



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

MINUTES
REGULAR MEETING

5:00 PM

November 27, 2012

PLEDGE OF ALLEGIANCE

At the request of President Renger, the Pledge of Allegiance to the Flag was led by Director of Finance and Administration Hicks.

1. CALL TO ORDER AND ROLL CALL

A Call to order and roll call

The meeting was called to order at 5:01 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

General Manager Mundy requested the board meeting be adjourned in memory of Luz Michael who passed away recently and is the wife of employee James Michael.

On a motion by Director Glen Peterson, seconded by Director Charles Caspary, the Board of Directors voted 5-0 to Approve the agenda for the Regular Meeting of November 27, 2012, as amended by General Manager Mundy's recommendation.

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

3. PUBLIC COMMENTS

One speaker card was received from the public (1) Gerry Brennan discussed fish in the lake, let kids under 16 fish at the reservoir; additional effluent could be dumped in a canyon owned by the District; the District can be technically and legally right and still lose; do not put off projects as costs will increase and projects will not be affordable, which could result in Las Virgenes being combined with another agency or privatized; solar power at reservoir (future project); and legacy of Board and staff is great.

Director Steinhardt stated fishing and recreation has to be open to all members of the public; privatizing is a common interest heard at conferences; and take over of Triunfo Sanitation District has been discussed.

Director Caspary thanked Mr. Brennan for his suggestions and for sharing them with the Board; and stated privatization (of other agencies) has come about due to financial issues and lack of reserves for system maintenance.

President Renger directed Mr. Mundy to look at the recycled water storage site and potential public access (Mundy stated staff will be looking at this).

4. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Las Virgenes Municipal Water District Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2012

Accept the Comprehensive Annual Financial Report for Fiscal Year 2011/12.

Mr. Nitin Patel of White Nelson Diehl Evans LLP presented the comprehensive annual report and discussed district and auditor responsibilities, audit work performed, basic financial statements, audit opinion related to financial statements, communications to audit committee, summary of basic financial statements, current (GASB 57) and future pronouncements (GASB 65, GASB 66, GASB 68).

Director Caspary, in regards to GASB 68: employers accounting for pensions, how recent of an actuarial study is needed (Patel stated 24-30 months; Mundy stated the District is 84% funded and 16% unfunded); Caspary requested Patel comment on the \$12-\$13 million unfunded liability (Patel stated the unfunded portion would reduce net assets, but reserves are sufficient, and in comparison to other municipal agencies the District is in good shape).

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

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

B Legislative and Regulatory Updates

No report was given.

General Manager Mundy stated Kathy Cole from Metropolitan would be presenting the annual legislative summary at the December 11th board meeting.

Director Caspary stated he would like to hear about staffs' preparation for the December 6th Regional Board hearing (Mundy stated Randal Orton would be attending the hearing and would be providing comments).

5. CONSENT CALENDAR

On a motion by Director Charles Caspary, seconded by Director Barry Steinhardt, 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: Special Meeting of October 22, 2012 and Regular Meeting of October 23, 2012. Approve

B List of Demands: November 27, 2012. **Approve**

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

6. **TREASURER**

Treasurer Steinhardt reported that he had reviewed checks and all were in order; he had attended today's audit meeting and stated the auditor was thorough.

7. **BOARD OF DIRECTORS**

A Video Recordings of Board Meetings

Provide staff direction.

General Manager Mundy stated video recordings are public records; video only is not indexed; requested what the Board's goal is; decorum principles are needed for meetings; video streaming is currently limited on web and that Mr. Ticktin's video from November 13th was posted to You Tube.

A summary of Board comments and responses included: Caspary: based on the recent survey 61% of respondents stated they were interested in keeping current with Board actions and decisions, but 75% said they were not interested in web streaming (live TV/cable); Renger: why is cost so high (Director of Resource Conservation and Public Outreach Reyes stated the high monthly cost is associated with using Granicus for streaming); Director Steinhardt: dumbfounded by costs, Mr. Ticktin paid \$50 for the November 13th video, \$100 per month for two meetings, no indexing, who cares if the video is posted to You Tube (Caspary: indexing makes sense, Mundy: there are programs that record and index and Mr. Ticktin said the audio was not good); and people who didn't respond to the survey do want recordings (Caspary: people can and will say what they want).

Renger: audio recording ok/video no, and maintain audio recordings for 10 years; Caspary: audio ok, turn recording on when meeting starts and turn off for Closed Session.

