

**LAS VIRGENES – TRIUNFO
JOINT POWERS AUTHORITY
MINUTES
SPECIAL MEETING**

5:00 PM

February 23, 2017

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Chair James Wall.

1. CALL TO ORDER AND ROLL CALL

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

Present: Directors: Caspary, Iceland (arrived at 5:02 p.m.), Lewitt, Orkney, Pan, Paule, Peterson, Polan, Renger, and Wall

Absent: None

2. PUBLIC COMMENTS

Leon Shapiro, Co-Chair of the Sierra Club of California Water Reuse Subcommittee, spoke in support of indirect potable reuse and direct potable reuse, and commended the JPA Board on their efforts to implement an indirect potable reuse project.

3. RANCHO LAS VIRGENES COMPOSITING FACILITY SWITCHGEAR FAILURE: DECLARATION OF EMERGENCY

Declare the failure of the switchgear at the Rancho Las Virgenes Composting Facility an emergency requiring immediate action without delay and authorize the Administering Agent/General Manager to procure the goods and services necessary for temporary operations and permanent repairs.

Administering Agent/General Manager David Pedersen provided introductory remarks regarding the recent storm damage at the Rancho Las Virgenes Composting Facility.

Larry Miller, Water Systems/Facilities Manager, provided a PowerPoint presentation showing the damage caused by the storm event of February 17 through 21, 2017, including impacts at the Tapia Water Reclamation Facility and

Malibu Creek, the sewer at Malibou Lake, and the Rancho Composting Plant's 16 kV sub-station. He discussed the failure of the switchgear at the Rancho Las Virgenes Composting Facility, which caused a temporary loss of power, and noted that an emergency generator was brought in to move the sludge to and from the digesters pending the completion of permanent repairs.

Administering Agent/General Manager David Pedersen explained that the emergency requiring immediate action was the loss of power that prevented the ability to move sludge to and from the digesters. He noted that sludge was able to be pumped from Tapia to Rancho; however, there was no way to move the sludge in and out of the digesters, which caused the sludge to backup. He recommended that the Board declare the findings of an emergency and approve an amount not to exceed \$60,000 to allow staff to complete all of the necessary repairs.

Administering Agent/General Manager David Pedersen also reported that over 7.02 inches of rain was measured at Tapia during the storm from February 17th to 20th. He noted that because the balancing ponds had filled up, the effluent bypassed the filters at Tapia during the heavy deluge and went into the chlorine contact basin. He stated that the effluent was partially treated to nearly the full extent; however, it did not receive filtration and there was higher turbidity than normally allowed for discharge due to the missing filtration process. He noted that this caused an exceedance of the turbidity limit for discharge, and it was unknown how this would affect the JPA in terms of regulatory violations. He also noted that the Regional Board typically recognizes situations such as this for treatment plants that have this type of challenge. He recognized staff for their outstanding teamwork in responding to this emergency situation.

Director Peterson moved that, based on the emergency to prevent overflow of sludge, the JPA Board declare that the failure of the switchgear at the Rancho Las Virgenes Composting Facility an emergency requiring immediate action without delay, and authorize the Administering Agent/General Manager to procure the goods and services necessary for temporary operations and permanent repairs, in an amount not to exceed \$60,000. Motion seconded by Director Paule.

Keith Lemieux, Authority Counsel, advised that the JPA Board make findings that the emergency did not permit the delay to competitively solicit bids for the necessary work, and that action was necessary to respond to the emergency.

Director Peterson amended the motion to include that action was necessary to respond to the emergency and there was not sufficient time to put the work out to a competitive bid. Amended motion seconded by Director Paule. Motion carried unanimously.

4. **PURE WATER PROJECT LAS VIRGENES – TRIUNFO: INSTITUTIONAL ISSUES WORKSHOP**

Administering Agent/General Manager David Pedersen provided introductory remarks regarding the list of potential institutional issues between Las Virgenes Municipal Water District and Triunfo Sanitation District, which were brought up at previous meetings and which were divided into three categories: financial, allocations, and institutional/governance. He stated that the goal was to narrow down the list of issues by identifying those that could have logical solutions and where there was mutual agreement on the best solution, and identify those that could potentially be controversial or difficult to resolve. He also stated that staff would review the current structure of the JPA Agreement.

David Lippman, Director of Facilities and Operations, provided a PowerPoint presentation, which included the current structure of the JPA, cost allocations, effluent disposal, net influent, monthly average recycled water sales, surplus and supplement, and fish flow discharge.

Administering Agent/General Manager David Pedersen provided a PowerPoint presentation outlining institutional issues including financial, allocation, and institutional/governance issues.

Director Paule expressed concern with allocating costs should the JPA add another partner, such as the City of Thousand Oaks (Thousand Oaks). Administering Agent/General Manager David Pedersen stated that additional partners could be added to the list of institutional issues for the financial and allocation categories.

