



June 10, 2008

Next Resolution No. 06-08-2382
Next Ordinance No. 06-08-254

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

AGENDA
REGULAR MEETING

CLOSING TIME FOR AGENDA IS 8:30 A.M. ON THE TUESDAY PRECEDING THE REGULAR BOARD MEETING. GOVERNMENT CODE SECTION 54954.2 PROHIBITS BOARD TAKING ACTION ON ITEMS NOT ON POSTED AGENDA UNLESS AN EMERGENCY, AS DEFINED IN GOVERNMENT CODE SECTION 54956.5 EXISTS OR UNLESS OTHER REQUIREMENTS OF GOVERNMENT CODE SECTION 54954.2(B) ARE MET.

5:00 p.m.

JUNE 10, 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**

It was moved by Director ____, seconded by Director ____, and ____, that the agenda for the Regular Meeting of June 10, 2008, be approved as presented/amended.

3. **PUBLIC FORUM**

Members of the Public may address the Board on items that do not appear on the agenda; and on items within the jurisdiction of the Board, providing that no action shall be taken on any item not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2. The President of the Board may limit the time available for each subject and each speaker.

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

Auditor Presentation of Statement of Auditing Standards No. 114

5. **CONSENT CALENDAR**

A Minutes: Regular Meeting of May 13, 2008. APPROVE

B List of Demands – 06/10/08. APPROVE

C Accept easement located on Mountain View Ranch Road, a 64.00' wide road for ingress-egress and utility easement at 31820 Lobo Canyon Road. Accept the easement and the Secretary to execute the resolution of acceptance for and on behalf of the District. APPROVE

D Directors' Per Diem for May 2008. APPROVE

Moved by Director _____, seconded by Director _____, and _____, that Consent Calendar Items 5A-5D be approved and adopted as presented.

6. **TREASURER**

Miscellaneous Report from Treasurer

7. **FINANCE AND ADMINISTRATION**

Provisions for Other Post Employment Benefit (OPEB) Trust Fund in CALPERS

Moved by Director _____, seconded by Director _____, and _____, that the Las Virgenes Municipal board accept the Actuarial Study for April 2008; approve the funding policy to contribute an amount at least equal to the annual ARC and direct the Board Secretary to sign the CALPERS document; approve the Agreement and Election to prefund OPEB through CALPERS and direct the board Secretary to sign; authorize the General Manager and the Director of Finance and Administration to request disbursements from the OPEB trust and direct the Board Secretary to sign.

8. **FACILITIES & OPERATIONS**

A Award of Fiscal Year 2007-08 Vehicle Replacement Program Purchase

Moved by Director _____, seconded by Director _____, and _____, that the Board, approve the award of the purchase three Hybrid SUVs, one-half ton pickup truck and one-half ton 4 WD pickup truck from Vista Ford in the amount of \$114,927, plus tax, fees and model year adjustments; award the purchase of one three-quarter ton cab and chassis with utility body from Raceway Ford in the amount of \$22,437, plus tax, fees and model year adjustments; authorize the General Manager to issue a purchase order to each of the successful bidders; and reject all other bids for the fiscal year 2007-08 Vehicle Purchase Program.

B Lift Station Pump Electrical and controls Modifications Project: Award of Contract

Moved by Director _____, seconded by Director _____, and _____, that the Board, approve the award of contract for the Lift Station Electrical and Controls Modifications Project to Spectra in the amount of \$59,950; and that the remaining bids be rejected upon receipt of duly executed contract documents.

C FY 08-09 Budget Revision CIP 80666 – Recycled Water Storage Study and 80469 – Calabasas City Center Recycled Water Pipeline Extension

Moved by Director _____, seconded by Director _____, and _____, that the Board, approve the revision of the cost share for CIP 80666 — Recycled Water Storage Study and 80649 – Calabasas City Center Recycled Water Pipeline Extension to 100% LVMWD for FY 08-09.

9. **RESOURCE CONSERVATION & PUBIC OUTREACH**

A Water Shortage Response Plan (WSRP)

Moved by Director _____, seconded by Director _____, and _____, that the Board adopt the attached Water Shortage Response Plan; and authorize a public hearing for June 24th to adopt a resolution authorizing the activation of WSRP elements necessary to reduce water consumption to levels consistent with MWD Water Shortage Condition II.

B Legislative Positions – AB 885 and AB 2724

Moved by Director _____, seconded by Director _____, and _____, that the Board authorize staff to convey to the state legislature the positions recommended in this item.

10. **NON-ACTION ITEMS**

A Organization Reports

(1) MWD

(2) Other

B Directors' Reports on Outside Meetings

C Information Items

(1) Disaster Recovery for J.D. Edwards and CIS Systems

D General Manager Reports

11. **FUTURE AGENDA ITEMS/DIRECTOR COMMENTS**

12. **PUBLIC FORUM**

Members of the Public may address the Board on items that appear on the agenda; and on items within the jurisdiction of the Board, providing that no action shall be taken on any item not appearing on the agenda unless authorized by Subdivision(b) of Government Code Section 54954.2. The President of the Board may limit the time available for each subject and each speaker.

