



Next Resolution No. 10-08-2384
Next Ordinance No. 10-08-254

LAS VIRGENES MUNICIPAL WATER DISTRICT
4232 Las Virgenes Road
Calabasas, California

AGENDA
REGULAR MEETING

Members of the public wishing to address the Board of Directors are advised that a statement of Public Comment Protocols is available from the Clerk of the Board. Prior to speaking, each speaker is asked to review these protocols and MUST complete a speakers' card and hand it to the Clerk of the Board. Speakers will be recognized in the order cards are received.

The Public Comments agenda item is presented to allow the public to address the Board on matters not on the agenda. The public may present comments on any agenda item at the time the item is called upon for discussion.

Materials prepared by the District in connection with subject matter on the agenda are available for public inspection at 4232 Las Virgenes Road, Calabasas, CA 91302. Materials prepared by the District and distributed to the Board during this meeting are available for public inspection at the meeting or as soon thereafter as possible. Materials presented to the Board by the public will be maintained as part of the records of these proceedings and are available upon written request to the Clerk of the Board.

5:00 p.m.

OCTOBER 14, 2008

PLEDGE OF ALLEGIANCE

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at ___p.m. by ___ in the District offices, and the Secretary called the roll.

| <u>Board of Directors</u> | <u>Present</u> | <u>Left</u> | <u>Absent</u> |
|-----------------------------------|----------------|-------------|---------------|
| Joseph M. Bowman, President | _____ | _____ | _____ |
| Lee Renger, Vice President | _____ | _____ | _____ |
| Jeff Smith, Secretary | _____ | _____ | _____ |
| Charles Caspary, Treasurer | _____ | _____ | _____ |
| Glen Peterson, MWD Representative | _____ | _____ | _____ |

2. APPROVAL OF AGENDA

Moved by Director_____, seconded by Director_____, and_____, that the agenda for the Regular Meeting of October 14, 2008, be approved as presented/amended.

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.

4. **ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS**

- A PERS Update
- B Legislative Update

5. **CONSENT CALENDAR**

- A Minutes: Regular Meeting of 08/12/08. APPROVE
- B List of Demands – 10/14/08. APPROVE
- C Directors' Per Diem for September 2008. APPROVE

Moved by Director_____, seconded by Director_____, and_____, that Consent Calendar Items 5A-5C be approved and adopted as presented.

6. **TREASURER**

7. **FACILITIES AND OPERATIONS**

- A 16" Recycled Water Line in Las Virgenes Road – Ratification of Emergency Repair

Moved by Director_____, seconded by Director_____, and_____, that the Board, ratify the emergency repair cost of \$28,110.63 to Timothy J. Ferrie Inc.

- B Tapia Water Reclamation Facility BNR Project Centrate Treatment Project:
Ratification of Change Orders 1 and 2

Moved by Director_____, seconded by Director_____, and_____, that the Board, ratify Change Order #1 in the amount of \$16,241.40 and Change Order #2 in the amount of \$10,546.00.

8. **RESOURCE CONSERVATION AND PUBLIC OUTREACH**

- A Back Flow Testing contract

Moved by Director_____, seconded by Director_____, and_____, that the Board, authorize the General Manager to increase purchase order #19580 (Alhambra Plumbing) from \$13,000 to \$40,000 to test approximately 850 remaining RPPD assemblies.

B Identity Theft Prevention Program

Moved by Director_____, seconded by Director_____, and_____, that the Board, adopt the Identity Theft Prevention Program as delineated in Customer Service Manager Palma's memo dated October 14, 2008.

C IAWP (Interim Agricultural Water Program) Opt-Out Program

Moved by Director_____, seconded by Director_____, and_____, that the Board, authorize staff to notify Metropolitan Water District of the decision to withdraw 100% participation in the Interim Agricultural Water Program.

D Southern California Edison (SCE) Water Efficiency Pilot Program

Moved by Director_____, seconded by Director_____, and_____, that the Board, approve the Professional Services Agreement with Water Systems Optimization authorizing LVMWD's participation in the water leakage investigation project. .

