

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

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5:00 PM

August 4, 2014

**PLEDGE OF ALLEGIANCE**

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

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

**A** Call to order and roll call

The meeting was called to order at **5:05 p.m.** by Chairman Caspary in the Board Room of Las Virgenes Municipal Water District Headquarters. Daryl Betancur, Clerk of the Board conducted the roll call.

Present: Director(s): Polan, Renger, Steinhardt, Peterson, Caspary, Iceland, McReynolds,  
Orkney and Wall

Absent: Director(s): Paule

**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 Iceland, seconded by Director Renger, the Board voted 9-0 to approve the agenda as presented. Motion carried unanimously.

**3. PUBLIC COMMENTS**

Jason Barnes, Field Representative with the Office of Congresswoman Julia Brownley introduced himself to the JPA Board.

**4. CONSENT CALENDAR**

**A Minutes: Regular Meeting of July 7, 2014. Approve**

Director Peterson moved to approve the minutes of July 7, 2014. Director Wall seconded. Director McReynolds commented that there was a mistake on page 2 of the minutes. The last sentence of the third paragraph is missing the word "type" before the word "of". With the noted correction and the approval of the motion maker and seconder, the minutes were approved by the following vote:

AYES: Director(s): Directors, Polan, Renger, Steinhardt, Peterson, Chairman Caspary, Iceland,  
Orkney, and Wall

NOES: Director(s): None

ABSTAIN: Director(s): McReynolds

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

**A Introduction of Independent Auditor: Pun & McGeady, LLP**

Administering Agent/General Manager Pedersen made brief introductory remarks about Pun & McGeady, the newly hired Auditors and asked Mr. Ken Pun, Managing Partner with Pun & McGeady to introduce himself. Mr. Pun introduced himself and spoke briefly about his company.

6. **ACTION ITEMS**

**A Woodland Hills Country Club Recycled Water System Extension: Authorization to Execute Agreement for Preliminary Design and Environmental Review and Approval of Request for Proposal.**

Administering Agent/General Manager Pedersen stated that this item relates to a proposed extension of the JPA's recycled water system to serve the Woodland Hills Country Club, which is a customer in the LADWP service area; spoke about the project, which entails about 4 ½ mile of pipeline extension with about one mile being within the JPA service area; commented about the potential demand estimated to be 250 acre feet per year; that in September 2013, the JPA Board had approved the term sheets with LADWP to outline the basis for an agreement; spoke about the term sheets included in the agenda packet: 1) first term sheet pertains to a wholesale purchase agreement; and 2) second term sheet pertains to the design and construction of the facilities that are needed.

Mr. Pedersen outlined the process to move forward associated with the project: 1) the agreement, which is for the preliminary design of the facilities needed and; 2) the CEQA environmental document. Both of these events would take place concurrently.

He further outlined the key of the entire arrangement by speaking of the term sheets; he indicated that the first term sheet deals with the purchase and sale agreement and it provides for recycled water to be sold by the JPA at the JPA wholesale recycled water price at a pre-determined point in time plus an additional cost for potable supplement; and the wholesale price of the recycled water is to be escalated annually based on the Consumer Price Index (CPI); with the term of the agreement being 30 years; mentioned that LADWP has agreed to pay for and finance all of the capital facilities needed both within their service area and also the portion of the pipeline of about one mile within the JPA service area.

Administering Agent/General Manager Pedersen stated that essentially the JPA invests no capital and that additionally, the City through LADWP has also agreed to pay a 10% administrative cost for managing the project with the understanding that the JPA will be the lead agency for purposes of the CEQA process within the JPA service area and the City's boundaries.

Mr. Pedersen commented that the action before the Board is to consider the agreement to enable staff to move forward with the CEQA process; that the agenda item also includes an RFP; and that the financial impact to the JPA is minimal.

