



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

**MINUTES**  
**REGULAR MEETING**

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9:00 AM

August 18, 2020

**PLEDGE OF ALLEGIANCE**

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

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

Motion carried unanimously by roll call vote.

**3. PUBLIC COMMENTS**

None.

**4. CONSENT CALENDAR**

**A List of Demands: August 18, 2020: Receive and file**

**B Minutes Regular Meeting of August 4, 2020: Approve**

**C Directors' Per Diem July 2020: Ratify**

**D Fiscal Year 2019-20 Capacity Fee Report**

**Receive and file the Fiscal Year 2019-20 Capacity Fee Report.**

**E License Agreement for Microsoft Office 365**

**Authorize the General Manager to execute a three-year license agreement with Kambrian Corporation, in the amount of \$92,943, for the purchase of 115 licenses of Microsoft Office 365**

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

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

**A Legislative and Regulatory Updates**

Joe McDermott, Director of Engineering and External Affairs, provided an update regarding AB 3030 (Kalra), California Land and Ocean Conservation Goals. He stated that the intent of the bill was to conserve 30% of California's land and water resources; however, water was not defined in the bill's language. He reported that the bill passed in the Senate Natural Resources and Water Committee and would be considered by the Senate Appropriations Committee on August 19th. He expressed concern that the bill could lead to conflict and litigation. He also reported that Syrus Devers from Best Best & Krieger, the District's lobbyist, would attend the Appropriations Committee meeting, and the District would send another letter in opposition of the bill unless amended. He provided an update regarding SB 1099 (Dodd) related to emergency backup generator testing. He noted that this bill was not moving forward; however, the South Coast Air Quality Management District (SCAQMD) offered a proposal to change its rules to deal with exceeding runtime limits during a Public Safety Power Shutoff (PSPS) event and to address testing and maintenance.

Mr. McDermott responded to a question regarding whether staff had reached out to Senator Henry Stern regarding concerns with SB 3030 by stating that a letter was sent in opposition unless amended; however, Senator Stern voted in favor of the bill. General Manager David Pedersen added that it was expected that the Senate Appropriations Committee would hold the bill in suspense, otherwise the District would ask that Governor Gavin Newsom veto the bill.

## **B Water Supply Conditions Update**

Joe McDermott, Director of Engineering and External Affairs, presented the update.

## **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.**

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.

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

### **B Local Agency Formation Commission: Election of Independent Special District Alternate Representative**

**Select a candidate to serve as the Local Agency Formation Commission Independent Special District Alternate Representative, and authorize the General Manager to execute and return the official voting ballot by September 25, 2020.**

General Manager David Pedersen presented the report and recommended that the Board consider selecting Melvin L. Matthews to serve as the Local Agency Formation Commission Independent Special District Alternative Representative.

Director Caspary moved to select Melvin L. Matthews as the candidate to serve as the Local Agency Formation Commission Independent Special District Alternate Representative, and authorize the General Manager to execute and return the official voting ballot by September 25, 2020. Motion seconded by Director Lo-Hill.

Director Lo-Hill mentioned that she met Richard Atwater, Director from Foothill Municipal Water District and Director on the Metropolitan Water District of Southern California (MWD) Board of Directors, who recommended selecting Melvin L. Matthews.

Motion carried unanimously by roll call vote.

## **8. FINANCE AND ADMINISTRATION**

### **A 2020 Rate Study: Financial Analysis and Revenue Requirements**

**Review and provide feedback on the draft financial analysis and revenue requirements prepared by Raftelis Financial Consultants, Inc., for the 2020 Rate Study.**

Don Patterson, Director of Finance and Administration, presented the report and a PowerPoint presentation summarizing the District's financial analysis and revenue requirements, goals, adjustments, options, and future drivers for the five-year period of 2021 through 2025.

Sanjay Gaur, representing Raftelis Financial Consultants, Inc., provided a PowerPoint presentation summarizing the District's financial plan and sales assumptions.

Joe McDermott, Director of Engineering and External Affairs, responded to questions regarding the projected decrease in recycled water sales due to the planned installation of recycled water advanced metering infrastructure and increased water conservation.

