

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

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5:00 PM

December 1, 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 **5:00 p.m.** by Chairman Caspary in the Board Room at District Headquarters, located at 4232 Las Virgenes Road, Calabasas, CA. Daryl Betancur, Clerk of the Board conducted the roll call.

Present: Director(s): Polan, Renger, Steinhardt, Board Chairman  
Caspary, McReynolds, Orkney, Paule, Vice Chairman Iceland and Wall  
Absent: Director(s): Peterson

**2. APPROVAL OF AGENDA**

**A Approval of agenda**

Chairman Caspary noted that he had been notified of a change to the agenda and asked if staff had any other proposed changes. Chairman Caspary stated he wanted to change the order of the agenda by switching items 5A and 5B, thus discussing item 5B first.

On a motion by Director Paule, seconded by Director Polan, the Board voted unanimously to approve the agenda with the changes requested.

**3. PUBLIC COMMENTS**

There were no public comments.

**4. CONSENT CALENDAR**

**A Minutes: Regular JPA Meeting of November 3, 2014 Approved**

Director Renger moved to approve the minutes of November 3, 2014 as presented. Motion seconded by Director Iceland. Motion carried unanimously.

**5. ACTION ITEMS**

**B Financial Statements and Independent Auditor's Report for Fiscal Year 2013-2014.**

## **Receive and file the financial statements and audit for Fiscal Year 2013-2014.**

Mr. Ken Pun with the auditing firm of Pun and McGeedy presented the staff report and made specific reference to: the scope of work, audit responsibilities, required communications, condensed financial statements, and audit results; he explained the process of the audit from beginning to end, which subsequently lead to a clean audit.

There were several questions from the Board related to recycled water transmission and the reason is costing 20% more than anticipated into the budget. Staff provided answers.

Director McReynolds asked that staff consider in the future a process to reduce project budgets when the construction bids come back lower than originally estimated, similar to the process that we follow to increase project budgets when the bids come back higher.

Director Paule moved to receive and file the financial statements and audit for Fiscal Year 2013-2014. Director Orkney seconded the motion. Motion carried unanimously.

## **A Woodland Hills Country Club Recycled Water System Extension: Pricing Policy Discussion.**

### **Provide direction to staff on pricing policy for the sale of wholesale recycled water to the Los Angeles Department of Water and Power (DWP) via the Woodland Hills Country Club Recycled Water System Extension.**

Administering Agent/General Manager Pedersen stated that on October 6, the Board had an in-depth discussion regarding pricing policy options and that at that time, staff was asked to come back and provide more detail and thus staff has prepared a more comprehensive analysis. David Lippman, Director of Facilities and Operations was asked to discuss what the analysis entailed.

David Lippman, Director of Facilities and Operations stated that this was a continuation of the pricing policy discussion that took place on October 6; spoke about the timeline, demand patterns, recycled water uses and related demand impacts. Mr. Lippman discussed the timeline in terms of dates in which the Board had taken action; spoke about the recycled water demand patterns, costs and benefits, wholesale recycled water pricing options, which are based on certain assumptions including: no seasonal storage in the near future, the 2015 NPDES permit not including the EPA TMDL, applying only to the Woodland Hills Country Club (WHCC) extension, rate intended to cover the JPA's cost, LADWP being the first to cause supplement because it has no capacity rights as well as calculation of the JPA wholesale rate not included in the WHCC demands.

Further, Mr. Lippman spoke about Option No. 2- pricing based on actual cost, which included additional pumping, potable supplement supply, potable supplement distribution, depreciation and administrative overhead; it also includes a potable supplement component that is based on estimates from prior use patterns. Mr. Lippman continued his presentation by discussing option 4- pricing based on in-lieu potable water return; and explained the various charts and tables associated with demand, supply and related costs.

Mr. Lippman and Administering Agent/General Manager Pedersen provided answers to questions from the Board related to the shoulder month demands, discharges to the Malibu Creek, recycled water uses, rates and related costs as well as benefits to the ratepayer from selling the water to DWP.

