

**LAS VIRGENES – TRIUNFO
JOINT POWERS AUTHORITY
MINUTES**

5:00 PM

February 2, 2015

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Chairman Wall.

1. CALL TO ORDER AND ROLL CALL

A Call to order and roll call

The meeting was called to order at **5:00 p.m.** by Chairman Wall in the Board Room at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road in Calabasas. Daryl Betancur, Clerk of the Board, conducted the roll call.

Present: Director(s): Caspary, Lewitt, Polan, Renger (arrived at **5:43 p.m.** after roll call), Vice Chairman Peterson, McReynolds, Orkney, Paule, and Chairman Wall

Absent: Director(s): Iceland

2. APPROVAL OF AGENDA

A Approval of agenda

On a motion by Director Caspary, seconded by Director Paule, the Board voted unanimously to approve the agenda as presented.

3. PUBLIC COMMENTS

There were no public comments.

4. CONSENT CALENDAR

A Minutes: Special JPA Meeting of December 8, 2014 and Regular JPA Meeting of January 5, 2015.

Director Peterson moved to approve the minutes of Special JPA Meeting of December 8, 2014 and Regular JPA Meeting of January 5, 2015 with amendments to clarify Director McReynolds' comments in relation to Item 9D on January 5, 2015. Motion seconded by Director Lewitt. Motion carried unanimously.

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Proclamation in Recognition of Employee Retirement: Randal Orton

Chairman Wall, members of the JPA Board and the Administering Agent/General Manager congratulated Dr. Orton for his 22 years of dedicated service to the District, the support given to the JPA Board and his invaluable technical contributions on the watershed.

6. ACTION ITEMS

A Agoura Road Recycled Water Main Extension: Reconsideration of Award

Approve an appropriation of \$1,209,988 for the Agoura Road Recycled Water Main Extension; request that the City of Agoura Hills award the work to C.A. Rasmussen, Inc., for construction in conjunction with its Agoura Road Widening Project; and authorize the Administering Agent/General Manager to reimburse the City of Agoura Hills, in an amount not to exceed \$1,182,426, for the portion of its progress payments to the contractor for the recycled water main.

Administering Agent/General Manager Pedersen stated that this item was for the Board to reconsider proceeding with the Agoura Road Recycled Water Main Extension; Mr. Pedersen further stated that at the December 8, 2014 meeting, the JPA Board had opted not to proceed with this project because of the high cost; stated that since the Board's decision, the JPA had received a letter from the Mayor of Agoura Hills urging the JPA Board to reconsider its prior decision for a couple of reasons: 1) importance of the use of recycled water; and 2) the current drought and need for conservation.

Administering Agent/General Manager Pedersen briefly spoke about the meeting held recently with the City Manager and the Mayor of Agoura Hills and former JPA Chair Peterson. He stated that at this meeting, alternatives were discussed to make this project work as a cooperative project between the City of Agoura Hills and the JPA, including a discussion of financial support by the City of Agoura Hills in the amount of \$328,574, which in essence would reduce the JPA cost to \$1,182,426; spoke about the 20% cost savings to build the project in partnership with the City of Agoura Hills as compared to building it separately at a later date; stated that the question before the JPA Board was whether or not to proceed with constructing the project in conjunction with the City; highlighted some of the benefits associated with the construction of this project in a partnership agreement.

Illece Buckley-Weber, Mayor of Agoura Hills, addressed the JPA Board urging them to reconsider extending the recycled water main to close the gap in the recycled water system between Lady Face Court and Lewis Road in Agoura Hills. Mayor Buckley-Weber spoke about her interest in working with the JPA and water district and the importance of recycled water to the City.

There were several comments and questions from the Board directed to Mayor Buckley-Weber and her staff including a question about the City's plans for the other side of Agoura Road east of Lewis Road; Director Paule took exception with communications in the media and editorials criticizing the JPA Board for its decision regarding this project; Director Paule commented on the cost sensitivity when approving a project with ratepayer funds as opposed to Measure R funds, which are generated from sales tax revenue; other comments included questions about the bidding process and whether or not this project could have been bid out on its own versus a combined bid with the City as presented; and whether or not the project could have been constructed within the JPA's original cost estimates.

