



LAS VIRGENES MUNICIPAL WATER DISTRICT

4232 Las Virgenes Road, Calabasas CA 91302

MINUTES REGULAR MEETING

5:00 PM

February 25, 2014

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by President Caspary.

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

A Call to order and roll call

The meeting was called to order at 5:00 p.m. by President Caspary in the District Offices. Secretary Steinhardt called the roll. Those answering present were Directors Caspary, Steinhardt, Polan and Renger. Director Peterson was absent.

2. **APPROVAL OF AGENDA**

A Approval of Agenda

General Manager Pedersen had no changes to the agenda but noted that on the Consent Calendar, item 5B, Minutes, there is a typographical error in the attachment listed as item 8B, which should read 5-0 for the vote instead of 0-0.

Director Steinhardt stated that the minutes, item 8B appear not to be consistent with what is on the tape and asked that they be rewritten. President Caspary commented that this set of minutes was not yet approved.

Director Polan moved to remove item 10B relative to the Resolution for Voluntary Reduction of Water Usage. He Commented that he would like to see more aggressive measure taken on the issue. A motion was made by Mr. Polan; However, President Caspary proposed to keep the item on in the an acceptable amendment is made by the Board on this item. The consensus was to retain the item on for discussion.

On a motion by Director Charles Caspary, seconded by Director Lee Renger, the Board of Directors voted 4-0-1 to approve the agenda as published. Motion carried as follows:

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

ABSENT: Director(s) Peterson

3. **PUBLIC COMMENTS**

No public speaker cards were received.

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

A Legislative and Regulatory Update

General Manager Pedersen presented a brief overview on the Legislative and Regulatory Updates; he commented that there are two things going on that are worth noting 1) Region 4 of the Regional Water Quality Control Board is developing the Potable Water Discharge Permit which is an effort that the Regional Board pursued previously but was ultimately opposed by a majority of the water community; it was never approved but ended in a lack of a quorum and

the item was never voted on; they are bringing the item back; the concern is that the release of potable water is at low risk to receiving waters so the water community feels there is not a need for the permit; also the existing regulatory structure has a system in place to address the issue; it would create additional reporting requirements; that there is a coalition of water agency representatives led by Pasadena Water and these are signing on to a joint letter; our staff has looked at it and we would propose to sign on to that letter as well; 2) that the other issue is being taken up by the State Water Resource Control Board; because of the drought, they are looking at a variety of measures to deal with water Shortages; in some cases, there will be curtailments of water in areas where water rights cannot be fully honored; the State Board is looking at a minimal amount of water that is needed for health and safety purposes; arrived at 50 gallons per capita per day; it is still undergoing Legal Counsel review; the State has committed to continue providing health and safety water to individuals even if there technically there is no water available.

Director Polan asked what was driving the first issue of the Potable Water Discharge Permit with Mr. Pedersen responding that there is a belief by the Regional Board and Clean Water advocates that potable water discharges could cause a threat to receiving water; the quality of the water is very good; the concern is that the regulations are different for drinking water and receiving water; that there are some contaminants that are acceptable in drinking water that may not be accepted in receiving water; and that the other concern is that the discharge of potable water could pick up pollutants along the way.

Public Affairs and Communications Manager, Jeff Reinhardt presented the Legislative update; he stated that there are 20 new bills pertaining to water; the important ones are the drought relief bills; AB 79/80, SB 103 & 104; \$687 million to go towards infrastructure and investments to improve water quality; \$472 million going towards Water Management Plan Grants; \$77 million is going to the Department of Water Resources, Drought Response Authority; he added that the first hearing on the bills would be tomorrow; there are 8 different bond bills; the most recent one is AB 2686, which is supposedly a bi-partisan bond bill; he couldn't get an answer before the meeting to verify if it was a bi-partisan bill, but this one was for \$9.25 billion; on the Federal side is the Wifia bill.

Director Caspary posed a question relative to a report he heard that there was a possibility that the Governor was going to look at existing bond funds that may be available to convert to drought response rather than for the purposes originally intended. There were several comments made by Mr. Reinhardt about Prop 84 funds there was about \$1 million for the Santa Monica Bay Watershed that does that mean the remaining funds that were allocated to that category are going to be reassigned; that the bond was originally at about 8.3 billion; \$400 billion is being reprogrammed; these were bonds that were committed but not used or uncommitted for future projects.