Director Steinhardt stated he was making a motion that video recordings of meetings was inexpensive, upload to somewhere cost effective (web or You Tube), \$200 per meeting maximum and \$1,000 in capital costs (Mundy: don't tie hand with dollars). Director Steinhardt withdrew his motion.

President Renger directed staff to look at costs again (Reyes: costs were provided by the person who does streaming for City of Westlake Village; Mundy: staff can contact the person who videotaped the March 24th workshop).

Subsequent to posting of the agenda, Director Steinhardt stated he would like to invite Director-elect Polan to the ACWA and requested an item be added to the agenda to discuss as the conference is next week.

*On a motion by Director Barry Steinhardt, seconded by Director Lee Renger, the Board of Directors voted 5-0 to Approve **7.B: Consideration of Conference Expenses for Director-elect Leonard Polan** be added to the agenda.*

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

Director Caspary: up and running as soon as possible is good, but unsure about costs (Legal Counsel Lemieux: lawful expenditure; Mundy: hotel cost should be within conference rate). Caspary: registration fees ok, ask what days and pay own hotel; Renger: registration only.

On a motion by Director Barry Steinhardt, seconded by Director Glen Peterson, the Board of Directors voted 4-1 to Approve payment of registration, hotel room at rack rate, mileage and meals for Director-elect Polan's attendance at the ACWA Conference in San Diego with no per diem.

*Director Peterson recommended a Wednesday/Thursday registration.
AYES: Director(s) Bowman , Caspary , Peterson , Steinhardt
NOES: Director(s) Renger*

8. FACILITIES AND OPERATIONS

A Potable Water, Recycled Water, Sanitation, and Integrated Master Plan Update 2012: Award of Contract

Approve the proposal from Kennedy/Jenks Consultants to prepare the potable water master plan update in the amount of \$158,828.00; approve the proposal to prepare the integrated master plan in the amount of \$19,491.20; and appropriate funds in the amount of \$53,319.20 to account for the cost of the master plan preparation.

Director of Facilities and Operations Lippman discussed the award of contract process (including Triunfo District Manager Norris who participated in the sanitation and recycled water process) and stated eight consultants were invited to bid, only three responded and after the initial review of proposals a secondary interview was conducted with Carollo and the team of Kennedy/Jenks-HDR.

A summary of Board comments and responses included: Bowman: regarding upgrade (Lippman: Kennedy/Jenks has very skilled staff when it comes to master plans), added value (Lippman: unsure, the recommendation to look closer at the sanitation master plan within the JPA will be helpful with the permit renewal, executive summary to be written in layman terminology, master plans are the building blocks for potable and integrated, sanitation and recycled master plans will be considered at the December 10th JPA board meeting along with the JPA portion of the integrated, one year to complete the master plans, budget includes five presentations to the Las Virgenes Board and five presentations to the JPA Board, and some outreach to the public); Peterson: recycled water seasonal storage (Lippman: will look at current and some other projections); Bowman to Legal Counsel Lemieux: were any laws violated in the way the request for proposals were handled (Lemieux: no as this project does not require three bids; Mundy: staff also looks to the consultants to be creative and present ideas staff did not think of; Lippman: Kennedy/Jenks has experienced staff who are great at this process); Steinhardt: using the Cadillac analogy would Carollo do the same level of work (Mundy: staff looks to consultant to point out improvements using their expertise), outreach (Lippman: executive summary from technical to layman), is there value for add ons (Lippman: yes); Caspary: knowing what staff went through with allocations and having multiple iterations along with 20x2020 (Lippman: believes useful for 20x2020, NPDES permit renewal, public outreach; Mundy: 20x2020 has four different criteria and master plan can help to clarify), water use based on budgeting (Mundy: Tier 1 and 2 and maybe 3; Lippman: ET (evapotranspiration) is difficult).

*On a motion by Director Barry Steinhardt, 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*

B Metropolitan Water District - Amended and Restated Purchase Order for System Water

Authorize the General Manager to execute the Metropolitan Water District of Southern California's Amended and Restated Purchase Order for System Water.

General Manager Mundy discussed the system water purchase order, which was submitted by Metropolitan in 2002 with a 10-year term, provided a history of the contract, Metropolitan's litigation with San Diego County Water Authority, Metropolitan contracts expire December 31, 2012 and there are concerns if not renewed, Metropolitan does not want to redo contracts, but instead wants to extend the existing contract for two years.

A summary of Board comments and responses included: Bowman to Peterson: as the Metropolitan Representative, any comments (Peterson: extension is good for Las Virgenes).

