

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

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5:00 PM

June 3, 2013

**PLEDGE OF ALLEGIANCE**

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

**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 Las Virgenes Municipal Water District Offices. Clerk of the Board Conklin called the roll. Those answering present were Directors Caspary, Iceland, McReynolds, Orkney, Paule, Peterson, Polan, Renger, Steinhardt and Wall.

**2. APPROVAL OF AGENDA**

**A** Approval of agenda

*On a motion by Director Barry Steinhardt, seconded by Director Charles Caspary, the Board of Directors voted 10-0 to Approve the JPA Regular Board Meeting agenda of June 3, 2013, as presented.*

*AYES: Director(s) Caspary , Iceland , McReynolds , Orkney , Paule , Peterson , Polan , 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. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS**

**A** Proposed Joint Powers Authority Budget for Fiscal Year 2013-14

Adopt the proposed Joint Powers Authority budget for Fiscal Year 2013-14.

Administering Agent/General Manager Pedersen responded to questions posed at the May 2013 JPA board meeting: (1) wholesale recycled water rate, drivers are the solar project and energy; the solar project results in a \$40,000 savings, can savings be applied to the entire JPA versus only the recycled water pump station, all expected expenses related to Los Angeles River discharges are \$50,000, offset \$40,000 solar savings leaves a \$10,000 expense balance); wholesale recycled water rate using the pump station expenses only \$398

versus using all disposal expenses \$407; explanation of energy meters within sanitation (one meter at Tapia, SCE verified the new meter is reading lower usage and that the readings are accurate); (2) budget for EPA/TMDL (legal counsel estimates \$50,000) and collaborate research (\$50,000 estimate); (3) recycled water pipeline at Agoura Road (the line item is shown in the budget, but the dollar amount was removed).

A summary of JPA Board comments included: supplemental spreadsheet versus Pages B6/B7 of the proposed JPA Budget (costs are lower); depreciation Fiscal Year 2011-12 versus 2012-13 (the budget reflects the last year Las Virgenes has actual numbers for); why can't projects be paid for using depreciation (depends on whether the project is funded prior to or after construction); disposal energy costs \$50,000 per year (correct: moving forward to next year, the District Manager of Triunfo and the General Manager of Las Virgenes have agreed that further discussions need to take place regarding energy, but the amount of savings in Fiscal Year 2013-14 is not enough money to hold up approval of the proposed budget, the two agencies need to determine whether to apply proportionately, Tapia only, Rancho only, or explore other options); is there a way to bolster Triunfo without harming Las Virgenes (there must be a rational and logical basis for charges); is all generated energy being used on-site (we are using net-metering, not selling energy back to the grid); using less expensive power in summer (yes); the JPA Agreement discusses cost/value of water; was not aware when voting in favor of the solar project that it would result in additional money to Calleguas and less money to Triunfo; Page D11-99927 Agoura Road Recycled Water Main-Ladyface to Cornell Road, the Triunfo Board voted not to participate in the project; D11-99926 Lost Hills Overpass Recycled Water Main Relocation, Triunfo would like more information on the project to see whether or not they have a legal obligation to participate (Director Caspary stated this question did not come up during budget review on May 6th, so why now); the landfill is the largest user of recycled water and the Lost Hills area serves the landfill.

Director Paule inquired as to whether or not there is a legal requirement to use solar at Rancho only (Legal Counsel Keith Lemieux was asked to verify and for staff to bring the information back during the course of the next fiscal year budget cycle).

Director Orkney would like \$5,000 added to Page B5 "7153-TSD Staff Services", and knows the request is late, but she just noticed the line item in the budget was not funded (this was an oversight). A summary of JPA Board and staff comments included: Triunfo Legal Counsel Mathews and Triunfo District Manager Norris are both paid by the hour; Ventura Regional had a similar line item in their budget; Legal Counsel Mathews stated that he sends an invoice to Triunfo for his time and that Las Virgenes is not billed; Legal Counsel Lemieux JPA Board Meeting attendance is covered under the monthly retainer; Administering Agent/General Manager Pedersen works for Las Virgenes and the JPA at 30%, so Triunfo District Manager Norris should be 30%.

*On a motion by Director Janna Orkney, seconded by Director Michael Paule, the Board of Directors voted 8-2 to Approve by roll call vote conducted by Clerk of the Board Conklin, adoption of the proposed Joint Powers Authority budget for Fiscal Year 2013-14 with an amendment to include \$5,000 on Page B5 "7153 - TSD Staff Services".*

*Action items must be approved by a majority of each agency's Board of Directors (Las Virgenes: Ayes:4/Noes: 1 and Triunfo: Ayes: 4/Noes: 1).  
AYES: Director(s) Caspary , Iceland , Orkney , Paule , Peterson , Polan , Steinhardt , Wall*

*NOES: Director(s) McReynolds , Renger*

## **5. CONSENT CALENDAR**

- A** Minutes: Special Meeting of April 17, 2013 and Regular Meeting of May 6, 2013.

