



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

MINUTES
REGULAR MEETING

9:00 AM

June 20, 2023

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. Josie Guzman, Clerk of the Board, conducted the roll call.

Present: Directors Gary Burns, Charles Caspary, Andy Coradeschi, Jay Lewitt, and Len Polan.

Absent: None

Staff Present: Joe McDermott, Acting General Manager/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
Steven O'Neill, District Counsel

2. APPROVAL OF AGENDA

Director Caspary moved to approve the agenda. Motion seconded by Director Polan. Motion carried 5-0 by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Polan
NOES: None

ABSTAIN: None
ABSENT: None

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

Director Polan pulled Item 4E for discussion.

- A List of Demands: June 20, 2023: Receive and file**
- B Minutes Regular Meeting of June 6, 2023: Approve**
- C Directors' Per Diem: May 2023: Ratify**
- D State and Federal Legislative and Regulatory Advocacy: Assignment**

Authorize the General Manager to execute the necessary documents with Best Best & Krieger LLP for assignment of state advocacy services to Syrus Devers Advocacy LLC.

- F Calleguas-Las Virgenes Municipal Water District Interconnection Project: SCADA Integration Services**

Accept the proposal from MSO Technologies, Inc., and authorize the General Manager to execute a change order, in the amount of \$31,350, for SCADA system integration services related to the Calleguas-Las Virgenes Municipal Water District Interconnection Project.

Director Polan moved to approve Consent Calendar Items 4A, 4B, 4C, 4D, and 4F. Motion seconded by Director Caspary. Motion carried 5-0 by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Polan
NOES: None
ABSTAIN: None
ABSENT: None

4. CONSENT CALENDAR – SEPARATE ACTION ITEM

- E Pure Water Project Las Virgenes-Triunfo: MWD Local Resources Program Application**

Authorize the General Manager to submit a Local Resources Program application to Metropolitan Water District of Southern California for the Pure Water Project Las Virgenes-Triunfo, selecting Option No. 1 for sliding scale incentives of up to \$340

per acre-foot over 25 years.

Director Polan moved to approve Consent Calendar Item 4E. Motion seconded by Director Coradeschi.

Brian Richie, Finance Manager, responded to a question regarding MWD's Local Resource Program incentive payment structure options by stating that Option 1 was the most conservative option and was recommended by Piper Sandler and the Jacobs Team to yield the highest overall return.

Motion carried 5-0 by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Polan
NOES: None
ABSTAIN: None
ABSENT: None

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A MWD Representative Report

Glen Peterson, MWD Representative, reported that the MWD Board approved assignments to the Ad Hoc Committee on Facilities Naming; deferred an agreement for engineering services for water desalination studies in MWD's service area; approved purchasing insurance coverage for MWD's property and casualty insurance program and maintaining \$25 million self-insured retention for general liability coverage; authorized payment to support the Colorado River Board and Six Agency Committee for Fiscal Year 2023-24; adopted the Mitigated Negative Declaration for the Delta Smelt and Native Species Preservation Project; deferred awarding a contract for furnishing and installation of pre-engineered storage builds at various pumping plants; and approved entering into a successor Memorandum of Understanding with the Supervisors' Association. He noted that Los Angeles Mayor Karen Bass would be replacing MWD Director/Vice Chair Heather Repenning as the City's MWD Representative. He responded to questions regarding MWD's \$25 million self-insurance retention for general liability coverage and the status of pipelines to the San Fernando Valley for connectivity with MWD's system. He noted that connectivity would take several years; however, efforts were moving forward.

B Legislative and Regulatory Updates

Jeremy Wolf, Legislative Program Manager, reported that the state budget bill, SB 101 (Skinner), Budget Act of 2023, was passed by the Legislature; however, the bill was awaiting Governor Gavin Newsom's signature. He noted that several trailer bills would follow. He stated that it was unclear whether the Legislature would act on any energy or infrastructure trailer bills that were proposed by Governor Newsom. He noted that the state was still facing a \$31.5 billion deficit. He reported that a possible resource, climate, and water bond for the 2024 ballot would be considered later in the legislative process,

