



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

AMENDED MINUTES
REGULAR MEETING

5:00 PM

October 14, 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 **5:00 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 R. 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.

Director Polan moved to approve the agenda as presented. Motion seconded by Director Renger. Motion carried unanimously.

3. PUBLIC COMMENTS

Kirk Harns- President of Pacific Hydrotech spoke in relation to the pipe incident at the 5-Million gallon water tank; provided specific information on the incident, the response, and the actions taken moving forward to prevent such incidents from happening again; he apologized for the incident and answered questions from the Board and members of the public on this issue.

Frank Bonvino- Stated that he comes representing about a dozen home-owners of Sandy Creek Drive and Torchwood Place; thanked Directors Polan and Steinhardt for their support; expressed that he was fearful for his safety and the safety of his family; commented that he would have liked to have heard from the entire Board; reiterated his opposition to this project in a residential neighborhood; and made comments relative to his desire to have certain Board members resigned.

Neil Ticktin- Commented on the incident and expressed concerns as to why this item was not put on the agenda; further stated that the Brown Act issue should have also been placed on the agenda; reiterated the comments he had made in the past with respect to his opposition to the 5-million gallon water tank project; also stated that those Board members supporting the project should resign.

Don Rosenberg-Spoke relative to the incident as well and expressed concerns about the project moving forward; asked as to why this was not on the agenda and requested that the issue of the incident be placed on a future agenda; lastly, called for some Board members to resign.

4. CONSENT CALENDAR

Director Peterson moved to approve the consent calendar items 4A-4G. Motion seconded by Director Renger. Motion carried unanimously.

A Minutes: Regular Meeting of September 23, 2014. Approved

B Director's Per Diem: September, 2014. Ratified

C List of Demands: October 14, 2014. Approved

D Supply and Delivery of Sodium Bisulfate: Award of Bid

Accept the bid from JCI Jones Chemical, Inc., and authorize the General Manager to execute a one-year contract in the amount of \$167,580, with four one-year renewal options, for the annual supply and delivery of sodium bisulfite.

E Annual Backflow Prevention Device Testing: Award of Bid

Accept the bid from AAA Backflow Device Testing and authorize the General Manager to execute a one-year contract in the amount of \$26,700, with four one-year renewal options, for annual backflow prevention device testing services.

F Supply and Delivery of Diatomaceous Earth: Award of Bid

Accept the bid from Dicalite Minerals, Inc., and authorize the General Manager to execute a one-year contract in the amount of \$29,730.72, with three one-year renewal options for the supply and delivery of diatomaceous earth.

G Annual Supply and Delivery Ferric Chloride: Request for Bids

Approve a Request for Bids for the annual supply and delivery of ferric chloride.

5 ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Legislative and Regulatory Updates

General Manager Pedersen stated he had nothing to report.

B Water Distribution and Transmission System Maintenance and Rehabilitation Needs: Systems Indicator Reports

David Lippman, Director of Facilities and Operations presented a lengthy report on the subject focusing on: the number of pipeline failures; management of buried underground infrastructure and the factors affecting the performance of the District's pipelines. He also described the potable and recycled water systems.

Mr. Lippman recognized staff from Facilities and Maintenance who maintain the system and do so effectively through day to day monitoring.

There were several comments and questions from the Board that Mr. Lippman answered including questions about the funding for the rehabilitation of the pipes and where said funding comes from; whether or not the area around View Point School is geologically sound; the structural integrity of the pipes, the life expectancy of certain types of pipes under certain weather and environmental conditions; and causes of failure.

Mr. Lippman thanked staff from the Facilities and Operations Department who all contributed significantly to the preparation of the report; similarly, Board members thanked staff for a job well-done on the report.

6 TREASURER

Director Polan stated that he had reviewed all invoices and found everything in order.

7 FACILITIES AND OPERATIONS

A Thousand Oaks Boulevard and Liberty Canyon Road Pavement Restoration Project: Construction Award

Award a construction contract to Toro Enterprises, Inc. in the amount of \$56,928.47 for the Thousand Oaks Boulevard and Liberty Canyon Road Pavement Restoration Project and reject all remaining bids upon receipt of the duly executed contract documents.

General Manager Pedersen presented the staff report explaining the need for this work, what the repairs consisted of as well as the respective work locations.

Director Peterson moved to accept staff's recommendation. Motion seconded by Director Polan. Motion carried unanimously.

B Recycled Water Reservoir No. 2 Improvements: Construction Award

Award a construction contract to Zusser Company, Inc. in the amount of \$815,934.00 for the Recycled Water Reservoir No. 2 Improvements Project, excluding optional Bid Item No. 8 for shade balls and reject all remaining bids upon receipt of the duly executed contract documents.

General Manager Pedersen stated that this project had a couple of components to improve water quality from Reservoir No. 2, which is located at the District's Headquarters campus. Mr. Pedersen introduced Eric Schlageter, Associate Engineer to present the staff report.

