

**LAS VIRGENES - TRIUNFO  
JOINT POWERS AUTHORITY  
AGENDA**

CLOSING TIME FOR AGENDA IS 8:30 A.M. ON THE TUESDAY PRECEDING THE MEETING. GOVERNMENT CODE SECTION 54954.2 PROHIBITS TAKING ACTION ON ITEMS NOT ON POSTED AGENDA UNLESS AN EMERGENCY, AS DEFINED IN GOVERNMENT CODE SECTION 54956.5 EXISTS OR UNLESS OTHER REQUIREMENTS OF GOVERNMENT CODE SECTION 54954.2(B) ARE MET.

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5:00 PM

June 4, 2012

PLEDGE OF ALLEGIANCE

**1. CALL TO ORDER AND ROLL CALL**

- A** The meeting was called to order at \_\_\_\_\_ p.m. by \_\_\_\_\_ in the Las Virgenes Municipal Water District office and the Clerk of the Board called the roll.

<u>Triunfo Sanitation District</u>	<u>Present</u>	<u>Left</u>	<u>Absent</u>
Steven Iceland	_____	_____	_____
Michael McReynolds	_____	_____	_____
Janna Orkney, Vice Chair	_____	_____	_____
Michael Paule	_____	_____	_____
James Wall	_____	_____	_____
<u>Las Virgenes Municipal Water District</u>			
Joseph Bowman	_____	_____	_____
Charles Caspary	_____	_____	_____
Glen Peterson	_____	_____	_____
Lee Renger, Chair	_____	_____	_____
Barry Steinhardt	_____	_____	_____

**2. APPROVAL OF AGENDA**

- A** Moved by \_\_\_\_\_, seconded by \_\_\_\_\_, and \_\_\_\_\_, that the agenda for the Regular Meeting of June 4, 2012, be approved as presented/amended.

**3. PUBLIC COMMENTS**

Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2

**4. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS**

- A** **Rancho Las Virgenes: Digester Update and Contingency Plan**

**5. CONSENT CALENDAR**

**A Minutes: Regular Meetings of March 5, 2012 (revised), April 2, 2012 and May 7, 2012 and Special Meeting of May 1, 2012. Approve**

**6. ACTION ITEMS**

**A Future Joint Powers Authority Regular Meeting Dates**

The Governing Board of the JPA to direct the Administering Agent/General Manager as to the meeting dates for July, August, and September 2012.

**B Tapia Water Reclamation Facility: Lease of Recreation Land**

Authorize the Administering Agent/General Manager to execute the Lease agreement of Recreation Land with Salvation Army.

**C Upgrade Control System for Rancho Solids Handling and Composting**

Authorize the Las Virgenes General Manager, as the administering agent, to issue a purchase order to Emerson Process Management for the Ovation Q-line to R-line hardware/software conversion for an amount not to exceed \$494,500.00.

**D Proposed Joint Powers Authority Budget for Fiscal Year 2012-13**

Adopt the proposed budget for FY 12-13.

**E Las Virgenes Municipal Water District and Triunfo Sanitation District Potential Consolidation Discussion**

Provide direction to staff.

**7. BOARD COMMENTS**

**8. FUTURE AGENDA ITEMS**

**9. INFORMATION ITEMS**

**A Call for Bids - Annual Weed Abatement at Various Facilities**

**B Call for Bids - Janitorial Services**

**C Capital Project Approval Process**

**D Compost Market Survey**

**E Rancho Las Virgenes Compost Reactor Building Ceiling Repair: Ratification of Change Order No. 2 and 3**

**F Rancho Las Virgenes Polymer Feed System Rehabilitation: Update and Authorization of Purchase Order**

**10. CLOSED SESSION**

**11. ADJOURNMENT**

**June 4, 2012 JPA Board Meeting**

TO: JPA Board of Directors

FROM: Facilities & Operations

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**Subject: Rancho Las Virgenes: Digester Update and Contingency Plan**

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**SUMMARY:**

At the April 2, 2012 JPA meeting, the board was given a presentation from Kennedy/Jenks consultants summarizing the preliminary design report for the third digester at the Rancho Las Virgenes Composting Facility. During the presentation the board had questions about the planning process and need for a third digester of equal capacity at the Rancho facility. Staff has prepared a presentation to update the board on the need for the third digester and possible scenarios for contingencies that can be implemented in case of digester failure.

**FINANCIAL IMPACT:**

None

Prepared By: Brett Dingman, Water Reclamation Manager

**LAS VIRGENES - TRIUNFO  
JOINT POWERS AUTHORITY  
MINUTES**

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5:00 PM

March 5, 2012

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance to the Flag was led by Vice Chair Orkney.

**1. CALL TO ORDER AND ROLL CALL**

**A** Call to order and roll call.

The meeting was called to order at 5:00 p.m. by Chair Renger and the Deputy Clerk called the roll. Those answering present were Directors Iceland, McReynolds, Orkney, Wall, Caspary, Peterson, Renger and Steinhardt. Absent: Paule and Bowman.

**2. APPROVAL OF AGENDA**

**A** Approval of agenda.

*On a motion by Director Charles Caspary, seconded by Director Barry Steinhardt, the Board of Directors voted 8-0 -2 to Approve the agenda for the Regular meeting of March 5, 2012 as amended by recommendation of Administering Agent/General Manager Mundy to correct the agenda roll call item to state Lee Renger as Chair, and Janna Orkney as Vice Chair.*

*AYES: Director(s) Caspary , Iceland , McReynolds , Orkney , Peterson , Renger , Steinhardt , Wall*

*ABSENT: Director(s) Bowman , Paule*

**3. PUBLIC COMMENTS**

Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2

No speakers cards were received.

**4. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS**

**A** Compost Survey

Jacqy Gamble, Management Analyst and Doug Anders, Administrative Services Coordinator gave the Compost Survey presentation. A speaker card was received on this item from Eric R. Haupt. He thanked the presenters for an informative presentation and thanked the JPA for providing compost to the community. He felt it is a true asset to the community and uses it on his property in Agoura.

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Director Orkney noted that the presentation had more detail and information than anticipated. Director Caspary talked about a 3-pronged approach to compost marketing that includes serious negotiations with users, stockpiling, bulk marketing and hauling for commercial users. Director Iceland noted that the transportation cost was more than the product cost. Director Orkney asked if we knew farmers in Ventura County. Director Peterson stated that we should put out a Request for Quotation (RFQ) for bulk compost. Director Orkney said that she liked the 3-pronged approach and wanted to see bagging and samples provided to customers and the public. Director Peterson noted that the citizens should not pay for compost because they paid for the facility already. Director Steinhardt would like to see all the suggestions put together.

**B Budget Discussion for FY12-13**

Discuss budget issues and questions with staff.

Sandra Hicks, Director of Finance & Administration presented this item.

**5. CONSENT CALENDAR**

**A Minutes: Special Meeting of January 9, 2012 and Regular Meeting of February 6, 2012.  
Approve**

*On a motion by Director Steven Iceland, seconded by Director Barry Steinhardt, the Board of Directors voted 8-0 -2 to Approve as amended by recommendation of Director Iceland. He clarified that he led the pledge of allegiance not given on the February 6, 2012 minutes.*

*AYES: Director(s) Caspary , Iceland , McReynolds , Orkney , Peterson , Renger , Steinhardt , Wall*

*ABSENT: Director(s) Bowman , Paule*

**6. ACTION ITEMS**

**A JPA Infrastructure Investment Plan, Fiscal Year 2012/2013 - 2016/2017**

Receive and file the JPA Infrastructure Investment Plan, Fiscal Year 2012/2013 - 2016/2017.

*On a motion by Director Charles Caspary, seconded by Director Glen Peterson, the Board of Directors voted 8-0 -2 to Approve the recommendation as presented. David Lippman, Director of Facilities & Operations gave the presentation. He stated the document is a planning tool and only to give the JPA an idea of the upcoming capital projects needed for the next 5 years. Board comments included concerns as to whether Triunfo should be contributing to the Medea Valley recycled water pipeline extension market study or the Woodland Hills Golf Course recycled water pipeline extension projects.*

*AYES: Director(s) Caspary , Iceland , McReynolds , Orkney , Peterson , Renger , Steinhardt , Wall*

*ABSENT: Director(s) Bowman , Paule*

**7. BOARD COMMENTS**

None.

**8. FUTURE AGENDA ITEMS**

None.

**9. INFORMATION ITEMS**

**A RWQCB Settlement Offer / Notice of Violations**

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**10. CLOSED SESSION**

None.

**11. ADJOURNMENT**

The meeting adjourned at the hour of 7:17 p.m.

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Lee Renger, Chair

ATTEST:

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Janna Orkney, Vice Chair

**LAS VIRGENES - TRIUNFO  
JOINT POWERS AUTHORITY  
MINUTES**

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5:00 PM

April 2, 2012

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance to the Flag was led by Director Caspary.

**1. CALL TO ORDER AND ROLL CALL****A** Call to order and roll call

The meeting was called to order at 5:02 p.m. by Director Renger in the Las Virgenes Municipal Water District offices and Clerk of the Board Conklin called the roll. Those answering present were Directors Iceland, McReynolds, Orkney, Wall, Bowman, Caspary, Peterson, Renger and Steinhardt.

Director Paule attended the meeting via teleconference, therefore all actions will be conducted by roll call vote.

**2. APPROVAL OF AGENDA****A** Approval of agenda

*On a motion by Director Janna Orkney, seconded by Director Michael McReynolds, the Board of Directors voted 10-0 to Approve by a roll call vote of Ayes: 10; Noes: 0; Abstain: 0, the Regular Board Meeting of April 2, 2012, as presented.*

*AYES: Director(s) Bowman , Caspary , Iceland , McReynolds , Orkney , Paule , Peterson , Renger , Steinhardt , Wall*

**3. PUBLIC COMMENTS**

Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2

No speaker cards were received from the public.

**4. CONSENT CALENDAR****A** Minutes: Regular JPA Meeting of March 5, 2012. **Approve**

Director Orkney requested the "Minutes: Regular JPA Meeting of March 5, 2012" be revised to reflect board member comments as the content is not sufficient as it relates to the Medea Valley and JPA vs. non-JPA project discussions. Director Iceland noted the Minutes under "Call to order and roll call" also state Director Paule as being both present and absent at the meeting (Director Paule was absent). Administering Agent/General Manager Mundy stated he

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would work with staff on the revisions as the person who transcribed the Minutes has since retired from Las Virgenes.

## 5. **ACTION ITEMS**

### **A** Rancho Las Virgenes Design of a Third Digester: Preliminary Design Report

Receive and file the preliminary design report for the Third Digester at the Rancho Las Virgenes Composting Facility from Kennedy/Jenks Consultants

Kapil Verma, Civil Engineer with Kennedy/Jenks Consultants gave a presentation entitled "Rancho Las Virgenes Design of a Third Digester" and Mike Joyce, Principal with Kennedy/Jenks assisted Mr. Verma in responding to Board questions.

Board comments and questions included: is there a need for build-out; need to look at sizing; why is there a need now/capacity issues; does capacity include FOG (Fats, Oils and Grease); concerns over haulers who mix other materials with FOG - contamination issues; traffic impacts; how will digester be funded; and will thickening reduce digester capacity.

At 6:00 p.m. during Kennedy/Jenks presentation and Board question/answer, Director Paule ended his teleconference call into the meeting. Legal Counsel Keith Lemieux stated roll call voting was no longer required as the teleconferencing board member was no longer participating in the board meeting.

*On a motion by Director Charles Caspary, seconded by Director Lee Renger, the Board of Directors voted 9-0 -1 to Approve the recommendation as presented.*

*Chair Renger requested that staff, prior to the call for bids process comeback to the Board with further project details including a cost breakdown for the digester; heat exchanges; will thickening reduce the size of the tank; and a time line of project funding/scheduling.  
AYES: Director(s) Bowman , Caspary , Iceland , McReynolds , Orkney , Peterson , Renger , Steinhardt , Wall  
ABSENT: Director(s) Paule*

### **B** Cancellation of May 7, 2012 Regular JPA Board Meeting

Authorize the Administering Agent General Manager to issue a cancellation notice for the Regular JPA Board Meeting of May 7, 2012, and discuss whether a Special Meeting needs to be scheduled for an alternate date.

Administering Agent/General Manager Mundy stated there would not be a quorum of board members present at the Regular JPA Board Meeting of May 7, 2012 due to the ACWA Spring Conference and requested approval for cancellation of the meeting; and for the JPA Board to determine need for rescheduling of a Special Meeting date.

*On a motion by Director Barry Steinhardt, seconded by Director Charles Caspary, the Board of Directors voted 9-0 -1 to Approve the recommendation as presented; and to schedule a Special Meeting for Tuesday, May 1, 2012 at 5:00 p.m. to be held at the Oak Park Library if available.  
AYES: Director(s) Bowman , Caspary , Iceland , McReynolds , Orkney , Peterson , Renger , Steinhardt , Wall  
ABSENT: Director(s) Paule*

### **C** Heal the Bay - Bring Back the Beach: Director Attendance

The JPA Board of Directors to provide direction to the Administering Agent/General Manager

as to whether to participate, and if participating, designate one Director from each agency to attend at a cost of \$500.00 per person.

Director Steinhardt discussed his attendance at last year's Bring Back the Beach event and stated he did not support spending \$1,000 on two tickets for the event.

*On a motion by Director Glen Peterson, seconded by Director Janna Orkney, the Board of Directors voted 9-0 -1 to Approve non-participation in the Heal the Bay - Bring Back the Beach event for 2012.*

*AYES: Director(s) Bowman , Caspary , Iceland , McReynolds , Orkney , Peterson , Renger , Steinhardt , Wall*

*ABSENT: Director(s) Paule*

**D Tapia Water Reclamation Facility: Lease of Recreation Land**

Authorize the Administering Agent/General Manager to execute the Lease agreement of the Recreation Land with The Salvation Army.

Board comments included self-insurance; add Triunfo to the existing insurance policies; add consideration language to the agreement; and once these recommendations are complete bring the agreement back to a future meeting for approval.

No formal Board action was taken on this item.

**6. BOARD COMMENTS**

Director Caspary discussed the State Water Resources Control Board Public Hearing/Workshop on development of a Salt and Nutrient Management Plan, which is supposed to optimize recycled water use while ensuring protection of groundwater supply; and stated he would like a brief overview from staff on the Plan.

**7. FUTURE AGENDA ITEMS**

The Board requested an update on the State Water Resources Control Board Nutrient Management Plan and on compost marketing.

