



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

MINUTES
REGULAR MEETING

5:00 PM

June 14, 2016

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Jose (no last name given), student from Camp David Gonzales.

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, Jay Lewitt, Len Polan, Lee Renger, and Glen Peterson

Absent: None

Staff Present: David Pedersen, General Manager
Don Patterson, Director of Finance and Administration
Carlos Reyes, Director of Resource Conservation and Public Outreach
John Zhao, Principal Engineer
Josie Guzman, Clerk of the Board
Keith Lemieux, District Counsel

2. APPROVAL OF AGENDA

Board President Peterson noted that an addendum to the agenda was issued to add Closed Session Item 15C. General Manager David Pedersen stated there was no update for Closed Session Item 15A, and he recommended it be removed from the agenda.

Director Renger moved to approve the agenda as amended. Motion seconded by Director Caspary. Motion carried unanimously.

3. PUBLIC COMMENTS

General Manager David Pedersen introduced newly hired Resource Conservation Manager Dave Roberts and Associate Engineer Coleman Olinger.

4. CONSENT CALENDAR

A List of Demands: June 14, 2016 - Approve

B Minutes: Regular Meeting of May 24, 2016 - Approve

C Directors' Per Diem: May 2016 - Ratify

D Contract for Cla-Val Parts and Products: Amendment

Authorize the General Manager to amend the contract with Ferguson Waterworks, increasing the amount for the current term by \$35,000, from \$100,000 to \$135,000, for the supply of Cla-Val parts and products.

E Request to Award Annual Purchase Orders

Authorize the General Manager to issue annual purchase orders to Category 1 vendors on Exhibit 1, in the specified amounts, for the period of July 1, 2016, through June 30, 2017.

Director Caspary moved to approve the Consent Calendar as presented. Motion seconded by Director Lewitt. Motion carried unanimously.

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Summary of Solar Cup 2016 Efforts

Public Affairs Associate Tiffany Wright provided a summary of Metropolitan Water District's (MWD) 14th Annual Solar Cup races, which were held May 13 through 15, 2016, at Lake Skinner. She explained that Solar Cup is a high school education program where teams of students build a boat with an electric motor charged by solar panels, prepare a public service message, and participate in a three-day competition where the boats are tested for speed and endurance. She noted that the District sponsored Calabasas High School and Camp David Gonzales, which placed 7th and 16th places overall, respectively.

Michael Yeung, Robotics and Math Instructor and Solar Cup Advisor from Calabasas High School, shared his experience with the Solar Cup team.

Jonathan Ku, recent graduate from Calabasas High School, shared his experience participating in the Solar Cup for the past three years, and stated that through this experience he decided to pursue studies in mechanical engineering

Jade Foley, recent graduate from Calabasas High School, shared her experience participating in the Solar Cup for the past three years, and stated that through this experience she decided to pursue studies in environmental engineering.

Ty Kasendiek, Math and Science Instructor and Solar Cup Advisor from Camp David Gonzales, shared his experience with the Solar Cup team.

Jose (no last name given), student from Camp David Gonzales High School, shared his experience participating in his first Solar Cup event, and stated that through this experience he is interested in pursuing studies in electrical engineering.

B Legislative and Regulatory Updates

Public Affairs and Communications Manager Jeff Reinhardt reported that the Natural Resources and Water Committee passed AB 2488 (Dababneh) Protected Species, and the bill would now move on to other committees. He also reported on SB 163 (Hertzberg), which proposes full reuse of recycled water rather than ocean discharge, was modified to reduce discharge by 50 percent; however, Senator Hertzberg presented a revised bill at the Environmental Safety and Toxic Materials Committee hearing. He noted that a number of agencies, including the District, submitted letters in opposition. He stated that the committee would meet in special session on June 21st to review the modifications to the bill. He also reported that Senator Hertzberg introduced SB 1289, which seeks to reinterpret Proposition 218 and clarify the authority of public agencies to set rates for water and wastewater services. He noted that the Association of California Water Agencies (ACWA) expressed opposition because they believe the bill is unconstitutional.

