



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

MINUTES
REGULAR MEETING

5:00 PM

January 28, 2014

PLEDGE OF ALLEGIANCE

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. Board Secretary, Barry Steinhardt called the roll. Those answering present were Directors Charles Caspary, Leonard Polan, Lee Renger and Barry Steinhardt. Director Glen Peterson was absent.

2. APPROVAL OF AGENDA

A Approval of agenda

On a motion by Director Lee Renger, seconded by Director Barry Steinhardt, the Board of Directors voted 4-0 -1 to Approve the agenda for the Regular Meeting of January 28, 2014, as presented.

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

ABSENT: Director(s) Peterson

3. PUBLIC COMMENTS

No speaker cards were received from the public.

4. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A **One-Year Service Awards: David Pedersen and Director Len Polan**

Service awards were presented to Director Polan and General Manager Pedersen for 1 year of service to the Las Virgenes Municipal Water District.

Director Steinhardt recalled receiving a "one-year pin" and asked why Director Polan did not receive one. (Paniagua: the District's policy does not call for providing service recognition pins)

to directors)

B Legislative and Regulatory Updates

General Manger Pedersen presented that on January 17th, an emergency declaration by the Governor was made for voluntary water use reductions of 20%; actions included for the State agencies to minimize effects from the drought; Southern California and Metropolitan Agencies have quite a bit of water in storage; the District will be proposing measures in the coming month; talking points for staff and directors to use will be suggested; we will be getting speaker requests in the near future; Water Summit is a good opportunity to talk about conservation; more detail will be provided at the next meeting.

5. CONSENT CALENDAR

Board President Caspary asked if there were any questions on the Consent Calendar 5A-5C, and that a motion to approve be made.

On a motion by Director Lee Renger, seconded by Director Leonard Polan, the Board of Directors voted 4-0 -1 to Approve Consent Calendar 5A-5C as presented in the recommendations.

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

ABSENT: Director(s) Peterson

A Investment Review: Fourth Quarter of Calendar Year 2013. Receive and File

B Investment Report for the Month of December 2013. Approve

C List of Demands: January 28, 2014. Approve

6. TREASURER

Treasurer Polan stated that everything was in order for the List of Demands.

7. BOARD OF DIRECTORS

A Public Records Request by Louis E. Masry

Receive and file.

Director Glen Peterson arrived at 5:10 p.m.

General Manager Pedersen reported there was a Public Records Request by Louis E. Masry and it was responded to by the Clerk of the Board on December 12, 2013 with 3 key items: the name of the project was clarified, we stated that we needed 45 calendar days to respond with all of the information requested (there were 10,000 pages of records that took 10 employees to compile), and the records included paper and electronic records; due to being short staffed during the holidays, it took a bit longer than it normally would to get everything together; Legal Counsel sent a letter to Mr. Masry asking how he wanted the documents produced and that they would be readily available to be looked at as assembled; Masry's employees were at the District on two occasions to review records; January 26th was the end of the 45-day-period; the records production was completed on January 21st (five days early); 3,350 electronic files were placed on CD and Mr. Masry's office picked them up on January 28, 2013; the response required about 90 man-hours (\$8500).

Director Steinhardt asked if December 12th was the date we responded to Mr. Masry. (Pedersen: yes, we confirmed that we possessed responsive records on that date) Was this overtime hours? (Pedersen: no, day-to-day based hours) So there was no overtime on this or any other project? (Pedersen: not to my knowledge) (Lippman: it was not the case for my

staff) (Lillio: salaried employees are not paid overtime)

Director Renger noted that this request has caused a fair amount of disruption.

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

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

8. FINANCE AND ADMINISTRATION

A Financial Review: Second Quarter of Fiscal Year 2013-14

Receive and file.

Interim Director of Finance and Administration, Joe Lillio, gave an overview of the Second Quarter Financial Review as of December 31st; there was a lack of rain during November and December; there is a net positive operating income; sanitation revenue was on target; potable water revenue was \$1.6 million higher than anticipated; we were over budget by \$1.3 million due to a larger amount of purchased water.

