



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

MINUTES
REGULAR MEETING

5:00 PM

July 22, 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 5:01 p.m. by Board President Caspary in the District offices. Daryl Betancur, Clerk of the Board conducted the roll call.

Present: Directors, Polan (arrived 5:10 p.m.), 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 proposed changes to the agenda.

On a motion by Director Renger, seconded by Director Peterson, the Board of Directors voted 4-0 to approve the agenda as presented.

3. PUBLIC COMMENTS

None

4. CONSENT CALENDAR

A Monthly Investment Report as of June 30, 2014. Approve

B Minutes: Regular Meeting of June 24, 2014 and Regular Meeting of July 8, 2014

C List of Demands: July 22, 2014. Approve

Director Steinhardt objected to the brevity of the minutes, commenting that on page 12 of the minutes the summary was not reflective of the discussion that took place; that he believed there was a more substantive discussion. He stated that he found the minutes to be inaccurate and, therefore, he would not be in favor of voting on them. He did not specify as to how the minutes were inaccurate.

Director Peterson moved to approve the consent calendar items 4A-C. Motion seconded by Director Renger. Motion carried by the following vote:

AYES:	Director(s):	Renger, Peterson and Board President Caspary
NOES:	Director(s):	Steinhardt
ABSENT:	Director(s):	Polan (arrived 5:10 p.m., following approval of consent calendar)
ABSTAIN:	Director(s):	None

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Legislative and Regulatory Updates

General Manager Pedersen introduced Jason Barnes representing the Office of Congresswoman Julia Brownley. Mr. Barnes introduced himself to the Board.

Mr. Pedersen stated that it would be best to discuss items 5A & B together because they are interrelated. Reported on the Governor having signed AB2100, which is a bill that deals with Home Owners Associations (HOA's) and which specifically prohibits HOA's from assessing fines and other penalties for home owners who reduce or eliminate their watering during times of state-declared drought emergency. Also, Mr. Pedersen stated that item B related to water supply conditions and drought response; that we include this item in each of the future agendas for the second meeting of each month in order to keep the Board informed on any drought related developments. Mr. Pedersen also reported on the actions of the State Water Resources Control Board (SWRCB) to enact emergency regulations for urban water conservation, which have been recently enacted.

B Water Supply Conditions and Drought Response

Carlos Reyes, Director of Resource Conservation and Public Outreach presented the staff report. Mr. Reyes provided the background and summary of what actions lead to the adoption of the emergency drought regulations; he stated that the SWRCB had adopted emergency drought regulations recently; that these regulations include two key parts: 1) prohibited activities in promotion of water conservation; and 2) mandatory actions by water suppliers. He stated that included in the prohibited measures are measures similar to what the LVMWD has in its code, which include fines up to \$500.00 for each day of violation.

Mr. Reyes also explained in detail the specifics of what is included or mandated by the SWRCB as it relates to implementation of water shortage contingency plans limiting Irrigation to two days per week; stated that all agencies are seeking clarity and direction on implementation and enforcement of this

requirement given the short time to comply with such regulations; stated that direction is needed from the Board regarding the level of implementation and enforcement that they would like to see; that staff is monitoring what other agencies are doing in response to this particular requirement; explained that one revision that was added to the emergency regulation was the provision that agencies may submit a request to the Water Board Executive Officer for approval of an alternate plan that includes budget-based water rates along with other measures to achieve the water use reduction.

Mr. Reyes continued his report explaining what the prohibited activities were; what prohibited activities are currently included in the Las Virgenes Code and which prohibited activities are mandated by the SWRCB as part of the new emergency water conservation measures; spoke about the penalties for each stage of violations; stated that staff needs to solicit input from the Board in order to develop and implement limits to irrigation; explained the summary of actions, which include incorporating the prohibited activities adopted by the State into the District's requirements; increasing progressive penalties up to \$500.00 per day for violation of mandatory conservation measures and writing a letter to the State seeking a 30-day extension to develop an implementation and enforcement plan responsive to the emergency regulations.

There were a number of questions and comments from the Board, among these, Director Polan asked if the District were to stop supplementing the recycled water system with potable water, what impact it would have on discharging water into Las Virgenes Creek? General Manager Pedersen and staff commented that it is 350 to 400 gallons per minute and that the flow rate has not changed and that this would be a policy decision for the Board in developing the recommended actions for each of those stages and that if this escalates to a higher stage, then the result is that we would be taking more severe actions; that the District needs to balance the ability to conserve in the recycled water system with meeting the District's regulatory obligations. Additionally, there were questions related to the marketing efforts the District has conducted and their effectiveness in getting the message out to conserve water since Director Polan has observed a lot of people irrigating green lawns with water running on the street, and that due to the imposed regulations recently, that there should be more enforcement.

