



Las Virgenes – Triunfo Joint Powers Authority
4232 Las Virgenes Road, Calabasas, CA 91302
818.251.2100




May 12, 2010

Call and Notice of Meeting of the Governing Board of the
Las Virgenes - Triunfo Joint Powers Authority

A Meeting of the Governing Board of the Joint Powers Authority is hereby called, and notice of said Meeting is hereby given for 5:00 p.m. Monday, May 17, 2010 at Oak Park Library, 899 North Kanan Road, Oak Park, California 91377 to consider the following:

- 1 Joint Powers Authority Business Meeting
(Agenda Attached)
- 2 Adjourn

By Order of the Board of Directors
CHARLES CASPARY, Chair



John R. Mundy
Administering Agent General Manager
Joint Powers Authority

c: Each Director

Charles Caspary
Chair, Las Virgenes-Triunfo
Joint Powers Authority
President, Las Virgenes Municipal Water District
Board of Directors

Michael Paule
Vice Chair, Las Virgenes-Triunfo
Joint Powers Authority
Chair, Triunfo Sanitation District
Board of Directors

LAS VIRGENES - TRIUNFO
JOINT POWERS AUTHORITY

AGENDA

CLOSING TIME FOR AGENDA IS 8:30 A.M. ON THE TUESDAY PRECEDING THE MEETING. GOVERNMENT CODE SECTION 54954.2 PROHIBITS TAKING ACTION ON ITEMS NOT ON POSTED AGENDA UNLESS AN EMERGENCY, AS DEFINED IN GOVERNMENT CODE SECTION 54956.5 EXISTS OR UNLESS OTHER REQUIREMENTS OF GOVERNMENT CODE SECTION 54954.2(B) ARE MET.

5:00 PM

MAY 17, 2010

PLEDGE OF ALLEGIANCE

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

The meeting was called to order at ___ p.m. by ___ in the Oak Park Library and the Clerk of the Board called the roll.

	<u>Present</u>	<u>Left</u>	<u>Absent</u>
Triunfo Sanitation District			
Dennis Gillette	_____	_____	_____
Tom Glancy	_____	_____	_____
Janna Orkney	_____	_____	_____
Linda Parks	_____	_____	_____
Michael Paule, Vice Chair	_____	_____	_____
Las Virgenes Municipal Water District			
Joseph Bowman	_____	_____	_____
Charles Caspary, Chair	_____	_____	_____
Glen Peterson	_____	_____	_____
Lee Renger	_____	_____	_____
Jeff Smith	_____	_____	_____

2. **APPROVAL OF AGENDA**

Moved by _____, seconded by _____, and _____, that the agenda for the May 17, 2010 meeting be approved as presented/amended.

3. **PUBLIC COMMENTS**

Members of the Public may address the Board on items that do not appear on the agenda; and on items within the jurisdiction of the Board. No action shall be taken on any item not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2.

4. **ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS**

- A JPA Preliminary Budget
- B Tapia Water Reclamation Facility TSO and Interim Limits Update
- C Tapia's National Pollutant Discharge Elimination System (NPDES) Permit Renewal Comment Letter

5. **CONSENT CALENDAR**

Minutes of the Las Virgenes – Triunfo Joint Powers Authority Meetings: March 1, 2010 and April 5, 2010. **APPROVE**

Moved by Director ____, seconded by Director ____, and ____, that the Consent Calendar be approved and adopted as presented.

6. **ACTION ITEMS**

- A Las Virgenes – Triunfo JPA Resolution – Time for Regular Meeting of the Board

Moved by Director ____, seconded by Director ____, and ____, that the Joint Powers Authority Board of Directors approve Resolution 05-10-0002 setting regular meetings, locations, and time.

RESOLUTION NO. 05-10-0002: A RESOLUTION OF THE GOVERNING BOARD OF THE LAS VIRGENES – TRIUNFO JOINT POWERS AUTHORITY ESTABLISHING THE TIME AND LOCATION FOR REGULAR MEETINGS

(Reference is hereby made to Resolution No. 05-10-0002 on file in the District's Resolution Book and by this reference the same is incorporated herein and made a part of hereof.)

- B Joint Powers Authority Quarterly Financial Report at March 31, 2010 and Spotlight on Joint Powers Authority

Moved by Director ____, seconded by Director ____, and ____, that the Joint Powers Authority Quarterly Financial Report at March 31, 2010 and Spotlight on Joint Powers Authority be received and filed.

- C Federal Advocacy

Moved by Director ____, seconded by Director ____, and ____, that the Joint Powers Authority Board of Directors allow the existing contract for federal advocacy to run through its scheduled termination date of December 31, 2010.

- D Request to Consider Wholesale Recycled Water Rate Increase

Moved by Director ____, seconded by Director ____, and ____, that the Joint Powers Authority Board of Directors not increase the wholesale recycled water rate as suggested by the Triunfo Sanitation District letter dated May 10, 2010.

7. **BOARD COMMENTS**

8. **FUTURE AGENDA ITEMS**

9. **NON-ACTION ITEMS**

Information Items

- (1) Call for Bids – Annual Weed Abatement at Various Facilities
- (2) Recycled Water Project Participation (TSD agenda April 26, 2010)
- (3) Las Virgenes – Triunfo Sanitation District Joint Powers Authority Wholesale Recycled Water Rate (TSD agenda April 26, 2010)
- (4) Contract No. T92-16 Regarding Purchase of Wholesale Reclaimed Water (TSD agenda April 26, 2010)

10. **CLOSED SESSION**

11. **ADJOURNMENT**

May 17, 2010 Joint Powers Authority Meeting

TO: Board of Directors

FROM: Finance and Administration

Subject Preliminary JPA Budget for FY 2010/11

At a workshop before the regular JPA meeting on April 5, 2010, staff presented an early draft budget to the JPA board. At that time the budget had not been reviewed by the General Manager or the staff from TSD, as this was held on April 7, 2010. The JPA board asked that some items be reviewed and other items were changed after the General Manager review. An attachment to this report describes the major changes made between the draft and the preliminary budget.

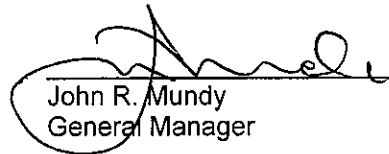
The preliminary budget for operating expenses is \$15.9 million, which is \$0.9 greater than the prior budget. The capital project budget, including carryovers, is \$5.6 million.

For tonight's presentation, the following preliminary budget documents are included in the agenda package:

- 1) The Operating Budget by line item at the enterprise level.
- 2) The Projection of Allocated JPA Expenses to Participants for FY09/10
- 3) The Estimated Allocated JPA Expenses to Participants for FY08/09
- 4) The Capital Improvement Projects.

Staff will discuss the drivers impacting the preliminary budget and answer questions the Board may have.

Sandra Schmidt, Director of Finance and Administration, prepared this report.


John R. Mundy
General Manager

4/29/10
Date

4A

May 17, 2010 JPA Board Meeting

TO: Board of Directors
FROM: Facilities & Operations

Subject: Tapia Water Reclamation Facility TSO and Interim Limits Update

SUMMARY

The California Regional Water Quality Control Board (RWQCB) issued a National pollution Discharge Elimination System (NPDES) permit to the Tapia WRF in November 2005. A Time Schedule Order (TSO) and interim limits were included as a part of this permit to allow time for staff to address the potential exceedance of new final limits included in the permit, which goes into effect on May 17, 2010. Interim limits were established in the TSO for nitrate and bis (2-ethylhexyl) phthalate. In the NPDES permit order, interim limits were given for cyanide, selenium, mercury and dichlorobromomethane. In order to assure compliance with the new limits, the RWQCB required that the JPA submit a work plan and progress reports for all of the compounds with TSO/interim limits.

Since the NPDES permit was issued, the main focus has been on the reduction of nitrogen compounds in Tapia's effluent. After the completion of nutrient reduction studies in 2007, the JPA awarded design of the BNR facilities to Boyle Engineering Corporation (now AECOM). The final BNR design consisted of three projects; Tapia BNR Phase I, Tapia BNR Phase II and Centrate Treatment. These projects were completed in the summer of 2009 and are now in the final stages of startup and adjustment.

Other compounds which received interim limits in the TSO/permit have been addressed in various ways:

Bis (2-Ethylhexyl) phthalate – Levels have trended downward since 2008. As a part of the required work plan, a review of sampling protocol was performed to address potential bis (2-ethylhexyl) phthalate contamination from sampling materials. Bis (2-ethylhexyl) phthalate is a ubiquitous compound which is found in plastic products. Tapia's 2010 tentative permit limits remain basically unchanged.

Cyanide – With a total of six detections exceeding the new limit in the last five years, this compound has generally been in compliance without any action. Since April of 2009, cyanide has not been detected in Tapia's effluent. Tapia's 2010 tentative permit does not contain limits for this compound.

Selenium – This is another element that requires no action to obtain permit compliance. It has not been detected in excess of the limit since the permit was adopted. Tapia's 2010 tentative permit limits remain basically unchanged for the L.A. River while limits for Malibu Creek have been dropped.

Mercury – This metal has only been detected in excess of the new permit limit once in the last five years. Ongoing efforts in the pre-treatment program along with efforts in public education help maintain compliance with the mercury limit. Tapia's 2010 tentative

4B


public education help maintain compliance with the mercury limit. Tapia's 2010 tentative permit limits remain basically unchanged.

Dichlorobromomethane (DCBM) – This is now a major compound of concern. Although compliance with the permit limit appeared to be possible in the beginning of the five year permit period, the level of DCBM in the effluent has increased since 2008. DCBM is a by-product of chlorination which forms when free chlorine combines with organic compounds in the effluent. The increase in DCBM in Tapia's effluent may be tied to the new BNR treatment process. Tapia's 2010 tentative permit limits remain basically unchanged for Malibu Creek, however, a new limit for total trihalomethane's (THM's) for the L.A. River was established. Total THM's is the sum of the four main disinfection byproducts including bromoform, dibromochloromethane (DBCM), chloroform and dichlorobromomethane (DCBM). Both the Malibu Creek (DCBM) and L.A. River (total THM) limits in the tentative permit are difficult to comply with considering Tapia's current treatment process and will need to be addressed in the next permit period.

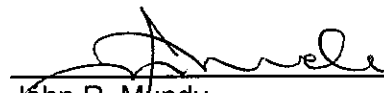
FINANCIAL IMPACT

There is no financial impact at this time.

Brett Dingman, Water Reclamation Manager, prepared this report.

