



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

MINUTES
REGULAR MEETING

9:00 AM

November 15, 2022

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Craig Jones.

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

Director Lo-Hill moved to approve the agenda and approve the findings of Resolution No. 2609 (AB 361). Motion seconded by Director Caspary. Motion carried unanimously.

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

A List of Demands: November 15, 2022: Receive and file

B Minutes Special Meeting of October 19, 2022: Approve

C Directors' Per Diem – October 2022: Ratify

D Continuation of Local State of Emergency Due to Water Shortage from Statewide Drought

Approve the continuation of a local emergency declaration due to water shortage from the statewide drought.

E Resolution of Intent for Continuation of Potable Water Standby Charge

Pass, approve, and adopt proposed Resolution No. 2612, 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 17, 2023.

RESOLUTION NO. 2612

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, 2023

(Reference is hereby made to Resolution No. 2612 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

F Monthly Cash and Investment Report: September 2022

Receive and file the Monthly Cash and Investment Report for September 2022.

G Financial Review: First Quarter of Fiscal Year 2022-23

Receive and file the financial review for the first quarter of Fiscal Year 2022-23, and

confirm the previously-approved rate adjustments for potable water, recycled water, and sanitation services, effective January 1, 2023.

H Fiscal Year 2023-24 Proposed Sanitation Rate for Consolidated Sewer Maintenance District: Topanga Tax Zone

Approve a monthly billing rate³ of \$60.50 per Equivalent Residential Unit for the Consolidated Sewer Maintenance District, Topanga Tax Zone, for Fiscal Year 2023-24.

I Update to Las Virgenes Municipal Water District Code: Miscellaneous User Fees

Pass, approve, and adopt proposed Resolution No. 2613, updating miscellaneous user fees, effective on January 1, 2023.

RESOLUTION NO. 2613

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT AMENDING RESOLUTION NO. 2468 (ADMINISTRATIVE CODE) AS IT RELATES TO FEES

(Reference is hereby made to Resolution No. 2613 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

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

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Recognition of LVMWD Director Lynda Lo-Hill

Councilmember James Bozajian, via teleconference, displayed a plaque and recognized Director Lo-Hill for her service on the Board of Directors and for representing Division 2, including the City of Calabasas.

Board President Lewitt noted that the City of Westlake Village provided a plaque recognizing Director Lo-Hill. He read a proclamation recognizing Director Lo-Hill for her four years of service as Division 2 Director.

Director Lo-Hill thanked the Board and staff, and stated that it was a pleasure working with the District.

Director Caspary acknowledged Director Lo-Hill for her enthusiasm and dedication.

B MWD Representative Report

Glen Peterson, MWD Representative, noted that former MWD Director Phillip J. Pace and MWD Director Phillip Hawkins had recently passed away. He reported that the MWD Engineering and Operations Committee attended an inspection trip of the ponds at the Antelope Valley-East Kern Water Agency High Desert Water Bank, the Sepulveda Feeder, and the Joseph Jensen Treatment Plant. He also reported that the MWD Board elected Director Lois Fong-Sakai as Board Secretary for a two-year term; approved the CEQA determination of environmental effects of the East County Advanced Water Purification Local Resources Project as part of the Padre Dam Municipal Water District's Mitigated Negative Declaration; and authorized an increase to the legal services contract related to the Santa Diego County Water Authority litigation. He noted that the Department Heads' performance evaluations were postponed to a future meeting. He responded to a question regarding the ponds at the Antelope Valley-East Kern Water Agency High Desert Water Bank, where water would be taken by gravity into the groundwater. He also responded to a question regarding projects to address climate change by stating that the Sites Reservoir Project would capture and store water. He noted that the project recently received \$50 to \$60 million in federal funding, and would likely be completed by 2030.

C Legislative and Regulatory Updates

Joe McDermott, Director of Engineering and External Affairs, noted that a tour of District facilities would be provided to Assemblywoman Jacqui Irwin later in the day.

General Manager David Pedersen responded to a question regarding any upcoming federal legislation by stating that Congress would likely pass a continuing resolution to continue federal funding through December 16th.

D Water Supply Conditions Update: Receive and file

Joe McDermott, Director of Engineering and External Affairs, reported that the 8-station index was at 78 percent of normal following recent snow and rainfall, and another storm was expected in the Northern Sierras during the Thanksgiving weekend.

