



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

MINUTES
REGULAR MEETING

5:00 PM

June 27, 2017

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 Vice President Caspary 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, Leonard Polan, and Lee Renger
Absent: Director Glen Peterson (arrived at 5:53 p.m.)
Staff Present: David Pedersen, General Manager
David Lippman, Director of Facilities and Operations
Don Patterson, Director of Finance and Administration
Carlos Reyes, Director of Resource Conservation and Public Outreach
Josie Guzman, Clerk of the Board
Wayne Lemieux, District Counsel

2. APPROVAL OF AGENDA

General Manager David Pedersen noted that Board President Peterson would be arriving late to the meeting, and he suggested moving Item 7A to follow Item 9B, so Board President Peterson could be present for the item.

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

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

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

- A List of Demands: June 13, 2017: Ratify**
- B Minutes: Regular Meeting of June 13, 2017: Approve**
- C Monthly Cash and Investment Report – May 2017**

Receive and file the monthly cash and investment report for May 2017.

D Request to Award Annual Purchase Orders

Authorize the General Manager to issue annual purchase orders to the vendors listed in Category 1 on Exhibit 1, in the specified amounts, for the period of July 1, 2017, through June 30, 2018.

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

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

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Legislative and Regulatory Updates

General Manager David Pedersen provided an update on the Sacramento - San Joaquin Bay Delta and the California WaterFix Project. He noted that the Delta Stewardship Council approved amending the Delta Plan to include language related to conveyance and storage as part of the Delta Fix and coordinating operation between conveyance and storage. He also noted that he attended the Delta Stewardship Council's meeting in Sacramento and spoke in support of the Council's action. He further reported that the U.S. Fish and Wildlife Service and the National Marine Fisheries Service approved biological opinions for the California WaterFix Project. He noted that the opinions did not find that the endangered species would be threatened as a result of the project. He stated that these opinions would set up the approval of the environmental document for the California

WaterFix Project at both the State and Federal levels, which would then pave the way for permit approvals, including a permit from the State Water Resources Control Board for a change in point of diversion. He also reported that the District's lobbyist, Syrus Devers from Best Best & Krieger, had been in contact with staff from the Governor's Office and other water agency representatives regarding the Governor's commitment to *Making Water Conservation a California Way of Life*. He noted that some concessions had been made by the Governor's Office, including not pressing forward on a trailer bill process, backing away from some of the sharp criteria and including a credit for agencies that have potable reuse supplies either now or in the future that could be credited towards their targets of up to 10 percent of their total water supply. He stated that hypothetically the 5,000 acre-feet of water that would be produced from the Pure Water Project Las Virgenes-Triunfo in the future could be an additional amount of water that the District could use and the water would not be counted against the District.

The Board discussed having staff continue to attend meetings of the Delta Stewardship Council and asking Mr. Devers to provide an update on State lobbying activities.

B Water Supply Conditions Update

A brief discussion ensued regarding the water supply conditions in Northern California.

6. TREASURER

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

7. BOARD OF DIRECTORS

B Nominations for ACWA Region 8 Board of Directors

Accept nominations for candidates to serve on the ACWA Region 8 Board, if any; select the most qualified candidate; and authorize preparation of a draft resolution expressing support for the selected candidate.

General Manager David Pedersen presented the report. He addressed questions related to the June 30, 2017 deadline to submit nominations.

Director Polan expressed an interest in serving on the ACWA Region 8 Board.

Director Renger moved to nominate Director Len Polan as a candidate to serve on the ACWA Region 8 Board.

District Counsel Wayne Lemieux responded to a question regarding whether the Board's vote could be contingent upon determining whether the nomination deadline would be extended and, if so, whether this item could be brought back at the next meeting by making a motion to conditionally nominate a director unless more time was available.

Director Renger modified his motion that the nomination of Director Len Polan be conditional and applicable only if the next Board meeting is after the nomination deadline. Motion seconded by Director Lewitt. Motion carried by the following vote:

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

General Manager David Pedersen stated that staff would follow-up with ACWA regarding the nomination deadline.

8. FACILITIES AND OPERATIONS

A Paving at Two Locations: Parkmor Drive and East Lake Short Drive

Accept the quotations from J & H Engineering General Contractors, Inc., and authorize the General Manager to approve a purchase order, in the amount of \$55,306.50, for repaving work on Parkmor Drive and East Lake Shore Drive.

General Manager David Pedersen presented the report.

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

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

B Westlake Pump Station Upgrade Project: Final Acceptance

Execute a Notice of Completion and have the same recorded; in the absence of claims from subcontractors and others, release the retention, in the amount of \$203,367.00, within 30 calendar days after filing the Notice of Completion; and authorize the General Manager to approve a change of scope for MSO Technologies, Inc., in the amount of \$13,600, for additional professional services for the Westlake Pump Station Upgrade Project.

General Manager David Pedersen presented the report.

Director Lewitt moved to approve Item 8B. Motion seconded by Director Polan. Motion carried by the following vote:

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

ABSTAIN: None

C Potable Water and Sanitation Service Capacity Fees: Adoption

Pass, approve and adopt proposed Resolution No. 2522, amending potable water and sanitation service capacity fees and approving modifications to the Las Virgenes Municipal Water District Code pertaining to capacity fees.

