



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

MINUTES
REGULAR MEETING

5:00 PM

October 22, 2013

PLEDGE OF ALLEGIANCE

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

1. CALL TO ORDER AND ROLL CALL

A Call to order and roll call

The meeting was called to order at 5:04 p.m. by Board President Caspary. Deputy Secretary, Kimmey Conklin called the roll. Those answering present were Directors Charles Caspary, Glen Peterson, Leonard Polan, Lee Renger, and Barry Steinhardt.

2. APPROVAL OF AGENDA

A Approval of agenda

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 October 22, 2013, as presented.

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

3. PUBLIC COMMENTS

No speaker cards were received from the public.

General Manager, David Pedersen introduced Lourdes Figueroa as the District's newly hired Human Resources Coordinator.

4. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Proclamation Recognizing the Service of Sandra Hicks

The Board of Directors and General Manager presented Sandra Hicks with a proclamation in recognition of her 15-years of service with the District as Director of Finance and

Administration, and congratulated her on her accomplishments.

Ms. Hicks spoke in regards to her service, and her enjoyment of working for the agency and with its Board and staff.

B Legislative and Regulatory Updates

General Manger Pedersen provided a summary of bills before Governor Brown (2264 total, 805 approved and 96 vetoed); and discussed AB 803 (Gomez) Water Recycling Act of 2013; SB 743 (Steinberg) California Environmental Quality Act; AB 145 (Perea and Rendon) The California Safe Drinking Water Act.

Director Polan inquired about the focus of AB 145 (Pedersen: moving of the Drinking Water Program from Department of Public Health to the State Water Resources Control Board (SWRCB), the District took an oppose position along with other agencies, the Governor plans to pursue as part of a staff reorganization at SWRCB; ACWA is engaged in the process along with other stakeholders).

Director Peterson inquired about AB 803 in regards to maintenance of cemetery grounds (Pedersen: issue had to do with the use of hose-bibs).

5. CONSENT CALENDAR

Director Steinhardt requested Consent Calendar "5A-Minutes: Regular Meeting of September 24, 2013" be pulled from consent calendar approval as they are too vague in regards to "8A-Communications Site Lease Agreement: Morrison Tank (Woodglen Drive and Ridgebrook Drive, Agoura Hills, CA)", and wants the paragraph beginning with "A summary of Board comments included" to be more specific as to which board members made what comments.

Board President Caspary directed staff to revise the September 24, 2013, Regular Meeting Minutes and to bring them back to the next board meeting for reconsideration; and requested the Board provide comments to Minutes prior to board meetings.

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

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

A Minutes: Regular Meeting of September 24, 2013. Approve

B List of Demands: October 22, 2013. Approve

C Investment Report for the Month of September 2013. Approve

D Investment Review: Third Quarter of Calendar Year 2013. Receive and File

6. TREASURER

Treasurer Polan stated he had no report.

7. BOARD OF DIRECTORS

A Agoura Hills State of the City Address

Authorize Board Member attendance and per diem compensation for the Agoura Hills State of the City Address to be held at the Sheraton Agoura Hills on October 30, 2013.

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

B Minutes: Regular Meeting of August 27, 2013 (Amended)

Approve as amended the Regular Meeting Minutes of August 27, 2013.

*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*

C San Gabriel Valley Water Forum

Authorize expense reimbursement of \$50 and per diem payment of \$200 to Director Barry Steinhardt related to his attendance at the October 3, 2013 San Gabriel Valley Water Forum.

*On a motion by Director Leonard Polan, 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*

8. FACILITIES AND OPERATIONS

A SDG Russell Ranch Associates: Target Easement Agreement

Authorize the General Manager to execute the Easement Agreement with SDG Russell Ranch Associates, LLC, and Target Corporation subject to non-substantive changes.

Director of Facilities and Operations, David Lippman discussed the proposed easement agreement between SDG Russell Ranch Associates, Target Corporation and the District.

Board President Caspary inquired as to whether District Counsel, Wayne Lemieux would be reviewing non-substantive changes and approve as to form prior to the agreement being executed (Lemieux: yes).

Director Polan inquired as to the additional water demand from the system (Lippman: unsure of max-day demand and will report back to the Board).

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

B Calabasas Road 10-inch Water Main Repair and Replacement: Final Acceptance

Approve execution of a Notice of Completion by the Secretary of the Board for and on behalf of the District and have the same recorded; and, in the absence of claims from subcontractors or others, release the retention in the amount of \$24,417.90 thirty calendar days after filing the Notice of Completion for the Calabasas Road 10-inch Water Main Repair and Replacement Project.

