



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

MINUTES
REGULAR MEETING

5:00 PM

January 12, 2016

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Josie Guzman.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **5:00 p.m.** by Board President Peterson 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 Charles Caspary, Leonard Polan, Lee Renger, and Glen Peterson

Absent: Director Jay Lewitt

Staff Present: David Pedersen, General Manager
Josie Guzman, Clerk of the Board
David Lippman, Director of Facilities and Operations
Carlos Reyes, Director of Resource Conservation and Public Outreach
Mark Uribe, Finance Manager
Steven O'Neill, District Counsel

2. APPROVAL OF AGENDA

General Manager David Pedersen stated there was no update for Closed Session Item 14A, and he recommended that it be removed from the agenda.

Director Caspary moved to approve the agenda as amended. Motion seconded by Director Polan. Motion carried by the following vote:

AYES: Caspary, Peterson, Polan, Renger
NOES: None
ABSENT: Lewitt

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

- A List of Demands: January 12, 2016 - Approve**
- B Directors' Per Diem: December 2015 - Ratify**
- C Minutes: Regular Meeting of December 8, 2015 - Approve**
- D Cash and Investment Report for November 2015 - Receive and File**
- E 2014-15 Fiscal Year in Review - Receive and File**
- F Easement Encroachment at 4191 Vicasa Drive, Calabasas: Consent Agreement (A motion was subsequently made to reconsider this item.)**

Approve and execute the Consent Agreement with Ray E. Parker, Jr. and Elaine M. Parker for an easement encroachment at 4191 Vicasa Drive, Calabasas.

G Assignment of Trustees for Deferred Compensation Plans

Pass, approve and adopt proposed Resolution No. 2482, assigning trustees for Internal Revenue Code 457(b) Deferred Compensation Plans.

RESOLUTION NO. 2482

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT ASSIGNING TRUSTEES TO DEFERRED COMPENSATION PLANS

(Reference is hereby made to Resolution No. 2482 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

Director Renger moved to approve the Consent Calendar as presented. Motion seconded by Director Caspary. Motion carried by the following vote:

AYES: Caspary, Peterson, Polan, Renger
NOES: None
ABSENT: Lewitt

Director Renger moved to reconsider Consent Calendar Item 4F. Motion seconded by Director Polan. Motion carried by the following vote:

AYES: Caspary, Peterson, Polan, Renger

NOES: None

ABSENT: Lewitt

4. **CONSENT CALENDAR** (Separate action item)

F Easement Encroachment at 4191 Vicasa Drive, Calabasas: Consent Agreement

Approve and execute the Consent Agreement with Ray E. Parker, Jr. and Elaine M. Parker for an easement encroachment at 4191 Vicasa Drive, Calabasas.

The Board discussed concerns with approving the Consent Agreement due to the District's inability to access the pipe for future repairs without having to manually excavate, sufficient depth of the footings, and indemnification to the District in case of any failures.

It was the consensus of the Board to table this item indefinitely in order to allow District staff to meet with representatives from the City of Calabasas and the homeowner to discuss the Board's concerns.

5. **ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS**

A Special District Leadership Foundation: Presentation of Transparency Certificate

Chris Palmer, Southern California Public Affairs Field Representative for the California Special Districts Association, presented the Special District Leadership Foundation's Certificate of Transparency in recognition of the District's efforts to promote transparency.

B Briefing on West Basin Ocean Water Desalination Project

Rich Nagel, General Manager of West Basin Municipal Water District, provided a PowerPoint presentation and overview of the West Basin Ocean Water Desalination Program.

C Legislative and Regulatory Updates

General Manager David Pedersen reported that Governor Brown released the proposed budget for Fiscal Year 2016-17, which includes \$323 million for emergency drought response and \$635 million for the California Water Action Plan. He provided an overview of SB 814 (Hill) related to excessive water use, which proposes that all water purveyors would be required to create a definition of excessive water use and assess a

