



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

MINUTES
REGULAR MEETING

9:00 AM

November 16, 2021

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Joanne Bodenhamer.

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 Assembly Bill 361, which exempts certain requirements of the Ralph M. Brown Act to support social distancing guidelines associated with response to the coronavirus (COVID-19) outbreak. Susan Brown, Clerk of the Board, conducted the roll call.

Present: Directors Charles Caspary, Jay Lewitt, Lynda Lo-Hill (via teleconference), 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
Susan Brown, Administrative Assistant
Keith Lemieux, District Counsel

2. APPROVAL OF AGENDA

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

3. PUBLIC COMMENTS

Carey Peck stated that he was a 30-year customer of the District, and his house was destroyed in the Woolsey Fire. He also stated that his architect requested a will serve letter from the District; however, staff discovered a discrepancy in that the water meter was not on his parcel. He also stated that the cost to upgrade to a one-inch water meter to support a fire suppression system would be over \$28,000. He noted that the Board issued a letter in 2019 regarding relief to current customers impacted by the Woolsey Fire. He asked the Board to consider the provision of a will serve letter and financial relief for upgrading the water meter. He noted that he could provide documentation to support his request.

General Manager David Pedersen noted that staff was aware of Mr. Peck's concern, and he asked Mr. Peck to submit copies of the documentation. He stated that staff would investigate and meet with Mr. Peck, and bring back an update to the Board.

4. CONSENT CALENDAR

A List of Demands: November 16, 2021: Receive and file

B Minutes Regular Meeting of October 5, 2021: Approve

C Directors' Per Diem – October 2021: Ratify

D Resolution of Intent for Continuation of Portable Water Standby Charge

Pass, approve, and adopt proposed Resolution No. 2602, initiating proceedings for continuation of the Standby Charge pursuant to the Municipal Water District Law of 1911; ordering notification for those properties that changed ownership since the last Standby Charge assessment; ordering publication of a Notice of Public Hearing in a newspaper of general circulation once a week for a two-week period; and setting a public hearing on the matter for 9:00 a.m. on January 4, 2022.

RESOLUTION NO. 2602

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT INITIATING PROCEEDINGS FOR THE CONTINUATION OF THE WATER AVAILABILITY OR STANDBY CHARGE FOR THE FISCAL YEAR COMMENCING ON JULY 1, 2022

(Reference is hereby made to Resolution No. 2602 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

E Fiscal Year 2022-23 Proposed Sanitation Rate for Consolidated Sewer Maintenance District: Topanga Tax Zone

Approve a monthly billing rate of \$57.50 per Equivalent Residential Unit for the Consolidated Sewer Maintenance District, Topanga Tax Zone, for Fiscal Year 2022-23.

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 MWD Representative Report

Glen Peterson, MWD Representative, reported that the MWD Board approved continuing to hold remote teleconference meetings for the remainder of the year; awarded a contract for replacement of ozone power supply units and engineering support services for the ozone generation rehabilitation system at the Joseph Jensen Water Treatment Plant; awarded a contract for the lining of the Cholla Wash cut-and-cover conduit along the Colorado River Aqueduct; adopted a resolution declaring a Regional Drought Emergency; and authorized a Following Pilot Program Agreement with the Quechan Tribe and seasonal following agreements with farmers within the Quechan tribal land. He noted that three Southern Basin States in the Colorado River Basin developed a program to conserve another half million acre-feet of water. He also reported that the MWD Board inducted new Director Nancy Sutley from the City of Los Angeles, and conducted Department Head performance evaluations for the General Counsel, General Auditor, and Ethics Officer. He responded to a question regarding how the three Southern Basin States would conserve water by stating that they plan on following land. He noted that the federal government would provide some funding for this effort, and the Palo Verde Irrigation District's following program was nearly at full following.

