



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

MINUTES
REGULAR MEETING

5:00 PM

June 23, 2015

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Director of Finance and Administration, Donald Patterson.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 5:00 p.m. by President Glen Peterson in the District Offices. Interim Clerk of the Board, Joanne Bodenhamer called the roll.

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

Absent: Director(s): None

2. APPROVAL OF AGENDA

General Manager David Pedersen requested that Item 12A be removed from the agenda. On a motion by Director Caspary and seconded by Director Renger, the Board voted unanimously to approve the Agenda as amended.

3. PUBLIC COMMENTS

None

4. CONSENT CALENDAR

A List of Demands: June 23, 2015

- B Minutes: Regular Meeting of February 10, 2015**
- C Amended Minutes: Regular Meeting of October 14, 2014**
- D Investment Report for the Month of May 2015**
- E Annual Supply and Delivery Sodium Hypochlorite: Request for Bids**

On a motion by Director Caspary and seconded by Director Polan, 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 gave an update on a couple of items, stating that the state budget process was well underway and expected to be approved shortly; two Senate Trailer Bills were approved by the Legislature, Senate Bill 83 and Senate Bill 88; the District submitted opposition letters to its state legislative representatives on both Bills, but the items still carried. The District's primary opposition was related to the consolidation of water systems and the restructuring of the Drinking Water Program fees; a letter was written in support of the Assembly Bill 888 on microbeads authored by Assemblymember Bloom; a support letter was also written for federal water infrastructure funding being considered by the Federal Appropriations Committee.

Brief questions were answered by General Manager Pedersen.

B Water Supply Conditions and Drought Response

General Manager Pedersen reported that the water supply conditions on the State Water Project remain unchanged with a 20% allocation; the Colorado River Basin had quite a bit of rainfall and snow in May; going into May, water supply conditions in the Colorado River Basin were not looking too promising; however, with the rain in May, the change of shortage on the Colorado River this year is nil.

Mr. Pedersen explained that as far as drought response, employees of the District have been attending meetings and talking to customers; updates have been provided to customers through social media; the conservation numbers for the month of May were encouraging; comparing May of 2015 to May of 2013, a 28% reduction was seen in water demands; staff is hopefully that by June the target of 36% percent will be met; when driving around the community, brown lawns, parks and greenways are being seen.

Staff attended the West Hills HOA meeting on June 17th; the Lakeshore HOA meeting is coming up on June 25th; conservation ads were placed in *The Acom* and *Las Virgenes Enterprise* papers; the schools in the area are posting "Please Conserve Water" on their electronic message boards; a gardening class was held last Thursday; staff met with Kim Lamorie of the Las Virgenes Homeowners Federation last week; the City of Agoura Hills is holding a City water drought workshop in August by request of the Mayor; the latest edition of *The Current Flow* was distributed and focuses on the drought; the most recent Annual Water Quality Report also includes information on the drought; updates have been added on the Fact

Checker relating to enforcement activities, and a picture will be added of the Dial Security vehicles so the community knows what they look like; drought content has been added to the District's website with before and after pictures of Mow-No-Mow Turf Removal participants' properties; 235 warning letters and 12 fines at the \$100 level have been issued.

A brief discussion took place and questions were answered by General Manager Pedersen.

6. **TREASURER**

Director Lewitt reported that everything was in order.

7. **FINANCE AND ADMINISTRATION**

A Velocity Offsite Disaster Recovery for Information Systems: Annual Purchase Order

Authorize the General Manager to approve an annual purchase order to Velocity in the amount of \$37,368, providing for monthly payments of \$3,114.

General Manager Pedersen gave an overview of the item, stating that Velocity is the company that has been managing the offsite data storage for the District; they are located in Washington; the CIS system provides real-time back-up on Velocity's server; if for some reason the IT system goes out, Velocity is able to help recover the systems for CIS and JD Edwards; the main purpose is for business continuity.

On a motion by Director Polan and seconded by Director Renger, the Board voted unanimously to approve item 7A.

B Proposed Fiscal Year 2015-16 Operating and Capital Improvement Budget

Adopt the proposed Fiscal Year 2015-16 Operating and Capital Improvement Budget; approve the proposed staffing changes; authorize the General Manager to pre-pay the District's Fiscal Year 2015-16 annual required contribution to CalPERS, in the amount of \$1,888,232; and pass, approve and adopt Resolution No. 2466, establishing salaries for employees.

Resolution No. 2466

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT ESTABLISHING SALARIES FOR EMPLOYEES

(Reference is hereby made to Resolution No. 2466 on file in the District's Resolution Book and by this reference the same is incorporated herein and made a part hereof.)

Director of Finance and Administration, Donald Patterson gave an overview of the item with a short PowerPoint presentation including: FY 2015/16 Proposed Budget

assumes achievement of 36% reduction in water use; does not include rate changes; incorporates year 1 of the Information Systems Master Plan; includes seven position changes and the addition of one new position; includes pre-payment of the CalPERS Employer Contribution of \$1,888,232, which saves \$69,529 (3.6%); the budget is \$68.3 million, which is a reduction from \$72 million from last year.

