



LAS VIRGENES MUNICIPAL WATER DISTRICT
4232 Las Virgenes Road, Calabasas, California

MINUTES
REGULAR MEETING

5:00 PM

March 23, 2010

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was given by Vice President Renger.

1. CALL TO ORDER AND ROLL CALL

A Call to order and roll call.

The meeting was called to order at 5:00 p.m. by Vice President Renger in the District offices. Secretary Peterson called the roll. Those answering present were Directors Bowman, Peterson, Renger, and Smith. President Caspary attended the meeting via teleconference.

2. APPROVAL OF AGENDA

A Approval of agenda.

General Manager Mundy stated that all agenda items required roll call voting due to President Caspary attending the meeting via teleconference; and requested 10A. Proposed Changes to the Water Allocation Program be renumbered to 4B and heard after 4A. Legislative and Regulatory Updates in order to accommodate the public present at the meeting; and that subsequent to the posting of the agenda it was discovered that an emergency item requiring a 4/5 vote of the Board, needed to be added to 14-A. Closed Session - Conference with District Counsel - Existing Litigation (Government Code Section 54956.9(a)): Mehta Construction Company v. LVMWD.

On a motion by Director Joseph Bowman, seconded by Director Jeff Smith, the Board of Directors voted 5-0 to Approve the agenda for the Regular Board Meeting of March 23, 2010, as amended by the recommendations of General Manager Mundy.

AYES: Director(s) Bowman , Caspary , Peterson , Renger , Smith

3. PUBLIC COMMENTS

Two public speaker cards were received from the Public. (1) Dan Latter stated there was not enough notification to the public in regards to the water allocation and budget programs; and inquired as to the process for notifications and public comments. (2) Art Guglielmi commented on snow pack and rainfall; and requested to speak on agenda item 10A (renumbered to 4B) - Proposed Changes to the Water Allocation Program.

4. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Legislative and Regulatory Updates

General Manager Mundy discussed the legislative meetings he attended with Patton Boggs, President Caspary and Director of Facilities and Operations Lippman the week of March 15, 2010 during which senate staff discussed programs for 2010-11 (no new programs are available for funding) and grant programs (Waxman and Sherman would support).

At the request of General Manager Mundy, agenda item 10A. (renumbered to 4B) Proposed Changes to the Water Allocation Program was heard at this point in the board meeting to accommodate the public speakers who were present.

5. CONSENT CALENDAR

On a motion by Director Joseph Bowman, seconded by Director Jeff Smith, the Board of Directors voted 5-0 to Approve Consent Calendar 5A-5B as presented.

AYES: Director(s) Bowman , Caspary , Peterson , Renger , Smith

A List of Demands: March 23, 2010. Approve

B Investment Report for the Month of February 2010. Approve

6. TREASURER

No report was given.

7. BOARD OF DIRECTORS

A Re-division of District Director Boundaries

Approve alternative Division boundary map Option 2B presented herein; and authorize staff to submit Option 2B with Resolution No. 03-10-2397.

On a motion by Director Joseph Bowman, seconded by Director Jeff Smith, the Board of Directors voted 5-0 to Approve the recommendations as presented.

AYES: Director(s) Bowman , Caspary , Peterson , Renger , Smith

8. FACILITIES AND OPERATIONS

A Building #8 Suite 101 Lease Modification Request

Modify the lease agreement with Miller Family Companies to allow them to remain at the monthly rate of \$1,000 until their economic position improves; or until July 2010 when the matter will be brought back to the Board for further consideration.

Director Bowman requested Legal Counsel Keith Lemieux advise him as to whether or not to recuse himself from voting on this agenda item as he formerly had a business association with Mr. Miller. After determining that Director Bowman did not currently have any financial interests in the Miller Family Companies, Mr. Lemieux stated a conflict of interest did not exist.

Mr. Arlen Miller of Miller Family Companies addressed the Board, and discussed the effects the downturn in the economy has had on their business, as well as their long history as tenants of Las Virgenes MWD. Director Bowman asked Mr. Miller if there was a preferred option of the three presented by staff; and Mr. Miller requested Option 3.

On a motion by Director Glen Peterson, seconded by Director Jeff Smith, the Board of Directors voted 5-0 to Approve at Mr. Arlen Miller's request; and as presented by staff, modification to the lease reflecting "Option 3. Allow the Millers to remain at monthly rate of \$1,000 until their economic position improves or until July 2010 when the matter will be brought back to the Board for further consideration".