Director Renger asked if they can sell the bonds as they need the money or do they sell them all at once with Director Reinhardt stating that they sell them sequentially; a certain amount of that money is supposed to be available for ordinary citizens; they sell them gradually and normally about two large bonds a year; the part you never hear about is public bonds being retired; they synchronize the retirement of the old bonds accordingly.

5. CONSENT CALENDAR

A List of Demands: February, 25 2014. Approve

B Minutes: Regular Meeting of January 14, 2014. Approve

Director Steinhardt spoke that item 8E was changed to another number as that item was moved up in the agenda; it should not be listed as 8E; it should be listed as a higher number that it was moved up to. General Manager Pedersen reported that it is reflected in approval of the agenda on page 33 of the agenda package to move item 8E to item 4A and renumber; that change was captured, but because of the way the program produces the minutes, it still reflects as 8E; it is reflected in the agenda that the order was changed.

Director Steinhardt made several comments relative to the manner in which the minutes are prepared stating that the minutes do not reflect the meeting after looking at the video; that they do not reflect the comments made by the public speakers; and that he would like to have them looked at and revised accordingly.

Director Caspary commented that the minutes do reflect the comments made.

General Manager Pederson asked the Board for more specificity as to what items need to be clarified with Mr. Steinhardt making reference for staff to go back to the video.

Director Caspary stated that the minutes are a summary transcription and that the votes taken is what is important; they are not reflective of every word that everyone said and staff has done an outstanding job as the minutes run to 18 pages. Mr. Steinhardt reiterated his objections to certain portions of the minutes particularly on item 8E and that therefore, he could not approve it.

On a motion by Director Charles Caspary, seconded by Director Lee Renger, the Board of Directors voted 2-2-1 to approve the consent calendar as published. Motion died due to lack of quorum with minutes to be brought back.

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

C Investment Report for the Month of January 2014. Approve

On a motion by Director Charles Caspary, seconded by Director Leonard Polan, the Board of Directors voted 4-0 -1 to approve items 5A and 5C as presented. Motion carried as follows:

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

Director Caspary asked staff for advice in dealing with this sort of issues with General Manager Pedersen adding that if there is a perception that the minutes are not accurate, staff needs clear understanding as to what areas are not accurate on the minutes so that attention can then be paid to address the Board's concerns.

A lengthy discussion ensued relative to what to do with the tape, the manner in which the minutes are to be prepared; the items to be included etc.

As part of the discussion on the minutes, there were some concerns relative to the request for this item to come back with several members asking questions relative to the legality of having the item come back for Board approval at a subsequent meeting. District Counsel Lemieux indicated that since the item did not pass, the President can procedurally ask staff to have the item come back for approval.

6. TREASURER

Director Polan found everything to be in order. A progress payment was just released for the Mureau Road transmission main in the amount of \$1,197,733.54.

7. BOARD OF DIRECTORS

A Local Agency Formation Commission: Election Results and Candidate Nominations

Consider candidates for nomination as Local Agency Formation Commission Special District and Special District Alternate representatives; select the candidates for nomination, if any; and authorize the General Manager to submit the nomination form by April 7, 2014.

General Manager reported that this item pertains to the Local Agency Formation Commission(LAFCO); the Board selected a candidate for a Special District Alternate; the election has been completed; the candidate who received the most votes was Joseph Rizika, a Director with Three Valleys Municipal Water District; the candidate who the Board voted for was Melvin Matthews of Foothill who received the 2nd most votes; Joseph Rizika is the Alternate; the term

ends in May of 2014 along with the incumbent who serves as the Special District Representative himself Jerry Gladback with Castaic Lake Water Agency; both terms end in May of 2014; LAFCO is requesting nominations for Special District representative and alternate; this is an opportunity for the Board if it wishes to consider candidates for nomination; if they have candidates to be nominated the General Manager will submit the nomination form.

Director Caspary confirmed that the nominations are due by April 7th with General Manager Pedersen stating that indeed correct and that the nominations that the Board would be considering would be nominations of the Board. Director Steinhardt asked if Jerry Gladback is going to run with Mr. Pedersen stating that he was not sure but that he would gladly check on it and report back.

