



**LAS VIRGENES MUNICIPAL WATER DISTRICT**  
29900 Ladyface Court, Agoura Hills, CA 91301

**MINUTES**  
**SPECIAL MEETING**

10:00 AM

May 4, 2017

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by David Pedersen.

**1. CALL TO ORDER AND ROLL CALL**

The meeting was called to order at **10:06 a.m.**, by Board President Peterson in the Community Conference Room at the Agoura Hills Recreation and Events Center at 29900 Ladyface Court, Agoura Hills. Josie Guzman, Clerk of the Board, conducted the roll call.

Present: Directors Charles Caspary, Jay Lewitt, Leonard Polan, Lee Renger, and Glen Peterson

Absent: None

Staff Present: David Pedersen, General Manager  
Donald Patterson, Director of Finance and Administration  
Carlos Reyes, Director of Resource Conservation and Public Outreach  
Josie Guzman, Clerk of the Board  
Doug Anders, Administrative Services Coordinator  
Brett Dingman, Water Reclamation Manager  
Darrell Johnson, Customer Service Manager  
Mike Hamilton, Financial Analyst  
Larry Miller, Water Systems/Facilities Manager  
Sherri Paniagua, Human Resources Manager  
Jeff Reinhardt, Public Affairs and Communications Manager  
Dave Roberts, Resource Conservation Manager  
Angela Saccareccia, Finance Manager

Andrew Spear, Acting Information Systems Manager  
John Zhao, Principal Engineer  
Keith Lemieux, District Counsel

**2. APPROVAL OF AGENDA**

Director Polan moved to approve the agenda. Motion seconded by Director Lewitt. Motion carried unanimously.

**3. PUBLIC COMMENTS**

None.

**4. FINANCE REVIEW AND PLANNING**

**A Annual Review of Financial and Investment Policies**

**Adopt the proposed version of the District's Investment Policy**

Don Patterson, Director of Finance and Administration, presented the report and a PowerPoint presentation on the District's financial policies.

The Board discussed updating Financial Policy 11 to reflect reference to the Pure Water Project Las Virgenes-Triunfo in place of "seasonal storage reservoir for recycled water."

For the Investment Policy, Mr. Patterson discussed the recommendation to increase the time allowed for submittal of the monthly cash and investment report from 30 days to 45 days after the end of the period covered by the report; remove specific mention of CalTRUST under the authorized investments in order to include any local agency pooled investment fund; and reduce the maximum percentage of the District's portfolio that can be invested in a pooled investment fund to 25 percent of the portfolio's total value.

The Board discussed concerns regarding investing in certain local government pooled investment funds.

The Board expressed support for staff's recommendation to revise the Local Agency Investment Pool policy with the addition of "as authorized by the Board" at the end of each of the following: "Other local agency pooled investment funds that invest pursuant to California Government Code Section 53601 or 53635"; "No more than 25 percent of the District's total portfolio value may be invested in other local agency pooled investment funds"; "Voluntary investment fund"; and "County Pooled Investment Fund".

No action was taken on the item.

**B Monthly Cash and Investment Report – March 2017**

**Receive and file the Monthly Cash and Investment Report for March 2017.**

Don Patterson, Director of Finance and Administration, presented the report and a PowerPoint presentation.

**C Financial Review: Third Quarter of Fiscal Year 2016-17**

**Receive and file the financial review for the third quarter of Fiscal Year 2016-17.**

Angela Saccareccia, Finance Manager, presented the report and a PowerPoint presentation.

A discussion ensued regarding the penalties that the District has accrued since the implementation of the penalty structure for wasteful use of water, and suggestions were made on how the District could use the accrued penalties, including additional water conservation programs, offsetting the cost for employees' administration of the program, stewardship efforts in the watershed and other special programs. General Manager David Pedersen stated that staff would discuss the allowable uses of the funds and measures for transparency with District Counsel. Board President Peterson requested that staff report back to the Board on the topic.

Director Renger requested information on the methods that customers use to make their payments, such as by debit card, credit card or autopay.

The Board recessed to a break at 11:22 a.m. and reconvened at 11:28 a.m.

**D Fiscal Year 2017-18 Budget Plan: Review of Proposed Changes**

Angela Saccareccia, Finance Manager, presented the report and a PowerPoint presentation.

General Manager David Pedersen stated that an update regarding the Woodland Hills Country Club Recycled Water Pipeline Extension Project would be provided at a future JPA meeting. He noted that the Los Angeles Department of Water and Power was interested in pursuing a scaled-down project to service some customers on Mulholland Drive and the Motion Picture Television Hospital. He also noted that the District had shifted its strategy for recycled water pipeline extension projects to maintain recycled water for the benefit of District customers through the Pure Water Project Las Virgenes-Triunfo. He responded to a question regarding Building No. 1 Tenant Improvements Project by stating that staff recommended eliminating the project because the Pure Water Project Las Virgenes-Triunfo Demonstration Project would be sited in the building.