Director Orkney expressed concern about the benefits and who receives more direct benefits from the project; there were comments and concerns about the issue of revenue equity and having to pay for a project where there are intangible benefits. Other directors were generally in support, commenting on the need for the use of more recycled water; vision for the future; and the willingness of the City of Agoura Hills to provide some level of financial support. There were questions about the expected water demands for drought-tolerant plants included in the City's landscaping plan and the need for a 20% allowance to cover soft costs for the project.

Chairman Wall commented that his support for this project was predicated on the JPA Board also supporting future recycled water projects in Ventura County, which cannot be built for lack of financial

resources; he stated that he would hope and have faith that if any Ventura County projects were to come before the Board, that these too would receive the same consideration and financial support.

After a substantial discussion on the subject, Director Peterson moved to adopt the recommendation. Motion seconded by Director Caspary. Motion failed (7-2), lacking three affirmative votes from each partner agency.

AYES: Director(s): Caspary, Lewitt, Polan, Renger, Peterson, McReynolds, and Chair Wall
NOES: Director(s): Orkney and Paule
ABSTAIN: Director(s): None

B Woodland Hills Country Club Recycled Water System Extension: Pricing Policy

Approve the pricing policy concept for sale of wholesale recycled water to the Los Angeles Department of Water and Power via the Woodland Hills Country Club Recycled Water System Extension.

Administering Agent/General Manager Pedersen provided a brief summary of the pricing policy discussions that have taken place before the Board and stated that the goal was to receive concurrence and approval on a conceptual proposal for pricing recycled water that the District would sell to the Woodland Hills Country Club. Mr. Pedersen, through a PowerPoint presentation, explained the proposed rate structure and demonstrated how to arrive at the cost for the recycled water.

Mr. Pedersen also stated that staff had met with LADWP recently to discuss two issues: 1) the status of the cooperative agreement for preliminary design and environmental review of the pipeline; and 2) the recycled water pricing policy. He stated that he had received feedback from LADWP on key issues surrounding the project, which included that DWP needed to see a nexus between cost and price for this proposal to be viable; that LADWP is open to considering in-lieu arrangements; that LADWP is willing to purchase recycled water for the cost of the service provided there is not intent to accrue a profit; that LADWP needs to justify any type of financial arrangement to the Board of Commissioners and that negotiations are currently underway for recycled water purchases from other agencies.

Administering Agent/General Manager Pedersen spoke about the project terms in relation to the capital costs; the capital cost of the project for a 4.6-mile pipeline with one mile in the JPA's service area and the remainder in the City of Los Angeles' service area; he commented that the total cost to build 4.6 miles of pipeline was about \$13 million with the City agreeing to pay 100% of that capital cost including payment for the portion of the pipeline that will be JPA owned; moreover, LADWP would also dedicate that pipeline, which would have a value of about \$2.5 million to the JPA free of charge; and, additionally, LADWP is proposing to pay for the design costs and all of the environmental documentation plus a 10% administrative cost for the portion of the work that was in the City's service area or 3.6 miles of pipeline.

Mr. Pedersen spoke about the demand profile as a starting point for any pricing policy; stated that the price was proposed to be based on cost of service with components for wholesale recycled water and potable supplement; commented that annual adjustments would be made to reflect figures for the two components as reflected in the adopted JPA budget; spoke about 5-year re-openers to verify cost recovery and economic justification; and in-lieu return of potable supplement during times of shortage (MWD allocation years); spoke about how applying this pricing concept to figures for Fiscal Year 2014-15, the rate would be \$857/AF.

After a lengthy discussion, Director Paule moved to approve the recommendation. Motion seconded by Director Renger. Motion carried by the following vote:

AYES: Director(s): Caspary, Lewitt, Polan, Renger, Peterson, McReynolds, Paule and Chair Wall

NOES: Director(s): Orkney
ABSTAIN: Director(s): None

C Financial Review: Second Quarter of Fiscal Year 2014-15

Receive and File.