Mr. Schlageter spoke about the components of the project including: bid process and schedule, provided a brief background on the project, spoke about the Tapia Water Reclamation Facility NPDES Permit requirements, explained the flow schematic for Reservoir No. 2 and the concept of turbidity, commented on the recommendations such as cleaning the reservoir, installing membrane liner and using shade balls to prevent algae growth. Additionally, Mr. Schlageter spoke about the improvements to be done and that the proposal included a separate line item for the shade ball work, which staff is recommending to be bid out separately through a formal bid process.

There were a few questions from the Board regarding nitrate levels and shade balls that Mr. Schlageter answered.

Director Polan moved to accept staff's recommendation. Motion seconded by Director Renger. Motion carried unanimously.

C Emergency Replacement of Deteriorated Segments of 10-Inch Potable Water Main on Mulholland Highway, Relocation of Appurtenances and Paving of Three Affected Areas

Recognize the emergency need to replace three deteriorated segments of 10-inch water main on Mulholland Highway, relocate water system appurtenances and re-pave three areas affected by prior water main breaks; and authorize the General Manager to issue an emergency purchase order to Toro Enterprises Inc., in the amount of \$60,000.00, to complete the work.

David Lippman, Director of Facilities and Operations presented the staff report. Mr. Lippman indicated that this portion of pipeline between Park South and Stunt Road on Mulholland Highway had experienced 16 corrosion failures since 1994 and, consequently, staff explained that there are some immediate repairs that need to be made; spoke about the nature of the work and the hiring of a contractor on an emergency basis to do the work. Mr. Lippman noted a correction to the staff recommendation, indicating that the emergency purchase order should be in the amount of \$144,000 (\$100,000 for the pipeline work and \$44,000 for the paving work). He also answered questions from the Board on the subject.

Director Peterson moved to declare an emergency and approve staff's recommendation as presented corrected by Mr. Lippman. Motion seconded by Director Renger. Motion carried unanimously.

8 FINANCE AND ADMINISTRATION

A Fiscal Year 2015-2016 Proposed Sanitation Rate for Consolidated Sewer Maintenance District, Topanga Tax Zone.

Approve a billing rate of \$55.40 per Equivalent Residential Unit per month for the Consolidated Sewer Maintenance District, Topanga Tax Zone, and effective July 1, 2015.

Don Patterson, Director of Finance and Administration presented the staff report indicating that in 1965 the District had the first agreement with the Topanga Tax Zone to provide sanitation services to that area, spoke about the boundaries of this tax zone, the number of impacted customers and how every year the sanitation rate charges are set.

Director Renger moved to approve the recommendation as presented. Motion seconded by Director Polan. Motion carried by the following vote:

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

9 RESOURCE CONSERVATION AND PUBLIC OUTREACH

Supplemental Funding for Mow-No-Mow Turf Removal Program and Water Use for Pools During the Drought.

Increase the Fiscal Year 2014-15 budget for the District's Mow-No-Mow Turf Removal Program from \$148,165 to \$1,128,000 to account for the substantial increase in participation in the program that currently provides a \$2.00 per square foot incentive, which is 100% reimbursable by Metropolitan Water District of Southern California, and authorize the General Manager to develop a Pool Cover Rebate Program, funded by the potential re-allocation of unspent Proposition 50 grant funds, for approval by the Board.

General Manager Pedersen spoke briefly regarding how this item had been discussed in the past and that the Board had requested a future agenda item to be presented, which is how this item is on the agenda for consideration and made brief comments about the participation in the Mow-No-Mow program.

Randal Orton, Conservation Manager briefed the Board on the demand and interest in the Mow-No-Mow program and commented how much demand has increased in recent months due to the given incentives of \$2.00 per square foot; stated that this level of demand requires more staffing levels to keep pace with the demand because of the number of applications being received.

Mr. Pedersen stated that given the interest and demand level at the current incentive, the larger question was whether the Board should add one dollar per square foot of District money making the total incentive provided to customers \$3.00. Mr. Pedersen further stated that the economics for this program were unfortunately not favorable in that for conservation programs to be effective one has to look at the cost per acre foot of water saved, which provides a more definitive measure for cost effectiveness of any conservation program.

With respect to the issue of pool covers, General Manager Pedersen asked Mr. Orton to provide additional information. Mr. Orton stated that staff looked at whether or not other agencies had offered pool covers and that there were a couple of agencies that did offer pool covers, he commented that one of these agencies was within the Metropolitan Water District service area but they have since discontinued the program because it was hard to get people to use the pool covers. Further, Mr. Orton stated that the Southern Nevada Water Authority had a pool cover rebate program and they were contacted, he stated that the feedback received was that it makes a difference whether is a manual pool cover or one with an automated reel system.