Director Steinhardt moved to table the item until they find out if Jerry Gladback is going to run with Director Caspary concurring with bringing the item back.

B Solar Generation Project: Application of Energy Savings

Consider three options for the application of energy cost-savings realized as a result of the operation of the Solar Generation Project and provide staff with feedback for selection of a preferred methodology.

General Manager Pedersen reported that this item is a JPA item to get feedback on how to apply the savings; that it has been online since January 31st; TSD has an agreement with Calleguas; staff was asked to come up with options; there are three options: option one is for the savings to flow with the electrons so the savings would be applied at the recycled water pump station; option two involves applying the savings from the solar project to the sanitation and the wholesale water enterprises in proportion to the amount of electricity used; option three is to apply all of the solar savings to the JPA's sanitation enterprise; TSD is in favor of option three; the legalities of the options were presented which were also included in the agenda package.

Susan Mulligan, Calleguas General Manager spoke on this item and stated that Calleguas is looking for any fair and legal option; if there are savings for Calleguas, she will recommend the money is dedicated. There was a brief discussion on this item and questions were answered.

On a motion by Director Barry Steinhardt, seconded by Director Lee Renger, the Board of Directors voted 4-0 -1 to approved to table the item. Motion carried as follows:

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

8. FACILITIES AND OPERATIONS

A Calabasas Tank Rehabilitation Project: Approval of Pre-Qualified General Contractors

Approve Spiess Construction Company; Blastco, Inc.; Cor-Ray Painting Company; and Paso Robles Tank as pre-qualified general contractors for the Calabasas Tank Rehabilitation Project and authorize distribution of the bid documents to the pre-qualified contractors.

Approve Spiess Construction Company; Blastco, Inc.; Cor-Ray Painting Company; and Paso Robles Tank as pre-qualified general contractors for the Calabasas Tank Rehabilitation Project and authorize distribution of the bid documents to the pre-qualified contractors.

Administering Agent/General Manager Pedersen reported that with the help of HDR, a prequalification process for the project was completed; detail of the project was presented; four of the seven contractors are recommended for prequalification; those contractors are Spiess Construction Company, Blastco, Inc., Cor-Ray Painting Company and Paso Robles Tank Company; the recommendation is to designate them as prequalified contractors for the project and authorize the distribution of the bid documents to those contractors; General Contractors for the Calabasas Tank Rehabilitation Project.

On a motion by Director Lee Renger, seconded by Director Charles Caspary, the Board of Directors voted 4-0 -1 to approve the four contractors as prequalified for the project and authorize distribution of bid documents to the contractors. Motion carried as follows:

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

ABSENT: Director(s) Peterson

B Primary Tank Rehabilitation Project: Call for Bids

Authorize a Call for Bids in accordance with the project specifications and proposed bid schedule for the Primary Tank Rehabilitation Project.

Director Caspary asked if there were any questions for staff on this item; there were none.

On a motion by Director Charles Caspary, seconded by Director Leonard Polan, the Board of Directors voted 4-0 -1 to approve the project specs and bid schedule for the Primary Tank Rehabilitation. Motion carried as follows:

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

ABSENT: Director(s) Peterson

C 1235-ft. Backbone Improvements Program: Westlake Filtration Plant Expansion and Westlake Pump Station Upgrade.

Approve the Request for Proposals for the preparation of the final design report, plans, specifications and estimates for the Westlake Filtration Plant Expansion and Westlake Pump Station Upgrade Project.

Administering Agent/General Manager Pedersen reported on the Backbone Improvement Program and subsequently turned it over to Director of Facilities & Operations, Mr. David Lippman.