Don Patterson, Director of Finance and Administration presented the second quarter financial report and highlighted some of the key elements of the financial review. There were comments relative to the need to follow up on the large difference between the year to date budget and actual for "recycled water pump station" (\$732,469 v. \$828,152); several questions arose as to why it was so much higher and the influence of the solar facility on the amount; positive feedback provided on the presentation of the Capital Improvement Project (CIP) report.

Director Paule moved to receive and file. Motion seconded by Director Caspary. Motion carried unanimously.

D Heal the Bay's "Bring Back the Beach" Awards Gala: Attendance

Authorize one Board Member from each agency and the Administering Agent/General Manager to attend the Heal the Bay "Bringing Back the Beach" Awards Gala at a cost of \$500.00 per person.

Administering Agent/General Manager Pedersen stated that for a number of years the Board has participated in this annual fundraising event, which will be held on May 14th at the Jonathan Club in Santa Monica.

Board Member Caspary was proposed to attend on behalf of Las Virgenes Municipal Water District and Chairman Wall was proposed to attend on behalf of Triunfo Sanitation District, along with Administering Agent/General Manager Pedersen.

Director Orkney moved to approve the recommendation. Motion seconded by Director Peterson. Motion carried unanimously.

E Location of Future JPA Board Meetings

Determine whether or not to hold all future JPA Board meetings at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road, Calabasas.

Administering Agent/General Manager Pedersen stated that this item was a request for a future agenda item by Director Orkney to have the Board consider holding all future JPA meetings at Las Virgenes Municipal Water District headquarters.

After a brief discussed, the Board concurred that all future JPA Board meetings would be held at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road in Calabasas, with the exception of the March and September meetings of each year, which are to be held at the Oak Park Library conference room in Oak Park to enable ratepayers in that portion of the community to more conveniently attend the JPA meetings.

Director Paule move to hold all future JPA meetings at Las Virgenes Municipal Water District, except the March and September meetings of each year, which are to be held at Oak Park Library. Motion seconded by Director Orkney. Motion carried by the following vote:

AYES: Director(s): Caspary, Polan, Renger, Peterson, McReynolds, Paule, Orkney and
Chair Wall
NOES: Director(s): Lewitt

ABSTAIN: Director(s): None

7. BOARD COMMENTS

Director Polan commented that he would like to encourage stronger conservation efforts.

Director Paule expressed an interest in a potential JPA Recycled Water Fill Station similar to the one by Dublin-San Ramon Services District. He also noted that the city of Thousand Oaks had gone to 100% self-generated power for its Hill Canyon WWTP and suggested that the JPA may want to consider exploring something similar.

8. ADMINISTERING AGENT/GENERAL MANAGER REPORT

Administering Agent/General Manager Pedersen reported that the next meeting will be at Oak Park Library; spoke about upcoming events such as the resident tour hosted by Directors Renger and Paule; commented on the upcoming February 11th recycled water workshop.

9. FUTURE AGENDA ITEMS

None.

10. INFORMATION ITEMS

A California Water Commission: Proposed Workplan and Activities for Water Storage Investment Program

B Rancho Las Virgenes Digester Gas Line Leak: Emergency Declaration

C Board Meeting Follow-up Items

11. PUBLIC COMMENTS

None.

12. CLOSED SESSION

The Board recessed to closed session at 7:03 p.m. and reconvened to open session at 7:40 p.m.

A. Conference with District Counsel- Existing Litigation pursuant to Government Code Section 54956.9 (a).

1. Las Virgenes – Triunfo Joint Powers Authority v. United States Environmental Protection Agency and Heal the Bay, Inc. v. Lisa P. Jackson

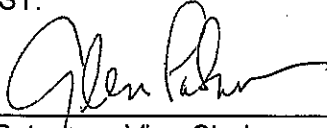
There were no reportable actions taken in closed session.

13. ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at 7:41 p.m.



James Wall, Chair

ATTEST:


Glen Peterson, Vice Chair