



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

MINUTES
REGULAR MEETING

5:00 PM

May 14, 2013

PLEDGE OF ALLEGIANCE

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

1. CALL TO ORDER AND ROLL CALL

A Call to order and roll call

The meeting was called to order at 5:03 p.m. by President Caspary in the District offices. Deputy Secretary Conklin called the roll. Those answering present were Directors Caspary, Peterson, Polan, Renger and Steinhardt.

2. APPROVAL OF AGENDA

A Approval of agenda

General Manager Pedersen stated there were two changes to the agenda: (1) 5-A: Minutes of March 26, 2013 amend wording to "Special" not "Regular" and (2) add Closed Session 11-E: Conference with District Counsel - Potential Litigation (Government Code Section 54956.9) stemming from a water main break on Calabasas Road near Park Granada.

On a motion by Director Leonard Polan, seconded by Director Glen Peterson, the Board of Directors voted 5-0 to Approve the agenda for the Regular Meeting of May 14, 2013, as amended by the recommendations of General Manager Pedersen.

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

3. PUBLIC COMMENTS

No speaker cards were received from the public.

4. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Poster Contest Awards Ceremony

President Caspary presented water awareness poster contest winners with individual certificates of achievement and matching t-shirts for their entries. Winners included Riley Jackson, Kylee Mellick, Roxanne Chevalier, Sheva Linick, Gloria Tibbets, Clara Polsky, Tyler Proud, Sophia Imhof, Amelie Wilcox, Katelyn Pool, Shea Franklin, and Liane Lee, who as the top finalist was also awarded the Ann Dorgelo Water Awareness Perpetual Trophy, which will be displayed at her school, Bay Laurel.

B Preliminary Budget for Fiscal Year 2013-14

Financial Analyst Hamilton gave a presentation entitled "Preliminary Budget FY 2013-14", which discussed projected working capital balances, potable water expenses, recycled water expenses, sanitation expenses, Joint Powers Authority (JPA) expenses, Capital Improvement Projects, and internal services expenses.

A summary of Board comments included: steep drop in potable water operations/capital replacement (attributed to the Infrastructure Investment Plan); 5-million gallon tank and expansion of the filtration plant (included as part of the backbone system upgrades); Other Post-Employment Benefits (included in administrative expenses); Consumer Price Index discussion needs to take place; TMDL (not included); solar (not included, but co-gen is); recycled water rate (solar will result in a lower rate, Triunfo asked for solar savings to be spread across the entire JPA, but solar will be used only for the pump station, observations (pump to Discharge Site 005 and Calleguas said there is a potential to place money into a fund for a joint Triunfo/Calleguas project, generally acceptable accounting practices would be applicable)); and we need to put water in creek for fish flow (requirement of Endangered Species Act).

Financial Analyst Hamilton stated the June 2011 JPA Minutes designate how the recycled water rate is set (President Caspary stated there needs to be financial polices in regards to recycled targets/revenues; Director Peterson stated the District needs to sell more recycled water).

General Manager Pedersen noted staff is looking at additional recycled water partners such as Department of Water and Power (Woodland Hills Country Club) and we need to look at common ground with Triunfo; and discussed funding to the school district in the amount of \$107,000 for their 4/5 Science Program; staffing change to upgrade one Maintenance Mechanic I/II position to a Senior Maintenance Mechanic; collaborative research with other groups to fill data gaps on TMDL; and outside litigation related to the TMDL (Legal Counsel Lemieux stated budget requirements for legal and science will be clearer after May 21, 2013).

C Legislative and Regulatory Updates

General Manager Pedersen provided a report on AB 145 (Perea) Health and Safety Code, relating to transfer of drinking water program to State Water Resources Control Board (oppose); SB 727 (Jackson) Health and Safety Code, relating to Public Health - pharmaceuticals (support); and Senator Pavley's briefing on the water bond.

