



LAS VIRGENES MUNICIPAL WATER DISTRICT  
4232 Las Virgenes Road, Calabasas, California

**MINUTES  
REGULAR MEETING**

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5:00 PM

February 10, 2015

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance to the Flag was led by Director of Facilities and Operations, David Lippman.

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

The meeting was called to order at **5:00 p.m.** by Board President Peterson in the District offices. Daryl Betancur, Clerk of the Board conducted the roll call.

Present: Director(s): Caspary, Lewitt, Peterson and Renger  
Absent: Director(s): Polan

**2. APPROVAL OF AGENDA**

On a motion by Director Renger and seconded by Director Lewitt, the Board voted unanimously to approve the agenda.

**3. PUBLIC COMMENTS**

None.

**4. CONSENT CALENDAR**

- A Directors' Per Diem: January 2015 (Pg. 5) Ratify
- B Minutes: Regular Meeting of January 27, 2015 (Pg. 11) Approve
- C List of Demands: February 10, 2015 (Pg. 17) Approve
- D Monthly Investment Report as of December 31, 2014 (Pg. 47) Receive and File

Director Polan arrived at 5:04 p.m.

Director Peterson requested that more items to be placed on the consent calendar in the future to allow the meetings to be conducted more efficiently.

On a motion by Director Caspary and seconded by Director Renger, the Board voted unanimously to approve the Consent Calendar.

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

### **A Legislative and Regulatory Updates**

General Manager Pedersen updated the Board on the following Legislative and Regulatory items: JPA submitted the Report of Waste Discharge to the Regional Board on January 27th to initiate the process to renew the NPDES permit for Tapia; General Manager Pedersen and Director Caspary will be attending the upcoming Regional Water Quality Control Board meeting, which has two NPDES Permits on the agenda; February 27th is the deadline for bills to be introduced in the State Legislature; SB 143 is for recreational uses of Diamond Valley Reservoir, which involves body contact that is currently not allowed per the Health and Safety Code; MWD took a unanimous oppose position per Director Peterson; SB 47 deals with synthetic turf and focuses on a requirement for a study to look at potential health effects of the crumb rubber material that is used in synthetic turf; on the Federal level, HR 594 was introduced to oppose EPA's effort on Waters of the United States.

Director Peterson asked that staff bring back and take an oppose position on SB 143. He added that the lake has no area to park a boat, the reservoir is very steep and was designed to be a fishing lake; there are not enough restroom facilities for skiers at the lake; also, when the lake was built, it was decided unanimously not to allow body contact recreation; the concern is with water quality and fecal contamination.

## **6. TREASURER**

Director Lewitt reported that everything was in order.

## **7. BOARD OF DIRECTORS**

### **A ACWA Region 8 Board: Resolution Nominating Director Len Polan (Pg. 58)**

**Pass, approve and adopt Resolution No. 2465 and authorize the General Manager to submit the Resolution and Region Board Candidate Nomination Form to ACWA no later than February 12, 2015.**

**RESOLUTION NO. 2465: A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT PLACING IN NOMINATION DIRECTOR LEN POLAN AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 8 BOARD OF DIRECTORS**

**(Reference is hereby made to Resolution No. 2465 on file in the District's Resolution Book and by this reference the same are incorporated and made a part of hereof.)**

On a motion by Director Renger and seconded by Director Caspary, the Board voted

unanimously to approve the item 7A.

Director Peterson noted that there may not be an election.

**B Sustainable Groundwater Management Act: Implementation Considerations (Pg. 60)**

**Consider the District's role, if any, in identifying the appropriate local agency or agencies to serve in the capacity of groundwater sustainability agency, in accordance with the Sustainable Groundwater Management Act, for the basins that the District overlies.**

