



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

**MINUTES**  
**REGULAR MEETING**

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5:00 PM

January 14, 2014

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Director Caspary.

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

**A** Call to order and roll call

The meeting was called to order at 5:02 p.m. by Board President Caspary in the District offices, and Board Secretary Steinhardt called the roll. Those answering present were Directors Charlie Caspary, Glen Peterson, Leonard Polan, Lee Renger, and Barry Steinhardt.

**2. APPROVAL OF AGENDA**

**A** Approval of agenda

President Caspary proposed to make two changes to the agenda.

Move item 8E to item 4A and renumber items 4A and 4B to B and C, so members of the public can be accommodated on a timely basis.

A second item was proposed for closed session: threat of legal action from a Director that alleged Director Caspary has violated codes of the Water District, Los Angeles County and the State of California in the way that meetings are conducted.

A motion was made by President Caspary to make the changes and seconded by Director Renger.

President Caspary asked for discussion.

Director Steinhardt proposed to remove item 8E due to the fact that public comment has not been allowed on various issues pertaining to the tank; when a Board Member wants to put something on the agenda, it should be added in the proper fashion per the code of Las

Virgenes Municipal Water District and, when denied that it be put on the agenda; it is in violation of many acts in California. We don't have all of the information to discuss awarding a contract tonight because there are other items that should have been discussed first and it was not permitted. It is recommended that we amend, not move this up, and that it be eliminated and tabled until such items be put on the agenda.

Director Peterson added that a motion to table is not debatable. Legal Counsel Lemieux confirmed that motions to table are not debatable.

*On a motion by Director Barry Steinhardt, seconded by Director Leonard Polan, the Board of Directors voted 2-3 to Delete the item from the agenda. The motion failed.  
AYES: Director(s) Polan , Steinhardt  
NOES: Director(s) Caspary , Peterson , Renger*

*On a motion by Director Charles Caspary, seconded by Director Lee Renger, the Board of Directors voted 3-2 to Approve as amended at the request of President Caspary.  
AYES: Director(s) Caspary , Peterson , Renger  
NOES: Director(s) Polan , Steinhardt*

### **3. PUBLIC COMMENTS**

There was one speaker card for public comment.

Louis Masry of 32495 Timberridge Court, Westlake Village, made a public records request on December 4th, which is a request under the Public Records Act per California Government Code Section 6253; it is day 41 of the request, and he still has not received the records requested; he believes it is a stall tactic; he wants per diem forms for Directors Caspary, Renger and Peterson from 2009 to 2013, attendance records, positions held, complaints, lawsuits, pay rate increases and checks to all directors; he will be filing recall papers against the three Board Members; he believes his rights have been violated and he is disappointed in the process.

Legal Counsel Lemieux: The District replied within 10 days stating when the records would be available for review; the law requires an estimate of cost for reproduction of the counted pages; there was a 45-day estimate to pull all of the records; email correspondence was requested along with digital documents and those will be ready within the 45 days; the delay was because there were a lot of documents requested and it takes time to get everything together; there is no observation of a violation of the Public Record Act.

President Caspary: Directors can only ask questions for clarification purposes. Director Renger: How much is this costing us? (Lemieux: regardless of the staff time, it is \$0.20 per page) The problem is the staff time and it is an expensive process. Director Steinhardt: What contact have you received regarding these requests? (Masry: several pages were received, but he has not heard from anyone in a while; he is aware of the charges; he had not heard anything about the amount of time it would take; he wants to know why he has not received the documents as they are assembled)

Director Steinhardt moved to have an agenda item added for the next meeting to investigate why it is taking so long and why one of the Directors is concerned about the cost and why cost would matter as the ratepayers would like to get information they are entitled to.

Director Peterson stated that this motion should be placed under the Future Agenda Item category.

President Caspary called for a second to the motion.

*On a motion by Director Barry Steinhardt, seconded by Director Leonard Polan, an agenda item will be added to the next meeting to discuss this item further.*

Director Renger: Have you or your staff member inquired why it is taking so long? (Masry: he would have to go back and look at the correspondence between himself and Mr. Lemieux as of a week ago; he did not have the correspondence available; a request was put in and he requested the documents as they were available; most people at the District are aware of the request) President Caspary thanked Mr. Masry for his time.

#### **4. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS**

##### **A Public Hearing: Potable Water Replacement Fund Standby Charge**

The full reading of the proposed Ordinance as it relates to continuation of the Water Replacement Fund Standby Charge for fiscal year commencing July 1, 2014, be waived, and the Board order publication within 30-days of adoption using a summary of the ordinance.

The Board by a roll call vote of Ayes: Noes: Abstain: Absent: that the Rules and Regulations for Water Standby Charge Deferrals be approved; and the proposed Ordinance as it relates to continuation of the Water Replacement Fund Standby Charge for fiscal year commencing July 1, 2014, be given first reading by title only.

President Caspary opened the public hearing to consider continuation of a Water Standby Charge for the District for the 19th consecutive year.

There were no speaker cards.

Director Steinhardt read the script for the proposed Ordinance

General Manager Pedersen gave an overview of the Standby Charge. There were no comments or questions.

President Caspary asked if there was anyone to speak on the matter to come forward to testify; Director Steinhardt stated that exclusive of the General Managers inquiries, no other written or verbal comments have been received; Caspary noted that if any comments had been received, they would have been entered into the record; with no testimony presented to the Board, the hearing was declared closed.

Director Renger moved to waive the full reading of the ordinance.

*On a motion by Director Lee Renger, seconded by Director Leonard Polan, the Board of Directors voted 5-0 to Approve as presented.*

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

##### **B Legislative and Regulatory Updates**

Legal Counsel Lemieux reported that SB751 requires each vote to be recorded in the minutes; when you vote unanimously, nobody votes no or abstains; if the vote is not unanimous, then you need to have a record of that and a roll call vote needs to be taken.

General Manager Pedersen added that it is the District's practice in the past to record the votes, so we are already in compliance.

