



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

MINUTES
REGULAR MEETING

5:00 PM

May 13, 2014

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 5:03 p.m. by Board President Caspary in the District offices. Daryl Betancur, Clerk of the Board conducted the roll call.

Present: Directors, Polan, Renger, Steinhardt, Peterson and Board President Caspary.

Absent: None

Staff Present: David Pedersen, General Manager
Daryl Betancur, Clerk of the Board
David Lippman, Director of Facilities and Operations
Carlos Reyes, Director of Resource Conservation and Public Outreach
Don Patterson, Director of Finance and Administration
Wayne Lemieux, District Counsel

2. APPROVAL OF AGENDA

A Approval of agenda

General Manager Pedersen indicated that there were no changes to the agenda.

Board President Caspary stated that due to the number of guests in the audience, he asked for a motion to move the order of business to entertain the Poster Contest Awards Ceremony item first.

On a motion by Director Polan, seconded by Director Renger, the Board of Directors voted 5-0 to approve the agenda as presented except for the poster contest award item which was moved up to be the first item on the agenda. Motion carried unanimously.

5. **ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS**

A Poster Contest Awards Ceremony

Board President Caspary made introductions, thanked the teachers, school administrators and staff as well as the children for being present this evening and presented the certificates of award.

Following the awards ceremony, the Board recessed at **5:20 p.m.** for a short break and reconvened at **5:25 p.m.**

3. **PUBLIC COMMENTS**

None

4. **CONSENT CALENDAR**

A List of Demands: May 13, 2014. Approve

B Investment Review: First Quarter of Calendar Year 2014. Receive and File

C Director's Per Diem: April 2014. Ratify

D Minutes: Regular Meeting of April 22, 2014. Approve

Board President Caspary asked that the minutes of April 22 be pulled for clarification.

The Board moved to approve the consent calendar items 4A-4C. Director Renger moved to approve the consent calendar items 4A-4C, seconded by Director Polan and carried by the following vote:

AYES: Director(s): Polan, Renger, Steinhardt and Board President Caspary
NOES: Director(s): None
ABSTAIN: Director(s): Peterson on item 4C.

4D. Minutes: Regular Meeting of April 22, 2014

President Caspary indicated that there is a change that needs to be made to the minutes on page 67 No. 13 under public comments whereby the wording "Director Polan seconded" at the end of the paragraph should be inserted under No. 14 Public Comments at the end of the paragraph.

On a motion by Director Renger, seconded by Director Polan, the Board of Directors approved item 4D the minutes with the requested change. Motion carried unanimously.

Upon clarification on the previous motion by Director Steinhardt, the Board of Directors entertained a motion to approve consent items 4A and 4B. Director Renger moved to approve, seconded by Director Polan. Motion carried unanimously.

On item 4C, Director Renger moved to approve the Per Diem Report. Motion seconded by Director Polan and carried by the following vote:

AYES: Director(s): Polan, Renger, Steinhardt and Board President Caspary
NOES: Director(s): None
ABSTAIN: Director(s): Peterson

5. **ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS**

B Legislative and Regulatory Updates

General Manager Pedersen reported on the following issues: Water Resources Reform and Development Act moved out of conference between the House and the Senate and that is very likely that this will now pass the floor of the house and senate and be signed by the President. He stated that one of the main components of the legislation is the Water Infrastructure Finance and Innovation Act and that the District and JPA had both written letters of support and that this is a federal low interest loan program for infrastructure projects related to water. Mr. Pedersen also reported on the Governor's emergency proclamation of January 17 and the issuance of a continued emergency proclamation on April 25; and that this included more specific measures to take as it relates to conservation efforts.

There were no questions from the Board to Mr. Pedersen relative to his report.

6. TREASURER

Treasurer Polan stated that he had a question on page 30 of the report relative to the State Water Resources Control Board/Tapia WRF and that he was not clear as to what that amount of \$1,791.00 was for. General Manager Pedersen stated that this is related to the NPDES permit fee, which is a permitting service fee.

7. BOARD OF DIRECTORS

A Clarification of District Policy for Video Recording Board Meetings.

Approve a policy for the District to vide record all Board meetings, including special Board meetings and workshops.

Director Renger asked if the videographer is available for video recording meetings at odd hours such as early mornings, with Mr. Bigilen stating that he is.

Director Peterson commented that sometimes the Board's special meetings are tours where they take the show on the road so to speak and asked if these also are to be recorded.

Board President Caspary asked Director Steinhardt to address the intent of the policy. Mr. Steinhardt clarified what constitutes a special meeting, which does not include tours.