**8. INFORMATION ITEMS**

**A CH2M Hill Biosolids Compost Market Analysis**

**B Rancho Las Virgenes Compost Reactor Building Ceiling Repair: Approval of Change Order No. 1**

**C Sewer Bridge Rehabilitation Project: Award of Contract**

**D Tapia WRF Alternative Disinfection Project: Approval of Plans and Specifications and Call for Bids**

**9. CLOSED SESSION**

**10. ADJOURNMENT**

The Chair declared the meeting adjourned at 7:10 p.m.

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Lee Renger, Chair

ATTEST:

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Janna Orkney, Vice Chair

**LAS VIRGENES - TRIUNFO  
JOINT POWERS AUTHORITY  
MINUTES**

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5:00 PM

May 7, 2012

PLEDGE OF ALLEGIANCE

**1. CALL TO ORDER AND ROLL CALL**

**2. APPROVAL OF AGENDA**

**A Cancellation Notice - JPA Regular Meeting of May 7, 2012.**

**3. PUBLIC COMMENTS**

Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2

**4. BOARD COMMENTS**

**5. FUTURE AGENDA ITEMS**

**6. INFORMATION ITEMS**

**7. CLOSED SESSION**

**8. ADJOURNMENT**



**Las Virgenes – Triunfo Joint Powers Authority**  
4232 Las Virgenes Road, Calabasas, CA 91302  
818.251.2100



To Whom It May Concern:

This is to notify you that the May 7, 2012 Regular Meeting of the Governing Board of the LAS VIRGENES – TRIUNFO JOINT POWERS AUTHORITY has been canceled due to a lack of quorum.

By Order of the Board of Directors  
LEE RENGER, Chair

  
\_\_\_\_\_  
John R. Mundy  
Administering Agent General Manager  
Joint Powers Authority

Dated: May 1, 2012

c: Each Director

**Lee Renger**  
Chair, Las Virgenes-Triunfo  
Joint Powers Authority  
President, Las Virgenes Municipal Water District  
Board of Directors

**Janna Orkney**  
Vice Chair, Las Virgenes-Triunfo  
Joint Powers Authority  
Chair, Triunfo Sanitation District  
Board of Directors

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Lee Renger, Chair

ATTEST:

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Janna Orkney, Vice Chair

**LAS VIRGENES - TRIUNFO  
JOINT POWERS AUTHORITY  
MINUTES**

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5:00 PM

May 1, 2012

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance to the Flag was led by Chair Renger.

**1. CALL TO ORDER AND ROLL CALL**

**A** Call to order and roll call

The meeting was called to order at 5:00 p.m. by Chair Renger in the Oak Park Library. Clerk of the Board Conklin called the roll. Those answering present were Directors McReynolds, Orkney, Paule, Wall, Caspary, Peterson, and Renger. Absent: Iceland, Bowman and Steinhardt.

**2. APPROVAL OF AGENDA**

**A** Approval of agenda

*On a motion by Director Michael Paule, seconded by Director Charles Caspary, the Board of Directors voted 7-0 -3 to Approve the Special Board Meeting of May 1, 2012, as presented.*

*AYES: Director(s) Caspary , McReynolds , Orkney , Paule , Peterson , Renger , Wall  
ABSENT: Director(s) Bowman , Iceland , Steinhardt*

**3. PUBLIC COMMENTS**

Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2

No speaker cards were received from the public.

Director Steinhardt arrived at 5:01 p.m. and Director Bowman arrived at 5:05 p.m.

**4. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS**

**A** Preliminary JPA Budget for Fiscal Year 2012/13

Financial Analyst Hamilton presented the "Las Virgenes - Triunfo Joint Powers Authority Preliminary Budget FY 2012-13". Board comments included basis of understanding for allocations; definitions of what goes into each account; what is the allocation rate and how is it derived; would like to approve a framework of projects and have each project presented to the JPA Board for a discussion of timing, call for bids, what the project needs are (drivers), discuss projects and then allocate funds (may require changes to the JPA Agreement as Las Virgenes

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is authorized to take certain actions as the Administering Agent); if there is potential revenue from the Medea Valley project then conduct the study; wholesale recycled water rate increases; look at pros/cons of multi-year budgeting; and change line item description from "Composting" to "Solids Handling".

Director Bowman left the meeting at 6:05 p.m. to attend Dennis Gillette's retirement event. Mr. Gillette is a former JPA board member.

## **5. ACTION ITEMS**

### **A Joint Powers Authority Quarterly Financial Report at March 31, 2012**

Receive and file.

*On a motion by Director Michael McReynolds, seconded by Director Michael Paule, the Board of Directors voted 8-0 -2 to Approve the recommendation as presented.*

*AYES: Director(s) Caspary , McReynolds , Orkney , Paule , Peterson , Renger , Steinhardt , Wall*

*ABSENT: Director(s) Bowman , Iceland*

## **6. BOARD COMMENTS**

Board comments included dissatisfaction with Las Virgenes' teleconference capabilities; and whether there is an opportunity for Triunfo to opt back into the recycled water storage study.

## **7. FUTURE AGENDA ITEMS**

Recycled water storage update and potential for Triunfo who previously opted-out of the project to opt-in.

## **8. INFORMATION ITEMS**

### **A Bio-solids Handling Cost Analyses**

Director of Facilities and Operations Lippman discussed two reports entitled "Cost Analysis for the Rancho Las Virgenes Composting Facility-July 2010" and Rancho Las Virgenes Composting Facility Net Present Worth Analysis Comparing Composting to Hauling-June 6, 2011 JPA Meeting". Board comments included look at long-term hauling agreements, what is sustainable, and legal cases can change terms of existing agreements.

## **9. CLOSED SESSION**

## **10. ADJOURNMENT**

The Chair declared the meeting adjourned at 6:35 p.m.



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Lee Renger, Chair

ATTEST:

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Janna Orkney, Vice Chair

**June 4, 2012 JPA Board Meeting**

TO: JPA Board of Directors

FROM: General Manager

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**Subject: Future Joint Powers Authority Regular Meeting Dates**

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**SUMMARY:**

The JPA Regular Meeting locations, which were set by Resolution, are as follows: July 2, 2012: Oak Park Library; August 6, 2012: Las Virgenes Board Room; and September 4, 2012: Oak Park Library.

Observance of the Fourth of July Holiday falls on a Wednesday.

Historically, the Triunfo Sanitation District Board of Directors votes to cancel their August Regular Meeting; and when this action is taken by Triunfo, the Joint Powers Authority Board of Directors has opted to cancel their Regular Meeting scheduled for the first Monday of August.

The first Monday in September 2012 is a Regular Meeting date of the Joint Powers Authority Board of Directors; and is the official observance day for Labor Day.

**RECOMMENDATION(S):**

The Governing Board of the JPA to direct the Administering Agent/General Manager as to the meeting dates for July, August, and September 2012.

**FINANCIAL IMPACT:**

None.

Prepared By: John R. Mundy, Administering Agent General Manager

**June 4, 2012 JPA Board Meeting**

TO: JPA Board of Directors

FROM: Facilities & Operations

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**Subject: Tapia Water Reclamation Facility: Lease of Recreation Land**

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**SUMMARY:**

At the April 2, 2012, JPA meeting, the Boards directed staff to modify the existing lease agreement with The Salvation Army in regards to the lease of recreational land at the Tapia Water Reclamation Facility. Staff and legal counsel have worked with The Salvation Army and have modified the agreement to include the payment of \$1.00 for consideration. In addition, the Triunfo Sanitation District, its directors, officers, employees, or authorized volunteers have been included as additional insured. The modified agreement allows The Salvation Army to use District property at the Tapia Water Reclamation Facility for one year. The agreement can be renewed for up to five (5) additional one-year terms through the execution of a "lease amendment." The previous lease renewal agreement expired on May 6, 2012. The proposed lease agreement is attached, and the site is shown in Exhibit A.

The subject area is used as part of The Salvation Army's summer program for less fortunate children. The summer program is a supervised daytime activity for children ages 6-12 in June and July. The area is used for field games such as soccer and baseball. The children come from Salvation Army youth centers in the Ventura and Los Angeles counties. The adult to child supervision ratio is 1:8. The Salvation Army provides removal plastic fencing to designate the boundaries of the playing area during the program. Access to the area is prohibited at other times via a lockable gate.

The lease notes possible use of the area for emergency effluent disposal in case of plant upsets. The area can be developed as a waste spray field during creek avoidance. No structures will be built that will impair the scenic corridor. The Salvation Army will also provide the appropriate insurance coverage. District counsel has review the attached lease agreement.

**RECOMMENDATION(S):**

Authorize the Administering Agent/General Manager to execute the Lease agreement of Recreation Land with Salvation Army.

**FINANCIAL IMPACT:**

None.

Prepared By: Brett Dingman, Water Reclamation Manager

**ATTACHMENTS:**

[Exhibit A - Salvation Army Map](#)

[Lease of Recreation Land](#)

[Insurance Binder](#)



Tapia Water Reclamation Facility

Salvation Army

Recreation Land



NORTH

Exhibit "A"  
Lease of Recreation Land ITEM 6B

**LAS VIRGENES MUNICIPAL WATER DISTRICT  
TAPIA WATER RECLAMATION FACILITY  
LEASE OF RECREATION LAND**

As of \_\_\_\_\_, LAS VIRGENES MUNICIPAL WATER DISTRICT, hereinafter "District", and THE SALVATION ARMY, A California Corporation, agree as follows:

**SECTION 1. DESCRIPTION OF PREMISES**

District leases to The Salvation Army and The Salvation Army leases from District approximately 3/4 (three-quarters) of an acre of unimproved land in Los Angeles County more particularly described on Exhibit "A" attached hereto and hereby incorporated by reference.

**SECTION 2. TERM**

The term of this lease shall be for one year, commencing on June 5, 2012, and may renew for up to five (5) additional one-year terms if The Salvation Army provides District written notice of intent to renew at least 60 days prior to the end of the then current term. If the premises are needed for District uses, this lease may be terminated by the District upon at least 90 days prior to the commencement of summer activities by written notice. The Salvation Army may terminate this lease on 30 days prior written notice.

**SECTION 3. RENT**

As consideration for this lease, The Salvation Army shall pay \$1.00 for consideration and maintain the premises as set forth herein and use the site for recreation activities by children.

**SECTION 4. USE**

The premises shall be used for the purpose of supervised recreation of children at The Salvation Army. District may use portions of the premises to operate and maintain roads for access to wastewater treatment facilities adjacent to the premises.

In the event of a process failure at the Tapia Water Reclamation Facility, District may require The Salvation Army to vacate the premises and District may use the premises to dispose of sewage or reclaimed water by means of spray irrigation.

If necessary to satisfy regulatory requirements, the District may use the site as a reclaimed water disposal spray field from April 15th through November 15th.

The Salvation Army shall permit District, and District's agents and assigns, at reasonable times, to enter the premises, and to use the roads established on the premises now or in the future for the purpose of inspection, compliance with the terms of this lease, exercise of all rights under this lease, posting notices, and all other lawful purposes. The Salvation Army shall supply District, and its agents and assigns, with keys and other instruments necessary to effect entry on the premises from The Salvation Army property, if so required.

Oak tree protection is very important. District shall stake off an area around any oak trees and The Salvation Army shall not park vehicles, disc, plow, or otherwise disturb the area under the oak tree dripline.

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#### SECTION 5. CONDITION OF PREMISES

District makes no warranty of the site's suitability for children's activities or the condition of the soils or geology for the site, which consists of fill resulting from past blasting activities.

The Salvation Army accepts the premises in its present condition. On termination, The Salvation Army shall surrender the premises in the same condition as when received, reasonable wear and tear excepted. The Salvation Army shall remove its personal property from the premises.

#### SECTION 6. UTILITIES

District currently serves reclaimed water to The Salvation Army via an existing meter. Plumbing from this existing service to the land described on Exhibit "A" is the responsibility of The Salvation Army. No other utilities will be supplied by District.

#### SECTION 7. WASTE

The Salvation Army shall not commit or permit others to commit on the premises waste or a nuisance or any other act that could disturb the quiet enjoyment of District, its neighbors or other tenancy of District on reserved or adjacent property.

#### SECTION 8. ALTERATIONS

The Salvation Army shall provide removable fencing as shown on Exhibit "A". The Salvation Army employees shall supervise children activities and ensure activities are conducted within the fenced area. The Salvation Army shall not make or permit other alterations without first obtaining District's consent.

#### SECTION 9. INSURANCE, LIABILITY AND INDEMNITY

- A. The Salvation Army shall provide and maintain the following commercial general liability and automobile insurance:
- (a) Coverage – Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:
    - (1) Insurance services Office Commercial General Liability Coverage (Occurrence form CG 0001)
    - (2) Insurance Services Office Automobile Liability Coverage (Form CA0001), covering Symbol 1 (any auto)
  - (b) Limits – The Salvation Army shall maintain limits no less than the following:
    - (1) General Liability – One million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the premises (with the ISO CG 2503 or ISO CG 2504 or insurer's

- endorsement provided to District) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.
- (2) Automobile Liability – One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.
- (c) Required provisions – The general Liability and automobile policies are to contain, or be endorsed to contain the following provisions:
- (1) The District, Triunfo Sanitation District, the Las Virgenes Triunfo Joint Powers Authority, its directors, officers, employees, or authorized volunteers are to be given insured status (via ISO endorsement CG 2040, CG 2033 or insurer's equivalent for general liability coverage) as respects: liability arising out of activities performed by or on behalf of The Salvation Army; products and completed operations of The Salvation Army; premises owned, occupied or used by The Salvation Army; or automobiles owned, leased, hired, or borrowed by The Salvation Army. The coverage shall contain no special limitations on the scope of protection afforded to District, Triunfo Sanitation District, the Las Virgenes Triunfo Joint Powers Authority, its directors, officers, employees, or authorized volunteers.
- (2) For any claims related to this lease, The Salvation Army's insurance shall be primary insurance as respects the District, Triunfo Sanitation District, the Las Virgenes Triunfo Joint Powers Authority, its directors, officers, employees, or authorized volunteers. Any insurance, self-insurance or other coverage maintained by the District, Triunfo Sanitation District, the Las Virgenes Triunfo Joint Powers Authority its directors, officers, employees or authorized volunteers shall not contribute to it.
- B. The Salvation Army shall notify volunteers and employees the premises may be irrigated with non-potable reclaimed water. The Salvation Army shall train volunteers and employees in the safe use of reclaimed water. If desired by The Salvation Army, District staff shall perform such training at a mutually acceptable time at no cost to The Salvation Army.
- The Salvation Army and subcontractors shall insure (or be qualified as self-insured) under the applicable laws relating to worker's compensation insurance, all of their employees and volunteers working on or about the premises in accordance with the "Workers Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. The Salvation Army shall provide employer's liability insurance in the amount of at least \$1,000,000 per accident for bodily injury and disease.
- C. The Salvation Army shall defend, indemnify and hold harmless the District, Triunfo Sanitation District, Las Virgenes Triunfo Joint Powers Authority it's officers, employees, and agents free and harmless from costs, liability of damages, including attorneys fees, arising out of any act or omission to act including any negligent act or omission to act by The Salvation Army, its officers, employees, agents and volunteers in connection with the use of the premises.