There were several comments and questions from the Board, among these: clarification on the payment terms (30 days v. 45 days) and that this needs to be tightened up; whether or not these terms can be modified; putting potable water into the recycled water system and the cost distribution associated with this; how many acre feet of potable water will have to be produced to replace the recycled water that flows into the LADWP system during peak times; and ownership of the pipeline and its maintenance.

Additional concerns expressed by Board members related to the proposal to link price to the CPI since potable water rates tend to increase in multiples considerably more than the CPI; the 30-year term being too long due to the difficulty in knowing all the factors associated with the future pricing structure of water; how to manage payments for this project on a cash-flow basis; whether or not moving forward

with this will increase the JPA's chances for seasonal storage.

Administering Agent/General Manager Pedersen and Director of Facilities and Operations, David Lippman provided answers to the Board's questions, making reference to the term sheets, the financial impact to the JPA, payment structure, rates, capacity, cost of potable water supplement and other related points.

Director Steinhardt moved to approve as presented. Director Iceland second. Motion carried unanimously.

## **B JPA Board Meeting Minutes and Video Recording Retention.**

### **Select and approve a retention period for the JPA Board meeting video recordings.**

Administering Agent/General Manager Pedersen explained that this item was discussed at the May JPA meeting and that the topics of discussion then were the minutes and the video recordings; and that the issue of a retention period for the video recordings was not addressed.

There were several questions from Board members related to the retention period being 5-years.

Clerk of the Board Betancur explained the process for the destruction of records, which is done in accordance with LVMWD Board policy; addressed the issue of retention period for different types of record series and how any destruction requires the LVMWD Board's approval.

Director Iceland moved to have the video recordings of the meeting kept for a period of three-and-half years, to have them reviewed and if appropriate destroyed. Motion died for lack of a second.

Director Steinhardt stated that the minutes are vague and having the video helps to supplement the minutes. Therefore, he moved to have the video recordings retained for a period of 25-years. Director Polan seconded the motion. Director Renger offered a substitute motion that the JPA only retain the video recordings for a period of 5-years. Substitute motion seconded by Director Peterson and was carried by the following roll call vote:

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

## **7. BOARD COMMENTS**

Director Iceland commended staff for the tour of the facilities on Saturday, August 2 stating that it was well attended and thanked staff for a job well-done.

## **8. ADMINISTERING AGENT/GENERAL MANAGER REPORT**

Administering Agent/General Manager Pedersen made brief comments about the facilities tour and stated that it was well attended and spoke about completed facility projects.

## **9. FUTURE AGENDA ITEMS**

Director Polan made brief comments about the incident that occurred recently at the UCLA campus related to the water-main break in relation to maintenance and replacement of pipes and whether or not the JPA has a system-wide pipe-by-pipe analysis in place; if we have ever done one for all the sewage piping the JPA is responsible for; he proposed that subject as a future agenda item.

Director Orkney stated that her proposed future agenda item is related to having a look at the pricing for the wholesale recycled water sold to LADWP.

Director McReynolds asked about what it would take for the JPA to sell the recycled water not only to Woodlands Hills, but also to onto Pierce College and how many months out of the year that would actually get us out of the creek; and if we could use that as a bargaining chip to negotiate with the EPA on terms for the JPA's NDPEs.

Administering Agent/General Manager Pedersen stated that there are a series of reports that have been completed by the JPA on creek avoidance; that we have a two or three-page pamphlet that talks about the different alternatives for creek avoidance and maybe we can bring some of those materials back and have a discussion.

Director Polan asked whether or not those studies talk about the Endangered Species Act requiring the JPA to put water into the creek.