13. **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 Conference with District Counsel - Potential Litigation
In the opinion of District Counsel, disclosure of the identity of the litigant would be prejudicial to the district.

14. **OPEN SESSION AND ADJOURNMENT**

UPCOMING EVENTS

CASA Fall Conference
POWER
ACWA Fall Conference

August 20-23, 2008
November 6-7, 2008
December 2-5, 2008



June 10, 2008 Board Meeting

TO: Board of Directors
FROM: Finance and Administration

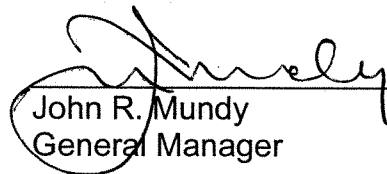
Subject Auditor Presentation of Statement of Auditing Standards No. 114

SUMMARY

Nitel Patel, Diehl Evans Partner in charge of the annual audit of the District, will make a presentation on the new requirements under Statement of Auditing Standards (SAS) No. 114. The new requirements stem from the response to accounting regularities of the early 2000's and apply to both the public and private sector.

Staff does not foresee any problems in complying with the new requirements at the staff level, but the requirements may impose more involvement from the Board. Mr. Patel will be available to discuss how Diehl Evans is approaching the new requirements and what staff and the Board can do to effect compliance.

Sandra Schmidt prepared this report.


John R. Mundy
General Manager

6/3/08
Date

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

May 13, 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, May 13, 2008

President Bowman called the meeting to order at 5:00 PM

The Pledge of Allegiance to the Flag was given, led by Director of Resource Conservation and Public Outreach Cho.

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

The Chair declared a quorum present.

2 It was moved by Director Caspary, seconded by Director Smith, and carried unanimously, that the agenda for the Regular Meeting of May 13, 2008 be approved as presented.

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

4 Illustrative and/or Verbal Presentation Agenda Items –

A Director of Resource Conservation and Public Outreach Cho provided the Board with an update of the Water Shortage Response Plan.

B Customer & Public Relations Manager Reinhardt provided the Board with a legislative update.

5 It was moved by Director Caspary, seconded by Director Peterson, and carried unanimously, that Consent Calendar Items 5A-5H be approved as presented.

A Minutes: Regular Meetings of March 25 and April 8, 2008. APPROVE

B List of Demands – 05/13/08. APPROVE

C Directors' Per Diem for April 2008. APPROVE

D Authorize Jeff Smith's attendance at the California Special Districts Association's - Special District Leadership Academy consisting of four modules for calendar year 2008 and 2009. APPROVE

E Award of Bid for Pressure Regulators: Authorize the General Manager to issue a one-year contract with two one-year renewal options to Famcon Pipe & Supply, Inc. for the purchase and delivery of pressure regulators. APPROVE

F Upgrade of LABWORKS Software: Authorize the General Manager to issue a purchase order to PerkinElmer in the amount of \$26,520 for the upgrade to LABWORKS software.

G Accept the easement granted to LVMWD by Brian Boudreau on behalf of Malibu Canyon L.P., a California Limited Partnership for a recycled waterline within Tract No. 45465-02, Portion of Lot 7 – Mulholland Highway East of Las Virgenes Road; and the secretary to execute the resolution of acceptance for and on behalf of the District. APPROVE

5A

H Award of Bid-Annual Weed Abatement at Various Facilities: Authorize the General Manager to issues purchase orders to Venco Western in the amount of \$34,354 and to Savannah Landscape in the amount of \$4,048 for weed abatement services as delineated in Operations Manager Reyes' board memo dated May 13, 2008.

6 Miscellaneous Report from Treasurer – None

7 A It was moved by Director Renger, seconded by Director Caspary, and carried unanimously, that the Board approve the Request for Proposals for engineering/planning services for the Preliminary Design and CEQA Study for the Backbone Improvement Program.

B It was moved by Director Peterson, seconded by Director Renger, and carried unanimously, that the Board approve the Notice Inviting Prequalification for the Four Tanks Renovation Project (2008).

8 It was moved by Director Peterson, seconded by President Bowman, and carried unanimously, that the Board approve the design presented at tonight's meeting, authorizing staff to develop 50th Anniversary support materials around the visual theme.

9 It was moved by Director Renger, seconded by Director Caspary, and carried unanimously, that the Board approve and adopt the 2008 Strategic Plan as presented.

10 A Organization Reports
(1) MWD Representative Peterson provided an update regarding general business of Metropolitan Water District.
(2) Other – None

B Directors' Reports on Outside meetings – Director's Smith, Caspary, Bowman and Peterson discussed their attendance; and Director Renger provided written comments regarding the ACWA Conference, which was held May 5-9, 2008.

