

**LAS VIRGENES – TRIUNFO JOINT POWERS AUTHORITY
4232 Las Virgenes Road, Calabasas CA 91302**

**MINUTES
REGULAR MEETING**

5:00 PM

July 6, 2015

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Chair James 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 Chair James Wall in the Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road in Calabasas. Joanne Bodenhamer, Interim Clerk of the Board, conducted the roll call.

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

Absent: Director(s): Iceland (arrived at 5:04 p.m.) and Orkney

2. APPROVAL OF AGENDA

Administering Agent/General Manager Pedersen asked to remove Closed Session, Item 11A from the agenda.

Director Polan moved to approve the agenda with Item 11A removed. Motion seconded by Director Caspary and carried by the following vote:

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

NOES: Director(s): None

ABSENT: Director(s): Iceland and Orkney

ABSTAIN: None

3. PUBLIC COMMENTS

None.

4. **CONSENT CALENDAR**

A Minutes: Regular JPA Meetings of May 4, 2015

Director McReynolds asked for a clarification on the first paragraph of the second to last page of the May 4, 2015 minutes, referring to his statement on "trends".

Director Paule asked for the verbiage to be corrected on item 7 by taking out the duplicate wording "to have a workshop".

Item 4A was not approved and instead moved to the next meeting for correction and approval.

Director Iceland arrived at **5:04 p.m.**

B Amended Minutes: Regular JPA Meeting of March 2, 2015

Director Caspary moved to approve Item 4B. Motion seconded by Director Peterson, and carried by the following vote:

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

5. **ACTION ITEMS**

A Recycled Water Seasonal Storage Plan of Action

Approve the Recycled Water Seasonal Storage Plan of Action and authorize staff to negotiate a scope of work and fee proposal with MWH Global to prepare a Basis of Design Report/Feasibility Study.

Administering Agent/General Manager Pedersen gave a brief overview of the item, stating that at the April meeting, staff presented to the Board progress on the Plan of Action development for the seasonal storage of recycled water and presented six different scenarios, which had been discussed as the culmination of the stakeholder process that began in January and was completed in March; the Board provided direction to staff on the scenarios to focus on and narrowed it down to Scenario Nos. 4 and 5; staff worked with the consulting team and put together a Plan of Action, which was included in the agenda package; David Lippman, Director of Facilities and Operations, was asked to give a presentation on the item.

Mr. Lippman gave a PowerPoint presentation on the Recycled Water Seasonal Storage Facility Plan of Action prepared by MWH; key staff members of MWH who were introduced included: Dr. Steven Weber, Jim Borchardt, and Oliver Slosser; the MWH approach centered around a stakeholder process; a series of workshops took place with an orientation that included interviews with the JPA Board Members; Workshop No. 1 focused on the context of the strategy using a technique called P-E-S-T-L-E; Workshop No. 2 focused on Convergence using a technique called BPAT; at the same workshop, MWH briefed the group on four potential categories of solutions for managing Tapia's discharge to Malibu Creek, which included TMDL compliance, recycling and export, seasonal storage and potable reuse; MWH took the four categories and brought back six scenarios to share with the group in Workshop No. 3; the scenarios were reviewed and pros and cons were identified, which were presented to the Board on April 6th; the Board directed staff to move forward with a plan of action for Scenario Nos. 4 and 5, using Las Virgenes Reservoir for indirect potable reuse and repurposing the Encino Reservoir for seasonal storage; Mr. Lippman also discussed the guiding principles, objectives, strategies and timelines for the plan of action.

Director Paule inquired if the timeline had been prepared to consider maximizing the potential to receive funding from Proposition 1. (Lippman: Proposition 1 has different chapters with different funding available) (Weber: one of the action items in the plan is to develop a funding strategy including looking at Proposition 1 and how the funding might apply to different proposed scenarios) (Pedersen: the large sums of money for Proposition 1 will be for construction; the JPA is well positioned to be competitive to receive Proposition 1 monies; however, there is urgency and the JPA will need to move forward expeditiously.)

Director Caspary cautioned staff on Scenario No. 4, using Las Virgenes Reservoir for indirect potable reuse, because it could run into a fatal flaw related to the blend ratio required under proposed reservoir augmentation regulations. (Lippman: it is important to move forward with a basis of design analysis to help identify possible fatal flaws in the scenarios or other avenues the JPA should explore, particularly in talking to the regulators.) Director Caspary commented the stakeholders need to be informed of the possible "rough patches". (Pedersen: the blend ratio is critical for that scenario; the regulatory structure for reservoir augmentation is currently handled on a case-by-case basis; Senate Bill 918 does require that regulations be promulgated by the State for reservoir augmentation by December 31, 2016.) Director McReynolds commented that negotiations should begin as soon as possible to make sure this is a viable option.

