



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

MINUTES
REGULAR MEETING

5:00 PM

December 10, 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 5:01 p.m. by Board President Caspary in the District offices. 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 Leonard Polan, the Board of Directors voted 5-0 to Approve the agenda for the Regular Meeting of December 10, 2013, as presented.

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

3. PUBLIC COMMENTS

No speaker cards were received from the public.

Director Steinhardt left the meeting at 5:07 p.m.

4. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Legislative and Regulatory Updates

1. Legislative Update - MWD Executive Legislative Representative Kathy Cole

Kathy Cole, Executive Legislative Representative, Metropolitan Water District (MWD) provided

an update of legislative highlights for calendar year 2013 including: both houses passed 763 bills, fewest since 1967; lawmakers passed several big-ticket items for school testing, fracking (SB 4 (Pavley)), California Environmental Quality Act (CEQA) exemption for the Sacramento Kings Arena (SB 743 (Steinberg)), prison overcrowding, minimum wage increase, driver's licenses for undocumented residents; broad-based legislation to reform CEQA did not come together as planned, no significant proposals moved forward; very few water policy bills moved forward this year; environmental justice priority bill (AB 145 (Perea)) was ultimately held by the Senate Appropriations Committee, this bill would transfer duties and responsibilities of the Drinking Water Program from Department of Public Health to State Water Resources Control Board (SWRCB); and discussed upcoming legislative activities for 2014 including: Eastern Municipal Water District and Elsinore Valley Municipal Water District will co-sponsor SB 772 (Roth) to exempt their agencies and ultimately MWD from liability or damages arising out of proposed delivery of water to small privately owned, non-mutual water companies serving a disadvantaged community in rural Riverside County as nitrate levels in this community exceed drinking water standards; San Diego County Water Authority will be sponsoring or co-sponsoring two measures at state level (1) streamline state administration of the Integrated Regional Water Management Program, (2) simplify and update reporting requirements for Urban Water Management Plans (UWMPs); Senator Fran Pavley, Chair of the Senate Natural Resources and Water Committee is exploring options for new legislation to require reporting within UWMPs for energy intensity associated with delivering of both wholesale and retail water, the water/energy nexus is very likely to surface in the legislature and administratively through several other efforts; Senator Fran Pavley also intends to introduce legislation to "comprehensively and publicly evaluate California's existing policy tools to tackle climate change, as well as comparable policies in other states and nations" wherein a post-2020 Pollution Reduction and Technology Innovation Roadmap would be completed in 2016, The Select Committee on Climate Change and AB 32 Implementation will conduct public hearings throughout the year to explore data-driven options; Drinking Water Reorganization Task Force has two meetings left and was convened by the Secretaries of the Health and Human Services Agency and Environmental Protection Agency to consider recommendations and comments gleaned from eight task force meetings, a public meeting to solicit feedback on their draft "transition plan" will be held on January 6, 2014, 9:00 AM at the Cal-EPA building in Sacramento, The Brown Administration intends to transfer the Drinking Water Program to SWRCB by July 1, 2014 through the state budget process; 2014 Water Bond: Assembly Member Rendon, Chair of the Assembly Water, Parks and Wildlife Committee continues to meet with stakeholders to solicit support and discuss potential amendments to his bond proposal AB 1331 while awaiting word from the Governor as to where he stands on the water bond; Senator Lois Wolk and proponents of her bond (SB 42) are gathering support and anticipate a policy committee hearing in mid-January; any changes to the water bond currently on the November ballot would require a 2/3 vote of Legislature; changes in leadership could dominate much of the year as President Pro Tem Steinberg, Assembly Speaker Perez and Assembly Minority Leader Conway term out in 2014, and it's also an election year for half of the Senate and all of the Assembly.

5. CONSENT CALENDAR

Director Polan would like to discuss 5A-Minutes: Regular Meeting of November 12, 2013. Board President Caspary asked if this was a change and if it was to pull 5A from the Consent Calendar and discuss separately; and if there were no questions on Consent Calendar 5B-5D, a motion to approve be made.

On a motion by Director Barry Steinhardt, seconded by Director Lee Renger, 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

Director Polan stated at the bottom of Page 2 of the November 12th Minutes there is a technical error in regards to FAR, the wording "floor-area-ration" should be "floor-area-ratio".

On a motion by Director Lee Renger, seconded by Director Glen Peterson, the Board of Directors voted 5-0 to Approve Director Polan's amendment to Consent Calendar 5A-Minutes Regular Meeting of November 12, 2013, by changing the word "ration" to "ratio".
AYES: Director(s) Caspary , Peterson , Polan , Renger , Steinhardt

- A Minutes: Regular Meeting of November 12, 2013. Approve**
- B List of Demands: December 10, 2013. Approve**
- C Directors' Per Diem: November 2013. Ratify**
- D Notice of Cancellation Due to Lack of Quorum: Regular Meeting of December 24, 2013. Approve**

6. TREASURER

Treasurer Polan stated he had reviewed the two check runs and found everything to be consistent and in order.