There were several questions and comments from the Board with General Manager Pedersen, and Mr. Orton providing answers.

Director Peterson moved to approve recommendation as follows: 1) increase Fiscal Year 2014-15 budget for the Turf Removal Program to \$1,128,000; and 2) authorize the General Manager to develop a pool cover rebate program using Proposition 50 funds and bring back at a future meeting for adoption. Motion seconded by Director Renger. Motion carried by the following vote:

AYES: Director(s): Renger, Peterson and Board President Caspary
NOES: Director(s): Steinhardt
ABSTAIN: Director(s): Polan

10 LEGAL SERVICES

A Update of Las Virgenes Municipal Water District Code: Review of Session No. 4

Review the proposed updates to Title 4 of the Las Virgenes Municipal Water District Code and provide feedback to staff and the District's Legal Counsel.

General Manager Pedersen stated that one of the main wording changes that staff was proposing was

for consistency between the recycled water service provisions and the potable water provisions so that the companion language between these two sections in the code are consistent, staff received feedback to include as part of the code revision.

11 INFORMATION ITEMS

- A Budget-Based Water Rates: Indoor and Outdoor Water Usage**
- B Adopted Financial Policies: Response to Questions**
- C 8-Inch Sludge Force Main Failure: Completion of Work**
- D Supply and Delivery of Aluminum Sulfate: Award of Bid**

There were no questions on these items.

12 NON-ACTION ITEMS

A Organization Reports

- (1) MWD

Director Peterson reported on the art exhibit by Rex Brandt water color artist from the 1930's whose work includes sketches documenting the building of the aqueduct; spoke about the appointment of three new Directors, including Don Calkins, Assistant General Manager of water services for Anaheim Public Utilities who replaces Kristen Murray, Larry McKenney who served on the Board of Directors of Moulton Niguel Water District who replaces John V. Foley who recently passed away and Business Consultant Yen C. Tu who succeeds Vincent Mudd as the San Diego County Water Authority representative.

- (2) Other

None

B Director's Reports on Outside Meetings

Director Polan reported on having attended the Alliance for Water Efficiency conference in Las Vegas, commenting that the main take-away from the conference was that water was our most essential resource and thus conservation was paramount; spoke about marketing outreach to the community to educate them about attitudes, use and application of water.

C General Manager Reports

- (1) General Business

Reported on the District having received a grant from the California Department of Water Resources for proposition 84 round three and that the region had been awarded a grant of which the District will likely receive close to \$500,000 because the District's project was the highest ranked project in the regions application.

Board President Caspary thanked the entire staff who put together this grant application and congratulated them on a job well-done.

- (2) Follow-Up Items

None

D Director's Comments

Directors Renger and Polan spoke about having received feedback on the issue of neighbors reporting neighbors and the issue of water misuse and related enforcement.

13 FUTURE AGENDA ITEMS

Director Renger proposed that staff look into how many people refill their pools and whether or not they need to do so and what the District can do about it; and whether or not the District can offer them lower rates when it is necessary to refill their pools.

Board President Caspary commented that possibly this could be addressed by staff at the same time that staff brings back the pool cover rebate program proposal.

14 PUBLIC COMMENTS

None.

15 CLOSED SESSION

The Board recessed to closed session at 7:58 p.m.

A Conference with District Counsel. Existing Litigation. Pursuant to 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 and Heal the Bay, Inc. v. Lisa P. Jackson.

B Conference with District Counsel. Existing Litigation. Pursuant to Government Code Section 54956.9 (b)

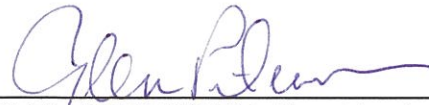
Number of Potential Cases: 1

16 OPEN SESSION AND ADJOURNMENT

The Board reconvened to open session at 8:04 p.m. District Counsel Lemieux reported that the item listed under potential litigation, involved a potential lawsuit between the County and the District concerning a pipeline break in March 2014, for the record, the break occurred in the area known as or identified in the record as Cold Canyon Road, and that as a result of negotiations between the parties including insurance carriers, a proposal to settle the claim had been presented and was dated October 14, 2014, and consequently, that settlement proposal was recommended for Board approval.

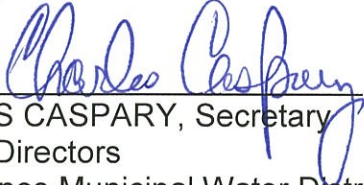
Director Renger moved to approve the settlement agreement. Director Peterson seconded the motion. Motion carried unanimously and authorized the General Manager to execute the settlement agreement and release of claims related to a water system failure on Cold Canyon Road

Seeing no further business to come before the Board, the meeting was duly adjourned at 8:05 p.m.



GLEN PETERSON, President
Board of Directors
Las Virgenes Municipal Water District

ATTEST:



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

(SEAL)