9. **NON-ACTION ITEMS**

- A Organization Reports
 - (1) MWD
 - (2) Other
- B Directors' Reports on Outside Meetings
- C Information Items
- D General Manager Reports
- E Director's Comments

10. **FUTURE AGENDA ITEMS**

11. **CLOSED SESSION**

Conference with District Counsel – Existing Litigation

- A Cooper, et al. v. Calabasas Park Estates, et al.
- B Mehta Construction Company v. LVMWD
- C Tort Claim – Metha Construction Company
- D Personnel – Negotiations - Employee Compensation & Benefits

12. **OPEN SESSION AND ADJOURNMENT**

UPCOMING EVENTS

| | |
|--------------------------------|--------------------|
| POWER | November 6-7, 2008 |
| ACWA Fall Conference | December 2-5, 2008 |
| MWD State Water Project Tour | February 6-8, 2009 |
| MWD Colorado River/Hoover Tour | April 3-5, 2009 |

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
LAS VIRGENES MUNICIPAL WATER DISTRICT

August 12, 2008

1 The Board of Directors of Las Virgenes Municipal Water District met in Regular Meeting at 4232 Las Virgenes Road, in Calabasas, California, at 5:00 PM on Tuesday, August 12, 2008

President Bowman called the meeting to order at 5:01 PM

The Pledge of Allegiance to the Flag was given, led by President Bowman.

Secretary Smith called the roll. Those answering present were Directors Bowman, Caspary, Peterson, Renger and Smith.

The Chair declared a quorum present.

2 General Manager Mundy requested removal of agenda items Closed Session 13A, Cooper, et al. v. Calabasas Park Estates, et al. and 13B, Mehta Construction Company v. LVMWD as legal counsel had no updates to provide. It was moved by Director Renger, seconded by Director Caspary, and carried unanimously, that the agenda for the Regular Meeting of August 12, 2008 be approved as amended.

3 Citizen of the Month – the Board of Directors presented Denise Rosen with A Proclamation in Recognition of The Agoura Animal Shelter upon the 50th Anniversary of Las Virgenes Municipal Water District.

4 Public Forum – President Bowman received seven speaker cards from the public. The Chair informed the public that due to the number of speakers they would be limited to 5-minutes each.

(1) Charles David Ireland stated he had been a customer since 1976 and due to a thyroid problem he had to decrease the amount of fluoride he consumed for health reasons. He believes fluoride degrades water purity; and asked LVMWD to inform the public of fluoride hazards and request Metropolitan Water District of Southern California to discontinue its use of fluoride.

(2) Barbara Singer discussed her medical condition fibromyalgia and provided the Board and General Manager Mundy with an 8-page document regarding fluoride. The document included a 5-page article dated October 6, 2007, entitled "Adding fluoride to water supplies" downloaded from bmj.com (British Medical Journal); and a 3-page letter to Solvay Fluorides, LLC dated May 9, 2007 from Poughkeepsies' Water Treatment Facility in New York regarding fluoridation. Ms. Singer stated she would like the British Medical Journal article added to the record as it reflects a court ruling regarding the use of fluoride. Ms. Singer also routed to the Board and staff members a tube of Crest toothpaste, which has a warning label that states "do not swallow" and stated similar fluoride usage information is available on the Colgate web site. Ms. Singer requested the District run an article in the Los Angeles Times and Daily News notifying the public of fluoridation concerns.

(3) Robert Singer informed the Chair that Linda Yannetty had given him the 5-minutes she would be allowed to speak increasing his time to 10-minutes. The Chair, upon concurrence from Legal Counsel Lemieux, notified the public that transfer of speaker time was not allowed. Mr. Singer discussed an article in the New England Journal of Medicine regarding fluoride, but did not provide copies of the article to the Board or staff members.

(4) Mary Altmann discussed fluoridation; and a newsletter her homeowners association was preparing and asked that fluoridation be placed on the next agenda.

(5) Vivian Engelsen provided the Board and Clerk of the Board with a copy of an article dated August 14, 2007, which was downloaded from mercola.com regarding fluoridation.

(6) Linda M. Yannetty addressed the Board, stating she was anti-fluoridation and that she did not receive notification of fluoride being added to the District's water supply. Ms. Yannetty also stated during City Council meetings the public was not limited to the amount of time they were allowed to address the Board.

(7) Caroline Aslanian representing CVCFSDW (Conejo Valley Committee for Safe Drinking Water) challenged the legality of passing the cost of fluoridation to customers through water rate hikes under the terms of AB 733 and Prop 218 required notifications.