Director of Facilities and Operations Lippman discussed acceptance of the project and stated the final construction cost for repair and replacement of the 10-inch water main was \$517,218.98, which is under the \$700,000.00 emergency authorization previously approved by the Board; and reported on the diligent job staff members Doug Barrow and Mike Hand had performed in regards to the project.

Board President Caspary stated this was an outstanding job by staff and kudos were to be relayed to Doug and Mike for their efforts.

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

**C Pavement Repair near Mulholland Highway and Decker Canyon Road:
Authorization of Purchase Order**

Authorize the General Manager to issue a purchase order in the amount of \$31,525 to Toro General Engineering Contractors for paving near Mulholland Highway and Decker Canyon Road.

*On a motion by Director Lee Renger, 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*

D 5-Million-Gallon Tank: Contractor Pre-Qualification, Bid Document Distribution and Issuance of RFP for Construction Management Services

Approve Pacific Hydrotech Corporation, SSC Construction, Skaar Construction Inc., and Gateway Pacific Contractor, Inc. as pre-qualified general contractors and Earth Construction and Mining and California Drilling and Blasting as pre-qualified blasting subcontractors; approve the distribution of bid documents to the pre-qualified contractors; and approve the issuance of a request for proposals for construction management services for the 5-Million-Gallon Tank Project.

Director of Facilities and Operations Lippman provided an overview of the pre-qualification process; stated contractors determined to be "non-qualified" could appeal to the General Manager if they wanted to challenge the finding, and that the General Manager had approved a \$16,744.00 contract with AECOM to provide construction bidding services. A summary of Board comments included:

Director Steinhardt: relationship with AECOM, Joint Powers Authority partner had a negative experience, and AECOM had cost Triunfo Sanitation District money; we should know what the circumstances were (AECOM's Director of Client Services, Ryan Gallagher discussed cost over-runs on the Triunfo project, which were related to turnout structure; Calleguas Municipal Water District has strict requirements; Calleguas led the project design and Triunfo paid for the work; design/bid/build process is preferable, and because of the circumstances there were delays due to weather, etc.; the project became an emergency versus a standard design/bid/build project; there was not a construction management firm, only Calleguas' inspectors were at the job site; time and materials ran high; General Manager Pedersen additionally commented that all projects can encounter issues and the Triunfo/Calleguas project had unique circumstances); Steinhardt: what if the project had gone to bid with a construction management company (Gallagher: approximately 10-15% over the design/bid/build; and stated that AECOM investigated the project over-runs at their own cost); Steinhardt: you are sure of cost (Gallagher: over-runs were due to time and materials; and not having construction management).

Director Polan: look at whether the tank is needed or not; staff did a yeoman's job in looking at alternatives; against boil water order unless there is an emergency; probability scope of work, which Board President Caspary vetoed, the ad hoc committee had a draft document; discussed IBM process for Watson to conduct a medical probability analysis; we have the Calleguas intertie that we need to look at for customers.

Director Steinhardt: he is out in community; ratepayers' letters to The Acorn; not convinced the tank is needed; probability analysis was pulled; customers were overcharged for years to provide revenue for tank; we do not have the lowest rates in the area; put a bond measure out

to build tank; let ratepayers decide whether tank goes forward or not (Caspary: who has the lowest rates (Steinhardt: doesn't know); Caspary had rates from June 2013 (Steinhardt: out of date, look at total bill for water and sewer); Director Peterson stated Directors Steinhardt and Polan are entitled to their own opinions, but not entitled to make up their own facts).

Director Peterson: clarification on bids (Lippman: award to lowest of pre-qualified contractors).

Director Renger: we are approving pre-qualified contractors not construction, is not convinced we do not need tank; stated Director Polan voted for the tank and believes he did the right thing even though he later retracted his vote in The Acorn.

On a motion by Director Glen Peterson, seconded by Director Charles Caspary, the Board of Directors voted 3-2 to Approve the recommendations as presented.

AYES: Director(s) Caspary , Peterson , Renger

NOES: Director(s) Polan , Steinhardt

9. FINANCE AND ADMINISTRATION

A Claim by Pacific Bell/AT&T

Deny the claim from Pacific Bell/AT&T.

General Manager Pedersen stated the claim is vague as to actual damages; break occurred May 13, 2013; AT&T says damages were incurred on May 10, 2013, but the District did not know the condition of the pipes at that time.

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

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

B Financial Review: First Quarter of Fiscal Year 2013-14

Receive and file.

