



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

MINUTES
REGULAR MEETING

9:00 AM

April 19, 2022

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Dave Roberts.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **9:00 a.m.** by Board President Lewitt 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 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

2. APPROVAL OF AGENDA AND APPROVAL OF FINDINGS OF RESOLUTION NO. 2603 (AB 361)

General Manager David Pedersen asked that Item 4D, Claim by Justin Bruening, be removed from the agenda as requested by the Claimant.

Director Polan moved to approve the agenda as amended with the removal of Item 4D and approve the findings of Resolution No. 2603 (AB 361). Motion seconded by Director Renger. Motion carried unanimously.

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

A List of Demands: April 19, 2022: Receive and file

B Minutes Regular Meeting of April 5, 2022: Approve

C Directors' Per Diem – March 2022: Ratify

E Claim by Michael Blodgett

Authorize the General Manager to negotiate and execute a settlement agreement with Michael Blodgett.

F Claims by Wades Wines and Southern California Edison

Authorize the General Manager to negotiate and execute settlement agreements with Wades Wines and Southern California Edison.

G Travel Expense Policy Update: Approval

Approve the proposed update to the Travel Expense Policy.

Director Renger moved to approve the Consent Calendar. Motion seconded by Director Polan. Motion carried unanimously.

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A MWD Representative Report

Glen Peterson, MWD Representative, reported the MWD Board adopted a resolution to continue to hold remote teleconference meetings; adopted the 2020 Integrated Water Resources Plan Regional Needs Assessment; adopted a resolution related to the ad valorem property tax rate limitation for fiscal years 2022-23 through 2023-24; approved the Fiscal Years 2022-23 and 2023-24 Biennial Budget with overall rate increases of five percent in Calendar Year 2023 and five percent in Calendar Year 2024; and approved entering into a one-year agreement with several water districts to provide assistance with

water deliveries to Rubidoux Community Services District in order to meet their sanitation discharge permit requirements. He noted that several environmental groups spoke against the Bay Delta Conveyance Project, Sites Reservoir Project, and voluntary agreements. He stated that the Sites Reservoir Project could possibly take one and one-half million acre-feet of water from Sacramento River flood flows, and MWD might pay \$1 billion towards this project and own nearly 25 percent. He also noted that MWD Directors representing San Diego County Water Authority and City of Los Angeles expressed opposition to the Sites Reservoir Project. He also noted that the MWD Board approved the Third Amendment to the 2019 Reservoir Project Agreement with the Sites Project Authority. He also reported that the MWD Board approved a support position on SB 991 (Newman), which would allow progressive contracts for design-build for local agencies. He noted that water levels in Lake Oroville had increased by 50,000 acre-feet in the past week due to recent rain in Northern California. He expressed concern with the water allocation that MWD would be providing to the District, and he stated that he would follow-up with MWD General Manager Adel Hagekhalil. He responded to a question regarding the MWD Board's authorization to secure one-year water transfers with various water districts north of the Sacramento-San Joaquin River Delta by stating that this was mainly with the Yuba County Water Agency as part of the Yuba Accord. He noted that the Yuba Accord had netted MWD approximately 35,000 to 40,000 acre-feet of water annually. He also responded to a question regarding whether the District could benefit from this water transfer by stating that there was much competition to obtain this source of water at a cost of \$650 per acre-foot, and farmers were willing to pay \$2,000 per acre-foot of water.

A discussion ensued regarding MWD's rate increases for the next two years; the need for water supply redundancy, fungibility, and reliability; MWD's investments towards the Sepulveda Feeder and Greg Avenue Pump Station Projects; and the restart of MWD tours.

