



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

MINUTES
REGULAR MEETING

9:00 AM

July 16, 2024

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Mike McNutt.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **9:00 a.m.** by Board President Lewitt in the Board Room at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road, Calabasas, California 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, Assistant General Manager
Don Patterson, Director of Finance and Administration
Eric Schlageter, Interim Director of Facilities and Operations
Susan Brown, Administrative Assistant
Keith Lemieux, District Counsel

2. APPROVAL OF AGENDA

Director Caspary moved to approve the agenda. Motion seconded by Director Polan. Motion carried 5-0 by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Polan

NOES: None
ABSTAIN: None
ABSENT: None

3. PUBLIC COMMENTS

Michael Hart spoke regarding his fundraising proposal for the Pure Water Project Las Virgenes-Triunfo. He asked the Board to consider making proposers to the Sprayfields' Request for Proposals of his proposal and to allow him the opportunity to work with the proposer to accomplish multiple goals for the community and environmental components. He also encouraged the Board to include megawatt generators in the Advanced Water Purification Facility to fully power the facility in case of an emergency power failure to avoid water loss.

4. CONSENT CALENDAR

A List of Demands: July 16, 2024: Receive and file

B Minutes Regular Meeting of June 18, 2024: Approve

C Directors' Per Diem: June 2024: Ratify

D Monthly Cash and Investment Report: May 2024

Receive and file the Monthly Cash and Investment Report for May 2024.

E Statement of Revenues, Expenses, and Changes in Net Position: May 2024

Receive and file the Statement of Revenues, Expenses, and Changes in Net Position for the period ending on May 31, 2024.

F Disaster Recovery and J.D. Edwards Archive Hosting Services: Contract Renewal

Authorize the General Manager to execute a three-year agreement with Denovo Ventures, LLC, in the annual amount of \$106,664.76, for disaster recovery services and J. D. Edwards archive environment hosting.

G Water Main Break at 5745 Parkmor Road: Continuation of Emergency Declaration

Approve the continuation of an emergency declaration due to a 12-inch water main break at 5745 Parkmor Road in the City of Calabasas.

Director Coradeschi moved to approve the Consent Calendar. Motion seconded by Director Caspary. Motion carried 5-0 by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Polan
NOES: None
ABSTAIN: None
ABSENT: None

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A MWD Representative Report

Board President Lewitt, MWD Representative, reported that a presentation was provided at the MWD Board Meeting regarding the Delta Conveyance Project. He noted that he serves on the Ad Hoc Committee on Bay Delta Negotiations, which was planning a trip to the Delta to meet with stakeholders. He stated that he anticipated that the ad hoc committee would be able to provide a report to the MWD Board in November. He also reported that the MWD Board discussed the fee-owned land in the Palo Verde Valley, including a soils study by Dr. Tim LaSalle. He stated that farmers would plant cover crop to save water, which was similar to the operation at the Sprayfields.

General Manager David Pedersen noted that the MWD Board discussed regenerative farming, which looks at planting a cover crop. He stated that the study showed that leaving a field fallow and uncovered is not healthy to the soil matrix, and it was better to plant a cover crop to keep the soil microbiome healthy. He also stated that staff would follow-up with Dr. LaSalle.

Board President Lewitt commented that John Yarbrough was appointed as the new Deputy Director of the State Water Project for the California Department of Water Resources. He noted that MWD was the largest State Contractor, and pays 40 percent of the dues in this organization. He stated that MWD's dues were \$4.18 million in Fiscal Year 2023-24, and would increase to \$4.3 million in Fiscal Year 2024-25.

B Legislative and Regulatory Updates

Joe McDermott, Assistant General Manager, reported that Governor Gavin Newsom signed the state budget on June 29th, which addressed the remaining revenue gap of \$56 billion. He provided a brief overview of budget cuts to water and recycled water programs. He noted that the final version of the \$10 billion Climate Resilience Bond would be included on the November ballot. He also reported that the Los Angeles County Board of Supervisors approved a comprehensive governance and ethics reform package as a proposed charter amendment for Los Angeles County on July 9th. He provided a brief overview of the proposed charter amendment, which would be included on the November ballot.

General Manager David Pedersen responded to a question regarding impacts to the District from the adopted state budget by stating that allocated funds for water recycling were more than originally anticipated, and there was a possibility that the District could obtain funding for the Pure Water Project Las Virgenes-Triunfo through the State Revolving Fund (SRF), which includes a combination of low-interest loan funding and

grant funds. He noted that a copy of a comment letter to the State Water Resource Control Board (Water Board) regarding Fiscal Year Clean Water SRF Intended Use Plan (IUP) was provided to the Board.

