



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

MINUTES
SPECIAL MEETING

9:00 AM

April 12, 2022

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Brad Halpern.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **9:00 a.m.** by Board President Lewitt in the Community Meeting Room at the City of Westlake Village at 31200 Oak Crest Drive, Westlake Village, CA 91361. The meeting was conducted via teleconference pursuant to the provisions of Assembly Bill 361, which suspended certain requirements of the Ralph M. Brown Act to support social distancing guidelines associated with response to the coronavirus (COVID-19) outbreak. Susan Brown, Administrative Assistant, 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
Susan Brown, Administrative Assistant
Josie Guzman, Clerk of the Board
Keith Lemieux, District Counsel
Doug Anders, Administrative Services Coordinator
Steven Baird, Public Affairs Associate II
Ursula Bosson, Customer Service Manager
Sophia Crocker, Human Resources Manager

Brett Dingman, Water Reclamation Manager
Darrell Johnson, Water Systems Manager
Jim Korkosz, Facilities Manager
Mike McNutt, Public Affairs and Communications Manager
Ivo Nkwenji, Information Systems Manager
Brian Richie, Finance Manager
Dave Roberts, Resource Conservation Manager
Debbie Rosales, Financial Analyst II
Eric Schlageter, Principal Engineer

Board President Lewitt introduced Brad Halpern, Mayor from the City of Westlake Village. Mayor Halpern welcomed the Board to the City of Westlake Village.

2. APPROVAL OF AGENDA

Director Renger moved to approve the agenda and the findings of Resolution No. 2603 (AB 361). Motion seconded by Director Polan. Motion carried unanimously.

3. PUBLIC COMMENTS

There were no public comments.

General Manager David Pedersen acknowledged the City of Westlake Village for the use of the Community Meeting Room. He provided a brief overview of the order of the agenda.

4. STRATEGIC PLANNING

A **Review of District's Strategic Plan**

Review and provide feedback on the District's Strategic Plan.

General Manager David Pedersen presented the report.

The Board requested the following modifications:

- Under Purpose of LVMWD's Strategic Plan, fourth bulleted item, modify to "Increase confidence among customers that LVMWD is preparing for the future."
- Remove the use of the word "that" throughout the Strategic Plan.
- Under Strategic Foundation, Mission Statement, modify to "Dedicated to providing reliable high-quality water service in a cost-effective and environmentally sensitive manner."
- Under Key Standards, Protection of Public Health and the Environment, modify the proposed new language related to LVMWD is a watershed leader and environmental steward regarding prohibiting the use of rodenticides for pest control, modify to "... the use of rodenticides for pest control will be minimized wherever possible."
- Under Strategic Objective No. 7, Keep customers and stakeholders well-informed

and provide new/improved customer tools to enhance service delivery, elaborate on the word “stakeholders” to include city governments and community leadership.

- Under Acknowledgements, update Director Officer roles.

5. DROUGHT AND WATER SUPPLY CONDITIONS

A Opportunities to Improve Long-Term Water Supply Reliability

General Manager David Pedersen provided an oral report regarding five areas to improve long-term water supply reliability. He stated that the first item was to work with the Metropolitan Water District of Southern California (MWD) staff and with MWD Representative Glen Peterson to urge MWD to address that the State Water Project was not delivering the needed water supply, and improve access to MWD’s portfolio of water supplies including the Colorado River.

The Board discussed creating better and stronger partnerships with the District’s neighboring agencies, pushing the message with other agencies that the state was in a permanent drought, the changing climate versus drought conditions, accessing water supplies from the Colorado River, and concerns with drought messaging. General Manager David Pedersen suggested that staff could bring back a list of priorities to present to MWD, and share the priorities with the other State Water Project Dependent Areas in order to align interests and develop commonality.