Director Polan asked if there was any thought given to maintaining a certain level of potable water reserves. (Patterson: explained that the issue of reserves is addressed in the rate study.)

Director Lewitt asked about the recycled water reserves showing a flat trend since 2014. (Patterson: the recycled water reserves went up and then flattened out a little bit; the recycled water fund has fairly healthy reserves right now.) (Pedersen: the Agoura Road Recycled Water Main Extension and the Lost Hills Overpass Replacement may be drawing from net recycled water revenues; the reserves will likely begin to climb again once those projects are completed.)

Director Renger stated that Triunfo keeps pushing for a higher wholesale recycled water rate and asked if that supplied more money to sanitation, taking it away from recycled water. (Patterson: the recycled water rate is based on the wholesale cost of the water.) (Pedersen: It increases cost on the recycled water system and results in increased revenue to the JPA, which is used to offset sanitation costs; in short, it helps sanitation at the expense of recycled water.)

On a motion by Director Caspary and seconded by Director Lewitt, the Board voted unanimously to approve item 7B.

8. RESOURCE CONSERVATION AND PUBLIC OUTREACH

A Sanitation Service Charge for Fiscal Year 2015-16: Evaluation of Winter Water Usage

Authorize utilizing the lower of the past two years' winter water usage to determine sanitation service charges for single-family residential customers for Fiscal Year 2015-16.

General Manager Pedersen gave an overview of the item, stating that it is similar to an item that the Board approved last year; when the Board approved sanitation rates in 2012, those rates included a sliding scale for sanitation charges; the rate is based on winter-time water usage from December 1st through March 31st of the prior fiscal year; because of the severe drought, winter-time water use is not necessarily the best surrogate for indoor water usage.

Director of Resource Conservation and Public Outreach, Carlos Reyes gave a brief presentation on the item.

There was a brief discussion, and questions were answered.

9. **NON-ACTION ITEMS**

A Organization Reports

(1) MWD Representative Report/Agenda(s)

Director Peterson reported that MWD had approved three tours for the District this year: the State Water Project tour, Colorado River Aqueduct tour and a new tour of the Jensen Treatment Plant, which he hopes some employees can attend; the State Water Project tour will be September 25th, 26th and 27th; the Jensen Treatment Plant tour will be November 20th; the Colorado River Aqueduct tour, which will include Hoover Dam, will be April 8, 9 and 10, 2016; anyone who wishes to attend should contact Deborah Peters.

MWD is currently in negotiations with its employees and also had a drought presentation at the Bay Delta Committee meeting.

(2) Other

None

B Director's Reports on Outside Meetings

Director Caspary reported on the Santa Monica Bay Restoration Commission meeting that he attended on September 9, 2015; he also reported that the Bay Restoration Commission will be having an event at Loyola University to review the State of the Bay Report; a published version of the report will be out within 60 days; the Santa Mountains Conservancy, Coastal Conservancy and California Department of Fish and Wildlife are administering Proposition 1 funding and will be adopting grant funding guidelines shortly.

Directors Renger, Polan, Lewitt and Peterson reported on their attendance at the AWA WaterWise Breakfast.

C General Manager Reports

(1) General Business

General Manager Pedersen reported that on June 15th, flow augmentation to Malibu Creek began; about 200 gallons per minute are being supplemented to Malibu Creek to trim the creek flow up to 2.5 cfs, which is required by the permit; both Westlake Wells are operating producing about 750 gallons per minute; the recycled water system is being supplemented with potable at Reservoir No. 2; the budget-based rates questionnaire and flier is ready to go out on Friday; the new Executive Assistant/Clerk of the Board will be Josephine Guzman who will be starting with the District on July 20th, coming from Ventura Regional Sanitation District; the District's Annual Water Quality Report is completed and published.

(2) Follow-Up Items

None

D Director's Comments

Director Caspary thanked the District's customers for their conservation efforts and was gratified to see the 28% reduction compared to 2013; he urged all to get to the mandate that the state is requiring; he noted that this was all done without a price change/penalty structure.

Director Polan asked if the inflow of sewage to Tapia is reduced and if the output of recycled water is lower. (Pedersen: certainly, there have been some reductions; the focus is really on outdoor conservation; conservation will ultimately reduce the amount of recycled water available, which could be a bit problematic and lead to more potable supplement) (Lippman: there is not a lot of infiltration because the groundwater levels are so low and none of that water is getting into the sanitary sewer system.)

10. FUTURE AGENDA ITEMS

None

11. PUBLIC COMMENTS

Jeanette Lentz of 25640 Mulholland Highway presented a picture of her drought tolerant landscaping; she stated that her household is already water wise and wanted to know how they will be able to save more in order to be within the proposed guidelines. The Board advised Ms. Lentz that the 36% reduction requirement is for the District as a whole and not being applied individually to customers.

12. CLOSED SESSION

A Conference with District Counsel – Existing Litigation (Government Code Section 54956.9(a)):

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

Closed session was removed from the agenda based on General Manager Pedersen's recommendation on Item 2.

13. OPEN SESSION AND ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at 6:01 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)