SECTION 10. ASSIGNMENT AND SUBLETTING

The Salvation Army shall not assign this lease or any rights under it and shall not sublet the entire or any part of the premises or allow any person to occupy or use the entire or any portion of premises without first obtaining District's written consent which may be withheld in the District's sole discretion.

SECTION 11. NOTICES

Any and all notices relating to this Lease shall be deemed given when personally delivered or personally deposited in the U.S. Mail, postage prepaid to the addresses set forth herein.

THE SALVATION ARMY

~~900 W James Wood Blvd~~

~~Los Angeles, CA 90015~~

Attention: Tim Pacillas

Telephone Number: 818-222-6327

*150 E. Ocean Blvd.  
Long Beach, CA, 90802*

LAS VIRGENES MUNICIPAL WATER DISTRICT

4232 Las Virgenes Road

Calabasas, CA 91302

Attention: Brett Dingman

Telephone Number: 818-251-2330

THE SALVATION ARMY,  
A CALIFORNIA CORPORATION

TREASURER ASSISTANT TREASURER

LAS VIRGENES MUNICIPAL WATER DISTRICT

\_\_\_\_\_  
John R Mundy, General Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
District Counsel

<b>THE SALVATION ARMY SOUTHERN CALIFORNIA DIVISION FINANCE COUNCIL</b>	
MAY 9 2012	
<input type="checkbox"/> Approved <input checked="" type="checkbox"/> Recommended <input type="checkbox"/> Reviewed/Noted By <i>[Signature]</i>	<input type="checkbox"/> Not Approved <input type="checkbox"/> Concept Approval <input type="checkbox"/> Deferred

ITEM 6B



Category: 11-193



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
05/09/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Willis Insurance Services of California, Inc. c/o 26 Century Blvd. P. O. Box 305191 Nashville, TN 37230-5191	CONTACT NAME:		
	PHONE (A/C.NO.EXT):	877-945-7378	FAX (A/C.NO.): 888-467-2378
	E-MAIL ADDRESS:	certificates@willis.com	
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED The Salvation Army - Division 11 180 East Ocean Blvd. Long Beach, CA 90802	INSURER A:	Lexington Insurance Company	19437-000
	INSURER B:	Greenwich Insurance Company	22322-000
	INSURER C:	Greenwich Insurance Company	22322-076
	INSURER D:	XL Specialty Insurance Company	37885-000
	INSURER E:		
	INSURER F:		

COVERAGES      CERTIFICATE NUMBER: 17883135      REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD'L INSRD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	Y		027712409	10/1/2011	10/1/2012	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
B	AUTOMOBILE LIABILITY	Y		CA RAE500021801	10/1/2011	10/1/2012	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000
C	<input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS	Y		AOS RAD500021901	10/1/2011	10/1/2012	BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE						EACH OCCURRENCE \$ AGGREGATE \$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	** RWD500021701 ** RWE500021601	10/1/2011 10/1/2011	10/1/2012 10/1/2012	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach Acord 101, Additional Remarks Schedule, if more space is required)  
Division #11-193

\*\*\* Workers Compensation:  
Policy No. RWD500021701 provides coverage in the following states: AK, HI, ID, MT, NM, NV, TX, UT  
Policy No. RWE500021601 provides coverage in the following states: AZ, CO, OR  
CA - Work Comp is fully Self Insured per the attached State Certificate.

CERTIFICATE HOLDER  Las Virgenes Municipal Water District 4232 Las Virgenes Road Calabasas, CA 91302	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE  <i>Colleen K. DeM...</i> ITEM 6B



## ADDITIONAL REMARKS SCHEDULE

AGENCY Willis Insurance Services of California, Inc.		NAMED INSURED The Salvation Army - Division 11 180 East Ocean Blvd. Long Beach, CA 90802	
POLICY NUMBER See First Page		EFFECTIVE DATE: See First Page	
CARRIER See First Page	NAIC CODE		

**ADDITIONAL REMARKS**

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: 25      FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE**

CA - Auto is fully Self Insured per the attached State Certificate.

Where required by written contract Las Virgenes Municipal Water District, Triunfo Sanitation District, the Las Virgenes Triunfo Joint Powers Authority, its directors, officers, employees, or authorized volunteers are named as Additional Insureds as respects the operations of the Named Insured indicated herein.

ITEM 6B



August 17, 2011

S.I. # 202

The Salvation Army  
180 East Ocean Boulevard  
Long Beach, California 90802  
Attention: Porjai Semiau

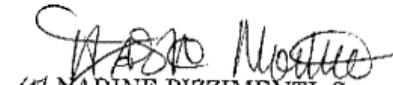
Dear Ms. Semiau,

Your annual report/financial statements have been reviewed and the requirements for renewal of your self-insurance certificate have been met. Your self-insurance status is valid from August 19, 2011, through August 18, 2012.

Vehicle Code Section 16020 requires that every driver and every owner shall at all times be able to establish financial responsibility and shall at all times carry in the vehicle evidence of the form of financial responsibility in effect for the vehicle. A copy of your Certificate of Self-Insurance or a copy of this letter constitutes written evidence of financial responsibility and should be placed in each of your affected vehicles.

If you have any questions or need further information, please call the administrative staff at (916) 657-6520.

Sincerely,

  
MADINE PIZZIMENTI, Support Manager  
Financial Responsibility Unit



**CERTIFICATE OF SELF-INSURANCE**

This is to certify that:

The Salvation Army  
NAME OF SELF-INSURER

180 East Ocean Boulevard, Long Beach, California 90802  
ADDRESS, CITY, STATE, ZIP

has been approved as a Self-Insurer under the California Compulsory Financial Responsibility Law and assigned Self-Insurance # 202 pursuant to Section 16053 of the California Vehicle Code for the period August 19, 2011 through August 18, 2012.

MANAGER  
Financial Responsibility Unit  
Department of Motor Vehicles

**DEPARTMENT OF INDUSTRIAL RELATIONS**  
**SELF-INSURANCE PLANS**  
2265 Watt Avenue, Suite 1  
Sacramento, CA 95825  
Phone No. (916) 483-3392  
FAX (916) 483-1535



FEB 05 2002  
DEPT. THQ

**CERTIFICATION OF SELF-INSURANCE  
OF WORKERS' COMPENSATION**

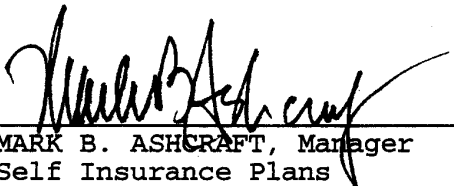
TO WHOM IT MAY CONCERN:

This certifies that Certificate of Consent to Self-Insure No. 566 was issued by the Director of Industrial Relations to:

THE SALVATION ARMY

under the provisions of Section 3700, Labor Code of California, on November 15, 1933. The Certificate is now and has been in full force and effective since that date.

Dated at Sacramento, California  
This 1<sup>st</sup> day of February, 2002

  
MARK B. ASHCRAFT, Manager  
Self Insurance Plans

Orig: Nancy Cookson  
Law Offices of  
Laughlin, Falbo, Levy & Moresi  
P.O. Box 492617  
Redding, CA 96049-2617

cc: John McCarthy  
Director of Risk Management  
The Salvation Army  
180 East Ocean Blvd., 10<sup>th</sup> Fl.  
Long Beach, CA 90801-5646

**June 4, 2012 JPA Board Meeting**

TO: JPA Board of Directors

FROM: Facilities & Operations

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**Subject: Upgrade Control System for Rancho Solids Handling and Composting**

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**SUMMARY:**

The Rancho solids handling and composting facility was placed in service in 1994 and was designed with the then state of the art Westinghouse WDPF Distributed Control System. The control system remotely manages the entire operation of the facility's equipment. As with all modern computerized systems technology changes and systems must be upgraded as they become obsolete. The Rancho control system "front end" was last upgraded to the Emerson Process Management (aka Westinghouse) Ovation system in 2004. That upgrade is currently at the end of its useful life and needs to be upgraded due to obsolescence. Because the existing field hardware which controls the various field inputs and outputs is circa 1990, it also needs to be replaced.

The Rancho control system is unique and proprietary as compared to other control technology used by Las Virgenes. Other facilities operated by Las Virgenes use Programmable Logic Control technology (PLC). Staff looked carefully at upgrading the Rancho control system to match the current PLC technology for a second time. The PLC hardware and software upgrade cost estimate came in at over \$300,000.00. This did not include engineering (data conversion) or installation estimated at an additional \$300,000.00 for a total cost of over \$600,000.00. Emerson has moved to more of a PLC type of equipment but continues to use the WDPF type control logic which greatly reduces the engineering expense required of a PLC upgrade. The entire upgrade from Ovation Q-line to the newest R-line version including engineering, software, interface computers, and all field hardware is estimated to cost \$430,000.00. Staff is requesting an additional 15% contingency.

**RECOMMENDATION(S):**

Authorize the Las Virgenes General Manager, as the administering agent, to issue a purchase order to Emerson Process Management for the Ovation Q-line to R-line hardware/software conversion for an amount not to exceed \$494,500.00.

**FINANCIAL IMPACT:**

The proposed FY2012-13 budget allocates \$350,000.00 for this project. Appropriation of an additional \$144,500.00 will be necessary to complete this project.

Prepared By: Larry J. Miller, Water Systems and Facilities Manager

**June 4, 2012 JPA Board Meeting**

TO: JPA Board of Directors

FROM: Finance & Administration

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**Subject: Proposed Joint Powers Authority Budget for Fiscal Year 2012-13**

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**SUMMARY:**

The proposed Joint Powers Authority Budget for FY12-13 will be presented at the meeting for adoption. The Board previously reviewed the preliminary budget on May 1, 2012. No significant changes have been made from the preliminary budget.

The proposed operating budget for FY12-13 is \$15.6 million, which is \$0.6 million lower than the \$16.1 million adopted budget for FY11-12 due anticipated decreases in operating expenses for reclamation and composting.

The proposed capital projects budget for FY12-13 is \$7.5 million, which is higher than the FY11-12 budget due to the construction schedule for the third digester at Rancho Composting Facility.

**RECOMMENDATION(S):**

Adopt the proposed budget for FY 12-13.

**DISCUSSION:**

The proposed budget document will be distributed to the Board Members with their agenda package and will be available for viewing on the LVMWD website ([www.lvmwd.com](http://www.lvmwd.com)).

Prepared By: Sandra Hicks, Director of Finance & Administration



**June 4, 2012 JPA Board Meeting**

TO: JPA Board of Directors

FROM: General Manager

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**Subject: Las Virgenes Municipal Water District and Triunfo Sanitation District Potential Consolidation Discussion**

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**SUMMARY:**

This agenda item is presented to provide the Board the opportunity to discuss potential consolidation and provide direction to staff. Background documents prepared by Triunfo and Las Virgenes are attached to assist in your discussion.

**RECOMMENDATION(S):**

Provide direction to staff.

Prepared By: John Mundy, Administering Agent General Manager

**ATTACHMENTS:**

[Consolidation memos](#)

[TSD Agenda May 14 2012](#)



# TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

February 13, 2012

Board of Directors  
Triunfo Sanitation District  
Ventura County, California

## POTENTIAL CONSOLIDATION WITH LAS VIRGENES MUNICIPAL WATER DISTRICT

### Summary

Discuss potential consolidation of Triunfo Sanitation District and Las Virgenes Municipal Water District.

### Background

At the December 19, 2011 and January 23, 2012 Board meetings, Director Paule indicated that he held preliminary discussions with General Manager John Mundy, Director Barry Steinhardt, and President Lee Renger from Las Virgenes Municipal Water District (Las Virgenes) regarding consolidation of Triunfo Sanitation District (TSD) and Las Virgenes.

The Ventura County Grand Jury Report dated June 18, 2007 recommended that TSD should explore consolidation with another special district. The recommendation was considered by TSD and the Las Virgenes/TSD Joint Powers Authority. On November 28, 2007, the TSD Board unanimously concluded that there was no interest at that time to consolidate.

Attached is a copy of the 2006-2007 Grand Jury Report and actions taken by the Board.

If you have any questions please call me at 805-658-4648 or e-mail me at [JosieGuzman@vrsd.com](mailto:JosieGuzman@vrsd.com).

### Financial Impact

There are no financial impacts at this time.

ITEM 6E  
Item 19-1

Recommendation

It is recommended that the Board discuss potential consolidation with the Las Virgenes Municipal Water District and direct staff as appropriate.



JOSIE GUZMAN, CMC – CLERK OF THE BOARD

Enc.

APPROVED FOR THE FEBRUARY 27, 2012 AGENDA



Mark Norris - District Manager

# county of ventura

Grand Jury  
800 South Victoria Avenue  
Ventura, CA 93009  
(805) 477-1600  
Fax: (805) 477-1610

grandjury.countyofventura.org

June 18, 2007

Board of Directors  
Triunfo Sanitation District  
1001 Partridge Dr. Suite 150  
Ventura, CA 93003

Enclosed is a copy of the Ventura County 2006-2007 Grand Jury report titled "Triunfo Sanitation District"

This report is being provided to you as the governing body of the agency concerned in the above referenced report. It is being provided to you two working days prior to its public release in accordance with the provisions of Penal Code §933.05(f). Please note that under the provisions of that code section no officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to public release by the Grand Jury.

Penal Code §933(c) requires that you respond to the report's recommendations within 90 days of submittal of this report to you. The requirements for your response are set forth in Penal Code §933.05(a) through (c). A summary of these requirements follows:

- State whether you concur, concur in part, or disagree with the Grand Jury's *findings*.
- Explain the reasons why you disagree in whole or in part with each applicable *finding*.
- For each applicable *recommendation*, state if it has already been implemented, will be implemented (with expected date of implementation), will not be implemented (with an explanation of the reason), or requires further study.