 4/29/10

David R. Lippman Date
Director of Facilities and Operations

 5/3/10

John R. Mundy Date
Administering Agent/General Manager

May 17, 2010 JPA Board Meeting

TO: Board of Directors
FROM: Facilities & Operations

Subject: Tapia's National Pollutant Discharge Elimination System (NPDES) Permit Renewal Comment Letter

DISCUSSION

On April 7, 2010 the Los Angeles Regional Water Quality Control Board (RWQCB) issued the draft NPDES permit for Tapia for public comment¹. Comments were due to the RWQCB on May 7, 2010 and a public hearing has been scheduled for June 3, 2010 at 9:00 am at the Metropolitan Water District of Southern California headquarters to adopt the permit. Staff reviewed the draft permit and submitted a draft comment letter prior to the May 7th deadline².

The current NPDES permit for Tapia required that the JPA meet a discharge limit of 8 mg/L of nitrate + nitrite (as N) by May 17, 2010. This requirement is known as a Time Schedule Order (TSO) and a substantial investment has been made to construct facilities to comply with the TSO. The discharge limit for nitrate + nitrite (as N) in the draft permit remains at 8 mg/L recognizing the investment in the new facilities. The discharge prohibition to Malibu Creek and exceptions to the prohibition also remain unchanged in the draft permit. However there are several substantive issues as well as many other suggested changes that would clarify conflicting or ambiguous language in the draft permit.

DCBM TSO REQUEST, INTERIM LIMIT FOR TTHM

The JPA uses sodium hypochlorite for disinfection. Inherent in the use of chlorine as a disinfectant is the formation of disinfection byproducts (DBP), in particular the formation of total trihalomethanes (TTHM)³ which includes dichlorobromomethane (DCBM). An alternative disinfection process such as ultraviolet radiation or ozone⁴ would help prevent the formation of TTHMs and DCBM during disinfection. The draft order sets an effluent limit of 80 ug/L for TTHMs for discharge to 005, the Los Angeles River, but provides an interim limit of 290 ug/L recognizing that we can not currently meet the effluent limit. The order also provides an effluent limit of 46 ug/L for DCBM for discharge points 001, 002 & 003, Malibu Creek. It is likely that TWRF will exceed this effluent limit and the JPA has requested a Time Schedule Order related to meeting the proposed effluent limitation. The same treatment process and/or control measures will provide compliance for TTHMs and DCBMs and it is estimated that 60 months will be needed for planning, design and construction of the new facilities. For these reasons we requested that the TSO compliance date coincides with the compliance date for TTHMs of May 10, 2015. An interim monthly average limit of 97 ug/L is suggested based on the standard calculations was suggested.

¹ The draft permit can be found at www.waterboards.ca.gov/losangeles/board_decisions/tentative_orders/

² The draft comment letter has been provided to the Boards under separate cover.

³ Total trihalomethanes is the sum of concentrations of the trihalomethane compounds: bromodichloromethane, bromoform, chloroform and dibromochloromethane.

⁴ The use of ozone could produce brominated byproducts such bromoform.

CEC SPECIAL STUDY REQUIREMENTS

The draft permit has a requirement to conduct a special study related to Constituents of Emerging Concerns in the effluent. However we believe that this requirement is premature, given the efforts underway by two panels of scientific experts that are addressing the same questions identified in the draft permit, with access to technical resources beyond those available to the JPA for a study of this magnitude. Of specific relevance is the State Water Resource Control Board's (SWRCB) Recycled Water expert panel, which released its draft report regarding monitoring of CECs in recycled water on April 15, 2010. This panel is the result of a recommendation from the SWRCB Recycled Water Policy. The Southern California Coastal Water Research Project (SCCWRP) convened a second panel that will address many of same issues related to CE's in Coastal and Marine Ecosystems. The SCCWRP panel is scheduled to complete its work by June 2011. The JPA believes it makes sense to allow these panels to complete their work before asking the JPA to address the same questions. Even in the absence of these panels, the CEC study objectives proposed in the draft permit are unreasonable, essentially asking a single discharger to conduct a study on how best to resolve a national issue.

The JPA does not object to future monitoring of CEC's. Rather, we believe the requirement for a study of the CEC problem in general is inappropriate, especially given the specific study objectives listed in the draft permit. The fact that two panels of scientific experts are currently addressing the same questions makes the proposed study in the draft permit redundant at best, especially in light of the fact that their findings will be released before the JPA can develop the required workplan. We provided suggested changes that would require the JPA to develop a workplan for the CEC special study after the SWRCB had completed their work.

WATERSHED MONITORING PROGRAM

The draft permit requires the JPA to participate in the development of an updated comprehensive watershed-wide monitoring program and develop an implementation plan for the monitoring program for the Malibu Creek Watershed by March 30, 2011. The permit states: "The Regional Water Board may provide some assistance through SWAMP to achieve these goals, but the District and other stakeholders may need to provide financial assistance to hire a facilitator or conduct other activities as necessary." The JPA does not object to participation in the watershed monitoring program. However when it is the responsibility of multiple jurisdictions, including Los Angeles and Ventura Counties and the local cities, in the Malibu Creek Watershed, under their MS4 permits, we do object to this open-ended financial assistance provision. The only specific use of the JPA's financial assistance suggested in the draft language – facilitation and coordination of our collective monitoring efforts – is already being provided by the Technical Advisory Committee (TAC) of the Watershed Advisory Council. The TAC is an active group that meets on a regular schedule, and is typically attended by all of the stakeholders and agencies conducting monitoring in the watershed.

Clarity of the JPA's responsibility is also needed; because the permit states "The Discharger shall implement the watershed-wide monitoring program ..." This language places the burden of implementing these programs solely on the JPA. It is unreasonable and unrealistic to require that the JPA shall implement these programs.

We included suggested language that clarifies our *participation* in the watershed and removes any financial obligations.


BIOASSESSMENT

The permit requires that we conduct bioassessment of all receiving water stations in Malibu Creek and the Los Angeles River. We consider this level of monitoring effort excessive for a number of reasons. First, Tapia's effluent is of very high quality, consisting of 100% tertiary treated disinfected water. Even for the two effluent constituents present in the effluent at greater than background concentrations in the creek (i.e. nitrogen and phosphorus), there is no significant correlation between these constituents and macroinvertebrate health in Malibu Creek. Second, because of the 7-month flow prohibition, Tapia discharges predominately in winter when creek background flows are highest. Third, and perhaps most importantly, the rationale for this effort – that over time Tapia's discharge may affect the physical condition and biological integrity of the creek – has already been answered: Bioassessment studies conducted by Adams (1978), Ambrose et al. (2004) and Luce (2005) span a 25 year period during which Tapia was discharging, yet all of these studies showed thriving macroinvertebrate populations below Tapia, with the highest macroinvertebrate abundance and diversity for any receiving water in the region. In short, existing data are more than sufficient to demonstrate that Tapia's effluent *does not* have any detectable effect on macroinvertebrate populations in the creek. Since 2005 we have conducted bioassessments in Malibu Creek at a cost approaching \$90,000 and the IBI (Index of Biological Integrity) has remained relatively unchanged for most. Additionally the receiving water stations for discharge point 005 are storm drain manholes, so there is no value in conducting bio-assessment at these locations. In fact these stations have not been included in the annual bioassessment since 2006 at the direction of the RWQCB. Consequently, this requirement is essentially "monitoring for the sake of monitoring" with no real nexus between the permitted facility and its potential impacts on the receiving waters. This is not a reasonable use of public (rate payers) funds. For these reason we suggested that the number of stations for monitoring in Malibu Creek be reduced to three from ten and there be no monitoring requirement at discharge point 005.

HEARING PROCEDURE

We requested that the permit adoption proceedings be conducted in accordance with section 648 et seq of title 23 of the California Code of Regulations. We will have an opportunity to make a short opening statement; ask questions of the Regional Water Board staff and of any other entity requesting party status; rebut any evidence presented, if necessary; and make a closing statement prior to the close of the hearing. It is important that we request this procedure at this time to be prepared if we need to rebut comments made by others either in writing or at the hearing.

David R. Lippman, Director of Facilities and Operations, prepared this report.


John R. Mundy Date 5/3/10
Administering Agent/General Manager

MINUTES OF A MEETING OF THE GOVERNING BOARD
OF THE LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY
HELD ON MARCH 1, 2010

1 The governing board of the Las Virgenes-Triunfo Joint Powers Authority met in a Meeting at Oak Park Library, 899 North Kanan Road, California, 91377 at 5:00 p.m. on Monday, March 1, 2010.

Chair Caspary called the meeting to order at 5:00 p.m.

The Pledge of Allegiance to the flag was given, led by Director Bowman.

Deputy Clerk of the Board called the roll. Directors present were: Glancy, Orkney, Parks, Paule, Bowman, Caspary, Peterson, and Renger. Directors not present: Gillette and Smith.

Chair declared a quorum present.

2 Approval of Agenda: It was moved by Director Paule, seconded by Director Renger, and unanimously carried, that the agenda for the March 1, 2010 meeting be approved as presented.

3 Public Forum: No speaker cards were received from the public.

Administering Agent/General Manager Mundy stated a rain event occurred at Tapia. 2.65" of rain was measured. Peak plant flow was 18 mgd on February 27, 2010 and creek flow was about 600 cfs.

4 Illustrative and/or Verbal Presentation Agenda Items:

Recycled Water Storage Update: Director of Facilities & Operations Lippman presented an update. He discussed possible seasonal storage sites for a reservoir that can store 2,000 – 2,500 AF of recycled water.

Director Smith arrived at 5:08 p.m. Director Gillette arrived at 5:15 p.m.

B Legislative Update – None.

5 Action Items: JPA Infrastructure Investment Plan, FY 2010/11 – 2014/15. It was moved by Director Glancy, seconded by Director Bowman, and carried unanimously that the Joint Powers Authority Board of Directors receive and file as a planning document the JPA Infrastructure Investment Plan FY2010/11 – 2014/15 (LVMWD Report No. 2447.01).

6 Board Comments: None.

7 Future Agenda Items: Chair Caspary requested a policy statement for legislative issues. He also mentioned that a representative from Malibu Surfing Association will take a tour of Tapia WRF in the near future. Vice Chair Paule stated that he would like Oak Park involved in the Student Education program this year. Public Affairs & Communications Manager Reinhardt commented that Oak Park schools will be invited again this year and we are available to give dedicated tours of the facilities.

