

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

5:00 PM

December 2, 2013

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Legal Counsel Lemieux.

1. CALL TO ORDER AND ROLL CALL

A Call to order and roll call:

The meeting was called to order at 5:00 p.m. by Director McReynolds in the Las Virgenes Municipal Water District office and the Clerk of the Board Bodenhamer called the roll. Those answering present were Directors Caspary, Iceland, McReynolds, Orkney, Paule, Polan, Renger, Steinhardt and Wall. Absent: Director Peterson

2. APPROVAL OF AGENDA

A Approval of agenda

On a motion by Director Steven Iceland, seconded by Director Michael Paule, the Board of Directors voted 9-0 -1 to Approve the JPA Regular Board Meeting agenda of December 2, 2013 as presented.

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

ABSENT: Director(s) Peterson

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. ACTION ITEMS

A **Joint Powers Authority Financial Statements and Independent Auditors' Report for Fiscal Year 2012-13**

Approve the Joint Powers Authority financial statements and audit for Fiscal Year 2012-13.

Administering Agent/General Manager Pedersen reported that the Annual Financial Statements are complete; Auditor Nitin Patel had a meeting in the afternoon of December 2nd to review the audit with Directors Polan, Caspary, Iceland and Paule; Auditor Patel gave an overview of the report and answered any questions.

Auditor Patel gave an overview of the auditor's responsibilities which included: reasonable assurance that financial statements are free of material misstatement; examining evidence supporting amounts and disclosures; assessing accounting principles used, estimates made and to evaluate the overall financial statement presentation; reviewing the internal control policies and procedures; expressing an opinion on the basic financial statements; he explained the work performed on basic financial statements and reviewing LVMWD's Internal Control Policies and Procedures in connection with the JPA's financial statements; he reviewed the basic financial statements of Net Position, Revenues, Expenses and Changes in Net Position, Statements of Cash Flows and Notes/Disclosures; Auditor Patel reported the primary result of depreciation of 6.4 million which was higher this year; JPA questions: The disposition of fixed assets on Table 2 (page 12 of the agenda) category for non-operational expenses. Where did the amount of \$315,000 come from? (Patel: those amounts came from Tapia capital assets that were retired and not fully depreciated) On page 15 of the Financial Statements, the sewer increase was 100% more in 2012-2013. What caused that increase? (Lippman: large maintenance projects such as repainting sewer crossings) (Pedersen: there are 3 areas that caused a cost increase; they were higher than expected; building maintenance and fees also went up) On page 24 of the CAFR: Risk Management, is TSD covered under LVMWD's insurance policy? (Lemieux: I don't think they should be; they are two different entities; errors and emissions insurance can be purchased at a low cost) (Steinhardt: we are covered through a group policy through our agency) Why did the overall expenses increase 6% this year? (Pedersen: The total operating expenses were close to budget, about .4% difference; variance with composting and sewer was higher) Looking at the economic factors in the next year's budget, have the solar savings been finalized? (Pedersen: a recommendation will be made in January)

*On a motion by Director Charles Caspary, seconded by Director Leonard Polan, the Board of Directors voted 9-0 -1 to Approve the Financial Statements as presented.
AYES: Director(s) Caspary , Iceland , McReynolds , Orkney , Paule , Polan , Renger , Steinhardt , Wall
ABSENT: Director(s) Peterson*

B Construction of Impressed Current Cathodic Protections System for Centrate Treatment and Storage Tanks: Call for Bids

Authorize a Call for Bids in accordance with the project specifications and proposed bid schedule for the Construction of Impressed Current Cathodic Protection System for Centrate Treatment and Storage Tanks Project.

Administering Agent/General Manager Pedersen gave an overview of the Construction of Impressed Current Cathodic Protections System for Centrate Treatment and Storage Tanks Project; the work consists of replacing the cathodic protection system as it is no longer providing protection; staff is not comfortable taking the Centrate tanks offline as there is a chance it could cause a violation; if a call for bids is done now, then it would allow enough time to award the project in February; documents provide provision to allow the construction work to be postponed by 12 months if necessary due to the need for fish flows; HDR said if the project is postponed it would not be detrimental; JPA questions: Is the project cost expected to be the same as last year? (Pedersen: it was a competitive bidding environment; we got a bid for \$96,385.00) Can we go back and accept that bid? (Pedersen: we rejected all bids that were received; American Construction and Supply was the lowest) As of November 15th, are we putting more water in the creek in terms of volume? (Dingman: it could be up to 8 MGD but the demand is low so we are putting about 6 MGD in the creek right now) How long is construction? (Lippman: about 60 days)

On a motion by Director Janna Orkney, seconded by Director Steven Iceland, the Board

of Directors voted 9-0 -1 to the recommendation as presented.

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

ABSENT: Director(s) Peterson

C Future Joint Powers Authority Regular Meeting Date

Confirm a quorum of the Governing Board of the Las Virgenes - Triunfo Joint Powers Authority for its Regular Board Meeting of Monday, January 6, 2014, at the Oak Park Library; or direct the Administering Agent/General Manager to cancel said meeting, or schedule a special meeting to be held on an alternate date.

General Manager Pedersen stated the 1st meeting for 2014 is scheduled for January 6th and wanted to know if that date was suitable for all board members and if there would be a quorum. The date was discussed and all members stated they would be available. (Chair McReynolds: Notified the JPA Board Members that January 6th will be the first scheduled JPA meeting for 2014)

No further actions were taken on this item.

D Overview of the Management of Treated Effluent from the Tapia Water Reclamation Facility: JPA Report No. 2540

Receive and file JPA Report No. 2540.