Director Renger asked if the video recording policy also includes meetings such as when the Board is presenting things to the public such as in the case of the blasting for example, with Director Steinhardt stating that was not a meeting.

Director Polan moved to approve as presented. Said motion was seconded by Director Steinhardt and carried unanimously.

B Clarification of Board's Policy/Procedure for Per Diem Compensation.

Consider clarification to the Board's policy per diem compensation to address the eligibility of travel days and provide staff with feedback on a new, proposed Per Diem Report form.

General Manager Pedersen presented the staff report stating that there are three items covered in this staff report: 1) to clarify eligible events; 2) eligibility of travel days; and 3) proposed per diem report form.

There was a discussion on this topic related to acceptable per diems; and what guidelines ought to be used. Mr. Pedersen spoke about the policies in three other similar agencies which are listed as part of the staff report and which include Calleguas, West Basin Municipal Water District and Three Valleys Municipal Water District; and spoke with specificity as to what these agencies' per diem policies entail.

An extensive discussion ensued relative to this item with the following comments made by directors:

Renger: there should not be per diem for unnecessary items; essentially no per diem for travel only but in support of meals; would not approve per diem for less than 50 miles; if the day is for travel only regardless of whether it is 5 miles or 500 miles Directors should have no per diem; however, he should have his meals taken care of and mileage as well as lodging.

Caspary: if Directors travel the day before the event, there is some lodging involved too, which is a cost to the District.

Polan: feels that it is unreasonable that he is taking a whole day off from other things he could be doing and not be compensated for it; that he does not think it is reasonable that he is not entitled to compensation for the time spent conducting business of the District; he feels it is reasonable to get paid for mileage and food and it should also be reasonable to get paid for one's time spent on District business.

Steinhardt: agrees that a travel day should be paid for; that when a day is taken off work and he receives a per diem of \$200.00, he is essentially losing money that day; and commented that in discussing this with other Directors and General Managers at ACWA, there is not one who does not get paid for a travel day. He proceeded to move that Directors get paid for travel days whether it would be before or after depending on when you get out, with Board President Caspary asking if it was his intent to limit payment on travel days to one either before or after but not both. Mr. Steinhardt stated that he would not put a limit in the event that the Director could not get out that night or if an event such as a committee meeting ran late and that he would not put a limit since the after is a rarity.

Board President Caspary stated that in the unlikely event that a Board member cannot get out because an event is running late; there is nothing to prevent the Director from seeking special consideration of the Board on a case by case basis.

There was a discussion on the provisions contained in the West Basin policy relative to per diems; traveling to an event the day before and returning the day after for the convenience of the member, which will result in anticipated costs to the District in terms of meals, lodging etc. There was also a brief discussion on the logistics of early morning meetings and the issues of traveling early in the morning as opposed to traveling the night before for the Board member to be alert and ready to fully participate in meetings.

Director Steinhardt moved to allow/approve for a travel day the day before and the day after if necessary. Director Polan seconded. Motion carried by the following vote:

AYES: Director(s): Polan and Steinhardt
NOES: Director(s): Renger, Peterson and Board President Caspary
ABSTAIN: Director(s): None

Motion failed (2-3).

Director Renger moved to approve the policy stating that for travel in state but outside of Los Angeles, Orange and Ventura Counties, Directors shall be entitled to such reasonable expenses for either one day prior or one day after the conference/meeting and travel to and from conference/business meeting in Los Angeles, Orange and Ventura Counties is not normally reimbursed except under extenuating circumstances and if the Director has extenuating circumstances, he can ask the Board to consider his request. Motion seconded by Director Peterson and carried by the following vote:

AYES: Director(s): Renger, Peterson and Board President Caspary
NOES: Director(s): Steinhardt
ABSTAIN: Director(s): Polan

C Local Agency Formation Commission: Election of Special District Representative

Select one candidate to serve as the Local Agency Formation Commission Special District representative and authorize the General Manager to execute and return the official voting ballot on behalf of the District no later than 5:00 p.m. on Monday, June 2, 2014.

General Manager Pedersen presented the staff report and stated that there are two candidates: the incumbent Mr. Gladbach and a challenger Mr. Matthews with the Foothill Municipal Water District.

Director Peterson moved to support Jerry Gladbach. Motion seconded by Board President Caspary and carried unanimously.

D California Association of Sanitation Agencies: Adoption of Proposed Bylaws.

Approve repealing the existing bylaws of the California Association of Sanitation Agencies and adopting proposed new bylaws; and authorize the General Manager to execute and return the official voting ballot such that it is received no later than Monday, June 16, 2014.