8 Non-Action - Information Items:

(1) Rancho Las Virgenes Farm Sprayfield Operations & Maintenance Services Contract Extension

9 Closed Session: None

10 There being no objection the Chair declared the meeting adjourned at the hour of 5:55 p.m.

Charles Caspary, Chair

ATTEST:

Michael Paule, Vice Chair

MINUTES OF A MEETING OF THE GOVERNING BOARD
OF THE LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY
HELD ON APRIL 5, 2010

1 The governing board of the Las Virgenes-Triunfo Joint Powers Authority met in a Meeting at Las Virgenes Municipal Water District, 4232 Las Virgenes Road, California, 91302 at 5:00 p.m. on Monday, April 5, 2010.

Chair Caspary called the meeting to order at 5:00 p.m.

The Pledge of Allegiance to the flag was given, led by Chair Caspary.

Deputy Clerk of the Board called the roll. Directors present were: Gillette, Glancy, Orkney, Paule, Bowman, Caspary, Peterson, Renger and Smith. Directors not present: Parks.

Chair declared a quorum present.

2 Approval of Agenda: It was moved by Director Paule, seconded by Director Renger, and unanimously carried, that the agenda for the April 5, 2010 meeting be approved as presented.

3 Public Forum: No speaker cards were received from the public.

4 Illustrative and/or Verbal Presentation Agenda Items:

Legislative Update: Administering Agent/General Manager Mundy updated the board on the recent meeting in Washington DC. There is no interest in funding new projects, but possible future interest in a Recycled Water Storage project.

5 Consent Calendar: Minutes of the Las Virgenes – Triunfo Joint Powers Authority Meeting: February 1, 2010. Moved by Director Glancy, seconded by Director Peterson, and carried unanimously that the Consent Calendar be approved and adopted as presented.

6 Action Items: Las Virgenes Triunfo JPA Proposed Legislative Policy Principles. No action taken. Staff was directed to bring the item back in June.

7 Board Comments: Director Renger mentioned when staff considers solar projects, it is better to use panels like photovoltaics vs. heat capture like Sterling engines. Director Orkney stated that it would be easier to capture all the comments at the meetings if they were recorded. Administering Agent/General Manager Mundy stated that the requirement in the Las Virgenes Code is to record the public hearing section of the meeting. Director Paule asked for the status of the Hazardous Waste Drop Off. Director of Facilities and Operations Lippman stated there is no update and we are waiting for the County. Director Orkney stated there is a new Fire Danger study to be considered. Director Caspary asked for an update on biosolids disposal issue in Kern County. Mr. Mundy stated that staff does not have current information, but will provide it as soon as possible.

8 Future Agenda Items: None.

9 Non-Action - Information Items:

- (1) 24" Recycled Water (REW) Pipeline from Mulholland Hwy. to the Tapia Water Reclamation Facility Project – Change Order Nos. 1 through 4
- (2) Rancho Las Virgenes Centrate Line Replacement Project Approval of Plans and Specification (Lee & Ro) and Call for Bids

10 Closed Session: None.

11 There being no objection the Chair declared the meeting adjourned at the hour of 5:40 p.m.

Charles Caspary, Chair

ATTEST:

Michael Paule, Vice Chair

May 17, 2010 JPA Board Meeting

TO: Boards of Directors

FROM: Administering Agent/General Manager

**Subject: Las Virgenes – Triunfo JPA
Resolution - Time for Regular Meetings of the Board**

SUMMARY

The Las Virgenes – Triunfo Joint Powers Authority executed the Joint Exercise of Powers Agreement on January 26, 2009; Article One: General 4. Authority Meetings states meetings of the Authority shall be held at times and places as determined by the Board.

A proposed Resolution is hereby presented in consideration of setting regular meetings, locations and time of said meetings.

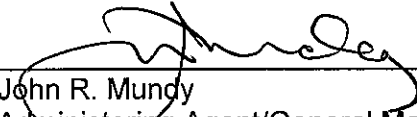
RECOMMENDATION

- Approve Resolution 05-10-0002 setting regular meetings, locations, and time.

FINANCIAL IMPACT

None.

Kimmey Conklin, Executive Assistant/Clerk of the Board prepared this report.



John R. Mundy Date
Administering Agent/General Manager 4/27/10

CoA

d. "Joint System" means jointly owned facilities in Los Angeles and Ventura Counties presently as described in Exhibits A, B and C. Subsequently acquired joint facilities shall be identified in exhibits attached hereto.

3. Responsibilities.

Each party must adopt and enforce regulations to comply with regulations adopted by State and Federal agencies, including, but not limited to, pretreatment regulations. Currently, a pretreatment program, a suitable revenue program, and a system of equitable user charges are required because the Authority has received Federal assistance for the so-called Clean Water Act grant projects.

4. Authority Meetings. Meetings of the Authority shall be held at times and places as determined by the Board. The Chairs of the two (2) parties' governing boards will alternate annually as Chair and Vice-Chair, respectively, of the meetings.

5. Exercise of Power. The Board of the Authority consists of the board of directors of each party. The decisions of the Authority shall be made at meetings of the Board. The quorum for such meeting shall consist of at least three (3) members of the board of directors of each party. Action by the Authority requires the affirmative vote of not less than three (3) members of each party's board of directors, acting as the governing Board of the Authority.

6. Duty of Administering Agent. The Administering Agent shall provide, arrange and contract for the operation and maintenance of the Joint System. The Administering Agent shall administer the Authority and execute agreements as the agent for the Authority. At meetings of the Board, the Administering Agent shall report on the status of agreements or actions taken on behalf of the Authority. The Administering Agent shall use its best efforts to keep the parties and their staff informed of actions taken on behalf of the Authority.

7. Term. The term of this Agreement shall be ten (10) years commencing on the date first above written and shall automatically renew for additional ten-year (10-year) terms unless terminated earlier as provided herein. The Agreement shall be reviewed by a

RESOLUTION NO. 05-10-0002

**RESOLUTION OF THE GOVERNING BOARD OF THE
LAS VIRGENES – TRIUNFO JOINT POWERS AUTHORITY
ESTABLISHING THE TIME AND LOCATION FOR REGULAR MEETINGS**

**BE IT RESOLVED BY THE GOVERNING BOARD OF THE LAS VIRGENES –
TRIUNFO JOINT POWERS AUTHORITY as follows:**

1. Purpose.

This resolution sets the time and location for regular meetings.

2. Regular Meetings

- (a) The governing board shall hold regular meetings on the first Monday of each and every month at the hour of 5 o'clock p.m.
- (b) The regular meetings shall be held at 4232 Las Virgenes Road, Calabasas, California 91302 beginning during the month of April and at Oak Park Library, 899 North Kanan Road, Oak Park, California 91377 every other month.
- (c) In all respects, meetings of the governing board shall be conducted in accordance with the Brown Act.

PASSED, APPROVED AND ADOPTED on 17th day of May, 2010.

**Las Virgenes – Triunfo
Joint Powers Authority**

By: _____
Charles Caspary, Chair

ATTEST:

Michael Paule, Vice Chair

APPROVED AS TO FORM:

Legal Counsel

May 17, 2010 Joint Powers Authority Meeting

TO: Boards of Directors
FROM: Finance and Administration

**Subject Joint Powers Authority Quarterly Financial Report at March 31, 2010
and Spotlight on Joint Powers Authority**

SUMMARY

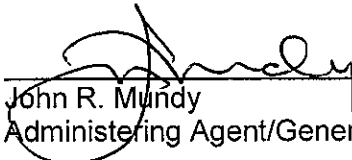
Operating expenses for the current fiscal year are less than last year and significantly less than the amount budgeted. The primary reason for this is that there is less wastewater to be treated, which lowers the cost of treatment, and less recycled water sales, which lowers the cost of the recycled water pump stations. Operating revenue is below budget due to less units of water sold. Capital project expenses are less than the same time last year, when the nitrogen reduction projects that are required for compliance with Tapia's NPDES permit were being constructed.

RECOMMENDATION

- Receive and file.

Sandra Schmidt prepared this report. Marsha Eubanks prepared the Spotlight on Joint Powers Authority

Attached: Joint Powers Authority Second Quarter Financial Review
Spotlight on Joint Powers Authority


John R. Mundy Date 4/29/10
Administering Agent/General Manager

LAB



Joint Powers Authority Third Quarter Financial Review

FY09-10 Year to Date at March 31

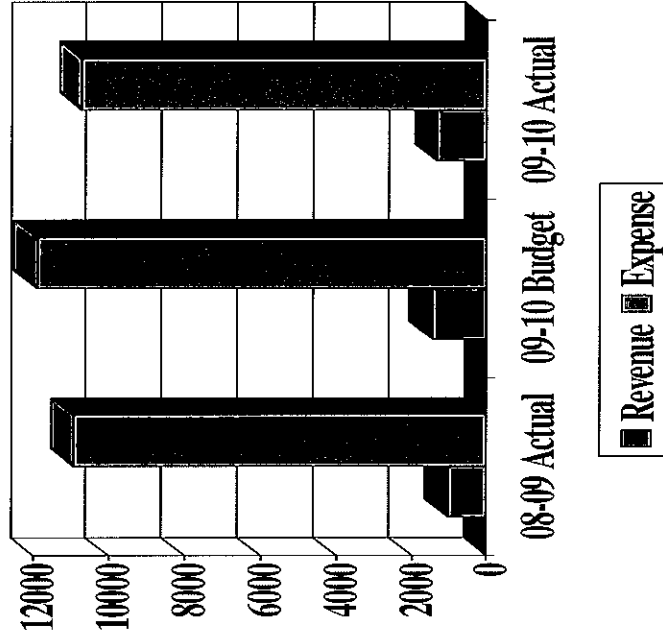
	FY08-09 Actual YTD	FY09-10 Budget YTD	FY09-10 Actual YTD
Net Uses of Fund	\$15,403,381	\$17,033,347	\$11,349,864
LV Share	\$10,694,140	\$11,964,256	\$7,853,731
TSD Share	\$4,709,241	\$5,069,091	\$3,496,133

Joint Powers Authority Operations

Third Quarter

	FY 08-09 Actual YTD	FY 09-10 Budget YTD	FY 09-10 Actual YTD
Total Operating Revenues	\$ 1,049,537	\$ 1,466,367	\$ 1,331,042
RW Pump Station	983,935	1,075,141	921,365
RW Tanks & Reservoirs	269,323	143,619	206,944
RW System Operations	86,556	112,024	51,535
RW Distribution	156,924	107,260	21,367
Sewer	200,426	266,045	212,898
Waste Water Treatment	5,135,083	5,674,655	5,186,382
Composting	3,286,318	3,722,504	3,315,476
Farm Operation	128,878	98,325	158,010
Administration	680,004	721,918	645,328
Total Operating Expenses	10,927,447	11,921,491	10,719,305
Net Operating (Expenses)	\$ (9,877,910)	\$ (10,455,124)	\$ (9,388,263)