**Approve**

*On a motion by Director Michael Paule, seconded by Director Charles Caspary, the Board of Directors voted 10-0 to Approve the recommendation as presented.*

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

**6. ACTION ITEMS**

- A** Engineering Services for Agoura Road Recycled Water Pipeline Project from Ladyface Court to Cornell Road

Accept the proposal from Kimley-Horn & Associates, Inc. for engineering services for the Agoura Road Recycled Water Pipeline Project from Ladyface Court to Cornell Road in an amount not to exceed \$79,000 and authorize the General Manager to execute a professional services agreement for the work; and appropriate \$100,000 for the engineering services for the project.

Administering Agent/General Manager Pedersen discussed cost savings related to installation of a recycled water pipeline at the same time City of Agoura Hills is widening Agoura Road from Ladyface to Cornell, should the JPA opt to install the pipeline in the future the cost to do so will be higher; there is a moratorium on the amount of cutting that can be done on freshly paved road; Kimley-Horn is working with the City on their project, so the pipeline work can be done at a lower cost as some of the engineering work has been done as part of the road widening project; additional recycled water sales are minimal; there is a benefit to disposal and hydraulics; redundancy in having a looped system.

A summary of JPA Board comments included: at Triunfo's last meeting they opted out of this project; if there is a benefit to Triunfo later they would like to be notified; was this the \$655,000 that was removed from the JPA Budget (yes, but this agenda item is only related to engineering and design of the project, each project would come back to the JPA Board for approval, potential recycled water usage on vacant land listed on Appendix A is unknown); if Triunfo does not participate do they still receive 30% (yes); Local Resources Program (LRP) funding (project wouldn't qualify); apply for LRP anyways; would the loop benefit Triunfo (no, it would be a retail value to Las Virgenes only); excited about new Recycled Water Master Plan, Triunfo is waiting for hydrology study from Calleguas, which is due around December 2013 (Directors Orkney and Wall serve on Triunfo's Recycled Water Committee); doesn't want Las Virgenes to lose out on savings; if need be Las Virgenes will move forward without Triunfo; Triunfo does not receive additional money and receives the same benefit whether they participate or not; Triunfo paid 100% for much of the recycled water pipeline that benefits the JPA (Administering Agent/General Manager Pedersen stated Director Orkney requested an item on the recycled water system in regards to "who built what", Triunfo District Manager Norris stated he feels the project is related to reliability of the recycled water system); economics of 8" versus 24" to 8" (not fully redundant, but improves hydraulics); vote at Triunfo meeting was based on the understanding at the JPA meeting there would be further discussions and is not opposed to the project; Las Virgenes is Administering Agent, Triunfo can opt to not participate; there is a benefit to redundancy, can participation be at a lower level than 30%; first time hearing this was a benefit to redundancy and Triunfo's Board voted "no" to participating; Triunfo can participate to show good faith and provide redundancy (Triunfo Legal Counsel Mathews stated the Triunfo Board already took action, but they can vote as part of the JPA Board as this is a separate issue, not a reconsideration).

*On a motion by Director Charles Caspary, seconded by Director Barry Steinhardt, the Board of Directors voted 9-1 to Approve by roll call vote conducted by Clerk of the Board*

*Conklin, the recommendations as presented.*

*Action items must be approved by a majority of each agency's Board of Directors (Las Virgenes: Ayes: 5/Noes:0 and Triunfo: Ayes: 4/Noes: 1).*

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

*NOES: Director(s) McReynolds*

## **B** Proposed Legislative Policy Principles

Approve the proposed Legislative Policy Principles.

Director Peterson requested Page 2 "Source Water Protection" be amended by removal of the word "JPA's" from the sentence.

*On a motion by Director Glen Peterson, seconded by Director Steven Iceland, the Board of Directors voted 10-0 to Approve the proposed Legislative Policy Principles as presented with an amendment to "Source Water Protection" by removal of the word "JPA's".*

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

## **C** Woodland Hills Country Club Recycled Water System Extension

Authorize staff to develop draft wholesale purchase and capital facility agreements between the JPA and the City of Los Angeles for the Woodland Hills Country Club Recycled Water System Extension.

