



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

MINUTES
REGULAR MEETING

5:00 PM

October 28, 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 Renger moved to approve the agenda as presented. Motion seconded by Director Polan. Motion carried unanimously.

3. PUBLIC COMMENTS

Jess Thomas-President of the Old Agoura Home Owners Association spoke about the article in the Acorn on the subject of a number of citizens having attended the previous Board meeting and seeking the resignation of certain Board members; he spoke in support of Directors Caspary, Renger and Peterson and how they have done a good job on behalf of the District.

Pat MacGregor-Spoke also in support of Directors Caspary, Renger and Peterson; commented that if certain sectors of the community want change on the Board, they should do it by the process of voting.

Phil Ramuno-Commented that the last time he had been before this Board offering public comment was in 1980 and at that time he would come regularly because the Board was listening to the wrong people and making unwise decisions; stated that he had not had the need to come back because he felt the current Board was making good decisions; that upon learning that some citizens had called for the resignation of certain Board members, he was compelled to come back to comment in support of those members and state how good of a job they are doing on behalf of the rate payers.

Ed Corridori-Spoke in support of the three members of the Board who had the courage to do the right thing and approve the 5-million gallon water tank project; he thanked Board Members Caspary, Renger and Peterson; also congratulated the entire Board in their support for the School District partnership.

Norman Buehring-Made comments relative to the recent campaign literature, which is misleading and stated that a water utility cannot be run on the hope for conservation programs and no consideration for rate increases; spoke about the duty of the Board to run the Agency in the best interest of the rate payers; commented on his experience in the water utility business and as such, he had concerns when those running for office make promises about not having future rate increases because that is not how water utilities operate.

4. CONSENT CALENDAR

Director Peterson moved to approve the consent calendar items 4A and 4B. Motion seconded by Director Steinhardt. Motion carried unanimously.

A Monthly Investment Report as of September 30, 2014. Received and Filed

B List of Demands: October 28, 2014. Approved

5 ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Las Virgenes Unified School District: Presentation of Check for Fourth and Fifth Grade Science Team Water-Related Curriculum

Board President Caspary made brief comments about the presentation and thanked the staff of the School District for the excellent job they are doing and the on-going and excellent working partnership with the District. He further stated that this year's calendar, which depicts artwork from each of the twelve finalists of the water awareness poster content, is dedicated to Aileen Adelstein- a friend of the District who recently passed away, and it is in recognition of all her work and dedication to the program in water education and conservation.

Board President Caspary presented CD's of the Calendar to Ms. Adelstein's family.

School Superintendent Daniel Stepenosky, Ed.D., thanked the Board for the District's support and stated that he and his staff also value the partnership between the two agencies.

B Legislative and Regulatory Updates

General Manager Pedersen stated he had no updates.

C Water Supply Conditions and Drought Response

General Manager Pedersen presented a thorough report on water conditions affecting the state and the region and commented on the highlights of the staff report which include: that there have been local emergency proclamations across the state in 25 counties, 13 cities, 9 tribal areas, 12 special districts; explained recent water conservation efforts by ACWA and County task forces, explained the low levels of storage in the major reservoirs of the State and region, discussed the importance of monitoring early season rain and snowfall, and described the possibility of water allocations in early 2015 absent significant amounts of rain and snow.

6 TREASURER

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

7 FACILITIES AND OPERATIONS

A Commercial Real Estate Services for Lease of Building Nos. 1 and 8

Authorize the General Manager to execute an exclusive agreement with Westcord Commercial Real Estate Services, in a form approved by District Legal Counsel, to offer Building No. 1 and the vacant suite in Building No. 8 for lease.

General Manager Pedersen provided a historical perspective making reference to past Board actions impacting this item, including the study conducted in May of 2013 by Waronzof & Associates, and the discussions staff held previously with two potential tenants, which ultimately for various reasons did not prove to be a good fit for the District. Following his remarks, Mr. Pedersen introduced Tony Principe and Darin Smith with the firm of Westcord Commercial Real Estate Services to address the Board and answer questions relative to the proposed engagement.

Following a question and answer period from the Board, Director Steinhardt moved to approve staff's recommendation. Motion seconded by Director Peterson. Motion carried unanimously.

B Tapia Primary Clarifier No. 1 Rehabilitation Project: Change Order 2 Approval

Authorize the General Manager to approve Change Order No. 2 in the net amount of \$49,338.18 and a 65-calendar-day time extension for the Tapia Primary Clarifier No.1 Rehabilitation Project.

General Manager Pedersen presented the staff report and explained what the change order consisted of including: a rehabilitation of clarifier No. 1 at Tapia, with the intent of rehabilitating all five clarifiers, one each year for the next five-years; commented that the change order involved two items: 1) to address and increase the amount of surface area of concrete that needs to be repaired and recoated; and 2) to include a deductive change order that accounts for the lower cost of the coating submitted by the contractor and approved for the work, which is slightly a different product than specified, but provides the same level of protection for the concrete. Director Polan requested more information on the coating products.

Board President Caspary stated that on the unit price, there is a typo that needs to be corrected instead of linear foot it should be noted as per square foot.

Following comments and questions from the Board, Director Renger moved to approve as presented. Motion seconded by Director Peterson. Motion carried unanimously.

C Rancho Plow Mixer Discharge Conveyor: Purchase Order Authorization

Authorize the General Manager to issue a purchase order to Austin-Mac, Inc., in the amount of \$42,929, for the replacement upper plow mixer discharge conveyor screw at the Rancho Las Virgenes Composting Facility.