C Information Items
(1) Electronic Recycle Program
(2) Round Meadow Elementary School – California Friendly Landscape Demonstration Garden
(3) Headquarters Landscape – Design Services

D General Manager Reports - General Manager Mundy discussed upcoming events including Westlake Filtration Plant coming on-line May 19, 2008 and the MWD Inspection Tour Schedule for 2009.

11 Future Agenda items/Director Comments – President Bowman requested General Manager Mundy to develop and provide the Board with a "most probable picture" of where LVMWD will be in 3-5 years taking into consideration retiree medical insurance, capital projects and reserves.

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

13 The meeting convened into Closed Session at 6:36 p.m.

Legal Counsel Lemieux stated that the Las Virgenes Dam discussion would occur first due to the number of staff making the presentation; and no update of Cooper, et al. vs. Calabasas Park Estates, et al. would be provided.

Conference with District Counsel – Existing Litigation

A Cooper, et al. vs. Calabasas Park Estates, et al.

B Mehta Construction Company v. LVMWD

C Las Virgenes Dam

Legal Counsel Lemieux asked that the meeting reconvene into Open Session at 6:59 p.m. as this portion of the Las Virgenes Dam presentation was not considered confidential.

Non essential staff was dismissed and the meeting reconvened into Closed Session at 7:08 p.m. to discuss the confidential portion of the Las Virgenes Dam presentation; and Mehta Construction Company v. LVMWD.

14 The meeting reconvened into Open Session at 7:41 p.m. The Chair declared the meeting adjourned at 7:42 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)



June 10, 2008 Board Meeting

TO: Board of Directors
FROM: Facilities and Operations

SUBJECT: Easement located on Mountain View Ranch Road, a 64.00' wide road for ingress-egress and utility easement at 31820 Lobo Canyon Road

SUMMARY

The easement is for a 64.00' wide ingress-egress and utility easement over Mountain View Ranch Road. The easement is on property owned by the Bertram Henick and Jane Hasler Henick Trust. The property is located off Lobo Canyon Road west of Triunfo Canyon Road in the unincorporated territory of the County of Los Angeles.


RECOMMENDATIONS

- Accept the easement granted to LVMWD by Bertram Henick and Jane Hasler Henick Trust for ingress-egress and utility easement.
- The secretary to execute the resolution of acceptance for and on behalf of the District.

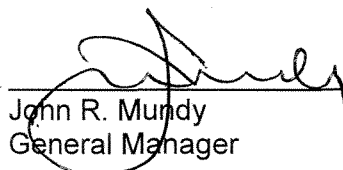
FINANCIAL IMPACT

The financial impact on the District is One dollar (\$1.00).

This report was prepared by Civil Engineering Assistant Neal Clover.

 5/16/08

David R. Lippman Date
Director of Facilities and Operations

 5/20/08

John R. Mundy Date
General Manager

bdoriginalhenick0508

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RESOLUTION OF ACCEPTANCE

RESOLVED, that the Easement executed by **Bertram Henick and Jane Hasler Henick, Trustees of the Bertram Henick and Jane Hasler Henick Trust dated September 30, 1994**, and easement dated **May 13, 2008** conveying to the Las Virgenes Municipal Water District, for valuable consideration of One Dollar (\$1.00), certain real property situated in the County of Los Angeles, State of California, designated by the Las Virgenes Water District as

**Portion of the Southwest Quarter of the Southeast Quarter
of Fractional Section 36, Township 1 North, Range 19 West,
San Bernardino Meridian**

Easement for a detector check more particularly described in said Easement hereby is accepted. I HEREBY CERTIFY, that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Directors of the Las Virgenes Municipal Water District, at its meeting held on **June 10, 2008**.

Jeffery A. Smith
SECRETARY
LAS VIRGENES MUNICIPAL WATER DISTRICT



June 10, 2008 Board Meeting

TO: Board of Directors

FROM: Finance and Administration

Subject Provisions for Other Post Employment Benefit (OPEB) Trust Fund in CALPERS

SUMMARY

At the regular Board Meeting on March 11, the Board agreed to proceed with the establishment of an OPEB Trust Fund in CALPERS and directed staff to proceed with an actuarial report to support a funding plan for the OPEB liability.

The actuarial study was completed in April by Geoff Kischuk of Total Compensation System, who prepared the previous study dated November 2005. The new study includes the age and service life of current employees and retirees, current MOU parameters for post employment retiree medical benefits, projection of future medical insurance costs and the discount rate applicable to CALPERS (7.75%), as well as other updated information.

The following table compares the annual required contribution (ARC) and annual net cost after adjusting for what would otherwise be pay-as-you-go (PAYGO) retiree medical insurance payments.