Director Peterson asked if we are in the creek now? (Lippman: yes, discharging as of November 15th) What is the anticipated breach of tier 1? (Lippman: tier 1 is about 21,000 AF)

On a motion by Director Glen Peterson, seconded by Director Charles Caspary, the Board of Directors voted 5-0 to receive and file as presented.

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

B CIS Infinity Software: Annual Support and Maintenance

Authorize the General Manager to execute a maintenance support agreement with Advanced Utility Systems in the amount of \$64,134.13 for on-going support and maintenance services.

Director Renger mentioned that budget billing will become more important.

Director Polan asked why the payment in full is due? (Pedersen: it is the company policy) (Lillio: they refuse to bill monthly or quarterly) Is that a fair price? (Lillio: yes)

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

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

C Unleaded and Diesel Fuel Petroleum Products: Award of Bid

Accept the bid from and authorize the General Manager to execute a one-year contract with Pinnacle Petroleum, Inc. in the amount of \$116,000 with three one-year renewal options for the supply of unbranded, unleaded, regular ethanol, 87 octane fuel; and accept the bid from and authorize the General Manager to execute a one-year contract with Petro Diamond, Inc. in the amount of \$13,000 with three one-year renewal options for the supply of ultra-low sulfur diesel fuel.

Director Polan had some questions as to why there were variations in the bids. Why did some have taxes and some did not? (Lemieux: Federal and State Excise Tax, bidders don't know what we pay and what we don't)

Director Polan stated that in light of the fact that the General Manager just got a hybrid vehicle, can we use fuel cell devices in the future? (Peterson: we have not had good luck with fuel cells)

On a motion by Director Glen Peterson, seconded by Director Lee Renger, the Board of Directors voted 5-0 to Approve as presented.

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

D Mailing of Customer Bills and Notices: Award of Bid

Accept the bid from and authorize the General Manager to execute a one-year contract with V3 Printing Corporation in the amount of \$77,655.00 with three one-year renewal options for the pick-up, folding, stuffing, and mailing of customer bills and notices.

There was no discussion on this item.

On a motion by Director Glen Peterson, seconded by Director Lee Renger, the Board of Directors voted 5-0 to Approve as presented.

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

9. LEGAL SERVICES

A Potable Water Replacement Fund Standby Charge: Adoption

The full reading of proposed Ordinance No. 01-14-273 as it relates to continuation of the Water Replacement Fund Standby Charge for the fiscal year commencing on July 1, 2014, be waived, and the Board order publication within 30-days of adoption using a summary of the Ordinance.

The Board by a roll call vote of Ayes: Noes: Abstain: Absent: that the Rules and Regulations for Water Standby Charge Deferrals be approved; and proposed Ordinance No. 01-14-273 as it relates to continuation of the Water Replacement Fund Standby Charge for the fiscal year commencing on July 1, 2014, be given second reading by title only, be passed, approved and adopted as presented.

ORDINANCE NO. 01-14-273

AN ORDINANCE OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT AS RELATES TO STANDBY CHARGES FOR THE FISCAL YEAR COMMENCING JULY 1, 2014

(Reference is hereby made to Ordinance No. 01-14-273 on file in the District's Ordinance Book and by this reference the same is incorporated herein and made a part hereof.)

There was no discussion on this item.

On a motion by Director Lee Renger, seconded by Director Charles Caspary, the Board of Directors voted 5-0 to Approve as presented.

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

10. INFORMATION ITEMS

A GFOA Distinguished Budget Presentation Award

General Manger Pedersen reported that the GFOA Distinguished Budget Presentation Award was received and recognized the staff in Finance (Sandra Hicks, Joe Lillio, Mike Hamilton) for their efforts in producing a high-quality, understandable, and transparent budget.

11. NON-ACTION ITEMS

A Director's Comments

Director Polan noted that the Governor issued a declaration of drought and we have to work as hard as we can to get everyone to conserve water.

Director Renger stated that we are still in red flag conditions; there is a chart that tells how much moisture can be held; at 100 degrees with 5% humidity it is 3 times what you would get at 65 degrees.

B Director's Reports on Outside Meetings

Director Peterson reported that he just got back from ACWA/JPIA; the new computer system is great (BSWIFT); domestic partners need to be registered with the state to be eligible for benefits.