(in Thousands)



Comparison to Prior Year and Budget

	Actual	Prior Year	Budget
Operating Revenues	\$1,331,042	P \$281,505	N \$135,325
Operating Expenses	\$10,719,305	P \$208,142	P \$1,202,186
Capital Project Expenses	\$ 2,021,390	P \$3,576,667	P \$4,583,833

Joint Powers Authority Operations
Quarterly Update - Comparison to Budget & Prior Year at March 31, 2010
FY09-10 Year to Date

	<u>FY 08-09 Actual YTD</u>	<u>FY 09-10 Budget YTD</u>	<u>FY 09-10 Actual YTD</u>
<u>Total Revenues</u>			
Operating Revenues	\$ 1,049,537	\$ 1,466,367	\$ 1,331,042
Other Revenues	72,586	27,000	59,789
Total Revenues	<u>1,122,123</u>	<u>1,493,367</u>	<u>1,390,831</u>
<u>Total Expenses</u>			
Operating Expenses	\$ 10,927,447	\$ 11,921,491	\$ 10,719,305
Capital Project Expenses	5,598,057	6,605,223	2,021,390
Total Expenses	<u>16,525,504</u>	<u>18,526,714</u>	<u>12,740,695</u>
Net (Uses) of Funds	<u>\$ (15,403,381)</u>	<u>\$ (17,033,347)</u>	<u>\$ (11,349,864)</u>
Las Virgenes Share	<u>(10,694,140)</u>	<u>(11,964,256)</u>	<u>(7,853,731)</u>
Triunfo Share	<u>(4,709,241)</u>	<u>(5,069,091)</u>	<u>(3,496,133)</u>

Joint Powers Authority Operations
Quarterly Update - Comparison to Budget & Prior Year at March 31, 2010
FY09-10 Year to Date

	<u>FY 08-09 Actual YTD</u>	<u>FY 09-10 Budget YTD</u>	<u>FY 09-10 Actual YTD</u>
<u>Las Virgenes Share:</u>			
<u>Total Revenues</u>			
Operating Revenues	\$ 739,348	\$ 1,035,255	\$ 939,716
Other Revenues	52,522	19,062	44,141
Total Revenues	<u>791,870</u>	<u>1,054,317</u>	<u>983,857</u>
<u>Total Expenses</u>			
Operating Expenses	\$ 7,531,665	\$ 8,230,632	\$ 7,363,508
Capital Project Expenses	3,954,345	4,787,941	1,474,080
Total Expenses	<u>11,486,010</u>	<u>13,018,573</u>	<u>8,837,588</u>
Net (Uses) of Funds	<u>\$ (10,694,140)</u>	<u>\$ (11,964,256)</u>	<u>\$ (7,853,731)</u>
<u>Triunfo Share:</u>			
<u>Total Revenues</u>			
Operating Revenues	\$ 310,189	\$ 431,112	\$ 391,326
Other Revenues	20,064	7,938	15,648
Total Revenues	<u>330,253</u>	<u>439,050</u>	<u>406,974</u>
<u>Total Expenses</u>			
Operating Expenses	\$ 3,395,782	\$ 3,690,859	\$ 3,355,797
Capital Project Expenses	1,643,712	1,817,282	547,310
Total Expenses	<u>5,039,494</u>	<u>5,508,141</u>	<u>3,903,107</u>
Net (Uses) of Funds	<u>\$ (4,709,241)</u>	<u>\$ (5,069,091)</u>	<u>\$ (3,496,133)</u>
Total JPA Net (Uses) of Funds	<u>\$ (15,403,381)</u>	<u>\$ (17,033,347)</u>	<u>\$ (11,349,864)</u>

Joint Powers Authority Operations
Quarterly Update - Comparison to Budget & Prior Year at March 31, 2010
FY09-10 Year to Date

	<u>FY 08-09 Actual YTD</u>	<u>FY 09-10 Budget YTD</u>	<u>FY 09-10 Actual YTD</u>
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Sewer	200,426	266,045	212,898
Waste Water Treatment	5,135,083	5,674,655	5,186,382
Composting	3,286,318	3,722,504	3,315,476
Farm Operation	128,878	98,325	158,010
Administration	680,004	721,918	645,328
Total Operating Expenses	<u>10,927,447</u>	<u>11,921,491</u>	<u>10,719,305</u>
Net Operating (Expenses)	<u>\$ (9,877,910)</u>	<u>\$ (10,455,124)</u>	<u>\$ (9,388,263)</u>

Las Virgenes - Triunfo Joint Powers Authority
Capital Improvement Project Status
March 31, 2010

Job # - Description	LY % TSD %	Prior Year Unexpended Appropriations	Current Year Appropriations	Current Year Expenditures	Contractual Commitments	Project Balance	LY Balance	TSD Balance
10184 - 8 mg/l Nitrogen Compliance-	70.6%	\$847,452	\$820,000	\$913,606	\$13,259	\$740,587	\$522,854	\$217,733
10257 - Fuel Cell Rplcment-Staff Labor	70.6%	\$280,000	\$0	\$0	\$0	\$280,000	\$197,680	\$82,320
10281 - 24" RW Pipeline-Mulhnd--Tapia	70.6%	\$276,744	\$4,550,000	\$396,370	\$2,365,045	\$2,065,329	\$1,458,122	\$607,207
10365 - Automate Sewer Plug	70.6%	\$35,968	\$0	\$86,913	\$0	(\$50,945)	(\$35,967)	(\$14,978)
10367 - Laboratory Equipment	70.6%	\$744	\$0	\$0	\$0	\$744	\$525	\$219
10386 - Clbsas City Cntr RW Extension	100.0%	\$0	\$220,000	\$0	\$0	\$220,000	\$220,000	\$0
10387 - Rancho Material Handling Imprv	70.6%	\$100,000	\$0	\$0	\$0	\$100,000	\$70,600	\$29,400
10388 - RLV: Steam Line Repairs	70.6%	\$110,000	\$0	\$0	\$0	\$110,000	\$77,660	\$32,340
10390 - RLV: Sludge Pump Upgrades	70.6%	\$161,500	\$0	\$0	\$0	\$161,500	\$114,019	\$47,481
10391 - RLV:Compost Reactor Bldg Ceilig	70.6%	\$176,500	\$160,000	\$31,030	\$0	\$305,470	\$215,662	\$89,808
10392 - RLV:Replace Centrate Line	70.6%	\$51,203	\$777,500	\$73,243	\$0	\$755,460	\$533,355	\$222,105
10393 - RW Storage Study	100.0%	\$143,058	\$200,000	\$4,713	\$0	\$338,345	\$338,345	\$0
10399 - Tapia Major Maintenance	70.6%	\$3,950	\$0	\$12,998	\$0	(\$9,048)	(\$6,388)	(\$2,660)
10402 - Rancho Groundwater Wells	70.6%	\$100,000	\$0	\$0	\$0	\$100,000	\$70,600	\$29,400
10404 - Tapia Tank Rehab - FY08-09	70.6%	\$170,000	\$0	\$68,685	\$0	\$101,315	\$71,528	\$29,787
10407 - Tank Renovation:Indian Hills	70.6%	\$199,242	\$0	\$26,572	\$10,788	\$161,882	\$114,289	\$47,593
10408 - Cathodic Protection Progrr-JPA	70.6%	\$36,296	\$0	\$4,646	\$0	\$31,650	\$22,345	\$9,305
10413 - Wstlk Village ComPark RW ExIn	100.0%	\$103,518	\$0	\$155,080	\$0	(\$51,562)	(\$51,562)	\$0
10418 - Rehab 18" RW Pipe (Tapia/MIhd)	70.6%	\$0	\$50,000	\$0	\$0	\$50,000	\$35,300	\$14,700
10420 - Thousand Oaks RW Pipeline Ext.	70.6%	\$0	\$105,000	\$0	\$0	\$105,000	\$74,130	\$30,870
10421 - GIS: Sani System Data Convnsion	70.6%	\$0	\$50,000	\$0	\$0	\$50,000	\$35,300	\$14,700

Job # - Description LV % TSD % Prior Year Unexpended Appropriations Current Year Appropriations Current Year Expenditures Contractual Commitments Project Balance LV Balance TSD Balance

10431 - Tapia Pump/Motor Rebid/Rpl	70.6%	29.4%	\$0	\$60,000	\$45,366	\$1	\$14,633	\$10,331	\$4,302
10432 - Tapia: Misc. Equipment, FY09-10	70.6%	29.4%	\$0	\$112,000	\$35,551	\$333	\$76,116	\$63,738	\$22,378
10433 - Rancho: Misc Equipment, FY09-10	70.6%	29.4%	\$0	\$210,000	\$166,617	\$0	\$43,383	\$30,628	\$12,755
Totals			<u>\$2,796,175</u>	<u>\$7,314,500</u>	<u>\$2,021,390</u>	<u>\$2,389,426</u>	<u>\$5,699,859</u>	<u>\$4,173,095</u>	<u>\$1,526,764</u>
Totals: Las Virgenes MWD			<u>\$2,046,593</u>	<u>\$5,287,517</u>	<u>\$1,474,080</u>	<u>\$1,686,935</u>	<u>\$4,173,095</u>		
Totals: Triunfo Sanitation District			<u>\$749,582</u>	<u>\$2,026,983</u>	<u>\$547,310</u>	<u>\$702,491</u>	<u>\$1,526,764</u>		

Footnotes

- 1 8 mg/l Nitrogen Compliance project is split for accounting and administrative purposes. Centrate Treatment and BNR expenditures are funded by WO10184.
- 2 Project was not continued into new fiscal year.
- 3 WO10360 and WO10407 were administered concurrently. Projects are completed.
- 4 Project is completed.
- 10 Additional installation and taxes were not included in project budget.
- 11 Project expenses include in-house project management and inspections.

