



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

MINUTES
REGULAR MEETING

9:00 AM

June 15, 2021

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Glen Peterson.

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 (via teleconference), Jay Lewitt, Lynda Lo-Hill, Len Polan (via teleconference), 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 Lo-Hill moved to approve the agenda. Motion seconded by Director Renger.

Motion carried unanimously by roll call vote.

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

Director Lo-Hill asked to pull Item 4G for discussion.

A List of Demands: June 15, 2021: Receive and file

B Minutes: Special Meeting of May 25, 2021 and Regular Meeting of June 1, 2021: Approve

C Directors' Per Diem – May 2021: Ratify

D Monthly Cash and Investment Report: March 2021

Receive and file the Monthly Cash and Investment Report for March 2021.

E Monthly Cash and Investment Report: April 2021

Receive and file the Monthly Cash and Investment Report for April 2021.

F 90-Day Update on Excess Vacation Accruals

Receive and file the 90-day update on excess vacation accruals.

H Contract Amendment for Sewer Line and Lift Station Cleaning Services

Authorize the General Manager to approve an increase to the contractual services agreement with National Plant Services, in the amount of \$35,000, for sewer line and lift station cleaning services.

I Saddle Peak and Cordillera Tank Rehabilitation Projects: Final Acceptance

Approve the execution of Notices of Completion and have the same recorded and, in the absence of claims from subcontractors and others, release the retentions, in the amount of \$50,845.00 to Advanced Industrial Services, Inc., and \$41,215.71 to Cal Sierra Construction, Inc., 30 calendar days after filing the Notices of Completion.

Director Caspary moved to approve the Consent Calendar with the exception of Item 4G. Motion seconded by Director Polan. Motion carried unanimously by roll call vote.

4. CONSENT CALENDAR – SEPARATE ACTION ITEM

G Contract Amendment for Web Hosting Services: Six-Month Extension

Authorize the General Manager to approve a contract amendment with Granicus, Inc., in the amount of \$7,821.87, for a six-month extension of web hosting services.

Director Lo-Hill moved to approve Item 4G. Motion seconded by Director Renger.

Mike McNutt, Public Affairs and Communications Manager, presented the report. He responded to a question regarding the District's website design and maintenance by stating that the website was redesigned twice over the past seven to eight years to ensure that information was current, user-friendly, and trending with new technologies.

Board President Lewitt asked that Request for Proposals be sent in advance before a contract is due to expire in order to avoid having to extend contracts.

Motion carried unanimously by roll call vote.

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A MWD Representative Report

Glen Peterson, MWD Representative, reported that the MWD Board approved an employment contract with Mr. Adel Hagekhalil as the new MWD General Manager. He also reported that the MWD Board approved an agreement with Black & Veatch Corporation, Inc., to conduct engineering and technical studies to support environmental planning activities for the Regional Recycled Water Program in Carson. He noted that he voted against this agreement due to his concerns that the site was unacceptable as it was situated on an oil-producing field that had previously burnt and might contain toxic waste. He also reported that the MWD Board approved entering into an agreement with Central Arizona Water Conservation District (CAWCD) and Southern Nevada Water Authority (SNWA) to fund additional following on up to 80 percent of the land for the Palo Verde Irrigation District/Metropolitan Forbearance and Following Program. He stated that this would allow CAWCD and SNWA to augment water storage at Lake Mead. He also reported that the MWD Board approved a contract amendment with the Shaw Law Group to complete the independent review of allegations of systemic Equal Employment Opportunity related issues. He noted that MWD Director Donald Galleano, representing Western Municipal Water District of Riverside County, had unexpectedly passed away, and the MWD Board inducted Brenda Dennsteadt in his place.

