



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

MINUTES
REGULAR MEETING

5:00 PM

July 23, 2013

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by President Caspary.

1. CALL TO ORDER AND ROLL CALL

A Call to order and roll call

The meeting was called to order at 5:01 p.m. by President Caspary in the District offices. Deputy Secretary Conklin called the roll. Those answering present were Directors Caspary, Peterson, Polan, Renger and Steinhardt.

2. APPROVAL OF AGENDA

A Approval of agenda

General Manager Pedersen requested removal of "14. Closed Session" from the agenda as there was nothing to report.

On a motion by Director Lee Renger, seconded by Director Barry Steinhardt, the Board of Directors voted 5-0 to Approve the agenda for the Regular Meeting of July 23, 2013, as amended by the recommendation of General Manager Pedersen.

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

3. PUBLIC COMMENTS

No speaker cards were received from the public.

4. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Legislative and Regulatory Updates

No report was given.

5. CONSENT CALENDAR

On a motion by Director Glen Peterson, seconded by Director Leonard Polan, the Board of Directors voted 5-0 to Approve Consent Calendar 5A-5D as presented in the recommendations.

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

- A** Minutes: Regular Meetings of June 11, 2013 and June 25, 2013. **Approve**
- B** List of Demands: July 23, 2013. **Approve**
- C** Investment Report for the Month of June 2013. **Approve**
- D** Investment Review for the Second Quarter 2013. **Receive and File**

6. TREASURER

Treasurer Polan inquired as to whether the check to CS Engineering for \$31,000 had been cashed (Director of Facilities and Operations Lippman stated no, and that CS Engineering had requested a meeting to discuss final acceptance of the project).

7. BOARD OF DIRECTORS

- A** Calabasas Road 10-inch Water Main Repair and Replacement: Continuation of Emergency Authorization

Approve continuation of the emergency authorization for the General Manager to replace approximately 1,500 feet of deteriorated 10-inch water main on Calabasas Road following informal bidding procedures in an amount not to exceed \$700,000.

Director of Facilities and Operations Lippman provided an update in regards to the emergency authorization including: contractor started repair last week, the valve to the repair area has been isolated, and the work should be completed at the end of August.

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

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

- B** Call for Suggestions: Alternatives to 5-Million-Gallon Tank

Determine whether or not to authorize a Call for Suggestions to solicit alternatives to the 5-Million-Gallon Tank; and, if authorized, approve the rules for the process with amendments, if any, and the awards or recognition for the winners.

General Manager Pedersen discussed the call for suggestions/rules, and stated after publication of the agenda he was contacted by Neil Ticktin who provided him with a supplemental exhibit modifying the call for alternatives (suggestions) and rules.

One public speaker card was received from the public (1) Neil Ticktin: discussed the Supplemental Exhibit he drafted entitled "Call for Alternatives to Proposed 5-Million-Gallon Tank", which included a summary, purpose, rules and proposed awards or recognition; and stated the program in the agenda package was not what he proposed; wants his version of the proposed contest utilized; wants to support the process; collaboration should have been done first instead of after portions of the tank project had been approved.

A summary of Board comments included: repeatedly stated support if tank is deemed to be needed (Ticktin: problem needing to be solved was not clearly stated; there are things that are right/wrong with the tank, if the tank is the best possible solution it should be compared to the

best alternatives); opposed to putting money in as an award; contentious; legal challenges; reach out to schools; include storage, conservation, 20x2020 ideas; do not delay project; include employees as part of those eligible to participate; remuneration only if usable/viable, motivating factor; student involvement positive; no ideas, nothing gained/lost; award vital for motivation; five member panel for selection process, how will the community member be selected (Pedersen: respected, active in community, someone not involved in the tank project, utilize a city engineer the District does business with, but who has not participated in any part of the tank project, board member who has the most technological knowledge (suggestion made for Directors Polan or Renger), consulting engineer who has never been part of the tank project); common sense; member of the community who is involved, but non-technical; does not want staff buried in questions (Pedersen: most documents needed are already posted to the District's web page); all information the public could need has been presented at board meetings; community member who is a non-engineer, possibly an environmentalist; likes innovative conservation ideas as part of the process; judge does not need to be from the District's community; the west-side is not the only beneficiary, all portions of the District will pay; ideas need to address all issues; conservation will not meet the needs; include 20x2020; filtration plant needs to operate more efficiently; potable usage up 17% according to the quarterly report.