	2005 Study	2008 Study
Normal Cost (Current employees, going forward)	\$527,808	\$179,347
UAAL* (Liability for past service, spread over thirty years)	<u>556,633</u>	<u>603,223</u>
Annual Retirement Contribution before PAYGO	1,084,441	782,570
PAYGO for Retirees, per adopted budget	<u>-355,869</u>	<u>-446,062</u>
Net Cash Outgo for ARC in Year 1	<u>\$728,572</u>	<u>\$336,508</u>

* Unfunded Actuarial Accrued Liability

The table shows that the UAAL has continued to increase due to age of employees and retirees and cost of health insurance, but the growth is mitigated somewhat by the larger discount rate allowed by using CALPERS. The big difference between the studies shows the impact of the change in retiree medical benefits negotiated in the last MOU, which raised the length of service necessary for retiree medical and capped the benefit for new employees at 75% of insurance premiums.

With this information, staff recommends that the Board accept the new actuarial study, approve the OPEB funding policy to contribute an amount at least equal to the ARC, approve the agreement and election to prefund through CALPERS, and approve the delegation of authority to request disbursements form. These forms will then be sent to CALPERS to establish the OPEB trust fund.

RECOMMENDATION

1. Accept the Actuarial Study for April 2008.
2. Approve the funding policy to contribute an amount at least equal to the annual ARC and direct the Board Secretary to sign the CALPERS document.
3. Approve the Agreement and Election to prefund OPEB through CALPERS and direct the Board Secretary to sign.
4. Authorize the General Manager and the Director of Finance and Administration to request disbursements from the OPEB trust and direct the Board Secretary to sign.

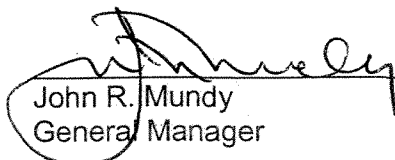
DISCUSSION

The Government Accounting Standards Board (GASB) requires agencies with annual revenues between \$10 million and \$100 million to establish a plan for funding other post employment benefits (OPEB) by June 30, 2008. The plan does not have to begin funding until June 30, 2009. Recent legislation allows the California Public Retirement System (CALPERS) to establish OPEB trust funds for California government agencies that do not contract with CALPERS for medical insurance.

The district obtains health insurance with ACWA and directly contracts with Kaiser Medical. The health insurance premiums through these programs are less than comparable insurance in CALPERS. Also, in the CALPERS medical insurance program, employers must provide the same benefits to retired employees as the employer provides to active employees, and any employee vested in PERS retirement who worked for the district would be eligible for these benefits, regardless of length of time worked at the district. The district currently requires employees to have worked for the district for five years and to be at least 55 years old before they are eligible for retiree health insurance. Also, while current employees can insure their families, retired employees are only eligible for the retiree and one dependent. Employees hired before March 31, 2006, are eligible for full retirement health insurance coverage for retiree plus one, while employees who were hired after that date must pay 25% of the coverage cost when they retire.

During the financial study in 2007 and the subsequent review of reserve levels, the Board discussed prefunding the trust fund by more than the ARC, so that investment earnings would offset future growth in the ARC and thus minimize future costs while providing sufficient funding for this benefit. Staff will return to the Board with suggestions for future funding of OPEB.

Sandra Schmidt prepared this report.


John R. Mundy
General Manager

6/4/08
Date



June 10, 2008 Board Meeting

TO: Board of Directors
 FROM: Facilities and Operations

Subject: Award of Fiscal Year 2007-08 Vehicle Replacement Program Purchase

SUMMARY

On April 22, 2008, the Board of Directors approved a call for bids for the purchase of six vehicles as part of the fiscal year 2007-08 vehicle replacement program. Bids were received and publicly opened on May 20, 2008.

RECOMMENDATIONS

- Award the purchase of three Hybrid SUVs, one-half ton pick-up truck and one-half ton 4 WD pickup truck to Vista Ford in the amount of \$114,927, plus tax, fees and model year adjustments;
- Award the purchase of one three-quarter ton cab and chassis with utility body to Raceway Ford in the amount of \$22,437, plus tax, fees and model year adjustments;
- Authorize the General Manager to issue a purchase order to each of the successful bidders; and
- Reject all other bids for the fiscal year 2007-08 Vehicle Purchase Program.

DISCUSSION

Bid packets were sent to fifteen dealerships, six responses were received as follows:

Company	3 – 4 door Hybrid SUVs	1- 1/2 ton pickup truck	1 - 1/2 ton 4 WD pickup Truck	1- ¾ ton cab & chassis w/utility body	Total Purchase
Silver Star GMC	-	-	22,994	29,482	-
Buerge Ford	86,535	-	-	-	-
Wm L. Morris	-	-	-	31,654	-
Ventura Toyota	103,275	-	-	-	-
Vista Ford	<u>79,530</u>	<u>15,904</u>	<u>19,493</u>	25,800	114,927
Raceway Ford	81,681	16,207	21,337	<u>22,437</u>	22,437
					<u>137,364</u>

(Vehicle prices exclude taxes, fees and model year adjustments).

