



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

**MINUTES
CORRECTED
REGULAR MEETING**

5:00 PM

June 24, 2014

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Clerk of the Board Betancur.

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 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 proposed changes to the agenda.

On a motion by Director Renger, seconded by Director Polan, the Board of Directors voted 5-0 to approve the agenda as presented.

3. PUBLIC COMMENTS

None

4. CONSENT CALENDAR

A List of Demands: June 24, 2014. Approve

B Monthly Investment Report as of May 31, 2014. Receive and file

Receive and file the Monthly Investment Report for May, 2014.

Director Peterson moved to approve items 4A and 4B. Motion seconded by Director Renger and carried unanimously.

C Minutes: Regular Meeting of April 8, 2014 and Regular Meeting of June 10, 2014. Approve

President Caspary stated he had requested item 4C be pulled from the consent calendar so he could ask for a change in both of the minutes presented. He commented that in those minutes there was a request to place something on a future agenda and such request was seconded and made under the public comment section as mandated by the Las Virgenes Code. Therefore, he asked that both of the minutes be changed to reflect these requests being made under public comment not under the heading of future agenda items.

Director Polan commented that he wants the minutes of April 8 to reflect the fact that he had supported Director Steinhardt's comments regarding the issue of the incidents of threats to District employees and that he wants the minutes to reflect his comments relative to the fact that he stated that these issues were serious and that he was very much against any harassment or any other form of intimidation to any public or any staff of the Water District.

Director Steinhardt made comments relative to the role of the Board Secretary and quoted from the Las Virgenes Code relative to the duties of the Secretary, one of which is to "being responsible for the accuracy" of the minutes. He further stated that in the future if he believes that the minutes are inaccurate he will not be able to approve the minutes as presented.

Director Peterson stated that the whole Board approves the minutes. District Counsel Lemieux interjected and stated that the minutes have to accurately reflect what the Board decides; and that if the minutes reflect what the Board did then those minutes are accurate.

Director Renger moved to approve the minutes with the given changes to the minutes of April 8 and the change to the minutes of June 10. Motion seconded by Director Peterson and carried unanimously.

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Legislative and Regulatory Update

General Manager Pedersen provided updates on the following subjects: 1) Sacramento update where there were a few important items including the approval of the State budget by the Governor who made a few line-item vetoes in the budget, and that the total budget is \$142.6 billion; 2) stated that with the passing of the State budget there has been a great deal of activity on the water bond issue in the legislature; that according to ACWA, the leading bill in the Senate is the Wolk Bill, which is SB 848 and which was shy of 5 votes from passing in the Senate; that the bill more than likely will come back for consideration; 3) provided updates on Assembly Bills AB 2686 (Perea), AB 1331 (Rendon); and AB 2043 (Conway & Bigelow).

6. **TREASURER**

Treasurer Polan stated that he concurred with the report as presented and that the report with its graphs and charts makes it very clear to know what is going on.

7. **BOARD OF DIRECTORS**

A Consideration of Policy for Planning and Management Documents.

Consider the policy recommended by Director Len Polan related to the District's planning and management documents, and determine whether or not to approve the policy or some variation thereof.

General Manager Pedersen stated that this item was prepared in response to Director Polan's request for a future agenda item regarding a potential policy that would pertain to the District's planning and management reports in so far as the content and the format is concerned. Mr. Pedersen explained what these documents will include such as: table of contents, page numbers, appendices, definitions for acronyms, footnotes, and executive summary.

Director Renger commented that it would be helpful to have the possibility of an electronic index that will enable the reader to conduct quick key word searches. General Manager Pedersen stated that this could be possible since new computer programs will more than likely allow for the creation of an index.

Director Steinhardt moved to approve as presented. Motion seconded by Director Polan.

Director Peterson indicated that he likes the second paragraph under discussion section of the staff report, which summarizes what the Board wants in these documents and is very clearly stated and that this is a much better way of dealing with what has been said.

Director Peterson asked for the motion on the floor to be amended to consist of the policy language contained in the second paragraph. Director Steinhardt concurred and thus restated his motion to include the entire second paragraph under discussion starting with "as with all technical reports"...amendment seconded by Director Renger. Motion carried unanimously.