AYES: Director(s) Bowman , Caspary , Peterson , Renger , Smith

B Las Virgenes Dam - Settlement Study Report

Receive and file the Las Virgenes Dam Settlement Report, LVMWD Report # 2451.

On a motion by Director Jeff Smith, seconded by Director Joseph Bowman, the Board of Directors voted 5-0 to Approve the recommendation as presented.

AYES: Director(s) Bowman , Caspary , Peterson , Renger , Smith

C Rambla Pacifico Emergency 10" Fire Service, Ratify General Manager Expenditure

Ratify the General Manager's approval of a purchase order in the amount of \$50,500 to R-Help Construction Co, Inc. for the construction of a proposed emergency pipeline at Rambla Pacifico Rd.

On a motion by Director Lee Renger, seconded by Director Joseph Bowman, the Board of Directors voted 5-0 to Approve the recommendation as presented.

AYES: Director(s) Bowman , Caspary , Peterson , Renger , Smith

D Recycled Water Storage Feasibility Study - Approve RMC Proposal

Approve the proposal from RMC to complete the Recycled Water Storage Feasibility Study in the amount of \$147,763.

Director Renger commented that the JPA language needed to be removed from the cover memo as this item is 100% Las Virgenes funded (Triunfo has opted to not participate in the project); Director Peterson requested staff contact National Park Service regarding cooperative use of the properties in question (Stokes and April Canyons) prior to spending a significant amount of money on this project (Director of Facilities and Operations Lippman stated a grant application will be submitted for a portion of the funding, which takes approximately 60 days); Director Bowman asked what Triunfo's position is on the project (General Manager Mundy stated JPA project participation was on Triunfo's March 22, 2010 agenda, and their Board approved no participation in JPA projects unless they resulted in a revenue stream).

On a motion by Director Glen Peterson, seconded by Director Lee Renger, the Board of Directors voted 5-0 to Approve the recommendation as presented.

AYES: Director(s) Bowman , Caspary , Peterson , Renger , Smith

9. FINANCE AND ADMINISTRATION

A Negotiated Tax Exchange Resolutions

Approve Resolution No. 03-10-2399 for Negotiated Tax Exchanges (LVMWD Ad Valorem);

and approve Resolution No. 03-10-2400 for Negotiated Tax Exchanges (LVMWD - Improvement District No. 9).

RESOLUTION NOS. 03-10-2399 and 03-10-2400: JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES; THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY WEST VECTOR CONTROL DISTRICT; THE BOARD OF DIRECTORS OF THE RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS; THE CITY COUNCIL OF THE CITY OF CALABASAS; THE BOARD OF DIRECTORS OF THE LAS VIRGENES MUNICIPAL WATER DISTRICT; AND THE BOARD OF DIRECTORS OF THE LAS VIRGENES MUNICIPAL WATER IMPROVEMENT DISTRICT NO. 9 APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION OF TRACT NO. 32952A TO THE CALABASAS LIGHTING DISTRICT

(Reference is hereby made to Resolution Nos. 03-10-2399 and 03-10-2400 on file in the District's Resolution Book and by this reference the same are incorporated and made a part of hereof.)

On a motion by Director Joseph Bowman, seconded by Director Lee Renger, the Board of Directors voted 5-0 to Approve the recommendations as presented.

AYES: Director(s) Bowman , Caspary , Peterson , Renger , Smith

10. RESOURCE CONSERVATION AND PUBLIC OUTREACH

A Proposed Changes to the Water Allocation Program

Authorize changes to the water shortage response framework as presented by staff, and as directed by the Board in the areas of water budget rollover, refunds of surcharges and budget adjustment appeals.

This agenda item was renumbered 4B. Proposed Changes to the Water Allocation Program.

A presentation entitled "Water Allocation Program Proposed Changes" was given by Director of Resource Conservation and Public Outreach Reyes.

The Board discussed with the General Manager and staff a variety of methodologies and time lines for refunding of surcharge monies; costs associated with the program to date; and rollovers.