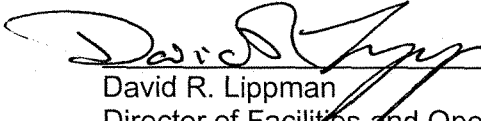
Vista Ford is the apparent lowest responsive bidder for the 3 Hybrid SUV's in the amount of \$26,510 each, 1- ½ ton pick up truck in the amount of \$15,904, and 1- ½ ton 4WD pick up truck in the amount of \$19,493. Raceway Ford is the lowest responsive bidder for 1 - ¾ ton pick up truck in the amount of \$22,437. The total purchase between the two suppliers is \$137,364. The vehicles proposed to be supplied by Vista Ford and Raceway Ford meet all required specifications.

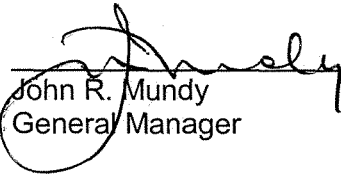
BA

FINANCIAL IMPACT

The fiscal year 2007/08 capital improvement budget allocated \$160,000 under Job #10362 for vehicle purchases, providing adequate funds for this purchase.

Carmen Ripley, Buyer, and Larry J. Miller, Facilities Manager, prepared this report.

 6/3/08
Date
David R. Lippman
Director of Facilities and Operations

 6/3/08
Date
John R. Mundy
General Manager



June 10, 2008 Board Meeting

TO: Board of Directors
FROM: Facilities & Operations

Subject: Lift Station Pump Electrical and Controls Modifications
Project: Award of Contract

SUMMARY

At the April 22, 2008 Board meeting, the Board authorized a call for bids for the Lift Station Electrical and Controls Modifications Project (VFD Replacement). The scope of this project involves modifications to the lift station electrical systems and the installation of District provided VFD's. The project involves modifications to all six of the variable frequency drives (VFD's) at both Lift Stations and SCADA connections to monitoring devices.

A mandatory pre-bid tour was conducted on May 14, 2008 and bids from three contractors were opened on May 28, 2008. Bid results were:

Table with 2 columns: Contractor Name and Bid Amount. Spectra \$ 59,950; JPL Electric \$ 93,844; Taft Electric \$114,063

RECOMMENDATION

- Award the contract for the Lift Station Electrical and Controls Modifications Project to Spectra in the amount of \$59,950; and that the remaining bids be rejected upon receipt of duly executed contract documents;

FINANCIAL IMPACT

The Fiscal Year 07-08 Budget provides funding for this project under the Lift Station Improvements CIP Job #10293 in the amount of \$449,000. The estimated cost of construction for this project was \$40,000 for the work and \$10,000 for bonds, insurance and mobilization for a total of \$50,000.

Brett Dingman, Associate Engineer, prepared this report.

Signature of David R. Lippman, Director of Facilities and Operations, dated 6/1/08

Signature of John R. Mundy, General Manager, dated 6/3/08

Handwritten initials EB



June 10, 2008 Board Meeting

TO: Board of Directors
FROM: Facilities & Operations

Subject: FY 08-09 Budget Revision CIP 80666 - Recycled Water Storage Study and 80649 - Calabasas City Center Recycled Water Pipeline Extension

SUMMARY

On May 27, 2008, the Las Virgenes Municipal Water District Board approved the FY 08-09 budgets. The budget included CIP projects 80666 – Recycled Water Storage Study, \$125,000 and 80649 – Calabasas City Center Recycled Water Pipeline Extension, \$220,000. The proposed cost share between LVMWD and TSD for these projects was 70.60% and 29.40% respectively.

On June 2, 2008, the JPA approved the FY 08-09 budget, but excluded the two projects because TSD declined to participate. Both projects provide for the expansion of the recycled water system and the planned activities for FY 08-09 are preliminary design studies.

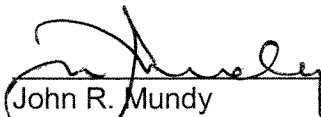
RECOMMENDATION

- Revise the cost share for CIP 80666 - Recycled Water Storage Study and 80649 - Calabasas City Center Recycled Water Pipeline Extension to 100% LVMWD for FY 08-09.

FINANCIAL IMPACT

The LVMWD share for 80666 – Recycled Water Storage Study will increase from \$88,250 to \$125,000, and the share for 80649 – Calabasas City Center Recycled Water Pipeline Extension from \$155,320 to \$220,000. A total increase of \$101,930 in the CIP budget.

David R. Lippman, Director of Facilities and Operations, prepared this report.


