



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

MINUTES
REGULAR MEETING

5:00 PM

December 8, 2015

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Wayne Lemieux.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **5:00 p.m.** by Board President Peterson in the Board Room at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road, Calabasas CA 91302. Josie Guzman, Clerk of the Board, conducted the roll call.

Present: Directors Jay Lewitt, Leonard Polan, Lee Renger, and Glen Peterson
Absent: Director Charles Caspary
Staff Present: David Pedersen, General Manager
Josie Guzman, Clerk of the Board
Carlos Reyes, Director of Resource Conservation and Public Outreach
Donald Patterson, Director of Finance and Administration
David Lippman, Director of Facilities and Operations
Wayne Lemieux, District Counsel

2. APPROVAL OF AGENDA

General Manager David Pedersen stated there was no update for Closed Session Item 15A, and he recommended that it be removed from the agenda.

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

AYES: Lewitt, Polan, Renger, Peterson
NOES: None
ABSENT: Caspary

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

Board President Peterson pulled Item 4B as requested by staff.

- A List of Demands: December 8, 2015 - Approve**
- C Directors' Per Diem: November 2015 - Ratify**
- D Investment Report for the Month of October 2015 – Receive and file.**
- E Saddletree Tank Rehabilitation Project: Call for Bids**

Authorize a Call for Bids for the Saddletree Tank Rehabilitation Project.

- F Backbone Improvements Program Westlake Filtration Plant Expansion and Pump Station Upgrade Project: Request for Proposals for Testing, Reporting and Permitting Services**

Approve the issuance of a Request for Proposals for testing, reporting, and permitting services for the Westlake Filtration Plant Expansion and Pump Station Upgrade Project.

Director Lewitt moved to approve the Consent Calendar except for Item 4B, which was removed. Motion seconded by Director Renger. Motion carried by the following vote:

AYES: Lewitt, Polan, Renger, Peterson
NOES: None
ABSENT: Caspary

4. CONSENT CALENDAR (Separate action item)

- B Minutes: Regular Meeting of November 24, 2015 – Approve**

Josie Guzman, Clerk of the Board, noted a correction to the minutes for Item 9A, Policy for Water Budget Adjustments, which should include the following: The Board requested the following amendments to the proposed policy: Delete "income tax return" from the proof of residency documentation under Section 1, Change in the Number of Residents; and add "except during the months of June, July and August" following "A 20% temporary increase in the outdoor water budget is available for two billing periods to

establish new landscaping” in Section 2, Increase in Landscape Area. Additionally, the Board approved Item 9A as amended.

Director Polan moved to approve Item 4B, Minutes of the Regular Meeting of November 24, 2015, as amended. Motion seconded by Director Renger. Motion carried by the following vote:

AYES: Lewitt, Polan, Renger, Peterson

NOES: None

ABSENT: Caspary

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Legislative and Regulatory Updates

1. Legislative Update – MWD Executive Legislative Representative Kathy Cole

General Manager David Pedersen introduced Kathy Cole, who provided a PowerPoint presentation regarding the 2015 State Legislative Year accomplishments and a preview of the 2016 State Legislative Year. She responded to questions regarding AB 1139, Turf Removal Tax Credit for water conservation rebates and whether these rebates would be taxable by stating that AB 2434, Income Taxes Exclusion, exempted turf removal rebates from taxable income at the State level for a five-year period; however, the Franchise Tax Board questioned whether these rebates are taxable under Federal law. She stated that a change would need to be made in the tax code with Federal legislation, which must be passed by the end of the year. Jeff Reinhardt, Public Affairs and Communications Manager, noted that the District submitted a letter to the leadership of the U. S. House of Representatives urging that they include a provision in the bill that would exclude water conservation rebates from gross income.

Board President Peterson presented Director Lewitt with a certificate and District pin in recognition of one-year of service.

