

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

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5:00 PM

November 4, 2013

**PLEDGE OF ALLEGIANCE**

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

**1. CALL TO ORDER AND ROLL CALL**

**A** Call to order and roll call:

The meeting was called to order at 5:02 pm by Director McReynolds in the Oak Park Library and Clerk of the Board Bodenhamer called the roll. Those answering present were Directors Caspary, Iceland, McReynolds, Orkney, Paule, Peterson, Polan, Renger, Steinhardt and Wall.

**2. APPROVAL OF AGENDA**

**A** Approval of agenda

*On a motion by Director Charles Caspary, seconded by Director Steven Iceland, the Board of Directors voted 10-0 to Approve the JPA Regular Board Meeting agenda of November 4, 2013*

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

**3. PUBLIC COMMENTS**

Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2

No speaker cards were received from the public.

**4. CONSENT CALENDAR**

**A Minutes: Regular Meeting of September 3, 2013 and Regular Meeting of October 7, 2013. Approve**

*On a motion by Director Charles Caspary, seconded by Director Lee Renger, the Board of Directors voted 10-0 to Approve the minutes as presented.*

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

**5. ACTION ITEMS**

**A Financial Review: First Quarter of Fiscal Year 2013-14**

Receive and file.

The Administering Agent/General Manager Pedersen reported that the first quarter financials are included in the agenda package; operating revenues for the first quarter of 2013/14 were a little over 5% higher than budget; there was a slight increase in the cost of wholesale recycled water; so we are a little bit above budget there, expenses were slightly below budget by 2% with a net operating expense of 5% below budget; \$2.91 million versus 3 million budgeted; the capital expenses are a fair amount behind budget at \$1.186 million and it was anticipated to be \$2.284 million; the difference has to do with the timing of large projects that are under construction right now; the largest project in progress at this time is the Third Digester Project; the construction work is progressing; the concrete shell is cast in place, so it is moving along quite well; JPA question: In regards to the concrete calculations, is it possible that there was more concrete needed than calculated? They may have needed more concrete to build the base than they anticipated. (Lippman: we don't get into that much detail as it's the contractor's means and methods; it was a single bid for the project; it's possible that it was over excavated and they needed more concrete) JPA comments/questions: Concrete is a liquid material that doesn't compress. (Lippman: we will look into it for you) How close are we to being able to sell all of the reclaimed water? (Pedersen: the sprayfields have been operating recently; work is being done on the recycled water pump station as the pump station was not running and recycled water had to be disposed of which is why the sprayfields were running; (Lippman: the sprayfields are being used first in order to stay away from using the 005 discharge right now) (Pedersen: we are still at that time of year of the creek avoidance period until November 15th; now that the weather is starting to get overcast and cooler temperatures, we are starting to have more recycled water than we have demand for) How much water is being put into the creek for the fish? (Dingman: the flow in the creek is about 1.29 cfs; we're about half of that flow) When we have excess water that we have right now, can we go to the premium users like the golf courses and meter the water at a discount? (Pedersen: we could try that but there are some challenges as there are certain requirements imposed by Water Recycling Requirements (WRR) issued by the Regional Board stating any recycled water user can use recycled water to meet the needs of their grounds; so if it's turf grass, you can't just apply endless amounts of recycled water; you can only apply what the field needs; also with golf courses, you don't want to over saturate fairways; it's a bit of a challenge because generally we don't have advance notice; that's where the value of the sprayfields comes in because they can be turned on in a moments notice) What is the amount we are losing if we could sell that water at full price? How much are we discharging to the sprayfields? (Lippman: it's hard to say because the usage is up and down depending on the needs; it depends on the time and the length of the shutdown) JPA comment: Just trying to think of a way to get additional revenue; it's understood that we don't want to over-water the golf courses, but some of them are trying so hard to water very little. JPA question: On the Capital Improvement Projects Status (page 19), there is a line item for Project 10457 - Tapia Alternative Disinfection Study; why is it showing a budget of \$8,207 but the current year expenditures is \$239,188? (Pedersen: the \$8,000 is under the prior year and carried to the current fiscal year; when preparing the budget, it does not include soft costs or internal costs; the soft costs are accounted for when employees charge to this project) Why would it be a negative number? (Pedersen: it's showing the budget balance is \$230,980 over budget and the TSD balance is reflecting \$67,908 over budget; when doing appropriations for projects, we should probably reflect internal and external costs of the projects, currently the budgets only reflect external costs) It would be easier to see the quarterly differences if the adjustment were made once per year for the soft costs that are going towards capital projects. (Pedersen: these amounts have accumulated over the life of the project) Are these numbers just for this quarter? (Pedersen: the projects showing are an accumulation over the duration of the projects) What is the time frame for the Tapia Alternative Disinfection Study? (Pedersen: it's a construction project that started around July 2012) Is this the first entry of this showing? (Pedersen: it shows up at the end of the project; the outside cost of the contractor had not

been expended yet) Is it possible to display the expenditures and balance in the budget in separate columns? Do the accountants have any suggestions? (Joe Lillio: it really only affects projects where we have internal staff putting a lot of their time into the projects; in the City of Santa Clarita, the City Manager would do a budget transfer from Operations to the project; it has already been adopted by the board, its just where accounting is actually billing it to) (Pedersen: we will talk about this and see what we think is the best solution and come back to the board with it a suggestion)

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

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

## **6. BOARD COMMENTS**

Director Iceland: Was the amendment switched from Agromin to B&B Pallet Pallet yet? (Pedersen: Agromin got the notice of termination and agreed to waive the 60-day termination period, so we have started using B&B Pallet) (Dingman: we've reduced our amendment consumption by over half)

Director Steinhardt: Reminder that tomorrow, 9:30 am. at Las Virgenes District Headquarters, ACWA will be presenting on the Statewide Water Action Plan (SWAP); it will run from 9:30 am - 11:30 am.