Mr. Lippman gave a presentation on Westlake Filtration Plant and Westlake Filtration Plant modernization; both projects are part of the backbone improvement program; the expansion will include two DE Filters and some new pumps; the pump station modernization is electrifying the pump station; 5 of the 6 pumps are driven by natural gas, internal combustion engines and some are as old as the early 1980's; the plan is to electrify the station; right now propane is used so a diesel generator would be installed onsite; the program will meet the current and future needs necessary to reduce peaking in the summertime 9000 gpm; a small connection in Chatsworth with DWP that is about 1300 gpm that provides service to the Twin Lakes area; by expanding we can increase capacity by 2800 gallons; 2007 demands were a historic high; Metropolitan has seasonal storage program and with expansion, greater quantities will be used out of the lake so we need capabilities to put the water back in; the plan is to continue modernizing the pump station if allowed to move forward with the proposal.

A discussion took place on this item and questions were answered on the item by staff.

Director Steinhardt made a motion and wants to include a decrease in time for water into the lake. Director Polan modified the motion to get RFP bids from companies that give estimates with Mr. Lippman adding that the larger companies have qualified estimators and that we can come up with language where they have to demonstrate their skill in estimating.

Director Caspary asked staff to bring an interim report back to the Board.

Receive the draft Fiscal Year 2014-15 through 2017-18 Infrastructure Investment Plan and provide staff with feedback for incorporation prior to adoption.

Director of Facilities & Operations, David Lippman gave a presentation on the Draft IIP 2014/15-2017/18; he commended Administrative Services Coordinator, Doug Anders on his hard work; stated that the Master Plans are in draft form and will be presented to the JPA on Monday night; that plans are developed on Kennedy Jenks 2013 report; the IIP has priorities, central projects, desirable projects, desirable and deferrable projects; total for FY15 is \$21 million; AMR/AMI program, annual program to operate valves and replace inoperable ones, relocate pipeline at Lost Hills overpass, construct 5000 feet at Agoura Road and administrative projects.

Mr. Lippman added that the shovel ready projects are the ones that can be completed in one to three years. Director Polan commented that several items are ongoing already with both Mr. Lippman and General Manager Pedersen providing answers to the Board's questions on the subject.

Director Caspary asked if the 1994 Loader at Rancho is going to be replaced with a like tractor and wanted to know if a more fuel efficient one could be purchased. Mr. Lippman indicated that once it is in the cure building, it isn't moved much. Brett Dingman commented that the agitators are used to move compost and the loader will still be used. Material is made of Gore which prevents odors from escaping; still operating but not agitating to move it.

There were several questions and comments by Directors posed to staff relative to whether or not the air system is for the HQ building and for operations; why we are not using the water in Reservoir 2; and that the Westlake Filter Plant expansion was \$6 million, but it says \$9 million with staff providing adequate responses to these comments/questions.

Director Steinhardt made a motion to bring the item back as a workshop. General Manager Pedersen proposed to add the item to the normal budget workshop; all were in agreement.

9. FINANCE AND ADMINISTRATION

A Ford Meter Box Parts and Fittings: Call for Bids

Authorize a Call for Bids in accordance with the proposed bid timeline schedule for the annual supply and delivery of Ford Meter Box parts and fittings.

There were no questions for staff on this item.

On a motion by Director Charles Caspary, seconded by Director Leonard Polan, the Board of Directors voted 4-0 -1 to approve as presented. Motion carried as follows:

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

ABSENT: Director(s) Peterson

10. RESOURCE CONSERVATION AND PUBLIC OUTREACH

A 2014 Drought Talking Points: Review and Approval Review and approve the draft talking points on the 2014 Drought.

General Manager Pedersen gave a brief overview on the talking points in regards to the drought and turned it over to Director of Resource conservation and Public Outreach, Mr. Carlos Reyes.

Mr. Reyes stated that the drought talking points will help customers with rebates, mow no mow and run-off in the street; they will remind customers of the drought of 2009 and how well they did conserving. Director Polan stated that

he would like to see no irrigating from 10:00 a.m. to 5:00 p.m.; he would like to see a stronger program and asked how it fits in with the goals.

Director Renger made a motion to approve the item as presented.

Director Steinhardt commented that he feels 20% is not aggressive enough; we should do a better job and expect more than the Governor is requiring with General Manager Pedersen stating that 20% is from the Governors Proclamation and that on average, 20% is a good number as we haven't fully rebounded.

Director Caspary commented that he likes a consistent message of 20% by 2020.