#### **5. CONSENT CALENDAR**

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

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

- A Minutes: Regular Meetings of November 26, 2013, December 10, 2013 and December 24, 2013 Approve**
- B List of Demands: December 24, 2013 and January 14, 2014. Approve**
- C Directors' Per Diem: December 2013. Ratify**
- D Investment Report for the Month of November 2013. Approve**

## **6. TREASURER**

Director Polan stated that upon review of the package submitted to the Board of Directors by Interim Director of Finance and Administration, Joseph Lillio, he finds everything to be in order.

## **7. BOARD OF DIRECTORS**

### **A Local Agency Formation Commission: Election of Special District Alternate**

Select one candidate to serve as the Local Agency Formation Commission Special District Alternate representative and authorize the General Manager to execute and return the official voting ballot on behalf of District no later than 5:00 p.m. on Friday, January 31, 2014.

President Caspary stated that a candidate needed to be selected; he asked Director Peterson for any recommendation or thoughts on the candidates; Director Peterson stated that the only candidate he knows is Matthews who is on Region 8; he nominated Matthews as the Election of Special District Alternate.

*On a motion by Director Glen Peterson, seconded by Director Charles Caspary, the Board of Directors voted 5-0 to Approve*

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

## **8. FACILITIES AND OPERATIONS**

### **A Solar Generation Project: Approval of Scope Change for Field Electrical Inspections**

Authorize the General Manager to execute a Change In Scope Agreement with AECOM in the amount of \$8,341 for additional field inspections of the electrical system for the Solar Generation Project.

President Caspary stated that this item is self explanatory and asked if anyone needed to hear from staff on the item.

*On a motion by Director Lee Renger, seconded by Director Leonard Polan, the Board of Directors voted 5-0 to Approve as presented.*

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

### **B Rancho Las Virgenes Third Digester Project: Approval of Scope Change for Materials Testing Services**

Authorize the General Manager to execute a Change In Scope Agreement with Geolabs-Westlake Village in the amount of \$22,079 for additional materials testing required for the Rancho Las Virgenes Third Digester Project.

President Caspary asked for any questions on the item; there were none.

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

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

### **C Award of Annual Contracts: AECOM and MSO Technologies, Inc.**

Approve the annual contracts with AECOM and MSO Technologies, Inc., effective January 1, 2014, through December 31, 2014.

President Caspary stated that the award of contracts was approximately \$20,000 last year to AECOM and MSO Technologies; he asked for any questions on the item.

Director Polan asked if there were any alternatives requested from other engineering firms? (Lippman: no, there were not; we went with AECOM and MSO because of their knowledge of the system; these annual contracts are used for specific projects; MSO, our SCADA designer, understands all of the programming language, so if assistance is needed on SCADA, the annual contract can be utilized; we can only authorize up to \$25,000 under these annual contracts; AECOM is used for developer-funded work such as water system design reports, which they have done many of in the past) How many developer systems have been seen in the last year? (Lippman: there have been a couple in the past year).

Director Renger noted that the District changes auditors every once in a while and suggested to take a look at alternates to AECOM next time; it won't hurt to let them know we are looking at someone else.

Director Steinhardt commented that before he abstains, contracts are being awarded to AECOM and MSO for development purposes, correct? (Lippman: no, that was just an example of the type of work we could ask them to do; MSO is the SCADA system integrator, so if there is a problem, we are able to use their expertise; with the annual contract, terms and rates are already established; AECOM is used for water system design reports and may be used for other things; whenever we can, we go out for proposals for engineering type work).

*On a motion by Director Lee Renger, seconded by Director Charles Caspary, the Board of Directors voted 5-0 to approved as presented.*

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

### **D Calabasas Tank: Official Naming**

Provide staff with direction on the official naming of the Calabasas Tank.

President Caspary asked public speaker Hal Helsley to take the podium.

Hal Helsley of 1970 McCain, Calabasas stated that the Calabasas Tank has been "The Mother Tank" for many years; it was the original supply tank for the District; it should not be named after the engineers or after design people; it should be named "The Mother Tank," which is the historical name.

Director Renger agreed with that suggestion.

Director Steinhardt recommended the tank be named after Dennis Washburn as he is involved with water today and is known as the "Father of Calabasas"; he has worked for conservation and worked for the community; it would be fitting to name it after Dennis Washburn.

Director Peterson made a motion to name the tank "The Mother Tank" and stated that the District has never had a tradition of naming tanks after people; Director Renger seconded the motion.

Directors Polan and Caspary agreed that the Calabasas tank was more appropriate;

(Lippman: stated that the Calabasas Tank would be easiest)

Director Steinhardt made an alternative motion to call it "The Calabasas Tank," which was in amendment to the first motion; Director Caspary seconded the motion.

*On a motion by Director Barry Steinhardt, seconded by Director Charles Caspary, the Board of Directors voted 3-2 to Approve to amend the motion.*

*AYES: Director(s) Caspary , Steinhardt , Polan*

*NOES: Director(s) Peterson , Renger*

*On a motion by Director Barry Steinhardt, seconded by Director Charles Caspary, the Board of Directors voted 4-0 -1 to Approve to call it "The Calabasas Tank".*

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

*ABSTAIN: Director(s) Renger*

## **E Backbone Improvement Program: Construction Contract for 5-Million-Gallon Tank**

Award a construction contract for the 5-Million-Gallon Tank Project to Pacific Hydrotech Corporation in the amount of \$10,754,620, waive the bid irregularity involving lack of an acknowledgment of Addendum No. 4, and reject all remaining bids upon receipt of duly executed contract documents; authorize the General Manager to execute professional services agreements with AECOM for services during construction and construction management services in the amounts of \$197,881 and \$529,924, respectively, and Geolabs-Westlake Village for materials testing services in the amount of \$47,504; and appropriate an additional \$8,787,716 to CIP No. 10476, which includes a 10% contingency, to complete the work.