Administering Agent/General Manager Pedersen advised that this item was brought back on the agenda in order to receive and file; the changes are shown in italics; JPA questions: Is this available online with the changes? (Pedersen: it is not currently, but we can make it available online) The wording sounds incorrect "using recycled by TCSD". (Pedersen: it looks like it should say "using recycled water"; we will have the wording corrected) I thought we weren't putting recycled water into Lake Sherwood? (Pedersen: recycled water is supplied to the golf course; it is not actually placed in Lake Sherwood)

On a motion by Director Michael Paule, seconded by Director Charles Caspary, the Board of Directors voted 9-0 -1 to Approve the recommendation as presented.

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

ABSENT: Director(s) Peterson

E Rancho Las Virgenes Composting Facility Amendment Purchase and Excess Compost Sale: Updated Pricing

Authorize the Administering Agent/General Manager to execute a new one-year contract with two one-year renewal options using the updated pricing from B&B Pallet.

Administering Agent/General Manager Pedersen reported that at the October JPA meeting it was suggested that we terminate the agreement with Agromin and start using B&B Pallet; there is an increase in the cost for the transport and delivery hauler; the increase would be \$0.39 per cubic yard; their amendment quality is better than Agromin; the recommendation is to execute a 1-year contract of \$11.60 per cubic yard for amendment; JPA question: Are the options for us or B&B Pallet to exercise, or both? (Pedersen: there are options for both)

On a motion by Director Charles Caspary, seconded by Director Lee Renger, the Board of Directors voted 9-0 -1 to the recommendation as presented.

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

ABSENT: Director(s) Peterson

F Rancho Las Virgenes Composting Facility: Odor Control Biofilter Maintenance

Authorize the General Manager/Administering Agent to approve a purchase order to Viramontes Express in the amount of \$42,792.50 to supply new biofilter media and to remove and dispose of the old media.

Administering Agent/General Manager Pedersen asked for approval to authorize a purchase order to Viramontes Express in the amount of \$42,792.50; the biofilters scrub odor from the composting building reactor; the media in zones 5 and 6 was already replaced; the media in zones 1-4 needs replacement; staff will rent equipment; JPA questions: Most filter media is charcoal; why are we using woodchips? (Pedersen: it's a different type of scrubbing) (Dingman: it's more economical) (Reyes: ammonia is being removed; wood chips are the most effective as opposed to inorganic media) Is the price comparable? (Pedersen: it is a little bit higher, but zone 5/6 were smaller) Are we required to go out to bid? (Pedersen: they have worked with us before)

On a motion by Director Charles Caspary, seconded by Director Steven Iceland, the Board of Directors voted 9-0 -1 to Approve the recommendation as presented.

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

ABSENT: Director(s) Peterson

G Tapia Headworks Grit Conveyor – Consent to Contract Assignment

Consent to assignment of equipment installation services for the Tapia Headworks Grit Conveyor Project from PACE Advanced Water Engineering to Pacific Aquascape International, Inc.

Administering Agent/General Manager Pedersen reported that grit conveyor units need to be installed at Tapia to transfer the grit to a dumpster; it's a two part contract for purchase of equipment and installation work, which is typical of a construction contract; his recommendation is to consent to assignment; JPA comments: Is there any change in the cost? (Pedersen: no) Is the payment made to Pace? (Pedersen: yes, it is made to Pace) Is there any background on the company and are they reputable? (Pedersen: yes).

On a motion by Director Michael Paule, seconded by Director Janna Orkney, the Board of Directors voted 9-0 -1 to Approve the recommendation as presented.

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

ABSENT: Director(s) Peterson

5. BOARD COMMENTS

Director Renger: Asked how we are doing on the solar generation project? (Pedersen: It's going well; during directional drilling for the conductor cables, the borehole was overpressurized and caused cracking of the walls and slab of the fleet maintenance garage; Solar City is addressing the issues and will repair the damages)

Director Orkney: Commended Las Virgenes in regards to the Regional Bay Delta Breifing and wanted to say thank you for inviting TSD to the ACWA Region 8 event; both events were outstanding.

6. ADMINISTERING AGENT/GENERAL MANAGER REPORT

Adminsitering Agent/General Manager Pedersen had no items to report on and explained that the Board follow-up items were included.

Legal Counsel Lemieux reported there will be no closed session following the meeting.

7. FUTURE AGENDA ITEMS

No future agenda items were reported.

8. INFORMATION ITEMS

- A. **Rancho Las Virgenes Third Digester Construction: Approval of Change Order No.3**
- B. **Renewal of Ferric Chloride Contract**
- C. **Notice of Alleged Violations of Effluent Limitations from Los Angeles Regional Water Quality Control Board**

JPA question: What was the reason for the violations? (Lippman: we got a notice of violation because of exceedances due to rain events that occurred March of 2011; RWQCB staff disagreed and insist that we have to have more than one violation; since the 2011 letter, RWQCB added other violations; the rain events prompted the Governor to declare that the drought was over; 3 violations were below the interim limit; we requested the penalties to be reduced; we received confirmation that they received our letter) (Pedersen: turbidity is reported a different way; there are 9 total penalties; we should have a fair chance at getting them reduced)

- D. **Flow Augmentation to Malibu Creek: Cost and Economic Impact**
- E. **Tapia Water Reclamation Facility Alternative Disinfection Project: Final Acceptance of Project**

9. PUBLIC COMMENTS

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No speaker cards were received from the public.

10. 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

11. ADJOURNMENT

The meeting was adjourned at 6:07 pm.