John R. Mundy
General Manager

6/3/08
Date

80



June 10, 2008 Board Meeting

TO: Board of Directors
FROM: John Mundy, General Manager

Subject Water Shortage Response Plan

SUMMARY

Staff has completed an update to the District's Drought Management Plan to address recent changes in the reliability of state water supplies, MWD conservation incentives, District water rates, and on-going advances in information technology. The District plan's new title – Water Shortage Response Plan (WSRP) – recognizes that water scarcity events are gradually shifting from relatively short, infrequent events (i.e. "droughts"), to increasingly limited regional supplies on an on-going basis. The transition to more limited regional supplies signals a need to more actively manage water resources locally, especially with respect to water use efficiency and the minimization of waste. Some highlights of the updated WSRP include:

- Revised policy principles on reservoir use, new development and the allocation appeal process.
- Incorporation of recent changes in conservation rate tiers.
- Use of new information technology to create customer-specific water budgets
- Combined use of FCS staff and the District's GIS to identify properties with irrigation runoff or other inefficient water use practices.
- Retention of flexible implementation of conservation measures via Board resolution.
- More detailed modeling of revenue impacts and potential water savings via the District's financial modeling software

In addition to the revised WSRP, staff are actively engaged in developing a WSRP implementation schedule in concert with MWD's efforts to address southern California's on-going water shortage conditions. A Board Resolution for adoption later this month will authorize the first steps in this schedule.

RECOMMENDATION

That the Board of Directors:

- Adopt the attached Water Shortage Response Plan
- Authorize a public hearing for June 24th to adopt a resolution authorizing the activation of WSRP elements necessary to reduce water consumption to levels consistent with MWD Water Shortage Condition II.

FINANCIAL IMPACT

None.

9A

DISCUSSION

In 2002 the Board adopted a Drought Management Plan intended to guide District policy and procedures during a state-declared drought or similar water shortage emergency. Since the adoption of the Plan, a number of new developments have taken place with respect to water resources and information technology that have created new impetus to use water efficiently and new tools to achieve it.

For example, where the previous plan envisioned blanket reductions in water allocations during drought (e.g. all customers must conserve 10%), the District now has the capability to estimate potential conservation savings on a specific, per-parcel basis for residential and multi-family customers. Similarly, where the previous plan envisioned reduced allocations to all customers simultaneously, we now have the capability to identify specific groups of parcels where irrigation runoff is persistent, which in turn suggests that mandatory conservation measures may be delayed or avoided altogether by focusing conservation efforts first on those customers with irrigation runoff from their properties.

Concurrent with these advances in information technology, state and regional water supplies have been severely impacted by a trio of new developments that collectively have reduced the reliability of water supplies to southern California in general, and the District in particular:

- Unpredictable, judicial curtailments in the California Delta pumping to protect endangered species.
- Unusually dry conditions in the eastern Sierra and Delta source watersheds, reducing State Water Project volumes.
- Reduced regional stored water to compensate with reduced water supplies and increased water demand.

Locally, unusually dry conditions have resulted in record demand for water, further exacerbating an already-difficult period for water managers.

In response to these developments, last fall District staff began a broad effort to update the District's Drought Management Plan, and to explore new ideas for meeting the challenge of these new limitations in regional water supplies. As we worked through the issues, it became clear that, unlike previous droughts, the current water shortage was driven not only by dry weather, but also by new limitations on water resources dictated by demographic growth and legal mandates to protect endangered species, in particular delta smelt, steelhead trout, and salmon. Recognizing this shift from drought-related water shortages to more general - and increasingly prevalent - limitations on water supplies, the plan was re-titled to remind staff and customers alike that water shortages are no longer solely weather-related. The change is more than semantic, as these new limitations demand new approaches to ensure reliable water supplies in the future, regardless of weather.

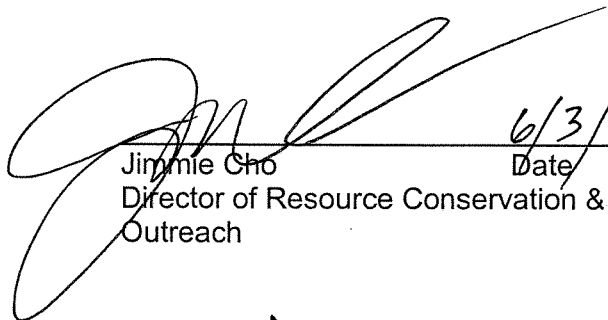
Other changes since 2002 impacting the Plan included a new District rate structure and revised conservation tier set-points, reflecting larger lot sizes and other demographic changes. A new computer financial model was developed in concert with these changes, and this model was enlisted to provide more realistic estimates of fiscal impacts associated with various water shortage scenarios.

In the district's watershed unit, an information system originally developed to locate and map urban runoff was adapted for possible use in responding to drought, resulting in the district's first attempts to create a District-wide water budgeting system.


