



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

MINUTES
REGULAR MEETING

9:00 AM

May 19, 2020

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Len Polan.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **9:00 a.m.** by Board President Lewitt via teleconference in the Board Room at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road, Calabasas, CA 91302. The meeting was conducted via teleconference pursuant to the provisions of the Governor's Executive Order, N-29-20, which suspended certain requirements of the Ralph M. Brown Act to support social distancing guidelines associated with response to the coronavirus (COVID-19) pandemic. Josie Guzman, Clerk of the Board, conducted the roll call.

Present: Directors Charles Caspary, Jay Lewitt, Lynda Lo-Hill, Len Polan, and Lee Renger

Absent: None

Staff Present: David Pedersen, General Manager
Joe McDermott, Director of Engineering and External Affairs
Don Patterson, Director of Finance and Administration
John Zhao, Director of Facilities and Operations
Josie Guzman, Clerk of the Board
Wayne Lemieux, District Counsel

2. APPROVAL OF AGENDA

Director Polan moved to approve the agenda. Motion seconded by Director Lo-Hill. Motion carried unanimously by roll call vote.

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

Director Lo-Hill pulled Item 4D from the Consent Calendar for discussion.

A List of Demands: May 19, 2020: Receive and file

B Minutes Regular Meeting of May 5, 2020: Adopt

C Directors' Per Diem – April 2020: Ratify

Director Caspary moved to approve the Consent Calendar Items 4A, 4B, and 4C. Motion seconded by Director Lo-Hill. Motion carried unanimously by roll call vote.

4. CONSENT CALENDAR – SEPARATE ACTION ITEM

D Contract Laboratory Services: Amendment of Purchase Order

Authorize the General Manager to extend the term and increase the amount of the annual purchase order to Weck Laboratories, Inc., by \$40,000, from \$60,000 to \$100,000, for contract laboratory services.

Director Lo-Hill moved to approve Item 4D. Motion seconded by Director Caspary.

John Zhao, Director of Facilities and Operations, responded to questions regarding the Request for Quotations (RFQ) process for laboratory services and the expanded regulatory requirements.

Director Caspary suggested that laboratory services for water and wastewater-related testing be separated when the RFQ is reissued later in the year.

Motion carried unanimously by roll call vote.

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A MWD Representative Report

Glen Peterson, MWD Representative, provided a brief update regarding the recruitment process for the MWD General Manager position and MWD's litigation against the California Department of Fish and Wildlife and the Department of Water Resources, challenging the Final Environmental Impact Report and the California Endangered

Species Act Incidental Take Permit for the Long-Term Operation of the State Water Project. He reported that the MWD Board adopted the Water Standby Charge for Fiscal Year 2020/21; approved a contract with Best Best & Krieger LLP for legal services related to the Surface Mining and Reclamation Act; authorized an agreement with Sespe Consulting, Inc., for preparation of Surface Mining and Reclamation Act reclamation plans and environmental documentation; and approved an agreement with Computer Aid, Inc., for a new Information Technology Service Management System. He also reported that Abby Schneider was recently hired as MWD's Federal Legislative Representative.

B Legislative and Regulatory Updates

Joe McDermott, Director of Engineering and External Affairs, reported that the House of Representatives introduced the Helping Emergency Responders Overcome Emergency Situations Act of 2020 (HEROES Act), which proposes a \$3 trillion stimulus package in response to the COVID-19 pandemic. He stated there would be negotiations between the House of Representatives and the Senate regarding the proposed act. He also reported that a revised State budget was introduced on May 14th, which showed a \$54.3 billion deficit. He noted that Governor Gavin Newsom indicated he would not move forward with the proposed Climate Resiliency Bond, which would have included funding for recycled water and potable reuse projects. He provided an update regarding SB 1099 (Dodd) related to emergency generator testing, and noted that the proposed bill would be considered by the Senate Standing Committee on Environmental Quality on May 29th. He noted that the Chair, Senator Benjamin Allen, expressed reservations regarding an exemption to the limited 20-hour run time for emergency generator testing and maintenance. He also noted that Senator Bill Dodd would collaborate with Senator Steven Glazer to ensure that the bill would be considered by the Committee. He reported that Syrus Devers from Best Best & Krieger, the District's lobbyist, and representatives from the California Mutual Utilities Association would hold a teleconference with the South Coast Air Quality Management District to discuss emergency generator run times.