8. **FACILITIES AND OPERATIONS**

A Tapia Headworks Grit Conveyor: Final Acceptance

Approve the execution of a Notice of Completion by the Secretary of the Board and have the same recorded; and in the absence of claims and from subcontractors and others, release the retention in the amount of \$5,736.25 within 30 calendar days after filing the Notice of Completion for the Tapia Headworks Grit Conveyor Project.

General Manager Pedersen presented the staff report and stated that the project is complete and is hereby recommended for final acceptance.

There was a brief discussion on the item with Board members seeking clarification relative to technical information on the conveyor.

Director Steinhardt moved to approve. Motion seconded by Director Renger and carried unanimously.

B Barrymore Drive Slope Repair and Pavement Restoration: Final Acceptance

Approve the 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 or others, release the

retention in the amount of \$2,358.45 within 30 calendar days after filing the Notice of Completion for the Barrymore Drive Slope Repair and Pavement Restoration Project.

General Manager Pedersen stated that this item is also presented for final acceptance and that it was an emergency project that the Board approved and awarded to Toro Enterprises relative to a water-main break that occurred late January along Barrymore Drive.

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

C Potable Water Master Plan Update 2014: Receive and File

Receive and file the Potable Water Master Plan Update 2014 (LVMWD Report No. 2562.00), and approve a budget and appropriation increase of \$24,518 to CIP Job No. 10510 for the Potable Water Master Plan Update 2014.

General Manager Pedersen stated that Mr. Null from Kennedy/Jenks Consultants was present in the event that the Board had questions.

Mr. Pedersen provided a brief recap of how this item had been presented to the Board and indicated that the comments and feedback received from individual Board members has been included in the final draft document. He clarified the issue surrounding the discrepancy of the population numbers and described what constitutes the District's population for the service area as compared to the number of customers served.

There was a substantial discussion relative to population growth, how the information was obtained, and the accuracy of the population statistics presented.

Director Peterson moved to approve the recommendation. Motion seconded by Director Renger.

Following a brief question and answer period, Director Peterson stated that he would like to amend the motion to include the entire recommendation, which includes the budget increase in the amount of \$24,518 and the comments received during the meeting as well as to include Appendix O. The amendment was seconded by Director Renger. Motion carried by the following vote:

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

9. FINANCE AND ADMINISTRATION

A Independent Audit Services: Acceptance of Proposal

Accept the proposal from Pun & McGeady LLP to provide independent audit services to the District and Las Virgenes- Triunfo Joint Powers Authority and authorize the General Manager to execute a one-year professional services agreement with Pun and McGeady LLP in the amount of \$30,000 with up to four one-year renewal options using a 3% escalation factor per year.

General Manager Pedersen asked Director of Finance and Administration Patterson to brief the Board on the process that led to the ultimate selection of the firm recommended.

Mr. Patterson stated that on March 11, 2014, the Board had approved a Request for Proposals (RFP) to provide professional audit services for the District and the Joint Powers Authority (JPA); that 15 proposals were received from small CPA firms to large national corporations; that these were reviewed by an internal staff committee against the scope of work and the criteria of the RFP and that they were scored accordingly. Ultimately, he stated that the committee had narrowed the field down to four firms which were invited for interviews; that one firm chose not to interview and the remaining three were

interviewed and out of those three, the top two firms were referred to the Board Audit Committee comprised of the Treasurer, Director Polan and Board President Caspary.

Mr. Ken Pun from Pun and McGeedy addressed the Board and answered questions. Directors Peterson and Polan inquired as to whether or not the JPA was consulted.

Following a brief discussion, Director Renger moved to approve the recommendation. Motion seconded by Director Polan and carried unanimously.

B Adoption of a Resolution Establishing Salaries for Officers and Employees

Pass, approve and adopt Resolution No. 2458, establishing salaries for officers and employees of the Las Virgenes Municipal Water District.

RESOLUTION NO. 2458: A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT ESTABLISHING SALARIES FOR OFFICERS AND EMPLOYEES.

General Manager Pedersen commented that this was presented in conjunction with the budget adoption of June 10 when the Board approved three staffing changes; and that this Resolution is the proper and recommended means for the Board to approve these changes and that it also serves to capture the salary resolution for all of the District's classifications, which the District did not have previously.