B Legislative and Regulatory Updates

Joe McDermott, Director of Engineering and External Affairs, noted that the state Legislature was not currently in session. He stated that the Association of California Water Agencies, the California Mutual Utilities Association, and others were in the process of preparing legislative proposals. He reported that Congress approved H.R. 3684, the Infrastructure Investment and Jobs Act, and noted that the bill would include the following: \$550 billion for water infrastructure funding; \$8.3 billion for Bureau of Reclamation Title XVI funding; \$23.4 billion for the State Revolving Fund (SRF) programs; \$250 million for Water Infrastructure Finance and Innovation Act (WIFIA) loan funding; \$1 billion for water recycling and reuse projects; and \$400 million for WaterSMART grants. He noted that the District received a \$500,000 WaterSMART grant for the AMR/AMI Project, and the District would continue to pursue additional WaterSMART grant funding. He stated that the District would also pursue funding for the Pure Water Project Las Virgenes-Triunfo (Pure Water Project) following the completion of the environmental review process. He also reported that Congress was currently focusing on the Build Back Better Act. He responded to a question regarding the anticipated completion date for the Pure Water Project's environment review and scheduling meetings with legislative representatives,

the U.S. Environmental Protection Agency, and the U. S. Bureau of Reclamation regarding funding for the Pure Water Project.

C Drought Water Supply Conditions Update

Joe McDermott, Director of Engineering and External Affairs, reported that the amount of water purchased from MWD in October had decreased by 15.5 percent, and the average evapotranspiration rate was approximately 25 percent less as compared to October 2020. He noted that he would be participating on a panel for the Southern California Water Dialogue Program on November 17th to share the District's efforts in response to the pending zero percent State Water Project allocation, including the declaration of Stage 3 – Water Shortage Emergency and messaging efforts to customers. He also reported that MWD had declared a Regional Drought Emergency on November 9th, which would call for increased efforts to maximize water conservation. He noted that MWD would expand water conservation programs, including funding for turf replacement, \$1.5 million in funding for water efficiency devices, and a \$2.6 million grant program to assist agencies detect and repair leaks in their water systems. He also reported that Lake Oroville was at 28 percent of capacity, and San Luis Reservoir was at 15 percent of capacity.

General Manager David Pedersen responded to a question regarding the snowpack levels following the recent storm by stating that he would provide the latest snow report to the Board.

D Coronavirus (COVID-19) Pandemic: Customer-Related Impacts

Ursula Bosson, Customer Service Manager, presented the current COVID-19 customer-related impacts information.

Joe McDermott, Director of Engineering and External Affairs, reported that a notification letter would be sent to customers regarding the state's arrearages program for customers with past due balances during the eligibility period of March 4, 2020 through June 15, 2021. He stated that the District established a program for installation of flow restriction devices for delinquent accounts; however, the program was paused to coordinate with the arrearages program. He also noted that approximately 1,000 customers would receive the notification letter, and these customers would be asked to sign an acknowledgement regarding the availability of the credit for their past due accounts. He also noted that customers who receive a credit in excess of \$600 would be required to complete an IRS Form W-9 for tax purposes, and required to automatically enroll in a payment plan for any remaining unpaid balances. He stated that should a customer default on a payment plan, the customer would be subject to having a flow restrictor device installed or having their water shut off following ample notification after December 31, 2021, unless the current shutoff prohibition is extended by Governor Gavin Newsom.

Board President Lewitt asked staff to continue to promote enrollment in paperless billing and autopay, and include in the notification letter that the process for water shutoff for non-payment would be reinstated after December 31, 2021. He also asked staff to include a comparison of past due balances from 2019 in future updates.

6. **TREASURER**

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

7. **BOARD OF DIRECTORS**

A Review of Division Boundaries and Potential Redistricting Options

Review the current division boundaries and provide feedback on potential redistricting options.

Josie Guzman, Clerk of the Board, presented the report.

Gary Fields II, GIS Coordinator, provided a presentation and reviewed the current division boundaries and two potential redistricting options to better balance the populations for Divisions 2 and 4.