Director of Resource Conservation and Public Outreach Reyes attended the event and reported Senator Pavley's briefing included a discussion of regional water solutions as they relate to a state-wide water bond, stated local water industry managers discussed measures they have taken to improve the water situation in the area, and the water bond is expected to be on the November 2014 ballot.

A summary of Board comments included: speakers from Non-Governmental Organizations (yes); letter regarding single versus double conveyance (not discussed), San Luis will fill up once every 30-years with single barrel, should Las Virgenes support (policy principles cover this and yes, we do support - Legal Counsel Lemieux stated further information is needed prior to deciding whether to support or oppose); and there is a meeting with Senator Pavley on June 7th to discuss the Bay Delta Conservation Plan, infrastructure financing and the water bond.

General Manager Pedersen stated a response letter had been issued to Cindy Lin (EPA) regarding phased implementation and dispelled 4 mg/L Nitrogen limit; and reported on meetings with local organizations (Council of Local Governments, Conejo-Las Virgenes Future Foundation, Coldwell Banker Realtors, Council-City of Thousand Oaks).

5. **CONSENT CALENDAR**

On a motion by Director Glen Peterson, seconded by Director Lee Renger, the Board of Directors voted 5-0 to Approve Consent Calendar 5A as amended to read "Minutes: Special Meeting of March 26, 2013"; and Consent Calendar 5B-5C as presented in the recommendations.

At the request of Legal Counsel Lemieux, President Caspary requested Clerk of the Board Conklin to prepare Regular Meeting Minutes for March 26, 2013.

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

A Minutes: Regular Meeting of March 26, 2013. **Approve**

B List of Demands: May 14, 2013. **Approve**

C Directors' Per Diem: April 2013. **Ratify**

6. **TREASURER**

Treasurer Polan reported he had reviewed the checks and all were in order.

7. **FACILITIES AND OPERATIONS**

A Engineering Services for the Calabasas Tank Renovation Project

Accept the proposal from and authorize the General Manager to execute a professional services agreement with HDR Inc. for engineering services for the Calabasas Tank Renovation Project in an amount not to exceed \$129,235.

The Board and staff discussed cost variances (HDR is familiar with the process, their scope of work was less time consuming, which resulted in a lower bid); five bids were solicited and there were three responses.

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

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

B Tapia Water Reclamation Facility Alternative Disinfection Project: Ratification of Change Order No. 5

Ratify Change Order No. 5 for the Tapia Water Reclamation Facility Alternative Disinfection Project in the amount of \$8,662.02 with a 45 consecutive calendar day time extension.

The Board and staff discussed ensuring of equipment specifications, change order procedures, and project retention.

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

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

8. FINANCE AND ADMINISTRATION

A Claim by Foremost Insurance Company as Subrogee for Bradly Cohn

Deny the claim in the amount of \$1,226.06 from Foremost Insurance Company as subrogee for Bradly Cohn.

The Board and staff discussed damage to the District vehicle and filing of a claim with the motorcyclists' insurance.

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) Caspary , Peterson , Polan , Renger , Steinhardt

B Review of Investment Policy and Proposed Amendment to Article 6 of the District's Administrative Code

Approve the updated Investment Policy and authorize staff and Legal Counsel to prepare a Resolution for Board approval amending Article 6 of the District's Administrative Code.

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

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

9. NON-ACTION ITEMS

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

(1) MWD Representative Peterson reported on general business of Metropolitan Water District including last month there were three consecutive days with 9,000 A/F (acre feet) of water sales; property tax bonds on facilities; leases at Union Station will be at market rate in four years; Chair Foley was in attendance at the meeting.

(2) Director Peterson stated four members of the ACWA/JPIA Executive Board had been re-elected; and he had received a copy of the judgment related to the \$70-million Yorba Linda Water District lawsuit (2008 Freeway Complex Fire).