Director Caspary moved to receive and file Items 4B, 4C, and 4D. Motion seconded by Director Lewitt. Motion carried unanimously.

**5. STRATEGIC PLAN AND BUDGET WORKSHOP**

**A Status of Fiscal Year 2016-17 Tactical Actions and Activities**

The Department Heads and Department Managers presented the status of the Fiscal Year 2016-17 Tactical Actions and Activities.

The Board recessed to a break at 12:10 p.m. and reconvened at 12:25 p.m.

The Department Heads and Department Managers continued presenting the status of the Fiscal Year 2016-17 Tactical Actions and Activities.

## **B Proposed Fiscal Year 2017-18 Tactical Actions and Activities**

General Manager David Pedersen highlighted the progress on the Pure Water Project Las Virgenes-Triunfo, NPDES Permit renewal for Tapia and Time Schedule Order for chloride, and the 2013 TMDL Implementation Plan. He noted that the District had studied additional solar generation at the farm; however, staff became aware of major changes in the energy market, which will affect the District. He explained that there would be a major shift in cost from the commodity rate to the demand charge and a change in the time of use rate period. He noted that for many years the time of use rate period had been the time of day where there is peak energy usage and when energy is most expensive, from 12:00 p.m. to 6:00 p.m., and the District has avoided using energy during those times in order to reduce energy costs. He stated that it is likely that the time of use period will shift to be from 3:00 p.m. to approximately 8:00 p.m. He recommended focusing on energy in terms of how the District operates and seeking alternatives such as battery storage. He also recommended completing the solar study, considering battery storage to reduce costs, and considering planning an operational scheme to be ready for the changes to the time of use period.

Board President Peterson expressed support for pursuing battery storage.

General Manager David Pedersen discussed diversion of low-flow urban runoff to the sewer system and stated that it would make good financial sense to use the Tapia Water Reclamation Facility at its capacity of 12 MGD. He noted that the challenge would be the lower chloride limit being applied to discharge to Los Angeles River. He also noted that the Regional Water Quality Control Board would hold a hearing to consider a Time Schedule Order for the chloride limit.

General Manager David Pedersen noted that the District currently accepts a portion of wastewater from Pepperdine University, and the university approached the District to consider accepting additional wastewater from the campus. He explained that the university sends a portion of its wastewater to the Malibu Mesa Wastewater Reclamation Plant operated by the County of Los Angeles; however, this facility is facing strict regulatory requirements and will need very costly upgrades.

General Manager David Pedersen summarized the following recommendations: (1) working on minimizing expenses in potable water; (2) rebuilding potable water reserves; (3) investing in continued rehabilitation of facilities at Tapia; (4) beginning discussions on funding the Pure Water Project Las Virgenes-Triunfo; and (5) focusing on purchasing property for a future advanced water treatment plant for the Pure Water Project.

General Manager David Pedersen referred to the Governor's Executive Order for *Making Conservation a California Way of Life*. He stated that there had been a significant change in the delegation of power in the State in terms of setting conservation standards and a large shift in power to the State Water Resources Control Board. He noted that the District has been outspoken in expressing concerns because the shift in power takes away local control and agencies could potentially see significant penalties in the amount of \$10,000 per day for noncompliance.

Director Caspary expressed concern that customers understand the penalties that could be imposed by the State Water Resources Control Board. He also expressed concern with changing from the J.D. Edwards financial software and cohesiveness with all of the agencies involved with discharges to the Calleguas Salinity Management Pipeline.

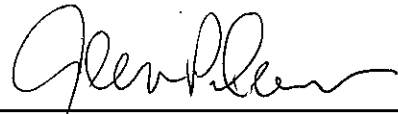
Board President Peterson requested future consideration of a plan to deal with the penalty funds collected for excessive water use.

6. **PUBLIC COMMENTS**

None.

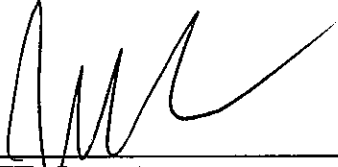
7. **ADJOURNMENT**

Seeing no further business to come before the Board; the meeting was duly adjourned at **1:41 p.m.**



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GLEN PETERSON, President  
Board of Directors  
Las Virgenes Municipal Water District

ATTEST:



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JAY LEWITT, Secretary  
Board of Directors  
Las Virgenes Municipal Water District

(SEAL)