The Board reviewed the two potential redistricting options and agreed to move forward with Option 2.

General Manager David Pedersen stated that staff would bring back Redistricting Option 2 for approval at a future Board meeting.

B Discussion of 2020 Water Shortage Contingency Plan

Review and discuss the escalating stages of response outlined in the 2020 Water Shortage Contingency plan.

General Manager David Pedersen presented the report. He responded to a question regarding wasteful water use fines and additional charges for exceeding water budgets.

Director Lo-Hill suggested adding a Stage 3A to the Water Shortage Contingency Plan to ease customers into Stage 4 and not allow irrigation of non-functional turf, restrict refilling swimming pools, and allow or encourage hand watering.

Board President Lewitt suggested making Director Lo-Hill's suggestion as Stage 4 and rename the current Stage 4 to be Stage 5.

Director Caspary suggested emphasizing water conservation and water use restrictions on the District's homepage, and including the evapotranspiration rate projection for the next 30 days on the website so that customers may adjust their irrigation timers.

Joe McDermott, Director of Engineering and External Affairs, expressed concern with enforcing certain restrictions, such as not allowing pool refilling. He noted that the current Stage 3 provisions included a 0.75 drought factor, and the Board could consider a 0.50 drought factor under Stage 3.

Mike McNutt, Public Affairs and Communications Manager, noted that the drought messaging banner was currently included on the District's homepage.

General Manager David Pedersen stated that the Board could consider following the state's system of six standard water shortage levels. He also stated that the water shortage levels needed to be understandable to the public, and he expressed concern that there might be a loss of clarity. He suggested that the Board could consider the merit of adding additional stages during a future update.

A discussion ensued regarding concerns with prohibiting outdoor water use under Stage 4, which could cause damage to trees, landscaping, and swimming pools; allowing hand watering with a bucket and topping off swimming pools; and considering exceptions such as for the use of a drip irrigation system for drought tolerant landscaping.

General Manager David Pedersen stated that staff would include the Board's feedback when updating the Water Shortage Contingency Plan in the future.

8. FINANCE AND ADMINISTRATION

A Wasteful Water Use Penalties during Declared Water Shortage Emergencies: Adoption

Pass, approve, and adopt proposed Resolution No. 2601, modifying wasteful water use penalties during water shortage emergencies.

RESOLUTION NO. 2601

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT AMENDING RESOLUTION NO. 2468 (ADMINISTRATIVE CODE) AS IT RELATES TO THE PENALTIES FOR WASTEFUL WATER USE AND EXCEEDANCES DURING WATER SHORTAGE EMERGENCIES (corrected title)

(Reference is hereby made to Resolution No. 2601 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

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

Don Patterson, Director of Finance and Administration, presented the financial history of the District's wasteful water use penalties.

Mr. McDermott reviewed the implementation of the proposed penalty structure and customer outreach. He also noted a correction to the title of Resolution No. 2601.

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

Mr. McDermott responded to questions regarding impacts to commercial customers with no outdoor use and whether indoor water budgets were modified for restaurants now that

indoor dining was allowed by stating that commercial water budgets were changed to a two-year rolling average. He commented that commercial water use might have decreased during the COVID-19 pandemic. He noted that most restaurants do not have outdoor water budgets; however, restaurants would still be subject to penalties should they exceed 50 percent of their water budget.

General Manager David Pedersen responded to a question regarding the 0.75 drought factor for outdoor water budgets. He noted that there would be no impacts to commercial customers that have no outdoor water use, and customers could adjust their weather based irrigation controllers to reduce outdoor irrigation. Mr. McDermott added that staff would follow-up on alert messaging through the WaterSmart portal and through Rachio.

A discussion ensued regarding sending a customer letter via U.S. Mail and/or email.

Director Lo-Hill suggested that the second sentence of the customer letter be amended as follows, "LVMWD has declared a State of Emergency and escalated its Water Shortage Contingency Plan from Stage 2 to Stage 3..."