**Las Virgenes - Triunfo Joint Powers Authority
Capital Improvement Projects Working Capital
Fiscal Year 2009-10 - through March 31, 2010**

Job # - Description	LV %	TSD %	Working Capital Requirement			Expenditures				
			per Budget	Current Est	LV Share	TSD Share	Total	LV Exp	TSD Exp	
10184 - 8 mg/l Nitrogen Compliance-	70.60%	29.40%	\$1,030,432	\$1,667,452	\$1,177,221	\$490,231	\$913,606	\$645,006	\$268,600	1
10257 - Fuel Cell Rplcment-Staff Labor	70.60%	29.40%	\$180,000	\$280,000	\$197,680	\$82,320	\$0	\$0	\$0	\$0
10281 - 24" RW Pipeline-Mulhnd--Tapia	70.60%	29.40%	\$4,827,362	\$4,826,744	\$3,407,681	\$1,419,063	\$396,370	\$279,837	\$116,533	
10365 - Automate Sewer Plug	70.60%	29.40%	\$0	\$35,968	\$25,393	\$10,575	\$86,913	\$61,361	\$25,552	4
10367 - Laboratory Equipment	70.60%	29.40%	\$0	\$744	\$525	\$219	\$0	\$0	\$0	\$0
10386 - Clbsas City Cntr RW Extension	100.00%	0.00%	\$220,000	\$220,000	\$220,000	\$0	\$0	\$0	\$0	\$0
10387 - Rancho Material Handling Imprv	70.60%	29.40%	\$0	\$100,000	\$70,600	\$29,400	\$0	\$0	\$0	\$0
10388 - RLV: Steam Line Repairs	70.60%	29.40%	\$0	\$110,000	\$77,660	\$32,340	\$0	\$0	\$0	\$0
10390 - RLV: Sludge Pump Upgrades	70.60%	29.40%	\$161,500	\$161,500	\$114,019	\$47,481	\$0	\$0	\$0	2
10391 - RLV:Compost Reactor Bldg Ceilig	70.60%	29.40%	\$336,500	\$336,500	\$237,569	\$98,931	\$31,030	\$21,907	\$9,123	
10392 - RLV:Replace Centrate Line	70.60%	29.40%	\$802,500	\$828,703	\$585,064	\$243,639	\$73,243	\$51,710	\$21,533	
10393 - RW Storage Study	100.00%	0.00%	\$340,000	\$343,058	\$343,058	\$0	\$4,713	\$4,713	\$0	
10399 - Tapia Major Maintenance	70.60%	29.40%	\$0	\$3,950	\$2,789	\$1,161	\$12,998	\$9,177	\$3,821	10
10402 - Rancho Groundwater Wells	70.60%	29.40%	\$100,000	\$100,000	\$70,600	\$29,400	\$0	\$0	\$0	
10404 - Tapia Tank Rehab - FY08-09	70.60%	29.40%	\$105,000	\$170,000	\$120,020	\$49,980	\$68,685	\$48,492	\$20,193	
10407 - Tank Renovation:Indian Hills	70.60%	29.40%	\$57,409	\$199,242	\$140,665	\$58,577	\$26,572	\$18,760	\$7,812	3
10408 - Cathodic Protection Prog-m-JFA	70.60%	29.40%	\$53,941	\$36,296	\$25,625	\$10,671	\$4,646	\$3,280	\$1,366	
10413 - Wstlk Village ComPark RW Extn	100.00%	0.00%	\$5,320	\$103,518	\$103,518	\$0	\$155,080	\$155,080	\$0	11
10418 - Rehab 18" RW Pipe (Tapia/MIhd)	70.60%	29.40%	\$50,000	\$50,000	\$35,300	\$14,700	\$0	\$0	\$0	
10420 - Thousand Oaks RW Pipeline Ext.	70.60%	29.40%	\$105,000	\$105,000	\$74,130	\$30,870	\$0	\$0	\$0	
10421 - GIS: Sani System Data Convnsion	70.60%	29.40%	\$50,000	\$50,000	\$35,300	\$14,700	\$0	\$0	\$0	

Job # - Description	LV %	TSD %	Working Capital Requirement			Expenditures			
			per Budget	Current Est	LV Share	TSD Share	Total	LV Exp	TSD Exp
10431 - Tapia Pump/Motor Rebid/Rpl	70.60%	29.40%	\$60,000	\$60,000	\$42,360	\$17,640	\$45,366	\$32,028	\$13,338
10432 - Tapia: Misc. Equipment, FY09-10	70.60%	29.40%	\$112,000	\$112,000	\$79,072	\$32,928	\$35,551	\$25,099	\$10,452
10433 - Rancho: Misc Equipment, FY09-10	70.60%	29.40%	\$210,000	\$210,000	\$148,260	\$61,740	\$166,617	\$117,632	\$48,985
Totals			\$8,806,964	\$10,110,675	\$7,334,110	\$2,776,565	\$2,021,390	\$1,474,080	\$547,310

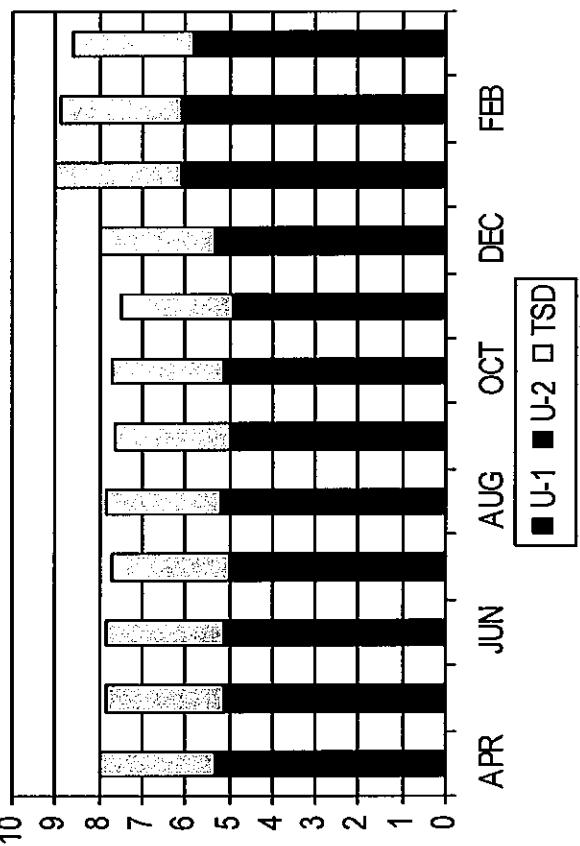
Footnotes

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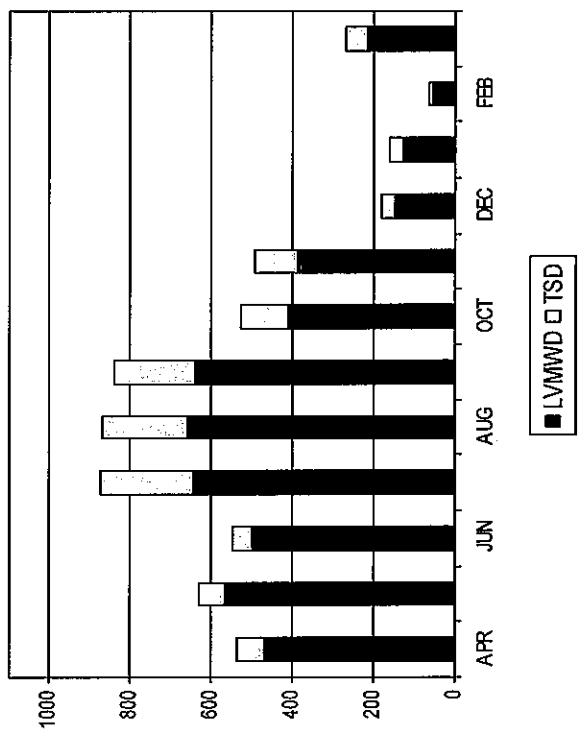
SPOTLIGHT on the JOINT POWERS AUTHORITY

3rd Quarter, FY09-10

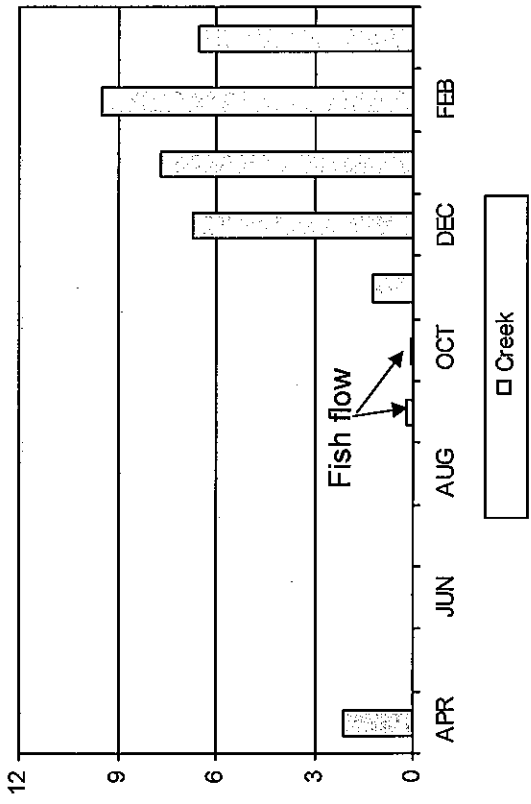
Tapia Sewage Flows (MGD)



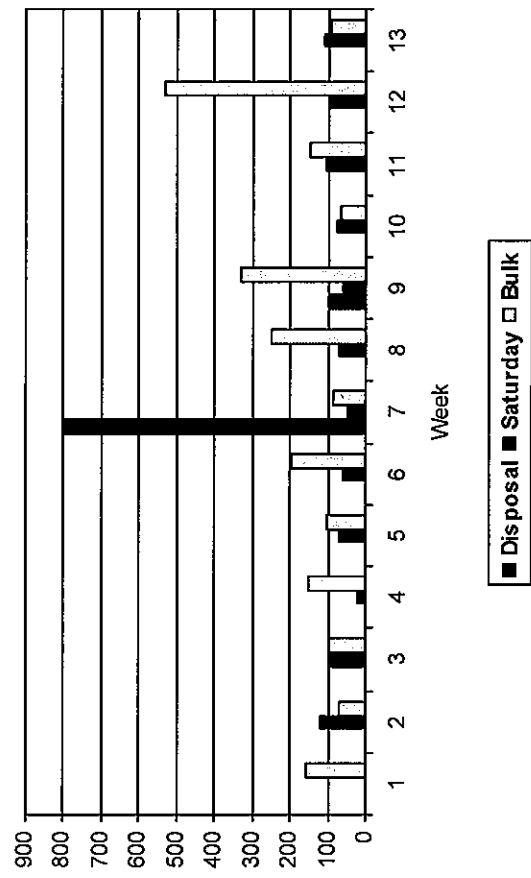
Deliveries to the Reclaimed System (AF)



Effluent Disposal (MGD)



Weekly Compost Marketing (CY)



May 17, 2010 JPA Board Meeting

TO: Boards of Directors
FROM: Administering Agent/General Manager

Subject: Federal Advocacy

SUMMARY

During the annual review of the General Manager the LVMWD Board of Directors requested that an agenda item be brought before the JPA Board to consider alternative options in continuing its federal advocacy efforts. This item is presented to the JPA Board for further discussion and direction.