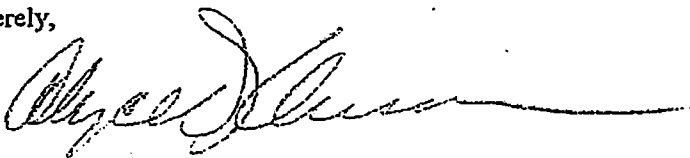
With your response, please include a copy of the minutes of your meeting at which you approved it. Your response should be sent to:

Ventura County Grand Jury  
800 S. Victoria Ave., L#3751  
Ventura, CA 93009

In accord with Penal Code §933(c), a copy of your response must also be sent to:

Honorable Colleen Toy White, Presiding Judge  
Superior Court of California, Ventura County  
Hall of Justice, #2120  
800 S. Victoria Avenue,  
Ventura, CA 93009

Sincerely,



Alyce O. Klussman, Foreman  
Ventura County 2006-2007 Grand Jury

ITEM 6E

19-3

## Triunfo Sanitation District

### Summary

The 2006-2007 Ventura County Grand Jury (Grand Jury) received a complaint regarding the governance, management, and financial administration of the Triunfo Sanitation District (TSD). Since TSD has no staff, management and financial administration are performed under contract by Ventura Regional Sanitation District (VRSD) staff. Upon investigating the complaint, the Grand Jury found that a majority of TSD Directors do not live within the TSD service area. Two of the five TSD Directors are elected by the voters of the District. One of the non-resident directors serves only because that person is a director of VRSD. In addition to having VRSD staff serve as TSD staff, both districts use the same law firm even when contracts between the two districts are under consideration. A significant fiscal action was taken on behalf of TSD by the VRSD Board of Directors without prior consultation with or authorization by the TSD Board. A report on the management of VRSD and its fiscal administration that significantly impacted TSD was not provided to TSD Directors in a timely manner.

The Grand Jury concluded that there is the appearance of a conflict of interest in the TSD-VRSD relationship, particularly the renewal by TSD of the long-standing contract for staff and management services from VRSD. Although the new contract ultimately proved not to be detrimental to TSD and there is confirmation that there was no illegality related to this action, it nevertheless gave the appearance of a conflict of interest. The Grand Jury also concluded that a TSD Board of all-elected members might minimize the appearance of conflicts of interest.

The Grand Jury recommends that the TSD Board employ a manager who is accountable only to the Board. The Grand Jury also recommends that TSD evaluate changing its structure or governance.

### Background

The Triunfo Sanitation District (TSD) is a special district — a distinct government organization — created in 1963 as the Triunfo County Sanitation District to provide sewer services in southeastern Ventura County. In 1993, TSD purchased a private water company serving the Oak Park community (a portion of the TSD service area), which it operates as the Oak Park Water Service.

Initially, the Ventura County Board of Supervisors (BOS) was the TSD Board. After the City of Thousand Oaks incorporated (1964) and the Ventura Regional Sanitation District (VRSD) was created (1970), the TSD Board was reconstituted in 1971. The new structure consisted of the Chairman of the BOS, the Second District County Supervisor, the Chairman of Waterworks District Number 8, the Mayor of Thousand Oaks, and the Chairman of the VRSD Board of Directors or

their designees. After a report by the 1979-1980 Ventura County Grand Jury [Ref-05] recommended electing a majority of the TSD Board, the Board was again reconstituted into its present form, with two elected directors, a Ventura County Supervisor, a Thousand Oaks City Council member, and a member of the VRSD Board.

## Methodology

The Grand Jury interviewed VRSD staff and some present and past TSD Board members. Related documents were reviewed, including VRSD memos and staff reports to the TSD Board, TSD Board meeting minutes, investment reports, audit reports, the TSD Website, and various newspaper articles relating to TSD. The Grand Jury also reviewed the 1979-1980 Grand Jury report that addressed TSD governance [Ref-05] and attended TSD's Board of Directors meeting on April 30, 2007.

## Findings

### General

- F-01. Triunfo Sanitation District (TSD) is an independent special district, formed in 1963, that supplies potable water, reclaimed water, and sewer services to customers within a fifty square mile area in parts of Southeastern Ventura County adjacent to the Los Angeles County line.
- F-02. TSD has no employees.
- F-03. TSD has outsourced all management and labor positions to Ventura Regional Sanitation District (VRSD). This contract is for the equivalent of approximately 10 full-time positions.

### Governance

- F-04. California Health and Safety Code §§4730 and 4730.1 prescribe how a sanitation district's board of directors is constituted. The TSD Board is composed of the Chairman of the Ventura County Board of Supervisors (BOS), the Mayor of Thousand Oaks, the Chairman of the VRSD Board (or designees from their respective boards), and two members elected at-large from the TSD service area.
- F-05. The two elected TSD Directors must reside within the District's boundaries. The other three directors may reside elsewhere in Ventura County.
- F-06. The Ventura County Local Agency Formation Commission (LAFCO) recommended in 2004 that TSD should examine increasing the number of directly elected directors from two to three [Ref-02, §III.1].
- F-07. The TSD Board could be reconstituted to be entirely elected at-large from among residents of the TSD service area according to Health and Safety Code §4730.1(b) by following the procedures set forth in §4730.2.

- F-08. For many years prior to November 2004, the two "elected" TSD Directors were appointed by the BOS because neither of the elected at-large seats were contested. A non-incumbent ran for election and was defeated in 2004. A non-incumbent candidate ran successfully in 2006, unseating a longtime incumbent.
- F-09. In March 2005, a motion was made to change TSD's governance to a fully elected board. However, the motion died for lack of a second.
- F-10. In April 2007, the TSD Board again considered the District's governance:
  - A motion to have a fully elected board was defeated by a vote of 3-2.
  - Subsequent motions to replace one or two non-elected directors with elected directors were similarly defeated or died for lack of a second.
  - TSD's attorney stated that his preliminary analysis of California codes indicated that an action to increase the number of elected directors would require changing to a fully elected board.
  - The Board directed its attorney to research this issue more fully, including seeking a formal opinion from the California Attorney General, and then report back to the Board.
- F-11. TSD pays \$218 per director per meeting or day of service with a maximum of six compensated days per month. The employee portion of Social Security taxes (FICA) is paid by TSD. Directors attend regional and national conferences at TSD expense.
- F-12. In fiscal years 2002-2003 and 2005-2006, several TSD Directors attended as many as four conferences in such locations as Palm Springs, Monterey, Napa, and Yosemite National Park as well in Orlando and Washington, DC, at TSD expense.
- X F-13. A March 2005 memorandum from the VRSD General Manager to the TSD Board of Directors regarding TSD governance stated:

*Consolidation with Las Virgenes Municipal Water District (LVMWD). I believe this is the best approach environmentally, technically and managerially. The system is currently bifurcated and would continue to be with the above systems [referring to either maintaining the status quo or going to an all-elected board]. This idea was brought to LVMWD several years ago, but there was little interest at that time.*
- X F-14. California Water Code §71060 indicates that a municipal water district can have territory in more than one county.

Conflicts of Interest

- F-15. Both VRSD and TSD use the same law firm for legal representation.

- F-16. The same accounting firm performed both VRSD and TSD annual audits. In March 2007, the TSD Board of Directors hired a firm for its future audits, a firm different from the one used by VRSD.
- F-17. The VRSD auditor conducted an exit audit when a former finance director left that district. The July 2004 auditor's report to VRSD recommended that several actions taken by the former VRSD finance director — actions affecting TSD — be reevaluated to determine whether they were appropriate and beneficial. The auditor further recommended that each action should then be ratified or reversed by the VRSD Board.
- F-18. The July 2004 exit audit report to VRSD was not presented to the TSD Board until 2006. Two TSD Directors who were also VRSD Directors — as well as VRSD staff serving TSD — received the report when it was originally presented to VRSD, but they failed to bring relevant TSD items in the report to the attention of the other TSD Directors.
- F-19. After the July 2004 auditor's report was presented to the VRSD Board, that Board took none of the recommended actions.
- F-20. An October 2000 report by consultant Arroyo Associates [Ref-03] noted that a specific Triunfo District Manager position was to be provided by VRSD. At that time the position was vacant, and how or when it would be filled was uncertain. Currently the VRSD General Manager also serves as TSD District Manager.

(See Attachment 1 for a time-line corresponding to findings F-21 through F-26.)

- F-21. Prior to the current TSD-VRSD contract for labor and management services, the California Water Service Company (CalWater) was solicited to make a proposal to manage TSD's water service. Data initially provided to CalWater by VRSD staff was summary information that was insufficient for preparing a meaningful proposal.
- F-22. The VRSD General Manager informed the VRSD Executive Committee about the CalWater proposal. In a letter to the Executive Committee, the General Manager stated, "Approval by the TSD Board for a private purveyor contract would cause significant reductions in the VRSD revenues and work force." Two members of the Executive Committee who were informed of the CalWater proposal were also TSD Directors at that time.
- F-23. On a recommendation from VRSD staff (acting as TSD staff), the TSD Board approved a new contract with VRSD more than five months before Brown & Caldwell, an outside consultant, submitted its review of the CalWater proposal. (See F-25.)
- F-24. The vote of the TSD Board to ratify the contract with VRSD was 4-0-1, with two TSD Directors who were also VRSD Directors voting in favor.



- F-25. A detailed proposal based on more comprehensive data specific to TSD was presented by CalWater to TSD. Brown & Caldwell was retained to evaluate that proposal.
- F-26. Brown & Caldwell concluded that the CalWater proposal would be more costly than the VRSD contract. This conclusion was not reported to the TSD Board [Ref-01] until after the ratification of the contract with VRSD.

Services

- F-27. TSD area sewage is processed by the Tapia Water Reclamation Facility (Tapia), which is jointly owned with the Las Virgenes Municipal Water District (LVMWD) through a joint-powers agreement. Potable water purchased from the Calleguas Municipal Water District is distributed by TSD. TSD's infrastructure for providing both sewer and potable water services is maintained by VRSD as a contractor to TSD.
- F-28. TSD owns 29.4% of Tapia, which is located in Los Angeles County adjacent to Malibu Canyon. LVMWD manages operations of Tapia as its majority owner. In this role, operations of LVMWD to provide services within its jurisdiction are kept separate from the operation of Tapia.
- F-29. The 1994 ten-year services contract between VRSD and TSD included an option for an independent review of VRSD service performance every two years. The only performance report was completed and submitted to the TSD Board in October 2000 [Ref-03].

Financial Issues

- F-30. Acting as fiscal manager for TSD, VRSD placed TSD capital funds into a non-interest-bearing bank account in 2004. The balance in this account fluctuated, at one time reaching \$3.1 million. Thirty months later VRSD management stated that the failure to place these funds in an interest-bearing account was an "oversight".
- F-31. In August 2006, TSD was credited with a payment from VRSD of \$99,736.36 to compensate for foregone interest earnings on its funds. The TSD Board was informed by VRSD staff that the payment was based on what an interest-bearing account would have earned. However, the actual payment was based on what might have been earned on TSD's actively managed investment portfolio. (See F-34.)
- F-32. VRSD calculated the interest reimbursement and credited it to TSD without any input from or prior approval by the TSD Board.
- F-33. In September 2003, approximately \$9.6 million of TSD's \$12 million investment portfolio was transferred from accounts in the California State Local Agency Investment Fund (LAIF) and the County of Ventura pooled investment fund (MCP) into an actively managed bond portfolio.
- F-34. In accord with TSD investment policy at that time, much of the bond portfolio was sold prior to maturity and reinvested in an attempt to

improve investment returns. Substantial losses and transaction fees were incurred as a result of this policy.

- F-35. On three occasions in 2005, VRSD staff recommended that bonds in the TSD investment portfolio be held to maturity. The TSD Board took no action.
- F-36. Beginning in 2004, a TSD Director and members of the public expressed repeated concerns regarding ongoing losses in the professionally managed bond portfolio. However, the TSD Board took no action to revise the District's investment program until 2006. Remaining bonds are now being held to maturity, with resulting proceeds being invested in the State and County pooled investment funds.

Public Involvement

- F-37. According to the California Little Hoover Commission, special districts are often invisible to the public and policy-makers, compromising oversight and accountability. [Ref-04]
- F-38. Compared to City Council elections, the electoral process for special districts is less vigorous with fewer competitive races, fewer voters involved, and more seats filled by appointment. [Ref-04]
- F-39. A long-standing special district concern is that compensation paid to board members discourages them from giving up their seats in the name of efficiency. [Ref-04]
- F-40. TSD Board meetings are sparsely attended except when controversial issues are on the agenda. Meeting notices are posted on the District's Website and at the Oak Park Library.
- F-41. Regular TSD Board meetings are held at 5:15 p.m. on the fourth Monday of each month. Most special districts hold meetings after working hours at a time that would be more convenient to residents. [Ref-02]
- F-42. An existing Oak Park water tank was to be replaced by TSD based on a finding of no significant impact (negative declaration). However, community opposition forced further study, which resulted in a requirement to prepare an environmental impact report (EIR).
- F-43. Two opposite positions regarding the originally proposed location of a new water tank are:
- The site is in a remote location, at a high elevation, on ground that will support the filled structure, not visible from any residence, and is close to the water distribution system.
  - The site is next to a heavily used hiking trail leading to the Santa Monica Mountains National Recreation area, will be illuminated after dark, will spoil views, and will require a paved access road.
- F-44. Water and sewer services in the District are more expensive than in surrounding areas for a number of reasons including:

- All of the water is high-quality water from the California Water Project, which is significantly more expensive than water pumped from local aquifers.
- TSD must repay revenue bonds that were issued to purchase the Oak Park Water Service from a private water company. The water rate is TSD's only source of revenue for this purpose, thus requiring a rate higher than otherwise required to purchase water and pay operating expenses.
- Wastewater effluent from Tapia is not permitted to be discharged into the Malibu Creek Watershed without undergoing expensive tertiary processing.

