



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

MINUTES
REGULAR MEETING

9:00 AM

February 2, 2021

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Joe McDermott.

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

Motion carried unanimously by roll call vote.

3. PUBLIC COMMENTS

Joe McDermott, Director of Engineering and External Affairs, introduced new employee Robert Thurman, Field Customer Service Representative I, who was hired in January. Mr. Thurman expressed his appreciation for the opportunity to work for the District.

Don Patterson, Director of Finance and Administration, introduced new employee Perseus Ancheta, Technology Support Specialist, who was hired in November. Mr. Ancheta expressed his appreciation for the opportunity to work for the District.

4. CONSENT CALENDAR

A List of Demands: February 2, 2021: Receive and file

B Minutes Regular Meeting of January 19, 2021: Approve

D Response to Coronavirus (COVID-19) Pandemic: Continuation of Emergency

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

Director Lo-Hill moved to approve the Consent Calendar. Motion seconded by Director Caspary.

Director Polan asked to pull Item 4C for discussion.

Director Lo-Hill amended the motion to approve Consent Calendar Items 4A, 4B, and 4D. Amended motion seconded by Director Renger. Motion carried unanimously by roll call vote.

4. CONSENT CALENDAR – SEPARATE ACTION ITEM

C Water Supply Conditions Update: Receive and file

Director Polan inquired whether a more recent update was available. General Manager David Pedersen responded that he would send the most recent information to the Board, and noted that water supply conditions were below average.

Director Polan moved to approve Item 4C. Motion seconded by Director Caspary. 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, noted that the federal and state legislative updates were provided at the Las Virgenes – Triunfo Joint Powers Authority meeting on February 1st, and he had no further updates.

6. TREASURER

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

7. FINANCE AND ADMINISTRATION

A Proposed Potable Water, Recycled Water, and Sanitation Rates for 2021 – 2025: Public Hearing and Adoption

Conduct a public hearing on the proposed potable water, recycled water, and sanitation rates; and, upon conclusion of the public hearing and in the absence of a majority protest: (1) find that the recommended actions are exempt from the provisions of the California Environmental Quality Act; and (2) pass, approve, and adopt proposed Resolution No. 2587, revising the District's potable water, recycled water, and sanitation rates for 2021 through 2025.

RESOLUTION NO. 2587

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT REVISING POTABLE WATER, RECYCLED WATER, AND SANITATION RATES

(Reference is hereby made to Resolution No. 2587 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

Board President Lewitt provided introductory remarks regarding the conduct of the public hearing for the District's proposed potable water, recycled water, and sanitation rates.

Josie Guzman, Clerk of the Board, noted that the District mailed a notice of public hearing to all property owners and customers of the District, and a copy of the notice was provided in the agenda packet. She also noted that a notice of public hearing was published in *The Las Virgenes and Calabasas Enterprise* newspaper on January 14 and 21, 2021, and posted at three public locations throughout the District's service area: District Headquarters, Westlake Village City Hall, and Agoura Hills City Hall. She also noted that virtual community meetings were held on January 13, 21, and 26, 2021, and recordings of the meetings were posted on the District's website.

General Manager David Pedersen provided a PowerPoint presentation with a summary of the Proposition 218 process, rates change drivers, the District's commitment to keeping rates low, and the District's guiding principles for rate setting.

Don Patterson, Director of Finance and Administration, continued the PowerPoint presentation and reviewed the elements of the rate study, summary of the proposed rate

adjustments, and outreach efforts.

Board President Lewitt opened the public hearing at 9:34 a.m.

Director Caspary moved to approve Item 7A. Motion seconded by Director Polan.

Gerry Brennan declared his protest to the proposed rate increases. He commended the District on its efforts overall; however, he stated that his concern was due to the \$160 million cost of the Pure Water Project Las Virgenes-Triunfo (Pure Water Project). He commented that initially the project was in response to a fine imposed by the U.S. Environmental Protection Agency for the quality of the recycled water discharged to Malibu Creek in the winter. He noted that currently human health standards for drinking water were not acceptable for discharge into Malibu Creek. He stated that the long-term effects of man-made water contaminants coming to light in scientific studies on animals were more important than creating a new source of drinking water. He also stated that drier weather conditions were predicted for the future; however, the State indicated that the average rainfall was the same over the last several decades. He noted that seven feet of snow fell in Mammoth last week, and the snowpack was two-thirds of what it should be by April 1st. He commented that numerous efforts were taking place at the State and other governmental levels to plan for drier years, such as the Delta Conveyance Project. He also commented that District customers were using less water, which was one of the reasons the District was seeking to raise water rates. He stated that the cost of the Pure Water Project would be a long-term risk to the health of the local community for less clean water that should be eliminated. He expressed concern with the use of financial resources from customers for the Pure Water Project, and for the District accepting accolades for adopting this new technology. He commented that chemical technology was difficult to understand and it was very diverse. He stated that he would not protest if customers needed to pay more due to inflation, for cleaner water, and to improve creek drainage; however, he felt that customers should not pay for less clean water from the Pure Water Project. He suggested that the project should be terminated, and expressed concern that after reading news releases and reviewing the project's frequently asked questions that there would be a health risk due to the project. He stated that he did not believe that science was aware of everything regarding technology, including the chemistry and how the project would affect people.

Director Lo-Hill addressed Mr. Brennan and asked for clarification on his statement regarding customers paying for less clean water. Mr. Brennan responded that from reading the news releases and the frequently asked questions regarding the Pure Water Project, not all of the chemical components that could potentially be from wastewater or runoff would be eliminated from going into the reservoir. He stated that the Pure Water Project would be different from the process used in Orange County, which allows water to seep into the ground. He also stated that he believed when the water is taken from the reservoir, the disinfection process would not remove the chemicals no matter how small, and the diversity of the chemicals that would be put into the reservoir were unknown.