General Manager David Pedersen responded to a question regarding the last time the District used 17,000 acre-feet of potable water per year by stating that it likely occurred in 2015 during the height of the drought. He noted that the District used over 20,000 acre-feet of water in 2007. He stated that staff could revisit the potable water sales assumptions if the Board desired. He also stated that the potable water sales assumptions needed to be as accurate as possible in predicting future water sales for the District to avoid financial challenges associated with overestimating sales.

Mr. Gaur continued the PowerPoint presentation and reviewed the potable water rate adjustment scenarios, sanitation financial plan including the Pure Water Project Las Virgenes-Triunfo (Pure Water Project) assumptions, and rate adjustment scenarios.

Mr. McDermott responded to a question regarding a comparison of rates with other agencies by stating that staff conducts an annual rate comparison that is posted on the District's website. He also stated that he would provide a copy of the link to the Board.

Mr. Patterson responded to a question regarding the Pure Water Project's five-year construction period and contribution from potable water to purchase the water from the Pure Water Project, which would not occur until after the five-year period. He noted that the Potable Water Enterprise would pay for operations and maintenance of the Pure Water Project and would not contribute towards the capital cost of the project.

General Manager David Pedersen noted that the rate adjustment scenarios for sanitation were lower compared to the rate scenarios for potable water, and staff would bring back sample impacts to a typical customer. He discussed the debt financing and noted that the District's financial principles included pay-go financing and seeking grant funds for projects.

Mr. Gaur continued the PowerPoint presentation and reviewed the recycled water financial plan, rate adjustment scenarios, and next steps.

Mr. Patterson recommended that the Board proceed with Option No. 3 for a hybrid approach of a lower revenue adjustment in 2021, followed by even revenue adjustments for 2022 through 2025, and recommended that the Board annually review the impacts of the rate changes.

A discussion ensued regarding having the rate study include the rationale for cost increases and the need to issue debt for the Sanitation Enterprise to fund the Pure Water Project.

Board President Lewitt expressed an interest in understanding the proposed rate increase impacts for different size households and receiving a summary of rate adjustments made by other water districts since April 2020.

Following additional discussion, it was the unanimous consent of the Board for staff to bring back rate adjustment Scenario Nos. 1 and 3 for potable water and sanitation and rate adjustment Scenario No. 1 for recycled water for the upcoming cost of service analysis presentation.

## **B Update on California Public Employees Retirement System**

### **Receive and file an update on the California Public Employees Retirement System.**

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

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

Mr. Patterson responded to a question regarding whether the District could leave CalPERS due to increased investment in private equity by stating that it was possible; however, it would be expensive because the District's entire obligation for current and past employees would become due. He also responded to a question regarding whether the District had any influence by stating that the District's influence was likely minimal; however, should there be an effort from the California Special Districts Association or the League of California Cities, the District might have greater influence by joining efforts with these organizations.

General Manager David Pedersen discussed the importance of paying attention to the CalPERS Board of Directors elections and voting for candidates who would be good fiduciaries of the public funds.

Director Caspary noted that during the Association of California Water Agencies (ACWA) Region 8 conference call on August 12th, a discussion was held regarding CalPERS and AB 2473 (Cooper) regarding public investment funds, which would exempt CalPERS from certain transparency reporting requirements. He stated that ACWA staff indicated that the League of California Cities was supporting legislation to allow CalPERS to avoid reporting on private equity investments. He also stated that he agreed that supporting CalPERS Board candidates who would be good fiduciaries was critical. He referred to an article in *The Wall Street Journal* regarding the investigations by CalPERS staff of the former Chief Investment Officer's financial reporting requirements and that the Chief Investment Officer made some errors on his initial Statement of Economic Interests Form 700 filing where he had clear conflicts by owning positions in investments that he was recommending for CalPERS. He expressed concern regarding possible financial impacts to the District's employees based on CalPERS' investments. He stated that he would forward a copy of the article to the General Manager so that he may share it as appropriate.

Angela Saccareccia, Finance Manager, responded to a question regarding the amount of discount the District receives for early payment of its CalPERS contributions by stating that the amount was approximately \$46,000.