A discussion ensued regarding providing messaging on how the state budget would impact the ratepayers for the Pure Water Project Las Virgenes-Triunfo.

Director Caspary commented regarding money to fund voluntary agreements for water rights holders in the state, and foregoing taking water and receiving payment for the water that they leave in the system. He stated that this would place concerns regarding water rights on the State Water Board and other entities. He also stated that MWD was dependent on the existing water rights system.

C Public Affairs and Communications Update

Mike McNutt, Public Affairs and Communications Manager, reported that the *2023 Water Confidence Report* and *The Current Flow* were distributed to all customers. He also reported that a refrigerator magnet would be included in the welcome packets to new customers with information on how to better control water usage and how to enroll in the WaterSmart portal. He noted that a new Intern would begin in early August. He provided an update regarding the MWD 2025 Poster Contest, and noted that approximately 200 submissions were received. He stated that MWD would select the top winners and unveil them in the Fall. He also stated that the traveling poster art would be displayed at the District from August 19th through 26th, and the District would entertain the option of inviting the past winners for the Board's recognition. He noted that the quarterly Wastewater Tour would be held on July 20th, which would be hosted by Director Caspary and which would include tours of the Pure Water Demonstration Facility, Tapia Water Reclamation Facility, and Rancho Las Virgenes Composting Facility. He also reported that he and several Directors provided presentations to the Cities of Agoura Hills, Calabasas, and Westlake Village regarding *Water Supply and the Future of Water*. He noted that a written report was sent to the City of Hidden Hills. He also reported that he would speak at the Calleguas Municipal Water District's Public Information Officers quarterly meeting later in the day for a presentation titled *Countering Misinformation: How to Institute Positive and Effective Communications Strategies for your Agencies*. He also reported that staff produced a short video with President Lewitt highlighting the District's efforts for the community, and staff would provide a link to the video.

A discussion ensued regarding mailing the refrigerator magnet to customers who receive paper bills.

6. TREASURER

Director Coradeschi stated that he reviewed the expenditures.

7. BOARD OF DIRECTORS

A California Special Districts Association Board of Directors: Election

Select a candidate to serve on the California Special Districts Association Board of Directors, and authorize the General Manager to submit the official voting ballot no later than July 26, 2024, 5:00 p.m.

General Manager David Pedersen presented the report.

Director Caspary moved to select Jo MacKenzie as the candidate and approve Item 7A. Motion seconded by Director Coradeschi.

Director Burns spoke in support of selecting Jason Dafforn as the candidate.

Motion failed 3-2 by the following roll call vote:

AYES: Caspary, Lewitt,
NOES: Burns, Coradeschi, Polan
ABSTAIN: None
ABSENT: None

Director Burns moved to select Jason Dafforn as the candidate and approve Item 7A. Motion seconded by Director Polan.

Motion carried 5-0 by the following roll call vote:

AYES: Burns, Caspary, Coradeschi, Polan, Lewitt,
NOES: None
ABSTAIN: None
ABSENT: None

8. ENGINEERING AND EXTERNAL AFFAIRS

A Irrigation Efficiency Retrofit Program: Award

Accept the proposal from WaterWise Consulting, Inc., and authorize the General Manager to execute a one-year Professional Services Agreement in the amount of \$250,000, with four one-year renewal options, for assisting the District in implementing a full-scale Irrigation Efficiency Retrofit Program.

Craig Jones, Resource Conservation Manager, presented the report.

Joe McDermott, Assistant General Manager, noted that there was discussion regarding ways to provide compost, such as bagged compost, and staff found that it was very resource-intensive and costly. He stated that staff discussed delivering compost as part of this program.

Director Coradeschi moved to approve Item 8A. Motion seconded by Director Burns.

Mr. Jones responded to a question regarding the number of irrigation controllers installed by stating that 3,100 were installed out of 18,000 residential connections. He noted that the average savings was approximately 9,000 gallons per year per controller. He also responded to a question regarding installation for commercial properties and homeowners' associations by stating that one of the challenges for commercial properties was that there were hundreds of hydro zones. He also stated that the reason maintenance and repair components were added was that commercial properties may still qualify and may want the controller; however, they typically do not have them installed due to WIFI issues.

A discussion ensued regarding delivering compost to homeowners' associations for their use in common areas, having staff explore the use of G3 grass mixture which reduces watering needs by 40 to 60 percent, and providing a recommended monthly checklist in English and Spanish on how to maintain high-efficiency sprinkler heads.