and he suggested that the District advocate for funding under the climate bond, SB 867 (Allen.) He noted that Syrus Devers, and District's state lobbyist, was advocating on behalf of this bill. He stated that items proposed for funding in the state budget included \$310 million for water recycling programs, \$70 million for per- and polyfluoroalkyl substances (PFAS) cleanup at the State Water Resources Control Board, and \$94 million for various watershed resiliency programs. He noted that the District signed onto a letter by the Association of California Water Agencies (ACWA) in opposition unless amended to provisions in SB 101 that would rescind previously committed funding for water resiliency programs related to Bay-Delta critical funding for voluntary agreements. He stated that the proposed \$310 million budget for water recycling programs was \$250 million less than what was previously proposed for projects related to the voluntary agreements in the Bay-Delta and other projects, and that the hope was for Governor Newsom to approve additional funding for water recycling programs. He also reported that staff was working with MWD to request a one-time \$50 million allocation from the state budget to support emergency drought mitigation in Southern California. He stated that this budget request would support construction and upgrades for vital infrastructure that would help prevent reoccurrence of severe regional water shortages. He noted that the District formed a coalition with Calleguas Municipal Water District, the Inland Empire Utilities Agency, Los Angeles Department of Water and Power, Three Valleys Municipal Water District, and Upper San Gabriel Valley Municipal Water District to discuss improvements to MWD's east-west connection to convey water from the Colorado River and Diamond Valley Lake. He stated that the \$50 million allocation would go towards connections to the Sepulveda Canyon/Venice Pump Stations. He also reported that a letter in opposition was sent regarding AB 755 (Papan), Water, Public Entity, Cost-of-Service Analysis, which would require water districts to estimate the hypothetical savings rate payers would realize if the largest users of the water achieved mandated efficiency goals when undertaking a rate study. He stated that ACWA opposes this bill as it poses significant challenges on water agencies in determining what water rate to charge different classes of customers. He also reported that three water rights bills included: AB 460 (Bauer-Kahan), which would give the State Water Resources Control Board the authority to issue restraining orders; AB 1337 (Wicks), which would overturn the court's holding in the curtailment case to enforce water rights against pre-1914 water holders; and SB 389 (Allen), which would grant the State Water Resources Control Board the powers to demand information to support a water right claim and would place the burden of proof on the water rights holder. He also reported that he was working with the State Parks to schedule a tour and discuss Rindge Dam.

Director Caspary noted that ACWA was opposed to SB 101 as it removed \$275 million from the state budget, which would be reverted to the General Fund. He also noted that this funding would have been used towards volunteer agreements to fallow land and preserve water in Lake Mead and state reservoirs.

6. TREASURER

Director Coradeschi stated that he reviewed the expenditures, and all was in order.

7. BOARD OF DIRECTORS

A ACWA Region 8 Board of Directors: Nomination and Support

Pass, approve, and adopt proposed Resolution No. 2623, nominating and supporting Director Leonard E. Polan as a candidate for the ACWA Region 8 Board of Directors.

RESOLUTION NO. 2623

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT PLACING IN NOMINATION DIRECTOR LEONARD E. POLAN AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 8 BOARD OF DIRECTORS

(Reference is hereby made to Resolution No. 2623 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

Joe McDermott, Acting General Manager/Director of Engineering and External Affairs, presented the report.

Director Coradeschi moved to approve Item 7A. Motion seconded by Director Burns.

Motion carried 5-0 by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Polan

NOES: None

ABSTAIN: None

ABSENT: None

B ACWA Statewide Position of President: Nomination and Support

Pass, approve, and adopt proposed Resolution No. 2624, nominating and supporting Cathy Green as a candidate for the position of ACWA President.

RESOLUTION NO. 2624

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT IN SUPPORT OF THE NOMINATION OF CATHY GREEN AS A CANDIDATE FOR THE POSITION OF ASSOCIATION OF CALIFORNIA WATER AGENCIES PRESIDENT

(Reference is hereby made to Resolution No. 2624 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

Joe McDermott, Acting General Manager/Director of Engineering and External Affairs presented the report.

Director Caspary moved to approve Item 7B. Motion seconded by Director Burns.

Motion carried 5-0 by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Polan

NOES: None

ABSTAIN: None

ABSENT: None

8. FACILITIES AND OPERATIONS

A Potable Water System Coating Program: Authorization

Authorize the General Manager to execute an agreement with Vital Coatings, Inc., in the amount of \$98,510, to provide coating services for various potable water distribution system facilities.