On a motion by Director Lee Renger, 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

10. LEGAL SERVICES

A Ordinance Amending Penalties for Violation of Pretreatment Standards

Waive the full reading of the proposed Ordinance No. 10-13-272, Amending Ordinance No. 11-86-161 (Las Virgenes Code) As It Relates To Violation of Pretreatment Standards, and order publication within 30 days of adoption using a summary of the Ordinance.

The Board of Directors by a roll call vote of Ayes: Noes: Abstain: Absent, that the proposed Ordinance No. 10-13-272, Amending Ordinance No. 11-86-161 (Las Virgenes Code) As It Relates To Violation of Pretreatment Standards, given second reading by title only, be passed, approved and adopted as presented.

ORDINANCE NO. 10-13-272

AN ORDINANCE OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT AMENDING ORDINANCE NO. 11-86-161 (LAS VIRGENES CODE) AS IT RELATES TO VIOLATION OF PRETREATMENT STANDARDS

(Reference is hereby made to Ordinance No. 10-13-272 on file in the District's Ordinance Book and by this reference the same is incorporated herein and made a part of hereof.)

On a motion by Director Glen Peterson, seconded by Director Charles Caspary, the Board of Directors voted 5-0 to Approve the recommendations in paragraph one as presented, to waive the full reading of the proposed Ordinance and order its publication within 30-days using an Ordinance summary.

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

On a motion by Director Lee Renger, seconded by Director Charles Caspary, the Board of Directors voted 5-0 to Approve by a roll call vote conducted by Deputy Secretary Conklin of Ayes: 5; Noes: 0; Abstain: 0; Absent: 0; the recommendations in paragraph two as presented, to pass, approve, adopt the proposed Ordinance.

Board President Caspary gave the second reading of the Ordinance by title only (Director Peterson inquired as to whether District Counsel had to read the Ordinance by title (Lemieux: no)).

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

B Resolution for Changes to Title 2, Chapter 5, Article 5, Purchasing Policy, of the District's Administrative Code

Approve the updated Purchasing Policy; and pass, approve and adopt Resolution No. 10-13-2446 amending Title 2, Chapter 5, Article 5 of the District's Administrative Code.

RESOLUTION NO. 10-13-2446

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT AMENDING RESOLUTION NO. 7-90-2046 (ADMINISTRATIVE CODE) AS IT RELATES TO PURCHASING

(Reference is hereby made to Resolution No. 10-13-2446 on file in the District's Resolution Book and by this reference the same is incorporated herein and made a part of hereof.)

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

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

11. INFORMATION ITEMS

A Anticoagulant Rodenticides: Regulation and Use

Director Renger: Las Virgenes Homeowners Federation considers this is an important issue to wildlife. Director Peterson: alternatives for gophers and squirrels (General Manager Pedersen stated burrowing rodents can cause significant damage especially at the dam, but we want to be environmentally sensitive in the Santa Monica Mountains area; Director of Resource Conservation and Public Outreach, Carlos Reyes stated other agencies are also using first generation rodenticides).

Director Peterson requested staff contact Randy Record as he uses an alternative gassing process.

12. 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: new Director Russell Lefevre, City of Torrance; Chair Foley and his son who is a Blue Angel were present at the meeting; and reported on his attendance at a Bay Delta meeting and discussed outreach presentations for the Bay Delta Conservation Plan.

(2) Director Steinhardt reported ACWA Region 8 would have a Total Maximum Daily Load (TMDL) segment with Bruce Houdesheldt, Director of Regulatory Affairs for the Northern California Water Association and that the agenda was all set for December 4th; and stated on November 5th, ACWA Regions 5 & 8 would be holding a Statewide Water Action Plan (SWAP) briefing at District Headquarters.

AWA WaterWise Breakfast of October 17th: Director Renger stated Dave Smith of WaterReuse California discussed direct reuse slowly gaining traction, brine 20-40% of water flow, Department of Public Health is supposed to come up with uses by 2016, retention time and buffer for tertiary, evaluation of risk reduction and storage for reuse, recycled water we sell accounts for about 1% of recycled water reuse in California, which is above the average sold in comparison to population; Director Caspary stated Dr. Debroux of Kennedy/Jenks discussed regulations, Department of Public Health has drafted reuse regulations for 29-years and they aren't finished yet, a lot of indirect use going on in California; Director Polan reported use of ozone to reduce brine was discussed and that Dave Smith supported Drinking Water Program move to State Water Resources Control Board from Department of Public Health.

