



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

MINUTES
REGULAR MEETING

5:00 PM

August 28, 2012

PLEDGE OF ALLEGIANCE

At the request of President Renger, the Pledge of Allegiance to the Flag was led by General Manager Mundy.

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 President Renger in the District offices. Assistant Deputy Secretary Conklin called the roll. Those answering present were Directors Bowman, Caspary, Peterson, Renger and Steinhardt.

2. APPROVAL OF AGENDA

A Approval of agenda

Legal Counsel Lemieux stated subsequent to posting of the agenda the need arose to discuss a Closed Session item entitled "Weber v. Las Virgenes Municipal Water District".

On a motion by Director Charles Caspary, seconded by Director Barry Steinhardt, the Board of Directors voted 5-0 to Approve the agenda for the Regular Meeting of August 28, 2012, as amended by the recommendation of Legal Counsel Lemieux.

AYES: Director(s) Bowman , Caspary , Peterson , Renger , Steinhardt

3. PUBLIC COMMENTS

One speaker card was received from the public: (1) Mary Wiesbrock, who stated she was a Las Virgenes Municipal Water District (LVMWD) customer and was unable to attend the September 4th JPA board meeting, requested LVMWD conduct a study on the feasibility of consolidating LVMWD and Oak Park Water District to determine whether there was a favorable financial impact on LVMWD and its ratepayers. If the study is favorable she is in support of the consolidation effort. Ms. Wiesbrock also entered a written letter into the public

record, which will be maintained in the August 28, 2012 agenda folder.

4. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Las Virgenes Unified School District: Presentation of check for Support of Grades 4/5 Water Curriculum - School Year 2012/13

President Renger presented a check to Dr. Dan Stepenosky, Superintendent of Las Virgenes Unified School District (LVUSD). Dr. Stepenosky, LVUSD Board President Jill Gaines and program teacher Anne Trautman thanked the District for supporting the teachers and students who participate in the program. Ms. Trautman discussed the program, student interest and appreciation not only for the financial support, but also for providing the assistance of water district staff.

Board comments included: pirate play using education of water and conservation shows students are getting the message; and pleased program is providing a passion to students and that there is a feeling of a job well done.

Director Peterson stated there was a State Water Project Tour, October 5-7, 2012 and if the group was interested in attending they could contact the District, and he introduced Ms. Yamada an employee of the Metropolitan Water District Board and Las Virgenes customer.

B Recycled Water Seasonal Storage Feasibility Study

Receive and file the June 2012 Recycled Water Seasonal Storage - Project Feasibility Study Report No. 2500.00 and direct staff on next steps.

Director of Facilities and Operations Lippman provided an overview of the Recycled Water Seasonal Storage Project Feasibility Study, discussed Title 16 funding and requirements, potential sites (April Canyon, Hope Site (lowest cost), Stokes Canyon), expanded service (golf course, Decker Canyon, Westlake High School), cost benefit analysis, and stated tonight's requested action was to receive an file the study with the next steps of working with Bureau of Reclamation on Title 16 funding, and program level CEQA documentation for purchase of land for a potential future project.

Board comments and staff responses included: does study include costs without pipelines and use of current program and if not then the study is incomplete (study does not include either item); is cost of NPDES permit included (zero discharge is included, but higher treatment level is not); cost benefit ratio (if we receive grant funding then the cost benefit ratio improves); we need to look at indirect potable reuse; potable supply to recycled water (projections include a future project); why didn't study include a project size for a 50% increase of 1,000 AF (looking at long term); belief that the District needs to be able to get out of the creek and how realistic is a 7% increase per year (Master Plan will bookend analysis); do we want to spend \$150 million on treatment or storage for the future (possible algae permits resulting in high costs could effect the District).

Director Bowman requested the costs be analyzed for 1,000 - 1,200 AF of storage including reduced costs on pipelines.

On a motion by Director Lee Renger, seconded by Director Glen Peterson, the Board of Directors voted 5-0 to Approve the recommendation as presented.

AYES: Director(s) Bowman , Caspary , Peterson , Renger , Steinhardt

C Legislative and Regulatory Updates

No report was given.

5. CONSENT CALENDAR

On a motion by Director Glen Peterson, seconded by Director Charles Caspary, the Board of Directors voted 5-0 to Approve Consent Calendar 5A-5C as presented in the recommendations.

AYES: Director(s) Bowman , Caspary , Peterson , Renger , Steinhardt

A Minutes: Regular Meeting of July 24, 2012. **Approve**

B List of Demands: August 28, 2012. **Approve**

C Investment Report for the Month of July 2012. **Approve**

6. TREASURER

Treasurer Steinhardt had questioned the \$42,000 check issued to Viewpoint School (refund on their account related to an incorrect meter read), and stated the accounts payable checks were in order.

7. FACILITIES AND OPERATIONS

A 26705 Malibu Hills Road Connection Fee Payment Plan Request

Provide staff direction related to the request for a connection fee payment plan for 26705 Malibu Hills Road.