General Manager David Pedersen reported that he, Board President Lewitt, Mr. McDermott and Mr. Devers held a teleconference with Senator Henry Stern on May 6th to discuss the District's response to COVID-19, assistance for ratepayers affected by COVID-19, and support for SB 1099. He noted that they specifically asked Senator Stern for his assistance in having SB 1099 go before the Senate Environmental Quality Committee. He also noted that Senator Stern remained focused on wanting to support renewable energy investments such as solar and battery; however, Senator Stern offered to discuss emergency generator testing with Senator Allen.

A discussion ensued regarding reaching out to the District's customers to ask that they contact the Senator to seek support for SB 1099.

C Water Supply Conditions Update

Joe McDermott, Director of Engineering and External Affairs, presented the report. He addressed the State Water Project Allocation, which would likely remain at 15 percent for State Water Contractors.

General Manager David Pedersen responded to questions regarding the Lake Mead Shortage/Surplus Outlook and the 2018 Colorado River Agriculture Use tables.

6. **TREASURER**

Director Lo-Hill stated that the Treasurer's report was in order.

7. **BOARD OF DIRECTORS**

A Response to Coronavirus (COVID-19) Pandemic: Amended and Reenacted Emergency Declaration with Additional Relief for Customers

Pass, approve, and adopt proposed Resolution No. 2576, amending and reenacting the declaration of a local state of emergency due to the novel coronavirus (COVID-19) pandemic, and authorizing waiving service initiation fees for commercial customers who temporarily closed their accounts due to hardship associated with COVID-19.

RESOLUTION NO. 2476

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT AMENDING RESOLUTION NOS. 2572 AND 2574, STATE OF EMERGENCY DUE TO THE NOVEL CORONAVIRUS (COVID-19) PANDEMIC AND AUTHORIZING ACTIONS TO SUPPORT THE RESPONSE AND RECOVERY EFFORT

(Reference is hereby made to Resolution No. 2576 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

General Manager David Pedersen presented the report.

Ursula Bosson, Customer Service Manager, presented the proposal to waive service initiation fees for customers who temporarily closed their accounts due to hardships associated with COVID-19. She also provided an update on customer-related impacts of COVID-19, including customer calls, payment plan arrangements, a comparison of yearly balances due, payment numbers and totals comparing current and previous year/month data, and customers' use of on-line features. She responded to a question regarding the possibility of implementing a temporary policy for commercial customers who were not currently using water and who continue to pay the sanitation and readiness to serve charges by stating that she could run a report to determine the number of commercial customer accounts showing zero usage.

A discussion ensued regarding the Board granting the General Manager authority to waive charges retroactively for commercial customer accounts reflecting zero usage.

Director Renger moved to approve Item 7A with the addition of authorizing the General Manager to approve adjustments retroactively as discussed. Motion seconded by Director Polan.

Board President Lewitt requested that COVID-19 relief measures for ratepayers be listed on the District's website.

Motion carried unanimously by roll call vote.

8. FACILITIES AND OPERATIONS

A **Energy Storage and Resiliency Capability Feasibility Assessment: Award**

Authorize the General Manager to execute a Professional Services Agreement with TerraVerde Energy, in the amount of \$59,925, to perform an investment-grade feasibility assessment on implementation of a battery energy storage system project.

General Manager David Pedersen provided introductory remarks.

John Zhao, Director of Facilities and Operations, presented the report.

Director Renger moved to approve Item 8A. Motion seconded by Director Polan.

Mr. Zhao responded to questions regarding TerraVerde Energy conducting the feasibility assessment of a battery energy storage system project and battery lifecycles.

Motion carried unanimously by roll call vote.

B **Mulholland Highway Bridge over Triunfo Creek Water Main: Replacement Project: CEQA Determination and Call for Bids**

Find that the work is categorically exempt from the provisions of California Find that the work is categorically exempt from the provisions of California Environmental Quality Act and authorize the issuance of a Call for Bids for the Mulholland Highway Bridge over Triunfo Creek Water Main Replacement Project.

General Manager David Pedersen provided introductory remarks.

Veronica Hurtado, Assistant Engineer, presented the report.

Director Polan moved to approve Item 8B. Motion seconded by Director Lo-Hill.

Ms. Hurtado responded to a question regarding coordinating construction of the new 14-inch water main project with construction of the County's permanent replacement bridge. She also responded to a question regarding the possibility of expediting this project by

stating that she could bring back a recommendation to award the project at the July 21, 2020 Board meeting.

Eric Schlageter, Principal Engineer, noted that the majority of the permanent bridge construction would need to be completed before the new water main could be installed. He also noted that this project had the potential of being reimbursed by the Federal Emergency Management Agency (FEMA), and the District needed to ensure that all procurement guidelines are followed.

Motion carried unanimously by roll call vote.

