



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

**MINUTES**  
**REGULAR MEETING**

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5:00 PM

March 22, 2016

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance to the Flag was led by 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 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 Charles Caspary, Leonard Polan, Lee Renger, and Glen Peterson

Absent: Jay Lewitt

Staff Present: David Lippman, Director of Facilities and Operations  
Donald Patterson, Director of Finance and Administration  
Carlos Reyes, Director of Resource Conservation and Public Outreach  
Josie Guzman, Clerk of the Board  
Keith Lemieux, District Counsel

**2. APPROVAL OF AGENDA**

Director of Facilities and Operations David Lippman stated there was no update for Closed Session Item 13A, 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: Caspary, Peterson, Polan, Renger  
NOES: None  
ABSENT: Lewitt

**3. PUBLIC COMMENTS**

None.

**4. CONSENT CALENDAR**

**A List of Demands: March 22, 2016 - Approve**

**B Minutes: Regular Meeting of March 8, 2016 - Approve**

**C Cash and Investment Report for February 2016**

**Receive and file the Cash and Investment Report for February 2016**

**D Annual Supply and Delivery of Ammonium Hydroxide: Request for Bids**

**Authorize the General Manager to issue a change order to Argo Chemical, Inc., in the amount of \$10,200, for two additional deliveries of ammonium hydroxide and approve the issuance of a Request for Bids for the annual supply and delivery of ammonium hydroxide.**

**E Bioassessment Monitoring Report: Approval of Purchase Order**

**Authorize the General Manager to approve a purchase order to Aquatic Bioassay Consulting Laboratories, Inc., in the amount of \$42,501, for the 2015 bioassessment monitoring report.**

Director Caspary moved to approve the Consent Calendar as presented. Motion seconded by Director Renger. Motion carried by the following vote:

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

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

**A Legislative and Regulatory Updates**

Public Affairs and Communications Manager Jeff Reinhardt reported that the District received a request from Metropolitan Water District (MWD) to join in a letter of support for AB 2488, which would allow reconstruction of the Foothill Feeder without violating the Endangered Species Act. He noted that the deadline to submit the letter is March 23, 2016. Board President Peterson stated that MWD is planning on making repairs to

the Foothill Feeder, and the bill would protect endangered fish species during dewatering activities. He directed staff to proceed with joining the letter of support.

Board President Peterson expressed concern with a proposed trailer bill related to making the State Water Resources Control Board's powers permanent. He noted the ACWA State Legislative Committee was also concerned regarding this trailer bill, and he asked staff to bring back additional information.

## **B Water Supply Conditions and Drought Response**

Director of Facilities and Operations David Lippman reported there has been much rain and snow in Northern California, snow pack levels were at or slightly above normal, and the Department of Water Resources is considering releasing some water from the Oroville Reservoir in order to make room for flood control. He also reported that last week the State Water Project allocation was increased from 30 percent to 45 percent, and the Central Valley Project received a 30 percent allocation. He noted that Southern California has not received as much rain as predicted, and El Niño conditions were weakening, which could transition in the spring or summer to La Niña conditions.

## **C Fiscal Years 2016-18 Key Budget Plan Drivers and Assumptions**

Finance Manager Mark Uribe provided a PowerPoint presentation and responded to questions related to the funding ratio for Other Post-Employment Benefits (OPEB) for retirees. He noted that the Preliminary Budget presentation is scheduled for April 18, 2016, and the Fiscal Year 2016-17 Budget adoption is scheduled for May 24, 2016.