B Legislative and Regulatory Updates

Joe McDermott, Director of Engineering and External Affairs, reported that the District submitted a letter in opposition unless amended regarding SB 1157 (Hertzberg), which proposes to lower the existing indoor gallons per capita daily (GPCD) water use efficiency standard. He noted that the District also signed onto a letter with the Association of California Water Agencies (ACWA) in opposition to SB 1157 unless amended. He also reported that he and Mary Otten, General Manager with the Pleasant Valley Recreation and Park District, met with Assemblymember Jacqui Irwin to discuss the drought and water supply conditions. He noted that he shared information regarding the District's long-term plans for water reliability and resiliency through the Pure Water Project Las Virgenes-Triunfo, and he invited Assemblymember Irwin to tour the Pure Water Demonstration Facility. He also noted that he shared the District's actions to address the drought, including implementation of the Flow Restriction Device Program and restrictions on outdoor irrigation. He also noted that staff hoped to meet with Senator Henry Stern and Assemblymember Jesse Gabriel during the ACWA Spring Conference scheduled May 3rd through 5th. He also reported that Congresswoman Julia Brownley toured the Pure Water Demonstration Facility on April 15th.

Board President Lewitt asked that staff work on scheduling a meeting with Assemblymember Jacqui Irwin during the ACWA Spring Conference.

A discussion ensued regarding the existing 55 GPCD indoor water use efficiency standard; impacts should the standard be decreased to 42 GPCD; determining the amount of water used for showering, clothes washing, and other indoor water use activities; and focusing on outdoor water conservation.

General Manager David Pedersen noted that a breakdown of indoor water usage was previously presented, and he would share this information with the Board. He noted that indoor water usage had increased by approximately five GPCD due to the COVID-19 pandemic, and the District was anticipating receiving minimum health and safety deliveries from the State Water Project as a result of the current drought emergency.

Board President Lewitt suggested scheduling a meeting with Senator Bob Hertzberg during the ACWA Spring Conference to discuss the District's concerns related to water use efficiency standards.

C Drought and Water Supply Conditions Update

Joe McDermott, Director of Engineering and External Affairs, presented the report. He reported that Lake Oroville was at 78 percent of normal following recent rain. He noted that the Northern Sierra snowpack peaked at 61 percent of normal on January 17th, and the snowpack had since decreased to 15 percent of normal.

General Manager David Pedersen responded to a question regarding whether staff had explored public markets for water and whether water was available for delivery or as a hedge on future prices by stating that his impression was that public markets for water was a commodity index and a hedge on cost. He stated that he believed this was not a practical way to receive wet water, and it was rather a way to hedge against water shortage to have the funding to purchase wet water. He also stated that further research would be needed regarding this option.

6. TREASURER

Director Lo-Hill stated that the Treasurer's report was in order. She noted that the Fiscal Years 2022-24 Two-Year Budget preparation was currently underway and would be presented to the Board for adoption in June.

Board President Lewitt stepped out of the Board Room at 9:56 a.m., and returned at 9:57 a.m.

Director Caspary inquired regarding investment of reserve funds that generate revenue, and he asked staff to investigate a treasury inflation protected security as a protection against inflation. Don Patterson, Director of Finance and Administration responded that staff bring back information with the next Monthly Investment Report.

7. **FACILITIES AND OPERATIONS**

A Westlake Filtration Plant Turbidity Meter Replacement: Authorization

Authorize the General Manager to issue a purchase order to Hach Industries, in the amount of \$87,713.92, for the replacement of 14 turbidity meters at the Westlake Filtration Plant.

Darrell Johnson, Water Systems Manager, presented the report.

Director Renger moved to approve Item 7A. Motion seconded by Director Lo-Hill.

A discussion ensued regarding the new technology in the replacement meters, the proprietary purchase of Hach turbidity meters to ensure communication with the SCADA system and compatibility with other operating systems, monitoring for turbidity when discharging to Malibu Creek, and the lifecycle of turbidity meters.

Motion carried unanimously.

8. **FINANCE AND ADMINISTRATION**

A Agreement for Banking Services with Wells Fargo Bank: Extension

Authorize the General Manager to execute an amendment with Wells Fargo Bank for an additional one-year extension, from June 1, 2022 through May 31, 2023, for banking services.

Brian Richie, Finance Manager, presented the report. He responded to a question regarding the types of services a bank could provide to the District by stating that the request for proposals would seek expanded electronic check processing services, which would improve cash flow and allow the District to become eligible for rebate programs for utilizing electronic processing. He also responded to a question regarding the cost for staff hours to prepare the request for proposals by stating that he could provide that information when the agreement for banking services is brought back to the Board.