9. ENGINEERING AND EXTERNAL AFFAIRS

A Comprehensive Water Conservation Plan for Fiscal Years 2020-22

Provide feedback on options for a Weather Based Irrigation Controller Cost Share Program, and receive and file the Comprehensive Water Conservation Plan for Fiscal Years 2020-22.

Dave Roberts, Resource Conservation Manager, presented the report and PowerPoint presentation, which included an overview of the *Making Conservation a California Way of Life* framework, plans for compliance with new and emerging regulations, and current conservation efforts.

Joe McDermott, Director of Engineering and External Affairs, responded to a question regarding the possibility of passing on any administrative fines imposed on the District to wasteful water users for violation of the *Making Conservation a California Way of Life* regulations. He also responded to a question regarding reducing projected water use by as much as 3,000 acre-feet per year to meet the state-mandated targets by 2027 by stating that the reduction could be as low as 2,500 acre-feet per year once the District's Urban Water Management Plan is updated in 2021.

General Manager David Pedersen addressed water agencies' compliance with the state-mandated water budget targets by 2027 by stating that compliance with the new regulations would be difficult; however, the District was well prepared by having implemented budget based rates and planning to move forward with the Automatic Meter Reading/Advanced Metering Infrastructure Project. He also highlighted the value of the Pure Water Project Las Virgenes-Triunfo, which would provide a potable reuse credit that would count towards reaching water-use efficiency targets.

Mr. Roberts presented the proposed Fiscal Years 2020-22 Comprehensive Water Conservation Plan. He reviewed the four options for the District's Weather-Based Irrigation Controller Program and noted that Option No. 3 would provide an incentive to all District customers to install a smart irrigation controller to improve irrigation efficiency.

Director Polan moved to approve Item 9A. Motion seconded by Director Lo-Hill.

Directors Caspary, Lo-Hill, and Renger expressed support for Option No. 3.

Director Caspary suggested that staff consider funding Option No. 3 from revenues associated with wasteful water use penalties. He also suggested reaching out to customers to inform them of how much they could save annually by irrigating efficiently based on the data that the District has on file for each property.

Board President Lewitt suggested that the District not subsidize the purchase and installation of smart irrigation controllers for all customers due to the current economic conditions and to revisit the issue once the economy improves. Mr. Roberts responded that customers might choose to go forward with a do-it-yourself installation, which could result in controllers not being properly installed.

General Manager David Pedersen noted that it was important to be aware that the District paid for the smart irrigation controller program entirely from penalty revenue. He also noted that there was sufficient penalty revenue to fund a one-time program for the next two years.

Board President Lewitt stated that he wanted to ensure it was clear that if the penalty revenue is not used for this program that it could be used for other conservation programs. General Manager David Pedersen responded that staff works to identify one-time uses for penalty revenue and not on-going operational needs. He stated that penalty revenue would be dedicated to support conservation and assist customers who generate the penalty revenue to reduce their water usage. He also stated that Option No. 3 would provide a level program that would be available to all customers, and the incentive could be increased or decreased depending on demand.

Board President Lewitt suggested that staff explore options for the District to spend less money on the program and perhaps revisit it in three to six months.

Motion carried unanimously by roll call vote.

10. INFORMATION ITEMS

A **Collection and Write-Off of Aged Accounts Receivables**

Director Caspary acknowledged staff for providing the report.

11. NON-ACTION ITEMS

A **Organization Reports**

Director Caspary reported that he participated in the Association of California Water Agencies (ACWA) State Legislative Committee Meeting on May 15th, where they discussed that Governor Newsom's office decided not to support the Climate Resiliency Bond. He noted that ACWA had discussed the voluntary agreements process, and noted that the water users had expressed interest in negotiating the voluntary agreements instead of going before a judge. He also reported that ACWA was currently monitoring

the regulations and economic feasibility analysis development of a hexavalent chromium maximum contaminant level. He noted that hexavalent chromium could be a carcinogen when it is aerosolized, and that he was not aware of any data that indicated that it is a health hazard in drinking water. He noted that agencies would need to address maximum contaminant levels for hexavalent chromium, and suggested that the District would need to publicize the proposed benefits and costs of the regulations. He also reported that ACWA would hold a virtual conference in July, which would be cost-effective for attendance.

B Director's Reports on Outside Meetings

None.