7. FACILITIES AND OPERATIONS

A Award of Annual Purchase Orders

Authorize the General Manager to issue annual purchase orders to the vendors listed on Exhibit 1 in the specified amounts for the period of January 1, 2014, through December 31, 2014.

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

B Fiscal Year 2013-14 Vehicle Replacement Program: Award and Salvage

Authorize the General Manager to issue a purchase order to William Morris Chevrolet of Fillmore for one Chevrolet Volt in the amount of \$33,500, plus taxes and fees; authorize the General Manager to issue a purchase order to Fritts Ford of Riverside for one Ford F350 utility body pick-up truck, one Ford Connect utility van, two Ford F150 pick-up trucks, and two Ford F150 short bed pick-up trucks in the amount of \$125,410, plus taxes and fees; and declare six high mileage/older vehicles and one Ziemann utility trailer (Vehicle Nos. 109, 160, 808, 822, 832, 839 and 848) as surplus for auction.

General Manager, David Pedersen provided an overview of the recommendations for purchase and salvage of District vehicles.

Director Steinhardt stated he did not object to the purchase of the Chevrolet Volt, but asked staff to verify purchase versus lease due to governmental subsidies.

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, and staff is to verify governmental leasing subsidies prior to purchasing the Chevrolet Volt and report their findings back to the Board.
AYES: Director(s) Caspary , Peterson , Polan , Renger , Steinhardt

8. FINANCE AND ADMINISTRATION

A Below Ground Vault Access Cover Retrofit Program: Award of Bid

Execute a one-year contract with Vault Access Solutions and Fabrication and authorize the General Manager to execute two one-year term renewal options in an aggregate amount not to exceed \$293,337.00 for the manufacture, purchase, and delivery of 80 vault lids.

Director Steinhardt stated he is not happy with one bid, why didn't anyone else bid, what do other agencies pay (Pedersen: each lid is custom manufactured to fit the existing vault otherwise the vault and lid would both have to be replaced, which is major construction (Lippman: some lids are hazardous due to the condition they are in)); he wants to know (1) what would a general lid cost, (2) what do other agencies do (Lippman: we could look at what it costs Las Virgenes to do the replacements; Caspary: would like to see what some of Las Virgenes' costs were).

Director Polan asked if this is a replacement program (Lippman: sort of, but this is a much longer process, we do have an inventory with conditions noted; Pedersen: looked at some locations with the Customer Service Operations Supervisor, Dion Agnew, some vaults have not been entered for a long time, the process would normally take 1-person, but 2-people are needed due to potential hazards); life of lid (Lippman: typically 20-years); what is the lifetime warranty (Director of Resource Conservation and Public Outreach, Carlos Reyes stated some vaults are 50-years old).

Director Renger asked if there was a vendor list (Interim Director of Finance and Administration, Joseph Lillio stated the Buyer uses list serve, other buyers and advertisements).

Board President Caspary recommended staff present internal costs to the Board on January 14th if the bid will still be honored (Pedersen: bid states 60-days, which would be December 24th; District Counsel, Wayne Lemieux stated we don't know if the bid is good after December 24th; could a special meeting be held on December 24th, or is this unnecessary if the vendor extends the bid to January 14th, we aren't sure if the vendor will extend the bid to January 14th; is there a need to hold a special meeting on December 24th to discuss or is the Board going to vote on the item tonight; the Board can authorize the General Manager to execute a one-year contract and based upon findings by staff as to whether internal costs are lower or not then the Board can opt to not renew either of the two one-year options; he hasn't heard a motion to table yet).

A motion to table if the bid was not extended to January 14th was made by Director Barry Steinhardt, who also inquired as to why the bid opening was October 24th, but the Board is just now seeing the recommendation and it's December 10th.

Director Polan stated he was not seconding the motion, but wanted to comment that costs are going up due to an increase in construction.

The motion failed due to lack of a second.

On a motion by Director Glen Peterson, seconded by Director Lee Renger, the Board of Directors voted 5-0 to Authorize the General Manager to execute a one-year contract with Vault Access Solutions and Fabrication; and authorize the General Manager to execute two one-year term renewal options in an aggregate amount not to exceed \$293,337.00 for the manufacture, purchase, and delivery of 80 vault lids.

Prior to executing a one-year contract, or either of the two one-year renewal options the General Manager is to determine and report back to the Board as to whether the bid is

competitive, and also as to what other water agencies do in regards to vault access covers.

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

B Unleaded and Diesel Fuel Petroleum Products: Call for Bids

Authorize a Call for Bids in accordance with the proposed bid schedule for the supply of unleaded and diesel fuel petroleum products.

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

C Mailing of Customer Bills and Notices: Call for Bids

Authorize a Call for Bids in accordance with the proposed bid schedule for the folding, stuffing, and mailing of customer bills and notices.