Darrell Johnson, Water Systems Manager, presented the report.

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

Mr. Johnson responded to questions regarding the longevity of the paint and the areas where facilities would receive protective coating.

Motion carried 5-0 by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Polan

NOES: None

ABSTAIN: None

ABSENT: None

9. FINANCE AND ADMINISTRATION

A Total Compensation Study Update: Authorization

Authorize the General Manager to execute an agreement with CPS HR Consulting, in an amount not to exceed \$50,000, to update the District's Total Compensation Study.

Sophia Crocker, Human Resources Manager, presented the report.

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

A discussion ensued regarding the inclusion of comparator agencies as the District competes for the same workforce, and updating the study to receive data in preparation for negotiations.

Motion carried 5-0 by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Polan

NOES: None

ABSTAIN: None

ABSENT: None

B Internal Audit Work Plan for Fiscal Year 2023-24: Authorization

Authorize an amendment to the professional services agreement with Eide Bailly LLP, in the amount of \$99,500, to complete the Fiscal Year 2023-24 Internal Audit Work Plan.

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

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

Motion carried 5-0 by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Polan

NOES: None

ABSTAIN: None

ABSENT: None

C Information Technology Master Plan and Operational Review: Award

Accept the proposal from ClientFirst Technology Consulting, and authorize the General Manager to execute a professional services agreement, in the amount of \$79,985, for an Information Technology Master Plan and Operational Review.

Ivo Nkwenji, Information Systems Manager, presented the report.

Director Polan moved to approve Item 9C. Motion seconded by Director Burns.

Mr. Nkwenji responded to a question regarding the scope of the Information Technology Master Plan and Operational Review, which would include an analysis of policies and procedures and incident response plans.

Tom Jacobson, representing ClientFirst Technology Consulting, stated that the operational review would include interviewing all departments, discussing technology improvements, conducting cybersecurity reviews for the administrative network and SCADA, and determining whether any systems need to be replaced, such as hardware or software applications.

Motion carried 5-0 by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Polan

NOES: None

ABSTAIN: None

ABSENT: None

10. ENGINEERING AND EXTERNAL AFFAIRS

A LV-2 Pump Station Variable Frequency Drives Replacement Project: Construction Award

Award a construction contract, in the amount of \$548,600, to Taft Electric Company; reject all remaining bids upon receipt of duly execute contract documents; and reappropriate funding, in the amounts of \$31,146 and \$150,480, from CIP No. 10727, Stunt Road Pump Station Improvements Project, and CIP No. 10784, Potable Water Systems Small Valve Replacement Project, respectively, for CIP No. 10781, LV-2 Pump Station Variable Frequency Drives Replacement Project.

Alex Leu, Senior Engineer, presented the report.

Director Caspary moved to approve Item 10A. Motion seconded by Director Coradeschi.

Mr. Leu responded to a question regarding the reappropriation of funds from CIP Nos. 10727 and 10784 would need to be replaced by stating that CIP 10727 was completed and there were unused fund remaining; however, CIP No. 10784 would need to have a reappropriation in the future.

John Zhao, Director of Facilities and Operations, responded to a question regarding the gravity flow of LV-2 Pump Station to Westlake Village during the summer.

A discussion ensued regarding the 25 to 30-year life expectancy for the new pumps, and the need for additional pumping during the summer due to increased water demands.

Motion carried 5-0 by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Polan

NOES: None

ABSTAIN: None

ABSENT: None

11. NON-ACTION ITEMS

A Organization Reports

Director Caspary reported that he attended the ACWA State Legislative Committee Meeting on June 16th, where they discussed the water bond, regulatory issues for zero emission vehicles (ZEV) regulations, voluntary agreements, water use efficiency legislation, and regulations for hexavalent chromium. He noted that the July 7th meeting was canceled, and a special meeting would be scheduled. He responded to a question regarding ZEV regulations by stating that the California Air Resources Board adopted final regulations; however, there was concern regarding specialized equipment used by public agencies. He stated that some ZEV specialized equipment contained generators and batteries to run accessory equipment, and there was concern that the ZEVs would

not make it back for recharging.

