



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

MINUTES
REGULAR MEETING

9:00 AM

June 2, 2020

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Charles Caspary.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **9:03 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) outbreak. 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
Keith Lemieux, District Counsel

2. APPROVAL OF AGENDA

Director Caspary moved to approve the agenda. Motion seconded by Director Polan.

Motion carried unanimously by roll call vote.

3. **PUBLIC COMMENTS**

None.

4. **CONSENT CALENDAR**

A **List of Demands: June 2, 2020: Receive and file**

B **Minutes Regular Meeting of May 19, 2020: Approve**

C **Claim by LionHeart Ranch**

Deny the claim by LionHeart Ranch.

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

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

A **Legislative and Regulatory Updates**

Syrus Devers, the District's lobbyist representing Best Best & Krieger LLP, reported that SB 1099 (Dodd) related to emergency generator testing was passed by the Senate Standing Committee on Environmental Quality, and the proposed bill would be sent to the Senate Appropriations Committee for consideration. He noted that some language in the proposed bill would need to be amended to address economic feasibility. He also provided an update regarding the State Legislative Analyst Office's outlook regarding the state budget deficit. He noted that Governor Gavin Newsom had estimated a \$54 billion deficit in the May revise; however, the State Legislative Analyst Office estimated an \$18 billion to \$31 billion deficit, depending on the type and speed of economic recovery. He stated that Governor Newsom proposed budget cuts in education and healthcare unless the federal government provides financial assistance; however, the Assembly expressed concern with crafting a budget with the assumption that there would be federal assistance. He also stated that the Assembly was not in support of budget cuts to education and healthcare as a means to balance the state budget. He noted that a revision to the state budget would occur in August. He also provided an update regarding SB 625 (Bradford), Central Basin Municipal Water District Receivership, which would temporarily dissolve the current Board of Directors and designate the Water Replenishment District of Southern California to act as the Receiver of the District for 18 months.

B **Water Supply Conditions Update**

Joe McDermott, Director of Engineering and External Affairs, presented the report. He noted that the 2020 State Water Project allocation was increased to 20 percent.

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: Continuation of Emergency

Approve the continuation of an emergency declaration for response to the coronavirus (COVID-19) pandemic.

General Manager David Pedersen presented the report.

Ursula Bosson, Customer Service Manager, 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 noted that a credit would be given to commercial accounts that had zero usage in March and/or April. She addressed commercial accounts that normally have zero usage and stated that these customers would not automatically receive a credit if they had two months or more of zero usage in the past 12 months before the COVID-19 pandemic. However, if these customer accounts were closed due to the COVID-19 pandemic, the customers may contact the District and request payment relief, which would be considered on a case-by-case basis. She also noted that hotels in the District's service area have not had near the occupancy levels as they had prior to the COVID-19 pandemic; however, some pay a monthly fixed water charge of more than \$7,000. She stated that staff would bring back a recommendation for payment relief for the Board's consideration. She responded to questions regarding a comparison of active accounts with a balance due over 32 days from the previous month by stating the number had decreased due to Customer Service staff reaching out to customers to ask whether they might need to make payment arrangements. She also noted that customers enrolled in a payment plan were not included in the comparison.

General Manager David Pedersen responded to questions regarding employees' exposure to COVID-19 and testing employees for the virus by stating that no employees had contracted the virus. He noted that a draft, phased return to on-site work plan was being developed, which would not include a recommendation for testing or taking employees' temperatures. He also noted that the plan would include guidance to employees requesting that they not come to work if they feel ill.

Board President Lewitt asked staff to explore what other water districts have implemented for payment relief for hotel fixed water charges and conducting Board meetings in the return to on-site work plan.

Director Lo-Hill moved to approve Item 7A. Motion seconded by Director Polan. Motion carried unanimously by roll call vote.

8. FINANCE AND ADMINISTRATION

A Monthly Cash and Investment Report: April 2020

Receive and file the Monthly Cash and Investment Report for April 2020, and provide feedback for investment in the Local Agency Investment Fund or its alternatives.

Don Patterson, Director of Finance and Administration, presented the report. He reviewed alternatives to investing in the Local Agency Investment Fund (LAIF), and recommended that the Board consider investing \$2 million to \$5 million in the California Asset Management Program (CAMP).

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

A discussion ensued regarding Government Code Section 16429.3, which prohibits funds on deposit from local governments, including special districts, to be transferred, loaned, impounded, or seized by any State official or agency.

The Board expressed interest in having staff bring back a report to consider investing in CAMP.

Motion carried unanimously by roll call vote.

B Financial Review: Third Quarter of Fiscal Year 2019-20

Receive and file the financial review for the third quarter of Fiscal Year 2019-20.

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

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

Ms. Saccareccia responded to questions regarding a Potable Water Operating deficit shown for March 2019 by stating that it could be due to the timing of expenditures. She stated that she would review the report and provide a more detailed response. She also responded to questions regarding the Sanitation Operating deficit for November 2019 by stating that it was the result of paying off the 2009 Sanitation Refunding Revenue Bond.

Motion carried unanimously by roll call vote.