On a motion by Director Glen Peterson, 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

D Claim by JP Morgan Chase

Deny the claim from JP Morgan Chase.

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

9. INFORMATION ITEMS

A Transfer of Drinking Water Program from California Department of Public Health to State Water Resources Control Board

10. 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: MWD is installing a plaque in memory of 17 people who lost their lives in the largest tunnel disaster in history, which took place in 1971 along the Sylmar portion of the California Water Aqueduct, Lockheed Shipbuilding paid millions of dollars to settle the lawsuits and the municipal trial was the longest in U.S. history; an agreement with Imperial Irrigation District for participation in the Minute No. 319 Binational Pilot Project was approved; a change order for the Weymouth Oxidation Retrofit Program was approved, saving a significant amount of money; and the meeting was adjourned in memory of Nelson Mandela and the 17 miners who lost their lives in the Lockheed explosion of 1971.

(2) Director Renger reported on his attendance at the ACWA Fall Conference including a Sacramento agency transparency session; when we have an audit are 40 checks or 75 checks reviewed and noted 75 checks should be reviewed; and great strides are being made in determining when there will be extreme weather events.

Director Polan reported on his attendance at the ACWA Fall Conference, concurs on weather comment; Kevin Ross of SolarCity gave a presentation on electrical power/solar/batteries and stated they are now working with Tesla Motors; Kathy Cole of MWD discussed water/energy nexus; local real estate agent asked if community gets involved, she uses fliers to promote drought tolerant landscaping.

Director Steinhardt reported on his attendance at the ACWA Fall Conference including Region 5 discussion on water investments; Andy Lipkis of Tree People showed water wall samples he had, the District should talk to them about conservation; Region 8 TMDL session had a good turnout considering it was held at the same time as ACWA's Town Hall and voting, General Manager Pedersen and District Counsel Lemieux did a good job and staff attendance was great.

Director Caspary reported on this attendance at the ACWA Fall Conference including nexus of water/energy, CAL-ISO (California Independent System Operator) power plants that use once-through cooling will be outlawed in California, which will reduce output of 12 megawatts; "dynamic rates" mean districts will have to buy energy at time of use and they are talking about setting water rates this way too; integrated system operator has to respond within a few seconds, a lot of changes the next 3-years to residential rate structures; outstanding issues on quantification agreement, Colorado River agreed for State to pay for Salton Sea fix; report from Assemblymember Rendon on various drafts of the water bond, earmarks removed, will go to competitive process for funds; 2014 may have calls for allocations (Peterson: MWD has a lot of water in storage).

Director Peterson commented that Kathy Cole's update did not include priorities: San Diego County Water Authority is against all MWD priorities; State Water Project energy; Rendon says we are losing 90% of snow melt.

B Director's Reports on Outside Meetings

No reports were given.

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: draft public document for Bay Delta Conservation Plan (BDCP) is available, it's 34,000 pages, a press release was issued including highlights, public comments began on December 13th for 120-days ending April 14, 2014; solar project is going well, is ahead of schedule and should be producing power by December 31, 2013; ongoing jack and bore at 101 Freeway/Mureau Road; December 12th there is an AWA Holiday Mixer and Senator Fran Pavley will also be hosting a Holiday Open House; proposed dates for a budget based rates workshop are January 29 or January 30, 2014 (Peterson and Steinhardt ok on both days, Polan stated the 30th is better for him).

(2) Follow-Up Items: a listing was included in board folders.

D Director's Comments

Director Polan commented the newspaper did not present the BDCP in a positive way based on his knowledge of the plan.

Director Steinhardt requested bids be brought to the Board sooner.

Director Peterson stated Dr. Chris Thornberg spoke to the Bay Delta Committee regarding an analysis of Dr. Jeffrey Michael who underestimated the value of BDCP because there is not enough money in BDCP for earthquakes and overflows.

Board President Caspary requested Director Steinhardt report on why he left the board meeting at 5:07 p.m. (Steinhardt: why don't you report to the Board; Caspary: because I asked you not to leave the meeting; Steinhardt: one board member feels it's important to go out to the community; Caspary: every board member signed a proclamation, but he chose to be here for the people who voted him into office, Las Virgenes Unified School District did not vote him into office).

11. FUTURE AGENDA ITEMS

None.

12. PUBLIC COMMENTS

No speaker cards were received from the public.

13. CLOSED SESSION

The meeting convened into Closed Session at 6:41 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. San Diego County Water Authority v. Metropolitan Water District of Southern California (Cases 1 and 2)
4. City of Agoura Hills v. Las Virgenes Municipal Water District, et al. (3 Cases)

14. OPEN SESSION AND ADJOURNMENT

The meeting reconvened into Open Session at 6:55 p.m. No reportable actions were taken during Closed Session.

The Chair declared the meeting adjourned at 6:56 p.m.