Director Peterson commented that Encino Reservoir was a brilliant option; Scenario 4 has a fatal flaw built into it; if you have to analyze what the benefit is going to be, building a huge plant is going to be very expensive; the most important thing is getting out of the creek; Los Angeles may want to take effluent to Tillman; Director Peterson was disappointed that a reservoir was not selected within the JPA service area to store water.

Director Polan commented that Scenario No. 4 would reduce dependence on the State and MWD for imported water, the sources of which are expected to yield less water based on all of the available science.

Director McReynolds inquired regarding changes to CEQA for recycled water pipeline projects. (Lemieux: there have been changes, which will be taken advantage of as much as possible; the budget trailer bills contain provisions that waive CEQA under certain circumstances; a legal analysis of the provisions is underway.) Director McReynolds asked about the possibility of streamlining preliminary design for a recycled water pipeline project. (Lemieux: some of the deadlines may be shortened, but they will need to be studied beforehand.)

Director Peterson commented that he is concerned with Scenario No. 4, particularly about the cost to customers and the need for a large advanced water treatment plant that will only be used at capacity for a fraction of the year; he believes that this scenario has a huge flaw; he also expressed concern with the plan for disposal of solids and the salts, which could make the scenario a "non-starter".

Director Renger stated he was worried about the expense of potable reuse; the idea of using somebody else's reservoir appealed to him, but the potential loss of control of water by using someone else's storage is also a concern; he is not in favor of setting up an reverse osmosis system and having to worry about the brine.

Director Lewitt questioned looking further at Scenario 4 if it was potentially a non-starter and wanted to know if staff had a response to Director Peterson's concerns. (Pedersen: both scenarios have big challenges and unknowns that could impair either from moving forward; Director Peterson's concerns are good ones; the advantages are that technology is moving very quickly and there is a huge focus in the State right now on potable reuse; there are treatment options available that may not require reverse osmosis, which creates other opportunities and produces less brine; brine is going to be a challenge as we do not have a good means to dispose of it; personally, the two options may not be mutually exclusive, they could work together.)

Mr. Weber informed the Board that back in January they thought they were building a reservoir and, through the process, they determined that there were other options rather than building a reservoir; he encouraged everyone not to be frustrated and stated they are in a very good position.

Director Paule expressed concern about the cost and protecting the ratepayers' money; he inquired if the cost of work would still be the same if Scenario No. 4 is not viable. (Pedersen: it would likely be less expensive, but not sure how much less; as far as going forward, together with MWH, they need to agree on the same scope of work before assigning costs.)

Mr. Borchardt spoke about the way they looked for fatal flaws and finding the best solution based on a broad range of tasks.

Director Caspary reminded all that Tapia's NPDES Permit is up for renewal next month and that there will be a six-month window of opportunity to make progress on "real options"; he explained that this is the right time to investigate those options to get out of the creek.

Director Renger asked if the Board would be limited to the two scenarios considered if it moves forward with the proposal. (Lippman: the process is flexible; however, there were some scenarios that were presented and may not warrant a second look.) (Pedersen: there may be another "Encino Reservoir" option out there that has not been uncovered; if something like that is uncovered, it will be brought forward and considered.)

Director McReynolds moved to approve Item 5A. Motion seconded by Director Caspary and carried by the following vote:

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

**B Woodland Hills Country Club Recycled Water System Extension:
Preliminary Design and Environmental Review**

Accept the proposal from RMC Water and Environment and authorize the General Manager to execute a Professional Services Agreement, in the amount of \$320,041, for the preliminary design and environmental review of the Woodland Hills Country Club Recycled Water System Extension.

Administering Agent/General Manager Pedersen gave an overview of the item, stating that the higher cost proposed by RMC was justified and reasonable; the RMC proposal included optional work to investigate potential customer demands and perform a CEQA "plus" environmental review; the JPA will be fully reimbursed by LADWP for the work in addition to a 7.8% fee for administering the project.

Director Polan asked if LADWP was in agreement with the selection of RMC and if they agreed with estimates for the recycled water demands. (Lippman: yes.)

Brief discussion took place and questions of the Board were answered.

Director Peterson moved to approve Item 5B. Motion seconded by Director Paule and carried by the following vote:

AYES: Director(s): Iceland, McReynolds, Paule, Wall, Caspary, Lewitt, Peterson, Polan, and Renger.
NOES: Director(s): None

ABSENT: Director(s): Orkney
ABSTAIN: None

C Proposed Joint Powers Authority Budget for Fiscal Year 2015-16

Adopt the proposed Joint Powers Authority budget for Fiscal Year 2015-16.