Four public speaker cards were received from the Public. (1) Art Guglielmi commented on refunds, stated the Board is locking in on unreasonable budgets; possible litigation due to "profiling of customers" within certain zones 1, 2, 3 vs. 10, 11, 12; and asked the Board to vote on whether April or August 2010 will be used for refunding of surcharges. (2) Howard Rodgers commented on acknowledging customers who have made an effort to conserve; ability to appeal 10% hold back on refunds based on historical use; issue refunds as soon as possible due to possible litigation based on Prop 218. (3) Lee Black gave an example of a specific property size based on the assumptions of Options 10A/10B for cutbacks and questioned what surcharges would be paid for residential vs. commercial. (4) Dan Latter commented if program is conservation minded then all customers should be cut by 20%; and customers paying administrative costs resulting from the program is inappropriate, so is customers paying for the conservation programs; and notifications regarding the program were not sufficient.

On a motion by Director Bowman: issue refunds through December 2009 with 10% hold back for customers under budget and 20% hold back for customers over budget; and modify

Resolution(s)/Ordinance(s) pertaining to refunds, appeals, and water budgets.

On a motion by President Caspary: modify Director Bowman's motion with a modification to refund through December 31, 2009 with a hold back of 10% for customers over budget and no hold back for customers under budget.

Director Bowman stated he would not support the modification to his motion. Director Peterson said rollovers need to be included in revisions to Resolution(s)/Ordinance(s). Director of Resource Conservation and Public Outreach Reyes stated due to refund calculations and programming issues he recommends the Board use 3 billing cycles as the basis for refunds instead of using December 31, 2009.

Director Caspary then restated his motion to: do not subtract administrative and conservation program costs from the surcharge refunds; issue refund checks based on 3 billing cycles; 10% hold back of surcharges for customers who did not meet their water budgets and 0% hold back of surcharges for customers who did meet their water budgets; minimum amount of refund check = \$100; amend Resolution(s), Ordinance(s) and internal controls; issue notification to customers regarding changes to the water allocation program; include rollover provision in Resolution/Ordinance modifications; disband the Water Shortage Committee and authorize staff to process adjustments and appeals; adjust livestock allowance from 1 to 2 HCF (hundred cubic feet) per qualifying animal per billing period; and carryover approved adjustments to the following year; and based on MWD's allocation level - to be determined in April or May 2010 revise Las Virgenes water budgets if necessary.

On a motion by Director Glen Peterson, seconded by Director Joseph Bowman, the Board of Directors voted 5-0 to Approve the amended motion as stated in the recommendations by President Caspary.

AYES: Director(s) Bowman , Caspary , Peterson , Renger , Smith

11. INFORMATION ITEMS

A Water Shortage Update - February 2010

12. NON-ACTION ITEMS

A Organization Reports (1) MWDa. Representative Report/Agenda(s) (2)Other

(1) MWD Representative Peterson discussed general business of Metropolitan including their budget and the need to get whole as soon as possible rather than over time due to credit ratings.

(2) MWD Representative Peterson reminded the Board and staff of the Colorado River Aqueduct tour on April 30-May 2, 2010.

B Director's Reports on Outside Meetings

Director Bowman discussed the ACWA Federal Affairs Committee meeting he attended on March 12, 2010, which included: species discussion on draft MWD principles; Oberstar bill remains dormant; and the White House assigned "tsars" to work with EPA and other agencies on how to prioritize OMB (Office of Management and Budget).

C General Manager Reports

General Manager Mundy provided an update regarding general business of the district including upcoming calendar events and Proclamation for Steve Freedland, outgoing Mayor,

City of Hidden Hills.

D Director's Comments

Director Renger commented that he thought staff had done a good job on the Water Allocation Program.

13. FUTURE AGENDA ITEMS

14. CLOSED SESSION

A Closed Session

The meeting adjourned into Closed Session at 7:40 p.m.

Conference with District Counsel - Existing Litigation (Government Code Section 54956.9(a)):

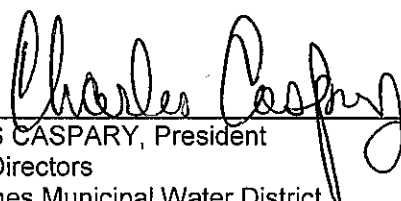
- (1) Cooper, et al. v. Calabasas Park Estates, et al.
- (2) Mehta Construction Company v. LVMWD

Labor Negotiations (Government Code Section 543957.6):

- (1) Employee Compensation & Benefits

15. OPEN SESSION AND ADJOURNMENT

The meeting reconvened into Open Session at 8:07 p.m. and the Vice Chair declared the meeting adjourned at 8:08 p.m.



CHARLES CASPARY, President
Board of Directors
Las Virgenes Municipal Water District

ATTEST:



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

(SEAL)