B Legislative and Regulatory Updates

Joe McDermott, Director of Engineering and External Affairs, reported that the deadline for the state budget to be adopted would be June 30th, and budget details and line items would be included in subsequent trailer bills. He provided an update regarding AB 442 (Mayes), Surface Mining and Reclamation Act of 1975, Exemption, MWD Single Master Reclamation Plan, which would exempt MWD from grading operations. He noted that the District signed onto a coalition letter in support of this bill. He also provided an update

regarding H.R. 1915, the Water Quality Protection and Job Creation Act of 2021. He noted that the District had asked for an amendment to allow those who received Title XVI Feasibility Study funds to be eligible for the Alternative Water Source Pilot Program. He also noted that a copy of a letter to the South Coast Air Quality Management District was provided to the Board in support of a proposed amendment to Rule 1470 and proposed new Rule 118.1, which would provide additional flexibility for the essential operation, maintenance, and testing of emergency backup generators, while ensuring the protection of the region's air resources. He noted that a copy of the letter was sent to the California Municipal Utilities Association to ask their members to send similar letters of support. He also reported that Governor Gavin Newsom issued Executive Order N-08-21 on June 11th, which included extending the prohibition of discontinuance of water service to residential customers whose accounts were in arrears until September 30, 2021. He noted that the Executive Order included provisions concerning continuation of the conduct of public meetings via teleconference, which would need to be reviewed by staff. He also reported that the Governor's Fiscal Year 2021-22 revision to the state budget proposed \$1 billion from the American Rescue Plan Act of 2021, which could be used to assist customers whose water utility accounts were in arrears.

C Water Supply Conditions Update

Joe McDermott, Director of Engineering and External Affairs, asked to defer discussion of this item to Item 9A.

6. TREASURER

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

7. GENERAL MANAGER

A Response to Coronavirus (COVID-19) Pandemic: End of Emergency

Approve an end to the emergency declaration for response to the coronavirus (COVID-19) pandemic and repeal Resolution Nos. 2572, 2574, 2576, and 2578.

General Manager David Pedersen presented the report.

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

Don Patterson, Director of Finance and Administration, responded to questions regarding payment plans for accounts that were in arrears, facemask regulations, and voluntary disclosure of COVID-19 vaccination status for District employees and Board Members.

Ursula Bosson, Customer Service Manager, presented the customer related impacts and graphs for the week ending June 11, 2021. She responded to questions regarding the total customer accounts past due and the effectiveness of installation of flow restriction devices for inefficient water users with past due accounts.

General Manager David Pedersen responded to a question regarding past due accounts and possible violation of Proposition 218 by stating that accounts with arrearages had not been forgiven nor had costs been reassigned to other ratepayers, and that he did not foresee an issue or a violation of Proposition 218 should COVID-19 rate relief funds be used to assist paying past due accounts. He noted that compared to other water agencies the District made excellent efforts in managing past due accounts as a result of the COVID-19 pandemic by implementing actions and holding the past due amounts in the \$500,000 range. Keith Lemieux, District Counsel, added that he also did not foresee an issue with Proposition 218, and that the issue was making sure that every customer was charged a rate that reflected the cost of the service provided.

Joe McDermott, Director of Engineering and External Affairs, responded to a question regarding whether it was determined who would administer COVID-19 pandemic rate relief funds by stating that notification was received from the State Water Resources Control Board suggesting that payments could be made directly to water districts; however, it was possible that the program would be administered in a different manner.

Motion carried unanimously by roll call vote.

8. FINANCE AND ADMINISTRATION

A Upgrade of Microsoft Office 365 E3 to E5: Approval

Authorize the General Manager to execute a Microsoft Enterprise Licensing Agreement through Kambrian Corporation, in the amount of \$123,513.75, to upgrade from Office 365 E3 to E5 and license the software through October 31, 2023.

Andrew Spear, Principal Technology Analyst, presented the report.

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

Mr. Spear responded to questions regarding enhanced security protections and the annual cost of the software.

Motion carried unanimously by roll call vote.