General Manager David Pedersen continued his oral report and stated that the second area was to build stronger partnerships with neighboring agencies, such as Calleguas Municipal Water District (Calleguas) and the City of Thousand Oaks. He noted that Calleguas completed a water supply alternatives analysis and there was a potential for the District to partner with them on potential water supply projects. He also noted that there could be the potential to partner with the Los Angeles Department of Water and Power’s Operation NEXT Program.

General Manager David Pedersen stated that a third area would be water conservation and water use efficiency. He noted that water conservation was a part of state policy and state law, and was the best and most cost effective way to improve water reliability. He also stated that a fourth area would be investing in local water supplies that are drought resilient, such as the Pure Water Project Las Virgenes-Triunfo (Pure Water Project) as an important element for water supply. He also stated that a fifth area would be water banking. He noted that water banking was briefly explored a few years ago, and MWD had a sophisticated water program to bank water in the Central Valley and the Lower Colorado River Basin. He suggested that staff bring back options to explore water banking, availability, cost, and potential benefits.

A discussion ensued regarding water banking options with MWD, exploring the exchange traded commodity water market, concerns with the ability to use alternative energy sources for the Pure Water Project, and incorporating the stability of the power grid into the Strategic Plan.

The Board recessed to a break at 10:32 a.m., and reconvened at 10:48 a.m.

6. TACTICAL ACTIONS AND ACTIVITIES

A Tactical Actions and Activities for Fiscal Years 2020-22: Progress Update

Receive and file the update on the Tactical Actions and Activities for Fiscal Years 2022-22.

General Manager David Pedersen provided introductory remarks.

Sophia Crocker, Human Resources Manager, presented Strategic Objective No. 1 – Develop a Strategy to Maintain a Highly Effective Workforce, related to updating human resources administrative policies to ensure compliance and sound workplace practices, negotiation of successor Memoranda of Understanding to promote positive labor relations, and continuing to utilize recruitment strategies to attract a qualified and diverse talent pool.

A discussion ensued regarding staffs' use of the District's Wellness Program, the District's use of interns, and succession planning.

Brian Richie, Finance Manager, presented Strategic Objective No. 5 – Achieve a High Credit Rating for LVMWD's Three Enterprises, related to the District receiving a clean, unmodified audit opinion, the District receiving the Government Finance Officers Association (GFOA) award for the 2021 Annual Comprehensive Financial Report and for the 2020-22 Two-Year Budget, implementation of the new Tyler Munis ERP system, and implementation of the Tracker Investment software.

Ivo Nkwenji, Information Systems Manager, presented Strategic Objective No. 9 – Enhance LVMWD's Asset Management Programs, related to reevaluation of the SCADA Communication Project and revision of the plans and specifications, and the conversion and replacement of the District's SCADA system field components at the Tapia Water Reclamation Facility (Tapia).

Eric Schlageter, Principal Engineer, presented Strategic Objective No. 9 – Enhance LVMWD's Asset Management Programs, related to the status of projects identified in the Fiscal Year 2018-19 and 2019-20 Budget and Infrastructure Investment Plan, including Pure Water Demonstration Facility Project, Sustainability Garden, preliminary engineering environmental documents for the Pure Water Project, and projects related to Woolsey Fire repairs. He also presented Strategic Objective No. 2 – Improve LVMWD's Water Supply Reliability, including the completion of the District's portion of the Calleguas-Las Virgenes Interconnection Project.

Ursula Bosson, Customer Service Manager, presented Strategic Objective No. 7 – Provide New/Improved Customer Tools to Enhance Service Delivery, and discussed the implementation of District's Flow Restrictor Device Program.

Mike McNutt, Public Affairs and Communications Manager, presented Other Important Tactical Actions and Activities, including support for all District Departments, website redesign, use of multimedia platforms for public outreach, various messaging campaigns, Pure Water Demonstration Facility tours, and reestablishment of the Education Program and presentations at local schools.