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

9. **ENGINEERING AND EXTERNAL AFFAIRS**

A Emergency Drought Response: Flow Restriction Device Implementation Plan

Review and provide feedback on the Flow Restriction Device Implementation Plan.

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

Director Renger moved to review and provide feedback on the Flow Restriction Device Implementation Plan. Motion seconded by Director Caspary.

A discussion ensued regarding the amount of water pressure and flow following the installation of a flow restriction device.

Bruce Bunch expressed concern with impacts due to outdoor water use restrictions to customers who live on large properties with large landscaping versus customers who live in condominiums or smaller properties. He noted that he lives in a fire danger area, and his neighborhood did not burn during recent wildfires because the residents stayed to help extinguish the fire. He stated that his landscaping included 32 mature trees over 30 years old and over 60-feet tall. He expressed concern with his property value due to watering restrictions. He stated that affluent property owners with large properties were willing to pay higher costs to irrigate their landscaping. He also expressed concern that restrictions were not being placed in areas with cooler temperatures.

A discussion ensued regarding ways that Mr. Bunch and other customers could reduce outdoor water use such as monitoring water budgets, monitoring water usage using the WaterSmart portal, installing native landscaping and drip irrigation systems, hand watering, and installing a weather-based irrigation controller. A discussion also ensued regarding the District receiving nearly all of its water supply from the State Water Project (SWP), and that the California Department of Water Resources (DWR) had originally allocated zero percent to 15 percent and now only five percent from the SWP; the possibility that the DWR would only provide human health and safety deliveries from the SWP; the District's intent to gain customers' attention rather than install 3,800 flow restriction devices for wasteful water use; inability of homeowners' associations to impose fines to property owners for not irrigating their landscaping; and the availability of free recycled water at the Rancho Las Virgenes recycled water fill station.

Robert Paulsen stated that he became aware of the drought several months ago and he sought information on the installation of the weather-based irrigation controller. He commended staff on their professionalism and willingness to assist customers. He expressed concern that people in his neighborhood were not aware of the severity of the drought and that drought messaging was not being conducted to the extent needed. He noted that his household reduced their water budget by 50 percent from the same period last year following the installation of the smart meter, and they were able to track their water use using the WaterSmart portal.

General Manager David Pedersen responded to a question by Mr. Paulsen regarding the timeline for outdoor watering restrictions by stating that MWD would be considering implementation of a one-day per week outdoor watering restriction with eight minutes maximum per station effective June 1st. He stated that the District would need to implement MWD's restrictions and notify all customers. He also responded to a question regarding whether large gyms would be subject to the same restrictions as homeowners by stating that commercial customers would be required to comply with their water budgets. He also responded to a question regarding whether large native trees would be provided an exemption from watering restrictions by stating that the District considers the square footage of a property's landscaped area when determining the water budget, and

the amount of water for that square footage would be sufficient to support a variety of landscaping including trees.

A discussion ensued regarding allowing hand watering with a hose with a shutoff nozzle or a watering can; ensuring that properties identified with wasteful water usage are revisited to address compliance; allowing customers to improve their water use efficiency as part of the Flow Restriction Device Implementation Plan; using penalty funds that were collected for wasteful water use for providing one-site water use surveys and identifying strategies to reduce water usage; continuing the Rachio Weather-based Irrigation Controller Program; conducting outreach to landscapers regarding adjusting irrigation systems; proactivity conducting outreach to the highest water users and their homeowners' associations; and maintaining the 25 percent reduction in reclaimed water use in order to avoid augmenting reclaimed water supply in the summer.

Dave Roberts, Resource Conservation Manager, responded to a question regarding MWD's turf replacement rebate program by stating that District staff was discouraging landscape conversion at this time because new landscape materials would require irrigation in order to establish growth; however, replacing lawns with synthetic turf could be an alternative. He also stated that there was discussion regarding banking MWD rebates until after the water supply crisis.