General Manager David Pedersen responded to a question regarding when the California Department of Water Resources (DWR) would allocate the percentage from the State Water Project for 2023 by stating that an allocation would be issued on December 1st, and it was expected the DWR would issue a five percent allocation.

A discussion ensued regarding continuing water conservation messaging, and ensuring that signs were posted at the sprayfields explaining why the sprayfields were being irrigated with excess recycled water.

Mr. McDermott presented the Customer Service Drought Metrics report. He responded to a question regarding the possibility of linking water budgets to the WaterSmart Portal by stating that staff had discussed this possibility with the vendor; however, it would be challenging for the vendor to make customized changes.

A discussion ensued regarding revenue from potable water penalties, which were being used for water conservation purposes and drought messaging.

Mr. McDermott responded to a question regarding the possibility of implementing a new rain barrel program by stating that rain barrels would be included in the upcoming Landscape Transformation Program. He noted that rebates were also available through www.bewaterwise.com.

E Briefing on US-Israel Collaboration: Water Reuse Delegation Visit to Israel

Board President Lewitt reported that he and General Manager David Pedersen attended the US-Israel Collaboration Water Reuse delegation visit to Israel and the group first visited the Israeli government offices, where they learned there was only one water authority that makes decisions for the entire country. He noted that attendees included officials from Israeli Ministry offices, a delegation of officials from Southern California, representatives from the U.S. Environmental Protection Agency, representatives from WaterReuse, representatives from American Water Works, representatives from several other public agencies, and representatives from several engineering firms. He noted that visits included agriculture sites that use recycled water for irrigation, desalination plants, the Intel semiconductors plant, and Masada National Park.

General Manager David Pedersen noted that there were many similarities between Israel and Southern California, including shape, climate, coastlines, rivers, aqueducts, and agriculture. He also noted that one of the first laws passed in Israel was the *Law of Water*, which implied that all water of Israel belongs to the people. He stated that California had a similar law called *Water Rights*, and California's agricultural users generally have the most senior and priority water rights. He also stated that the Israeli Water Authority allocates water to agriculture, the allocation is decreased when water is in short supply, and they incentivize and encourage farmers to use recycled water at a large discount. He noted that Israeli agriculture uses recycled water, also known as treated effluent, and drinking water was produced from desalinated water. He also noted that Israel has five major desalination plants, which supplies the majority of the drinking water. He also noted that Israel focused on limiting non-revenue water, also known as water leaks and non-billed water, and reused 86 percent of the sewage for agriculture. He explained that their water recycling was "fit for purpose," and was treated to secondary standards to irrigate fruit trees and treated to higher levels to irrigate crops that come in contact with water. He stated that natural gas was used to generate energy for the desalination plants, and most of the desalination plants were co-located next to a power plant. He also stated that Israeli's philosophy was that what comes from the ocean could be returned to the ocean, and they were comfortable with returning brine, residuals, and waste back to the ocean. He also stated that they were less comfortable with advanced treatment for water recycling because in their view it does not come from the ocean. He noted that innovation and technology were important to Israel, and many of the startup companies in the water sector were innovative with data management, optimization, surveillance, sewer collection monitoring, metering, and atmospheric water generation.

6. TREASURER

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

John Zhao, Director of Facilities and Operations, responded to a question regarding Southern California Edison's (SCE) billing corrections shown on the List of Demands by stating that there was a miscalculation on the tariffs for solar credits, and staff was working with SCE and the California Public Utilities Commission regulators to ensure that the District received the proper credits for solar generation.

7. FACILITIES AND OPERATIONS

A 2022 Capacity Fee Study: Authorization

Authorize the General Manager to execute a professional services agreement with Raftelis Financial Consultants, Inc., in the amount of \$55,243, for preparation of a 2022 Capacity Fee Study.

Doug Anders, Administrative Services Coordinator, presented the report.

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

Mr. Anders responded to a question regarding the five-year consumer price index adjustment schedule for connection fees.

Motion carried unanimously.

8. ENGINEERING AND EXTERNAL AFFAIRS

A Tract No. 53138 (Deerlake Ranch): Acceptance of Dedication of Phase II Water Systems Improvements

Accept the dedication of the Phase II Water System Improvements and authorize the Director of Engineering and External Affairs to execute an acceptance of dedication; execute a Notice of Completion for upgrades to District-owned facilities; authorize the release of payment to the developer, in the amount of \$2,352,225, pursuant to the terms of the fully-executed Reimbursement Agreement for capacity upgrades to District-owned facilities; and appropriate and authorize additional reimbursement, in the amount of \$47,168.81, for District-requested and approved change orders during construction for Tract No. 53138, Deerlake Ranch.

