

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

5:00 PM

June 2, 2014

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Chairman, Charles 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 Board President Caspary in the Board Room of Las Virgenes Municipal Water District Headquarters Board Room. Daryl Betancur, Clerk of the Board conducted the roll call.

Present: Directors, Polan, Renger, Steinhardt, Peterson, Caspary, Iceland, McReynolds, Orkney, Paule, and Wall
Absent: None

2. APPROVAL OF AGENDA

A Approval of agenda

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

On a motion by Director Paule, seconded by Director Iceland, the Board voted 10-0 to approve the agenda as presented. Motion carried unanimously.

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

A Minutes: Regular Meeting of April 7, 2014 and Regular Meeting of May 5, 2014

Director Orkney stated that she had a correction on the minutes of April 7, on the second page where her name was spelled incorrectly.

Clerk of the Board Betancur stated that in addition to Director Orkney's correction, there was one correction to the minutes of May 5, in that Mr. Patterson was not present and instead Mr. Lillio had presented the staff report for item 6C.

Director Orkney moved to approve the minutes with corrections. Motion seconded by Director Iceland and carried by the following vote:

AYES: Director(s): McReynolds, Iceland, Orkney, Paule, Wall, Polan, Renger, Steinhardt and Caspary
NOES: Director(s): None
ABSTAIN: Director(s): Peterson

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Proposed Joint Powers Authority budget for Fiscal Year 2014-15.

Administering Agent/General Manager Pedersen stated that at the last meeting the budget was discussed and staff had incorporated the comments and feedback received from the Board. Administering Agent/General Manager Pedersen asked Don Patterson, Director of Finance and Administration to present the report.

Mr. Patterson stated that this item is before the Board for approval and highlighted the following: that there are no material changes to the proposed budget presented earlier; budget is \$22.6 million dollars; budget is comprised of \$15.3 million in operating expenses and \$7.3 million in capital; spoke about projected revenues from the sale of recycled water for \$2.5 million; and commented on the wholesale water rates.

There were questions and comments from the Board related to: reclaimed water, pump stations' electricity consumption and whether or not it includes savings generated from the solar panels; percentage changes in sanitary sewer flows to Tapia; operating expenses and possibly to have the different percentages noted that the two agencies pay; treatment composting figures need to be looked at; and allocation of vehicle expenses; whether or not we have a list of assets included under depreciation and what specific JPA assets make up the category for regulated water.

Director Orkney asked a question relative to the use of recycled water and the percentages that the different agencies receive, whether or not the actual flow to the sewer is more or less, and if the actual volume of waste-water treated affects the amount of recycled water allocated to each agency; and that if staff does not have the answer at this time, she would like an answer at the next meeting.

Triunfo Sanitation District Counsel John Matthews rephrased the question as "If Triunfo is putting in more waste-water than the 29% allocation what happens to that water or what happens to the allocation of recycled water to buy?" Administering Agent/General Manager Pedersen suggested that perhaps staff should check on this point as the subject has never come up.

Further, there was a question relative to the polymer system at Rancho, which needs to be evaluated and updated for better efficiency; and yet there is no number included on the estimated impact on the annual operating expenses.

Staff responded to the Board's questions making reference to the document presented.

Following a substantive discussion on the budget, Director Iceland moved to approve the budget as presented by staff. Motion seconded by Director Paule with the caveat that staff is to provide answers to the questions discussed on the budget in the form of an addendum. Motion carried unanimously.

6. ACTION ITEMS

A Recycled Water, Sanitation, and Integrated Master Plan Updates 2014: Receive and File

Receive and file the Recycled Water Master Plan Update 2014 (JPA Report No. 2561.00), Sanitation Master Plan Update 2014 (JPA Report No. 2560.00, and Integrated Master Plan 2014

(JPA Report No. 2563.00); and approve a budget and appropriation increase of \$15,162, consisting of \$7,936 to CIP Job No. 10515 for the Sanitation Master Plan Update and \$7,226 to CIP Job No. 10516 for the Recycled Water Master Plan Update.

Administering Agent/General Manager Pedersen stated that these plans had been presented before and that comments received from the Board had been incorporated; and that more importantly, this was an opportunity to present the Integrated Master Plan Update 2014, which is the first time this document is presented to the Board.

Roger Null from Kennedy/Jenkins Consultants presented the staff report and explained the components of the Master Plans including goals and objectives and alluding to the fact that the feedback received by the Board at the May 5 meeting was incorporated.

There was an extensive discussion on these plans with comments and questions from the Board relative to the vacant land mapping with Board members making comments about the data's accuracy and reliability.