Finally, in parallel to the District's efforts – and largely for the same reasons - the District's water wholesaler, MWD of Southern California, has substantially revised and updated its own water shortage plan, including new conservation allocations and a new (and very severe) penalty rate structure for non-complying MWD member agencies. Should MWD transition to mandatory allocations, a prospect staff views as likely by next year if present trends continue, staff will be prepared to implement additional conservation initiatives via Board resolution, and will continue to report to the Board each month on our water shortage response.

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

Attachment: WSR Plan



Jimmie Cho Date 6/3/2008
Director of Resource Conservation & Public Outreach



John R. Mundy Date 6/3/08
General Manager



June 10, 2008 Board Meeting

TO: Board of Directors

FROM: Resource Conservation and Public Outreach

Subject: Legislative Positions – AB 885 and AB 2724

SUMMARY

At its May 27 meeting the Board directed staff to further research AB 885 (Calderon), a bill that pertains to the governance structure of the Metropolitan Water District, specifically allowing alternate representatives to that board.

Staff is also requesting Board support for AB 2724 (Benoit) that addresses the procedures and penalties associated with metal theft, a problem of increasing concern impacting water districts and other entities throughout the state.

As neither bill is covered under the Legislative Policy Guidelines as adopted by the Board, staff requests Board approval for the following positions.

DISCUSSION

AB 885 (Calderon) MWD Board Governance (full text of bill is attached)
Staff recommends a “support” position.

AB 885 would permit MWD member agencies to have an “alternate” representative designated to substitute for the regular representative when the primary representative is unavailable. At present, if the designated representative is unavailable the member agency does not have the ability to vote at MWD board meetings.

A number of government entities and water agencies have taken “support” positions for the bill including: Burbank, City of Compton Office of the City Manager, Foothill, City of Fullerton, City of Glendale Water and Power, Long Beach Water Department, Los Angeles Gateway Region Integrated Regional Water Management, Three Valleys Municipal Water District, Western Municipal Water District, and Mayor Bob Foster, City of Long Beach.

In a conversation with Kathy Cole of MWD, she indicated the MWD board would be asked for a recommendation but it was also possible that the issue would be left to the member agencies to decide.

Staff analysis sees potential benefits to LVMWD should the designated MWD representative from the District be unable to attend MWD meetings for any reason. Having an alternate would at least give the District another opportunity to have representation and the ability to vote.

9B

AB 2724 (Benoit) Metal Theft (full text of bill attached)
Staff recommends a "Support with Amendment" position

AB 2724 would incrementally increase the fines for the theft of metals under a variety of circumstances and names "water" as an entity to which the protection of the law would apply. Staff recommends that the Board express support for the bill with suggested amendments stating a water *utility* or *agency* as a protected entity and also requesting that in addition to any other penalties, that restitution for the theft and its consequences be included in the bill.


FINANCIAL IMPACTS

There are no immediate or direct financial impacts to the District rising from these actions.

RECOMMENDATION

The Board authorize staff to convey to the state legislature the positions recommended in this item.


Jeff Reinhardt, Customer Service & Public Affairs Manager prepared this report.



Jimmie Cho
Director
Resource Conservation & Public Outreach

6-5-08

Date



John R. Mundy
General Manager

6/5/08

Date



June 10, 2008 Board Meeting

INFORMATION ONLY

TO: Board of Directors
FROM: Finance and Administration

Subject: Disaster Recovery for J.D. Edwards and CIS Systems

SUMMARY

The servers are all down. The computer room is dark. What are your priorities? Disaster Recovery has been a hot issue in the technology field for some time. Hurricane Katrina and the recent wildfires in Southern California have made us even more aware of the need for a disaster recovery plan. Critical systems such as the financial system, the payroll system and the customer information system must be in place. These systems have a significant financial impact on the viability of the district.

After much research, staff has decided to contract with WTS, Inc. for a fully managed disaster recovery solution for our JD Edwards and CIS billing environments. WTS provides a wide range of services for JD Edwards customers including hosting, disaster recovery, and business continuity services. WTS' managed disaster recovery service is designed to meet business continuity and compliance requirements, ensuring that companies can recover their JD Edwards and other business critical systems quickly, with minimal interruption to their organization and operations. With this managed service, WTS will execute our disaster recovery plan at one of their data centers in Washington or Colorado and host the applications for our use until we are able to get our servers running.

FINANCIAL IMPACT


One-time setup fees of \$13,500 covers configuration, implementation and completion of documented recovery procedures, including a Backup & Recovery Implementation Assessment. This is budgeted in account 701420.5430.

Recurring monthly fees of \$2,874 is budgeted and will be paid from account 701420.6215.

Janice Jaramillo, Systems Analyst prepared this report.

 6-2-08

Sandra Schmidt Date
Director of Finance and Administration

 6/3/08

John R. Mundy Date
General Manager

10-CL1

Service Overview

Scope

The scope of this proposal is to provide a safe and secure method for the recovery of Las Virgenes Municipal Water District's J.D. Edwards and CIS billing environments in the event of a disaster at their production facility.