Motion carried unanimously by roll call vote.

B Wireless Backhaul Communications System Upgrade Project: Design and Installation Support Services

Accept the proposal from The Rovisys Company and authorize the General Manager to execute a five-year professional services agreement, in the amount of \$374,062, for design and installation support services associated with the Wireless Backhaul Communications System Upgrade Project.

Ivo Nkwenji, Information Systems Manager, presented the report and PowerPoint presentation.

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

Board President Lewitt stepped out of the Board Room at 10:59 a.m.

Mr. Nkwenji responded to questions regarding inclusion of the Pure Water Project Las Virgenes-Triunfo prior to site selection. He also responded to questions regarding adjusting the scope of work as needed and bandwidth for data transmission needs.

Board President Lewitt returned to the Board Room at 11:01 a.m.

Mr. Nkwenji responded to a question regarding transmitting higher quality, larger sized data by stating that this would mostly be transmitting video data for security purposes.

Motion carried unanimously by roll call vote.

9. 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 noted that Councilmembers from the cities of Agoura Hills and Calabasas would be touring the Pure Water Demonstration Facility following the Board meeting. He reported that the creek avoidance period ended on November 15th, allowing discharge to Malibu Creek again. He also reported that recycled water demands had increased due to the recent warm weather. He noted that the Las Virgenes – Triunfo Joint Powers Authority was awarded a \$600,000 grant from the National Alliance for Water Innovation for machine learning and artificial intelligence applications at the Pure Water Demonstration Facility. He also noted that District offices would be closed on November 25th and 26th for the Thanksgiving holidays. He also reported that redistricting efforts were taking place at the local, state and federal levels, and he would bring back an item regarding redistricting. He noted that the District was in discussion with local cities and the Las Virgenes-Malibu Council of Governments regarding legislative redistricting and efforts to keep the cities in the same legislative districts to the fullest extent possible.

(2) Follow-Up Items

None.

D Directors' Comments

Director Caspary noted that CalPERS had changed its investment strategy, and he expressed concern with future returns and cost impacts to District customers. He referred to an article in *The Wall Street Journal* regarding changes in climate and rainfall patterns, which caused flooding at a water treatment facility following a storm and required it to be shut down. He noted that employees risked their lives to try to regain control of the system. He asked staff to be mindful of substantial impacts to the Tapia Water Reclamation Facility during a 100-year rainfall event.

10. FUTURE AGENDA ITEMS

None.

11. PUBLIC COMMENTS

None.

12. CLOSED SESSION

A Conference with District Counsel – Existing Litigation (Government Code Section 54956.9(aa):

George Kreider v. Las Virgenes Municipal Water District, et al.

B Conference with Labor Negotiator (Government Code Section 54957.6):

Agency Designated Representatives: David W. Pedersen, General Manager; Donald Patterson, Director of Finance and Administration; Sophia Crocker, Human Resources Manager

Employee Organizations: General and Office Units represented by the Service Employees International Union Local 721

C Conference with Labor Negotiator (Government Code Section 54957.6):

Agency Designated Representatives: David W. Pedersen, General Manager; Donald Patterson, Director of Finance and Administration; Sophia Crocker, Human Resources Manager

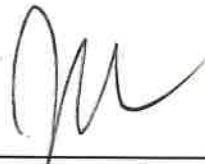
Employee Organizations: Las Virgenes Manager, Supervisor, Professional and Confidential Employees Association

The Board recessed to Closed Session at **11:09 a.m.** and reconvened to Open Session at **11:46 a.m.**

Keith Lemieux, District Counsel, announced that the Board received reports during the Closed Session. He reported that the Board unanimously approved a settlement for Item 12A, in the amount of \$712,500, in exchange for dismissal of the case and other terms, and there was no reportable action for Closed Session Items 12B and 12C.

13. OPEN SESSION AND ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **11:46 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)