Director of Facilities and Operations Lippman discussed options including payment plan with will serve letter issued upon last payment; surety bond while making payments; or payment plan with will serve letter.

Board comments and staff responses included: has staff reviewed documents showing they cannot pay at once (no); surety bond (Legal Counsel believes Code covers surety bond, but needs to verify); temporary meters until connection fees are paid in full (yes and contractor installs the service and District staff conducts the inspection); liability (Legal Counsel surety-no liability, but public may not like payment plan; charge interest).

One speaker card was received: (1) Dan Zaharoni who represents the senior housing development located at 26705 Malibu Hills Road located in Calabasas stated payment of fess prior to full connection, project is underway, construction funding requirements place timing on disbursements, and surety bond in lieu of cash deposit.

On a motion by Director Barry Steinhardt, seconded by Director Joseph Bowman, the Board of Directors voted 3-2 to Approve quarterly payments with surety bond in lieu of full cash payment, fees to be paid in full prior to occupancy, and interest to be paid at average investment rate.

AYES: Director(s) Bowman , Renger , Steinhardt

NOES: Director(s) Caspary , Peterson

B ADS Environmental - Maintenance Agreement Renewal for Sewer Metering Stations

Authorize the General Manager to issue a purchase order for maintenance and reporting services to ADS Environmental in the amount of \$32,3311.00

General Manager Mundy stated the recommendation on the agenda be corrected to read \$32,311.00.

On a motion by Director Joseph Bowman, seconded by Director Lee Renger, the Board of

Directors voted 5-0 to Approve the recommendation as presented and to amend the recommendation to read \$32,311.00.

AYES: Director(s) Bowman , Caspary , Peterson , Renger , Steinhardt

C Malibu Bowl Waterline Replacement Project - Award of Contract

Award the contract for Malibu Bowl Waterline Replacement Project to CS Engineering in the amount of \$75,000; and that all remaining bids be rejected upon receipt of duly executed contract documents. Accept the proposal from Geolabs-Westlake Village to provide geotechnical services for the project in an amount not to exceed \$883.00 and accept the proposal from Phoenix Civil Engineering to provide professional engineering services during construction in an amount not to exceed \$4,000.

On a motion by Director Joseph Bowman, seconded by Director Charles Caspary, the Board of Directors voted 5-0 to Approve the recommendations as presented.

AYES: Director(s) Bowman , Caspary , Peterson , Renger , Steinhardt

8. FINANCE AND ADMINISTRATION

A Final Report on Rate Study by Raftelis Financial Corp

Accept the final report from Raftelis for the Rate Study.

Board comments and staff responses included: accept final report, what does that mean (approve report and reaffirm direction given on June 26, 2012); 218 process additional changes or as is (staff needs to finalize the 218 Notice language, once the 218 Notice is mailed to customers the amounts stated in said notice are "not to exceed" or the 218 process must be redone); and certain data on June 26th was not accurate (dollar amounts on June 26th represented only a snapshot in time).

Director of Facilities and Operations Lippman gave a presentation entitled "Rate Refinement", which summarized June 26th Board direction in regards to sanitation (no increase for two years with a potential increase of 2% in year 3 if needed), recycled (no change in rates) and potable rate structures (spread Metropolitan cost of water over 3-5 years), finalizing Raftelis' report, three-year rate schedule, 218 Notice, 218 hearing, first and second reading of the ordinance, and January 1, 2013 effective date.

Board comments and staff responses included: concerns related to a \$0.56 increase (if this increase is not approved it results in a \$92,000 loss in revenue); water conservation message (lower contributor/lower rates); sewer conservation, how difficult is it to explain calculation (unknown, but outreach and assistance will be provided by staff); unfair to those using 15 or 16 units, and again concerns related to the \$0.56 increase.

On a motion by Director Glen Peterson, seconded by Director Joseph Bowman, the Board of Directors voted 4-1 to Approve moving forward with the proposed potable, recycled and sanitation rate schedule for 3-years; preparation and mailing of the 218 Notice and public hearing to be held on Monday, October 22, 2012; and an increase effective date of January 1, 2013.

AYES: Director(s) Bowman , Caspary , Peterson , Renger

NOES: Director(s) Steinhardt

On a motion by Director Charles Caspary, seconded by Director Glen Peterson, the Board of Directors voted 5-0 to Approve the recommendation as presented, to accept the final rate study report from Raftelis.

AYES: Director(s) Bowman , Caspary , Peterson , Renger , Steinhardt

The meeting adjourned to break at 7:30 p.m. and reconvened into Open Session at 7:37 p.m.

Director of Resource Conservation and Public Outreach Reyes gave a presentation entitled "Rates Outreach", which discussed planned rate outreach including issuance of a press release, web posting, newspaper ads, water forums (Westlake Village, Agoura Hills and Calabasas), open house at headquarters, meetings with community groups to discuss drivers for rate increases Metropolitan and Las Virgenes, cost control measures by both agencies, rate changes to potable, recycled and sanitation, discuss the value of water, comparison of rates to other agencies, and message communications including 218 Notice, trends and rate comparison model, and online bill calculator.