General Manager Pedersen gave a brief background on Sustainable Groundwater Management Act and explained that it was a three-bill package passed by the Legislature, two of which were authored by Senator Pavley and signed by the Governor in September 2014; the Act does not modify water rights or priorities for water; it does not involve any determination of water rights or modification of rights or priorities to store groundwater; it provides a framework in California for Sustainable Groundwater Management with some mandatory provisions; it has some exceptions and some consequences for not taking action on certain items by the prescribed deadlines; the goal is to achieve sustainability within 20 years for basins that are not adjudicated; there are four categories of basins: high, medium, low and very low priority; sustainability needs to be established by 2017; the 2020 and 2022 dates apply to high and medium priority basins; the concept of the Groundwater Sustainability Agency is for local agencies to step up and be the agency to serve in that role; any local agency or combination of local agencies that overlie a groundwater basin are eligible to be a sustainability agency; the act lists a group of agencies that are "pre-designated" to be groundwater basin agencies; the District is not listed as one; the agencies will impose fees, prepare the plan, conduct investigations, control ground water extractions, require management reporting, and enforce the requirements of the plan including potential civil penalties.

General Manager Pedersen referred to the agenda package on page 63, which shows a map of the groundwater basins within LVMWD's service area; he went on to explain the details of the map; the reason for bringing this item to the Board was to identify a potential need or interest in identifying a groundwater sustainability agency for one or some of these basins; the agencies that act first are better positioned to serve in that capacity if they have the desire.

Extensive discussion took place with questions from the Board being answered on how the District might be involved in the implementation in the service area.

Staff was requested to bring back information on the condition/health of the Russell Valley Groundwater Basin; Director Caspary asked about the beneficial use designations of the groundwater basins in the Basin Plan.

**8. FACILITIES AND OPERATIONS**

**A Viewpoint School: 8-inch Fire Check Valve Relocation Agreement (Pg. 64)**

**Authorize the General Manager to execute an agreement with Viewpoint Educational Foundation for future relocation costs associated with an 8-inch detector check assembly to be installed in the public right-of-way along Dry Canyon Cold Creek Road.**

General Manager Pedersen gave an overview of the item, explaining there is a fairly significant expansion of View Point School going on and as a part of the expansion, the school needs a

new fire service; the District requires the installation of a double detector check assembly; normally, the assemblies are placed outside the public right-of-way, and the property owner would grant an easement. However, in this condition, because of the topography, there was not a good spot to place it, so Viewpoint received tentative approval from the City to place it within the public right-of-way.

On a motion by Director Caspary and seconded by Director Polan, the Board voted unanimously to approve the item 8A.

Director Caspary commented that there are people that park along the street where the detector check is to be located, so he wants to make sure it is protected from traffic. Additionally, he noted that Section 4 of the indemnification is unclear on the agreement and needs to be corrected prior to execution.

Discussion took place and questions of the Board were answered.

**B Thousand Oaks Boulevard and Liberty Canyon Road Pavement Restoration Project: Final Acceptance**

**Approve the execution of a Notice of Completion by the Secretary of the Board and have the same recorded; and, in the absence of claims from subcontractors and others, release the retention in the amount of \$2,566.91 within 30 calendar days after filing the Notice of Completion for the Thousand Oaks Boulevard and Liberty Canyon Road Pavement Restoration Project.**

General Manager Pedersen gave an overview of the item, stating that the project is complete and was completed at a cost of about 10% less than the bid amount; there were two change orders that dealt with the replacement of a valve that was deteriorated and a deductive change order in the amount of \$7,000.00 for the elimination of Type 2 road slurry; the completed cost was \$51,338.28.

On a motion by Director Renger and seconded by Director Lewitt, the Board voted unanimously to approve the item 8B.

**C Vehicle No. 833: Engine Replacement**

**Waive formal bidding requirements and authorize the General Manager to issue a purchase order, in the amount of \$27,558.10, to Quinn Power Systems to install a rebuilt engine for Vehicle No. 833.**

General Manager Pedersen gave an overview of the item, stating that the replacement engine is for a big Chevy truck that is used by the construction crew and has a variety of equipment on it; it had a coolant leak and staff pulled the engine apart and discovered there was a crack in the engine block near the thermostat housing; the vehicle requires a rebuilt engine; staff requested repair quotes from a number of different vendors but all were referred back to the original engine manufacturer, Quinn Power Systems, in Oxnard.