The motion was withdrawn as the item was for the Board to review and provide feedback on the Flow Restriction Device Implementation Plan.

10. INFORMATION ITEMS

A Annual Property and Liability Insurance Renewal

Don Patterson, Director of Finance and Administration, confirmed there would be a ten percent increase to the District's property and liability insurance premium.

11. NON-ACTION ITEMS

A Organization Reports

Director Caspary reported that he would be attending the Association of California Water Agencies (ACWA) State Legislative Committee Meeting on April 29th. He also reported that the Santa Monica Bay Restoration Commission would hold its Governing Board meeting in the LVMWD Board Room on April 21st, and on June 16th followed by a tour of the Pure Water Demonstration Facility.

B Director's Reports on Outside Meetings

None.

C General Manager Reports

(1) General Business

General Manager David Pedersen acknowledged Customer Service staff on their efforts with handling a high volume of phone calls related to the drought emergency. He noted that customers appeared to have misperceptions of the District's actions following a letter published in *The Acorn* indicating that the District would be penalizing water savers and calling for a 50 percent reduction in the outdoor water budgets based on a historical number. He stated that the District would clarify this misperception and prepare a response letter to *The Acorn*. He explained that a water budget was independent from a customer's water usage as it was based on the number of people in the household and the size of the property's irrigated area. He also explained that the water budget was based on an indoor allocation and an outdoor allocation, and the outdoor water budget would be reduced by 50 percent. He stated that staff was working on preparing a frequently asked questions document to help answer customers' questions. He also stated that staff recommended holding a virtual town hall meeting in May to provide additional information. He noted that MWD would hold a public hearing on April 26th regarding water restrictions. He reminded that Board that the May 2nd JPA Regular Board Meeting and the May 3rd LVMWD Regular Board Meeting were canceled due to a conflict with the ACWA Spring Conference, the next JPA Board Meeting would be held May 9th, and the next LVMWD Regular Board Meeting would be held on May 17th.

Director Lo-Hill exited the Board Room at 11:48 a.m.

A discussion ensued regarding the customers' ability to view their water budget on their billing statement, and water usage divided by the water budget would determine the water use reduction.

(2) Follow-Up Items

None.

D Directors' Comments

Director Polan noted that he requested the installation of a Rachio weather-based irrigation controller; however, he noted that Rachio was delayed six to eight weeks due to a high volume of requests.

Board President Lewitt commented that it was not realistic for customers to use buckets to pick up recycled water from the recycled water fill station, and he suggested exploring outsourcing truck delivery. He reported that he and JPA Directors Jane Nye and Leon Shapiro participated in a tour of the Pure Water Demonstration Facility for Congresswoman Julia Brownley on April 15th. He stated that Congresswoman Brownley would be a key force to the Pure Water Project Las Virgenes-Triunfo should she win reelection, and he asked staff to thank Ana Schwab and Lowry Crook from Best Best & Krieger LLP for their assistance in scheduling the tour.

12. FUTURE AGENDA ITEMS

Board President Lewitt requested a future agenda item to study the issue of using swimming pools for fire suppression in an emergency.

13. PUBLIC COMMENTS

None.

14. CLOSED SESSION

A Threat to Public Services or Facilities (Government Code Section 54957(a)):

Consultant with Ivo Nkwenji, Security Operations Manager

B Conference with District Counsel – Existing Litigation (Government Code Section 54956.9(a)):

Shirloo v. City of Calabasas, et al.

The Board recessed to Closed Session at **11:53 a.m.**

Director Lo-Hill returned to the Board Room for the Closed Session at 12:01 p.m.

The Board reconvened to Open Session at **12:42 p.m.**

Keith Lemieux, District Counsel, announced that the Board received a report for Closed Session Item 14A, and there was no reportable action. He also announced that the Board received a report for Closed Session Item 14B, and the Board agreed to an offer by the plaintiffs to dismiss the case in exchange for a declaration from the District indicating that the District does not own the property at issue in the lawsuit and certain other requirements. This offer was unanimously approved by the Board, and District Counsel was directed to effectuate that dismissal.

15. OPEN SESSION AND ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **12:42 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)