On a motion by Director Barry Steinhardt, seconded by Director Leonard Polan, the Board of Directors voted 2-3 to Approve the supplemental exhibit as proposed by Neil Ticktin.

AYES: Director(s) Polan , Steinhardt

NOES: Director(s) Caspary , Peterson , Renger

On a motion by Director Glen Peterson, seconded by Director Lee Renger, the Board of Directors voted 3-2 to Approve the recommendations as presented by staff with an amendment to include conservation and 20x2020 ideas.

AYES: Director(s) Caspary , Peterson , Renger

NOES: Director(s) Polan , Steinhardt

C Approval of Management Unit and Supervisor, Professional & Confidential Unit Memorandums of Understanding: July 1, 2013 through June 30, 2015

Authorize the General Manager to execute Memorandums of Understanding with the Management Unit and Supervisor, Professional & Confidential Unit for a term of July 1, 2013 through June 30, 2015.

Human Resources Manager Paniagua provided a high level review of changes to the tentative agreements including: term (2-years); salary (6% increase effective August 3, 2013); CalPERS retirement (effective August 3, 2013 employees will be paying the entire 7% employee contribution); health insurance (effective January 1, 2014 the District's contribution will be 98% of the Kaiser Permanente HMO family rate and additionally, employees hired after July 1, 2013 with at least 10 years of District service who are age 55 or older at retirement will receive retiree medical benefits of 75% of the least expensive plan offered by the District at the time of retirement at the employee only level); total compensation study (provisions were removed from both agreements); Consumer Price Index (removed from both agreements).

A summary of Board comments included: clarification of 98% of Kaiser HMO family plan, believes what was discussed was 98% of each plan for employee only, employee plus one dependent, employee plus two dependents (after discussions by those present during Closed Session negotiations (General Manager Pedersen, Human Resources Manager Paniagua, Directors Caspary and Peterson)), it was determined the District negotiated payment of 98% of the Kaiser HMO family rate, which is the provision agreed to as part of the TA (tentative agreement).

Human Resources Manager Paniagua also stated that City Employees Associates (CEA) had requested the salary increase be effective July 1st versus August 3rd.

After discussions by the Board of Directors, based upon the staff memo in the agenda and recommendation of General Manager Pedersen, the effective date of the salary increase for both units was determined to be August 3, 2013.

*On a motion by Director Glen Peterson, seconded by Director Charles Caspary, the Board of Directors voted 5-0 to Approve the recommendation as presented.
AYES: Director(s) Caspary , Peterson , Polan , Renger , Steinhardt*

8. FACILITIES AND OPERATIONS

A Underground Fuel Storage System: Advanced Leak Detection and Repair

Waive formal bidding procedures and issue a purchase order to Tait Environmental Services, Inc., to perform advanced leak detection and repairs to the District's underground fuel storage system for \$83,350 with a 20% contingency, for a total amount not to exceed \$100,000.

Director of Facilities and Operations Lippman discussed local gas station use, which costs approximately \$2,500 per month or \$30,000 per year; \$200,000 for unleaded tank replacement, if required, due to vapor recovery system and line replacement, not including engineering services; cost includes Public Works and Regional Board permits.

A summary of Board comments included: brine between diesel/gas (keeps the lines from freezing); life cycle of tank (20+ years); leak (Tait has correct testing equipment to locate leak); dent in containment vessel (this was the first leak that was fixed).

*On a motion by Director Barry Steinhardt, seconded by Director Lee Renger, the Board of Directors voted 5-0 to Approve the recommendations as presented.
AYES: Director(s) Caspary , Peterson , Polan , Renger , Steinhardt*

9. FINANCE AND ADMINISTRATION

A Fourth Quarter Financial Review

Receive and file.

Treasurer Polan stated he had reviewed the report with Director of Finance and Administration Hicks; funds are moving in a positive direction; questioned in the long-term, has the financial situation anticipated using these funds for capital improvements and where is the positive cash flow going (operations, replacement projects, three years of capital on hand is the goal, general cash management, emergencies).

*On a motion by Director Barry Steinhardt, seconded by Director Charles Caspary, the Board of Directors voted 5-0 to Approve the recommendation as presented.
AYES: Director(s) Caspary , Peterson , Polan , Renger , Steinhardt*

B Proposed Financial Policy for Recycled Water

Adopt a financial policy to use net revenue in the Recycled Water Operations Fund beyond operating and replacement needs for two purposes: (1) funding, research, studies and construction of projects to increase the beneficial use of recycled water; and (2) setting funds aside to ultimately pay for or service the debt associated with a seasonal storage reservoir for recycled water.