General Manager Pedersen stated this item pertains to the 5-Million Gallon Tank Project; on October 22, 2013, the Board approved a call for bids for the project; the project is a component of the District's larger backbone improvement program; bids were received and evaluated by staff and the consulting team on December 10, 2013; those bids are being presented for the Board to consider; staff and the consulting team will give a presentation, which includes five parts including the history of the backbone water system, the backbone improvement program and its need, the public process or development and implementation of the backbone improvement program, the bid results for the project and options to consider going forward.

Director of Facilities & Operations Lippman: The history of the system; the recent analysis was initiated in 2008; there were recommended routine updates between 1961-2007; in addition, the Urban Water Management Plan was done in 2010; 2015 is being worked on currently; the East/West system forms the backbone of the District water system; in the last 52 years, there have been incremental improvements made to the system; in 1961 the Calleguas/Las Virgenes feeder was installed; in 1963, the Calabasas Tank; in 1971, the Equestrian Trails Tank was constructed; 1978-the connector with MWD; 1982-Cornell was expanded and in 1986 Morrison was constructed; 1989-Westlake Filter Plant was constructed; in 1990 LV-2 Pump Station; in 2002 the second leg of the Transmission Main; 2012-Agoura Road transmission main and in 2013 the Calabasas transmission main was done; the Master Plan showed various needs; need for storage of future needs; 2007 and 2009 Master Plan transmission mains; 5MG reservoir near Las Virgenes Reservoir and expansion of Westlake Filter Plant scheduled for 2014; alternatives looked at 6 different tanks sites; maximum day demands are calculated on land use projections; 1999 Master Plan projections; 2005 Urban Water Management Plan; annual demands and land use; Western Backbone System; 5000 gallons per minute for 5 hours; 5 hours of maximum day demand; 2007 Master Plan projected; 2007 4MG needed storage; it creeps up as the demand increases; 2014 projects needs to 2035; connection with LADWP; 19,530 gallons per minute

will increase to 22,330; 2020 with and without conservation; if an earthquake happens now and we don't have the filter plant online, we will continue to provide service to the area; in 2020 we will be hard pressed to meet the demands; the 5MG tank expansion will help meet demands; the treatment plant needs to be expanded; attachment A provides a timeline of events starting in May of 2008; since that action, we have had 51 public meetings.

Steinhardt: How many Board meetings took place at 5:00 pm? (Lippman: 3 meetings were not at 5:00 pm; 3 offsite workshops were held and posted on our website and other websites, letters were also sent out and ads were placed) Who was included? (Lippman: ads and letters were across the District) Renger: Those meetings were well attended. Steinhardt: Not by others outside of Westlake Village.

Lippman: Reviews of tank sites and alternative excavation methods were studied such as rock hammering and other chemical types of excavation methods; an expert was brought in to do an evaluation and analysis of blasting at the reservoir because of the proximity of the Saddle Dam; additional analysis of the construction traffic to the community was done; the schedule of the contract was reviewed; they investigated the possibility of Valley Fever resulting from the grading of the project; they investigated a variety of routes from Triunfo Canyon to site C; they looked at the use of an onsite concrete plant versus trucking to eliminate some of the traffic; they looked at conservation and irrigation control in lieu of storage; in June of 2013, the Board selected site A as the preferred site for the tank; in January of 2013, Dave Pedersen was hired as the General Manager and he did his own assessment as well; his assessment was presented to the Board in April of 2013; there were 2 Board briefings by the LA County Fire Department and a Board briefing by the Department of Public Health; 44 alternatives to storage were investigated; there was a call for alternatives for storage; General Manager Pedersen presented information on the probability and risk management to the Board; October 22, 2013-a call for bids was sent out; the construction cost index was reviewed; 2007-2013 shows an increase of about 10%; actual cost for pipelines are the actual bid amounts; it's lower than the cost listed in the alternative study; \$220k difference; on December 10, bids were received for the 5-Million-Gallon tank; the Engineer's Estimate was \$8,900,000; 3 bids were received; the low bid from Pacific Hydrotech was about \$10.7 million dollars and the high bid was about \$15.6 million dollars.

Director Steinhardt stated that the Engineer's Estimate was \$8.9 million dollars and wanted to know who the the Engineering firm is? (Lippman: AECOM) Why are we coming up much higher now? We paid AECOM how much money to determine that? Lippman: they designed the tank and it was about \$600,000) So \$600,000 was paid for an \$8.9 million dollar estimate; is this the same AECOM that TSD was overcharged for their tank? (Lippman: it was not a tank and you are mischaracterizing it; they were not overcharged at all) They got the wrong estimates from AECOM, now we used AECOM and spent \$600,000 to be told it would cost \$8.9 million and have a far larger figure from the same company; why is that happening? (Lippman: The projects designers, Ryan Gallagher and John Coffman from AECOM will explain the 21% difference between the estimate and low bid; your answers should be covered in their presentation)

Ryan Gallagher from AECOM introduced himself; he presented on bid estimates and differences; there were four companies pre-qualified but only three bids; Pacific Hydrotech, Gateway Pacific and Skaar; when bid results come in, there are four areas to look at: how close is the bid to the estimate; how many bids were received; the quality of the bidders and the spacing between the bids, which is a reflection of the quality of the design, typically; four bidders were pre-qualified through a pre-qualification process; of those three turned out; in regards to the qualifications of the low bidder, Pacific Hydrotech is working with the District now on the Third Digester Project (also a concrete tank) with positive results; after talking with staff, their experience with the contractor has been positive with low change orders; to

highlight and maybe answer Director Steinhardt's question about AECOM's experience, AECOM designed a 4-million-gallon potable water tank for the City of Santa Paula, similar to the one being proposed in Westlake; they used Pacific Hydrotech; the project was completed in 2012 with less than 0.5% in change orders; the feedback received from the contractors explains the 21% increase on the Westlake job due to regulatory requirements, duration of job, constraints, contractor risks, rock excavation, pipelines, etc.