Director Peterson moved to approve with the correction that the word officers on the Resolution needs to be removed from the title. 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

C Street Lighting Negotiated Tax Exchange Resolution from Annexation of Territory, Parcel Map No. 72018, to County Lighting Maintenance District 1687

Pass, approve and adopt Resolution No. 2459, approving an accepting the negotiated exchange of property tax revenues resulting in annexation of Parcel Map No. 72018 to County Lighting Maintenance District 1687.

RESOLUTION NO. 2459: A 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-2 APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION OF PARCEL MAP NO. 72018 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1687.

General Manager Pedersen stated that this item relates to a small annexation into the County Street Lighting Maintenance District; and provided a brief overview as to the necessity for the annexation.

Without any questions on the matter, Director Renger moved to approve as presented and Director Steinhardt seconded. Motion carried unanimously.

10. RESOURCE CONSERVATION AND PUBLIC OUTREACH

A Winter Water Usage for Fiscal Year 2014-15 Sanitation Service Charges.

General Manager Pedersen related to the Board that this item is in response to Director Renger's request for staff to look into the potential impact of the drought on the District's winter time water usage for customers.

Carlos Reyes, Director of Resource Conservation and Public Outreach presented a brief report and highlighted the following: that based on the analysis, 15,241 (86%) of the District's single-family residential customers pay the maximum sanitation charge of \$108.56; that the remaining 2,167 (14%) pay less due to their winter usage of 15 hcf or less; that the analysis also shows that the number of customers paying less than the maximum will decline to 1,740 in FY 2014-15 after applying the updated winter water usage data. Mr. Reyes went on to state that the net result of this change coupled with the implementation of the Board-approved 2.0% sanitation service charge increase for these customers in FY 2014-15, will be a revenue increase of \$89,752, or 0.5% of the total sanitation service fees budget of \$17 million.

Mr. Reyes answered questions from the Board. Following a brief discussion, Director Renger moved to approve with direction given to staff to use the lower of the last two years. Director Steinhardt seconded and the motion carried unanimously.

11. LEGAL SERVICES

A Update of Las Virgenes Municipal Water District Code: Review Session No. 2

Mr. Pedersen, General Manager stated that this involves the review of a portion of Title 2 and that the binder is divided into three documents: 1) the current code; 2) the Red-line version and 3) the proposed/clean copy of the code. He further stated that staff had tried to better reflect the changes in response to the Board's previous request; and that the purpose of this item is to seek feedback from the Board; that staff is not seeking action at this time. Mr. Pedersen briefly described what the proposed changes were and that some of the changes are in terms of formatting and arranging sections in the proper order for consistency purposes.

Following a substantive discussion, the Board requested that the word "per-diem" should be included preceding the word "compensation" wherever it appears under Compensation; more clearly stated that the words "per diem compensation" be inserted in parenthesis under 2.206 (a) after the word "attendance"; and that the word "per-diem" be inserted under (f) after the word "to".

The Board suggested that they would still like to continue having the three versions as presented.

Broad President Caspary commented that on Section 2.212 rules of conduct the Board ought to add something that talks about the need for Directors to avoid using communications devices during public meetings; and that this is a proper time to discuss this.

There was a substantive discussion relative to the implications of using electronic communications during live meetings and the potential for violations of the Brown Act. District Counsel Lemieux briefed the Board on what specific incidents would potentially be considered Brown Act violations such as members of the public electronically communicating with members of the Board during the meeting. Mr. Lemieux suggested that this is the sort of issue that staff must research due to its complex nature and report back as a separate item for discussion.

Director Steinhardt suggested that the Board should look at the reporting of campaign contributions of \$50.00 or more and that this should be increased to \$100.00. The majority of the Board concurred that the \$50.00 dollar campaign reporting requirement should stand as it is and that there is no need to change.

Director Peterson asked a question relative to the issue of the duties of the Treasurer and asked for an

explanation with District Counsel Lemieux answering questions on the subject.

Director Steinhardt inquired about proposed changes to the language for the duties of the Secretary, District Counsel Lemieux responded. After a brief discussion, the Board directed staff to leave the language as originally written.