RECOMMENDATIONS

- Allow the existing contract for federal advocacy to run through its scheduled termination date of December 31, 2010

DISCUSSION

The JPA currently retains the services of Patton Boggs LLP to represent its legislative and regulatory interests in Washington, DC. In February 2008, the JPA authorized an agreement for professional services with Patton Boggs which is scheduled to expire on December 31, 2010.

During the time Patton Boggs has represented the JPA, they have provided assistance in the last Tapia NPDES permitting process and provided a key communication with US EPA that generated significant information factoring into the last permit. They have facilitated several applications for federal participation in JPA projects, succeeded in gaining a \$3 million authorization for the JPA under the Water Resources Development Act (WRDA) and most recently assisted with the application that saw an award for \$1.8 million in recovery act funding through the Bureau of Reclamation for the 24-inch recycled water pipeline project currently under construction.

In addition, Patton Boggs has recently submitted applications for projects that will be considered for inclusion in the next federal budget, which is scheduled to become effective in October, with hearings on project applications scheduled to occur in coming weeks and months.

As applications were submitted, board members and staff have made visits to Washington legislative offices arranged for and escorted by Patton Boggs personnel. The purpose of those visits included discussions with staff on the applications submitted and seeking the support of house and senate elected officials.

On the negative side, federal funding is by no means a certainty. In the past two years, both political parties have chosen, at different times, to claim they reject the notion of "earmarked" project funding. Locally, Congressman Waxman has elected not to participate in earmarks and

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Congressman Gallegly had indicated he may support a JPA application, only to have his party reject earmarks shortly after our conversation with his office.

In the absence of earmarks, there are other routes to funding including defined programs such as WRDA, which is administered under the US Army Corps of Engineers, or under Title XVI funding administered by the Bureau of Reclamation. A third route manifested itself in the form of the American Recovery and Reinvestment Act of 2009 (ARRA), which was the source of partial funding for the 24-inch recycled water pipeline. Our experience has been that WRDA and Title XVI applications require a combination of great detail, tenacity and patience. Even so, such applications can take years to bear fruit. Having the support of a local congress member or US senator also helps. Now that the JPA has qualified for ARRA funding, and demonstrated it can deliver a project as agreed, it is likely future JPA applications would be viewed with favor based on past performance by the Bureau of Reclamation.

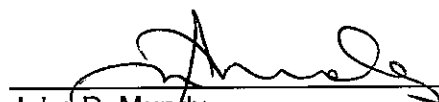
Recent congressional hearings explored the backlog of projects under both WRDA and Title XVI. While congress has expressed a desire for more action on approved projects, funding continues to be spotty and uncertain, driven to some extent by the state of the economy with the counterweight of concerns for the federal deficit.

Given that JPA project applications have been submitted for consideration in the federal budget for FY 2010-11, and that the Patton Boggs contract runs through the end of the calendar year, it would seem prudent to let this year's initiatives run their course. Termination of the Patton Boggs contract requires 30 days written notice, which would essentially end the JPA's services from that firm at the end of June, when committee hearings on budget items are expected to be nearing their busiest schedule.

After the current federal budget cycle, the JPA will be in a better position to evaluate the future of federal advocacy efforts. There will be additional insights rising from the results of the November election. Some options for the JPA to consider include a greater "hands-on" role for staff, continuance of a contractual federal advocacy relationship with an outside firm or termination of all JPA efforts in federal advocacy.

FINANCIAL IMPACT

Patton Boggs currently bills the JPA \$9,500 per month plus nominal incidental expenses. Under the current agreement period of slightly less than two years duration (February 2008 through December 2010), Patton Boggs expenses will total approximately \$235,000 for the current contract period, against already committed federal funding of \$1.8 million and a WRDA authorization for \$3 million (but to date no appropriation). Since 2005 the JPA has spent \$432,000 plus expenses for federal advocacy.


John R. Mundy Date 4/28/10
Administering Agent/General Manager

May 17, 2010 JPA Board Meeting

TO: Boards of Directors
FROM: Administering Agent/General Manager

Subject: Request to Consider Wholesale Recycled Water Rate Increase

SUMMARY

On May 10, 2010, the JPA Administering Agent General Manager received a letter from the Triunfo Sanitation District requesting an action item be placed on the May 17, 2010 JPA agenda for consideration of a 25% increase in the price of the wholesale water rate. This letter was submitted as a result of the Triunfo Board of Directors taking action at their April 26, 2010 meeting. This item is presented to the JPA Board of Directors for discussion and direction to staff.

RECOMMENDATION

- Not to increase the wholesale recycled water rate as suggested by the Triunfo Sanitation District letter dated May 10, 2010.

FINANCIAL IMPACT

Based on estimated sales of 6,160 acre-feet for FY 2009/10 a 25% increase in the recycled water wholesale rate will generate an additional \$114,514 per year of revenue from Las Virgenes MWD and Triunfo Sanitation District.

DISCUSSION

The wholesale recycled water rate for fiscal year 2009/10 was \$289.62. The preliminary JPA budget estimates the rate for fiscal year 2010/11 will be \$246.57. A 25% increase estimated for FY 2010/11 raises the rate to \$308.21. The Triunfo letter indicates that this increase is needed to "bridge concerns from both parties on the value in participation of certain recycled water projects".

As previously stated to the JPA Board, the wholesale recycled water rate recovers the costs of operating the recycled water system. Specifically, costs are related to electricity and operating labor. No capital recovery is included. Capital funding for the recycled system is provided by cash contributions from the JPA partners based on capital projects included in the annual budgets. Based on wholesale recycled water cost and retail recycled water rates set by the individual JPA partners, within their respective service areas, it appears excess revenue is generated by each agency to pay for capital expenditures when needed.

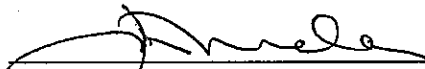
Therefore, several questions come to mind about the appropriateness of raising wholesale recycled water rates to cover capital cost as proposed. These include:

- Do the JPA partners already recover capital cost through cost of service analysis in setting their retail recycled water rates?
- Since retail agencies are required to set rates based on a cost of service analysis, what is the basis of increasing wholesale recycled water rates by 25%?
- Will increasing the wholesale recycled water rates cause the JPA partners to ultimately charge their customers twice for the same capital recovery needs?

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- Is it appropriate to shift capital recovery cost from retail consumers, who benefit from the improvements, to wholesale purchasers of recycled water?
- Does an increase in wholesale recycled water cost to wholesale purveyors' discourage a wholesaler from making future investments in its recycled water system thereby eliminating the opportunities to increase recycled water purchases in the future?

The JPA partners certainly need to be concerned about cost recovery and opportunities to increase revenues, if appropriate. However, selling recycled water is not just about revenue. The primary purpose of constructing a recycled water system was to provide the JPA with a system of disposal without having to rely upon Malibu Creek as its only disposal source. The necessity for disposal is even more so today considering the flow prohibition for Malibu Creek enacted by the Regional Water Quality Control Board in 1997.



John R. Mundy

Date

Administering Agent/General Manager



TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

May 10, 2010

LVMWD – TSD Joint Powers Authority
Attn: Administering Agent
4232 Las Virgenes Road
Calabasas, CA 91302

TRIUNFO SANITATION DISTRICT – LAS VIRGENES MUNICIPAL WATER DISTRICT JOINT POWERS AUTHORITY WHOLESALE RECYCLED WATER RATE – FISCAL YEAR 2010-2011

On April 5, 2010 the Triunfo Sanitation District – Las Virgenes Municipal Water District Joint Powers Authority (JPA) held a budget workshop and discussed significant related budget issues. Of particular interest to the Triunfo Sanitation District Board is the concept of funding JPA reclaimed water projects – including planning and implementation – through the JPA wholesale recycled water rate.

The JPA fiscal year 2010-11 (FY11) proposed wholesale recycled water rate is \$246.57 (down from \$289.62 in FY10). We understand that the wholesale recycled water rate is developed, based on the *anticipated* actual cost of producing the recycled water – and feel strongly that a component of that cost is the funding of recycled water related projects that benefit the JPA as a whole.

The JPA Board discussed the possibility of increasing the rate by 10% to cover added components of the reclaimed water system at the budget workshop. The TSD board further discussed the wholesale pricing of reclaimed water by the JPA at its April 26, 2010, board meeting. After discussion, the TSD board voted to request that a wholesale price of 25% above estimated production cost, or \$308.21 for FY11, be considered by the JPA board.

We request that the price for reclaimed water of \$308.21 which would be wholesale price used into the FY11 JPA budget, be considered as an action item on the agenda of the May 17, 2010, JPA meeting. The increased rate acknowledges the significant future costs of maintaining a viable recycled water system and will help bridge concerns from both parties on the value in participation of certain recycled water projects.

MICHAEL PAULE – CHAIRMAN, BOARD OF DIRECTORS

TED GRANDSEN, PRESIDENT
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DONALD R. KENDALL, Ph.D., P.E.
GENERAL MANAGER

web site: www.calleguas.com

2100 OLSEN ROAD • THOUSAND OAKS, CALIFORNIA 91360-6800 805/526-9323 • FAX: 805/522-5730 • FAX: 805/526-3675

April 23rd, 2010

Mark Lawler, District Manager
Triunfo Sanitation District
1001 Partridge Drive, Suite 150
Ventura, CA 93003-5562

Dear Mark,

At the AWA Symposium last week, a Board member from one of our local water districts told me there is a perception with some members of the Triunfo Board, that Calleguas is generating a tremendous amount of revenue from the sale of recycled water off of the Oak Park/North Ranch recycled water pipeline. This is the third time I have heard this, so I thought it would be helpful to provide some information which you can pass along to your Board.

Design and construction of the Oak Park/North Ranch pipeline, reservoir and pump station occurred between 1992 and 1995. The capital cost of \$8,379,000 was funded from COP's and annualized at \$545,066 per year. In 2009, the District replaced 1.4 miles of pipeline because of material defects at a capital cost of \$3,963,000. This was also funded out of bond proceeds at an annualized cost of \$257,799.

Operations and maintenance costs have been approximately \$26,000 per year, in addition to \$900,000 paid to repair five pipeline breaks between 1999 and 2008. As you are aware, Calleguas is part of a nationwide class action lawsuit against the pipeline manufacturer, JM Eagle, in an effort to recoup these funds.

I have attached a chart showing net revenues for this project. It also includes rebates from the Metropolitan Water District, which ceased a few years ago. As you can see, we will not break even until after 2025.