B Director's Reports on Outside Meetings

Director Steinhardt reported on his attendance at the Greater Los Angeles Water Summit held October 16-17, noted speakers such as Congresswoman Grace Napolitano were called back to Washington D.C.; Mayor Bob Foster, City of Long Beach opened the event; Christopher Thornberg an economist who works with MWD spoke on increases, improving labor market, disappointing economic recovery, Gray Davis' pension reform is why California is in trouble; State Assemblyman Anthony Rendon spoke in regards to climate change, potential collapse of Delta in the event of an earthquake, there is 5-years of storage; Gerald Meral, Deputy Secretary, California Natural Resources Agency commented Northern California wants to keep water up there, sea water issues when levels are high, San Luis Reservoir 15% full, Endangered Species Act stopped pumps; Jeffrey Kightlinger, General Manager, MWD explained how Metropolitan Water District started; panel discussion led by California Assemblyman Richard Bloom, former Mayor of San Francisco, Willie Brown spoke about term limits, 75% of speech was related to water; Delta fix; networking; West Basin involved in summit, and Dave Pedersen also attended (Pedersen: there were a couple of good panels including one with Steve Fleischli, Water Program Director & Senior Attorney of NRDC (National Resources Defense Council)).

Director Caspary reported on his attendance at the October 7th Local Agency Formation Commission (LAFCO) meeting to elect a Special District Alternate, there was not a quorum, so a vote by mail process was approved; and also reported on his attendance at a recent City of Calabasas Council meeting during which consideration of a Resolution in support of the Bay Delta Conservation Plan (BDCP) was considered, there was speaker opposition, process was supported by a majority of the Council, staff is refining the BDCP presentation before attending other city council meetings to discuss support.

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: City of Calabasas adopted a Resolution in support of the Bay Delta Conservation Plan (BDCP), staff is looking at how to provide better information; November 19th Bay Delta Conservation Plan briefing being held at headquarters; Building # 1 lot-line, general plan amendment, zoning change will be considered by City of Calabasas Council on October 23rd; construction on Calabasas transmission main - jack and bore at freeway underway; Water Environment Research Foundation recognized the District for their 20-year membership; calendar (November 5th ACWA Region 8 meeting, November 21st AWA WaterWise Breakfast, October 30th Agoura Hills State of the City Address, November 1st-November 3rd State Water Project Tour, and November 2nd quarterly potable water tour would be hosted by Director Steinhardt.

Director Polan inquired as to the pipe on Mureau Road versus Lindero (Lippman: nothing in common as we are going under the freeway for the Calabasas transmission main); water processing through the reservoir and display of treatment plant information on website (Pedersen: will meet with Polan regarding dashboard (website)); what is happening at the reservoir (the plant has been down since the end of September, refill will occur during calendar year to avoid Tier 2 rates); how much water is in the reservoir (Pedersen: this information can be found in the General Manager's Monthly Report of Activities, currently at approximately 1033 elevation).

(2) Information on follow-up items was included in board folders.

D Director's Comments

Director Steinhardt stated staff did a great job in regards to the work being done on Quail Run.

Director Polan stated that he found a note on his door regarding a leak of 1/8 gallon per minute, he found the leak and praised staff for their work. Director Peterson stated he received a similar note.

13. FUTURE AGENDA ITEMS

Director Steinhardt would like two items added to a future agenda (1) hosting of a water summit for elected officials and water people to discuss Bay Delta; and (2) issuing bonds to pay for this water tank and put that to the ratepayers to vote on (Board President Caspary stated he disagrees with issuing bonds as there was previously an analysis to look at this).

Director Polan would like to add future agenda items for (1) Department of Public Health versus State Water Resources Control Board for the Drinking Water Program; and (2) in concert with Director Steinhardt's request for a future agenda item, one of the alternatives perhaps if this bond issue gets discussed, part of the same package with an alternative to fund the methodology to save water and if that money has already been collected through bond funding (he would like to discuss the size and scope of the proposed future agenda item), if money is leftover he would like to see a part of it refunded to the community/citizens and some money go into water conservation with a goal of 20% x 2020.

14. PUBLIC COMMENTS

No speaker cards were received from the public.

The meeting convened into break at 6:41 p.m.

15. CLOSED SESSION

The meeting reconvened into Closed Session at 6:46 p.m.


A Conference with District Counsel – Existing Litigation (Government Code Section 54956.9(a)):

1. Las Virgenes - Triunfo Joint Powers Authority v. United States Environmental Protection Agency
2. Heal the Bay, Inc. v. Lisa P. Jackson
3. Weber v. Las Virgenes Municipal Water District

16. OPEN SESSION AND ADJOURNMENT

The meeting convened into Open Session at 6:49 p.m. No reportable actions were taken during Closed Session.

The Chair declared the meeting adjourned at 6:50 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)