Director Peterson suggested that perhaps the District should go further with fountain restrictions given the need for make-up water; he also asked if Malibu Creek flow augmentation could be placed in the creek at an alternate downstream location to avoid losses in transit. Director of Facilities and Operations Lippman explained that this might be a challenge given the need for an NDPES-permitted discharge point.

Board President Caspary asked about the cities' landscape ordinances and wanted to know about how they compared with the state model ordinance. He further pointed out that 2-day a week watering would lead to some significant impacts to landscaping in the service area with some plantings dying. There was a brief discussion of perhaps excepting hand watering and drip irrigation.

Board President Caspary asked that staff bring back an item to the Board with a summary of conservation efforts and public outreach to-date; also he requested that staff bring back an item with recommendations to comply with the State Water Resources Control Board (SWRCB) Emergency Regulations.

6. TREASURER

Treasurer Polan stated that he had nothing to report though he had a question relative to the cost of the drills bits as shown on the demands.

7. BOARD OF DIRECTORS

A Appointment of Deputy Secretary and Deputy Treasurer

Appoint Daryl A. Betancur, Clerk of the Board, as Deputy Secretary and Donald Patterson,

Director of Finance and Administration, as Deputy Treasurer.

General Manager Pedersen stated that this item relates to the appointment of Deputy Officers for the Board and explained the reason why these appointments are needed.

Director Renger moved to approve as recommended by staff. Motion seconded by Director Polan. Director Steinhardt asked a question relative to the daily functions that are not being provided by the current Treasurer and the current Secretary that would prompt the need for a Deputy Secretary and a Deputy Treasurer. General Manager Pedersen explained that there are provisions in the Las Virgenes Code regarding the powers and duties of the Board's Officers and that there are broad authorities and powers that are assigned to those officers and they include some day to day functions, which is why these appointments are needed. District Counsel Lemieux provided further clarification as to the reasons these appointments are needed. Motion carried by the following vote:

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

8. FACILITIES AND OPERATIONS

A 1,235-ft Backbone Improvements Program Calabasas Pipeline: Final Acceptance

Approve execution of a Notice of Completion by the Secretary of the Board and have the same recorded, and in the absence of claims from subcontractors and others, release the retention in the amount of \$247,393.92 thirty calendar days after filing the Notice of Completion for the 1,235-foot Backbone Improvements Program Calabasas Pipeline Project.

General Manager Pedersen presented the staff report commenting that the project is now completed; that it has been placed in service for some time and that this is the final administrative action for the Board to take in closing out the project; it involved three change orders; explained what these change orders were and the amounts; that the total cost of the project was \$5,016,738, which is about \$37,000 less than originally anticipated.

There were a few questions from the Board regarding the road patching with staff responding that it was done in accordance with specifications and that it was well done.

Director Peterson moved to approve the execution of a Notice of Completion (NOC) and release of the retention as recommended by staff. Motion seconded by Director Renger and carried unanimously.

B The Shoppes at Westlake Village, Parcel Map No. 71900: Approval of Dedication and Quitclaim Deed.

Approve the Acceptance of Dedication for Potable and Recycled Water Systems, Dedication of Property to Las Virgenes Municipal Water District for Public Use, and Quitclaim Deed to SDG Russell Ranch, LLC for The Shoppes at Westlake Village, Parcel Map No. 71900.

General Manager Pedersen stated that the water system at the Shoppes at Westlake Village is complete and that tenants are beginning to take occupancy; that on July 27, Target is slated to open; and that by this action the Board will be accepting the Dedication of the developer installed water system facilities.

Director Polan asked a question regarding air rights. Staff responded that no one is allowed to build on top of the easements or to obstruct the easements with certain structures.

Director Steinhardt moved to approve the acceptance of dedication for potable and recycled water systems, dedication of property to Las Virgenes Municipal Water District for public use and quitclaim deed to SDG Russell Ranch Associates, LLC. Motion seconded by Director Renger and carried

unanimously.

9. FINANCE AND ADMINISTRATION

A Information Systems Master Plan and Operational Review: Approval of RFP

Approve a Request for Proposals for preparation of an Information Systems Master Plan and Organizational Review.

General Manager Pedersen stated that this item relates to the District's effort to further a Strategic Goal # 4, objective 4.2 related to utilizing technology to improve the District's service delivery. General Manager Pedersen asked Don Patterson, Director of Finance and Administration to provide further detail on this item.