Director Pan suggested determining whether the advanced treatment plant would be operated year round or only during the winter months, and sharing costs with additional partners such as Thousand Oaks.

Director Lewitt expressed concern with cost allocation for brine disposal. Administering Agent/General Manager David Pedersen stated that the cost allocation for brine disposal could also be added to the list of institutional issues. He also stated that running the advanced treatment plant year round could be an institutional goal for consideration by both agencies.

Director Peterson expressed concern with the type of water that would be produced for Thousand Oaks through the advanced treatment plant and that they may not be able to take the water directly. Director Caspary commented that Thousand Oaks could obtain the water from Calleguas Municipal Water District (Calleguas) through an exchange. Director Peterson expressed concern that additional storage might be needed if the advanced treatment plant were to run year-round. Administering Agent/General Manager David Pedersen stated that staff could explore running the plant year-round. He also stated that a water exchange for Thousand Oaks could be a possibility.

Administering Agent/General Manager David Pedersen reviewed the list of potential financial issues associated with indirect potable reuse using Las

Virgenes Reservoir. He suggested determining how costs would be shared for Las Virgenes-owned facilities, and whether the JPA would finance the project jointly or whether each partner would finance its own share. He suggested that the JPA seek grant funding and loans at the State and Federal levels jointly rather than having each agency seek separate grants and loans.

Director Paule inquired whether the JPA would need to create a Public Financing Authority. Administering Agent/General Manager David Pedersen responded that this could be an option for the JPA to consider in the future.

Director Orkney requested clarification on each agency's percentage ownership of the JPA's existing land and capital facilities and the proposed percentage ownership for the new advanced treatment plant.

Administering Agent/General Manager David Pedersen reviewed the list of allocation issues and suggested striking all of the items listed under this category because they could be logically addressed by the terms of the current JPA Agreement. He also reviewed the list of institutional/governance items and suggested keeping the item for determining Calleguas' role in transferring water from the Las Virgenes system to Oak Park Water Service on behalf of Triunfo. He also suggested keeping the item for determining a future policy for expansion of the recycled water system and determining whether it should be a JPA or individual agency policy. Director Peterson expressed a potential concern with the assumption that Oak Park Water Service would be the only water agency to receive advanced treated water because Calleguas has other member agencies.

Administering Agent/General Manager David Pedersen presented the proposed list of remaining issues:

1. How will costs be shared for Las Virgenes MWD-only facilities?
2. Will the JPA finance the project jointly or will each partner finance their own share?
3. What will Calleguas' role be in transferring water from the Las Virgenes system to Oak Park Water Service on behalf of Triunfo?
4. What will be the future policy for expansion of the recycled water system and should this be a JPA or individual partner policy?

A discussion ensued regarding Las Virgenes' current efforts for an interconnection with Calleguas' system on Lindero Canyon Road, which may require a three-party agreement and discussion of terms; consideration of whether this would be considered a wastewater project to address regulatory requirements or a water supply augmentation project; consideration of Calleguas assessing a wheeling charge; the possibility of Las Virgenes directly delivering water to Oak Pak Water Service; and working collaboratively with Calleguas.

Administering Agent/General Manager David Pedersen suggested that the JPA consider a future policy to discourage the sale of recycled water outside of the

JPA's service area boundary because the JPA would have less water available to treat through the Pure Water Project. He noted that staff would be bringing a status report to the Board on the recycled water project proposed for the Woodland Hills Country Club because this project has greatly reduced in scope.

A discussion ensued regarding sharing the costs and financing of the project jointly; seeking grants as the JPA; concerns with conditions for indirect potable reuse; the possibility that recycled water pipeline projects might not be subsidized in the future; and using the JPA's wells for a continuous supply during dry years.

Don Patterson, Director of Finance and Administration, noted that financing options include grants, loans, and bond financing. He also noted that staff held preliminary discussions regarding State Revolving Funds and suggested that it would be advantageous for the JPA to apply for the financing as opposed to the two member agencies applying separately.

Administering Agent/General Manager David Pedersen stated that staff would incorporate the Board's feedback on the four remaining issues, and return to the Board at a future regular or special meeting with data and costs to assist the Board in making decisions to move forward.

5. LAS VIRGENES - TRIUNFO WASHINGTON D.C. TRIP

Administering Agent/General Manager David Pedersen reviewed the handouts that were distributed, including the preliminary itinerary, Pure Water Project brochure, Pure Water Project handout, and maps showing the JPA boundaries and Congressional Districts boundaries.

A discussion ensued regarding compliance with the Brown Act during the Washington D.C. lobbying portion of the trip and providing a synopsis to the Board following the lobbying trip.

Director Paule requested that the brochure include the amount of potable water that would be produced through the project and suggested the inclusion of a pie chart. Administering Agent/General Manager David Pedersen noted that this information was included in the separate handout. He also stated that this information could be added to future versions of the brochure.


6. ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at 7:28 p.m.



James Wall, Chair

ATTEST:



Glen Peterson, Vice Chair