There was an extensive discussion regarding the cost of selling the recycled water, the benefits of options 2 and 4 presented and to whom those benefits would most likely accrue, in addition to the escalation of the cost of water over time. Members of the TSD Board expressed concern about the effect of the project impacting the JPA wholesale rate (lowering it); therefore impacting them because of the CMWD pricing; in terms of option 4, Board members commented that it needs to be clarified showing the revenue from the in-lieu water benefit; other Board members commented that another

option 5 needs to be developed that uses the "value" of recycled water with the suggestion of possibly looking at DWP's potable and recycled water rates and compare them to any proposed pricing structure.

## **6. BOARD COMMENTS**

Director Paule commented on the upcoming rain events and the impact they will have on water quality and what the District is doing to mitigate such events.

Brett Dingman, Water Reclamation Manager explained the actions staff is taking to prepare for upcoming rain events. Mr. Dingman also reported on the planned retirement of Ed Cuaresma.

Director Paule commented that he wanted to thank Director Steinhardt for his years of service to the Las Virgenes Municipal Water District Board of Directors.

Director Orkney also thanked Director Steinhardt for his service and his ability to ask difficult questions and wished him well.

Directors Polan and McReynolds both thanked Director Steinhardt for his service and wished him well.

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

Administering Agent/General Manager Pedersen reminded the Board about the Special JPA Board meeting of Monday, December 8; spoke about a letter from the Regional Board requesting the District to begin assembling documentation related to its Report of Waste Discharge, which is the first step in the process of renewing the NDPEs permit for Tapia; commented on the statistics related to discharges to Malibu Creek.

## **8. FUTURE AGENDA ITEMS**

None

## **9. INFORMATION ITEMS**

- A Southern California Coastal Water Research Project.**
- B City of San Diego's Potable Water Reuse Initiative: Pure Water San Diego**
- C Tapia Desinfection By-Products Reduction Effort: Final Report**
- D SCADA Communications Upgrade Phase 1: Reject Bids and Authorize Revision of Plans and Specifications and New Call for Bids.**
- E Supply and Delivery of Aluminum Sulfate and Sodium Bisulfite: Award of Contracts**
- F Tapia Primary Clarifier No 1. Rehabilitation Project: Final Acceptance**
- G Board Meeting Follow-up Items**

Administering Agent/General Manager Pedersen reported on item 9A, stating that the Southern California Coastal Water Research Project (SCCWRP) is formed as a JPA agency created by a unique collaboration of 14 member agencies, including sanitation, stormwater, and regulatory agencies, working together to infuse science into their environmental management activities; commented that SCCWRP serves as a national leader in water quality and aquatic habitat research, brings monitoring and assessment techniques to the forefront of application and builds consensus among a diverse groups of stakeholders.

Administering Agent/General Manager Pedersen also reported on item 9B, which has to do with the City of Diego's direct potable water reuse project at the San Vicente reservoir, which has received a lot of coverage; however, there has not been much coverage on the regulatory framework; stated that what they are proposing is to take water out of the Point Loma Waste Water Treatment Plant and treat the water to a high level through an advanced water treatment plant and pipe it to the San Vicente Reservoir, augmenting the reservoir and consequently providing an additional source of potable drinking water.

**10. PUBLIC COMMENTS**

None.

**11. CLOSED SESSION**

The Board recessed to closed session at 7:24 p.m., and reconvened to open session at 7:45 p.m.

**A. Conference with District Counsel- Anticipated Litigation pursuant to Government Code Section 54956. (b)**

One case

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

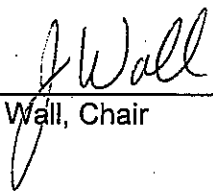
1. Las Virgenes – Triunfo Joint Powers Authority v. United States Environmental Protection Agency and Heal the Bay, Inc. v. Lisa P. Jackson

**Number of Cases: 1**


District Counsel Lemieux reported that the Board had met in closed session to discuss the items listed on the closed session agenda and that the only reportable action was that the Board provided direction to staff on item 11B.

**12. ADJOURNMENT**

Seeing no further business to come before the Board, the meeting was duly adjourned at 7:46 p.m.

  
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James Wall, Chair

ATTEST:

  
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Glen Peterson, Vice Chair