9. RESOURCE CONSERVATION AND PUBLIC OUTREACH

A Public Outreach Assessment

Provide feedback to staff.

Ane Deister, Parsons Vice President Environment and Infrastructure gave a presentation entitled "Outreach and Communications Assessment Las Virgenes Municipal Water District", which discussed project guidelines, objectives, methods; comparison with other agencies including details (annual operating budget, total employees, outreach, communications, and conservation); customer survey considerations; key customer survey revelation (high/low median scores); outreach and communications scores; other factors, considerations in assessment; alignment strategic goals/ POCIP implementation; snapshot of interactions, views, perceptions; general observation results; findings of opportunities for improvement; recommendations; and guidelines regarding going from good to best.

Ms. Deister recommends the Board discuss and determine (1) perspective: is the agency in a good place; and (2) visioning: use a facilitator for a shared visioning session.

Board comments and staff or consultant responses included: outreach from Board to community (correspondence was sent to homeowners associations and only two responses were received); can the Board meet informally to discuss or must the meeting be noticed (this meeting would need to be considered and noticed as a Special Meeting to comply with The Brown Act); the \$107,000 given to Las Virgenes Unified School District for their 4/5 Science Program, is there any way to get an estimate of value for the money (a competency test is given to students before and after the course to determine knowledge base); focus groups or committees driven by need; collaborative citizen advisory panel didn't work in the past; tactical guidelines; strategic objectives; visioning workshop to be held prior to new general manager start date; improve customer understanding for cost of service (collaborative process doesn't mean people will agree, but you can hear different perspectives); advisory groups are good; Las Virgenes has a lot of outreach, but it's not working (there needs to be performance measures in order to gauge results and if staff doesn't have a clear vision then the strategic goal(s) aren't met); and act as a Board (harness all opinions to get to a "sweet spot").

*On a motion by Director Charles Caspary, seconded by Director Joseph Bowman, the Board of Directors voted 5-0 to Approve receiving and filing of Parsons report entitled "Outreach and Communications Assessment - Las Virgenes Municipal Water District".
AYES: Director(s) Bowman , Caspary , Peterson , Renger , Steinhardt*

10. INFORMATION ITEMS

A Local Agency Formation Commission (LAFCO) for the County of Los Angeles: Program to Update District Sphere of Influence

11. NON-ACTION ITEMS**A** Organization Reports (1) MWD a. Representative Report/Agenda(s); (2) Other

(1) MWD Representative Peterson reported on general business of the Metropolitan Water District including assessed value up 3.5%; long range financial planning; purchase water contracts run out this year; treatment charges have increased significantly; and stated the way treatment is charged may change.

(2) Director Caspary reported on his attendance at the Santa Monica Bay Restoration Commission meeting of August 16, 2012, during which it was stated that revoking of the permit for Malibu Lagoon was denied, and discussion of a ballot item pertaining to a county parcel tax be placed on property tax bills.

B Director's Reports on Outside Meetings

None.

C General Manager Reports

General Manager Mundy provided an update on general business of the District including upcoming calendar events; District offices closed on September 3, 2012; he will be out of the office next week at the CUEMF Leadership Summit, discussed General Manager interview dates of November 8 and 21, and December 12-13, 2012; and pension reform announced today, which will be considered by the State Legislature on August 31, 2012.

D Director's Comments

Director Bowman stated it was reported in the Ventura County Star that CalPERS had earned 1% and asked Director of Finance and Administration Hicks to look at how this effects future contributions.

Director Peterson stated he was still interested in providing Martin Jansen with information in regards to water use at vineyards.

12. FUTURE AGENDA ITEMS

None.

13. CLOSED SESSION

The meeting adjourned into Closed Session at 9:22 p.m.

As amended during approval of the agenda, Weber v. Las Virgenes Municipal Water District will be heard as "13. B 2. Conference with District Counsel - Existing Litigation (Government Code Section 54956.9(a)).

A Labor Negotiations (Government Code Section 54957.6):Employee Compensation and Benefits

B Conference with District Counsel - Existing Litigation (Government Code Section 54956.9 (a)): Butler Enterprises, L.P. v. Las Virgenes Municipal Water District

C Conference with District Counsel - Property Acquisition and Disposition (Government Code Section 54956.8): Building # 1 Lease

14. OPEN SESSION AND ADJOURNMENT

The meeting convened into Open Session at 9:43 p.m. No reportable actions were taken during Closed Session.

The Chair declared the meeting adjourned at 9:44 p.m.

Lee Renger

LEE RENGER, President
Board of Directors
Las Virgenes Municipal Water District

ATTEST:

Charles Caspary

CHARLES CASPARY, Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)