General Manager David Pedersen exited the Board Room at 10:34 a.m. Keith Lemieux, District Counsel, explained that General Manager David Pedersen exited the Board Room due to a conflict of interest for this item.

Eric Schlageter, Principal Engineer, presented the report.

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

Mr. Schlageter responded to questions regarding the leak and age of the suction header by stating that the suction header and pumps were approximately 35 to 40 years old, and

leaks were found when the suction header was exposed. He noted that a more permanent repair to the suction header would be included in the future Twin Lakes Pipeline Project. He also responded to a question regarding whether the fire hydrants were sized for the existing system by stating that the Water System Design Report identified the existing facilities had sufficient pumping and storage capacity to meet the demands for Phase 1; however, the additional facilities needed for Phase 3 would be done concurrently with Phase 2.

Motion carried unanimously.

General Manager David Pedersen returned to the Board Room at 10:43 a.m.

9. INFORMATION ITEMS

A **GFOA Certificate of Achievement for Excellence in Financial Reporting**

Director Polan acknowledged staff on receiving the certificate.

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 noted that the December 5th JPA Board meeting would be rescheduled to December 13th to ensure complete responses to all of the comments for the Pure Water Project Las Virgenes-Triunfo Preliminary Environment Impact Report. He also noted that the January 3, 2023 JPA and LVMWD Board meetings would be canceled, and a Special JPA Board Meeting would be held on January 9, 2023. He reported that red flag warnings were issued for December 16th due to high winds and low humidity. He also reported that the District was experiencing success with water conservation efforts; however, conservation was increasing the water age in the system and water was being stored in the tanks longer than normal. He noted that parts of the water system was experiencing low chlorine residual, and staff was working on moving the water and making operational changes to keep the chlorine residual at normal levels. He also reported that the recent Pure Beer Event was well attended, and he acknowledged staff on their efforts.

(2) **Follow-Up Items**

General Manager David Pedersen noted that staff researched the issue of the excise tax on diesel fuel for equipment that does not use diesel fuel for vehicle miles, and staff found that 760 gallons of diesel fuel was used in 2021. He stated that staff would explore how the District could apply for an excise tax refund in the amount of approximately \$327. He also noted that staff would bring back a report regarding the possibility of increasing the General Manager's purchasing authority at the January Board meeting.

D Directors' Comments

Board President Lewitt discussed the upcoming nomination of Board Officers scheduled at the December 6th Board meeting, and he suggested that the Board Members give thought regarding which Officer positions would interest them.

General Manager David Pedersen noted that the Water Code calls for new directors to take office on the first Friday in December. Director Caspary commented that the County Registrar-Recorder/County Clerk was scheduled to certify the election on December 5th.

Director Lo-Hill expressed an interest in being nominated as the MWD Representative.

A brief discussion ensued regarding timing issues between the date the new directors take office and the date the election would be certified, and considering these issues with regard to nomination and election of Board Officers.

Keith Lemieux, District Counsel, mentioned that he would research the Water Code related to the election of Officers taking place in January.

11. FUTURE AGENDA ITEMS

None.

12. PUBLIC COMMENTS

None.

13. CLOSED SESSION

A Conference with District Counsel – Anticipated Litigation (Government Code Section 54956.9(d)(2): Three items

Tort Claim by Robert Bishop

Tort Claim by Dennis and Louise Nelson

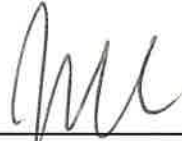
Tort Claim by Gillian Henchy

The Board recessed to Closed Session at 11:01 a.m. and reconvened to Open Session at 11.17 a.m.

Keith Lemieux, District Counsel, announced that the Board received reports in Closed Session, and the Board directed staff to send a letter of claim denial for the tort claim by Robert Bishop. He also stated that the tort claims by Dennis and Louise Nelson and Gillian Henchy were settled under the General Manager's authority.

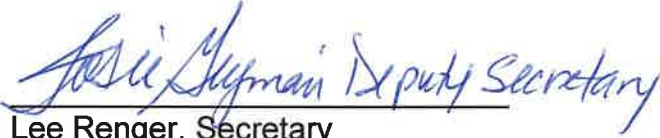
14. OPEN SESSION AND ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at 11.18 a.m. in honor of Director Lo-Hill's service as Division 2 Director.



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

ATTEST:



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

(SEAL)