penalty of at least \$500 per hundred cubic feet of water during a drought declared emergency. He also stated that SB 814 would provide for disclosure of usage information for the offenders who receive those penalties. He also reported that the State Water Resources Control Board (Water Board) prepared a proposed regulatory framework for the extended emergency regulations and placed a cap of 4 percentage points in total adjustments to decrease the water conservation standard. He noted that this would result in the District having a 32 percent conservation standard. He also reported that the Water Board considered climate adjustment, growth adjustment, and drought resilience supply credit; proposed a very limited recognition of drought resilient supplies; and would only recognize indirect potable reuse water and desalinated seawater supplied since 2013. He noted that the Water Board would take action in February. He stated that several agencies have expressed concern with the cap of 4 percentage points and exclusion of impaired groundwater treatment. He also reported that Board President Peterson submitted a letter to Felicia Marcus, Chair of the Water Board, regarding concerns with the District's requirement to augment flows to Malibu Creek and supplementing the recycled water system with potable water. He noted that the letter asked the Water Board to consider the circumstances associated with this water usage and that the flows be excluded from potable water production. He stated that the Water Board confirmed and approved the exclusion of fish flows from the District's potable water production as the requirement was from the District's NPDES permit. He also stated that the impact would be approximately 1.4 percent, which would bring the District's cumulative conservation number to approximately 30.6 percent.

D Water Supply Conditions and Drought Response

General Manager David Pedersen reported that the water conservation level for December came in at 21 percent, likely due to water demands shifting to indoors in the winter. He noted that the District was currently at a cumulative conservation level of 30.5 percent. He also noted that the District received a Notice of Violation from the Water Board due to the District not meeting the 36 percent water conservation level. He stated that staff would follow-up with other agencies who received a similar Notice of Violation, and submit a response to the Water Board explaining all of the measures taken to date to respond to the emergency regulation.

6. TREASURER

There was no report given.

7. FACILITIES AND OPERATIONS

A 2015 Urban Water Management Plan: Consulting Services

Accept the proposal from Kennedy/Jenks Consultants, in the amount of \$42,339, and authorize the General Manager to execute a professional services agreement for preparation of the District's 2015 Urban Water Management Plan.

General Manager David Pedersen presented the report.

Director Caspary moved to approve Item 7A as presented. Motion seconded by Director Renger. Motion carried by the following vote:

AYES: Caspary, Peterson, Polan, Renger

NOES: None

ABSENT: Lewitt

8. FINANCE AND ADMINISTRATION

A Continuation of Potable Water Standby Charge: Public Hearing

Waive the full reading and call for proposed Ordinance No. 278 to be given first reading by title only.

(Waive further reading and introduce the Ordinance)

ORDINANCE NO. 278

AN ORDINANCE OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT AS IT RELATES TO STANDBY CHARGES FOR THE FISCAL YEAR COMMENCING JULY 1, 2016

(Reference is hereby made to Ordinance No. 278 on file in the District's Ordinance Book and by this reference the same is incorporated herein.)

Board President Peterson opened the Public Hearing at 5:53 p.m.

Clerk of the Board Josie Guzman reported that a notice of public hearing was published in *The Daily News* on December 28, 2015, and January 4, 2016, and approximately 1,980 postcards were mailed to new residents within the service areas.

General Manager David Pedersen explained the purpose of the Water Standby Charge. He noted that Psomas, the District's consultant who mailed the postcards, received one telephone call from a customer related to clarification of property identification, and the District did not receive any written or verbal comments. He noted the second reading and adoption of proposed Ordinance No. 278 would take place at the January 26, 2016 Board meeting.

There were no public comments.

Clerk of the Board Josie Guzman confirmed that the District did not receive any written or verbal comments.

Board President Peterson closed the Public Hearing at 5:55 p.m.

Director Renger moved to waive the full reading of proposed Ordinance No. 278. Motion seconded by Director Caspary. Motion carried by the following roll call vote:

AYES: Caspary, Peterson, Polan, Renger
NOES: None
ABSENT: Lewitt

Director Renger moved to introduce Ordinance No. 278. Motion seconded by Director Caspary.

Director Polan expressed preference in having the notice of public hearing advertised in *The Acorn* rather than *The Daily News* in order to reach more property owners. Clerk of the Board Josie Guzman responded that future notices of public hearing would be published in *The Acorn*.

Motion carried by the following roll call vote:

AYES: Caspary, Peterson, Polan, Renger
NOES: None
ABSENT: Lewitt

District Counsel Steven O'Neill read Ordinance No. 278 in title only.

9. RESOURCE CONSERVATION AND PUBLIC OUTREACH

A **Update to Water Shortage Contingency Plan and Modification of Irrigation Restrictions**

Approve the updated Water Shortage Contingency Plan; pass, approve and adopt proposed Resolution No. 2481, modifying irrigation restrictions and repealing Resolution No. 2478.