Motion carried unanimously by roll call vote.

**C Assembly Bill 2473 (Cooper), Public Investment Funds: Oppose**

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

Director Caspary moved to oppose Assembly Bill 2473 (Cooper), Public Investment Funds. Motion seconded by Director Renger.

General Manager David Pedersen responded to a question regarding the status of the proposed bill by stating that he believed the bill would be destined for failure, and noted that Assemblymember Cooper had pulled the bill from consideration by the Appropriation Committee. Regardless, he explained that it would be worthwhile for the Board to take an oppose position.

Motion carried unanimously by roll call vote.

**9. ENGINEERING AND EXTERNAL AFFAIRS**

**A Mulholland Highway Bridge over Triunfo Creek Water Main Replacement Project: Construction Award**

**Award a construction contract to Unified Field Services Corporation, in the amount of \$199,653.85, and reject all remaining bids upon receipt of duly executed contract documents for the Mulholland Highway Bridger over Triunfo Creek Water Main Replacement Project.**

Veronica Hurtado, Assistant Engineer, presented the report.

Director Renger moved to approve Item 9A. Motion seconded by Director Polan.

Ms. Hurtado responded to a question regarding the contractor's experience by stating that the contractor had performed major pipeline installation work in Central California; however, she was unaware of any pipeline work performed locally. She noted that the contractor provided the best price on the same materials compared to the bids received from the other contractors, which resulted in an overall lower bid. Eric Schlageter, Principal Engineer, added that staff felt comfortable with the contractor's references and with the contractor's performance of similar work in other areas. He also stated that contractors determine the amount of mark-up to apply to materials when suppliers provide their pricing.

Motion carried unanimously by roll call vote.

**B On-Call Pipeline Repair and Paving/Concrete Services: Award**

**Award initial two-year construction contracts to Toro Enterprises, Inc., in the amount of \$700,000 for pipeline repair and paving services and \$100,000 for paving and patching services, with renewal option for a maximum term of five years.**

Oliver Slosser, Senior Engineer, presented the report.

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

**C Jim Bridger and Long Valley Road Water Main Replacement Project: Construction Award**

**Award a construction contract to Toro Enterprises, Inc., in the amount of \$564,689; reject all remaining bids upon receipt of the duly executed contract documents; and appropriate \$708,185.67 for the Jim Bridger and Long Valley Road Water Main Replacement Project.**

Mercedes Acevedo, Assistant Engineer, presented the report.

Director Caspary moved to approve Item 9C. Motion seconded by Director Lo-Hill.

Director Caspary asked staff to evaluate the merits of asking the contractor to replace the segment of pipeline that recently experienced a break on Long Valley Road.

Motion carried unanimously by roll call vote.

**10. NON-ACTION ITEMS**

**A Organization Reports**

Director Caspary reported that the Association of California Water Agencies (ACWA) Region 8 held a conference call on August 12th for the State Legislative Committee to

review several legislative bills. He also mentioned that the ACWA State Legislative Committee held a teleconference on August 14th; however, he did not attend.

## **B Director's Reports on Outside Meetings**

Director Lo-Hill reported that she attended the Water Education Foundation Headwaters Virtual Tour on August 6th, which included a virtual tour from the Sierra Nevada Mountains to Folsom Lake. She noted that the group virtually toured the King Fire burn site, Meadows Restoration site, and UC Berkeley's Blodgett Forest Research Station. She noted that Andy Fecko, General Manager of Placer County Water Agency, mentioned that his agency would be investing proactively to prevent wildfires in its service area.

