

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

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5:00 PM

May 6, 2013

**PLEDGE OF ALLEGIANCE**

At the request of Chair McReynolds, the Pledge of Allegiance to the Flag was led by Administering Agent/General Manager Pedersen.

**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 Chair McReynolds in the Oak Park Library. Clerk of the Board Conklin called the roll. Those answering present were Directors Caspary, Iceland, McReynolds, Orkney, Paule, Polan, Renger, Steinhardt and Wall. Directors absent: Peterson.

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

*On a motion by Director Steven Iceland, seconded by Director Leonard Polan, the Board of Directors voted 9-0 -1 to Approve the JPA Regular Board Meeting agenda of May 6, 2013, as presented.*

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

*ABSENT: Director(s) Peterson*

**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. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS****A** Preliminary JPA Budget for Fiscal Year 2013-14

Las Virgenes' Financial Analyst, Mike Hamilton discussed the process for the budget cycle, projections, three year average used.

A summary of JPA Board comments included: system operations decrease (anticipated labor-minimal decrease); are these JPA expenditures (JPA only-from Infrastructure Investment Plan); JPA built most of the pipes in Las Virgenes' district, questions whether or not there is a benefit

to Triunfo in regards to the Lost Hills Overpass Recycled Water Main Relocation (JPA has a pipe in the bridge, which needs to be moved and Lost Hills main customer is the landfill, which is a large user of recycled water), or the Agoura Road Recycled Water Main-Ladyface to Cornell Road (the project will be removed from the preliminary JPA budget and funding will be requested if Triunfo decides to participate (Orkney and Paule would like to study whether or not Triunfo benefits from the project or not, Administering Agent/General Manager David Pedersen believes the project benefits the JPA, both Las Virgenes and Triunfo)); how much more money will the JPA get and what is Triunfo's portion (numbers will be brought back in June); creek avoidance and project costs over fifty years is difficult to determine; look at purchasing pipe from Calleguas; Tapia Channel Mixing Improvements (replacement due to corrosion); three year smoothing for drought; projected higher recycled water use in fiscal year 2013-14 (we are seeing an increase due to a return of demands to pre-drought sales).

Director Orkney requested a future agenda item to discuss whether or not Triunfo should continue to participate in future Las Virgenes infrastructure and Director Caspary requested confirmation as to whether or not California Water Service Company sets rates through the California Public Utilities Commission (Calleguas General Manager, Susan Mulligan stated she believes this is the case).

Las Virgenes' Administrative Services Coordinator, Doug Anders gave a presentation entitled "JPA Wholesale Recycled Water Rate", which discussed recycled system transactions and the effects on Las Virgenes, Triunfo and Calleguas (California Water Service Company and Triunfo Sanitation District are the largest purchasers of recycled water), and provided two exhibits analyzing recycled water system net revenue (status quo sales and sales proportionate to capacity rights).

A summary of JPA Board comments included: of course we would like to charge more for wholesale, but based on past discussions the rate cannot be increased (Mulligan: in speaking with the Calleguas Board it makes sense to stick with the formula Las Virgenes, Triunfo and Calleguas agreed to whether it results in an increase or a decrease in the rate, she also talked to her Board about setting aside the additional monies in a separate fund to be used for the solar project); potable rates all those years ago were not anticipated to increase as much as they have, is the JPA Board opposed to changing the calculation or should the calculation be revisited (Mulligan: Calleguas made an investment for a twenty year period of time, they have not been paid back yet and the cost of maintenance and operations would need to be included as well); is there a way to spread the rate; we lose money due to the solar power project but yet we have to raise the rates to our customers (there are costs to operate the pipeline on an annual basis); why can't solar be charged to all JPA electric bills and not just to the recycled pump station (solar is being used for the recycled pump station only/a condition of the Farm deed has restrictions set by the Clean Water Act); JPA consists of not only the pump station but all of the JPA; supports savings to entire JPA or put monies into a separate account; can Las Virgenes use solar only and not JPA (deed restriction would need to be verified); Page 6-Capital Outlay (impellers, spare parts and actuators at compost plant); if we don't approve the budget what would the recycled rate be (Triunfo Legal Counsel Mathews: the same as now); if cost is linear does it affect Las Virgenes (Pedersen: no); if rate goes down does it adversely affect Triunfo (Triunfo District Manager, Mark Norris: on wholesale rate no effect); significant change to ratepayers (Mathews: does not believe so).

Administering Agent/General Manager Pedersen stated Las Virgenes would look at applying solar savings to all JPA billings not just the pump station.

Triunfo Legal Counsel Mathews: watch Prop 218 rules.

Triunfo Director Paule requested an update on Calleguas' defective pipe lawsuit (Mulligan:

negotiations are this month and she needs to provide an update to the Triunfo Board); Triunfo Director Orkney requested confirmation that expenditures are the cost of project and defective pipe, which is then depreciated (Mulligan: yes).

Director Orkney requested an information only item in regards to Page 14 of the 2013-14 preliminary budget: Human Resources-Retired Employee Benefits (increase from the 2012-13 budget to the 2013-14 preliminary budget is due to an increase in retirees including the former general manager); also a summary of JPA public outreach found on Pages 6 and 16/17 (wastewater tours, school tours (outreach to Oak Park School District yielded no responses)). Director Iceland stated a solar group requested a tour (Resource Conservation Public Affairs and Communications Manager Reinhardt stated the group called on May 6th and requested a tour be held for them on May 7th at noon, unfortunately staff can't provide tours within such a short period of time); and suggested two budgets be prepared and voted on.