B Director's Reports on Outside Meetings

Director Coradeschi reported that he attended the American Water Works Association (AWWA) ACE23 Conference in Toronto, Ontario, Canada. He noted that several types of equipment were on display inside the large exhibit hall.

Director Polan reported that he also attended the AWWA ACE23 Conference, which showcased the assembly of fire hydrants, synthetic aperture radar technology, pressure sensors to detect pipe leaks, and artificial intelligence technology. He also reported that he attended a presentation regarding receiving feedback from the public and understanding the audience.

Board President Lewitt reported that he also attended the AWWA ACE23 Conference. He noted that he visited utility billing vendors as he was interested in the District's bills being more user-friendly and accessible on electronic devices via an app. He also noted that he attended a presentation by Keynote Speaker Shawn Kanungo, he wrote a book called *The Bold One*, and who spoke regarding the future of artificial intelligence.

C General Manager Reports

(1) General Business

Acting General Manager/Director of Engineering and External Affairs Joe McDermott reported that the flow in Malibu Creek measured 13.5 cubic feet per second (CFS), and creek augmentation would be needed when the flow measures less than two CFS. He noted that the July 3rd JPA meeting was canceled, and a Special JPA Meeting would be held on July 10th where a presentation would be provided regarding the Climate Action Adaptation Plan. He stated that the annual Calleguas-Las Virgenes Public Financing Authority (PFA) Meeting would be held on July 12th at 4:30 p.m., which would include a report on Calleguas Municipal Water District's (Calleguas) status of funds and the biannual selection of PFA Officers and General Counsel, and a joint LVMWD-Calleguas Board meeting would be held immediately following the PFA meeting for a workshop to discuss water supply strategies. He stated that ACWA Region 8 would hold a program and tour on July 13th for a tour of West Basin Municipal Water District's water recycling facility, a discussion regarding perpetual water shortages on the State Water Project, and how California must adapt to climate change. He also reported that United Water Conservation District (UWCD) provided a tour of the Freeman Diversion on June 15th, which was attended by Directors Burns and Coradeschi and District staff.

(2) Follow-Up Items

Acting General Manager/Director of Engineering and External Affairs Joe McDermott noted that an item regarding penalty revenue would be presented at the August 1st Board Meeting; an item regarding evapotranspiration adjustment factors, landscape efficiency factors, and customer service survey results would be presented at the July 18th Board Meeting; and purchasing standards would be presented at a Board Meeting in October.

Director Burns noted that a presentation was provided at the Association of Water Agencies of Ventura County WaterWise Program by Scott Klososky regarding the future of technology including cybersecurity, artificial intelligence, and digital roadmap.

Director Caspary noted that he spoke with Mauricio Guardado, General Manager of UWCD, who indicated that UWCD was expecting that the Freeman Diversion would divert water for the remainder of the year, which would restore the aquifers.

Mr. McDermott responded to a question regarding the status of receiving an endorsement from the Los Angeles County Medical Association for the Pure Water Project Las Virgenes-Triunfo by stating that Public Affairs staff was working on contacting MWD and the Los Angeles Department of Water and Powers on a joint effort to seek an endorsement.

D Directors' Comments

Board President Lewitt reminded the Board that the Organization Reports section of the agenda would include reports from attending meetings of the Santa Monica Bay Restoration Commission and ACWA State Legislative Committee; Directors' Report on Outside Meetings would include reports from attending conferences, tours, and meetings; and Directors' Comments would be for general comments. He also reminded the Board to follow the order of the agenda for transparency purposes.

Director Coradeschi noted that he spoke with an individual who was working at Malibu Creek who indicated that the County's flow gauge was overcounting the creek flow.

Director Caspary commended staff and Stephen Bigilen for their efforts in assisting with the Topanga Lagoon Restoration Project Meeting, which was held in the Board Room on June 17th. He noted that the meeting was sponsored by the Resources Conservation District of the Santa Monica Mountains, and four options were presented to restore the wetlands at Topanga Creek.

12. FUTURE AGENDA ITEMS

None.

13. PUBLIC COMMENTS

None.

14. ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **10:45 a.m.**



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

ATTEST:



Gary Burns, Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)