Ms. Guzman noted that two written comments were received from customers, and copies of the written comments, along with staff's responses, were provided to the Board. She

also noted that two protests were received by the District, including the one from Mr. Brennan. She explained that the District would need to receive 10,634 protest votes, which would equal to one-half the number of customers in the service area plus one, to constitute a successful majority protest.

Board President Lewitt noted there was no majority protest that would prevent the District from approving the matter, and he closed the public hearing at 9:44 a.m.

Director Caspary acknowledged staff for clarifying the methodology in adopting a rate structure over five years. He noted that the Board would review whether to implement the rate adjustments on an annual basis.

Motion carried unanimously by roll call vote.

B Potable Water Standby Charge: Adoption

Waive the full reading and give the second reading by title only; pass, approve, and adopt proposed Ordinance No. 283 as it relates to continuation of the Water Replacement Fund Standby Charge for Fiscal Year 2021-2022; and order publication within 15 days of adoption using a summary of the Ordinance.

ORDINANCE NO. 283 (SECOND READING AND ADOPTION)

AN ORDINANCE OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT AS IT RELATES TO STANDBY CHARGES FOR THE FISCAL YEAR COMMENCING JULY 1, 2021

(Reference is hereby made to Ordinance No. 283 on file in the District's Ordinance Book and by this reference the same is incorporated herein.)

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

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

8. ENGINEERING AND EXTERNAL AFFAIRS

A Update on Collections Policies, Procedures, and Outstanding Debt

Receive and file an update on collections policies, procedures, and outstanding debt.

Ursula Bosson, Customer Service Manager, presented the report.

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

Ms. Bosson responded to a question regarding whether the collection procedures would only be used for closed accounts by stating that closed, delinquent accounts would be referred to the collection agency. She also responded to a question regarding whether the District was successful in collecting from closed, delinquent accounts by stating that the District had very little success historically; however, a new collection agency would be more aggressive in making contact with customers with closed, delinquent accounts. She also responded to a question regarding collecting on active past due accounts during the COVID-19 pandemic by stating that active, delinquent accounts would not be referred to the collection agency.

Motion carried unanimously by roll call vote.

9. NON-ACTION ITEMS

A Organization Reports

Director Caspary asked the Board to save the date for the Association of California Water Agencies (ACWA) Legislative Forum, which was tentatively scheduled for March 11th. He reported that he attended the ACWA State Legislative Committee meeting on January 22nd, where a report was provided by Cindy Tuck, Deputy Executive Director of Government Relations, regarding ACWA seeking support from the new Administration for water districts adversely impacted financially due to delinquent accounts during the COVID-19 pandemic.

B Director's Reports on Outside Meetings

Board President Lewitt reported that he attended the California Association of Sanitation Districts (CASA) Virtual Winter Conference. He noted that he attended a session by Senator Ben Allen, Chair of the Senate Environmental Quality Committee, who provided information on the Legislature's environmental priorities for the 2021 Legislative Session, including regulations regarding plastics and firefighting foam, and economic growth in combating climate change. He noted that Assembly Member Richard Bloom announced he would run for Los Angeles County Supervisor. He suggested that the Board and staff needed to establish better relationships with elected officials. He also suggested that staff look into scheduling virtual meetings with elected officials because it had become much easier to hold virtual meetings than to travel and meet in person.

Director Lo-Hill reported that she also attended the CASA Virtual Winter Conference. She noted that she attended a roundtable discussion regarding wastewater-based epidemiology where Mike McNutt, Public Affairs and Communications Manager, served as one of the panelists. She also noted that California was selected by the Centers for Disease Control and Prevention (CDC) to test for COVID-19 in the wastewater, and the District was one of the contributors to that study.

C General Manager Reports

- (1) General Business

General Manager David Pedersen presented potential dates for the Board to schedule its annual Strategic Planning Workshop. The Board agreed to schedule a special meeting on April 13, 2021, from 9:00 a.m. to 12:00 p.m.

General Manager David Pedersen reported that the WaterReuse Symposium would be conducted as a series of live and on-demand roundtable discussions from March 1st through March 25th. He noted that the Las Virgenes-Triunfo Joint Powers Authority would receive special recognition during the symposium on March 22nd.

(2) Follow-Up Items

General Manager David Pedersen noted that the annual report on contracts issued under the General Manager's authority would be presented at the February 16th Board meeting, including the contracts that include an annual Consumer Price Index (CPI) adjustment. He also noted that an item would be brought back at the March 1st JPA meeting for the Board to determine whether or not to issue a Request for Proposals for independent audit services by the end of the calendar year.

D Directors' Comments

Director Renger reported that he participated in the recent Sites Reservoir Project Virtual Town Hall Meeting, and noted that the Sierra Club expressed opposition to the tunnel for the Delta Conveyance Project due to its claim that there would be less water available. He stated that he disagreed because there would be more precipitation overall due to climate change, and precipitation would tend to be farther north. He stated that the State needed to be able to divert and store water in places such as the Sites Reservoir due to the loss of snowpack as a natural reservoir. He noted that an issue pointed out by the Sierra Club was that fish might be impacted by the Delta Conveyance Project; however, he stated that should the tunnel be used properly, it could help the ecology.

Director Lo-Hill acknowledged the public for providing their input on the potable water, recycled water, and sanitation rates for 2021 through 2025.

Board President Lewitt noted that the JPA Board agreed to approve the second one-year renewal option with The Pun Group, and would consider whether to issue a Request for Proposals for independent auditing services at a future meeting.

10. FUTURE AGENDA ITEMS

None.

11. PUBLIC COMMENTS

None.

12. ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **10:08 a.m.**



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

ATTEST:



Lee Renger, Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)