Director Iceland moved to accept staff's recommendation for the budget adjustment and appropriation for the amount stated in the staff report. Motion seconded by Director Orkney and carried by the following vote:

AYES: Director(s): McReynolds, Iceland, Orkney, Paule, Wall, Polan, Renger, Peterson and Caspary
NOES: Director(s): None
ABSTAIN: Director(s): Steinhardt

B Tapia Water Reclamation Facility NPDES Effluent Limit Exceedences: Consideration of Settlement Offer No. R4-2011-0157-M, Expedited Payment Program

Determine whether or not to accept Settlement Offer R4-2011-0157-M from the Los Angeles Regional Water Quality Control Board, involving participation in the Expedited Payment Program and payment of \$72,000 in penalties, for settlement of alleged violations of the NPDES Permit for Tapia Water Reclamation Facility.

Administering Agent/General Manager Pedersen explained for the Board the history on this item and stated that the Board needs to make a decision as to whether or not to accept the expedited payment program settlement offered by the Regional Board on an on-going dispute on regulatory penalties for exceedences of effluent limitation in the District's NPDES permit for Tapia.

Administering Agent/General Manager Pedersen went into a detailed report on the issue and explained the history of what lead to the infractions and subsequently to the penalties; explained what the number of violation were, which were 19, and which had been later reduced to 9 after staff had sent a letter of appeal; commented on the amount of the penalties; and the extraordinary flows that Tapia received during the March 2011 event, which lead to the turbidity levels being high on all three measures for a period of three days; and spoke about the remaining issues moving forward, which include whether or not to accept the proposed settlement or proceed with the administrative process.

District Counsel Keith Lemieux commented on a letter received from the Regional Board in response to the District's earlier communications and stated that having contacted the Regional Board's attorney the essence of the letter was that the final issue that the Regional Board was waiting for to make their decision is a legal analysis from the JPA and that the legal analysis rests on the Water Code section as to whether or not the three rain events collectively constituted an unanticipated natural disaster, which was an "exceptional", inevitable and irresistible event.

Following Mr. Lemieux's comments, there were a number of questions and comments from the Board related to ways to minimize impact and minimize exposure in the future; implications of an El Nino year

and measures taken to avoid similar events from happening, water turbidity, whether or not the District can get a written relief for those turbidity events in exchange for a good-will settlement agreement, parameters to establish a forward looking policy to deal with such turbidity events, whether or not it is worth the JPA's time and effort to go through the Administrative Hearing process and the cost associated with taking this to the next level as well as chances for success through a legal process.

Chairman Caspary and members of the Board concurred to have this item come back at the next meeting for an update.

C Recycled Water Seasonal Storage Project: Revised Guiding Principles

Approve the revised Guiding Principles for the Recycled Water Seasonal Storage Project.

Administering Agent/General Manager Pedersen presented the staff report indicating that staff had taken into account the Board's comments and feedback and had prepared the Guiding Principles using layman's terms and making the document more user friendly.

There were several comments and questions from the Board. Director Polan requested to include the word "water" after recycled on paragraph 2 of the Guiding Principles document.

Director Peterson moved to approve and adopt the Guiding Principles with the noted correction. Director McReynolds seconded. Motion carried unanimously.

7. BOARD COMMENTS

Director Orkney stated that she had attended the public workshop on May 22 for the Enhanced Watershed Management Program for Santa Monica Bay and that she had found it very informative.

Director McReynolds commented that he had attended the Heal the Bay meeting; made comments relative to the NPDES permit limitations and recycled water, suggesting that an optimal amount of storage be figured for the project.

Chairman Caspary stated that he too had attended the Heal the Bay meeting and that it was refreshing to see that there are a number of stakeholders whose interest is in coming up with real solutions to improve the quality of the Bay.

8. ADMINISTERING AGENT/GENERAL MANAGER REPORT

Administering Agent/General Manager Pedersen informed the Board about the creek flow and how the flow is measured; spoke about the comments made by Director Orkney about a meeting that was held on regulations for manure run-off and an article in the Ventura County Star on the subject.

9. FUTURE AGENDA ITEMS

None.

10. INFORMATION ITEMS

A Construction of Impressed Current Cathodic Protection System for Centrate Treatment and Storage Tanks: Postponement of Construction Work

No discussion.

B Board Meeting Follow-up Items

There was no report on follow-up items.

11. PUBLIC COMMENTS

None.

12. CLOSED SESSION


District Counsel Lemieux stated that there was no need for the closed session.

A. Conference with District Counsel- Existing Litigation pursuant to Government Code Section 54956.9 (a).

1. Las Virgenes Municipal Water District v. Onsite Power Systems, Inc.
2. Las Virgenes – Triunfo Joint Powers Authority v. United States Environmental Protection Agency.
3. Heal the Bay, Inc. v. Lisa P. Jackson

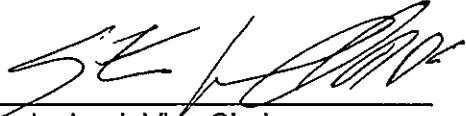
13. ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **6:53 p.m.**



Charles Caspary, Chair

ATTEST:



Steven Iceland, Vice Chair