## Conclusions

- C-01. TSD rate-payers may be ill-served because three out of five directors are neither elected from nor required to reside in the TSD service area. The TSD Board has considered increasing the number of directly elected directors. While this has not been favored by a majority of the Board, the issue remains unresolved. (F-04 through F-10, F-13, F-18, F-24, F-29)
- C-02. TSD out-sources its labor and management staff from VRSD. A VRSD Director is also a TSD Director, which presents the appearance of a conflict of interest. (F-02, F-03, F-17 through F-20, F-22, F-23, F-24, F-32)
- C-03. Employment of the same law firm and the same accounting firm by both VRSD and TSD may give the appearance of a conflict of interest. (F-15, F-16)
- C-04. Recommendations to the TSD Board regarding contracts with VRSD originate from VRSD management acting as TSD management. Even when the results are appropriate, this may convey the appearance of a conflict of interest. (F-21 through F-26)
- C-05. Minimal distribution of meeting announcements and agenda and inconvenient meeting times contribute to the lack of public involvement and oversight of TSD operations. (F-40, F-41)
- C-06. The amount credited unilaterally by VRSD to TSD to reimburse foregone interest is questionable. For example, it might have been inappropriate to assume that all funds deposited in TSD's non-interest-bearing checking account would have been transferred to the District's underperforming, actively-managed investment portfolio. (F-30, F-31, F-32)
- C-07. Compensation, travel benefits, and lack of public involvement encourage directors to retain their seats. Until recently, the two elective TSD Directors were reappointed because they were unopposed at election time. (F-11, F-12, F-38 through F-41)

19 10

- C-08. An EIR is the appropriate disclosure process for siting TSD's replacement of the Oak Park water tank. ( F-42, F-43)
- C-09. A merger (consolidation) between TSD and LVMWD has been suggested and is legally possible. (F-13, F-14)

## Recommendations

- R-01. The TSD Board of Directors should be reconstituted to an entirely elected board. (C-01, C-02)
- R-02. In order to minimize the appearance of conflicts of interest, TSD should consider:
- hiring an individual or retaining a private firm or public agency (other than VRSD or LVMWD) to provide general management and oversight services and to be accountable directly to the TSD Board
  - engaging a law firm different from that used by VRSD
- (C-03, C-04, C-06)
- R-03. A focused review should be conducted for TSD by an independent auditor or other qualified professional to verify that interest earnings reimbursed by VRSD were equitable. (C-06)
- R-04. All aspects of major capital projects and issues, including EIRs, should be considered by the TSD Board at well-publicized meetings with notification to stakeholders. (C-05, C-08)
- R-05. In order to increase public awareness and involvement, TSD should publicize all meetings in local newspapers and water bills. Community TV coverage should be invited, and notices should be posted in public locations and on the District's Website. Additionally, annual mailings should be distributed to District rate-payers. In easily understood terms, annual mailings should include:
- District mission and purpose
  - summary financial information presented in a standard format and simple language, including information about reserve funds and their purpose
  - District policy on the accumulation and use of reserves
  - plans for the future, including anticipated revenues, expenditures, reserves, trends in user rates, and capital projects
  - performance and quality of service indicators
  - Board member benefits and compensation
- (C-05, C-08)
- R-06. The TSD Board of Directors should adopt a formal policy regarding conference attendance. The policy should also require disclosure in the

District's annual report of the number and type of conferences actually attended at District expense. (C-07)

- \* R-07. TSD should explore consolidation with another special district. (C-09)

## Responses

### Responses Required From:

Triunfo Sanitation District Board of Directors (R-01 through R-07)

### Other Responses:

Responses from individual directors of the Triunfo Sanitation District will be accepted.

## References

- Ref-01. Brown and Caldwell letter; subject: Analysis of Oak Park Water System Water Storage Replacement Options and Cal Water Operating and Leasing Proposal; dated July 22, 2004
- Ref-02. *Water and Wastewater Municipal Service Review Report*; LAFCO; January 2004 (on the Web at <<http://www.ventura.lafco.ca.gov/pdf/MSR/WaterWastewaterFinal.pdf>>)
- Ref-03. *Interagency Service Evaluation and Benchmarking Study for the Triunfo Sanitation District*; Arroyo Associates, Inc.; October 12, 2000
- Ref-04. *Special Districts: Relics of the Past or Resources for the Future?*; Little Hoover Commission; May 2000 (on the Web at <<http://www.lhc.ca.gov/lhcdir/155/report155.pdf>>)
- Ref-05. "Triunfo County Sanitation District", *County of Ventura Grand Jury Report 1979-1980*
- Ref-06. Minutes of the Triunfo Sanitation District Board of Directors meeting of January 26, 2004

## Attachments

1. Timeline for Approving Current Contract Between TSD and VRSD

19-13

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## Attachment 1: Timeline for Approving Current Contract Between TSD and VRSD

- Sep 15, 1977 Original TSD-VRSD contract signed.
- Nov 1, 1990 Original TSD-VRSD contract modified and extended.
- Mar 1994 New ten-year TSD-VRSD contract signed.
- Jul 22, 2003 After two contract extensions, VRSD General Manager memo to TSD Board advising of upcoming March 17, 2004, contract expiration.
- Oct/Nov 2003 Initial proposal to operate potable and reclaimed water services submitted to TSD by CalWater.
- Dec 2003 At its December meeting, TSD Board directs CalWater to refine its proposal and present a more comprehensive proposal. From the discussion, VRSD initially provided incomplete information on TSD to CalWater.
- Jan 2, 2004 VRSD General Manager memo to VRSD Executive Committee (included TSD Directors Gillette and Acosta) re-affirming to the Committee that a competing proposal was being prepared by CalWater to operate potable and reclaimed water services for TSD and that such a change "... would cause significant reductions in the VRSD revenues and work force".
- Jan 16, 2004 CalWater memo to VRSD General Manager responding to TSD's December 2003 directive to refine its proposal. (CalWater requested up-to-date financials, operating expenses, and capital assets for Oak Park Water Service only, since consolidated, general information previously provided by VRSD was of little value.)
- Jan 26, 2004 VRSD contract renewal approved by a 4-0-1 vote by the TSD Board. CalWater's revised proposal was still being prepared but not yet received. The new contract with VRSD was approved after two TSD Directors and the joint TSD-VRSD attorney declared potential conflicts of interest. [Ref-06]
- May 14, 2004 CalWater's revised proposal submitted to TSD. TSD contracts with Brown & Caldwell to evaluate the proposal.
- Jul 22, 2004 Brown & Caldwell report to VRSD General Manager validating correctness of January 2004 Board action approving VRSD contract renewal.

19-15

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TRIUNFO SANITATION DISTRICT

Minutes of the special meeting of November 28, 2007  
Oak Park Library, 899 N Kanan Road, Oak Park, CA

- 1. Chair Orkney called the meeting to order at 5:16 p.m. Roll call (5 present).
 

Member-at-Large	Janna Orkney
Member-at-Large	Ronald Stark
Ventura Regional Sanitation District	James Acosta
County of Ventura	Linda Parks
City of Thousand Oaks	Tom Glancy

2. Pledge of Allegiance

3. Amendments to the Agenda – The Board reversed action Items 6 and 7 as the action on Item 7 would determine a response to Item 6.

4. Approval of Minutes – It was moved by Director Glancy, seconded by Director Stark, and duly carried that the Board approve the October 22, 2007 meeting minutes.

5. Public Comments – The following persons addressed the Board regarding their concern with the addition of fluoride in water: Dr. Organ; Caroline Aslanian; and Nicole Johnson. The following persons addressed the Board regarding their opposition to Site A7, Conifer Tank Replacement: Chad Skopp; Ling Wu; Hank Kim; and Jeff Sun.

CONSENT ITEMS – none

ACTION ITEMS – (Items 6 through 8)

\* 6. Response to Grand Jury – The Board reviewed the revisions it made at its October 22 meeting and directed staff to make revisions to the following items: Response to R-01 to include the action taken by the Board on Item 7 whether to pursue consolidation with LVMWD and to include previous action taken by the Board relative to an entirely elected Board; Response to R-05 to add that the District believes that most of the information requested is already in the annual budget and the District is actively taking actions to provide as much of the information requested in the annual mailings on the District’s website, and will continue to work to provide as much information as proposed on the District’s website; and Response to R-07 that the District explored consolidation with LVMWD deciding not to pursue consolidation and will continue to look for possible opportunities to consolidate with other Districts. The Board requested staff make the revisions and send the report to the Board for review and place the final on the December agenda. }

\* 7. Consideration of Potential Consolidation of Triunfo Sanitation District and Las Virgenes Municipal Water District – the Board discussed consolidation with LVMWD and concluded there is no interest at this time to consolidate. It was moved by Director Stark, seconded by Director Parks, and duly carried that the Board not pursue consolidation with the Las Virgenes Municipal Water District. }

Because of time constraints the Board deferred the remaining items to the December 17, 2007 meeting.

8. Conflict of Interest Filing – Form 700

- a. Discuss and direct staff as appropriate.



# TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

Board Letter from  
Nov. 28, 2007 Meeting  
Item 6

November 21, 2007

Board of Directors  
Triunfo Sanitation District  
Ventura County, California

## RESPONSE TO GRAND JURY

Enclosed is a proposed letter responding to the Grand Jury's follow-up letter of August 23, 2007. The letter incorporates the action taken by your Board at your October 22 meeting.

You requested additional discussion on recommendation R-05 pertaining to developing and publishing an annual report. Staff reported at your October meeting that none of the several special districts contacted prepare an annual report. As discussed, TSD does not prepare an annual report. The annual budget and executive summary provides full disclosure and is posted on the website. Developing an annual report in addition to the annual budget may require significant staff time and additional costs.

If you have any questions please call me at 805-658-4600.

## RECOMMENDATION

It is recommended the Board review the proposed responses, direct staff to make recommended changes and submit to the Grand Jury.

  
MARK LAWLER - DISTRICT MANAGER

Enc.

Item 6 ITEM 6E

19-17

# county of ventura

Grand Jury  
800 South Victoria Avenue  
Ventura, CA 93009  
(805) 477-1600  
Fax: (805) 477-1610

grandjury.countyofventura.org  
**RECEIVED**

August 23, 2007

Triunfo Sanitation District Board of Directors  
C/O Ventura Regional Sanitation District  
1001 Partridge Drive, Suite 150  
Ventura, CA 93003-0704

AUG 27 2007  
VENTURA REGIONAL  
SANITATION DISTRICT

Subject: Triunfo Sanitation District Board of Directors' Response to 2006-07 Grand Jury Report "Triunfo Sanitation District"

Thank you for your July 25, 2007 response to the above mentioned Grand Jury report. In your response, you indicate either complete implementation (R-04) or partial implementation (R-05 and R-06) of the Grand Jury's recommendations and state that all of the report's recommendations, with the exception of R-04, require further study.

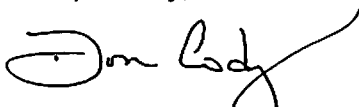
Penal Code §933.05(c) requires that the responding board or official shall report one of the following actions.

- 1) The recommendation has been implemented, with a summary regarding the implemented action.
- 2) The recommendation has not been implemented but will be implemented in the future within a specific time period.
- 3) The recommendation *requires further analysis, with an explanation of the scope and parameters of an analysis or study.* The timeframe for the matter to be prepared for discussion shall not exceed *six months from the date of publication of the Grand Jury report. (June 18, 2007)*
- 4) The recommendation will not be implemented because the respondent deems it unwarranted or unreasonable, with an explanation.

In accordance with the six month timeframe provided for in PC §933.05(b), the Grand Jury would like to review the completed analyses for the seven recommendations that have been determined to require further study. Based on the June 18, 2007 publication date for the Grand Jury's Triunfo report, the six month date would be approximately December 20, 2007.

It is respectfully requested that copies of the respective analyses and timeframes for implementation, signed by the chairman of the Triunfo Sanitation Board of Directors, be forwarded to the Grand Jury.

Respectfully,



Don Cody, Ed.D. Foreman  
Ventura County 2007-2008 Grand Jury

ITEM 6E

19-18

DRAFT

November 28, 2007

Grand Jury  
800 S. Victoria Avenue  
Ventura, CA 93009

## RESPONSES TO 2006-07 GRAND JURY REPORT

Thank you for your letter dated August 23, 2007 regarding the follow-up to the Triunfo Sanitation District's ("TSD") responses to the Grand Jury Report. Our responses to your letter are as follows:

### RECOMMENDATIONS:

R-01 The TSD Board of Directors should be reconstituted to an entirely elected board. (C-01, C-02)

**Response:** The recommendation requires further analysis. The Board is discussing the potential consolidation with LVMWD and the outcome of those discussions is not final. Consolidation discussions began at the September 10, 2007 Joint Venture meeting. Two directors from both TSD and LVMWD Boards were assigned to an ad hoc committee. The Joint Venture discussed this item at its October 1 meeting and the LVMWD Manager was asked to transmit a series of questions, generated by LVMWD, to be reviewed and answered by TSD (questions attached). The list of questions provides the scope and parameters needed for a potential consolidation. The TSD Board began its review of the questions transmitted at its November 28 meeting.

R-02 In order to minimize the appearance of conflicts of interest, TSD should consider:

- Hiring an individual or retaining a private firm or public agency (other than VRSD or LVMWD) to provide general management and oversight services and to be accountable directly to the TSD Board.
- Engaging a law firm different from that used by VRSD (C-03, C-04, C-06)

**Response:** The recommendation will not be implemented because the Board deems it unwarranted or unreasonable. The Board voted at its October 22, 2007 meeting to affirm retaining VRSD and legal counsel determining that both provide adequate and satisfactory service.

R-03 A focused review should be conducted for TSD by an independent auditor or other qualified professional to verify that interest earnings reimbursed by VRSD were equitable. (C-06)

**Response:** The recommendation will not be implemented because the Board deems it unwarranted or unreasonable. The Board voted at its October 22, 2007 meeting that the interest earnings reimbursed by VRSD was reasonable and equitable reimbursement.

ITEM 6E

19-19

DRAFT

R-04 All aspects of major capital projects and issues, including EIRS, should be considered by the TSD Board at well-publicized meetings with notification to stakeholders. (C-05, C0-08)

**Response:** This recommendation has been implemented. As we mentioned in our earlier letter, the District continues to utilize legal and cost-effective methods of notification, and will continue to comply with all notice requirements of Federal, State and local laws.

R-05 In order to increase public awareness and involvement, TSD should publicize all meeting in local newspapers and water bills. Community TV coverage should be invited, and notices should be posted in public locations and on the District's Website. Additionally, annual mailings should be distributed to District ratepayers. In easily understood terms, annual mailings should include:

- District mission and purpose.
- Summary of financial information presented in a standard format and simple language, including information about reserve funds and their purpose.
- District policy of the accumulation and use of reserves.
- Plans for the future, including anticipated revenues, expenditures, reserves, trends in user rates, and capital projects.
- Performance and quality of service indicators.
- Board member benefits and compensation.

(C-05, C-08)

**Response:** This recommendation has been implemented in part as described in our July 25, 2007 letter, and will not be implemented in part because we deem it unwarranted or unreasonable. In addition to our response to the July 25, 2007 letter, we have contacted the local cable provider and there seems to be no interest in providing television coverage of our meetings.

(With respect to the annual report, this will be discussed at Wednesday's meeting.)

