraging customers to use plant materials similar to plants found on the Santa Monica Mountains.

D Update on State Water Project-Dependent Area Solutions

General Manager David Pedersen introduced James Green, who previously worked as the Chief of Operations at MWD and who was assisting the District regarding challenges related to the State Water Project-Dependent (SWP-Dependent) Area solutions.

James Green presented the background of westside and eastside SWP-Dependent Areas, including the problem statement of limited infrastructure to provide SWP-Dependent agencies equitable access to water supply and storage assets during severe drought; study goals and objectives to develop East-West Conveyance alternatives to

improve access to supplies and storage to the Westside SWP-Dependent Area with a target completion date of December 2023; near-term flexibility improvement projects currently underway to convey water from Diamond Valley Lake and moving it up the Inland Feeder to the Rialto Pipeline to the Eastern SWP-Dependent Areas; projects to convey water to the western SWP-Dependent Areas from the Sepulveda Pump Station Venice Pump Station; urgent studies currently underway including a concept for raw water conveyance delivery to the westside and a concept to convey treated water from the F.E. Weymouth Water Treatment Plant to the westside; and schedule and milestones for the East-West Conveyance line.

A discussion ensued regarding the need for water source redundancy and the lack of conveyance from Diamond Valley Lake; the coalition formed with Calleguas Municipal Water District (Calleguas) and the Los Angeles Department of Water and Power (LA DWP) to meet with MWD to discuss improving access to supplies and storage to the Westside SWP-Dependent Area; the possibility and concerns with the Antelope Valley - East Kern (AVEK) high desert water bank as a water source; the possibility of a conveyance line to move water from the Colorado River, stored water, and Pure Water Southern California; the possibility of a water exchange with an eastside agency; the ability of eastside agencies to shift demands by using groundwater which is not a possibility for westside agencies; and focusing on East-West Conveyance and Pure Water Southern California as alternatives to meet westside agencies' demands.

General Manager David Pedersen noted that long-term water supply solutions would include water conservation, Pure Water Project Las Virgenes-Triunfo, MWD's East-West Conveyance alternatives, and a possible interconnection with Los Angeles County Waterworks District 29 Malibu (WWD 29)

A discussion ensued regarding financial support for MWD's Pure Water Southern California Project; possible partnership with the County of Ventura and Calleguas for a desalination project; ongoing discussions regarding natural ocean wells subsea desalination technology; and scheduling a joint board meeting with Calleguas to discuss opportunities to improve water supply reliability.

John Zhao, Director of Facilities and Operations, presented proposal to access water from Diamond Valley Lake. He noted that WWD No. 29 was able to access all sources of water supplies. He also noted that the property owner of Rancho Francisco expressed an interest in developing 12 parcels and would need to construct a three-mile, eight-inch pipeline to serve the development. He stated that a 30-inch pipeline was within one mile of Rancho Francisco Road, and a 24-inch pipeline was located at Piuma Road and Malibu Canyon Road. He also stated that the District could participate in enlarging the property owners' pipeline to a 24-inch pipeline in order to construct a two-way transmission line, and the District could construct one pump station in the WWD 29 yard and another pump station at Malibu Canyon and Rancho Francisco. He stated that this could provide half of the District's water supply during a normal year and perhaps 100 percent during a drought year. He also stated that the District could leverage the Calleguas-Las Virgenes Interconnection during a drought emergency to wheel the entire MWD water supply, and WWD 29 expressed support as this would save them capital improvement to the western

system. He noted that an environmental analysis was currently underway, and the pipeline would be an emergency water supply for existing residents.

A discussion ensued regarding the timeline for this project, possible benefit to LA DWP, and continuing discussions on all long-term water supply solutions.


7. **ADJOURNMENT**

Seeing no further business to come before the Board, the meeting was duly adjourned at **2:17 p.m.**



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

ATTEST:



Gary Burns, Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)