Director McReynolds requested a dollar amount be included for outside litigation (Pedersen will obtain an estimate from Las Virgenes Legal Counsel Wayne Lemieux); and believes solar electric rate should be applied across the entire JPA.

Director Iceland requested the wholesale recycled water rate remain status quo for one more year at \$454.78.

Director Caspary stated it is critical that the issue with Calleguas is resolved sooner than later and we need to set the rate based upon the agreed to formula.

A vote of the JPA Board was not taken as this was an illustrative and/or verbal presentation agenda item only.

## 5. CONSENT CALENDAR

**A** Minutes: Regular Meeting of April 1, 2013 and Special Meeting of April 13, 2013.

### **Approve**

*On a motion by Director Michael McReynolds, seconded by Director Leonard Polan, the Board of Directors voted 8-0 -1 -1 to Approve the recommendation as presented. Director Orkney stated she abstained from the vote as she was not in attendance at either meeting.*

*AYES: Director(s) Caspary , Iceland , McReynolds , Paule , Polan , Renger , Steinhardt , Wall*

*ABSTAIN: Director(s) Orkney*

*ABSENT: Director(s) Peterson*

## 6. ACTION ITEMS

**A** Joint Powers Authority Quarterly Financial Report at March 31, 2013

Receive and file.

Administering Agent/General Manager Pedersen provided an overview of the quarterly financial report and discussed capital estimate v. actual, which is off due to timing; and Southern California Edison says Tapia's meter and the recent decreases in billings are both accurate.

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

*AYES: Director(s) Caspary , Iceland , McReynolds , Orkney , Paule , Polan , Renger ,*

*Steinhardt , Wall*  
*ABSENT: Director(s) Peterson*

**B** Proposed Legislative Policy Principles

Approve the draft Legislative Policy Principles.

A summary of JPA Board comments included: add a principle to each policy related to cost and take into account cost/benefit (similar to principle seven under environmental policy related to evaluations of cost and technology); Environmental Policy: the first principle listed relates to support of legislation that serves to achieve and maintain a healthful environment and should be brought back to the JPA Board for consideration as legislation should be cost effective to ratepayers; Water Quality Policy: the third principle related to sound science for developing water quality standards should be brought back to the JPA Board for consideration.

No action was taken on this item: the JPA Board requested this item be brought back in June with the requested modifications.

**7. BOARD COMMENTS**

Director Steinhardt discussed the great partnership the agency has with Las Virgenes Unified School District (LVUSD) and stated the school district had posted the EPA meeting information to their web page. Director Caspary added LVUSD's Superintendent and two of their Board Members had brainstormed together in regards to the web posting.

Director Polan stated while he was at the CASA Conference use of Facebook and Twitter was discussed as they yield a large number of responses (Las Virgenes utilizes both forms of social media), notified the JPA Board he had distributed close to three hundred fliers in his community related to the May 1, 2013, EPA TMDL Workshop and that he had written a comment letter to The Acorn, which they did not publish. Director Caspary thanked staff for their work on the TMDL comment letter, for notifying the community about the workshop, and stated he had contacted Cindy Lin (EPA) and Jenny Newman (Regional Water Quality Control Board) to thank them for putting on the workshop and reiterated his concerns about the TMDL. Director Iceland also thanked staff for showing support to the community and stated he and Triunfo Legal Counsel Mathews did not receive a response from Cindy Lin in regards to their questions. Director Orkney stated Administering Agent/General Manager Pedersen gave an outstanding/low key presentation, Cindy Lin did not address the JPA's unique situation, EPA and Regional Board discussions were general, not specific to our issue. Director Paule expressed his appreciation to staff, presentation was posted to Triunfo's web page, and stated the make-up tour for the Malibu Creek Watershed has been scheduled for Saturday, June 1st. Director Steinhardt stated he spoke to Cindy Lin and that she had never been to the Malibu Creek Watershed. Chair McReynolds thanked staff and stated he also spoke to Cindy Lin regarding science/cost.

**8. FUTURE AGENDA ITEMS**

Director Iceland requested an energy report be provided after the budget is approved.

**9. INFORMATION ITEMS**

**A** Responses to Questions Related to the EPA Benthic Macroinvertebrate TMDL

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

**C** Tapia Water Reclamation Facility Alternative Disinfection Project: Review, Ratification and Approval of Change Orders

## **10. CLOSED SESSION**

The meeting convened into Closed Session at 7:10 p.m.

### **A** Conference with District Counsel - Existing Litigation:

1. Heal the Bay, Inc. v. Lisa P. Jackson

### **B** Conference with District Counsel - Potential Litigation (Government Code Section 54956.9): One Case

1. In the opinion of District Counsel, disclosure of the identity of the litigant would be prejudicial to the agency.

## **11. ADJOURNMENT**

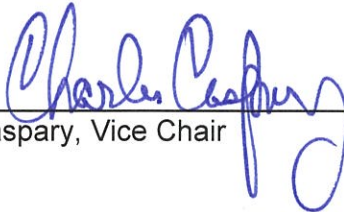
The meeting reconvened into Open Session at 7:47 p.m.

Triunfo Legal Counsel Mathews reported the JPA Board of Directors had discussed existing litigation in the matter of Heal the Bay, Inc. v. Lisa P. Jackson; and that potential litigation had not been discussed. No reportable actions were taken during Closed Session.

Chair McReynolds declared the meeting adjourned at 7:48 p.m.

  
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Michael McReynolds, Chair

ATTEST:

  
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Charles Caspary, Vice Chair