Director of Facilities and Operations Lippman gave a presentation entitled "Woodland Hills Country Club Recycled Water Extension", which included a map of the proposed recycled water extension; capital costs; Capital Improvement Plan (CIP) recovered costs; assumptions using a 75% term for recovered CIP and interest rates at 100%; wholesale revenue; next steps and other potential customers; and discussed the process wherein the JPA would sell recycled water to Department of Water and Power (DWP) City of Los Angeles (rates shown are in today's dollars not future dollars).

A summary of JPA Board comments included: good deal for Triunfo; do the assumptions include the recycled water storage project (no and there is an assumption of 81 A/F (acre feet) of potable supplement); if selling potable at \$600 and potable costs \$1,000 there is a loss of \$400 (only on the portion of recycled water sales wherein potable supplement was utilized); assumes Triunfo sales would be lower, how much recycled water and how much potable supplement (81 A/F per year), provide a report to the JPA (a report on the Woodland Hills Country Club Recycled Water Extension was provided in February 2011 and the JPA Board opted to take no action on the item, Administering Agent/General Manager Pedersen noted tonight's action was only to draft agreements, staff could have done this, but wanted JPA approval/consensus); 70/30 split all year for recycled/potable water (charges apply to the agency who went over their allocation thus causing the potable supplement); concerned about long-term sizing; 20" benefits DWP, would they want to pay additional money for 20" versus 14"; likes project, but wants to look at "big picture" in the Recycled Water Master Plan (Administering Agent/General Manager Pedersen stated DWP will be taking an agreement to Woodland Hills Country Club on June 18th, but they need an agreement with the JPA to obtain recycled water as they have none); concerns regarding talking about an agreement, LRP term should be the same as the agreement 25-years, our customers deserve an "off ramp"; DWP has a goal of selling 6% in recycled water and they are only at 1/2%-1%; until we have storage there is a supplement issue, DWP needs to replace lost potable through connection, "regional

approach"; can we negotiate with DWP in regards to the \$400 loss (supplement cost was looked at and the rate to DWP will increase over time); 20x2020; make the agreement and process as simple as possible; long-term impacts, what affect will this have on California Potable Reuse (we are shifting demands wherein we don't have enough recycled water); potable supplement is accounted for, so there is more profit if we do not supplement (yes); what is the rush, continue to the next JPA meeting.

*On a motion by Director Glen Peterson, seconded by Director Michael McReynolds, the Board of Directors voted 9-1 to Approve by roll call vote conducted by Clerk of the Board Conklin, the recommendation as presented.*

*Action items must be approved by a majority of each agency's Board of Directors: Las Virgenes Board (Ayes: 4/Noes: 0) and Triunfo Board (Ayes: 4/Noes: 1).*

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

*NOES: Director(s) Orkney*

## **7. BOARD COMMENTS**

Director Paule reported he would be absent from the JPA Board Meeting of July 1, 2013.

Vice Chair Caspary reported on his and Chair McReynold's attendance at the May 16th Heal the Bay Bring Back the Beach event during which they had an opportunity to speak with them regarding the current state of the relationship between Heal the Bay and the JPA, invited them on a watershed tour, and discussed TMDL concerns.

Director Polan inquired as to the taking down of Rindge Dam (Administering Agent/General Manager Pedersen stated California State Parks and Santa Monica Bay Restoration Commission are working on this project), the JPA is not financially responsible for this project (no).

## **8. FUTURE AGENDA ITEMS**

None.

## **9. INFORMATION ITEMS**

### **A Initial Study and Negative Declaration for SCADA Communication Upgrade**

Director Polan inquired as to the status of the closed session item regarding security (Administering Agent/General Manager Pedersen stated that staff is working on gathering the information, all of which will be reported to the Las Virgenes Board and recycled information will be provided to the JPA Board).

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

Director Iceland inquired as to whether there was a change in materials, which were then charged back to the District (Administering Agent/General Manager Pedersen stated there was a design change from 3-PLCs (Programmable Logic Controllers) to 1-Master PLC, Las Virgenes approved the change order in error, in that the change order did not match the specifications, the change order trumps the specifications).

The meeting convened into break at 7:31 p.m.

## **10. CLOSED SESSION**

The meeting reconvened into Closed Session at 7:36 p.m.

**A** 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.

**B** Conference with District Counsel - Existing Litigation:

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

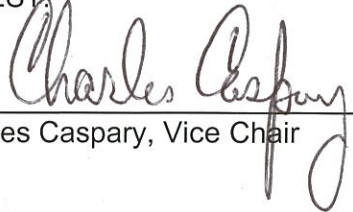
**11. ADJOURNMENT**

The meeting convened into Open Session at 7:41 p.m. No reportable actions were taken during Closed Session.

Chair McReynolds declared the meeting adjourned at 7:42 p.m.

  
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Michael McReynolds, Chair

ATTEST:

  
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Charles Caspary, Vice Chair