R-06 The TSD Board of Directors should adopt a formal policy regarding conference attendance. The policy should also require disclosure in the District's annual report of the number and type of conferences actually attended at District expense. (C-07)

**Response:** The recommendation has been implemented. Resolution No. T07-02 attached.

R-07 TSD should explore consolidation with another special district. (C-09)

**Response:** The recommendation has been implemented. The District and the Joint Powers Authority have already had meetings concerning the possible consolidation of TSD and Las Virgenes Municipal Water District. The meetings are ongoing, and if the studies and discussions conclude that consolidation is possible, that matter will be taken up by both individual Boards at a future date.

Thank you for your interest in our District, and if we can provide further information, we will be happy to meet with you to discuss these matters.

JANNA ORKNEY, CHAIR  
TRIUNFO BOARD OF DIRECTORS

Enc.

ITEM 6E

1920



# TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

Board Letter from  
Nov. 28, 2007 meeting  
Item 7

October 16, 2007

Board of Directors  
Triunfo Sanitation District  
Ventura County, California

## CONSIDERATION OF POTENTIAL CONSOLIDATION OF TRIUNFO SANITATION DISTRICT AND LAS VIRGENES MUNICIPAL WATER DISTRICT

In reference to the June 18, 2007 Grand Jury Report, recommendation R-07, there was a discussion at the Joint Powers Authority meeting of October 1, 2007 concerning the consolidation of the Triunfo Sanitation District (TSD) and the Las Virgenes Municipal Water District (LVMWD). At this meeting no action was taken, however, the LVMWD Board asked its General Manager to transmit a series of questions to be reviewed and answered by TSD. These questions are specific to the logistics of a consolidation between LVMWD and TSD and include topics such as governance, legal issues, planning and operations and finance.

The Ventura Regional Sanitation District (VRSD) provides services for TSD that include general administration, engineering, operations and maintenance of all facilities and functions associated with the sanitation district. However, based on the recommendation R-02 from the Grand Jury Report, VRSD recommends that TSD hire an outside, independent third party firm to address and respond to the questions associated with the consolidation of LVMWD and TSD.

VRSD would be pleased to provide guidance to the TSD Board in developing a Request for Proposals or in defining a Scope of Services associated with this work. Upon development and response to a Request for Proposals, staff will bring these back to your Board for discussion.

If you have any questions or need additional information, please call me at 805-658-4600.

### RECOMMENDATION

It is recommended the Board:

- a. Direct staff as to whether the Board would like to respond to the questions regarding consolidation of LVMWD and TSD; and
- b. If there is interest in responding to the questions related to the consolidation, direct staff as to whether or not the Board wishes VRSD to develop a Request for Proposals for

MARK LAWLER - DISTRICT MANAGER

Enc.

Item 7 ITEM 6E

19-21

October 1, 2007 JPA Board Meeting

TO: Board of Directors

FROM: John R. Mundy, JPA Administering Agent General Manager 

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Subject: **Issues for Consideration concerning Potential Consolidation**

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### Summary

At the Joint Power Authority Meeting of September 5, 2007, consolidation of the Triunfo Sanitation District with Las Virgenes Municipal Water District was on the agenda for discussion. No action was taken; however, the JPA Board members concurred with going back to their respective agencies to discuss the appointment of an ad hoc committee to further explore potential consolidation.

At the Las Virgenes Board meeting on September 25, a list of proposed consolidation questions was presented for consideration. At the conclusion of the discussion the Las Virgenes Board directed its General Manager to transmit the list of questions, as presented below, and request that Triunfo Sanitation District respond to each of the questions prior to the meeting of the ad hoc committees from each agency.

### Consolidation Questions

#### Governance

1. What would be the:
  - a. Advantages to rate payers of LVMWD?
  - b. Disadvantages to ratepayers of LVMWD?
  - c. Advantages to ratepayers of TSD?
  - d. Disadvantages to ratepayers of TSD?
2. How would representation be addressed for areas within Thousand Oaks served by TSD?

#### Legal

1. What would the governance of a consolidated agency look like?
  - a. How many Board members?
  - b. How are elections addressed in two counties?
  - c. How are elections and vacancies addressed if a Director's division crosses county lines?
  - d. Will elections between counties be on the same cycle?
2. What would be the responsibilities and requirements of LVMWD in reporting to two county Board of Supervisors, county election divisions, and LAFCO?
3. What LAFCO proceeding would be required and is it held in Los Angeles or Ventura County, or both?
4. What CEQA analysis would be required, if any?

### Planning and Operations

1. Has TSD recently completed a master plan identifying facilities needed for future growth?
2. What is the condition of fixed assets?
3. What would be the impacts and cost to operational activities (i.e. SCADA improvements, sewer maintenance, and other LVMWD maintenance programs)?
4. What would be the issues related to potable water supply for Oak Park?
  - a. Calleguas MWD requirements?
5. How would the relationship with Calleguas MWD pertaining to recycled water be affected?
6. Who are the other water service providers in the TSD service area?
7. Will a satellite business office need to be maintained in Oak Park?

### Finance

1. Has TSD completed any long-term financial plan and subsequent effect on rates and fees?
2. What is the financial/asset condition of TSD related to:
  - a. Short-term and long-term debt?
  - b. Current and projected operating revenues?
  - c. Property tax revenues?
  - d. Cash as it relates to operating reserves, replacement funds, and expansion funds?
3. What would be the cost savings, if any, to each agency?
4. What would be the impacts and/or cost to:
  - a. Operations, customer services and finance staffing for both agencies?
    - i. Will additional LVMWD employees be needed in various areas?
    - ii. What happens with current TSD employees?
  - b. Water and sewer billing: Taxes vs. direct billing?
5. What are the short-term (3-5 years) cost of service impacts to TSD customers?
6. What are the issues related to:
  - a. Connection fees within TSD and payment of future connected capacity to Tapia?
  - b. Transfer of water, sewer and recycled water assets?
  - c. TSD debt coverage from rates and/or connection fees?

Before any additional work moves forward in addressing potential consolidation, the following questions should be answered:

1. What role do the Board members play in any review/study of consolidation?
2. What are the objectives of consolidation?
3. What are the program approach, critical path and milestones? and,
4. Who will be responsible for cost of each of the identified work components?



The Board adopted its most recent travel policy (Resolution T07-01) January 22, 2007 in compliance with AB1234. Even before AB1234, the TSD had a policy for as long as the District's Clerk of the Board can recall. The Board will review the travel policy at a board meeting in the near future.

The annual report issue requires further study. (see R-05).

R-07 TSD should explore consolidation with another special district. (C-09)

Response: Requires further study.

This issue will be placed before the TSD/LVMWD Joint Venture Board of Directors by December 31, 2007. In order to explore additional consolidation opportunities, the TSD would need to identify other special districts that may be interested.

6. Conifer Tank Replacement – Reconsideration of Site Selection – removed from agenda
7. Final Response - Grand Jury Report – District Manager Lawler noted staff incorporated the revisions requested by the Board, sent the revised document to the Board for review and asked if there are any further revisions. Director Parks said she had two minor changes that she sent to the Clerk noting they have been incorporated in the final. Director Glancy asked how much staff time was devoted to the Grand Jury report. Mr. Lawler said he will provide that information to the Board. It was moved by Director Stark, seconded by Director Glancy, and duly carried that the Board authorize the Chair to sign a letter responding to the Grand Jury and direct staff to submit the letter to the Grand Jury by the December 20, 2007 deadline.
8. Conflict of Interest Filing – Form 700 – General Counsel Mathews reported the District's Conflict of Interest Code, approved by the County, incorporates amendments that are made to the state code. General Counsel reported that he would be reviewing the Conflict of Interest Code and would report back to the Board of Directors at a later meeting. Chair Orkney said she in favor General Counsel reviewing the code. It was moved by Chair Orkney, seconded by Director Glancy and duly carried that the Board direct General Counsel to report back to the Board after review of the code.

#### INFORMATION ITEMS – (Items 9 through 15)

It was moved by Director Acosta, seconded by Director Stark, and duly carried that the Board receive and file Items 9-11, 13-15:

9. Thanks for Your Help – Oak Park Village Owners Association
10. Delta Smelt Decision
11. 2007 Tap Water Sample – Lead & Copper Analysis
12. Exit Audit – Sherrill Smith's Retirement – Director Parks said on the first page of the report there is a discrepancy of \$132,000 noting she requested a reconciliation report because the audit makes no mention of the discrepancy between the aging and general ledger reports. Director of Finance Dragan said the old computer system is only able to provide information requested as of today, it is unable to date bracket or retrieve historical information, noting the new software will be able to retrieve historical information. Director Parks asked why there are large amounts of audit adjustments included in the management report findings. Ms. Dragan asked the same question about the adjustments when reviewing the management letter of 2006. She said that the adjustments information is provided from the JPA with Las Virgenes managing the financials for the JPA. Consequently, Las Virgenes does not provide the adjustments information until late October or early November after the audit is done. Director Parks asked if changing the timing of the audit would help. Ms. Dragan said moving the audit would result in missing the December 30 deadline for completion. Director Parks asked when the District reconciles with Las Virgenes with Ms. Dragan responding it's monthly. Director Parks said the exit audit for Sherrill Smith only addressing the month of July produces a limited report that does not mention the loss of interest earnings. She also noted that the Board, as stated in the letter, did not agree to the procedures used in the audit, saying that TSD directed one month is an inaccurate statement and that in the future the Board should have approval for procedures. Soares, Sandall, Bernacchi & Petrovich said the purpose of the audit is to look at accounting practices at the date a key employee terminates. Director Parks said her concern is the former Director didn't have her eye on ball, and an in depth analysis would allow the District to do better in the future. Director Parks asked that the Board receive the reconciliation report she requested; Ms. Dragan said it would be provided. It was moved by Director Parks, seconded by Director Stark, and duly carried that the Board receive and file the audit report.

ITEM 6E

19-25

Board Letter from  
Dec. 17, 2007 Meeting



# TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

December 11, 2007

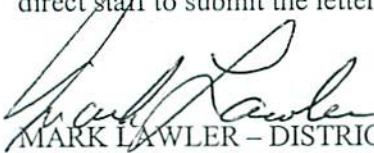
Board of Directors  
Triunfo Sanitation District  
Ventura County, California

## FINAL RESPONSE – GRAND JURY REPORT

Enclosed is a letter responding to the Grand Jury's follow-up letter of August 23, 2007. The letter incorporates the action taken by your Board at your November 28 meeting. If you have any questions please call me at 805-658-4600.

### RECOMMENDATION

It is recommended the Board authorize the Chair to sign a letter responding to the Grand Jury and direct staff to submit the letter to the Grand Jury by the December 20, 2007 deadline.

  
MARK LAWLER – DISTRICT MANAGER

Enc.

Item 7

ITEM 6E

# county of ventura

Grand Jury  
800 South Victoria Avenue  
Ventura, CA 93009  
(805) 477-1600  
Fax: (805) 477-1610

grandjury.countyofventura.org  
**RECEIVED**

August 23, 2007

Triunfo Sanitation District Board of Directors  
C/O Ventura Regional Sanitation District  
1001 Partridge Drive, Suite 150  
Ventura, CA 93003-0704

AUG 27 2007  
VENTURA REGIONAL  
SANITATION DISTRICT

Subject: Triunfo Sanitation District Board of Directors' Response to 2006-07 Grand Jury Report "Triunfo Sanitation District"

Thank you for your July 25, 2007 response to the above mentioned Grand Jury report. In your response, you indicate either complete implementation (R-04) or partial implementation (R-05 and R-06) of the Grand Jury's recommendations and state that all of the report's recommendations, with the exception of R-04, require further study.

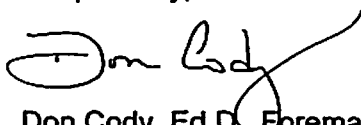
Penal Code §933.05(c) requires that the responding board or official shall report one of the following actions.

- 1) The recommendation has been implemented, with a summary regarding the implemented action.
- 2) The recommendation has not been implemented but will be implemented in the future within a specific time period.
- 3) The recommendation *requires further analysis, with an explanation of the scope and parameters of an analysis or study. The timeframe for the matter to be prepared for discussion shall not exceed six months from the date of publication of the Grand Jury report. (June 18, 2007)*
- 4) The recommendation will not be implemented because the respondent deems it unwarranted or unreasonable, with an explanation.

In accordance with the six month timeframe provided for in PC §933.05(b), the Grand Jury would like to review the completed analyses for the seven recommendations that have been determined to require further study. Based on the June 18, 2007 publication date for the Grand Jury's Triunfo report, the six month date would be approximately December 20, 2007.

It is respectfully requested that copies of the respective analyses and timeframes for implementation, signed by the chairman of the Triunfo Sanitation Board of Directors, be forwarded to the Grand Jury.

Respectfully,



Don Cody, Ed.D. Foreman  
Ventura County 2007-2008 Grand Jury

ITEM 6E

19-27



# TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

Grand Jury  
800 S. Victoria Avenue  
Ventura, CA 93009

Final Letter

December 17, 2007

## RESPONSES TO 2006-07 GRAND JURY REPORT

Thank you for your letter dated August 23, 2007 regarding the follow-up to the Triunfo Sanitation District's ("TSD") responses to the Grand Jury Report. Our responses to your letter are as follows:

### RECOMMENDATIONS:

R-01 The TSD Board of Directors should be reconstituted to an entirely elected board. (C-01, C-02)

**Response:** The recommendation requires further analysis. On September 24, 2007 a motion failed by a 2 to 3 vote to move to a fully elected Board. The three Directors that dissented requested the Board wait to move forward with a fully elected Board until the decision was made whether or not to consolidate with the Las Virgenes Municipal Water District (LVMWD). On November 28, 2007 the Board unanimously voted not to pursue consolidating with LVMWD.

At its July 16, 2007 meeting, the TSD Board directed staff to investigate the process and the cost for an entirely elected board by district. With the Board's action not to consolidate with LVMWD, staff will move forward with investigating an all elected board by district and provide the information to the Board by the end of March 2008. The current make up of the Board is consistent with State law.

R-02 In order to minimize the appearance of conflicts of interest, TSD should consider:

- Hiring an individual or retaining a private firm or public agency (other than VRSD or LVMWD) to provide general management and oversight services and to be accountable directly to the TSD Board.
- Engaging a law firm different from that used by VRSD (C-03, C-04, C-06)

**Response:** The recommendation has been implemented. A majority of the Board considered and voted at its October 22, 2007 meeting to affirm retaining VRSD and legal counsel determining that both provide adequate and satisfactory service.