President Bowman requested General Manager Mundy to report to the Board on facts, dates and reports collected by staff pertaining to fluoridation on the September 9, 2008 agenda.

5 A Public Affairs & Communications Manager Reinhardt provided a legislative update pertaining to AB 3030, AB 2175, AB 2270 the state budget and SBXX1 (Perata) Bond Funding for Water Projects.

B Information Systems Manager Matthews provided a preview of the LVMWD web page, next steps and implementation schedule.

6 It was moved by Director Peterson, seconded by President Bowman, and carried unanimously, that Consent Calendar Items 5A-5F be approved as presented.

A Minutes: Regular Meeting of 06/24/08. APPROVE

B List of Demands – 08/12/08. APPROVE

C Directors' Per Diem for July 2008. APPROVE

D Award of Bid for Diatomaceous Earth Product: Authorize the General Manager to issue a one-year contract with two one-year renewal options to Dicalite Minerals Corporation for the purchase and delivery of diatomaceous earth product at a cost of \$152.50 per 1,000 pound bag delivered. APPROVE

E Award of Bid for Water Meters: Authorize the General Manager to issue a one-year contract with two one-year renewal options to Badger Meter, Inc. for the purchase and delivery of displacement type magnetic drive water meters with encoder type register. APPROVE

F Award of Bid Potable Water Tank Inspection and Cleaning Services: Authorize the General Manager to issue a one year contract with four one year renewal options to Liquivision Technology for Potable Water Tank Inspection and Cleaning Services and issue a purchase order in the amount of \$11,960 for FY 2008-09. APPROVE

7 Miscellaneous Report from Treasurer – None

8 A It was moved by Director Renger, seconded by Director Caspary, and carried unanimously, that the Board, approve the pre-qualified list; and approve the distribution of bid documents to pre-qualified contractors as delineated in the Four Tanks Renovation Project: Kimberly, Woolsey, Mulwood and Indian Hills Recycled Water Tank - Call for Bids.

B It was moved by Director Peterson, seconded by Director Caspary, and carried unanimously, that the Board, authorize the General Manager to issue a purchase order in the amount of \$67,230 to Spiess Construction Co., Inc. for the replacement of approximately 150 feet of 30" water main at Hoback Glen Road in Hidden Hills.

9 A After authorization from Legal Counsel Lemieux, it was moved by President Bowman, seconded by Director Caspary, and carried unanimously, that the Board, approve the release of the requested information to Las Virgenes Unified School District as delineated in Public Affairs & Communications Manager Reinhardt's memo dated August 12, 2008.

B It was moved by President Bowman, seconded by Director Caspary, and carried unanimously, that the Board, approve release of the requested information to the 2nd District office of Los Angeles County as delineated in Director of Resource Conservation and Public Outreach Cho's memo dated August 12, 2008.

C Director Peterson requested clarification of the District's liability related to turf rebates from Legal Counsel Lemieux, it was moved by Director Renger, seconded by Director Smith, and carried unanimously, that the Board, authorize the General Manager to sign the Amendment to Agreement 70035 with MWD of Southern California for participation in the Region-wide Residential Water Conservation Rebate Program as delineated in Resource Conservation Manager Orton's memo dated August 12, 2008.

D It was moved by Director Caspary, seconded by Director Peterson, and carried unanimously, that the Board, continue our utilization of EPOS for customer credit/debit card payments; and terminate our service agreement with EDS.

10 A Organization Reports

(1) MWD Representative Peterson stated no meeting was held August 12, 2008.

(2) Other – Director Peterson commented on his participation in the ACWA meeting being held on August 13, 2008 with Governor Schwarzenegger to discuss the water bond bill.

B Directors' Reports on Outside meetings – President Bowman reported on his attendance at the Triunfo Sanitation District meeting of July 28, 2008 during which, an agenda item pertaining to "Joint Powers Authority Recycled Water Equity," developing a set of questions regarding recycled water system equity; or other direction from the TSD Board for discussion at a Joint Powers Authority meeting was heard. Director Peterson discussed his attendance at the ACWA board meeting and provided an update regarding the organization's general business including water bond support and survey funding.

C Information Items - None

D General Manager Reports - General Manager Mundy provided an update of District activities and discussed agenda and public comment protocols.

11 Future Agenda items/Director Comments – In order to provide sufficient time for discussion of fluoridation at the next board meeting, President Bowman requested staff review pending items scheduled for the September 9, 2008; and if possible reschedule non-urgent items to be heard at the September 23, 2008 board meeting.