RESOLUTION NO 2522

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT AMENDING RESOLUTION NO. 2468 (ADMINISTRATIVE CODE) AS IT RELATES TO POTABLE WATER AND SANITATION SERVICE CAPACITY FEES

(Reference is hereby made to Resolution No. 2522 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

General Manager David Pedersen presented the report.

Director Renger moved to approve Item 8C. Motion seconded by Director Polan. Motion carried by the following vote:

AYES: Caspary, Lewitt, Polan, Renger

NOES: None

ABSENT: Peterson

ABSTAIN: None

9. FINANCE AND ADMINISTRATION

A Proposed Debt Policy: Adoption

Pass, approve and adopt proposed Resolution No. 2521, adopting a Debt Policy in compliance with California Government Code Section 8855 (Senate Bill 1029)

RESOLUTION NO. 2521

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT ADOPTING A DEBT POLICY

(Reference is hereby made to Resolution No. 2521 on file in the District's Resolution book and by this reference the same is incorporated herein.)

Director of Finance and Administration Patterson presented the report.

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

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

B Employee Total Compensation Study: Award

Accept the proposal from CPS HR Consulting and authorize the General Manager to execute a professional services contract, in the amount of \$75,000.

General Manager David Pedersen presented the report.

Board President Peterson arrived at 5:53 p.m.

Director Caspary moved to approve Item 9B. Motion seconded by Director Lewitt. Motion carried unanimously.

7. BOARD OF DIRECTORS (continued)

A General Manager Employment Agreement: Consideration of Compensation Adjustment

Consider an adjustment to the compensation package for the General Manager following completion of his annual performance review on June 13, 2017.

Board President Peterson noted that the Board had completed the General Manager's annual performance review, and he recommended that the General Manager's annual salary be increased to \$260,000.

Director Renger moved to approve the compensation adjustment for the General Manager to \$260,000 annually, effective at the beginning of the next pay period, and to authorize the Board President to sign an amendment to the General Manager's employment agreement. Motion seconded by Director Lewitt. Motion carried unanimously.

10. NON-ACTION ITEMS

A Organization Reports

- (1) MWD Representative Report

Board President Peterson reported that he did not attend the MWD Board and Committee Meetings because he was attending the ACWA/JPIA Benefits Committee Meeting, where they discussed setting premiums for health insurance benefits.

- (2) Other

B Director's Reports on Outside Meetings

Board President Peterson reported that ACWA/JPIA would be increasing its PPO health insurance premiums by 4.5 percent, effective January 1, 2018, and that Kaiser's rates would be increasing by 18 percent. General Manager David Pedersen stated that staff would bring back an item with the updated rates for all health insurance plans, and the number of employees who are enrolled in each health insurance plan.

C General Manager Reports

(1) General Business

General Manager David Pedersen reported that the Board of the Sierra Club, Angeles Chapter agreed to issue a letter of support for the Pure Water Project Las Virgenes-Triunfo. He also reported that staff was working with the City of Calabasas to address concerns with the new left-turn pocket from Las Virgenes Road to District Headquarters.

(2) Follow-Up Items

D Directors' Comments

Director Lewitt reported that he attended the Association of Water Agencies of Ventura County (AWAVC) WaterWise Breakfast on June 15th, where they discussed the top three priorities/issues related to water supplies in the Ventura River, Calleguas Creek and Santa Clara River Watersheds.

Director Polan reported that he also attended the AWAVC WaterWise Breakfast on June 15th, where they also discussed aging infrastructure.

Board President Peterson reported that he also attended the AWAVC WaterWise Breakfast on June 15th, which led to a discussion with MWD and Calleguas Municipal Water District regarding seeking storage for 150,000 acre-feet of water that was displaced by the City of Los Angeles and the possibility of parking this water within the United Water Conservation District service area.

Director Polan stated that he enjoyed the JPA's tour of Las Virgenes Reservoir, Westlake Filtration Plant and Westlake Pump Station.

11. FUTURE AGENDA ITEMS

Director Caspary referred to an email that was received the previous week regarding a Los Angeles Regional Water Quality Control Board hearing related to a Salt and Nutrient Management Plan for the Upper Los Angeles River Area Groundwater Basin. He expressed concern that the management plan could affect chloride issues for discharges to the Los Angeles River. General Manager David Pedersen stated that staff would follow-up.

12. PUBLIC COMMENTS

J.D. Meints, representing NuLife Treatment Centers, addressed the Board regarding past due rent for office space leased at the District's headquarters and efforts to bring the rent current. He noted that they operate both in- and out-patient treatment facilities, and they have been experiencing issues with collecting from PPO insurance providers. He also noted that they have been working on renovating and reopening their facility on Mulholland Drive, which would increase their cash flow and allow them to become current on their rent.

13. CLOSED SESSION

The Board recessed to Closed Session at **6:14 p.m.** to discuss the following items:

- A Conference with District Counsel – Existing Litigation (Government Code Section 54956.9(a)):**
- 1. Las Virgenes Municipal Water District v. The Harp, LLC, dba NuLife Treatment Centers**
 - 2. San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.**

14. OPEN SESSION AND ADJOURNMENT

The Board reconvened to Open Session at **6:44 p.m.**

District Counsel Wayne Lemieux announced that the Board provided direction to staff regarding Las Virgenes Municipal Water District v. The Harp, LLC, dba NuLife Treatment Centers, and the Board received a progress report on San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.

Seeing no further business to come before the Board, the meeting was duly adjourned at **6:44 p.m.**



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

ATTEST:



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

(SEAL)