Jeff Reinhardt stated that the PIO event integration focuses on 20% save our water campaign; integrated messaging is being brought back. Director Renger would like to add the phrase "by at least 20%" and motioned to approve with the additional bullet point. Director Steinhardt made a motion to rally to change.

On a motion by Director Lee Renger, seconded by Director Leonard Polan, the Board of Directors voted 4-0 -1 to as presented. Motion carried as follows:

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

B Resolution for Voluntary Reduction of Water Usage by 20 Percent

Adopt Resolution No. 02-25-2452 calling upon residents, businesses and government entities to voluntarily reduce their water usage by 20 percent.

General Manager Pedersen reported that there is a Resolution to adopt calling for residents and businesses and government entities to reduce their water usage by 20%; we want to have escalating actions that are deliberate and thought out.

Director Steinhardt made a motion to approve it with one change that the conservation measures are in effect.

Legal Counsel Lemieux commented that the Administrative Code has a whole section of consequences.

On a motion by Director Barry Steinhardt, seconded by Director Charles Caspary, the Board of Directors voted 4-0 -1 to approve. Motion carried as follows:

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

11. INFORMATION ITEMS

A Water Research Foundation: 20-Year Subscriber Recognition

There were no questions on this item.

12. NON-ACTION ITEMS

A Organization Reports

(1) MWD

a. Representative Report/Agenda(s)

(2) Other

Director Caspary reported that San Diego prevailed in the suit. Legal Counsel Lemieux commented that he has a 65 page document on the case.

B Director's Reports on Outside Meetings

Director Renger gave a report on the AWWA breakfast he attended.

Director Caspary reported on his attendance at the Bay Restoration Meeting.

C General Manager Reports

(1) General Business

(2) Follow-Up Items

General Manager Pedersen reported that Hidden Valley is hauling water; they are working with Calleguas to truck the water to fill the station in their area and they will track the usage; they will use reclaimed water for direct water needs. Director Caspary asked if we are the wholesaler

The community calendar was reviewed: March 5th the Legislative Symposium; March 7th ACWA Water Bond; March 11th Budget Based Workshop; April 3rd Water Summit.

Fox News Coverage was reported.

Discussion took place on the Water Summit. Reinhardt stated that it could be a high-level summit with Mayors and Counsel Members; Richard Bloom could be invited. (Pedersen: scheduling was made because Senator Fran Pavley was available that day; we may not have the opportunity to get Pavley in the future.

Director Steinhardt moved to direct staff to reschedule the Water Summit to a date when community can be available and bring a different format that has not been done before. Director Polan asked if Pavley was committed for that date with Mr. Pederson indicating that he will have the item brought back to the Board.

The employees were recognized for organizing the Fox News segment.

D Director's Comments

Director Polan would like to present to the Rotary and asked for a slide presentation on PowerPoint calendar to show everyone; he asked what the status is of the rebranding and noted that the logos need to be bigger across the whole truck. General Manager Pedersen commented that it is being done through the National Water Research Institute; it won't be done overnight; that the concept information will be brought back to the Board. Director Polan suggested a contest be held to re-name the District.

13. FUTURE AGENDA ITEMS

Director Steinhardt made a motion to change the format and minutes to talking points and to have the video kept for 50 years; Director Polan seconded the motion; there was no roll call vote taken.

14. PUBLIC COMMENTS

No public speaker cards received.

The Board recessed to a break at 8:20 p.m.; and reconvened at 8:23 p.m.

15. CLOSED SESSION

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. Marzan v. Las Virgenes Municipal Water District
4. Datamatic, Ltd. Bankruptcy Case

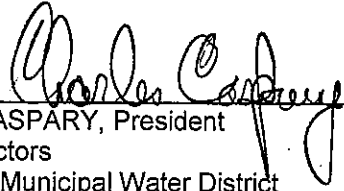
B Conference with Labor Negotiator (Government Code Section 54957.6(a)):

Agency designated representative: David W. Pedersen, General Manager

Unrepresented employees: Director of Finance and Administration, Director of Facilities and Operations, Director of Resource Conservation and Public Outreach, and Human Resources Manager.

16. OPEN SESSION AND ADJOURNMENT

Closed session ended at 8:42 p.m. Seeing no other business to come before the Board, the meeting was adjourned at 8:43 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)