12 Public Forum – No speaker cards were received from the public.

13 The meeting convened into Closed Session at 6:40 p.m.

C Personnel – Negotiations - Employee Compensation & Benefits

14 The meeting reconvened into Open Session at 6:53 p.m. The Chair declared the meeting adjourned at 6: 54 p.m.

JOSEPH M. BOWMAN, President
Board of Directors
Las Virgenes Municipal Water District

ATTEST:

JEFFERY A. SMITH, Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)



October 14, 2008 Board Meeting

TO: Board of Directors
FROM: Facilities and Operations

**Subject: 16" Recycled Water Line in Las Virgenes Road
Ratification of Emergency Repair**

The Las Virgenes Municipal Water District (LVMWD) and Triunfo Sanitation District Joint Powers Authority approved funding for this matter in the Joint Powers Authority Budget. This recommendation is before the LVMWD Board of Directors for action, as administering agent, as authorized under the Joint Powers Authority Agreement.

SUMMARY

On August 11, 2008, staff discovered a leak on the 16" recycled water pipeline in Las Virgenes Road at Meadow Creek Lane. Staff contacted Timothy J. Ferrie, Inc. to make an emergency repair on the line. Repairs were completed on August 27, 2008. The pipe was installed in the 70's and staff determined the cause of the leak was due to corrosion. Pursuant to the Administrative Code, board ratification of the cost of the emergency repair is necessary.

RECOMMENDATIONS

- Ratify the emergency repair cost of \$28,110.63 to Timothy J. Ferrie Inc.


FINANCIAL IMPACT

The Fiscal Year 08-09 Budget provides funding for repair of JPA recycled water line breaks in Account 751700.5515.

John Zhao, Principal Engineer, prepared this report.



David R. Lippman 10/2/08
Director of Facilities and Operations Date



John R. Mundy 10/2/08
General Manager Date



October 14, 2008 Board Meeting

TO: Board of Directors
FROM: Facilities and Operations

**Subject: Tapia Water Reclamation Facility BNR Project Centrate Treatment
Project: Ratification of Change Orders 1 and 2**

The Las Virgenes Municipal Water District (LVMWD) and Triunfo Sanitation District Joint Powers Authority approved funding for this matter in the Joint Powers Authority Budget. This recommendation is before the LVMWD Board of Directors for action, as administering agent, as authorized under the Joint Powers Authority Agreement.

SUMMARY

Two change orders have been administratively approved for the Tapia Water Reclamation Facility BNR Project Centrate Treatment Project.

Change Order #1 in the amount of \$16,241.40 is for the provision and installation of a split electrical mainboard at the "farm" building at Rancho Las Virgenes. The metering section of the mainboard will be installed outside of the building and the electrical power distribution section of the mainboard will be installed inside the building. This change order was triggered by an SCE requirement to separate the electrical meter from power distribution equipment. The equipment was originally supposed to be installed in the same room.

Change Order #2 allows for the provision and installation of electrical starters and conduit for two 10 hp odor control blowers. The original scope of the project provided two new 10 hp blowers but the electrical modifications to power these blowers were not included. The cost for this change order is \$10,546.00.

Both change order proposals were reviewed by Boyle and MSO and deemed to be reasonable.

RECOMMENDATIONS

- Ratify Change Order #1 in the amount of \$16,241.40;
- Ratify Change Order #2 in the amount of \$10,546.00.

FINANCIAL IMPACT

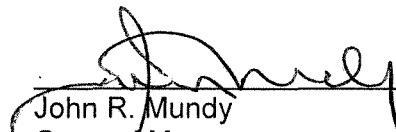
The Fiscal Year 08-09 Budget provides funding for 8 mg/L Nitrogen Compliance Tapia WRF under CIP Job #10184 in the amount of \$6,963,837. Construction costs spanning the 07-08 and 08-09 fiscal years are broken down as follows:

| | |
|--|------------------------|
| Centrate Treatment Project – Pascal & Ludwig (10379) | \$ 1,827,596.00 |
| Centrate Treatment Change Order #1 | \$ 16,241.40 |
| Centrate Treatment Change Order #2 | \$ 10,546.00 |
| Tapia BNR Phase I Project - Spiess Const (10378) | \$ 3,245,770.00 |
| BNR Phase I Project Change Order #1 | \$ 8,659.05 |
| BNR Phase I Project Change Order #2 | \$ 48,394.50 |
| Pre-Purchased Jet Aeration System | \$ 295,890.00 |
| Pre-Purchased Swing Arm Diffusers | \$ 361,915.00 |
| Owner Furnished Internal Recycle Pumps | \$ 108,200.00 |
| Services During Construction – Boyle | \$ 253,425.00 |
| Services During Construction – MSO | \$ 19,320.00 |
| Services During Construction – Fugro | \$ 7,000.00 |
| Total Construction Cost | \$ 6,202,956.95 |

Brett Dingman, Associate Engineer, prepared this report.


10/2/08

 David R. Lippman Date
 Director of Facilities and Operations


10/2/08

 John R. Mundy Date
 General Manager



October 14, 2008 Board Meeting

TO: Board of Directors
FROM: Resource Conservation & Public Outreach

Subject: Back Flow Testing Contract

SUMMARY

State Law requires annual testing of back flow prevention devices installed to prevent the contamination of the potable water distribution system from non-potable water sources (primarily recycled water and well water in our service area). Since 2006 the District has employed the services of Alhambra Plumbing to complete the annual testing of approximately 950 backflow devices; \$73,000 was included in the FY 08-09 budget to complete this work. However, last spring the vendor was asked to suspend testing of Reverse Pressure Principle Devices (RPPDs) to accommodate an alternative testing program that, if successful, would have significantly reduced the need for outside services to complete the annual testing requirement. Unfortunately, this program will require substantial additional work, and probably cannot be implemented this year.

To ensure the timely completion of the annual testing requirement, staff recommends we resume testing all backflow prevention devices under the current agreement with Alhambra Plumbing. This will require an increase in Purchase Order #19580 from \$13,000 to \$40,000 to test approximately 850 remaining untested RPPD assemblies.

RECOMMENDATION

- Increase Purchase Order #19580 (Alhambra Plumbing) from \$13,000 to \$40,000 to test approximately 850 remaining RPPD assemblies.

FINANCIAL IMPACT

The Fiscal Year 08-09 Budget provides \$73,720 for backflow testing under Business Unit 101700.6790 (Potable Water Distribution System – Back Flow Protection).

DISCUSSION

To prevent the contamination of municipal potable water systems, Title 17 of the State Public Health Code requires the installation of backflow prevention devices at locations served by both potable water providers and secondary water sources such as recycled water and / or well water. The law also requires that such devices be tested annually, with the test results reported to the State Department of Public Health (DPH) and, in our region, the Los Angeles County Department of Health Services (DHS).

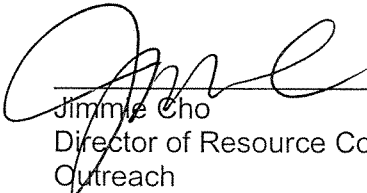
When the District's recycled water system was originally approved by DPH and DHS in the 1980's, the number of sites with RPPDs was relatively small, and RPPD testing was done in-house with District staff certified in backflow testing. By the late 1990's however, the number of devices had grown to several hundred, and the District began employing the services of outside testing vendors to complete the required annual tests in a timely fashion. This change in testing was also driven by a District reorganization in 1997 that eliminated one of the two staff positions assigned to RPPD testing. Until recently, the use of an outside testing contractor worked well, and the District was able to complete all required tests each year in compliance with state law.

However, by 2007 the number of installed RPPDs had reached a point where the contractor was experiencing problems completing the required tests. The main problem was scheduling the tests with customers, as it became increasingly difficult for the contractor to find customer-convenient dates to schedule nearly 950 tests.


In response, staff began exploring alternative testing approaches that would not only address the current testing backlog, but also accommodate continued growth in the number of RPPDs installed to protect the potable water system. By mid-year, staff had researched other water agencies with similar requirements to determine how they were meeting the annual test requirement, and learned that, in contrast to the District, most agencies had adopted ordinances requiring customers served by RPPDs to arrange for the testing of their own devices, and to report the test results to the agency, which would compile the test results for their service area and submit them to the DPH and DHS. This approach, while demonstrably viable for those agencies, entailed a substantial shift of testing responsibility and test costs from the District to its recycled water customers. This shift entailed its own policy and administration issues, and as we moved into the current fiscal year it became clear that these issues would require significant time to resolve. At this juncture, the viability of this alternative approach to testing is unclear, and it is unlikely that we will have a working proposal for the Board's consideration within the current calendar year.