Dave Roberts, Resource Conservation Manager, presented Strategic Objective No. 3 – Support Customers to Meet Water-Use Efficiency Standards, including a regional-based landscape conversion initiative, native plant kit program in partnership with TreePeople, one-on-one consulting with high water use customers, and the Rachio weather-based irrigation controller program.

A discussion ensued regarding encouraging customers to use of swimming pool covers to minimize evaporation and the availability of a training video to instruct customers how to adjust their Rachio controllers.

Darrell Johnson, Water Systems Manager, presented Strategic Objective No. 1 - Develop a Strategy to Maintain a Highly Effective Workforce, related to operation and cross training for the Pure Water Demonstration Facility. He also presented Strategic Objective No. 2 – Improve LVMWD’s Water Supply Reliability, related to the completion of the Corrosion Control Study, which would allow the reduction of the lead and copper sampling program.

Brett Dingman, Water Reclamation Manager, presented Strategic Objective No. 9 – Enhance LVMWD’s Asset Management Programs, related to the reevaluation of the SCADA Communication Project, completion of the Tapia Hypochlorite Tank Replacement Project, completion of the Centrate Tank Valve Replacement Project, status of Woolsey Fire repairs, Rehabilitation of Outfall 003 Project, completion of the Tapia Summer TMDL Compliance Project, status of the Tapia Aluminum Sulfate Tank Replacement Project, status of the Tapia Flow Equalization Project, and status of the Clarifier and Concrete Repair Projects.

A discussion ensued regarding the Stationary Emergency Generator Project, and the length of time and amount of fuel needed for the generators to run during a power outage.

Jim Korkosz, Facilities Manager, presented Strategic Objective No. 1 – Develop a Strategy to Maintain a Highly Effective Workforce, related to assisting in the development of mechanical and electrical testing for the California Water Environment Association. He also presented Strategic Objective No. 6 – Reduce LVMWD’s Carbon Footprint, related to the District’s use of a computerized maintenance management software system to track work orders and maintenance costs.

Doug Anders, Administrative Services Coordinator, presented Strategic Objective No. 1 – Develop a Strategy to Maintain a Highly Effective Workforce, related to increasing efficiency and ensuring continuity in software systems and as part of succession planning.

A discussion ensued regarding grants awarded for the Pure Water Project, and

encouraging customers to enroll in the WaterSmart customer portal to track their water usage and receive notifications.

The Board recessed to a break at 11:42 a.m. and reconvened at 11:55 a.m.

7. FINANCIAL UPDATE

A Monthly Cash and Investment Report: March 2022

Receive and file the Monthly Cash and Investment Report for February 2022, and authorize the assignment of available funds for the Pure Water Project Las Virgenes-Triunfo as part of the proposed Fiscal Years 2022-24 Two-Year Budget.

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

Director Caspary moved to authorize the assignment of available funds for the Pure Water Project Las Virgenes-Triunfo as part of the proposed Fiscal Years 2022-24 Two-Year Budget. Motion seconded by Director Polan.

Mr. Patterson responded to a question regarding issuance of debt financing for the Pure Water Project by stating that despite interest rate increases the District's financial advisor, Piper Sandler, was projecting that municipal bond rates would be historically low; however, the rates would be significantly higher than the current rates. He noted that funds would need to be spent within two to three years of debt issuance. He also responded to questions regarding assigning \$15 million from potable water reserves to the Pure Water Project, and assigning available funds identified for water supply reliability projects, which could include the Pure Water Project or other projects.

General Manager David Pedersen suggested making an assignment from the recycled water reserves for water supply reliability projects, which could include the Pure Water Project

Director Caspary amended the motion to assign \$15 million from potable water reserves to the Pure Water Project, and assign available funds identified for water supply reliability projects, which could include the Pure Water Project or other projects. Amended motion seconded by Director Polan. Motion carried unanimously.

A discussion ensued regarding having staff bring back the reserve amounts identified for the Pure Water Project and water supply reliability projects at the May 17th Board Meeting, and asking Greg Swartz from Piper Sandler to attend a future Board meeting to discuss debt financing options.