Legal Counsel Lemieux stated there is a problem with the format of the agreement, 164,000 acre feet, no reason for purchase order to be this way, express concerns in writing regarding language used in purchase order (Bowman: is this an issue of I want my form, but not your form, Lemieux: 2003 not renewal date, Bowman: can legal counsel work with Metropolitan to clarify language before December 11th, Lemieux: doesn't believe it will help, Bowman: can terms be reached using an addendum, Lemieux: in the future for anything other than this purchase order Metropolitan needs to work with Las Virgenes staff, the important point right now is there needs to be a better agreement in the future); Caspary to Lemieux: is this worded to give Metropolitan wiggle room (Peterson: no, the issue "stop-gap" as the contracts are expiring and Metropolitan is working on long range financial planning, Lemieux: the language needs to be updated before the next agreement is presented, Bowman: it is always legal counsel's prerogative to approve as to form or not).

On a motion by Director Joseph Bowman, seconded by Director Glen Peterson, the Board of Directors voted 5-0 to Approve the recommendation as presented and subject to legal counsel's approved as to form.

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

C Ratification of Purchase Order to Toro Enterprises, Inc. for an Emergency Fire Hydrant Repair at 28270 Roadside Drive

Ratify the purchase order for the emergency repair cost to the fire hydrant and surrounding area at 28270 Roadside Drive in the amount of \$29,418 to Toro Enterprises, Inc.

General Manager Mundy stated Las Virgenes paid approximately \$5,000 for additional work to the benefit of City of Agoura Hills for sidewalk repairs not related to the hydrant break.

Director Bowman stated after the election, Frank Butler contacted him regarding his 2010 claim, the claim was denied at staff recommendation and a lawsuit was later settled for \$25,000; Mr. Butler was upset at the process and said staff did not work with him, money could have been saved if the two parties would have sat down and discussed; give ratepayers a fair shake and don't act defensive.

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

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

D Las Virgenes Reservoir - 32603 Torchwood Place, Westlake Village; Cordillera Tank - 25101 Parkway Calabasas, Calabasas: Communication Site Lease Agreement Transfers

Direct the General Manager to provide written consent to T-Mobile for the requested transfer of cellular site leases from T-Mobile to T-Mobile Tower West LLC.

General Manager Mundy stated T-Mobile has the right to sub-lease.

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

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

9. FINANCE AND ADMINISTRATION

A Terrorism Insurance

Reject all of the terrorism insurance options.

Director of Finance and Administration Hicks stated the Board had requested information on terrorism insurance, which is provided herein.

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

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

10. NON-ACTION ITEMS

A Organization Reports (1) MWD a. Representative Report/Agenda(s); (2)Other

(1) MWD Representative Peterson stated there was no Metropolitan Water District meeting today; Calleguas Director Grandson was defeated in the election, therefore he will no longer be on the MWD Board and Calleguas Director Pringle may replace him; and Imperial Irrigation District voted 2 to 2 on the Mexico water deal in regards to the unlined portion of the American Canal (currently IID does not have a fifth board member).

(2) Director Peterson reported on his attendance at the November 15th AWA meeting.

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; general manager interviews and a memo with suggested questions will be provided to the Board, interview dates November 28th and December 12th; ACWA Conference the week of December 3rd; next AWA event on December 13th at Calleguas; Alex Soteras passed away; Huell Howser announced his retirement; and City of Agoura Hills reorg meeting on December 12th.

D Director's Comments

Director Steinhardt requested the December 11th board meeting be dedicated to Alex Soteras (Bowman: objects as dedications should be for elected officials, those who have contributed to the community or employees), feels Mr. Soteras is eligible due his work on the Chamber (Bowman: doesn't want to get into Mr. Soteras' personal life; Renger: enough comments had been received; Caspary: Alex promoted the Chamber and himself very well, so Las Virgenes does not need to promote him; Peterson: agrees with Bowman).

Director Caspary: keep in forefront of minds water and environmental issues, the public doesn't understand that who they elect has an effect on costs for the future, environmental protection is important, but there will be an increased cost to water (Renger: people don't pay attention).

11. FUTURE AGENDA ITEMS

Earlier in the meeting President Renger had requested an update on video recording cost information.

The meeting adjourned to break at 6:46 p.m.

12. CLOSED SESSION

The meeting convened into Closed Session at 6:51 p.m.

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

13. OPEN SESSION AND ADJOURNMENT

The meeting reconvened into Open Session at 7:14 p.m.. No reportable actions were taken during Closed Session.

The Chair declared the meeting adjourned at 7:15 p.m. in memory of Luz Michael.

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)