C Water Supply Conditions and Drought Response

General Manager David Pedersen reported that Castaic Lake, which serves the District through the State Water Project, is being replenished for water storage. He stated that with the new regulatory structure in place, water wholesalers will have until June 15th to certify and publically post the availability of water supplies to meet their member agencies' demands. He noted that staff submitted the District's request for deliveries for the next three years to MWD, and it was expected that MWD would post that it would be able to meet 100 percent of those deliveries. He also noted that next week the District would need to post its calculations for the next three years to show there are sufficient supplies to meet demands. He stated that the District would continue to promote conservation and water use efficiency with the goal of making conservation a way of life.

6. TREASURER

Director Lewitt stated that the Treasurer's report was in order.

7. BOARD OF DIRECTORS

A General Manager's Employment Agreement: Consideration of Compensation Adjustment

Consider an adjustment to the compensation package for the General Manager following completion of his annual performance review on May 24, 2016.

Board President Peterson stated that the proposed compensation adjustment for the General Manager's employment agreement would include the same medical plan as offered to District employees effective January 1, 2017 (98% of the lowest cost family plan), the option to cash out accrued sick leave in excess of 215 hours up to twice annually, and a salary of \$254,000 per year, which is the median salary for general managers from 12 comparable agencies.

Director Renger moved to approve the compensation adjustment as presented. Motion seconded by Director Caspary. Motion carried unanimously.

8. GENERAL MANAGER

A Draft Strategic Plan: Review and Comment

Review and comment on the draft Las Virgenes Municipal Water District Strategic Plan.

General Manager David Pedersen presented the report.

The Board provided the following comments:

- Add public safety and fire protection under Protection of Public Health and the Environment;
- Add solar energy and co-generation around the perimeter of the posted Mission Statement;
- Mission Statement as follows: "Dedicated to providing high-quality water services in a cost-effective and environmentally sensitive manner"; and
- Vision Statement as follows: "Valuing every drop ~ Bringing water full circle."

9. FACILITIES AND OPERATIONS

A 18-inch Recycled Water Pipeline Joint Bonding Repair Project: Construction Award

Find that the work is categorically exempt from the California Environmental Quality Act and award a construction contract to Toro Enterprises, Inc., in the amount of \$59,440, for the 18-inch Recycled Water Pipeline Joint Bonding Repair Project.

Principal Engineer John Zhao presented the report.

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

Principal Engineer John Zhao responded to questions related to the age of the pipe, the reason the bonding failed, installation of the galvanic cathodic protection system in the soil, and projected pipeline lifecycle with the repair.

Motion carried unanimously.

B Proposition 84 Grant Funding: Labor Compliance Program

Pass, approve and adopt Resolution No. 2494, approving and adopting a Labor Compliance Program.

RESOLUTION NO. 2494

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT APPROVING AND ADOPTING A LABOR COMPLIANCE PROGRAM

(Reference is hereby made to Resolution No. 2494 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

General Manager David Pedersen presented the report and responded to questions related to hiring a consultant to administer the labor compliance program.

Director Caspary moved to approve Item 9B. Motion seconded by Director Lewitt. Motion carried unanimously.

C Deerlake Ranch Tract No. 53138: Water Pipeline Relocation Agreement

Authorize the General Manager to execute the proposed Water Pipeline Relocation Agreement with Forester Chatsworth, LLC, for the Deerlake Ranch Tract No. 53138.

Principal Engineer John Zhao presented the report.

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

Principal Engineer John Zhao responded to questions related to grading and installation of the 8-inch HDPE temporary highline.

General Manager David Pedersen responded to a question regarding the District's ability to deliver water to the new development by stating that this project was included in the District's Urban Water Management Plan.

Motion carried unanimously.

10. FINANCE AND ADMINISTRATION

A Proposed Two-Year Operating and Capital Improvement Budget for Fiscal Years 2016-18

Approve the proposed Two-Year Budget Plan for the Fiscal Years 2016-18; adopt the Fiscal Year 2016-17 Budget; authorize the General Manager to pre-pay the District's annual required contribution to CalPERS, in the amount of \$1,992,743; and pass, approve and adopt Resolution No. 2495, establishing salaries for employees.