On a motion by Director Polan and seconded by Director Caspary, the Board voted unanimously to approve the item 8C.

Brief discussion took place and questions of the Board were answered by Facilities Maintenance Supervisor, Darrell Johnson.

## 9. FINANCE AND ADMINISTRATION

### A J.D. Edwards Software: Annual Support and Maintenance Agreement

**Authorize the General Manager to execute an annual support and maintenance agreement with Oracle Corporation in the amount of \$65,681.41, plus applicable taxes, for the District's J.D. Edwards financial software.**

General Manager Pedersen gave an overview of the item, stating that it is for the annual support and maintenance agreement for the software; the software package has a number of different elements, which include financials, inventory management, contracted service billing, procurement and requires an annual agreement to cover any problems with or upgrades to the software.

On a motion by Director Renger and seconded by Director Caspary, the Board voted unanimously to approve the item 9A.

Director Polan asked if the software had the ability to bill on a monthly basis when going with budget based rates (Pedersen: that system is for the District's financials and not its billing system, which is provided by Advanced Utility Systems). Director Caspary asked staff if the District has the ability to opt out of any of the modules included if they are not used. (Don Patterson: yes. However, if the modules are purchased as a suite, it is cheaper than purchasing them individually.)

### B Fiscal Year 2013-14 Popular Annual Financial Report

#### **Receive and file the Fiscal Year 2013-14 Popular Annual Financial Report**

General Manager Pedersen stating that item 9B is a transparency effort and asked that Director of Finance and Administration, Don Patterson give an overview of the item.

Mr. Patterson explained that the Popular Annual Financial Report is promoted by the Government Finance Officers Association; the concept is to provide high level financial information that is found in the CAFR Report in a user-friendly public report; the report is part of an effort to make financial reporting more transparent and easier to understand for the ratepayers; it is similar to the Popular Budget that the District used to produce; this report looks back to the previous fiscal year instead of looking forward.

Director Polan asked if this report will be mailed out to the ratepayers. (Patterson: it will not be mailed out to the ratepayers, but will be included referenced in *The Current Flow* newsletter and distributed electronically.) Director Caspary noted that the "coin" chart on page 6 of the report needed a caption to clarify that it was for all enterprises, not just the potable water enterprise. Director Peterson asked what the design is on the front page of the report. (Reinhardt: the picture is from the Department of Water Resources).

On a motion by Director Caspary and seconded by Director Polan, the Board voted unanimously to receive and file item 9B.

### C Travel and Business Expense Policies

**Approve the proposed Travel Expense Policy and Business Expense Policy, pertaining to reimbursement of employees' travel and business expenses; and determine whether or not to apply the same policies, with the minor noted exception for mileage, to the**

## **Board of Directors.**

General Manager Pedersen gave an overview of the item, stating that staff periodically reviews the District's policies to ensure they are up-to-date and reflect current best management practices; the policy has been updated and changes have been proposed; Mr. Pedersen asked Mr. Patterson to review the changes.

Mr. Patterson explained that in looking at the previous Business Expense Policy, it was all related to travel; traditional business expenses have been separated from the Travel Policy; it provides clarification and documentation of existing processes and procedures; it was recognized that different people have different needs as far as meals and managing per diem expenses; the per diem in the context of the policy is completely separate from the per diem that the Board has for compensation related to attending meetings; this policy is covered in the Federal GSA Program providing reimbursement for travel expenses; airfare is defined along with overnight lodging; as a matter of default, the policy prohibits overnight lodging in Los Angeles and Ventura County; instead of using said dollar amounts for meals, it defaults to the Federal GSM rate.

The Board requested to remove "in no instance shall overnight lodging be engaged for events in Los Angeles or Ventura Counties"; the Board opted to apply the same policies to themselves as well as the District's employees.

On a motion by Director Caspary and seconded by Director Polan, the Board voted unanimously to approve the item 9C with the noted change.

### **D Financial Review: Second Quarter of Fiscal Year 2014-15**

#### **Receive and file the Financial Review for the Second Quarter of Fiscal Year 2014-15.**

General Manager Pedersen introduced Finance Manager, Joseph Lillo who reviewed the highlights of the report.