Mr. Patterson commented that technology is a critical component in delivering effective, quality service to the rate payers and that this plan is an effort to further expand technology to better serve the needs of the customers; he cited the monthly billing as an example of how technology can provide timely feedback to customers and do so more effectively. He provided a brief background about the Information Systems (IS) Division; spoke about the existing technology environment; the types of systems the IS Division currently supports; articulated for the Board what the needs of the IS Division were, the positions allocated to support its functions and the allocated budget component related to these improvements.

There were several questions by the Board including questions related to data links being wireless and whether or not this plan would look at their robustness and security; whether or not the Board will have input; the number of companies that staff has identified that can provide these services; the timeline for presenting this item back to the Board; and the type of information that would be made available to the customer, for example, consumption records as part of the deliverable.

Mr. Patterson responded that the plan is designed to look at the entire communications network; that there are a number of consultants who specialize in this type of service; and that staff has reached out to the municipal services group and through this group, staff has received three recommended consultants that other agencies have used.

There was a brief discussion relative to the timeline stated in the staff report under term of engagement with Don Patterson, Finance and Administration Director stating that the September 3 date is for presentations to the sub-committee, which will lead to award of a contract on September 23.

Director Renger moved to approve the Request for Proposals as presented by staff. Motion seconded by Director Peterson. Motion carried unanimously.

10. NON-ACTION ITEMS

A Organization Reports

(1) MWD

Director Peterson reported that at the MWD Executive Committee meeting, they voted to name the plaza outside of MWD the Jack Foley Plaza; appointed a special committee on financing that meets once a year; had reviewed the performance of the four employees reporting directly to the Board: General Manager, the General Counsel, the Auditor and the Ethics Officer; reported on the Bay Delta Committee (BDCP) where they discussed the State Board response to the issue of Water Rights; and reported on the long-fin smelt and its habitat.

(2) Other – None

B Director's Reports on Outside Meetings

None

C General Manager Reports

(1) General Business

General Manager Pedersen reported on the recent visit to the District by Assembly Member Richard Bloom who had expressed an interest in the District's Solar Project and that he was given a tour of the solar facility, Tapia and Rancho; spoke about the new fields in the templates of the staff reports; and commented on the conservation videos that staff had been working on and that there were a total of 12 and that there is a new video on the Mow no Mow program that staff would like to present.

Director Polan asked as to whether or not the District had tried to reach out to different news media relative to the water conservation efforts. Jeff Reinhardt, Public Information Officer responded that staff has fielded inquiries from news media and has provided information on the Mow no Mow program to national media outlets as well.

(2) Follow-Up Items

None.

D Director's Comments

Director Steinhardt commented on the upcoming election and stated that he wanted to commend Mr. Tickin who brought to the attention of the County Elections Department, the manner in which ballots are to be listed, in particular how Directors state that they are elected when in fact they have been appointed; and because of Mr. Tickin's efforts now the elections handbook is more specific and clear in the guidelines as to when to use the words incumbent v appointed incumbent.

He also commented on the issue of transparency and what the District has not done is to put something as the election that people will see in the Acorn, which is the most widely read paper in this area; information that we have an election going on and that to put information in the back page where it gets lost among many legal notices that nobody reads is pointless; that such ad should be in a more prominent place where everyone can see and read.

11. FUTURE AGENDA ITEMS

None

12. PUBLIC COMMENTS

None

13. CLOSED SESSION

The Board recessed to Closed Session at 6:52 p.m., and reconvened at 7:13 p.m.

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

1. San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.
2. Las Virgenes- Triunfo Joint Powers Authority v. United States Environmental Protection Agency

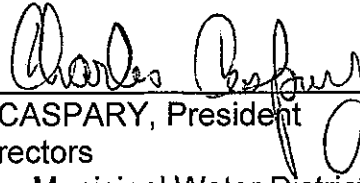
14. OPEN SESSION AND ADJOURNMENT

District Counsel Lemieux reported that the Board had approved the District to file a response to the 2014 San Diego County Water Authority v. Metropolitan Water District rate case with an initial budget of \$1,000. On the second case, District Counsel reported that Adamski is to file a jurisdictional motion in Case No. 1 by the next Board meeting.

Board President Caspary moved to direct staff to set up an initial budget of \$1,000 to file a response. Motion seconded by Director Renger and carried by the following vote:

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

Seeing no further business to come before the Board, the meeting was duly adjourned at **7:15 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)