B Proposed Operating and Capital Improvements Budget for Fiscal Year 2021-22

Adopt the proposed Operating and Capital Improvements Budget for Fiscal Year 2021-22; and authorize the General Manager to pre-pay the District's annual required contribution to CalPERS for its Unfunded Accrued Liability, in the amount of \$1,867,118, and make a payment towards the District's Unfunded Accrued Liability for Other Post-Employment Benefits, in the amount of \$1,600,804.

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

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

Director Caspary suggested an amendment to the motion to include applying the CalPERS discount for prepaying the annual required contribution toward the unfunded liability for Other Post-Employment Benefits (OPEB).

Director Renger did not accept the amendment to the motion, and stated that Director Caspary's suggestion should be taken separately. Director Caspary stated that he would request a future agenda item to ask staff to bring back a five-year outlook of the District's OPEB liability, including increases and decreases based on payments.

Don Patterson, Director of Finance and Administration, responded to a question regarding acceptable uses of revenue collected from penalties for unsustainable water use by stating that revenues could be used for programs such as water efficiency outreach efforts and the Weather-Based Irrigation Controller Program. He also responded to a question regarding the budget and estimated actual budget for the District's share of JPA net expenses by stating that there was a shift in expenditures from potable water to the sanitation enterprise based on various factors, including the opening of the Pure Water Demonstration Facility and an increase in overtime related to the COVID-19 pandemic.

Motion carried unanimously by roll call vote.

9. ENGINEERING AND EXTERNAL AFFAIRS

A **Activation of the Water Shortage Contingency Plan: Stage 1 – Water Shortage Alert**

Pass, approve, and adopt proposed Resolution No. 2595, concerning drought conditions in the State of California and activation of the Water Shortage Contingency Plan at Stage 1 – Water Shortage Alert.

(Reference is hereby made to Resolution No. 2595 on file in the District's Resolution Book and by this by this reference the same is incorporated herein.)

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

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

Board President Lewitt expressed appreciation for the District's leadership role, and suggested that the District inspire other MWD member agencies to promote water conservation. He also suggested asking District customers to improve their water use efficiency.

Motion carried unanimously by roll call vote.

10. 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 reported that the Westlake Filtration Plant was currently in recirculation mode, and the treated water was being returned to the reservoir to prepare for a filtration plant run in the summer. He noted that the treatment plant would run for a longer period of time, and staff would draw the reservoir down further in order to practice this operation for the Pure Water Project Las Virgenes-Triunfo (Pure Water Project). He also reported that the District's portion of the Calleguas-Las Virgenes Interconnection Project was nearing completion. He noted that Calleguas' portion of the pipeline work would include an underground pump station and regulating station. He stated that the District would be responsible for the regulating station as it would regulate higher pressure water from Calleguas and would include a metering station. He noted that the Board approved an agreement that Calleguas would build these facilities and the District would pay its share. He also noted that Calleguas received bids for this project; however, the bids received were higher than anticipated. He stated that the low bidder did not submit a balanced bid showing costs allocated to the different bid items, which would make it difficult to allocate the costs between the two agencies. He noted that staff was able to successfully negotiate with Calleguas on how to resolve this issue by using the engineer's estimate to allocate the costs. He reminded the Board that a Special JPA Meeting would be held on June 16th at 9:00 a.m. for the Pure Water Project Program Implementation Plan Workshop.

(2) Follow-Up Items

General Manager David Pedersen noted that the follow-up items included a report on how new accessory dwelling units could impact the District's water system and an update on employees' vacation accruals.

D Directors' Comments

None.

11. FUTURE AGENDA ITEMS

Director Caspary moved to have a future agenda item for a presentation regarding the District's other post-employment benefits unfunded liability, payment history, net additions and reductions, and to consider the impact of using the discount from the

CalPERS contribution to further pay down the OPEB unfunded liability. Motion seconded by Director Polan.

12. PUBLIC COMMENTS

None.

13. ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **10:18 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)