B Financial Review: Third Quarter of Fiscal Year 2021-22

Receive and file the financial review for the third quarter of Fiscal Year 2021-22.

Brian Richie, Finance Manager, presented the report and a PowerPoint presentation. He moved forward with presenting Item 7C.

C Update on CalPERS/OPEB Liability

Receive an update on CalPERS/Other Post-Employment Benefits (OPEB) liability, and authorize continuing to contribute towards unfunded OPEB liability.

Brian Richie, Finance Manager, presented the report and a PowerPoint presentation.

Director Polan moved to receive and file the financial review for the third quarter of Fiscal Year 2021-22, and authorize continuing to contribute additional funding to California Employers' Retiree Benefit Trust (CERBT) in the a form of quarterly payments of Actuarially Determined Contributions (ADC) in addition to monthly Paygo retiree health contributions estimated at \$1,285,084 for ADC and \$1,100,371 for Paygo. Motion seconded by Director Caspary. Motion carried unanimously.

D Preliminary Fiscal Years 2022-24 Two-Year Budget

Review and provide feedback on the preliminary budget, performance measurements, and MWD pass-through for Fiscal Years 2022-24.

An educational budget video was presented, which would provide information to customers on how their payments are spent on District services, operations, infrastructure maintenance, and capital improvement projects. The Board expressed support for the video, and requested that the video be edited to catch the water dripping from the faucet.

Debbie Rosales, Financial Analyst II, presented the preliminary Fiscal Years 2022-24 Two-Year Budget and changes to GFOA guidelines, including department performance goals and performance measures. She also presented budget drivers and assumptions, including MWD pass-through rates, drought conditions and revenues, extraordinary expenses for installation and removal of flow restriction devices and patrol for wasteful water use, and additional staffing positions and reclassifications.

A discussion ensued regarding MWD's pass-through, the use of the rate stabilization fund to cover the cost of reduced water sales in Calendar Years 2023 and 2024, allowable uses of penalty funds such as for water conservation programs, water supply reliability projects, flow restriction device program, and patrol for wasteful water use.

Ms. Rosales continued the presentation and reviewed the source and use of funds.

Sophia Crocker, Human Resources Manager, reviewed key District demographics including employees' retirement eligibility, age distribution, total attrition, and recruitment trend, and the additional staffing proposal for a Human Resources Coordinator position for the Human Resources Division.

A discussion ensued regarding marketing the District's teleworking policy as part of recruitment.

Brett Dingman, Water Reclamation Manager, reviewed the Water Reclamation Plant Operator series classification proposal to align certification requirements with classification titles.

A discussion ensued regarding concerns that the reduction in starting salary for the Water Reclamation Plant Operator in Training position would not attract potential new employees, and the expectation that the Water Reclamation Plant Operator in Training would eventually be promoted to the Water Reclamation Plant Operator series.

Darrell Johnson, Water Systems Manager, presented the additional staffing proposal for the Water Treatment Division and reviewed the Operator certification requirements.

A discussion ensued regarding concerns with the retirement of long-time employees and transfer of their institutional knowledge.

The Board expressed support for the preliminary Fiscal Years 2022-24 Two-Year Budget.

Director Renger departed from the meeting at 1:17 p.m.

E Annual Review of the District's Investment Policy

Review and provide feedback on the District's Investment Policy; and

F Annual Review of Financial Policies

Review and provide feedback on the District's Financial Policies.

Don Patterson, Director of Finance and Administration, presented Items 7E and 7F.

Director Caspary moved to receive and file Items 7E and 7F. Motion seconded by Director Polan. Motion carried by the following vote:

AYES: Caspary, Lewitt, Lo-Hill, Polan

NOES: None

ABSTAIN: None

ABSENT: Renger

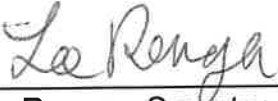
8. ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **1:19 p.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)