



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

MINUTES
REGULAR MEETING

5:00 PM

July 12, 2016

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Stephen Bigilen.

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, Jay Lewitt, Len Polan, Lee Renger, and Glen Peterson

Absent: None

Staff Present: David Pedersen, General Manager
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 Polan moved to approve the agenda as presented. Motion seconded by Director Renger. Motion carried unanimously.

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

A List of Demands: June 28, 2016 - Ratify

Director Caspary inquired regarding a payment to the City of Westlake Village under the IRWMP Proposition 50 Grant. Director of Resource Conservation and Public Outreach Carlos Reyes confirmed that the payment was made for reimbursement of the irrigation system along Agoura Road.

B List of Demands: July 12, 2016 - Approve

C Minutes: Regular Meeting of June 14, 2016 - Approve

D Directors' Per Diem – June 2016 - Ratify

E Monthly Cash and Investment Report – May 2016

Receive and file the May 2016 Cash and Investment Report.

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

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Legislative and Regulatory Updates

No update was provided.

B Water Supply Conditions and Drought Response

General Manager David Pedersen reported that the District achieved a 20 percent reduction in water usage for the month of June and a 25 percent reduction in water usage for the month of May as compared to 2013. He noted that the water usage reduction in June 2015 was 33 percent, and customers were continuing water conservation efforts. He also noted that Metropolitan Water District's (MWD) storage reserve levels were expected to measure between 1.1 million and 1.5 million acre-feet at year-end and Castaic Lake was at 73 percent of capacity. He responded to a question regarding MWD filing its projected three-year water supply by stating that MWD had filed and posted it on their website. He noted that MWD asked all of the member agencies to project their demands for the next three years, and those amounts were certified by MWD.

C Proposed Customer Billing System Modifications

Director of Resource Conservation and Public Outreach Carlos Reyes provided a PowerPoint presentation and reviewed the proposed customer billing and payment processing modifications. He also reviewed the schedule for recommending a vendor for on-line billing and presentment, and releasing a Requests for Proposals for bill printing and mailing and lockbox services.

A discussion ensued regarding the possibility of the District offering an incentive to customers to enroll in on-line billing; concerns with on-line security for customers; cost for lockbox services; and concerns regarding the need for customers to re-enroll in on-line billing after the District changes billing vendors. Director of Resource Conservation and Public Outreach Carlos Reyes stated that staff would provide additional information based on the discussion and ask the vendor whether it would be possible to efficiently transition the customers currently enrolled in on-line billing.

D 2016 Capacity Fee Study: Framework Workshop

Director of Facilities and Operations David Lippman provided a PowerPoint presentation and reviewed information regarding the 2003 study, the 2003 policy principles, and the history of the District's capacity fees from 1980 to 2003.

Sanjay Gaur, representing Raftelis Financial Consultants, provided an overview of the purpose of capacity fees, cost justifications required by law, system buy-in method, incremental cost method, and hybrid method (combining buy-in cost and incremental cost). He reviewed the current Potable Water and Sanitation Service Capacity Fees.

A discussion ensued regarding valuing the system at the replacement cost, less depreciation, plus projections to account for future growth, which were included in the District's 2014 Master Plan Updates and 2015 Urban Water Management Plan, based on input from the County and cities.

Mr. Gaur continued the presentation and reviewed cost method recommendations for Potable Water, Recycled Water, and Sanitation Capacity Fees, and the recommendation to defer adopting a capacity fee for the Recycled Water Seasonal Storage Project until the scope and cost of the project were better defined.

General Manager David Pedersen reviewed the summary of recommendations including: 1) Potable Water Capacity Fee based on the Hybrid Method; 2) the Conservation Fee component of the Potable Water Capacity Fee; 3) Conservation Fee based on System Buy-in Method; 4) Sanitation Capacity Fee based on System Buy-in Method; and 5) future transition of Conservation Fee to Water Supply Reliability Fee to include a component for the Recycled Water Seasonal Storage Project. He also reviewed the project milestones and schedules, including presentation of the preliminary fee study results by the September 27 Board meeting and presentation of a resolution for revised capacity fees and CEQA determination by the December 13 Board meeting.

Director of Facilities and Operations David Lippman stated that between the months of September and December staff would reach out to the development community and communities that may convert their septic systems to sewer to ensure that they are aware of the changes to the capacity fees. Director Caspary requested that all customers that have deposits on record be notified of changes in the connection fees.

6. TREASURER

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

7. FACILITIES AND OPERATIONS

A 2016 Las Virgenes Dam Settlement Report

Receive and file the 2016 Las Virgenes Dam Settlement Report No. 2730.00.

Director Polan moved to receive and file Item 7A. Motion seconded by Director Caspary.

Director Caspary asked staff to confirm the logic under which the SCADA system would trip off a flow alarm when the flow exceeds the maximum historical seepage flow rate in any of the four drains.

Director of Facilities and Operations David Lippman responded to a question related to the maximum vertical deflection of 0.24 inches in the Las Virgenes Dam vertical survey by explaining that the data indicated no significant net movement.

Motion carried unanimously.

8. INFORMATION ITEMS

A GFOA Certificates of Achievement for Fiscal Year 2014-15 Comprehensive Annual Financial Report and Popular Annual Financial Report

Board President Peterson congratulated Director of Finance and Administration Don Patterson and staff on receiving the GFOA Awards.

9. NON-ACTION ITEMS

A Organization Reports

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

Board President Peterson reported that the MWD Board recognized Director Judy Abdo for 20 years of service, approved modifications to the Conservation Programs, and authorized 50-year agreements with the Western Area Power Administration and the Bureau of Reclamation for the purchase and delivery of energy and capacity. He noted that the Appellate Court would hear the appeal challenging the purchase of the Delta

Wetlands Properties on July 15, 2016, and MWD could close escrow once the stay is lifted.

- (2) Other

B Director's Reports on Outside Meetings

None.

C General Manager Reports

- (1) General Business

General Manager David Pedersen reminded the Board of the Calleguas - Las Virgenes Public Financing Authority Meeting scheduled on July 20, 2016, at Calleguas Municipal Water District. He noted that the District's Employees' Appreciation Barbecue would be held on July 13, 2016, at District Headquarters.

- (2) Follow-Up Items

D Directors' Comments

Director Polan commented that this year's Annual Water Quality Report was much easier to read.

10. FUTURE AGENDA ITEMS

None.

11. PUBLIC COMMENTS

None.

12. CLOSED SESSION

The Board recessed to Closed Session at 6:11 p.m. to discuss the following items:

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)

B Conference with District Counsel – Potential Litigation (Government Code Section 54956.9):

Las Virgenes Municipal Water District v. The Harp, LLC dba NuLife Treatment Centers

14. OPEN SESSION AND ADJOURNMENT

The Board reconvened to Open Session at **6:15 p.m.**

District Counsel Keith Lemieux announced that during the Closed Session the Board received a report regarding Item 12A and there was no reportable action. He also announced that the Board received a report regarding Item 12B and noted that the District received payment from The Harp, LLC dba NuLife Treatment Centers following posting of the three-day notice to quit, thus ending legal action.

Seeing no further business to come before the Board, the meeting was duly adjourned at **6:15 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)