Accordingly, we need to resume testing under the existing agreement with Alhambra Plumbing to ensure the timely completion of the RPPD tests and the submission of the test reports to DHS and DPH by December 31, 2008. This will not require an increase in the FY 08-09 adopted budget, which includes \$73,720 for this work under account #101700.6790 (Potable Water Distribution System, Backflow Protection). However, it will require an increase in Purchase Order #19580 from \$13,000 to \$40,000 to complete testing of approximately 850 remaining untested RPPD assemblies. The vendor has added additional staff to complete this work by December 31st and minimize the scheduling problems encountered earlier this year.

Dr. Randal Orton, Resource Conservation Manager, prepared this report.



Jimmie Cho Date 10.2.2008
Director of Resource Conservation & Public
Outreach



John R. Mundy Date 10/2/08
General Manager



October 14, 2008 Board Meeting

TO: Board of Directors
FROM: Resource Conservation and Public Outreach

Subject: Identity Theft Prevention Program

SUMMARY

The attached Identity Theft Prevention Program was developed pursuant to the Federal Trade Commission's Red Flag Rule which implements Section 114 of the Fair and Accurate Credit Transactions (FACT) Act of 2003. The FACT Act requires that financial institutions and creditors implement written programs which provide for the detection of and response to specific activities that could be related to identity theft. A written program must be in place by November 1, 2008.

RECOMMENDATION

- Adopt the Identity Theft Prevention Program.

FINANCIAL IMPACT


- None

DISCUSSION

The requirements of the program were created in the Fair and Accurate Credit Transaction Act of 2003 by the Federal Trade Commission (FTC). While the bill does not mention utilities specifically, it says the Red Flag program applies to "financial institutions" and "creditors" with covered accounts. The FTC has determined that a creditor is "any entity that regularly extends, renews, or continues credit." An FTC rule notice further states that creditors include "utility companies" and that "Where non-profit and government entities defer payment for goods and services, they, too, are to be considered creditors." A "covered account is an account used mostly for personal, family, or household purposes, and that involves multiple payments or transactions." The FTC further states that "utility accounts" are considered covered accounts.

District legal counsel has reviewed the attached program for consistency with the Administrative Code and district policies.

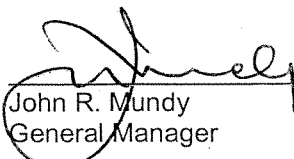
Carol Palma, Customer Service Manager, prepared this report.



Jimmie Cho
Director of Resource Conservation & Public Outreach

10/1/2008

Date



John R. Mundy
General Manager

10/2/08

Date



October 14, 2008 Board Meeting

TO: Board of Directors

FROM: Resource Conservation & Public Outreach

Subject: IAWP (Interim Agricultural Water Program) Opt-Out Program

SUMMARY

The Metropolitan Water District of Southern California (MWD) established the IAWP in 1994 to provide for the delivery of "surplus water" for agricultural purposes at a discounted rate. In exchange, participating agricultural water users agreed to an initial 30% percent reduction in demand during periods of shortage prior to any reductions in deliveries to customers of "firm," non-interruptible supplies. Twenty-three LVMWD customers, totaling thirty-two accounts, enrolled in the IAWP and were required to reduce their use of agricultural water by 30% as of January 1, 2008.

MWD has a recommendation before their Board to modify the IAWP. The key points are:

- Allow member agencies to opt-out of the IAWP over the next 5 years, phasing out the program by 2013. (Member agencies may incrementally or fully opt out of the program in any of the five years.)
- Gradually reduce the discounts under the IAWP during the phase out period.
- The maximum agricultural allotment for LVMWD will be reduced from 207 acre-feet to a new maximum allotment of 145 acre-feet, effective 1/1/09. (Failure to maintain IAWP use to 145 acre-feet in future years would result in the maximum allotment being reduced by the amount of overuse.)

There are several benefits to the 23 customers, if the District determines to opt-out of the program, including:

- Eliminate an impending additional reduction over the 30% in usage if the district were to call for a reduction by all customers.
- Eliminates the threat of fines for over usage.
- Puts IAWP participants on equal footing with all other customers.