On a motion by Director Lewitt and seconded by Director Caspary, the Board voted unanimously to receive and file item 9D.

## **10. RESOURCE CONSERVATION AND PUBLIC OUTREACH**

### **A Conservation Program Update: Swimming Pools, Rain Barrels and Turf Removal Program**

**Approve a \$1,058,000 increase to the Fiscal Year 2014-15 Budget for the Mow-No-Mow Turf Removal Program, from \$1,128,000 to \$2,186,000, which is 100% reimbursable by Metropolitan Water District of Southern California except for internal administrative costs.**

General Manager Pedersen explained a little bit about the item and introduced Director of Resource Conservation and Public Outreach, Carlos Reyes who reviewed the item in more detail; Mr. Reyes stated that the District has about \$2,000,000 in expenses that are 100% reimbursable for the Mow no Mow Program; \$1,035,000 million is already paid or committed to projects for customers; there has been interest from the Board Members about a rain barrel program; there is currently a rebate program available through Metropolitan Water District at \$75.00 per barrel with a maximum of four; West Basin is offering two free rain barrels to its customers through District No. 29.

Brief discussion took place and the Board's questions were answered.

Director Caspary noted that the SMBRC had funded a rain barrel program for the Ballona Creek Watershed and that we may want to find out more about it.

On a motion by Director Caspary and seconded by Director Lewitt, the Board voted unanimously to approve the item 10A.

**11. INFORMATION ITEMS**

**A GFOA Distinguished Budget Presentation Award**

General Manager Pedersen reported that the District receive the GFOA Distinguished Budget Presentation Award again; he recognized the Finance Department and employees Mike Hamilton and Doug Anders who were instrumental in preparing the budget.

**12. NON-ACTION ITEMS**

**A Organization Reports**

- (1) MWD Representative Report/Agenda(s)

Director Peterson reported that they had a new Director and new officers; he also gave an update on the annual report.

- (2) Other

**B Director's Reports on Outside Meetings**

**C General Manager Reports**

- (1) General Business

General Manager Pedersen reported on the following: the meeting of February 24, 2015 will be cancelled; spoke about the Washington D.C. trip and a visit being scheduled with Legislators; wastewater recycling tour; upcoming calendar and workshop items and dates.

- (2) Follow-Up Items

General Manager Pedersen reported that the 3rd workshop with MWH will be held on March 18, 2015 from 4:00 – 8:00 p.m.

**D Director's Comments**

Director Lewitt thanked General Manager Pedersen for a tour of Tapia.

**13. FUTURE AGENDA ITEMS**

None.

**14. PUBLIC COMMENTS**

Members of the public may now address the Board of Directors ON MATTERS NOT APPEARING ON THE AGENDA, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2

None.

The Board recessed to closed session at 6:41 p.m.

**15. CLOSED SESSION**

**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 and Heal the Bay, Inc. v. Lisa P. Jackson**
- 2. Ben Magendavid v. Las Virgenes Municipal Water District**

**B Conference with Labor Negotiator (Government Code Section 54957.6):**

**Agency Designated Representative: David W. Pedersen, General Manager; Donald Patterson, Director of Finance and Administration; and Sherri Paniagua, Human Resources Manager.**

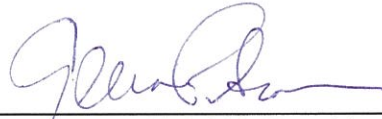
**Employee Organization(s): Las Virgenes Manager, Supervisor, Professional and Confidential Employees Association**

**16. OPEN SESSION AND ADJOURNMENT**

No reportable action was taken during closed session.

The meeting was adjourned at 6:55 p.m.

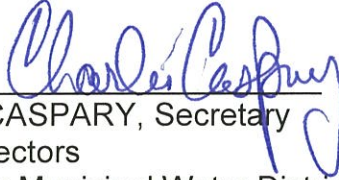




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GLEN PETERSON, President  
Board of Directors  
Las Virgenes Municipal Water District

ATTEST:



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

(SEAL)