John Coffman from AECOM presented on the information gathered from three contractors; scope for the tank itself was estimated to cost \$3.5 million, \$4.5 million from the low bidder; part of the cost increase was regulatory; NSF (National Sanitation Foundation) approvals which is a new requirement that AECOM had not had on previous projects; the schedule resulted in more cost because there are no local concrete suppliers that have an approved NSF concrete mix design in Ventura County; one of the contractors added \$300,000 for the NSF approval risk; AECOM spoke with a blaster early on and got a price of \$17.00 per cubic yard for blasting, which they believed was low so they increased it to \$60.00 per cubic yard; the actual bid result came in at \$100.00 per cubic yard; DSOD (Division of Safety of Dams) had two criteria: monitoring peak particle velocity and scale distance factor requirements; blasting jobs have standards, more holes, and more blasting are overall constraints at Westlake Filtration Plant; high freight material cost; berm to shield the tank; more risk, more time, more money; the pre-qualified contractor that did not bid stated he did not submit because the strict general conditions of the project were difficult to manage; the working hours were 7:00 am to 4:00 pm and deliveries had to be between 9:00 am and 3:00 pm; if they did not deliver during those times, they would receive a \$1,000 penalty throughout the duration of the project, which translates into contractor risk; access restrictions with only one way in and out was also a factor.

General Manager Pedersen explained that the staff report includes three different options with a recommended motion to accomplish each option; option 1 involves awarding the contract to Pacific Hydrotech and proceeding with Professional Services Agreements to be executed by the General Manager to accomplish the work; option 2 is to reject all bids and revise the plans and specifications, reducing or eliminating some of the constraints, increasing the construction duration and rebidding the project with the same set of pre qualified contractors; option 3 is the same as option 2 but involves resoliciting qualified contractors; staff has a recommendation, which is to approve option 1; that recommendation is being made with the information just presented to the Board and the information related to the need of the 5-Million-Gallon tank; the cost is higher than estimated, but looking at the cost in comparison to other projects seen, it's not completely out of line for a tank like this in California; Calleguas Municipal Water District in recent years has built two similar tanks and the costs are not out of line; in December of 2009, they built a 7MG tank (Thousand Oaks Reservoir) and the bid price was \$12.8 million dollars; Pacific Hydrotech was the contractor on that project; in June of 2006, they built a 5MG reservoir, which was bid at \$13.2 million dollars; the recommendation is to approve option 1 and award the contract to Pacific Hydrotech in the amount of \$10,754,620 and to waive the bid irregularity involving the lack of acknowledgement for addendum No.4; reject all remaining bids upon execution of the contract documents and authorize the General Manager to execute professional services agreements with AECOM for services during construction.

President Caspary called for the public speakers and noted that the public speakers may raise questions of the presenters or staff so all questions will be answered at the end; all speakers will be limited to 5 minutes; questions from Directors will be for clarification purposes only.

Public Speakers:

Hal Helsley of 1970 McCain, Calabasas spoke in favor of building of the tank; Las



Virgenes Reservoir gave the District flexibility and reliability; the District needs to be able to move water from one side to another; the process started over 50 years ago and the system needs to be built out; the backbone system is vital; delays cost money; move forward with option 1.

President Caspary asked for any questions. None.

Frank Bonvino of 2506 Sandy Creek Drive, Westlake Village suggested to buy stock in Pacific Hydrotech; backbone has to be improved; when has there been a shortage in the District and what about the economics of water; he is opposed to the tank being built and using Three Springs as the route; he is the neighbor of Westlake Plant; everyone is in opposition of the tank; he is concerned of the risk of a construction zone in a residential community; he has written the District and has given legal notice to Mr. Lemieux about his concerns of risks of using a residential community as a construction zone; risk means liability and if someone is hurt, the cost is going to be astronomical in terms of litigation and the damages that result if someone gets hurt; he does not want Three Springs used for a construction area for the tank.

President Caspary asked for any questions. None.

Martin Jansen of 29406 Promontory Place, Agoura Hills stated that on July 18, 2013, he and Director Steinhardt stood for 15 minutes at the closed gate of the filtration plant and argued with General Manager Pedersen who would not let them in; he feels that is a breach of Constitutional Freedom, particularly for a Director who is Mr. Pedersen's boss; they got access anyhow when someone else drove out, they spoke with one of the operators and found out the plant was only operating at 40% capacity; if you take the 2010 UWMP (Urban Water Management Plan) 2020 with conservation, supply exceeds the demand; in a power failure, sprinkler valves are shut down; they will only use 30% of capacity if there is a failure; 3.12 billion gallons are in the Las Virgenes Reservoir with emergency diesel generators at the filtration plant; he suggests to table this item for 5 years and to replace the GM.

President Caspary asked for any questions.

Director Steinhardt asked Mr. Jansen what qualifies him to discuss the numbers that he presented? (Jansen: his background is in mechanical engineering)

Louis Masry of 32495 Timberridge Court, Westlake Village stated that he requested a pause on the project in November; at that time he spoke of the projects his family has been involved in such as \$1,000,000 to save Ahmanson Ranch and they are very actively involved in the community; he has had many people in the community who have asked to help them on this issue; he believes the Board has violated the trust of the public and there has been very little transparency on the issue; the fiscal impacts have gone from 5 million to 7 million to now 10.7 million; rates are going to increase because of this; he and his staff have looked at some of the documents in the library and the explosives report is alarming; explosives will be launched about 450 feet from homes and about 250 feet from the dam; the dam can be affected; because of that report, he will be imposing a ballot measure that will require any District with a local ordinance where public safety is a concern that blasting within 1,000 feet of a residence will be required to have authorization from the City of Westlake Village; he is concerned about Valley Fever issue and does not feel all of the issues have been addressed; he made a public information request; no experts were hired on environmental impacts; no wildlife inventories have been done; he does not feel the District is being fiscally responsible to the ratepayers.