B Water Supply Conditions and Drought Response

General Manager David Pedersen presented the report. He noted that the Department of Water Resources announced an initial allocation of ten percent from the State Water Project effective December 1. He reported that the water conservation level for November came in at 13.8 percent, compared to the base month of November 2013. He noted that the District was currently at a cumulative conservation level of 30 percent, which was below the State’s mandated 36 percent target. He also noted that a mailer and automated phone calls were sent to customers regarding the one day per week outdoor irrigation limitation. He reported that he attended a public hearing of the State Water Resources Control Board (State Board) in Sacramento regarding the nine-month extension of the Emergency Regulation for Statewide Urban Water Conservation. He stated that he spoke in support of several changes to the emergency regulation, which included a climate adjustment, recognition of recycled water use, and environmental use

of water for flow augmentation. He noted that the State Board indicated they would take into consideration the environmental use of water and consider a change that would allow the District to remove this water usage from reporting with the caveat that the same would be done for the 2013 baseline. He noted that there was also discussion regarding the need to recognize local supply development. He stated that a draft framework should be available in early January, and there would likely be one more opportunity for written comments.

6. TREASURER

Director Lewitt stated that the Treasurer's report was in order.

7. BOARD OF DIRECTORS

A 2016 Board Meeting Calendar: Reschedule October Meetings

Consider cancelling the regular Board meetings on October 11 and 26, 2016, and rescheduling the meetings for alternate dates.

General Manager David Pedersen presented the report.

It was the consensus of the Board to table this item and have staff poll the individual Board members on their availability.

8. GENERAL MANAGER

A Terms of Employment for Unrepresented Employees

Pass, approve and adopt proposed Resolution No. 2480, establishing salaries for the District's unrepresented employees; approve base salary increases of 2.5% for department directors, effective, July 1, 2016, and 2.0% for the Human Resources Manager, effective July 1, 2016; and approve the revised Management Handbook of Benefits.

RESOLUTION NO. 2480

AN AMENDMENT OF RESOLUTION NO. 2466 OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT ESTABLISHING SALARIES FOR EMPLOYEES

(Reference is hereby made to Resolution No. 2480 on file in the District's Resolution book and by this reference the same is incorporated herein.)

General Manager David Pedersen presented the report. He clarified that the proposed changes to the medical benefits for unrepresented employees was to become effective on January 1, 2017.

Director Lewitt moved to approve Item 8A as presented. Motion seconded by Director Renger. Motion carried by the following vote:

AYES: Lewitt, Polan, Renger, Peterson

NOES: None

ABSENT: Caspary

9. FACILITIES AND OPERATIONS

A Backbone Improvements Program Westlake Filtration Plant Expansion and Pump Station Upgrade Project: Construction Award

Award a construction contract to Kiewit Infrastructure West Company, in the amount of \$3,621,000 for the Westlake Filtration Plant Expansion; award a construction contract to Pacific Hydrotech Corporation, in the amount of \$3,904,400, for the Westlake Pump Station Upgrade; accept the proposal from and authorize the General Manager to execute a Professional Services Agreement with Kennedy/Jenks Consultants, in the amount of \$287,305 for construction management services; authorize the General Manager to approve a Change in Scope with HDR, Inc. in the amount of \$44,009, for design-related services; and appropriate \$5,804,051 for the completion of construction.

David Lippman, Director of Facilities and Operations, presented the report.

Director Lewitt moved to approve Item 9A as presented. Motion seconded by Director Polan.

A discussion ensued regarding conducting public outreach during construction activities.

Motion carried by the following vote:

AYES: Lewitt, Polan, Renger, Peterson

NOES: None

ABSENT: Caspary

B Request to Award Annual Purchase Orders

Authorize the General Manager to extend the calendar year 2015 annual purchase orders by six months, through June 30, 2016; to increase the purchase order amounts for specified vendors as indicated on Exhibit 1; and to approve new purchase orders to Advanced Utility Systems and Accurate Telecom, also as indicated on Exhibit 1.

General Manager David Pedersen presented the report.

Director Renger moved to approve Item 9B as presented. Motion seconded by Director Lewitt. Motion carried by the following vote:

AYES: Lewitt, Polan, Renger, Peterson

NOES: None

ABSENT: Caspary

10. FINANCE AND ADMINISTRATION

A Investment Policy: Proposed Update

Provide feedback on a proposed update to the District's Investment Policy.