R-03 A focused review should be conducted for TSD by an independent auditor or other qualified professional to verify that interest earnings reimbursed by VRSD were equitable. (C-06)

**Response:** The recommendation will not be implemented because the Board deems it unwarranted or unreasonable. A majority of the Board voted at its October 22, 2007 meeting that the interest earnings reimbursed by VRSD was reasonable and equitable reimbursement. **ITEM 6E**

19-28

R-04 All aspects of major capital projects and issues, including EIRS, should be considered by the TSD Board at well-publicized meetings with notification to stakeholders. (C-05, C0-08)

**Response:** This recommendation has been implemented. As we mentioned in our earlier letter, the District continues to utilize legal and cost-effective methods of notification, and will continue to comply with all notice requirements of Federal, State and local laws.

R-05 In order to increase public awareness and involvement, TSD should publicize all meeting in local newspapers and water bills. Community TV coverage should be invited, and notices should be posted in public locations and on the District's Website. Additionally, annual mailings should be distributed to District ratepayers. In easily understood terms, annual mailings should include:

- District mission and purpose.
  - Summary of financial information presented in a standard format and simple language, including information about reserve funds and their purpose.
  - District policy of the accumulation and use of reserves.
  - Plans for the future, including anticipated revenues, expenditures, reserves, trends in user rates, and capital projects.
  - Performance and quality of service indicators.
  - Board member benefits and compensation.
- (C-05, C-08)

**Response:** This recommendation has been implemented in part as described in our July 25, 2007 letter, and will not be implemented in part because we deem it unwarranted or unreasonable. In addition to our response to the July 25, 2007 letter, we have contacted the local cable provider and there seems to be no interest in providing television coverage of our meetings. The District believes that most of the information requested is already in the annual budget. The District is actively taking actions to provide as much of the information requested in the annual mailings on the District's website, and will continue to work to provide as much information as proposed on the website.

R-06 The TSD Board of Directors should adopt a formal policy regarding conference attendance. The policy should also require disclosure in the District's annual report of the number and type of conferences actually attended at District expense. (C-07)

**Response:** The recommendation has been implemented. Resolution No. T07-02 attached.

R-07 TSD should explore consolidation with another special district. (C-09)

**Response:** The recommendation has been implemented. The District has explored consolidation with the Las Virgenes Municipal Water District (LVMWD). At its November 28, 2007 meeting the Board unanimously voted not to pursue consolidation with LVMWD. The District will continue to look for opportunities to increase efficiencies including exploration of consolidation with other Districts other than LVMWD.

Thank you for your interest in our District, and if we can provide further information, we will be happy to meet with you to discuss these matters.

  
JANINA ORKNEY, CHAIR TRIUNFO BOARD OF DIRECTORS

ITEM 6E

Enc.

19-29

Rec'd 05/14/12  
KC



# TRIUNFO SANITATION DISTRICT

## NOTICE OF SPECIAL MEETING

**NOTICE IS HEREBY GIVEN** that the Triunfo Sanitation District Board of Directors will hold a special meeting at **5:30 p.m. on Monday, May 14, 2012**, in the Film & Lecture Room, Oak Park Library, 899 N Kanan Road, Oak Park, CA.

### AGENDA

The agenda is posted at least 24 hours preceding the Board meeting, and contains all items on which Board action will be allowed pursuant to Government Code Section 54954.2. Action will be taken on unanticipated items only when an emergency (as defined in Section 54956.5) exists or as otherwise allowed under Section 54954.2(b).

An opportunity for members of the public to briefly address the Board on items not on the agenda is provided at the beginning of each meeting. Persons wishing to comment on agenda items should complete a blue speaker card and submit it (preferably before the meeting) to the Clerk. The Chair will then recognize them at the appropriate time. Once recognized, persons should step to the podium, clearly state their name & address for the record, and address the item being considered in as brief, clear and concise a manner as possible.

1. Roll Call
2. Pledge of Allegiance
3. Amendments to the Agenda
4. Public Comments – At this time, the public may address the Board on any item not appearing on the agenda which is subject to the jurisdiction of the Board. Persons wishing to address the Board should fill out a comment card and submit it to the Clerk of the Board prior to the meeting. All comments are subject to a five minute time limit. If a significant number of speaker cards are submitted, in the interest of time, the Chair can adjust the speaker time accordingly.

### **ACTION ITEMS – (Item 5 only)**

5. Potential Consolidation of Triunfo Sanitation District and Las Virgenes Municipal Water District
  - a. Review the information to be presented by the ad hoc committee at the April 23, 2012 Board Meeting, initiate further discussion, and direct committee members and staff accordingly.

### **NEW BUSINESS – (Item 6 only)**

6. Discussion
  - a. Board Members
  - b. District Manager
  - c. Legal Counsel
7. Adjournment

In compliance with the Americans with Disabilities Act, if you need special accommodation/assistance to participate in a District event, please call the CA Relay Service TDD line at 1-800-735-2929 or the Clerk of the Board at 805-658-4642. Notification prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to participate. Copies of individual reports may be requested from the Clerk of the Board at 805-658-4642 or viewed on the website at [www.triunfosanitationdistrict.com](http://www.triunfosanitationdistrict.com).

**ITEM 6E**







# TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

April 17, 2012

Board of Directors  
Triunfo Sanitation District  
Ventura County, California

## POTENTIAL CONSOLIDATION OF TRIUNFO SANITATION DISTRICT AND LAS VIRGENES MUNICIPAL WATER DISTRICT

### Summary

At a recent Triunfo Sanitation District (TSD) Board Meeting, an ad hoc committee was formed to investigate the potential benefits and impacts associated with the potential consolidation of TSD and Las Virgenes Municipal Water District (LVMWD). The purpose of this letter is to summarize the committee's findings and initiate discussion by the full TSD Board.

### Background

At a regular Board Meeting on February 27, 2012, TSD Chair Orkney appointed an ad hoc committee to develop a list of pros and cons for pursuing consolidation with LVMWD, consider the benefits, consider that TSD will lose some Board members, and present to the TSD-LVMWD Joint Powers Authority (JPA) to gauge a response. The committee, comprised of TSD Directors McReynolds and Paule, met on March 21, 2012 and again on April 16, 2012. District Manager Mark Norris also participated in both meetings. The committee compiled a list of benefits and a list of issues associated with a potential consolidation of TSD and LVMWD, and established a timeline for discussion with the full TSD Board at its April 23 meeting and subsequent discussion with LVMWD management in May.

### Fiscal Impact

Unknown at this time, but potentially significant.

### Recommendation

It is recommended the Board review the information to be presented by the ad hoc committee at the April 23, 2012 Board Meeting, initiate further discussion, and direct committee members and staff accordingly.

APPROVED FOR APRIL 23, 2012 AGENDA

May 14

Mark Norris – District Manager

ITEM 6E  
Item 5-1



## Historical Overview

- Grand Jury report and recommendation to look for consolidation opportunities
- Previous discussion with LVMWD in 2007 regarding consolidation
- Discussions did not result in moving forward



## Why Should Consolidation be Revisited?

- Rising cost of wholesale water
  - Significant impact on future water rates
- TSD needs to continue to evaluate opportunities to minimize cost impacts
  - Wholesale water cost
  - Cost of contractual services

## Potential Benefits

- Overall cost savings to ratepayers for both districts through improved economies of scale from operations (admin., O&M, and facility costs)
- Alternative source of potable water to TSD (OPWS) customers at a potentially lower long-term cost than the current Calleguas MWD source
- TSD would not be saddled with the CIP costs associated with Calleguas and their Salinity Management Program (aka Brine Line) project (as well as other projects)
- Elimination of the JPA since there would be just one District – the result is cost savings to both Districts through the elimination of unnecessary JPA administrative costs

# Issues to Consider

- Does consolidation result in overall advantage or disadvantage to LVMWD and TSD customers?
- Can LVMWD provide a water allocation to OPWS customers to replace the current Calleguas allocation, and would there be any additional capital costs (short- and long-term) to supply potable water to OPWS customers (currently 2,500 acre feet annually)?
- What are the costs to terminate the wholesale supply of potable water from Calleguas (i.e., stranded costs, etc.)?
- How would rates (potable and sewer) be impacted by a consolidation between the two districts?
- How would governance change through a consolidation (e.g., expansion of the current LVMWD Board to include TSD)?



What are the Next Steps?

-- Discussion --

# DRAFT

## TRIUNFO/LAS VIRGENES CONSOLIDATION COMMITTEE

Minutes of April 16, 2012 Meeting

Oak Park Library, 899 N Kanan Road, Oak Park, CA 91377

1. Roll Call - The meeting was called to order 5:00 p.m. Directors Michael McReynolds and Michael Paule were present. District Manager Mark Norris and District Counsel John Mathews were also present.
2. Minutes from March 21, 2012 Meeting – Approved.
3. Public Comment – Keli Kaye commented that Triunfo look closely at Las Virgenes rates as they may be artificially low due to the tapping of reserves to preserve a low rate.
4. Review and Discuss Lists Identifying Benefits, Concerns, and Fatal Flaws Associated with Consolidation

The Committee discussed the various pros and cons submitted by the Directors and District Manager prior to the meeting. The Committee amended the list of items suggested as listed below:

### Potential Benefits:

- Overall cost savings to ratepayers for both districts through improved economies of scale from operations (Administrative, O&M and facility costs).
- Better utilization of existing labor resources from LVMWD who can provide services to TSD at an overall lower cost than the current VRSD contract.
- Alternative source of potable water to Triunfo (Oak Park Water) customers at a potentially lower long term cost than the current Calleguas MWD source.
- Triunfo would not be saddled with the CIP costs associated with Calleguas and their Salinity Management Program (AKA Brine Line) project (as well as other projects).
  - There was discussion about the fact that while Las Virgenes provides lower rates for potable water, Calleguas offers a greater variety of sources of water.
  - It was also suggested that TSD could approach Calleguas and seek a different agreement with Calleguas since many of Calleguas' capital projects do not benefit TSD.
- Elimination of the Joint Powers Authority since there would be just one District. The result is cost savings to both Districts through the elimination of unnecessary JPA administrative costs.
- Reduced Board friction created by the current JPA structure (70% LVMWD and 30% TSD).
- Combining financial resources of both districts would potentially improve the financial condition of a consolidated District.
  - This item was determined to be an open issue since it is uncertain at this time that the statement is true.

ITEM 6E

- Potentially lower user fees to the customers of both districts.
- Reduction in cost of potable water (\$74 vs. \$96 for 21 hcf).
  - Mark Norris suggested that TSD will be in Zone 2 based upon the height of our water tanks.
- Future capital costs are spread over a larger number of water users.

**Issues to consider:**

- Does consolidation provide an overall advantage or disadvantage to current LVMWD and TSD customers?
- Can LVMWD provide a water allocation to Oak Park customers to replace the current Calleguas allocation?
- Would there be any additional capital costs (short term and long-term) to supply to potable water to Oak Park Water customers (currently 2,500 Acre Feet annually)
- What are the costs to terminate the wholesale supply of potable water from Calleguas?
- What additional staffing would be required to operate the TSD portion of a consolidated district?
- How would rates (Potable and Sewer) be impacted by a consolidation between the two districts?
- How would governance change through a consolidation? E.g. – Expansion of the current LVMWD Board to include the current TSD District.
- Coordination of consolidation efforts with the LA and Ventura County LAFCO agencies.
- The Consolidated District would need to take over the maintenance of the sewer line distribution system of TSD
- Would a consolidation result in a stronger balance sheet for a combined District.
- What would be the cost of an independent study to evaluate the feasibility of a consolidation? The study needs to examine the short term and long term costs and/or savings and how a consolidated district would allocate the cost/savings to ratepayers.
- Are there any regulatory hurdles that would need to be achieved?
- Can LVMWD provide water to Oak Park with current piping system? What is the cost of capital to allow LVMWD to deliver water to Oak Park Water Service? What impact does Oak Park Water Service debt have on LVMWD rates? Would Oak Park Water Service get the same rate as other LVMWD ratepayers?
- Will LVMWD require a fee to connect to their system to help pay for the cost of its capital in the existing system?
- Is there an affect on the recycled water cost/supply?

The Committee then briefly reviewed this outline. There were no comments on it. It was agreed that this is a reasonable place to start.



## KEY ELEMENTS TO DETERMINE POSSIBLE BENEFITS/FEASIBILITY OF TSD/LVMWD CONSOLIDATION

1. Determine mutual benefits for TSD/LVMWD Consolidation
  - Identify potential cost savings for both TSD/LVMWD
  - Areas for evaluation
    - Improved customer service
    - Savings
      - Eliminate duplication of efforts
        - District Manager
        - Legal
        - Administration
          - Billing/customer
          - Accounting
  - Las Virgenes dedicated staff/water/wastewater collection
  - Capital Assets
    - Initial capital to serve
    - Future capital cost distribution
      - Separate
      - Blended
        - Define methodology
  - Debt service
    - Separate
    - Blended
  - Cash reserves
    - Separate
    - Blended
  - TSD/ LVMWD staff agree that an outside consultant be utilized to perform evaluation
    - Who pays for cost of consultant
2. Institutional Considerations
  - Mutual agreement between TSD/LVMWD to pursue consolidation
    - Governance
  - Calleguas approval
    - Lost revenue
    - Stranded assets
    - Recycled water agreements
  - MWD
    - Transfer allocation
  - Thousand Oaks City approval
    - Approximately 6,500+ connections in city governed in Los Angeles County
  - Other water mutuals (service providers)
    - Does transfer allocation from Calleguas affect their customers?
  - Los Angeles/Ventura County LAFCo approval
  - State charters addressed
    - Dissolution of TSD
    - Reformation of LVMWD

5. Next Steps – The next item discussed was how to present this to the Board. It was decided that the Committee members would present this item to the Board. A discussion then ensued as to exactly what material would be on the PowerPoint slides presented to the Board.
6. Adjourn – The meeting was adjourned at 7:15 p.m.