President Caspary asked for any questions.

Neil Ticktin of 2805 Shellcreek Place in Westlake Village is not in favor of the tank; 25 months ago he told the District that they were not making the case for the need for the tank; the District responded with 51 public meetings and workshops where questions were submitted in writing, but not all of them were read and topics were avoided; 44 alternatives were looked at but disqualified many of them before they were even considered, including ones that the General Manager thought may have been better than the tank; you have a draft MOU with the City of Westlake Village but it may not be supported by the members; you have very incomplete information; he requested a document from the General Manager for reasons for the tank and he could not provide that document but instead offered a 2012 document, some unrelated 2013 notes and a report that showed 23% population growth and 50% growth in water usage, which is wrong; Neil no longer knows the reasons for the tank.

President Caspary asked for any questions.

Director Polan asked Mr. Ticktin why he thought he was not receiving anything from staff? (Ticktin: the document is difficult for the staff to lay out; the staff has a series of assumptions and the staff wholeheartedly would like to have the tank and it would be easier for them to do their job; a tank may be good engineering solution but it is not necessarily the best solution; it's hard for them to say they made a mistake, and that there is a better way; no transparency)

President Caspary asked for any questions.

Jess Thomas of 6064 Chesebro Road, Agoura Hills is a 40-year resident of Old Agoura and has been through two wildfires in the Old Agoura area; the urgent reason for the new tank is one of delivery ability; the fires that burnt down to his fence line in Old Agoura in the past years, in both instances, his water pressure dropped to zero because everyone on the West end of the system had their hoses out trying to wet their homes and yards down; the new proposed tank would add greatly to the need throughout the future years; the water tanks and reservoirs are used during those fires and he strongly agrees with having the new tank put in.

President Caspary asked for any questions.

Director Steinhardt clarified that the District does not fight wildfires. (Thomas: the District does not, but the fire department relies on the supply) They do not for wildfires. Also, mentioned was that the District can pump untreated water into the system; for clarification, the water going into the reservoir has been treated once; it sits out there and needs to be treated before it goes back in the system; but this alleged problem if it ever happened, the filtration plant is running 24-hours-a-day, 7-days-a-week during that time so you will not get untreated water; if the filtration plant went down, you may look at a few days of boiling your water.

Joe Bowman: Mr. Bowman is a former Director and was on the Board from 2008 to 2012 working on the project; staff tried as hard as they could to properly present the project; a lot of people want the tank with the exception of Three Springs; they don't want the traffic but will not address the need; the staff has worked hard and it's not a black and white issue; Title 22, which said it was the responsibility of the Board to provide an adequate water system for peak hour demands is what made him vote on the issue and as a taxpayer, he wants the tank built; he has paid taxes since 1968 to help the east end to get a cadillac system, he wants a cadillac system in the west end too; he votes for option 1)

Director Caspary asked for questions.

Director Steinhardt stated that staff mentioned a 23% population growth, and when Joe was on the Board, he said it was more like 16% growth; do you remember where you got your 16% number? (Bowman: that was years ago and I have no recollection at this time) Do you

remember anything about saying it was a lesser number than the Board was told? (Bowman: no) The Board also talked about conservation at that time; don't you think \$650 per household would bring a lot of conservation to eliminate any possibility? (Bowman: the Board has always been very proactive and progressive in conservation and the Board has directed staff to work on programs for conservation; should we rely on conservation for the sole solution and not complete the backbone system, no; this is a district-wide issue and the east end has theirs and the west end doesn't and the whole District should have a cadillac system) Have you ever had problems turning your water faucet on? (Bowman: not that I can recall because we are a good, sound progressive District)

Fred Hughes of 5916 Ruthwood Place, Calabasas applauded staff for a great presentation and the District for the financial responsibility they have taken throughout the years; funds have been set aside previously to cover situations such as the tank; the untreated water situation is something he does not know a lot about but should be looked into; water is our future; the Board needs to complete the project.

President Caspary asked for questions.

Will Stokes of 27014 Helmond Drive in Calabasas stated that he came to work for Las Virgenes in 1965 when there were 1,200 families in the District; when the District first formed, the only money it had was General Obligation Bond proceeds, which they used for everything that was legally possible; people did not pay individually for the facilities, even though they benefited from them; the money has accumulated through the years with connection fees and that is the money that is being paid with this project.

President Caspary asked for questions.

Lou Gates of 31817 Langspur Court in Westlake Village concurs with the Mr. Helsley, Mr. Bowman and Mr. Hughes; Lou stated that in 40 years he has lived in Westlake Village he has seen helicopters pulling water on several occasions from the reservoir at the top of the trails during the wildfires; he wants to build the tank.

Director Caspary asked for any questions.

Director Steinhardt clarified that the District is not set up to fight wildfires; there are tanker planes and helicopters with scoops that are allowed to go into the reservoir to scoop water, but it is not part of our fire flow that is being discussed for the tank.

Carol Solomon of 29678 Ridgeway Drive has been a customer for 27 years and is a member of the Morrison Ranch Estates Homeowners Association; as a customer, her children have grown up and moved out, but her bill is continually going up; staff is asking to approve a \$20 million water tank that she is not convinced is necessary; environmental and traffic studies have not been done and decisions are being questioned; approving the project this early is unwise and the faith of the customer-base will be lost; the Headquarters building is not being used to its full potential while another building across the way is sitting unoccupied; the financial situations have changed and there are homeowners and seniors that are hurting because of their water bills, so much that bullet-proof windows were installed in the front office to protect the staff from angry people; what is this going to cost the homeowners and how much more will the bills go up; she asks the Board who is very divided and not very behaved at times to postpone the tank until it is a necessary expense; she claims she did not see the 51 notices for the meetings.

President Caspary asked for any questions.