B Amendment to Agreement with Lemieux & O'Neill for Professional Legal Services

Director Steinhardt stated that he had to recuse himself from this item as he may have a potential conflict of interest. Accordingly he stepped off the dais at 7:35 p.m. and left the room.

General Manager Pedersen presented the staff report and indicated that the recommended increase had been included as part of the budget that was approved recently.

Board President Caspary inquired of District Counsel as to whether or not it would be appropriate for him to disclose to the Board the reason(s) Director Steinhardt recused himself. Mr. Lemieux stated that Director Steinhardt's company had provided some insurance services for his son who is not associated with the firm.

Director Peterson moved to approve the recommendation. Motion seconded by Board President Caspary and carried by the following vote:

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

Director Steinhardt rejoined the meeting at 7:37 p.m.

12. INFORMATION ITEMS

- A CalTRUST Pooled Investment Account**
- B Backbone Improvements Program 5-Million-Gallon Tank: Change Order No. 2**
- C Drought, Climate Change and Local Water Supply and Demand**
- D Enhancements to MWD's Water Conservation Programs**

Director Polan stated he wanted to discuss items C & D.

Director Polan made comments relative to Dr. Orton's staff report and the difficulty in defining the term "Drought" and asked Dr. Orton to briefly comment.

Dr. Orton asked that if the question is framed as to what does the report say about precipitation projections? He commented that there were two papers: one dealing with precipitation and the other with temperature; that the temperature projections are on sounder ground; that precipitation projections are uncertain at this point because they rely on global models. He further indicated that if the question is framed as to what does this mean for drought; that there is a solid answer for that meaning that the number of extremely hot days locally will increase significantly by mid-century. Dr. Orton went on to further explain the modeling of temperature and precipitation projections and answered questions from the Board.

As it relates to item D, Director Polan spoke about the increase to \$2.00 per foot to take out grass and that he was considering doing that.

13. NON-ACTION ITEMS

A Organization Reports

(1) MWD

(a) Representative Report/Agenda(s)

Director Peterson reported on the passing of long-tenured MWD Director Helen Hanson from Long Beach who passed away recently and whose funeral he had attended; he reported on one significant issue the Bay Delta Committee there was a presentation on the BDCP Plant; both short-term and long-term cost; and commented on a presentation about the tunnels and their viability in an earthquake.

(2) Other

B Director's Reports on Outside Meetings

Director Steinhardt reported on having been on a telephone conference regarding ACWA Region 8 combined with Regions 9 and 10 about coordination of upcoming events; he announced that he had been appointed and approved unanimously by the ACWA Board to serve as the Vice-Chair of the Business Development Committee.

Director Polan reported having attended the AWA breakfast meeting and that they had a good presentation by three groups including Calleguas, which showed how the piping worked; and that he had enjoyed the presentation made by Mike Solomon from United Water Conservation, which showed how the system worked.

Board President Caspary stated that he had attended the Santa Monica Bay Restoration Committee recently and that the Governing Board had approved the appointment of a new Executive Director and that his name was Tom Ford who has excellent credentials.

C General Manager Reports

(1) General Business

Mr. Pedersen reported on the completion of the aerial imaging; spoke on the 5-million-gallon water tank and stated that the blasting had been completed; that the work that is currently taking place involves the delivery of rock for the foundation for the floor of the tank; and that measures had been taken for this process in accordance with the provisions of the Memorandum of Understanding (MOU); spoke about having received recognition from Water Reuse for the District's participation in the Direct Potable Reuse Initiative.

(2) Follow-Up Items

D Director's Comments

Director Polan spoke about the book titled Colossus written by Michael Hiltzik and on the building of the Hoover Dam and asked if the District had a copy in the library that he could borrow.

14. FUTURE AGENDA ITEMS

None

15 PUBLIC COMMENTS

None

16. CLOSED SESSION

The Board adjourned to Closed Session at 8:17 p.m., and reconvened at 10:15 p.m.

**A. Conference with District Counsel- Public Employee Performance Evaluation
(Government Code Section 54957)
Title of Position: General Manager**

17. OPEN SESSION AND ADJOURNMENT

District Counsel Lemieux explained that no reportable actions were taken during closed session. Seeing no further business to come before the Board, the meeting was duly adjourned at 10:20 p.m.

Charles Caspary

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

ATTEST:

XX

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

(SEAL)