General Manager Pedersen presented the staff report and stated that the CASA bylaws have not been updated for a long time and this update is intended to meet federal and state legal requirements for such an agency.

Director Peterson moved to approve as presented, seconded by Director Polan and carried unanimously.

8. FACILITIES AND OPERATIONS

A City of Agoura Hills Eminent Domain Actions: Settlement and Release Agreement

Authorize the General Manager to execute the Settlement and Release Agreement between the District and the City of Agoura Hills to dismiss the District from all claims associated with the City's eminent domain actions for the Agoura Road Improvement Project.

The Board concurred that this had been discussed before. Director Renger moved to approve as presented. Motion seconded by Board President Caspary and carried unanimously.

B Barrymore Drive Slope Repair and Pavement Restoration

Waive formal bidding requirements for the Barrymore Drive slope repair and pavement restoration work; authorize the General Manager to approve a purchase order to Toro Enterprises in the amount of \$47,169.00 for the work; and authorize the General Manager to approve an increase to the purchase order amount by up to \$15,000 as a contingency for additional work that may be required based upon field inspection of the work by a geotechnical engineer.

General Manager Pedersen introduced the item stating that this is a repair project that is needed due to a 12" water main break above Solstice Canyon. David Lippman, Director of Facilities and Operations continued the report and graphically showed photographs of the subject area. He briefed the Board on the specific attributes of the area and how they intend to carry out the work; commented that the failure was caused by corrosion due to an original installation defect.

Following Mr. Lippman's presentation, there were some questions from the Board to which Mr. Lippman provided answers relative to: cost, bidders, sedimentation in the stream; response time; potential of equipment damaging the road, whether or not we have to declare an emergency to move forward and that this should be part of the motion.

Director Peterson moved to declare this an emergency and waive formal bidding. Motion seconded by Director Renger and carried unanimously.

9. FINANCE AND ADMINISTRATION

A Financial Review: Third Quarter of Fiscal Year 2013-2014

Receive and file the Financial Review for the third quarter of Fiscal Year 2013-2014.

Don Patterson, Director of Finance and Administration presented the staff report indicating that he would focus on a high level summary; he stated that the operating revenues and supplies expenses are exceeding budget and that this has been consistent with the last quarter report; that is due to weather conditions and the increased usage of water in the potable water supply system. Mr. Patterson covered the slides regarding the potable water sales; Las Virgenes Municipal Water District's FY 2013-14 Year to date at March 31; Third quarter revenues v. expenses for potable water; revenue v. expense for recycled water and also revenue v. expenses for sanitation.

Following Mr. Patterson's presentation, there was a brief discussion on the Financial Review and questions from the Board were answered.

Director Polan moved to receive and file as presented. Motion seconded by Director Renger and carried unanimously.

B Velocity Offsite Disaster Recovery for Information Systems: Annual Purchase

Authorize the General Manager to approve an annual purchase order to Velocity in the amount of \$37,418, providing for monthly payments of \$3,114 and a one-time additional payment of \$50.00 for shipment of back-up tapes.

General Manager Pedersen presented the staff report indicating that Velocity is the vendor we use for Business Continuity/Disaster Recovery and what they do is that they replicate our data in real time on their server in the event of a disaster and that our two key systems are customer information system for billing and our financial system JD Edwards, which they can on short notice have it up and running.

Director Renger moved to approve, motion seconded by Director Peterson and carried unanimously.

There were a few questions relative to tapes and the type of security systems Velocity uses.

C Settlement Claims from Pacific Bell and JP Morgan Chase Bank

Approve settlements in the amounts of \$325,000 with JP Morgan Chase and \$32,073 with Pacific Bell for release of all claims associated with the District's May 13, 2013 water main break on Calabasas Road and authorize payment of \$50,000 to the District's insurance carrier for the self-insured retention.

General Manager Pedersen provided a brief summary on the history of these claims.

Director Polan moved to approve and Director Renger seconded. Motion carried unanimously.

10. RESOURCE CONSERVATION AND PUBLIC OUTREACH

A Expedite Drought Relief Funding: Adoption of Resolutions for Integrated Regional Water Management Plan Grant Applications.

Pass, approve and adopt the proposed Resolution approving the adoption of the 2014 Updated Greater Los Angeles County Region Integrated Regional Water Management Plan.