The overall benefit to the District and all LVMWD customers is that by opting out of the IAWP 145 acre-feet of water are immediately reclassified from "surplus" water to "firm" water.

Over the past 9 months, staff has received numerous requests from customers who desire to opt-out of the program. Staff contacted all 23 customers by telephone notifying them of the District's recommendation to opt-out of the program and followed up with a letter notifying them again of the recommendation and the need for them to maintain the 30% reduction until January 1, 2009. Total savings by all customers over the first 6 months was \$4,527. Customers have indicated the savings they individually see does not compensate them for the time, effort and plant loss expended in working to reduce their usage.

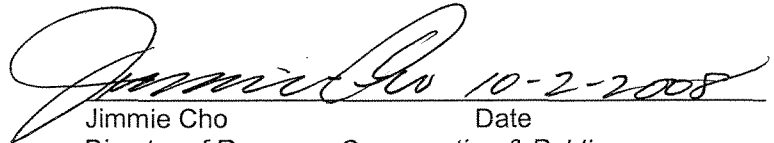
RECOMMENDATION

- Authorize staff to notify Metropolitan Water District of the decision to withdraw 100% participation in the IAWP.

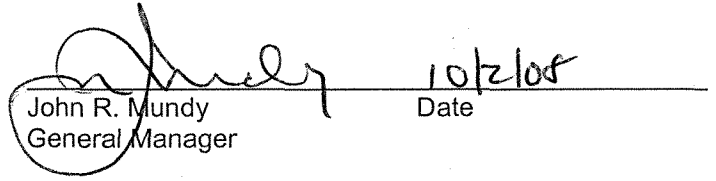
FINANCIAL IMPACTS

There is no financial impact to the District as the discount received from MWD for the IAWP water is passed through to the customer

Carol Palma, Customer Service Manager, and Marsha Eubanks, Administrative Services Officer, prepared this memorandum.

 10-2-2008

Jimmie Cho Date
Director of Resource Conservation & Public
Outreach

 10/2/08

John R. Mundy Date
General Manager



October 14, 2008 Board Meeting

TO: Board of Directors

FROM: Resource Conservation & Public Outreach

Subject: Southern California Edison (SCE) Water Efficiency Pilot Program

SUMMARY

On December 20, 2007 the California Public Utilities Commission (CPUC) issued Decision 07-12-050, approval of "Pilot Water Conservation Programs within the Energy Utilities' Energy Efficiency Programs".

In this decision, the CPUC approved one-year pilot programs for the state's largest regulated energy utilities (SCE, PG&E, SDG&E and SoCalGas) to develop partnerships with water agencies, undertake specific water conservation programs, and measure the results. Concurrently, the energy utilities will fund studies necessary to understand more accurately the relationship between water savings and the reduction of energy use, and the extent to which those reductions would vary for different water agencies. Cumulatively, the energy utilities will invest approximately \$6.4 million on this effort. (See Table-1)

Among the portfolio of programs is a pilot "water leakage" investigation project funded at \$300,000. The goal of the leakage investigation is to assess water loss in an agency's distribution system, identify economically feasible opportunities for reducing water loss through investments in repairs and technologies, and ultimately promote energy and water resource conservation through reduced water pumping. The scope of the project will include the following elements.

- Perform detailed "top-down" annual water balance.
- Identify volumes of "apparent" and "real" losses.
- Assess economic optimum of real losses.
- Recommend intervention measures against water losses.
- Translate potential water savings performance to energy conservation measures.

LVMWD has been selected by SCE as one of two qualified participating agencies. The water leakage investigation will be performed by Water Systems Optimization Inc. (WSO), SCE's designated project consultant.

RECOMMENDATION

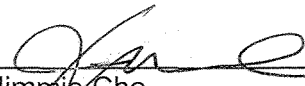
- Approve the Professional Services Agreement with Water Systems Optimization authorizing LVMWD's participation in the water leakage investigation project.

FINANCIAL IMPACTS


- The pilot water conservation pilot is a CPUC approved, utility-funded program. As such, there is no cost for the services provided by WSO.

8D

Jimmie Cho, Director of Resource Conservation & Public Outreach prepared this memorandum.

 10-1-2008

Jimmie Cho Date
Director of Resource Conservation & Public
Outreach

 10/2/08

John R. Mundy Date
General Manager