Director McReynolds: Attended the Solar Event and it was very well done. There was support from public officials.

## **7. ADMINISTERING AGENT/GENERAL MANAGER REPORT**

The Administering Agent/General Manager reported that the Solar Facility Dedication event went really well. About 40 people attended along with media coverage, Senator Fran Pavley, Supervisor Linda Parks, Assembly Member Richard Bloom, Solar City and ACWA.

Sandra Hicks has formally retired as Director of Finance and Administration. Recruitment is open for internal and external candidates. Joe Lillio is the interim Director for Finance and Administration.

Follow Up Items:

Discussions continue with TSD staff on how to apply the solar savings expected for the FY 2014-15.

A contingency plan is being developed to complete cathodic protection system replacement and upgrade for centrate tanks.

An update was given on the master plan.

A report was given on the Development of Recycled Water Transmission and Distribution; revised copies were handed out; JPA question: Why is this not an item on the agenda for transparency reasons? (Pedersen: as an Action Item?) Just for transparency reasons. (Pedersen: we could bring it back as an information item) Are there any significant changes from the draft? (Pedersen: there are no major changes from the draft; staff took notes during the previous meeting and clarified a number of different items like Oak Park Water Service versus using Triunfo; staff clarified some of the lengths of pipeline; nothing that I can recall was major) It would be much nicer to have the changes highlighted. (Pedersen: we can track the changes on the document or have it redlined) The agenda is posted online,

but the attachments and reports, are those also posted online? (Bodenhamer: yes, the full agenda packet is posted) What about the hand-outs at the meetings? (Bodenhamer: those are not posted) It would be nice to have those posted electronically as well. Director Paule requested for future hand-outs to be available electronically as well.

It was reported that we have discontinued working with Agromin and are now using B&B Pallet.

Staff will be following up with Marc Franklin, the videographer who proposed a media segment covering the EPA TMDL for Malibu Creek; there was concern that the story could be spun, but what he proposed was a well balanced story; Mr. Franklin agreed to provide an interview with questions being given ahead of time; he came into the office and was given the same presentation as the Watershed Tour; he was shown the mud snails; JPA comments and questions included: JPA member did not like the idea of the video as Marc Franklin had the Confederate Flag portrayed on his Youtube site; Can the video be reviewed before it goes public? Will Heal the Bay and JPA participate? (Pedersen: it is not definite that the story will even run; it all depends on if there is enough interest in the story; if there isn't enough interest, then he will not proceed with it)

Demand for recycled water use at the new park in Westlake Village is 66 acre feet per year; the build out demand is 175 acre feet per year; JPA question: Why is the purple pipe being replaced by white pipe? (Pedersen: we will have to look into that)

What is the status of the shade balls? (Pedersen: that issue will addressed in the RFP for the project)

There was a discussion of the report on follow-up items and the merits of sending the report out in advance to allow board members to review it. The rationale would be to enable board members to request that an item from the report be added to the upcoming agenda, if necessary. Following the discussion, it was agreed that the report on follow-up items would continue to be provided at the board meetings and that any items on the report could be brought up for future action by the board, if necessary, under "Future Agenda Items". The report would indicate which items had requested to be brought back as a future agenda item as opposed to an oral report. JPA question: Since Sandra Hicks is retired, will the audit committee meeting still be taking place at 3:30 pm? (Conklin: yes)

## **8. FUTURE AGENDA ITEMS**

Director Orkney requested to have the Master Plan Updates listed as an agenda item on a future agenda.

## **9. INFORMATION ITEMS**

### **A Renewal of Polymer Contract**

Director McReynolds asked if there were any questions on the Renewal of Polymer Contract; there were none.

### **B State Water Resources Control Board Draft Toxicity Policy Update**

Brett Dingman, Water Reclamation Manager reported on the State Water Resources Control Board Draft Toxicity Policy; the draft was released in June of 2012; he noted that we are in the comment period right now; he gave a background of what Tapia is currently doing for toxicity; the policy is consistent with the monitoring and reporting required in the NPDES permit; each RWQCB implements toxicity; there are two types of toxicity tests: Tapia does effluent chronic toxicity monitoring monthly and acute is tested quarterly; there were 3 chronic hits in

the last 10 years and 15 hits since 2006; JPA questions: The creek water had toxicity on 15 different occasions? (Dingman: yes, now we have to prove we are not toxic with set statistical analyses) So if you have 100 fish and 80 live, then you pass? Is this policy? (Dingman: no, numeric limits is a concern as there are false positives under tests of toxicity; instead of trying to find the source of toxicity, they are just saying you're toxic) When you are given maximum daily effluent limitations, does that mean they are limiting the amount of water you can discharge? (Dingman: no, they are saying you are limited to 1, but you don't know how you failed) Dingman added that other concerns are costs for compliance and monitoring; instream water concentration; regulatory backlog; the economics analysis was not completed; we hope to have a revised policy by early 2014; our compliance is excellent; JPA question: Is it an opinion or fact that compliance is excellent? (Pedersen: toxicity has always been an investigative tool; it has never been treated as a regulatory standard; it's a non-specific test and doesn't tell you what's wrong with the water; it triggers additional monitoring; our track record is amazing; most agencies have a handful of these issues each year; there are thousands of different things that can cause toxicity)

## 10. **PUBLIC COMMENTS**

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No speaker cards were received from the public.

The meeting convened to break at 6:24 pm and Closed session started at 6:47 pm.

## 11. **CLOSED SESSION**

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

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

## 12. **ADJOURNMENT**

No reportable actions were taken during Closed Session.

Chair McReynolds declared the meeting adjourned at 6:47 pm.