General Manager Pedersen reviewed the proposed financial policy changes for recycled water

(Policy 2: Balance Budget/Annual Board Review; Policy 6: Operating Funds Cash Requirement; Policy 7: Replacement and Major Maintenance Fund), and stated he is hopeful the potable fund will be in the black by the end of the year.

A summary of Board comments included: is PAYGO in the policy (yes, stated as "pay for" instead of "pay as you go"); pipe to Palo Comado (Herschel property, Water System Design Report (WSDR) for potable and recycled, \$5,500 per acre foot, developer pays, but then Las Virgenes participates, Herschel is conceptual right now so WSDR is premature); sewer (developer would build and Las Virgenes would treat sewage); use PAYGO versus pay for.

On a motion by Director Lee Renger, seconded by Director Leonard Polan, the Board of Directors voted 5-0 to Approve the recommendations as presented with an amendment to utilize the terminology "PAYGO" in lieu of "pay for".

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

10. INFORMATION ITEMS

A 2013 Master Plans Update Technical Memorandum - Effects of the Economy and Climate on Water Demand and Wastewater Generation

Director of Facilities and Operations Lippman discussed the correlation between the economy and water demand, which is greater than the effect of weather; population related water demands and land use information will be available on August 13th.

A summary of Board comments included: people use automatic sprinkler controls; in good times gardeners want to keep grass green (during good economic times water use will be up); scary when considering 20x2020 (General Manager Pedersen stated staff is going to work on a 20x2020 plan as part of strategic goals along with budget based rates (possibly with Tom Ash)); verify percentages used in Table 5, is there a basis for the 6.5% (Lippman: meeting with Kennedy/Jenks on July 24th and will clarify); where does data come from (unemployment rates are from EDD (Employment Development Department - localized area, number of people who reside here that are unemployed) and water usage is from Las Virgenes); how about retirees (not counted); visited Cayucos last week, they are an environmental community, have their own water system, use water with ethics, we need to change our community's ethics, the change will be slow.

Director Renger inquired of Legal Counsel Lemieux: if potable water enterprise has to meet 20x2020 can some of the potable water money go to recycled water (Lemieux: yes if there is a nexus and then proportionally).

Director Renger requested staff speak to Arizona regarding landscaping; and Directors Peterson and Polan requested information on Las Vegas Valley Water District who has an Ordinance regarding landscaping/water use.

B Claim from Ted Polmanski

C Workers' Compensation Insurance - Premium Estimate for FY 2013-14

Director Peterson asked if there was an expected rebate (Director of Finance and Administration Hicks: no known rebate at this time).

11. NON-ACTION ITEMS

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

(1) MWD Representative Peterson reported on general business of Metropolitan Water District

including: presentation of Bay Delta Conservation Plan Economic Analysis was given by Dr. David Sunding (BDCP Consultant, The Brattle Group) and discussed an article in the Los Angeles Times regarding Fish and Game/Bay Delta Conservation Plan.

(2) None.

B Director's Reports on Outside Meetings

None.

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

(1) General Manager Pedersen provided an update on general business of the District including: reservation deadline for the upcoming CASA Conference; August 5th JPA Board Meeting to be held at Rancho Las Virgenes Composting Facility; August 8th event at Metropolitan Water District featuring Congresswoman Grace Napolitano; August 14th ACWA Regulatory Summit on groundwater.

(2) General Manager Pedersen provided an update on follow up items that had been completed including: development of financial policies, goals and objectives for recycled water funds; and stated a policy would be provided as information to the Board on August 13th in regards to handling of bees.

D Director's Comments

Director Polan requested (1) a policy related to providing of food for late night board meetings; (2) school district outreach related to water conservation ethics as taught by teachers outside our area; (3) information on Code violations related to wasting of water (President Caspary requested staff forward Ordinances to the Board related to water conservation/enforcement); (4) statistician for probability analysis (General Manager Pedersen stated this item would be brought forward on August 13th).

12. FUTURE AGENDA ITEMS

None.

13. PUBLIC COMMENTS

No speaker cards were received from the public.

14. CLOSED SESSION

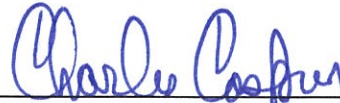
Closed Session was not held.

A Conference with District Counsel - Existing Litigation:

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


15. OPEN SESSION AND ADJOURNMENT

The Chair declared the meeting adjourned at 6:48 p.m.



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

ATTEST:



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

(SEAL)