C General Manager Reports

(1) General Business

General Manager David Pedersen addressed the hexavalent chromium maximum contaminant level, which was set aside by the Court because it found that the State Water Resources Control Board did not adequately evaluate the cost effectiveness of the new regulation. He noted that a copy of a comment letter sent to the State Water Resources Control Board regarding its *White Paper on Economic Feasibility Analysis in Consideration of a Hexavalent Chromium Maximum Contaminant Levels* was provided to the Board. He also noted that the District was not affected by hexavalent chromium. He explained that the State prepared the report explaining how difficult it was to evaluate the cost effectiveness, and he expressed concern that this was not sufficient because the law requires an evaluation of cost effectiveness. He also reported that the Triunfo Water & Sanitation District (TWSD) Board of Directors held a Proposition 218 hearing on May 18th, and approved a five-year rate plan for its sanitation and potable water rates. He noted that although some opposition was received from customers regarding the timing of the rate increases, most of the public speakers acknowledged the importance of the Pure Water Project Las Virgenes-Triunfo. He stated that the TWSD Board took the time to explain the history of the project, which was part a negotiated settlement of litigation and necessary to comply with strict regulatory standards for Malibu Creek. He also reported that the Association of Water Agencies of Ventura County would hold its first virtual WaterWise Breakfast meeting on May 21st, which would be sponsored by the District at Board President Lewitt's suggestion. He noted that MWD General Manager Jeffrey Kightlinger would be the featured speaker, who would discuss the voluntary agreements and the current conflict between the state and federal governments regarding the coordinated operation of the State Water Project and Central Valley Project. He mentioned that several upcoming conferences would be changing from in-person conferences to virtual conferences, and Clerk of the Board Josie Guzman would provide information regarding the conference dates and registration. He noted that Dr. Gary Lysik, Calabasas City Manager, had tendered his resignation, and Robert Yalda, Director of Public Works, would serve as the Acting City Manager while the City of Calabasas conducts interviews for an Interim City Manager. He also noted that this week was the second annual recognition of Special Districts Week, and he encouraged District customers to engage in the work that the District conducts, share their input, and follow

what happens at the special district level. He provided an update regarding the District's response to COVID-19 and noted that employees were continuing to work remotely and with alternate work schedules. He noted that management staff was working on developing initial plans for a phased return to work plan. He also noted that the District's website regarding COVID-19 information was reorganized to make it more user-friendly at the suggestion of Board President Lewitt. He discussed a recent editorial in *The Acorn*, which cast the District in an unfavorably light and relied on inaccurate information. He noted that Board President Lewitt sent a response, which was published in the most recent edition of *The Acorn*. He also noted that Board President Lewitt's response indicated that the District was not currently considering any rate increases or adjustments. He recommended that given a pattern of inaccurate reporting and editorializing the District in a negative light the District take a hiatus from placing paid advertisements in *The Acorn* and shift advertisements to the *Calabasas-Las Virgenes Enterprise*.

Director Polan moved to request a future agenda item for a discussion regarding *The Acorn*. Motion seconded by Director Lo-Hill.

The Board asked that the report include the amount spent advertising in *The Acorn*, how *The Acorn* has treated the District historically, and communications with *The Acorn*.

Board President Lewitt requested an update on when the Board may return to live Board meetings, including social distancing guidelines.

(2) Follow-Up Items

General Manager David Pedersen noted that follow-up items included providing information regarding high water-use customers who request payment plans and reporting back on the best approach to protect the amendment receiving facilities at the Rancho Las Virgenes Composting Facility from future wildfire risk.

D Directors' Comments

Director Polan noted a difficulty with rain barrels due to very slow flow from them by gravity, and he requested information on pumps that could be used to draw water from rain barrels. General Manager David Pedersen responded that staff would bring back information on the issue.

12. FUTURE AGENDA ITEMS

There were no additional Future Agenda Items.

13. PUBLIC COMMENTS

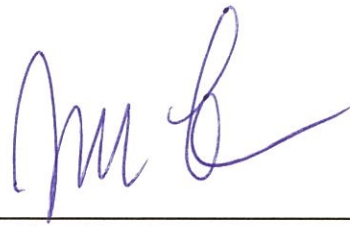
None.

14. CLOSED SESSION

None.

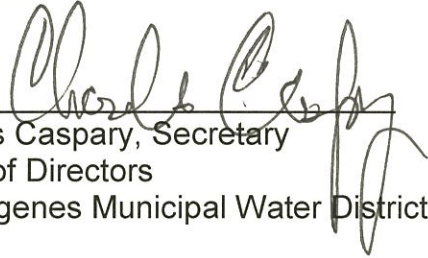
15. OPEN SESSION AND ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **12:03 p.m.**



Jay Lewitt, President
Board of Directors
Las Virgenes Municipal Water District

ATTEST:



Charles Caspary, Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)