## TRIUNFO/LAS VIRGENES CONSOLIDATION COMMITTEE

Minutes of March 21, 2012 Meeting

Oak Park Library, 899 N Kanan Road, Oak Park, CA 91377

1. Roll Call - The meeting was called to order 5:00 p.m. Directors Michael McReynolds and Michael Paule were present. Mark Norris, District Manager, was also present.
2. Public Comment – None.
3. Discussion Regarding Developing Framework to Determine Feasibility of Consolidation Between Triunfo Sanitation District with Las Virgenes Municipal Water District

The Committee discussed the various aspects of the concept of being combined with Las Virgenes Municipal Water District (LVMWD). It was decided that the first step is to determine if LVMWD is interested in the consolidation. In order to determine if LVWD is interested it was decided to discuss the issue with LVMWD. The Committee wants to ensure it presents the concept in the best possible light. With this in mind the Committee determined that the following actions need to be taken:

- Contact John Mundy and let him know that the consolidation should not be on the April Agenda of the JPA in order to prevent old misconceptions from forming. The plan is to have this on the May Board Agenda. Action to be carried out by Mark Norris.
  - Each person is to submit to Josie Guzman a list of reasons for the consolidation. This is to be completed by April 9.
  - Each person is to submit to Josie Guzman a list of concerns/fatal flaws associated with the consolidation. This is to be completed by April 9.
  - Another subcommittee meeting to discuss the list will take place in April. Possibly April 17.
  - The following schedule should be followed: April meeting to discuss the concepts with TSD and JPA in May.
  - Obtain Las Virgenes sewer rates and TSD rates for comparison. Mark Norris to complete.
  - John Mathews should determine if there are any existing agreements with Calleguas that would prevent the consolidation. Mark Norris to complete.
  - Obtain Las Virgenes water rates and other fees (in various zones, etc.) to compare with TSD rates. Mark Norris to complete.
  - We will get LVWD financials (to determine affect of extra debt, etc.). Mark Norris to complete.
  - Committee will compare our rates to other local agencies (same comparison as in recent rate study by Raftelis).
4. Adjourn - The meeting was adjourned at 7:00 p.m.





# TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

## NOTICE OF MEETING FINANCE COMMITTEE

Steven Iceland  
Michael Paule

Tuesday, May 15, 2012  
5:00 p.m.

Oak Park Library Film & Lecture Room  
899 N. Kanan Road  
Oak Park, CA

### AGENDA

1. Call to Order
2. Public Comment
3. Joint Powers Authority Budget Related Discussion
4. Presentation of Proposed FY 2013 Triunfo Sanitation District Budget
5. Agreement with Macias, Gini and O'Connell for Recycled Water Audit
6. Adjourn

In compliance with the Americans with Disabilities Act, if you need special accommodation/assistance to participate in a District event, please call the CA Relay Service TDD line at 1-800-735-2929 or the Clerk of the Board at 805-658-4642. Notification prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to participate.

ITEM 6E



**June 4, 2012 JPA Board Meeting**

TO: JPA Board of Directors

FROM: Facilities & Operations

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**Subject: Call for Bids - Annual Weed Abatement at Various Facilities**

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Las Virgenes-Triunfo Joint Powers Authority approved funding for this matter in the Joint Powers Authority Budget. The Las Virgenes Board, as the administering agent, called for bids for annual weed abatement at the April 24, 2012 board meeting.

**SUMMARY:**

Annually, the District must comply with the County of Los Angeles Weed Abatement Division notice to destroy weeds, remove brush, rubbish and refuse prior to the fire season. The work is required at the Tapia Water Reclamation Facility, Rancho Las Virgenes Composting Facility, Westlake Filtration Plant, and Morrison Tank. The entire cost for weed abatement is expected to exceed \$25,000; however, the work will be bid as potentially 4 separate contracts to ensure both the lowest cost and the timely completion of the work.

**FINANCIAL IMPACT:**

The Fiscal Year 11-12 budget provides funding in the operating budget for weed abatement at all facilities.

Prepared By: Larry Miller, Facilities & Operations Manager

**June 4, 2012 JPA Board Meeting**

TO: JPA Board of Directors  
FROM: Finance & Administration

**Subject: Call for Bids - Janitorial Services**

Las Virgenes Municipal Water District and Triunfo Sanitation District Joint Powers Authority approved funding for this matter under the Joint Powers Authority Budget. Las Virgenes Board, as administering Agent, approved the proposed bid schedule and the notice inviting sealed bids for janitorial services at their April 24, 2012 Board meeting.

**SUMMARY:**

Janitorial services are provided to all district facilities. The current contract with Century Maintenance will expire 6/14/12. In the past three years, Century Maintenance has provided these services, at this time staff feels it is in the best interest of the District to solicit request for proposals from other competitive service providers. Staff is proposing a one year contract with four one-year renewal options.

**FINANCIAL IMPACT:**

The estimated annual cost to the district for janitorial service is \$78,500. Funding for janitorial services is available in the current budget and will be proposed in future budgets.

**DISCUSSION:**

Bids will be requested according to the following schedule:

Board Authorization	Tuesday, April 24, 2012
First Newspaper Advertisement	Monday, April 30, 2012
Second Newspaper Advertisement	Monday, May 7, 2012
Schedule Walk through	Tuesday, May 15, 2012
Bid Opening	Tuesday, May 29, 2012
Award of Contract	Tuesday, June 12, 2012

A recommendation to award the contract will be based on a combination of pricing, reliability and customer service.

Prepared By: Carmen Ripley, Senior Buyer



**June 4, 2012 JPA Board Meeting**

TO: JPA Board of Directors

FROM: Facilities & Operations

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**Subject: Capital Project Approval Process**

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**SUMMARY:**

At the April 2, 2012 JPA meeting several questions were raised about approval process of capital projects. This process is defined in the January 26, 2009 Joint Exercise of Powers Agreement. Paragraph 10.b states "The proposed budget will include expected revenue and expense for .... works of improvements in sufficient detail to enable the Board to determine whether each budget item or proposal is reasonably necessary to fulfill the mission of the Authority." The capital project section of the budget general provides this information for capital projects. The annual Five Year Infrastructure Investment Plan (IIP) which is developed using Master Plans provides the information needed for this section of the budget. Paragraph 11(iii)(b) states "Work estimated to cost more than Twenty-Five Thousand Dollars (\$25,000) shall be presented to the board for approval. No further Authority action will be required after a preliminary design report is accepted by the Authority and the Authority approves proceeding with the work described in the preliminary design report." This is normally not a single approval in practice there several milestones where the JPA boards take action before approval of a preliminary design report. The process is best illustrated by using the Third Digester Project as an example.

The need for the Third Digester was identified in 2003 and 2007 Sanitation Master Plans and included in the 2011 - 2012 IIP. The project was included as an item in approved FY2011-12 JPA budget. At the July 11, 2011 JPA meeting a Request for Proposals was approved to prepare a design report and plans and specifications for the project. A proposal from Kennedy-Jenks Engineering was approved by the JPA at the November 7, 2011 meeting and work then proceeded. At the April 2, 2012 JPA the preliminary design report describing the project details was approved by the JPA, however a mid - point status report during the preparation of plans and specifications was requested. The next steps will be taken by Las Virgenes MWD as the Administrating Agent and reported to the JPA. These include a Call for Bids, Award of Contract, Approval of Changes Orders and Acceptance of the Completed Contract.

Project budgets generally have enough funds to cover the cost of the contract, services during construction, permits and inspection/construction management costs. However there are occasions when the budget is not sufficient to award a contract and cover other costs. In these cases the approval of the award of the contract and any necessary appropriation is scheduled for a JPA meeting.

Prepared By: David R. Lippman, Director of Facilities & Operations

**June 4, 2012 JPA Board Meeting**

TO: JPA Board of Directors

FROM: Facilities & Operations

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**Subject: Compost Market Survey**

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**SUMMARY:**

At the March 5, 2012 Las Virgenes - Triunfo Joint Powers Authority (JPA) meeting staff presented the findings of its compost marketing survey. The boards directed staff to revisit the following areas: 1) Compost storage alternatives; 2) End-user and commercial market contracts for maximizing compost sales revenue to the JPA; and 3) Screening and bagging options for the finished compost product.

**FINANCIAL IMPACT:**

There is no financial impact identified related to staff time portion of this project. Funding for outside services related to implementation of studies and pilot programs, if any, will be brought to the Las Virgenes-Triunfo Joint Powers Authority for approval prior to implementation.

**DISCUSSION:**

The following "next steps" provide a framework for pursuing JPA board directed activities related to the compost marketing survey.

**Storage Alternatives.** Increased compost storage could provide a more stable inventory of finished product as well as equalize compost demand fluctuations. Staff has identified possible storage locations on existing JPA facilities and is developing a "storage options analysis" that will identify the environmental, regulatory, and physical considerations of developing additional storage capacity. It is anticipated that staff will return to the JPA board in September, 2012 with results of their research.

**Bulk Sale to End Users.** Staff is developing a Request for Proposals (RFP)/Request for Quotes (RFQ) for the bulk sale of compost to commercial end users. The process will target landscape, agricultural, horticultural, and compost mixers/blenders for a long term compost purchase agreement. The RFQ/RFP will also have amendment delivery and back haul options. Staff will return with an RFP/RFQ in September.

**Bagging and Screening.** Bagging of finished compost may increase the value and utility of the product as part of the community compost program and expanded resale opportunities. Staff has identified both low and high tech options and will evaluate them as for potential compost bagging pilot programs. In addition to bagging, the impact of compost screening will be evaluated both in terms of finished product quality and for potential cost savings related to returning over-sized material to the front end of the composting process.

**BACKGROUND:**

The Las Virgenes - Triunfo Joint Powers Authority operates the Rancho Las Virgenes Composting Facility (Rancho) and produces approximately 12,000 cubic yard of finished compost per year. Rancho composts biosolids from the JPA's Tapia Water Reclamation Facility that results in a rich soil amendment. During normal facility operations, the finished compost is given away to homeowners on Saturdays from 8 am to 1 pm. Household customers participate in the program by going to Rancho and filling their own containers. Additionally, there is a bulk loading program available every Tuesday through Thursday from 8 am to 3:30 pm for customers with pickup trucks and trailers. Bulk loading customers pay \$8 per cubic yard to have their vehicles loaded by JPA staff (typically 2-4 cubic yards depending on vehicle type). The Rancho facility is currently undergoing repairs to the ceiling of the reactor building and is scheduled to be back on-line by mid-June.

Prepared By: Doug Anders, Administrative Services Coordinator

**June 4, 2012 JPA Board Meeting**

TO: JPA Board of Directors

FROM: Facilities & Operations

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**Subject: Rancho Las Virgenes Compost Reactor Building Ceiling Repair: Ratification of Change Order No. 2 and 3**

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Las Virgenes-Triunfo Joint Powers Authority approved funding for this matter in the Joint Powers Authority Budget. The Las Virgenes Board, as the administering agent, ratified these change orders at the May 22, 2012, Board meeting.

**SUMMARY:**

The Las Virgenes-Triunfo Joint Powers Authority recently approved Change Order No. 1 for the Compost Reactor Building Ceiling Repair Project in the amount of \$60,549.50 at the April 2, 2012 meeting. This change order included the replacement of the existing lighting system with new fixtures and PVC conduit. District staff determined that the existing lighting system was in an unusable condition. Subsequently, conditions in the field which differed from the contract plans were encountered by the contractor prompting the submittal of Change Order requests Nos. 2 and 3.

The amounts of Change Order No. 2 and No. 3 are \$14,670.03 and \$22,837.16, respectively. These change orders were administratively approved and are being brought before the Board for ratification. These change orders address unknown field conditions that required modifications of new and existing structural members.

The total cost of Change Order No. 3 may be reduced based on the time required for installation. In that event, a deductive change order would be brought before the Board.

**FINANCIAL IMPACT:**

Change Order No.2 and Change Order No. 3 increase the total contract amount to \$337,506.69. These improvements will be funded through CIP Work Order Account 10391. No appropriations are required.

**DISCUSSION:**

Change Order No. 2 includes the re-fabrication and modification of connections for several steel channels that serve as the structural supports for the ceiling. Unique features of the ceiling support system at a few locations differed from the installation detail shown in the construction drawings. The contractor made adjustments in order to properly attach the new structural members.

The contractor submitted Change Order No. 3 in response to recommendations made by the structural engineering consultant. The inspection of the ceiling after the initial sandblasting and primer application revealed several areas of significant corrosion between the roof joists and decking. The District's consulting engineer determined that the corrosion presented a significant enough issue with the roof's integrity that they prepared a detail showing additional steel plating to provide support. The additional steel plates will be welded to the new roof joists and then fastened to the roof decking. This situation occurs at seven locations in the Compost Reactor Building.

Prepared By: James Spicer II, Associate Engineer

**June 4, 2012 JPA Board Meeting**

TO: JPA Board of Directors

FROM: Facilities & Operations

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**Subject: Rancho Las Virgenes Polymer Feed System Rehabilitation: Update and Authorization of Purchase Order**

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The Las Virgenes-Triunfo Joint Powers Authority approved funding for this matter in the Joint Powers Authority Budget. The Las Virgenes Board, as administering agent, waived the formal bidding process; authorized the Administering Agent/General Manager to issue a purchase order in an amount of \$32,037.50 to Charles P. Crowley Company, Inc. for the purchase of two DynaBLEND polymer blending units; and authorized the Administering Agent/General Manager to issue a purchase order in an amount of \$12,750 to CPC Systems, Inc. for the installation of the two polymer blending units at their May 22, 2012, board meeting.

**SUMMARY:**

In December of 2010 a solicitation for proposals was sent out to consultants to evaluate the polymer and conveyance system used for centrifuge dewatering at the Rancho Las Virgenes Composting Facility. The goal of this evaluation was to look for ways to reduce polymer usage by making the system more efficient. Currently, the annual polymer budget is \$130,000. The existing polymer system consists of two bulk storage tanks and three DynaBLEND polymer mixers and associated piping. The mixers were installed during the original construction of the Rancho facility in 1993. The polymer evaluation was administratively awarded to Peter LaMontagne, a polymer and centrifuge expert, in the amount of \$6,075.

The polymer evaluation was completed in March of 2011 and had several recommendations to improve polymer performance such as rehabilitating the recycled water pump station (which supplies dilution water for the polymer mix), polymer mixing in the storage tanks, and replacing the existing polymer mixing units.

The recycled water pump station was rehabilitated in 2011, which has resulted in a stabilization of the polymer flow rate to the centrifuge and a reduction in centrifuge washouts that were caused by pressure fluctuations. The polymer mixing units (DynaBLENDs) are at the end of their life cycle and need to be replaced. A quotation has been requested and received from the Charles P. Crowley Company, Inc., the local vendor for DynaBLEND, to replace two of the three DynaBLEND polymer blenders.

**FINANCIAL IMPACT:**

The Fiscal Year 2011-12 budget provides funding for the Rancho Polymer Feed System Rehabilitation under job # 10488 in the amount of \$115,000. Each JPA partner is allocated with a cost split of 70.6% for LVMWD and 29.4% for Triunfo.

Prepared By: Brett Dingman, Water Reclamation Manager