RESOLUTION NO. 05-13-2055

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAS VIRGENES MUNICIPAL WATER DISTRICT APPROVING THE ADOPTION OF THE 2014 UPDATED GREATER LOS ANGELES COUNTY REGION INTEGRATED REGIONAL WATER MANAGEMENT PLAN

Pass, approve and adopt the proposed Resolution approving the application to the California Department of Water Resources for an Integrated Regional Water Management Plan Implementation Grant and authorizing the General Manager to enter into an agreement to receive a grant for the development and implementation of budget-based water rates.

RESOLUTION NO. 05-13-2056

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAS VIRGENES MUNICIPAL WATER DISTRICT APPROVING THE APPLICATION TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES FOR AN INTEGRATED REGIONAL WATER MANAGEMENT PLAN IMPLEMENTATION GRANT AND AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN AGREEMENT TO RECEIVE A GRANT FOR THE DEVELOPMENT AND IMPLEMENTATION OF BUDGET-BASED WATER RATES

General Manager Pedersen explained in detail the purpose of the aforementioned resolutions stating that we have an opportunity here to apply for grant funding that is expedited through the recent passing of SB103 and SB104 and the companion bills AB 79 and 80; he commented that these are emergency drought bills which established a reallocation of existing bond funds in the sum of \$687.4 million dollars and out of that amount \$200 million is designated as expedited grant funding for drought relief projects for California. Mr. Pedersen stated that this money is to be allocated through the Integrated Regional Water Management Planning process and that we are part of that process.

Mr. Pedersen explained what these resolutions will do with the first Resolution 05-13-2055 having two actions: 1) to adopt the 2014 Updated Greater Los Angeles County Integrated Regional Water Management Plan; and 2) authorize and direct the General Manager or his designee to vote at the appropriate time to adopt the 2014 Updated GLAC IRWM plan.

With respect to the second resolution, Mr. Pedersen indicated that the actions requested with that resolution are: 1) authorize the General Manager to approve and submit an Integrated Regional Water Management Implementation Grant application to the California Department of Water Resources pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006; and 2) authorize and direct the General Manager to prepare the necessary data, conduct investigations, file such application, and execute a grant agreement with the California Department of Water Resources for the development of water-conserving budget-based water rates.

General Manager Pedersen asked Randal Orton, Resource Conservation Manager to brief the Board on the process of the expedited funding through the Integrated Regional Water Management planning process. Mr. Orton made comments relative to the expedited funding and addressed questions from the Board.

There were several comments and questions from the Board on this item with Mr. Steinhardt asking that for next time, it would be helpful to get these documents that are voluminous ahead of time so that

the Board can have more time to review.

Director Renger moved to pass, approve and adopt Resolution No. 05-13-2455 as presented. Motion seconded by Director Peterson and carried by the following vote:

AYES: Director(s): Polan, Renger, Peterson and Board President Caspary
NOES: Director(s): None
ABSTAIN: Director(s): Steinhardt

Director Renger moved to pass, approve and adopt Resolution No. 05-13-2456 as presented. Motion seconded by Board President Caspary and carried by the following vote:

AYES: Director(s): Polan, Renger, Peterson and Board President Caspary
NOES: Director(s): Steinhardt
ABSTAIN: Director(s): None

11. LEGAL SERVICES

A Frank Bonvino v. Las Virgenes Municipal Water District, et al.

Establish a preliminary budget for the District's response in the case of Frank Bonvino v. Las Virgenes Municipal Water District, et al.

General Manager Pedersen provided a brief recap on this item and stated that on April 24 the District had been served with a complaint from Mr. F. Bonvino related to the 5-Million Water Tank construction project. Mr. Pedersen indicated that the purpose of this item is: 1) to give the Board a status update on the legal issues on this matter; and 2) to request that the Board established a preliminary budget.

Following Mr. Pedersen's comments, there were questions and comments from the Board relative to: preliminary injunction; associated costs with delays for the construction; no hearing held; stopping the project; 30-day notification to cancel project (Mr. Lemieux to provide cancellation clause); concerns about the reasons why this is being discussed in public.

Director Peterson moved to approve a preliminary budget as recommended by legal counsel for \$66,700. Director Renger seconded, motion carried by the following vote:

AYES: Director(s): Renger, Peterson and Board President Caspary
NOES: Director(s): Steinhardt
ABSTAIN: Director(s): Polan

12. INFORMATION ITEMS

- A **Water Conservation Programs: Los Angeles County Probation and Fire Camps Participation.**
- B **Alternative Rodent Control Methods: Owl Houses and/or Rodent Platforms**
- C **California Direct Potable Reuse Initiative: Progress Report**

There were some questions and comments from the Board relative to the use of rodenticides, support of natural control methods, and related questions.