Norm Buehring of 5221 Edgeware Drive in Calabasas stated that he was a practicing Water Resource Engineer for 38 years, with LADWP and Las Virgenes and retired 11 years ago; this is not an isolated project, it is part of the backbone project to bring standards up for everyone in the District for their health, safety and reliability; it needs to be a fair shake across the District for what is provided to them; most system components are tested based on emergencies, such as fires, earthquakes, droughts and blackouts; he agrees to go with what County Fire says they need to deal with the structures within the system; it's been suggested to use untreated water to fight fires, which could be done, but there are no untreated pipelines in residential areas to be able to even use it and it is illegal; the best alternative has been presented to everyone tonight and he urged to approve the tank project.

Director Steinhardt asked what he meant by fair shake? (Buehring: the backbone program looked at the entire district to see where improvements needed to be made so everyone received the best service) Are you aware that when it comes to the pipes and the increase in size, this entire Board voted 5-0 each time to improve those items? (Buehring: yes) Regarding fire needs, unless if you have other data, nobody has ever said we were not meeting our water flow and that we must build the tank for it. (Buehring: looking at some of the testimony before the Board, he saw that comment)

Ed Corridori of 29307 Tree Hollow Glen, Agoura Hills is in favor of option 1; there has never been a shortage, and thank God when the tap is turned on, the water comes out, but it reminds him of the story of the coal miners when asked if they are afraid of the mine caving in; their answer was "it never has", but of course they do cave in; boil water orders can tide us over but some may not get the message in time; it's been mentioned that the need for the tank is low, but staff has made a case for the need; wildfires are different than structure fires, but wildfires often become structure fires; the cost of the tank pales in comparison to the cost of a life; looking at Title 22 and Regulation 8 of the Los Angeles County Fire Department, the Board has a responsibility to meet those requirements; Mr. Corridori suggests to go forward with the tank.

President Caspary asked for questions.

Director Polan asked if Mr. Corridori was aware that Regulation 8 of the Los Angeles County Fire Department for residential districts requires 1,250 gallons per minute for 2 hours which is well within the reserves at the present time? (Coridori: no)

Director Steinhardt noted that Mr. Coridori used to be the Mayor of Agoura Hills.

President Caspary asked if there were any other speaker cards? (Bodenhamer: no)

President Caspary stated several Directors expressed the desire to ask questions of staff and/or consultants present.

Director Polan asked why AECOM did not present to the Board that it was a sensitive site? (Gallagher: they felt the contractor had adequate space; cost estimate was an opinion of probable construction cost) Given the fact that the Governor has acknowledged that there are not enough Seismic Maps or they are not accurate enough, or the geotechnical aspect? (Gallagher: Fugro did the geotechnical reports and Gordon Revy was the blasting expert; no projects resulted in claims; preliminary design report showed a safe limit used at 12 locations without incident) Are there any known faults? (Lippman: blasting has been done at that site in the past similar to what will be done with this project)

Director Renger stated that the berm to be put in as a cosmetic feature. Was that at the request of the local homeowners? (Lippman: the suggestion was made at a Board Meeting to

consider putting in the berm; the intent was to shield construction aesthetically as soon as possible)

Director Steinhardt, with respect to the TSD project, stated that AECOM was given a bid by the contractor but felt it was inadequate? (Gallagher: no, it needs to fully encompass everything in the project) Las Virgenes paid \$600,000. There is concern about the cost of the rest of the project and if the same thing will happen to Las Virgenes as what happened to TSD. (Gallagher: \$497,000, not \$600,000; the cost rising should be a concern to everyone; AECOM will deliver their best; TSD was a turnout project, not a tank; they decided to take it as time and materials instead; they had a time and materials contractor with no limit) Did you tell TSD that it went to time and materials? Will you do the same to us? (Gallagher: TSD waited and had no choice but to go time and materials; AECOM will come with issues to LV as they see them arise) Why is the cost so much more? (Coffman: there were a lot of factors from tough working conditions, which translated from risk to dollars, delivery time restraints and working time restraints) (Lippman: AECOM worked with us in developing the mitigation issues such as delivery times, working hours etc; the City of Westlake was great to work with)

Director Polan asked why AECOM did not use an estimating company? (Gallagher: because of site constraints and the areas are difficult to gauge) Were specs issued after the bid was prepared? (Gallagher: they were not interpreted the same from a material and labor perspective; it wasn't missed, just interpreted differently)

Director Steinhardt stated that this is not the best site to build a water tank; with all of the problems noted; we should be looking at site C. (Lippman: the same risks would apply to site C; travel would be across Three Springs and across the shore line; there would be the same constraints and same risks) Would we need blasting at site C? (Lippman: yes)

President Caspary addressed staff that it has been stated that although it might be a health risk, it would be reasonable to supply untreated reservoir water in some circumstances rather than build a tank; can staff elaborate on what the raw water quality is in the reservoir in terms of percentages and the types of bacteria? (Pedersen advised that the California Department of Public Health requires that we test our water sources so the water is tested monthly; there are a variety of tests, but the key tests are for total coliform bacteria and fecal coliform bacteria; the test results show that 90% are positive for fecal coliform, which is known as a pathogenic bacteria, which comes from warm blooded animals; there is a acute health risk; a chronic health risk is exposure over many years, which causes health problems; acute health risk will cause problems immediately if the water is consumed; the Surface Water Treatment Rule with the California Code of Regulations does not allow unfiltered and undisinfected water to be put in the public water system so it is not legal; the boil water order is the best means to deal with bacteriological problems prior to consuming water; boiling is effective, but not everyone receives the notice at the same time) Is there data on the outbreaks? (Pedersen: there is no data) Director Steinhardt asked what time of the year are the tests done? (Pedersen: there are 12 samples done per year) Why would we use water and not have it treated? (Pedersen: it would not be advised to do that) When would we do that? (Pedersen: I can't answer that question, but it is not consistent with State and Federal Regulations to put untreated water in the public water system) You are not answering the question; it is consistent with the State in an emergency need to do so, why not say it? (Pedersen: it is not) If there was an emergency and it was the hottest day of the year, are you saying we wouldn't take water from the reservoir to fire fight internally in our District? Director Renger added that Steinhardt stated earlier that we don't fight fires. (Steinhardt: I said we don't fight brush fires, I did say we fight commercial and residential) (Pedersen: will not speculate on what we would do in a hypothetical situation where it is unclear on the circumstances)

Director Peterson stated that we tested for Valley Fever; did the Mitigated Negative Declaration go to the City of Westlake Village, Santa Monica Mountains Conservancy and National Park Service? (Pedersen: yes it did) We would not design for a boil water order; we don't design for failure in the system and site C was more expensive; the mitigation measures addressed by the blasting; we've survived many earthquakes; there is inequity in our system; there are people who are saying there was no water coming out of their hoses and houses were burned down.