RESOLUTION NO. 2481

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT MODIFYING IRRIGATION RESTRICTIONS AND REPEALING RESOLUTION NO. 2478

(Reference is hereby made to Resolution No. 2481 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

Director of Resource Conservation and Public Outreach Carlos Reyes presented the report. He noted a typographical error in Figure 1, Stages of Water Shortage Condition, which should indicate no irrigation for Stage 4.

Director Caspary moved to approve Item 8A as amended. Motion seconded by Director Renger.

The Board discussed having the color-coded Stages of Water Shortage Conditions posted in public places and having staff conduct increased public outreach.

Motion carried by the following vote:

AYES: Caspary, Peterson, Polan, Renger

NOES: None

ABSENT: Lewitt

10. INFORMATION ITEMS

A Local Groundwater Basin Information and Health

11. NON-ACTION ITEMS

A Organization Reports

(1) MWD Representative Report/Agenda(s)

Board President Peterson reported that the MWD Board accepted a two-year program with Bard Water District for a land management and seasonal fallowing pilot program. He also provided the status of the Integrated Water Resources Plan Update.

(2) Other

B Director's Reports on Outside Meetings

Director Caspary reported that the Santa Monica Bay Restoration Commission met on December 17, 2015, where they received a presentation on the 2015 State of the Bay Report, and held elections for its Governing Board. He noted that proposals for Proposition 84 grant funding are due by January 15, 2016.

C General Manager Reports

(1) General Business

General Manager David Pedersen reported that the District secured \$38,000 in Proposition 50 grant funds for a rain barrel program. He stated that the grant would be combined with MWD's incentive program through SoCalWater\$mart, and individuals would be able to receive rebates for the purchase of up to four rain barrels at \$75 each. He also stated that the District would contribute up to \$125 for the installation of the rain barrels using the Proposition 50 grant funds. He provided an update regarding the NPDES permit renewal, and noted that staff met several times with Regional Water Quality Control Board (Regional Board) staff to discuss the District's seasonal storage effort and Scenarios 4 and 5 as the strategies to cease discharging to Malibu Creek. He stated that the Regional Board was looking at a May approval date for the TMDL Implementation Plan, and would consider the District's NPDES permit renewal at its Board meeting in September. He stated that it appeared the Regional Board was supportive of winter weather compliance and timeframes, and was concerned with dry weather compliance and complying with summer time limits for fish flow. Lastly, he

noted that the District Offices would be closed on January 21, 2016, for the Martin Luther King, Jr. Holiday.

(2) Follow-Up Items

D Directors' Comments

Director Polan thanked the Board for their support of his appointment to the Association of California Water Agencies (ACWA) Water Quality Committee. He referred to an article in the *New York Times* magazine regarding the DuPont facility in West Virginia and its use of perfluorooctanic acid (PFOA). He questioned whether the District's drinking water included PFOAs. He also inquired regarding the number of customers who have questioned the calculation of their water budgets, and stated that he would request this as a future agenda item.

Director Caspary referred to the discussions with the Regional Board regarding the NPDES permit renewal and expressed concern with the summer time fish flow requirements and possibility of putting potable water into the creek. General Manager David Pedersen suggested that this matter be placed for discussion on a future agenda of the Joint Powers Authority.

Board President Peterson noted that the MWD released its annual report.

12. FUTURE AGENDA ITEMS

Director Polan requested a future agenda item for a policy discussion on the methodology for handling the impact of the budget based rates for water customers. Board President Peterson suggested that Director Polan first meet to discuss this topic with the General Manager and Resource Conservation and Public Outreach staff, and then request a future agenda item if needed.

Director Caspary requested a future agenda item for the Joint Powers Authority for a policy discussion on the NPDES permit renewal and putting potable water into the creek. Director Caspary also asked staff to review the State of the Bay report and assess whether it is science-based.

13. PUBLIC COMMENTS

None.

14. CLOSED SESSION (This item was removed from the agenda.)

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

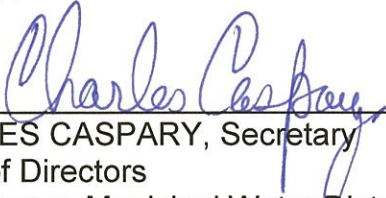
15. OPEN SESSION AND ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at 6:28 p.m.



GLEN PETERSON, President
Board of Directors
Las Virgenes Municipal Water District

ATTEST:



CHARLES CASPARY, Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)