## **D Automatic Meter Reading/Advanced Metering Infrastructure (AMR/AMI) Update**

Director of Finance and Administration Donald Patterson provided a PowerPoint presentation. He noted that the 2015 Potable Water Cost of Service Analysis and Rate Study for the AMR/AMI Project estimated project funding in the amount of \$4,875,000; however, the 2016/17 Infrastructure Investment Plan (IIP) estimated project funding in the amount of \$9,404,855. He reviewed the various financing options, including State Revolving Fund, bank loans, multi-year implementation, and a bond issuance. He recommended the Board pursue the State Revolving Fund as a financing option due to the lower interest rate and the potential for \$2.5 million in principal forgiveness. He stated that if the District were to pay \$1.2 million annually over eight years, the total amount of interest would be \$746,673, and the \$2.5 million principal forgiveness would exceed the amount of interest paid, resulting in approximately \$1.7 million in savings. He reviewed the project schedule, which includes completing the State Revolving Fund process, releasing a Request for Proposals in December 2016, awarding the project in 2017, and beginning the nine-month project deployment.

Director Caspary inquired regarding the potable water customer penetration rate. Director of Facilities and Operations David Lippman responded that the District would be close to 100 percent penetration rate with only a few areas that would remain as drive-by meter reading. He noted that the previous IIP schedule may have assumed that the

existing meter system would stay in place and could be salvaged; however, this was no longer the case. Director Caspary inquired whether the District could build in a high cost recovery for the water meters that might have more than scrap value. Director of Finance and Administration Donald Patterson responded that staff could look into selling functional meters to other agencies.

Director Renger inquired regarding potential annual cost savings with the elimination of manual meter reading. Director of Finance and Administration responded there would be cost savings for the District's contracted meter reading service, which is currently \$200,000 annually.

Board President Peterson inquired regarding the availability of Proposition 1 funds. Director of Finance and Administration Donald Patterson responded that this type of funding source had not yet been identified; however, staff would look into this and other grant programs. He noted that he and General Manager David Pedersen had spoken with staff from the State Board regarding the possibility of principal forgiveness and a positive response was received; however, it is not guaranteed.

Director Polan inquired whether there was a mean time between failures for the meters. Director of Finance and Administration Patterson responded that the AMR would have an expected life of 15 to 20 years. Director of Facilities and Operations added that the meters would have at least a ten-year life expectancy. Director Polan inquired whether this needed to be factored into the budget. Director of Finance and Administration Donald Patterson responded that phasing in of replacement meters would be included in future IIPs.

The Board was supportive of staff pursuing a loan from the State Revolving Fund for the AMR/AMI Project.

## 6. TREASURER

No Treasurer's report was given.

## 7. FACILITIES AND OPERATIONS

### A **Backbone Improvements Program Westlake Filtration Plant Expansion and Pump Station Upgrade Project: Award of Testing, Reporting and Permitting Services**

**Accept the proposal from HDR Engineering, Inc.; and authorize the General Manager to execute a Professional Services Agreement, in the amount of \$35,900, and increase the base contract amount by up to \$10,000, if the State Water Resources Control Board, Division of Drinking Water requires additional testing beyond that included in the scope of work.**

Director of Facilities and Operations David Lippman presented the report.

Director Caspary moved to approve Item 7A as presented. Motion seconded by Director Renger.

Director of Facilities and Operations David Lippman responded to a question related to frequency of testing by stating that a tracer study had not been done since the 1990's; however, a tracer study is required when a new plant is built or when significant modifications are made. He also noted that regular testing is done at the reservoir.

Motion carried by the following vote:

AYES: Caspary, Peterson, Polan, Renger

NOES: None

ABSENT: Lewitt

## **8. FINANCE AND ADMINISTRATION**

### **A Telecommunications Network Upgrade: Headquarters, Tapia, Rancho, and Westlake**

**Accept the quote from ACC Business and authorize the General Manager to execute a two-year multi-service agreement, in the amount of \$93,000, to upgrade the telecommunication links between Headquarters, Tapia, Rancho, and Westlake facilities.**

Director of Facilities and Operations David Lippman presented the report.

Director Caspary moved to approve Item 8A as presented. Motion seconded by Director Renger.

Director of Finance and Administration Donald Patterson responded to a question regarding other telecommunication carriers who provide this type service by stating that other carriers have fiber optic technology; however, they do not have infrastructure to connect the District's facilities.