General Manager Pedersen explained the need for the purchase order. There were a couple of questions from the Board and staff provided answers accordingly.

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

8 FINANCE AND ADMINISTRATION

A Financial Review for the First Quarter of Fiscal Year 2014-15

Don Patterson, Director of Finance and Administration provided a brief report discussing the main highlights including: potable water revenues in the first quarter of Fiscal Year 2014-15 were slightly higher than budgeted because of higher anticipated sales of potable water supplement for the recycled water system, the actual expenses for source of supply, which consisted mainly of water purchased from Metropolitan Water District (MWD), were about \$400,000 less than budget, savings being associated to the timing of purchases to refill Las Virgenes Reservoir. Spoke about the net operating income from potable water being \$1.6 million at September 30, 2014. Briefly spoke about the charts depicting comparisons of potable water purchased from MWD and billed to customers.

Director Polan moved to receive and file. Motion seconded by Director Renger. Motion carried unanimously.

B Information Systems Master Plan and Operational Review: Award of Contract

Accept the proposal from NexLevel Information Technology, Inc., and authorize the General Manager to execute a Professional Services Agreement, in the amount of \$49,200 plus \$2,500 for travel-related expenses, for the Information Systems Master Plan and Organizational Review.

General Manager Pedersen commented that this was an item that was included in the tactical actions and activities that the Board approved in June 2014, spoke about this being an objective included to support one of the strategic plan goals to utilize technology to improve service delivery.

Don Patterson, Director of Finance and Administration spoke briefly about the scope of the work and the consultant selection process and answered questions from the Board relative to the technology, security and related aspects of this engagement.

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

9 NON-ACTION ITEMS

A Organization Reports

(1) MWD

Director Peterson reported on the Executive Committee meeting at MWD having reviewed the performance of the General Manager and his plans for the next year; spoke about the Bay Delta meeting where there was a discussion about Bacon Island, which is one the islands between Old River and Middle River and which has bad levies and where a number of agencies including consultants are working together to fix the levies; commented on how the Bureau of

Reclamation, Fish and Wildlife Service and the Department of Water Resources are all working together on a planning effort related for dealing with the Delta Smelt next year; reported on the passing of former MWD Board Member Bud Lewis.

(2) Other

None

B Director's Reports on Outside Meetings

Director Renger reported on having attended the AWA Breakfast on October 16 where Randy Record gave a good report on the State Water Project finances; spoke about some of the statistics presented at the meeting regarding the Delta flows and the Colorado River storage levels.

Director Polan spoke about the Southern California Water Coalition event where there was an interesting discussion on the issues of providing water to disadvantaged communities by Senator De Leon; reported on having attended the ACWA Regions 8, 9, and 10 event on October 26 and 27 in Del Mar where he attended a presentation on the feasibility of water and the increase in the size of the San Vicente Dam; made comments relative to sustainable gardens and demonstration programs at schools and libraries or other municipal facilities and inquired as to whether or not the District engages in such programs; briefly commented on the subject of an electronic board to display water conservation messages.

Director Steinhardt reported on the first meeting of the Business Development Committee for ACWA where there was a discussion on the past history of a similar committee that brought in business, commented that ACWA has hired legal counsel to ascertain the specific duties of this committee.

Board President Caspary reported on having attended the Bay Restoration Committee meeting on October 23, where they discussed assisting the California Department of Fish and Game and Army Corps of Engineers in doing an Environmental Impact Study of the Ballona Wetlands, which is a square mile of land that adjoins Ballona Creek and Marina Del Rey.

C General Manager Reports

(1) General Business

Spoke regarding some of the items on the community calendar including the Agoura Hills State of the City Address.

(2) Follow-Up Items

None

D Director's Comments

Directors Polan commented on his advocacy for an electronic sign displaying water conservation messages; and spoke about having a beautiful garden up front with drought tolerant plants.

10 FUTURE AGENDA ITEMS

Director Renger stated that the District should look into putting in an attractive native garden up front and make it an item for a future agenda; spoke about revisiting the subject of the District's warning system through letters and their effectiveness and asked that this be brought back as part of the

drought response agenda item.

11 PUBLIC COMMENTS

There was a motion by Director Renger and a second by Director Polan to add the item regarding the demonstration garden up front to a future agenda. □

There were no other public comments.

12 CLOSED SESSION

District Counsel Lemieux stated that he was requesting to delete the San Diego Case item B1 from the Closed Session discussion. The Board recessed to closed session at 7:55 p.m.. The Board reconvened to open session at 8:20 p.m.

A Conference with District Counsel- Anticipated Litigation (Pursuant to Government Code Section 54956.9 (b))

Number of Potential Cases: 1

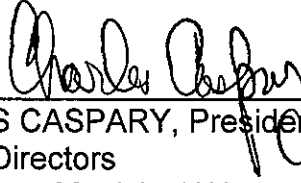
B Conference with District Counsel. Existing Litigation. Pursuant to Government Code Section 54956.9 (a)

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.

13 OPEN SESSION AND ADJOURNMENT

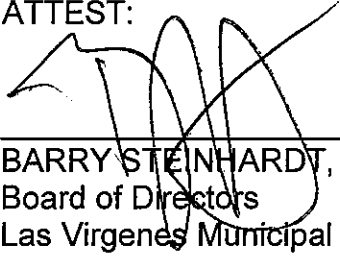
District Counsel Lemieux reported that the Board had met in closed session to discuss the items listed on the closed session part of the agenda and that no action was taken. □

Seeing no further business to come before the Board, the meeting was duly adjourned at 8:21 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)