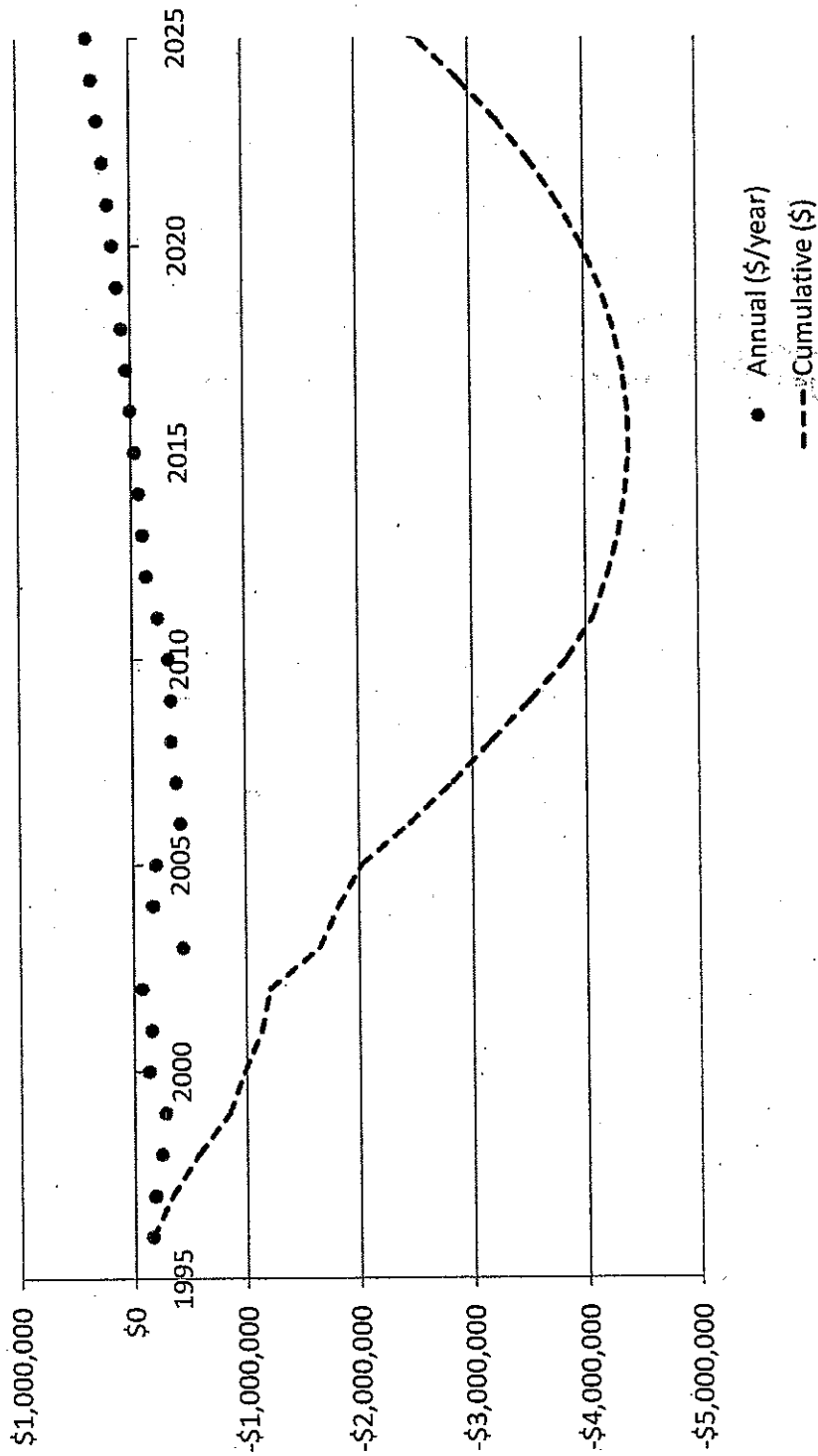
Very truly yours,

A handwritten signature in black ink, appearing to read "Don Kendall", is written over a faint, illegible typed name.

Donald R. Kendall, Ph.D., P.E.
General Manager

cc: Calleguas Board of Directors

Calleguas MWD Net Revenues for the Oak Park North Ranch Recycled Water System



May 17, 2010 JPA Board Meeting

INFORMATION ONLY

TO: Boards of Directors

FROM: Facilities & Operations

Subject: Call For Bids - Annual Weed Abatement at Various Facilities

Las Virgenes-Triunfo Joint Powers Authority approved funding for this matter in the Joint Powers Authority Budget. The Las Virgenes Board, as the administering agent, authorized a call for bids at the April 13, 2010 board meeting.

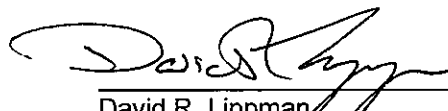
SUMMARY

Annually, the District must comply with the County of Los Angeles Weed Abatement Division notice to destroy weeds, remove brush, rubbish and refuse prior to the fire season. The work is required at the Tapia Water Reclamation Facility, Rancho Las Virgenes Composting Facility, and Reservoir 2. The entire cost for weed abatement, is expected to exceed \$25,000; however, the work will be bid as potentially 3 separate contracts to ensure both the lowest cost and the timely completion of the work by June 30th as approved by local fire officials.

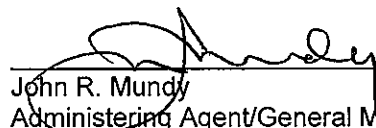
FINANCIAL IMPACT

The Fiscal Year 09-10 budget provides funding in the operating budget for weed abatement at all facilities.

Prepared By: Larry J. Miller, Water Systems and Facilities Manager

 5/3/10

David R. Lippman Date
Director of Facilities and Operations

 5/3/10

John R. Mundy Date
Administering Agent/General Manager

9(1)



TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

April 21, 2010

Board of Directors
Triunfo Sanitation District
Ventura County, California

RECYCLED WATER PROJECT PARTICIPATION

The Triunfo Sanitation District Board is proposing to defer participation in three recycled water capital improvement projects in the Las Virgenes Municipal Water District – Triunfo Sanitation District Joint Powers Authority (JPA) draft budget (Budget) for fiscal year 2010-2011.

The projects are identified in the Budget as:

<u>Project No.</u>	<u>Project Name</u>
10386	Calabasas East RW Pipeline Extension
10393	Recycled Water Storage Study
10420	Thousand Oaks RW Pipeline Extension

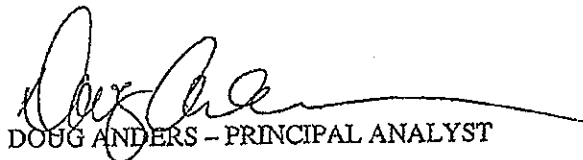
Article four (4) of the agreement between the agencies provides that a party may elect to not participate in certain recycled water system alterations or extensions. The identified projects meet the intent of Article Four, Section 25(b) of the agreement.

Factors influencing Triunfo Sanitation District's (Triunfo) future participation in these specific recycled water projects include clarification of Triunfo's obligations for effluent disposal relative to the Joint Exercise of Powers Agreement and the cost/benefit considerations of expanding the recycled water system.

Please call me at 658-4602 if you have any questions regarding this matter.


RECOMMENDATION

It is recommended the Board direct staff to transmit the attached letter, with proposed modifications, to the JPA Administering Agent.


DOUG ANDERS – PRINCIPAL ANALYST

Enc.

APPROVED FOR APRIL 26, 2010 AGENDA


Mark Lawler – District Manager

Item 14

1001 Partridge Drive, Suite 150 • Ventura, CA 93003-0704 • (805) 658-4605 • Fax (805) 658-4615

Printed on Recycled Paper

9(2)



TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

April 21, 2010

LVMWD – TSD Joint Powers Authority
Attn: Administering Agent
4232 Las Virgenes Road
Calabasas, CA 91302

RECYCLED WATER PROJECT PARTICIPATION – FISCAL YEAR 2010-2011

The Triunfo Sanitation District respectfully declines to participate in three recycled water capital improvement projects in the Las Virgenes Municipal Water District – Triunfo Sanitation District Joint Powers Authority (JPA) draft budget (Budget) for fiscal year 2010-2011.

The projects are identified in the Budget as:

<u>Project No.</u>	<u>Project Name</u>
10386	Calabasas East RW Pipeline Extension
10393	Recycled Water Storage Study
10420	Thousand Oaks RW Pipeline Extension

Article four (4) of the agreement between the agencies provides that a party may elect to not participate in certain recycled water system alterations or extensions. The identified projects meet the intent of Article Four, Section 25(b) of the agreement.

Factors influencing our decision to not participate in these specific recycled water projects include the need for clarification of Triunfo's obligation for effluent disposal relative to the Joint Exercise of Powers Agreement and our own cost/benefit considerations of expanding the recycled water system.

MICHAEL PAULE – CHAIRMAN, BOARD OF DIRECTORS

Item 15



TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

April 14, 2010

Board of Directors
Triunfo Sanitation District
Ventura County, California

LAS VIRGENES - TRIUNFO SANITATION DISTRICT JOINT POWERS AUTHORITY WHOLESALE RECYCLED WATER RATE

The following table identifies the wholesale recycled water rates established by the Las Virgenes - Triunfo Sanitation District Joint Powers Authority (JPA).

<u>Agency</u>	<u>FY06-07</u>	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY09-10</u>	<u>Proposed FY10-11</u>
Las Virgenes Valley	\$195.09	\$115.19	\$106.90	\$164.77	\$136.91
LVMWD	\$323.70	\$241.04	\$213.14	\$289.62	\$246.57
Triunfo Sanitation District	\$323.70	\$241.04	\$213.14	\$289.62	\$246.57

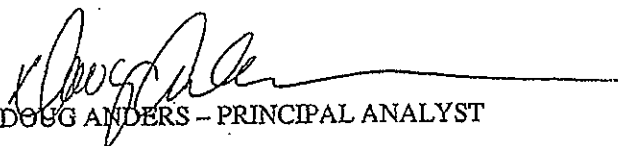
Unit charges per Acre Foot delivered.

The JPA develops the wholesale recycled water rate to recover the annual cost of operating the JPA recycled water system.

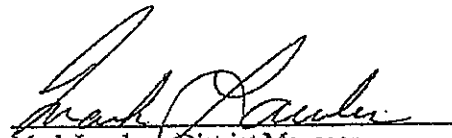
Please call me at 658-4602 if you have any questions regarding this matter.

RECOMMENDATION

- a. This item is presented for Board discussion and direct staff as appropriate.