Donald Patterson, Director of Finance and Administration, presented the report.

The Board expressed support for changes to the monthly investment report and the proposed changes to the allowable investment instruments, except for the inclusion of corporate debt.

B Photocopier Lease Agreements: Authorization

Authorize the General Manager to execute 60-month lease agreements with Xerox Corporation for five high-volume photcopy machines, with related accessories and maintenance agreements, for a total estimated annual pre-tax cost of \$33,767.

General Manager David Pedersen presented the report.

Director Renger moved to approve Item 10B as presented. Motion seconded by Director Polan.

A discussion ensued regarding encouraging increased use of email and digital media in order to save on paper and toner associated with using photcopy machines.

Motion carried by the following vote:

AYES: Lewitt, Polan, Renger, Peterson

NOES: None

ABSENT: Caspary

11. INFORMATION ITEMS

A Reportable Reimbursable Expenses for Fiscal Year 2014-15

Director Polan commented that he gained much knowledge by his attending the various conferences and educational meetings.

12. NON-ACTION ITEMS

A Organization Reports

(1) MWD Representative Report/Agenda(s)

Board President Peterson reported that the MWD Board met earlier in the day. He noted that Councilmember Paul Koretz from the City of Los Angeles had stepped down from the MWD Board, and Lorraine Paskett, also from the City of Los Angeles, was added to the Board. He reported that some of the actions taken by the MWD Board included authorization of a condition assessment and design to replace employee housing in the desert along the Colorado River Aqueduct and adoption of legislative priorities for 2016. He also reported that the Colorado River Water Users Association would hold its annual meeting the following week.

(2) Other

B Director's Reports on Outside Meetings

Director Lewitt reported that he attended the Association of California Water Agencies (ACWA) Fall Conference in Indian Wells. He noted there was much discussion regarding the *Save Our Water* campaign and continuation of water conservation measures. He also noted that the Calaveras Water District was conducting town hall meetings using telephones, and he suggested the District consider doing the same with email. He also noted that the City of San Diego advertised drought information on the trolleys, and he suggested that the District consider advertising on the local shuttles. He also noted there was discussion regarding people stealing water from their neighbors, and he suggested the District become more vigilant to this possibility. He mentioned he spoke with a representative from a rain barrel company, who could pre-sell rain barrels for customers to pick up at the District office.

Board President Peterson reported that he also attended the ACWA Conference. He commented that rain barrels displayed at the conference were affordable at \$65 per barrel, and he expressed his hope that the MWD Board and the District would take this into consideration for public relations. He stated that John Laird, California Secretary for National Resources, provided a very good presentation regarding El Niño, and the conference was good overall.

C General Manager Reports

(1) General Business

General Manager David Pedersen introduced newly hired Finance Manager Mark Uribe, who has 20 years experience in public finance and six years experience auditing public agencies.

(2) Follow-Up Items

D Directors' Comments

Director Polan stated he was looking forward to the implementation of budget-based rates and installation of the new automated water meters, which would allow the ratepayers to monitor their water consumption. He inquired regarding the status of the rain barrel program. General Manager David Pedersen responded that \$80 rebates from SoCal WaterSmart are available to District customers for the purchase of rain barrels. He also stated that staff was in the process of discussing options with several vendors so that customers may purchase rain barrels and pick them up at the District office.

Director Renger recommended that everyone view the surf and El Niño forecast video on the stormsurf.com website.

13. FUTURE AGENDA ITEMS

None.

14. PUBLIC COMMENTS

None.

15. 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 (This item was removed from the agenda.)

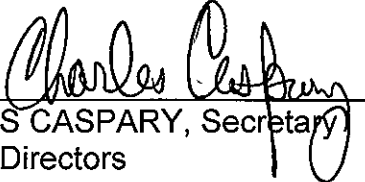
16. OPEN SESSION AND ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **6:34 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)