Director Renger expressed that he had sticker shock on the bids; the whole project is \$28 million (backbone improvement program); cost is \$25,000 per month to delay the process; requirement from the fire department is for a fire, not for a brush fire; when they have 90 units on the line, not fighting simultaneously; houses are backed up against the Chaparral; the Malibu Lagoon water, he wouldn't walk in it let alone drink out of it; if we fail to put in the tank, we would be legally and morally liable if people were killed; Director Renger votes for the tank to be built.

Director Steinhardt apologized to the rate payers in the audience for getting passionate on the subject; he is trying to protect those in the community; he also apologized to the elected officials in the audience that out of respect, they should have announced that they were at the meeting (Mayor Mark Rutherford and Councilwoman Philippe Klessig); we have the highest storage in our reservoirs; construction costs will be more; do we need all of the staff here; the GM told ratepayers that we have alternatives to this tank that can possibly be used and have not even been looked at yet; I am against the tank, but for \$1 million, I can live with that.

Director Polan asked if any alternative proposals have been submitted? He is concerned about using AECOM. (Pedersen: two have been submitted) (Lippman: for construction management and testing support for shop drawings; four proposals were received) (Zhao: four proposals were received for construction management; AECOM's proposal was the lowest cost of the four proposals and staff's recommendation is to award to AECOM) Are there potential cost reduction measures? (Pedersen: we have numbers for options 2 and 3; the recommendation is to award the contract) Caspary: Is there a range in those numbers? He stated that all of the options start at zero and go up to a number, so there is a range of possibilities; the questions then becomes what is the likelihood that upon rebidding the low bidder might say they left money on the table last time and they aren't leaving it there this time; (Pedersen: there are some things in our control and some out of our control; we cannot change the market conditions, and market conditions have a major impact on how the project is bid a second time)

Director Peterson pointed out that we negotiated in good faith with the City of Westlake Village and there is no reason to walk away from provisions; Director Renger agrees and adds that the cost could go up because of the economy improving; the money was well spent on blasting and Valley Fever investigations. Director Polan asked Legal Counsel Lemieux if there were violations to the LVMWD Code if he votes no on the project? (Lemieux: no)

President Caspary stated that there are plenty of things the District could do to reduce the demand and the most recent one is the "Mow no Mow" program; where the District will pay you to take your lawn out; lawn in this area requires you to apply 5 feet of water per year to keep it green; that is a huge amount of water and approximately 70% of the water that is delivered to the customers; with the Mow no Mow program, some of the customers who have taken their lawns out have seen their bills go up and they are using more water than when they had lawns; that program is not the answer to reducing demands; the allocation program worked and there were substantial penalties for excess use; the District saw a 28% demand reduction; customers paid the District about \$6.7 million in excess use penalties; those penalties were banked by the District to pay the penalties that MWD said they would charge if

we went over our allocation; by the vote of the Board, when the penalties never materialized from MWD, the District gave back every penny to each of the customers who paid it; allocations and strict excess penalties are not a long term solution; if the project is not done, the District will start losing reliability; he will stand in judgment of the voters any day; the system is delivering water with the lowest cost out of the 10 surrounding agencies.

*On a motion by Director Glen Peterson, seconded by Director Lee Renger, the Board of Directors voted 3-2 to Approve to approve as recommended by staff.*

*AYES: Director(s) Renger , Caspary , Peterson*

*NOES: Director(s) Polan , Steinhardt*

Director Steinhardt asked for clarification on accepting a bid and changing it by asking to waive a bid irregularity. (Lemieux: in the case of a public works contract, there will always be change orders; after a contract is let, you can not substantially change the job; change orders are expected, but substantially changing the job is not; bidders can foul up documents in several ways and some of those ways have no consequence; in this case, an addendum was published on an information item; in this case, the low bidder did not acknowledge receipt of the addendum; the addendum added nothing to the bid documents; bid irregularities happen and some have exceptions) Why not go back to the bidder and have them put the addendum in? (Lemieux: that has been done)

Director Polan asked if the contractor only submitted the proposal or was there a list with cost saving alternatives or suggestions? (Lippman: no)

Director Peterson thanked everyone for attending the Board meeting, especially the staff; there were people in attendance who would not normally be there and it shows their interest in their jobs.

Convened to break at 8:50 pm.

## **9. FINANCE AND ADMINISTRATION**

### **A Budget Planning Calendar for Fiscal Year 2014-15**

Receive and file.

*On a motion by Director Lee Renger, seconded by Director Charles Caspary, the Board of Directors voted 5-0 to Approve to receive and file as presented.*

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

### **B J.D. Edwards Software: Annual Support and Maintenance Agreement**

Authorize the General Manager to execute an annual support and maintenance agreement with Oracle Corporation in the amount of \$63,768.36, plus applicable taxes, for the District's J.D. Edwards financial software.

Director Polan asked Interim Director of Finance and Administration how secure our electronic banking system is for citizens in the area? (Lillio: JDE has nothing to do with the billing system, it is just the accounting software; we use a 3rd party billing system to process the payments and they have never had any security breaches) So this particular company is not the people who take care of the billing? (Lillio: no, this is just the accounting software for all internal purposes) Director Renger asked if the software includes wire transfers? (Lillio: no, Wells Fargo Bank takes care of those transactions).