Board President Lewitt reported that he attended the California Association of Sanitation Agencies (CASA) Virtual Conference on August 12th and 13th. He mentioned that staff from East Bay Municipal Utility District (EBMWD) shared workforce transitions related to COVID-19, and noted that it was the first agency in California to deal with the virus when it needed to remove the sanitation from a ship that was off its shore. He also noted that EBMWD had to restore water service to over 500 customers after it was not allowed to shutoff water service. He stated that 1,000 of the 2,000 EBMWD employees were telecommuting, 12 employees had tested positive for COVID-19, and out of 270 wastewater employees, only one had tested positive, though it was unknown where the employee contracted the virus. He noted that Amy Kirby from the Centers for Disease Control (CDC) provided an update on wastewater-based epidemiology efforts. He stated that there was discussion regarding testing for COVID-19 from sanitation and testing was being conducted from sanitation from assisted living facilities and colleges. He noted that Ms. Kirby mentioned that lab results were received much quicker from a private lab as opposed to a public or university lab. He also stated that the amount of COVID-19 detected could be broken down by neighborhood, and the District could then potentially notify cities to inform residents whenever there was an increase in COVID-19 in their areas. He also stated that Eric Saperstein, CASA's Federal Legislative Advocate, spoke to him regarding disadvantaged communities, also known as DACS, which were showing support from California legislators.

## **C General Manager Reports**

### **(1) General Business**

General Manager David Pedersen reported that Director Lo-Hill had informed him of the Rock Pool Fire on August 16th, which was adjacent to the Tapia Water Reclamation Facility. He noted that the Los Angeles County Fire Department extinguished the fire quickly. He also reported that Governor Gavin Newsom declared a State of Emergency due to extreme heat conditions and rolling blackouts that affected portions of California. He stated that rolling blackouts were indicative of some of the challenges facing California collectively with the transition to renewable energy. He noted that there were many solar generation facilities coming on-line; however, solar generation creates the "duckbill curve" where at the end of the day when the sun sets solar generating capability drops off the grid and there is a need to pick up high-energy demand periods. He noted that the key



problem time was from 3:00 p.m. to 10:00 p.m., and the Governor called upon all utilities to do everything possible to generate their own energy and reduce their demand on the grid between those hours. He also noted that the Governor's declaration included provisions to suspend rules and regulations regarding running emergency generators, which was what the District had sought to change with SB 1099 (Dodd) related to emergency generator testing regulations. He stated that the majority of the Governor's declaration would have been unnecessary if the regulatory change had occurred to support the District in the use of emergency backup generators. He noted that staff would begin to operate the Tapia Water Reclamation Facility on back-up generator power at 3:00 p.m., which would take approximately 2,200 kilowatts of demand off the grid during the peak hours. He stated that staff would track the costs associated with running the emergency back-up power in case the District might be able to recoup those costs. He reported that potable water demands had increased from 15 million gallons per day (MGD) to 22 MGD, and the recycled water system was being supplemented by 1.7 MGD of potable water. He also reported that Malibu Creek flows were at 6.8 cubic feet per second (CFS); therefore, fish flow supplement was not needed.

(2) Follow-Up Items

General Manager David Pedersen stated that he would provide an updated follow-up items list to the Board, which would include new items for the JPA and proposed changes to the Weather-based Irrigation Controller Program.

**D Directors' Comments**

Board President Lewitt asked the Board to consider providing reports on outside meetings during JPA meetings for attendance at California Association of Sanitation Agencies (CASA) and other sanitation-related conferences.

**11. FUTURE AGENDA ITEMS**

Director Lo-Hill moved to have a future agenda item regarding a water quality analysis associated with Las Virgenes Reservoir including consideration of cyanobacteria, quagga mussels, iron and manganese, dissolved oxygen, phosphorus, calcium, stratification, and modeling of the reservoir. Motion seconded by Director Polan.

A discussion ensued regarding whether Director Lo-Hill's request might be more appropriate for a JPA Board meeting. Keith Lemieux, District Counsel, advised that the Board President could take the request and recommend that it be added to the JPA Board meeting agenda.

**12. PUBLIC COMMENTS**

None.

**13. CLOSED SESSION**


**A Conference with Legal Counsel – Potential Litigation (Government Code Section 54956.9(d)(2) and (e)(1)): One Matter**

The Board recessed to Closed Session at 11:24 a.m. and reconvened to Open Session at 11:47 a.m.

Keith Lemieux, District Counsel, reported that the Board met in Closed Session to receive a report, and there was no reportable action.

**14. OPEN SESSION AND ADJOURNMENT**

Seeing no further business to come before the Board, the meeting was duly adjourned at 11:47 a.m.



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

ATTEST:



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

(SEAL)