## **10. INFORMATION ITEMS**

- A Tapia Water Reclamation Facility: Review of Plant Footprint.**
- B Tapia Water Reclamation Facility NPDES Effluent Limit Exceedences: Update on Discussions with the Los Angeles Regional Water Quality Control Board.**
- C Fish Flow Augmentation to Malibu Creek: Quantity and Economic Impact.**
- D Ventura River Project: Summary of Fish Flow Litigation for Robles Diversion Dam and Fish Passage/Ladder Facility.**
- E Allocation of Vehicle Costs and Depreciation.**
- F Information Systems Master Plan and Operational Review.**
- G Board Meeting Follow-up items.**

Director Orkney stated that she wanted to thanked staff for the vehicle information that was provided; that she had found it to be very informative. Director Orkney asked a question relative to the depreciation process on the fleet of vehicles.

Director McReynolds asked a question related to item 10C in relation the JPA's monitoring costs for Fish Flow Augmentation to the Malibu Creek and asked why is it more expensive to put water in the creek for monitoring as opposed to putting it into the recycled water system.

David Lippman, Director of Facilities and Operations commented that whenever the JPA discharges to receiving waters, the JPA's monitoring requirements change; that we actually have to monitor the receiving water and that when we put the recycled water into the system all we are doing is monitoring the quality of the recycled water, not the receiving water; by discharging to 001 for fish flows, it triggers the receiving water monitoring; and that is a requirement of the permit.

Director Renger asked if we monitor the upstream flows as well. Staff indicated that we do.

Director Polan thanked staff for the study on the cost of the water and fish flows for the Endangered Species Act; he expressed a concern about the cost to the JPA associated with the discharge requirements; and that \$600,000 is a significant number in terms of costs; he asked whether or not the folks of the JPA are losing that kind of money.

Administering Agent/General Manager Pedersen stated that the costs affect the JPA and the two members of the JPA in different ways; he explained that there is a loss of revenue to the JPA; that the water that is put to the creek is water that could have been sold by the JPA, therefore, this is a

component of lost revenue; that there is a component of additional cost for the monitoring as well as a component of cost to purchase more expensive potable water supplement, which is a cost component of Las Virgenes not Triunfo Sanitation District currently. Mr. Pedersen commented that these are the three components that make-up the fish flow cost.

Chairman Caspary had a question on item 10A related to the Tapia footprint and the irrevocable offer to dedicate that made permanent open space out of some of the land that the JPA owns; that he noticed that there are two different dedications, one for open space and one for a park trail; and how the irrevocable offer to dedicate appears to sunset in 21 years.

District Counsel Lemieux clarified how the acceptance of the offer works and commented briefly on the dedication legal intent.

#### **11. PUBLIC COMMENTS**

None.

#### **12. CLOSED SESSION**

**The Board recessed to closed session at 6:41 p.m., and reconvened at 7:06 p.m.**

JPA General Counsel Lemieux reported that as it relates to the matter of Las Virgenes v. Onsite, there was nothing to report other than the possibility of attempting to get a judgment against the principals. After a brief discussion and on a motion by Director Orkney, seconded by Director Renger, the JPA Board directed JPA General Counsel to take no further action. Motion carried by the following vote:

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

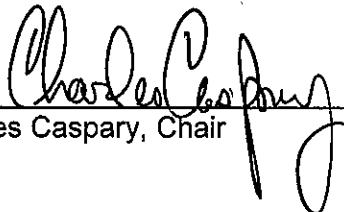
On the matter of Las Virgenes-Triunfo JPA v. United States Environmental Protection Agency, JPA General Counsel stated that no reportable action was taken.

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

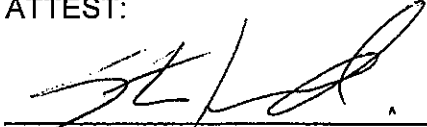
1. Las Virgenes Municipal Water District v. Onsite Power Systems, Inc.
2. Las Virgenes – Triunfo Joint Powers Authority v. United States Environmental Protection Agency and Heal the Bay, Inc. v. Lisa P. Jackson

#### **13. ADJOURNMENT**

Seeing no further business to come before the Board, the meeting was duly adjourned at 7:07 p.m.

  
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Charles Caspary, Chair

ATTEST:

  
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Steven Iceland, Vice Chair