*On a motion by Director Lee Renger, seconded by Director Leonard Polan, the Board of Directors voted 5-0 to Approve as presented.*

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

## **C Claim by Brian Tabachnick**

Deny the claim from Brian Tabachnick.

Director Peterson asked the General Manager to name the community where this claim took place? (Pedersen: Mr. Tabachnick is a resident of Agoura Hills, East of Reyes Adobe) What time of the year did it take place? (Pedersen: July of 2013) This is a serious situation; in Orange County there are very large lawsuits on MWD's part because Orange County would not defend them; there were some providers of copper who were not good players and that could be the reason for it; certainly, if no additives were put in the water, and the only additive that we put in would be chlorine and ammonia than Director Peterson would deny the claim; (Lemieux: other member agencies will be contacted)

Director Steinhardt asked Director Peterson why when he lived in San Diego, all of the pipes were bursting? (Peterson: it's from the salt) Could that be part of the problem here? (Peterson: yes, we use all State Water Project water) Wouldn't his neighbors have similar problems? (Peterson: they should be, but it's hard to say)

*On a motion by Director Barry Steinhardt, seconded by Director Lee Renger, the Board of Directors voted 5-0 to Deny as presented.*

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

Director Polan was still confused as there was no detail and it says it "may" involve the corrosion of copper pipe. (Pedersen: that was one of the points made in the staff report; that there is no evidence provided in the claim that there is a correlation; it even says "possibly caused by")

## **10. RESOURCE CONSERVATION AND PUBLIC OUTREACH**

### **A Video Recording of Board Meetings: Contract Renewal**

Approve the continuation of Board meeting video recording services by Stephen's Video & Photography for 20 additional meetings in the amount of \$10,900.

There were no questions on this item.

*On a motion by Director Barry Steinhardt, seconded by Director Lee Renger, the Board of Directors voted 5-0 to Approve as presented.*

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

President Caspary asked if this was the same price as the original contract? (Pedersen: it is, he has agreed to the same price) Director Renger was originally worried that having video recordings would cause grand standing, but he is in favor of it (Lemieux: sometimes it does the opposite)

## **11. LEGAL SERVICES**

### **A Street Lighting District: Negotiated Tax Exchange Resolutions Resulting from Annexation of Territory Parcel Map No. 72018 to County Lighting Maintenance District 1687**

Pass, approve and adopt Resolution No. 01-14-2449 Approving and Accepting The Negotiated Exchange of Property Tax Revenues Resulting From Annexation of Parcel Map No. 72018 to County Lighting Maintenance District 1687 (LVMWD); pass, approve and adopt Resolution No. 01-14-2450 Approving and Accepting The Negotiated Exchange of Property Tax Revenues Resulting From Annexation of Parcel Map No. 72018 to County Lighting Maintenance District 1687 (LVMW-Improvement District No. 9); and pass, approve and adopt Resolution No. 01-14-2451 Approving and Accepting The Negotiated Exchange Of



Property Tax Revenues Resulting From Annexation of Parcel Map No. 72018 to County Lighting Maintenance District 1687 (LVMW-Improvement District U-1)

**RESOLUTION NOS. 01-14-2449; 01-14-2450 and 01-14-2451: JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, THE BOARD OF TRUSTEES OF THE LOS ANGELES COUNTY WEST VECTOR CONTROL DISTRICT, THE BOARD OF DIRECTORS OF THE RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS, THE BOARD OF DIRECTORS OF THE LAS VIRGENES MUNICIPAL WATER DISTRICT, THE BOARD OF DIRECTORS OF THE LAS VIRGENES MUNICIPAL WATER IMPROVEMENT DISTRICT NO. 9 AND THE BOARD OF DIRECTORS OF THE LAS VIRGENES MUNICIPAL WATER IMPROVEMENT DISTRICT U-1 APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION OF PARCEL MAP NO. 72018 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1687**

(Reference is hereby made to Resolution Nos. 01-14-2449, 01-14-2450 and 01-14-2451 on file in the District's Resolution Book and by this reference the same are incorporated and made a part hereof.)

There were no questions on this item.

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

## **12. INFORMATION ITEMS**

There were no questions on these items.

- A 1,235 Ft. Backbone Improvement Project Calabasas Pipeline: Change Order No. 2**
- B Vault Access Cover Retrofit Program: Response to Questions**

## **13. NON-ACTION ITEMS**

### **A Organization Reports**

- (1) MWD
  - a. Representative Report/Agenda(s)
- (2) Other

Director Peterson reported on MWD business.

### **B Director's Reports on Outside Meetings**

### **C General Manager Reports**

- (1) General Business
- (2) Follow-Up Items

General Manager Pedersen reported that there will be a Special Board Workshop on Budget Based Water Rates. The workshop will take place at Las Virgenes Municipal Water District on January 30th from 8:00 - 11:00 am. The workshop will give an overview of how budget based rates would apply to your own property.

### **D Director's Comments**

There were no comments.

**14. FUTURE AGENDA ITEMS**

No future agenda items were discussed.

**15. PUBLIC COMMENTS**

No speaker cards were received.

**16. CLOSED SESSION**

The meeting adjourned to break at 9:40 pm.

The meeting convened into Closed Session at 9:42 pm.

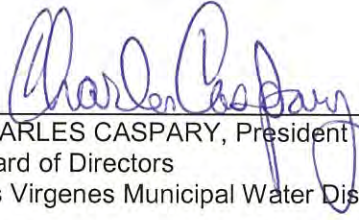
**A Conference with District Counsel – Existing Litigation (Government Code Section 54956.9(a)):**

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)

**17. OPEN SESSION AND ADJOURNMENT**

The meeting reconvened into Open Session at 10:01 p.m. No reportable actions were taken during Closed Session.

The Chair declared the meeting adjourned at 10:02 p.m.



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

ATTEST:



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

(SEAL)