Director of Finance and Administration Don Patterson gave a PowerPoint presentation, which went into detail on the proposed JPA Budget; he thanked Financial Analyst Mike Hamilton for the work he put into compiling the figures for the budget.

Brief discussion took place and questions of the Board were answered. Director Polan asked about the flow into the treatment plant and if the output of recycled water would remain constant; he suggested it might be wise to look at less flow (Patterson: long-term trends are used for projections; it is hard to predict with a high level of accuracy.)

Director Peterson moved to approve Item 5C. Motion seconded by Director Caspary and carried by the following vote:

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

**D Tapia Water Reclamation Facility NPDES Effluent Limit
Exceedances: Settlement Offer No. R4-2015-0035, Expedited
Payment Program**

**Authorize the Administering Agent/General Manager to execute
Settlement Offer No. R4- 2015-0035, including payment of \$75,000 for 25
exceedances of NPDES effluent limitations for the Tapia Water
Reclamation Facility.**

Administering Agent/General Manager Pedersen gave an overview of the item, stating that the JPA had received a notice of effluent limitation exceedances from the Los Angeles Regional Water Quality Control Board on June 2nd; he explained the exceedances, a total of 25, were subject to mandatory minimum penalties; staff confirmed that the reports were accurate and the exceedances did occur; the list of violations were summarized and reviewed.

Brief discussion took place and questions of the Board were answered.

Director McReynolds moved to approve Item 5D. Motion seconded by Director Caspary and carried by the following vote:

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

6. BOARD COMMENTS

Director Polan asked about the status of work on the centrate treatment tanks. (Pedersen: the project to install the cathodic protection system was completed prior to April 15th; staff and the contractor worked well together and finished before the creek avoidance period; the tanks are currently in operation.)

Director Paule reported on attendance at the Thousand Oaks Water Conservation Expo; he thanked LVMWD for supplying materials and stated that much compost was given out; Samuel Unger, Executive Officer of the Los Angeles Regional Water Quality Control Board, attended and visited the booth.

Director Caspary reported that the Santa Monica Bay annual report would be out in August and that on September 9th, the "State of the Bay" seminar will be held at Loyola Marymount University.

7. ADMINISTERING AGENT/GENERAL MANAGER REPORT

Administering Agent/General Manager Pedersen reported the Quarterly Watershed and Wastewater Facilities Tour would take place on August 1st; he also gave a review of legislative items, stating that copies of letters sent, including a support letter for WIFIA, were provided to Board Members.

8. FUTURE AGENDA ITEMS

None.

9. INFORMATION ITEMS

A Residential Recycled Water Fill Station Program

Director Paule asked about the proposed hours of operation for the residential recycled water fill station, noted to be 9:00 a.m. to 1:00 p.m. on Saturdays; he inquired if that would be a sufficient amount of time for customers and asked how long it would take to get the approvals. (Lippman: not knowing how popular the program will be, the hours are limited to match those for compost pick-up; if the fill station becomes popular; the hours will be extended; a verbal approval has been provided by State Water Resources Control Board, Drinking Water

Program staff, but an approval letter is expected shortly; the program may start in early August.)

Director McReynolds commented that the JPA's materials should clarify that containers be secured for transport and that recycled water should not be used in swimming pools.

B Las Virgenes Scenic Corridor Completion Project: Grant of Easement to City of Calabasas

Director Polan asked if the City would be installing landscaping along the proposed retaining wall. (Lippman: will follow up on the question.)

C Tapia Water Reclamation Facility NPDES Permit Renewal: Public Outreach Activity

Director Polan inquired regarding the plan for public outreach associated with the NPDES Permit renewal. (Pedersen: a short staff report was given on that item; it is an important process; the challenge is not knowing what the terms of the permit are going to be; the process was leading up to a September renewal, but the Regional Board has stated that because of their current workload, it will more likely be considered in spring 2016.)

D Board Meeting Follow-up Items

10. PUBLIC COMMENTS

None.

11. CLOSED SESSION

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

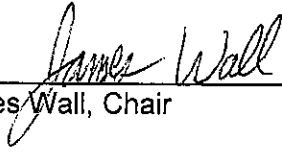
Las Virgenes - Triunfo Joint Powers Authority v. United States Environmental Protection

Agency and Heal the Bay, Inc. v. Lisa P. Jackson

Closed session was removed from the agenda.

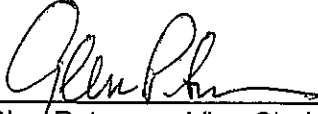
12. ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **6:36 p.m.**



James Wall, Chair

ATTEST:



Glen Peterson, Vice Chair