B Director's Reports on Outside Meetings

Director Steinhardt reported on his attendance at the ACWA Spring Conference including: ACWA Region 8 elections; water bond discussion by Tim Quinn; June 13th Region 8 meeting; TMDLs - past, present, future (Legal Counsel Lemieux will be discussing at the ACWA Fall Conference); and water district consolidations and grants.

Director Polan reported on his attendance at the ACWA Spring Conference including: co-equal goals for the Delta; Coastkeeper Alliance (what are Constituents of Emerging Concern doing to fish and birds); and budget (looking at different ways to change rates).

Director Peterson reported on his attendance at the ACWA Spring Conference including: he and General Manager Pedersen were invited by the designer of the Bay Delta Conservation Plan to join a discussion regarding costs benefit analysis using twenty different scenarios; a representative from InLine Solutions stated the Rancho Las Virgenes Composting Facility was designed very well, which is why there is little energy recovery.

President Caspary reported on his attendance at the ACWA Spring Conference including: state-wide session discussions; and farmers are concerned about alternate conveyance.

C General Manager Reports (1) General Business; (2) Follow-Up Items

(1) General Manager Pedersen provided an update on general business of the District including: Calabasas Road main break; Senator Pavley workshop on water issues; upcoming calendar events (AWA, offices closed on Memorial Day, Calleguas - Las Virgenes Public Financing Authority annual meeting, watershed tour, open house at Las Virgenes Reservoir, Las Virgenes Unified School District's 50th Anniversary). President Caspary stated Director Steinhardt requested the school district event be discussed as it conflicts with the regular Las Virgenes board meeting of May 28th. Director Peterson requested the board meeting be held on a different date, or at a different time.

President Caspary directed staff to cancel the Regular Board Meeting of May 28, 2013, and to schedule a Special Board Meeting for May 29, 2013, which would allow board members to attend LVUSD's 50th celebration.

(2) General Manager Pedersen reviewed Board requested follow-up items including: use of Costco for vehicle purchases; fire department representative has been contacted in regards to speaking on fire flows and public water system requirements; and stated solar panel glare/obstructed view concerns have been reviewed by staff and should not be an issue.

D Director's Comments

Director Polan requested information on co-gen maximizing (not currently as the District needs to generate steam); closed session item for security (staff is currently developing information to address concerns); profit on compost (does not make a profit, compost is sold to landscapers or utilized by customers with the balance going back to the amendment supplier); and metrics of video (information will be brought forward, before doing so additional data should be gathered as we have only video recorded three board meetings to date).

10. FUTURE AGENDA ITEMS

None.

The meeting adjourned to break at 7:49 p.m.

11. CLOSED SESSION

The meeting convened into Closed Session at 7:57 p.m.

A Labor Negotiations (Government Code Section 54957.6):

1. Employee Compensation and Benefits

B Conference with District Counsel - Existing Litigation (Government Code Section 54956.9 (a)):

1. Las Virgenes Municipal Water District v. Millgee Investment Company, Inc.
2. Rossco Holdings, Inc. v. Las Virgenes Municipal Water District

C 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 district.

D Conference with District Counsel - Existing Litigation:

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

E Conference with District Counsel - Potential Litigation (Government Code Section 54956.9): Calabasas Road

12. OPEN SESSION AND ADJOURNMENT

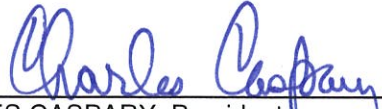
The meeting reconvened into Open Session at 8:37 p.m.

General Manager Pedersen stated the motion before the Board of Directors is to authorize the General Manager to take emergency action to replace approximately 1,500 feet of 10 foot water main on Calabasas Road following informal bidding procedures in an amount not to exceed \$700,000.

On a motion by Director Charles Caspary, seconded by Director Glen Peterson, the Board of Directors voted 5-0 to Approve the recommendations as stated by General Manager Pedersen.

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

The Chair declared the meeting adjourned at 8:58 p.m.



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

ATTEST:



BARRY STEINHARDT, Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)