Director Polan reported that he and Director Steinhardt attended the CASA meeting at Indian Wells; Districts are rebranding themselves; they have text on their trucks that say "This is what your dollars do".

Director Polan requested a future agenda item to discuss rebranding the District. Director Steinhardt seconded the request.

Director Steinhardt reported that CASA introduced sessions with with table-top discussions; Region 8 ACWA's first Board Meeting was held; they have an Outreach Program; if anyone wants a copy of the agenda, let him know; they are hoping to get better attendance from the Board this term; they are having a conference with 2 other regions.

Director Renger reported that he attended the AWA Meeting and Las Virgenes Homeowners Federation Water Forum; both were inter-related; this was the first time they passed the 400 parts per million milestone; there is less snow pack; dust is coming from Asia; depends on dust plumes for the precipitation that will drop out; extreme precipitation events; 3 participants on the Forum; price of water to the farmers is incredibly low; the use of water in California has been chaotic; 400,000 acres; we need to get the bond passed.

Director Peterson reported that he attended the same meeting as Director Renger; 50 years of mitigation; steel head fish need a place to hide because they are getting eaten; it is imperative to get the bond passed; \$150 AF for water; taking water rights is not going to happen; everyone did a good job on the presentation; the CASA sessions were very good; 100 year bond for things that will be gone in 60-70 years.

President Caspary reported that he attended the AWA breakfast in Oxnard; they talked about the winter outlook and that it will be dry; 5-10 storm days provide 1/2 of the precipitation.

Director Peterson stated that Texas passed a bond for Water Development.

C General Manager Reports

- (1) General Business
- (2) Follow-Up Items

General Manager Pedersen referenced a copy of the letter from Sue Hammond that was received in regards to the Turf Removal Program; staff will do more research on it and come back with a recommendation; incentive for artificial turf. (Polan noted that he is the Board Architect for HOA; he stated that it is a grey area and that there are issues with animal fecal matter)

The Budget Based Workshop will be from 8:00 a.m. to 11:00 a.m. on January 30, 2014; this will give the Board a chance to ask questions regarding Budget Based Rates.

A request was received from the Westlake Village City Manager's office to host a tour for newly elected Councilmember Brad Halpern.

Two proposals were reviewed for the Water Bond; ACWA has put out an alert on the Wolk Bill to oppose unless amended.

Branding: Utility Branding Network; Vision Statement.

General Manager Pedersen gave an update on Follow-Up Items:

Regarding the Vehicle Replacement Program, the Chevy Volt was selected; lease options were looked at but it was determined that there was no benefit in signing a lease in lieu of purchasing the vehicle; the lease includes mileage and if the mileage is exceeded it would cost much more; selecting the Volt gave an opportunity to "green the fleet".

Director Steinhardt stated that the old car was going by the wayside and after 110,000 miles another car would be purchased. (Pedersen: the vehicle purchase was recommended by staff and approved by the Board) The GM's car is a contract decision. (Lemieux: Is it in the GM's contract?) How was it authorized? (Director Peterson: the type of vehicle the GM drives is not in the contract; a vehicle just needs to be provided)

Director Steinhardt would like to see this as an agenda item.

General Manager Pedersen suggested that he provide a copy of his contract to the Board, so all could review the language pertaining to the vehicle. Then a decision can be made with regard to additional follow-up if necessary.

D Organization Reports

- (1) MWD
 - a. Representative Report/Agenda(s)
- (2) Other

12. FUTURE AGENDA ITEMS

There were no future agenda items discussed.

13. PUBLIC COMMENTS

No speaker cards were received from the public.

The meeting convened to recess at 6:27 p.m.

14. CLOSED SESSION

The meeting convened to Closed Session at 6:29 p.m.


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. City of Agoura Hills v. Las Virgenes Municipal Water District, et al. (4 cases)

15. OPEN SESSION AND ADJOURNMENT

The meeting reconvened into Open Session at 6:38 p.m. No reportable actions were taken during Closed Session.

The Chair declared the meeting adjourned at 6:39 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)