Motion carried by the following vote:

AYES: Caspary, Peterson, Polan, Renger

NOES: None

ABSENT: Lewitt

## **9. INFORMATION ITEMS**

### **A MWD Shutdown for Urgent Repairs to Sepulveda Feeder**

Board President Peterson noted that emergency repairs were needed in the pre-stressed concrete cylinder pipe (PCCP) at the Van Nuys Airport, and several shutdowns are expected in order to make repairs to the Sepulveda Feeder.

## **10. NON-ACTION ITEMS**

### **A Organization Reports**

#### (1) MWD Representative Report

Board President Peterson reported that he attended a meeting at MWD earlier in the day where there was discussion regarding treated water surcharges. He noted that Las Virgenes Municipal Water District could potentially see a savings of up to \$1.5 million. He also noted the MWD Board expects to adopt the final budget in April.

#### (2) Other

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

Director Polan reported he attended the Association of Water Agencies of Ventura County WaterWise Breakfast meeting on March 17, 2016, where a presentation was made regarding Calleguas Municipal Water District's Salinity Management Pipeline.

### **C General Manager Reports**

#### (1) General Business

Director of Facilities and Operations David Lippman wished everyone a Happy World Water Day, which was established by the United Nations. He also noted that today the White House held its first Water Summit, which was attended by academics, politicians, and water experts to discuss solutions for water issues. He reported that staff attended the Los Angeles Regional Water Quality Control Board's (Regional Board) CEQA scoping meeting on March 17, 2016, for the 2003 and 2013 TMDL Implementation Plan for the Malibu Creek Watershed. He noted that Regional Board staff acknowledged Las Virgenes' proposed five-year plan for implementing summer-time limits based on the 2013 TMDL, and the 15-year horizon for implementing winter-time compliance with either Scenario 4 or 5 from the Recycled Water Seasonal Storage Plan of Action. He stated that the Regional Board would prepare an economic analysis and conduct another public meeting in a few months. He reminded the Board that a Special Board meeting is scheduled for April 18, 2016, from 9:00 a.m. to 3:00 p.m., for the budget presentation and strategic plan update. He noted that copies of the press release and the advertisement regarding additional water conservation measures during the MWD shutdown in April were provided to the Board.

Director Caspary referred to the CEQA scoping meeting and noted that he had forwarded an article regarding the Rocky Intertidal Surf Zone and how the lack of nutrients in some areas was causing the food chain to be adversely impacted. He inquired whether staff had the opportunity to raise any issues at the scoping meeting. Director of Facilities and Operations David Lippman stated that the scoping meeting only dealt with potential environmental impacts for the TMDL and the implementation plan.

Director Polan inquired whether there would be impacts to the NPDES permit issuance schedule. Director of Facilities and Operations David Lippman responded that there would be delays to the schedule until the implementation plan is completed; however, the existing NPDES permit would stay in force.

(2) Follow-Up Items

**D Directors' Comments**

Director Polan noted that he read the book The Big Thirst, which included reference to a water shortage in Tumberumba, Australia, their efforts to implement a program to convert wastewater into potable water without the public's knowledge, and the lack of water security. He stated it was an eye-opener for him, and he suggested the Board be aware of water security.

**11. FUTURE AGENDA ITEMS**

Director Caspary mentioned that he attended a Ventura County Planning Commission Meeting where they discussed the possibility of establishing joint powers authorities with groundwater management agencies in Ventura County. He suggested the Board take this into consideration as a solution for the City of Thousand Oaks' interest in groundwater. Board President Peterson suggested discussing this matter at a Las Virgenes – Triunfo Joint Powers Authority meeting.

**12. PUBLIC COMMENTS**

None.

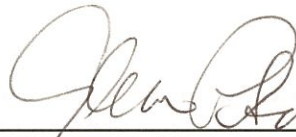
**13. CLOSED SESSION (This item was removed from the agenda.)**

**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 (TMDL cases)
2. Las Virgenes – Triunfo Joint Powers Authority v. United States Environmental Protection Agency (FOIA case)

**14. OPEN SESSION AND ADJOURNMENT**

Seeing no further business to come before the Board, the meeting was duly adjourned at **5:57 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)