Motion carried 5-0 by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Polan

NOES: None

ABSTAIN: None

ABSENT: None

9. NON-ACTION ITEMS

A Organization Reports

Director Caspary reported that he attended the Santa Monica Bay Restoration Commission Government Board Meeting on June 20th, where they elected Mayor Dean Francois of the City of Redondo Beach as an additional Vice Chair. He noted that the Commission also received a presentation from the State of California Department of Fish and Wildlife regarding the Ballona Wetlands Restoration Plan. He also stated that the lawsuit was resolved, and the Department of Fish and Wildlife was erecting elements of the Environmental Impact Report to comply with the court decision. He also reported that the Association of California Water Agencies (ACWA) State Legislative Committee held several emergency meetings regarding whether to support a water bond and legislation on the sale of surplus lands. He responded to a question regarding the Commission's discussion on sea level rise.

Board President Lewitt reported that he attended the Association of Water Agencies of Ventura County (AWAVC) Board of Directors meeting, where they discussed increasing membership dues. He noted that Professor Jay Lund was confirmed as the speaker for the Annual Elected Officials' Reception. He noted that the July 18th AWAVC WaterWise Program would include a presentation regarding the Antelope Valley-East Kern (AVEK) High Desert Water Bank for groundwater storage. He also reported that there was a request from one of the Directors to review the code of conduct, ethics, and conflict of interest standards for Directors to ensure that their filings are up to date.

B Director's Reports on Outside Meetings

Director Coradeschi reported that he viewed the MWD Subcommittee on Pure Water Southern California and Regional Conveyance Meeting held on June 25th, where they received a presentation regarding Moulton Niguel Water District's OASIS Director Potable Reuse Program.

Director Polan reported that he also viewed the MWD Subcommittee on Pure Water Southern California and Regional Conveyance Meeting's presentation regarding Moulton Niguel Water District's OASIS Director Potable Reuse Program.

Board President Lewitt reported that he, Director Coradeschi, and Public Affairs and Communications Manager Mike McNutt attended the City of Agoura Hills City Council meeting on June 26th, where Mr. McNutt provided a presentation regarding *Water Supply and the Future of Water*.

C General Manager Reports

(1) General Business

General Manager David Pedersen reported that the MWD Board approved a \$500,000 grant from the Future Supplies Action Funding Program for the District's OceanWell Pilot Study. He noted that Calleguas Municipal Water District and Eastern Municipal Water District were co-applicants for this grant. He referred to the comment letter sent to the State Water Resource Control Board (Water Board) regarding Fiscal Year Clean Water SRF IUP and stated that there were two parts: the low interest loan for \$70 million, and the grant. He noted that the draft IUP showed the District would receive a \$2 million grant. He announced that Joe McDermott was promoted as Assistant General Manager effective July 18th. He also reported that former General Manager Ed McCombs, who served as the General Manager from 1986 to 1992, had passed away. He reminded the Board regarding the Delta Conveyance Bethany Reservoir Alignment tour scheduled on July 19th in Sacramento.

(2) Follow-Up Items

None.

D Directors' Comments

Coradeschi requesting a matrix showing the financing for the Advanced Water Purification Facility. Don Patterson, Director of Finance and Administration, responded that staff would provide an updated financing and funding strategy at a future JPA Board meeting.

Director Burns commented that he visited South Dakota and Wyoming, where he learned that agriculture was experiencing water shortages.

10. FUTURE AGENDA ITEMS

Director Burns moved for a future agenda item regarding the cost and expectation of recycled water as the District moves to the next five years. Motion seconded by Director Polan.

Don Patterson, Director of Finance and Administration, noted that a Request for Proposal was active for the Cost of Service, Financial Analysis, and Rate Study, Capacity Fee Study, and Miscellaneous User Fee Study. He stated that a Board session to set priorities and several workshops would be held after the study is completed.

Director Burns clarified that he was requesting a discussion regarding the impact of the Pure Water Project Las Virgenes-Triunfo on recycled water and to have staff provide information. Mr. Patterson responded that the rate study would be a comprehensive five-year rate plan, which would determine the rates for the next five years, and a financing and funding strategy. General Manager David Pedersen added that part of the discussion would include how to allocate costs to the different enterprises, including recycled water.

Director Burns withdrew his motion.

11. PUBLIC COMMENTS

None.

12. CLOSED SESSION

A Threat to Public Services or Facilities (Government Code Section 54957(a)):

Consultation with Ivo Nkwenji, Security Operations Manager, and General Manager David Pedersen

The Board recessed to Closed Session at 11:03 a.m. and reconvened to Open Session at 12:00 p.m.

Keith Lemieux, District Counsel, reported that the Board met in Closed Session for Item 12A, and there was no reportable action.

13. OPEN SESSION AND ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at 12:01 p.m., in honor of former General Manager Ed McCombs,

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

ATTEST:

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

(SEAL)