WTS will act as an extension of your IT staff for the recovery of your production systems and will develop and document a recovery plan that will be executed by WTS personnel in the event of a disaster.

Statement of Work for Tape Recovery & Data Replication

Implementation Audit

CIS Task Description: WTS will create a data replication configuration, for your CIS environment, and identify configuration errors that could affect accuracy. An audit will be conducted using the planning documentation to determine the current effectiveness of the implemented solution.

JD Edwards Task Description: Best practices for tape recovery configuration and data integrity will be reviewed and will include the following items: Requirements definition and integration, E1 application, communications, backup strategy, and operational considerations.

- iSeries system security and common libraries (QUSRSYS, QGPL)
- Verify data group configurations.
- Apply sessions for performance and system impact
- Backup impact
- Best Practices Backup & Recovery Assessment
- System Information documentation supporting JDE infrastructure
- Fully documented Recovery procedures of your JDE Environment
- Timeline for complete Systems Recovery

CIS and JD Edwards Completion Criteria: Completion of audit documentation and presentation to Las Virgenes Municipal Water District.

System Recovery

CIS and JD Edwards Task Description: WTS will perform a complete iSeries system scratch reload to ensure the target system is 100% identical to the source system as a starting point. All data configurations and restart procedures will be executed based on findings from the audit.

- Clear system ASP on the target system
- Perform a full option 21 reload on target system
- Implement Data Group and apply session changes to data replication model

- Confirm completeness of all E1 applications, libraries, folders and directories to be replicated.
- Run full CIS data replication auditing and verification to ensure data integrity

The following areas will be reviewed and examined:

- Current backup strategy for the JDE and CIS software and server infrastructure
- Data loss exposure models
- Backup tape management rotations and off-site strategies
- Disaster scenarios and existing exposures
- Plan to achieve recovery point objectives (RPO) and recovery time objectives (RTO)
- Current backup tape management software controls and backup program implementation.

Deliverables:

- Best Practices Backup & Recovery Assessment with recommendations
- Optimize backups to ensure successful recoverability
- Document all JDE and CIS server infrastructure and develop a restoration process for your server and data infrastructure

Upon completion of the Backup & Recovery Implementation Assessment consulting engagement, WTS technical support staff will completely restore your contracted enterprise server and data infrastructure. This will validate the backup and program design and restoration documents. Las Virgenes Municipal Water District can actively or passively participate in this test. The intent is to complete the test satisfactorily to meet your business requirements. Upon completion, WTS will provide the following deliverables:

- A complete and tested set of documented recovery procedures for your server environment
- Timeline for complete Systems Recovery

Proposed Managed Disaster Recovery Services

Data Replication Solution - WTS will provide a dedicated data repository for your CIS environment that will be managed 7/24/365 in our Tukwila, Washington Data Center. We will provide a data replication design and implementation plan, for CIS using Double Take software.

Host System Equipment and Facility - WTS will provide the agreed upon equipment required to fully recover your server and data environment. In the event of a disaster, WTS will configure the hardware and build Operating System base server environment(s) needed to start the data recovery, from tape, process. WTS will maintain a data center environment that includes security, redundant power, HVAC, and multi-carrier network access in Seattle.

Configuration Preload Solution – WTS will provide a preloaded operating system within two hours of a declared disaster. The complete JDE server infrastructure will be delivered using the supporting documentation delivered from the initial consulting engagement. This will save valuable time in a disaster scenario. To ensure the ongoing success and completeness of this process, you are required to send WTS a saved copy of your iSeries operating system and Windows Virtualized Physical image(s) whenever a major server modification occurs. Our technical support staff will load and test the software in order to ensure recoverability. Since the amount of stored data can vary over time the actual tape recovery time will vary.

Restore From Tape Solution – WTS will recover your JD Edwards Enterprise One application and data at our facility in Seattle using a restore from tape methodology. Consistent with the current backup process, you will provide a copy of backup tapes to an off-site location that can be readily accessed, in the event of a disaster or a scheduled test. WTS will begin the data recovery process as soon as the tapes arrive.

Assured Recovery Solution – WTS assures our recovery solutions are successful by forming partnerships with our customers. Our recovery center staff will become part of your dedicated recovery team. Regular testing will ensure the recovery will work in an actual disaster.

Annual Disaster Recovery Test Time – Your Managed Disaster Recovery Service includes two complete recovery tests per year to validate the recovery process. The timing of the tests can be scheduled as required by your business.

Network Connectivity Options – Included in the managed service is a pre-configured 1.5MB secure VPN tunnel that will be available for CIS replication as well as access for the backup system for testing or in a disaster. If a dedicated communication link is required, WTS will co-locate your communication connection equipment to support a link between your wide-area-network and the WTS Data Center. All communication costs associated with dedicated links are the responsibility of Las Virgenes Municipal Water District.