9. ENGINEERING AND EXTERNAL AFFAIRS

A Automatic Meter Reading/Advanced Metering Infrastructure Project: Award of Contract for Procurement Services

Find that the work is exempt from the provisions of the California Environment Quality Act, and authorize the General Manager to execute an agreement with Ferguson Enterprises, LLC, in the amount of \$9,740,470, for the Automatic Meter Reading/Advanced Metering Infrastructure Project.

Joe McDermott, Director of Engineering and External Affairs, presented the report and PowerPoint presentation.

The Board recessed to a break at 10:30 a.m. and reconvened at 10:36 a.m.

Mr. McDermott continued the PowerPoint presentation.

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

Mr. McDermott responded to questions regarding the 15-year cost comparison of manual meter reading versus AMI.

Sean Works and Andy Bohn, representing Neptune Technology Group, responded to questions regarding radio frequency waves emitted from smart meters and the need for public education.

A discussion ensued regarding the smart meters survey, proposed opt-out policy, and meeting water use reduction goals by 2027.

Mr. Bohn and Mr. Works responded to questions regarding the smart meter battery warranty and accelerated life testing.

Motion carried unanimously by roll call vote.

**B Automatic Meter Reading/Advanced Metering Infrastructure Project:
Authorization of Installation Purchase Agreement**

Pass, approve, and adopt proposed Resolution No. 2577, authorizing the General Manager to execute an installment purchase agreement with Key Government Finance, Inc., in the amount of \$10,100,000, for the Automatic Meter Reading/Advanced Metering Infrastructure Project.

RESOLUTION NO. 2577

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT APPROVING THE EXECUTION AND DELIVER OF AN INSTALLMENT PURCHASE AGREEMENT FOR THE PURPOSE OF FINANCING THE ACQUISITION AND INSTALLATION OF SMART METERS AND OTHER WATER SYSTEM IMPROVEMENTS AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS

(Reference is hereby made to Resolution No. 2577 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

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

Greg Swartz, Bond Counsel representing Piper Sandler, provided an overview of the proposed financing for the Automatic Meter Reading/Advanced Metering Infrastructure Project.

Director Caspary moved to approve Item 9B. Motion seconded by Director Polan. Motion carried unanimously by roll call vote.

**C Automatic Meter Reading/Advanced Metering Infrastructure Project:
Award of Project Management Services**

Accept the proposal from MeterSYS, Inc., and authorize the General Manager to execute a professional services agreement, in the amount of \$379,245, for project management services to implement the Automatic Meter Reading/Advanced Metering Infrastructure Project.

Ursula Bosson, Customer Service Manager, presented the report.

Director Polan moved to approve Item 9C. Motion seconded by Director Caspary.

Joe McDermott, Director of Engineering and External Affairs, responded to a question regarding MeterSYS, Inc.'s proposal, which included a more competitive hourly rate as compared to the other proposals received.

Motion carried unanimously by roll call vote.

**D Jim Bridger Road and Long Valley Road Pipeline Replacement Project:
Call for Bids**

Find that the work is exempt from the provisions of the California Environmental Quality Act and authorize the issuance of a call for bids for the Jim Bridger Road and Long Valley Road Pipeline Replacement Project.

Oliver Slosson, Senior Engineer, presented the report.

Director Caspary moved to approve Item 9D. Motion seconded by Director Renger.

Joe McDermott, Director of Engineering and External Affairs, responded to a question regarding detecting leaks in the area by stating that a pipeline assessment study would be done to identify areas for pipe replacement.

Motion carried unanimously by roll call vote.

10. **INFORMATION ITEMS**

A Claim by Rebas, Inc., dba Toyota Material Handling Solutions

11. **NON-ACTION ITEMS**

A Organization Reports

None.

B Director's Reports on Outside Meetings

None.

C General Manager Reports

(1) General Business

General Manager David Pedersen thanked the Board for its support of the Automated Meter Reading/Advanced Metering Infrastructure Project. He also acknowledged staff on their efforts in bringing this project forward. He also reviewed the upcoming calendar of events.

(2) Follow-Up Items

General Manager David Pedersen reviewed the list of Follow-up Items.

D Directors' Comments

A brief discussion ensued regarding the status of the County of Los Angeles' project to replace the bridge on Mulholland Highway over Triunfo Creek.

12. **FUTURE AGENDA ITEMS**

General Manager David Pedersen noted that staff would bring back an item for the Board's consideration regarding investment in the California Asset Management Program (CAMP).

13. **PUBLIC COMMENTS**

None.

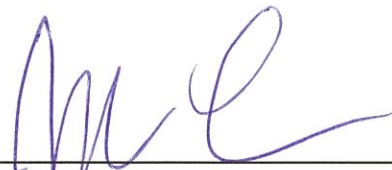
14. **CLOSED SESSION**

None.

15. OPEN SESSION AND ADJOURNMENT

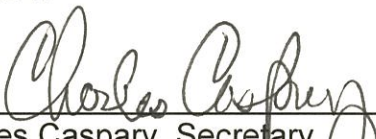
Seeing no further business to come before the Board, the meeting was duly adjourned at **12:09 p.m.**





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

ATTEST:



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

(SEAL)