13. NON-ACTION ITEMS

- A **Organization Reports**
(1) MWD

Director Peterson reported that MWD has a new Chairman of the Board and a new Director from Los Angeles; that in the conservation area they supported a \$2.00 per square foot for taking grass out not for buying plastic grass; reported on the snow that fell in the Colorado River Basin; spoke about the repairs/retrofits in the headquarters building that are proposed which will cost \$25,000,000; and the their radio system is getting a re-do.

Board President Caspary stated that he would like staff to bring back what Met's actions mean in terms of the rebate program that we are informing customers of and the one customer from Calabasas who wanted to be able to put in artificial grass and this Board did not adopt that.

There were no other reports.

(2) Other – None

B Director's Reports on Outside Meetings

Director Renger reported on the AWA meeting specifically on ground water related issues; reported on having attended ACWA in Monterey and stated that he is on the Water Quality Committee, stated that the potable water discharge permitting is being looked at; water bond issue of \$11.4 billion bond, provided a legislative report on several bills and advocacy efforts at the federal and state levels; spoke about water industry trends that there is a group called California Urban Water Conservation Council which came up with a plan to identify which organizations or districts were effective in their conservation efforts and which were not and that the Assembly heard of this and ran with it and subsequently became part of law in BMP 1.4. Mr. Renger commented on other industry trends that are technical related to computing in the "cloud"; meters; and other related trends. Reported on having attended the Hans Doe Breakfast and learned about the Yorba Linda case and related issues.

Director Polan spoke about the need for more water conservation efforts; spoke about the California Urban Water Conservation Council and the provisions in AB1420; and the various meetings he had attended at the conference in Monterey.

Director Steinhardt reported on two items 1) having attended the fraud awareness and prevention program where there was a discussion on the fraud situation at Treasure Island and the consequences resulting thereof; reported on a program related to low-flow water devices such as toilets and that an audit of this program resulted in findings that showed half of the people who did not meet the criteria of the program were the people who benefitted. Spoke about performance audits and whistle-blower programs to prevent these issues from happening; 2) spoke about Region 8, attended the meeting and a subcommittee pulled out of that to discuss the event that Regions 8, 9 and 10 will be holding most likely in October 2014, a portion of it to discuss the Point Loma discharge and how this is going to have to stop and a potential field trip to the desalination plant in Carlsbad.

Board President Caspary reported on the Santa Monica Bay Restoration Commission meeting and that the Executive Director had resigned and announced her retirement to accept another position with another environmental organization.

C General Manager Reports

(1) General Business

Mr. Pedersen reported on the shut-down of the Jensen Plant and how successfully it was executed; thanked staff and Metropolitan for coordinating this effort; updated the

Board on the construction of the 5-Million water tank and that due to the red flag warnings blasting operations have been suspended as a safety measure and will resume as soon as the winds die down. Mr. Pedersen also reported on upcoming items on the calendar that are forthcoming.

(2) Follow-Up Items

None.

D Director's Comments

Director Polan inquired as to whether or not there is something posted on the LV website indicating that the lawsuit was dropped. General Manager Pedersen stated that there is nothing related to the lawsuit being dropped on the website. Director Polan further commented on Governor Brown's declaration which no longer requires people to have their lawns green but yet some HOA's like the Three Springs still have that requirement which means that they are over stepping on a matter of state jurisdiction and that he would like to make it clear to the rest of the water district that this is the case.

Director Renger followed up with Mr. Pedersen, General Manager on the question of what it would cost to run the filtration plant on a stand-by basis as a way of mitigating the delay in getting it on-line. Mr. Pedersen stated that they had done an analysis and evaluated what the cost would be to run the filtration plant in a stand-by mode for 8 months of the year for a period of 50 years assuming the same time period as the life of the reservoir or the tank discounted that at a 4% rate of interest and came up with a cost of \$26,673, 000 to do that which includes operating expenses.

14. FUTURE AGENDA ITEMS

None.

15. PUBLIC COMMENTS

There were no public comments from audience.

16. CLOSED SESSION


District Counsel Lemieux stated that since there is no news on any of the closed session matters, the Board does not need a closed session.

A. Conference with District Counsel- Existing Litigation pursuant to 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


17. OPEN SESSION AND ADJOURNMENT

No actions were taken during closed session. Seeing no further business to come before the Board, the meeting was duly adjourned at **8:31 p.m.**



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

ATTEST:



BARRY STEINHARDT Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)