DOUG ANDERS - PRINCIPAL ANALYST

APPROVED FOR APRIL 26, 2010 AGENDA


Mark Lawler - District Manager



**TRIUNFO
SANITATION
DISTRICT**

A PUBLIC AGENCY

April 14, 2010

Board of Directors
Triunfo Sanitation District
Ventura County, California

CONTRACT NO T92-16 REGARDING PURCHASE OF WHOLESALE RECLAIMED WATER

Provided for you information is the agreement between Calleguas Municipal Water District (CMWD), Triunfo Sanitation District (TSD) and Las Virgenes Municipal Water District (LVMWD) regarding the purchase of wholesale reclaimed water.

Condition number six (6) of the agreement prescribes the price per acre foot for the sale and purchase of the reclaimed water between the parties. There is no term defined in the agreement.

Please call me at 658-4602 if you have any questions regarding this matter.


DOUG ANDERS – PRINCIPAL ANALYST

Enc.

APPROVED FOR APRIL 26, 2010 AGENDA


Mark Lawler – District Manager

Contract No. T92-16
AGREEMENT
REGARDING
PURCHASE OF WHOLESALE RECLAIMED WATER
AMONG
CALLEGUAS MUNICIPAL WATER DISTRICT,
TRIUNFO COUNTY SANITATION DISTRICT, AND
LAS VIRGENES MUNICIPAL WATER DISTRICT

This Agreement is made this 28th day of September, 1992 by and among Calleguas Municipal Water District, hereinafter referred to as "Calleguas", Triunfo County Sanitation District, hereinafter referred to as "Triunfo", and Las Virgenes Municipal Water District, hereinafter referred to as "LVMWD"

RECITALS

WHEREAS, Calleguas, as a member public agency of the Metropolitan Water District of Southern California ("Metropolitan"), is the sole wholesale purchaser and supplier within its service area of water developed, stored, and distributed by Metropolitan;

WHEREAS, Triunfo is authorized under Division 5, Part 3 of the California Health and Safety Code, commencing with Section 4700, to collect, treat and dispose of sewage and its by-products as well as distribute water for domestic and municipal purposes;

WHEREAS, LVMWD is authorized under the Municipal Water District Law of 1911 to develop and distribute water for domestic and municipal purposes as well as to collect, treat and dispose of sewage and its by-products;

WHEREAS, LVMWD as a member public agency of Metropolitan, is the sole purveyor within its service area of water developed, stored and distributed by Metropolitan;

WHEREAS, Triunfo and LVMWD have entered into a Joint Powers Agreement as authorized under Title 1, Division 7 of the California Government Code commencing with Section 6500 for the purpose of forming a Joint Venture ("Joint Venture") to transport and treat sewage, and disposing of its by-products through the use of jointly owned and operated facilities within their combined service areas;

WHEREAS, Joint Venture has obtained approval to distribute reclaimed water originating at the Tapia Water Reclamation Facility from the California Regional Water Quality Control Board - Los Angeles Region, pursuant to Order No. 87-86 ("Order") and any additional orders supplementary or amendatory thereof, attached for reference as Exhibit "A";

WHEREAS, Triunfo and LVMWD are empowered to enter into separate contracts necessary to carry out their purposes and to cooperate with other entities in regard to production and distribution of reclaimed water.

16-2

AGREEMENT

NOW, THEREFORE, in consideration of the conditions set forth below, IT IS AGREED AS FOLLOWS:

1. This agreement shall cover the purchase, sale, transmission, and distribution of reclaimed water for the Oak Park/North Ranch Reclaimed Water Distribution Project and shall cover those areas shown on Exhibit "B" ("Project Service Area").
2. Joint Venture will be responsible for the design, construction, operation and maintenance for all facilities necessary to convey reclaimed water to the Project service area boundary of Calleguas.
3. Triunfo agrees to sell to Calleguas and Calleguas agrees to buy from Triunfo, reclaimed water in variable quantities up to and including all of Triunfo's entitlement with the Joint Venture to reclaimed water produced from the sewage originating within the Project portion of Triunfo's service area. Triunfo and Calleguas have reviewed the anticipated demands of the Project, and subject to any conditions or terms contained herein, Triunfo warrants its entitlement from the Joint Venture is adequate to meet those discussed and all anticipated demands on an annual basis.
4. There is a firm source of reclaimed water adequate on an annual basis to provide for the Project Service Area as well as the combined demands of all other projects and uses currently served by the Joint Venture.
5. All parties acknowledge that from time to time during certain peak demand periods, the quantity of reclaimed water available from the Tapia Water Reclamation Facility may not be adequate to meet the demands for reclaimed water by all projects and uses currently served by the Joint Venture; Triunfo, Las Virgenes Municipal Water District and the Joint Venture, shall be under no obligation to provide water from any supplemental sources to meet said demands.
6. The price per acre foot for the sale and purchase of the reclaimed water shall be the then current prevailing wholesale reclaimed water rate the Joint Venture charges to its participants plus a surcharge to be determined from time to time solely by Triunfo of not less than a total of ten (\$10) per acre foot nor more than five percent (5) of the Joint Venture wholesale rate per acre foot to pay for Triunfo's administrative, management, technical and related costs associated with its obligations under this agreement.
7. Triunfo and LVMWD acknowledge that Calleguas is under no obligation to purchase a minimum amount of reclaimed water and that no penalties will be incurred by Calleguas for not purchasing minimum amounts of reclaimed water.

8. Reclaimed water conveyance facilities within the Calleguas service area will be financed, designed, constructed, operated and maintained by Calleguas for wholesale delivery to its purveyors within the Project Service Area. Calleguas will negotiate separate agreements with its purveyors on a case by case basis for ultimate wholesale reclaimed water connection and service.
9. Calleguas acknowledges Triunfo and LVMWD have expended funds on planning and design for wholesale and retail delivery of reclaimed water with the Project area. Triunfo and LVMWD agree to have Calleguas take over sole responsibility for the delivery of wholesale reclaimed water within the Project Service Area.
10. Calleguas will reimburse Triunfo and LVMWD for all payments, documented via copies of invoices and canceled checks, made to third parties such as, but not limited to, planners, environmental consultants, engineers, geologists, appraisers, attorneys, landowners, etc., for their services or rights granted as the rights or services were related to the facilities needed for wholesale delivery of reclaimed water within the service area of Calleguas. As of July 1, 1992, these costs are estimated to be one million dollars (\$1,000,000), as shown in Exhibit "C". Calleguas acknowledges work is continuing on this project and additional expenses will be incurred by Triunfo and LVMWD up to the date of transfer of responsibility which expenses will be beneficial to the wholesale portions of the project within the Calleguas service area. It is the intent of the parties such additional costs will be included in the reimbursement to be paid from Calleguas to Triunfo and LVMWD.
11. Triunfo, acting on behalf of Joint Venture, has entered into an agreement with the Rancho Simi Recreation and Park District for the purpose of acquiring easements for portions of the Project wholesale facilities. Work on other easements is in progress with Pardee Construction Company and the Metropolitan Water Company. Triunfo agrees to acquire the easements and transfer its rights and obligations under those agreements to Calleguas at which time reimbursement of project payments as described in item 10 will be made.
12. Triunfo, LVMWD, Calleguas and Metropolitan have entered into an agreement providing for Metropolitan's financial support for the wholesale portion of Project. Triunfo and LVMWD agree to relinquish their interest in said agreement upon transfer of project responsibility to Calleguas which will occur upon reimbursement by Calleguas to Triunfo and LVMWD as described in item 10.

13. Delivery of reclaimed water to Calleguas will be from Joint Venture facilities commonly known as the Western Reclaimed Water System. The Joint Venture warrants sufficient minimum hydraulic grades will be maintained in the Western Reclaimed Water System under normal day to day operation, at the point of connection at the boundary of the Calleguas service area, to allow for adequate system delivery.
14. The Joint Venture warrants the quality of reclaimed water from the Tapia Water Reclamation Facility meets or exceeds all current federal, state, county and Joint Venture established standards as displayed in Exhibit "D". The Joint Venture agrees to defend, indemnify and hold harmless Calleguas, its Board of Directors and employees in the event any action or claim is made against Calleguas because the reclaimed water fails to meet the established standards set forth in Exhibit B. D. In the event a claim or action is brought against Calleguas relative to the sale, usage or distribution of reclaimed water within Calleguas' service area which has been purchased from Triunfo, Triunfo's obligation to defend, indemnify and hold harmless Calleguas, shall be discharged by Triunfo evidencing the reclaimed water has met the established standards set forth in Exhibit "D".
15. Calleguas warrants it is familiar with industry standards for the transmission storage, and distribution of reclaimed water. Calleguas agrees to defend, indemnify, and hold harmless Triunfo, its Board of Directors and employees as well as LVMWD, its Board of Directors and employees from any claim arising out of Calleguas' activities related to wholesaling reclaimed water to its purveyors.
16. Calleguas warrants it is familiar with applicable state statutes and regulations regarding permitted uses and monitoring those uses of reclaimed water and agrees to enforce said status and regulations with its purveyors in a manner that will not jeopardize Order and report its actions to Joint Venture as may be required to protect the Joint Venture's Order.
17. Calleguas agrees to adopt, as soon as practicable, a resolution covering at least the Project portion of its service area requiring maximum reclaimed water use by all of its purveyors to the extent such use is reasonable and reclaimed water is made available by Calleguas.
18. All parties acknowledge and agree the Project is not supported by Triunfo and/or LVMWD property taxes in any way, direct or indirect, and therefore the transfer of responsibility for the wholesale portion of the Project from Triunfo and LVMWD to Calleguas is not intended to involve the adjustment of the property taxes of any of the parties under the provisions of the California Revenue Code.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first above written.

APPROVED AS TO FORM:

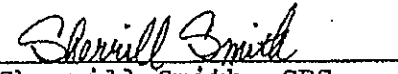
CALLEGUAS MUNICIPAL WATER DISTRICT

By: 
Legal Counsel

By: 
General Manager

ATTEST:

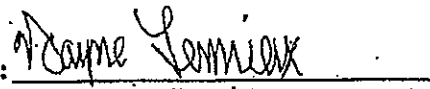
TRIUNFO COUNTY SANITATION DISTRICT


By: 
Sherrill Smith, CPS,
Clerk of the Board

By: 
Ronald Stark, Chairman


APPROVED AS TO FORM:

LAS VIRGENES MUNICIPAL WATER DISTRICT

By: 
Wayne K. Lemieux
District Counsel

By: 
Glen Peterson
President

ATTEST:

By: 
Harold V. Helsley
Secretary