RESOLUTION NO. 2495

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT ESTABLISHING SALARIES FOR EMPLOYEES

(Reference is hereby made to Resolution No. 2495 on file in the District's Resolution Book and by this reference the same is incorporated herein and made a part hereof.)

Director of Finance and Administration Don Patterson gave a PowerPoint presentation.

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

A discussion ensued regarding the NPDES permit renewal and the need for an appropriation to be made in the future once the cost associated with permit compliance is known.

Motion carried unanimously.

11. INFORMATION ITEMS

A Saddletree Tank Rehabilitation Project: Change Order No. 2

Principal Engineer John Zhao responded to questions related to the corrosion repairs.

12. NON-ACTION ITEMS

A Organization Reports

- (1) MWD Representative Report/Agenda(s)

Board President Peterson reported that earlier in the day MWD celebrated its 75th anniversary of Colorado River Aqueduct deliveries to Southern California. He noted that State Historian Ken Starr provided a presentation and an exhibit is on display at MWD Headquarters. He also reported that the MWD Board approved a contract to replace fish screens at Diamond Valley Lake and approved payment for continued support of the Colorado River Board of California and Colorado River Authority.

(2) Other

Director Caspary reported that he attended the Heal the Bay Bring Back the Beach Gala on June 9th. He stated that he shared the District's plans for the Recycled Water Seasonal Storage Project with several Board members and staff, and the gala was a very nice event.

B Director's Reports on Outside Meetings

None.

C General Manager Reports

(1) General Business

General Manager David Pedersen reported that District staff was working with customers impacted by the recent fire to adjust their water budgets due to their having to hose down their properties for health and safety reasons. He noted that potable water was drawn from Calabasas Lake for fire-fighting purposes. He also reported that a Request for Proposals was issued for funding the Recycled Water Seasonal Storage Project and an agreement would be executed with The PFM Group in the amount of \$30,000. He noted that Brian Thomas would be the Project Lead. Board President Peterson requested that The PFM Group hold a discussion with the Board to discuss whether the District should finance the project on its own.

(2) Follow-Up Items

General Manager David Pedersen noted that upcoming calendar events include the AWAVC WaterWise Breakfast on June 16th and the JPA Special Meeting for the Recycled Water Seasonal Storage Project Basis of Design Workshop No. 4 on June 21st at 5:30 p.m.

D Directors' Comments

Director Lewitt thanked Director of Finance and Administration Don Patterson and staff for their efforts on the budget. He also welcomed Dave Roberts and Coleman Olinger to the District.

Director Polan mentioned an article in the *New York Times* regarding hacking and electronic security, and he inquired how the District safeguards itself from these types of breaches. Director of Finance and Administration Don Patterson responded that the District recently hired a firm to identify vulnerabilities.

Director Caspary thanked staff for their hard work in ensuring that the water distribution system is robust in times of fire. He also thanked General Manager David Pedersen for keeping the Board informed. He stated he was glad to see that the Fire Department had access to plenty of water to fight the fire.

13. FUTURE AGENDA ITEMS

None.

14. PUBLIC COMMENTS

None.

15. CLOSED SESSION

A Conference with District Counsel – Existing Litigation (Government Code Section 54956.9(a)) - This item was removed from the agenda

1. Las Virgenes – Triunfo Joint Powers Authority v. United States Environmental Protection Agency and Heal the Bay, Inc. v. Lisa P. Jackson (TMDL cases)
2. Las Virgenes – Triunfo Joint Powers Authority v. United States Environmental Protection Agency (FOIA case)

The Board recessed to Closed Session at **6:45 p.m.** to discuss the following items:

B Conference with District Counsel – Potential Litigation (Government Code Section 54956.9): One Case

In the opinion of Legal Counsel, disclosure of the identity of the litigants would be prejudicial to the District.

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

1. San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.

16. OPEN SESSION AND ADJOURNMENT

The Board reconvened to Open Session at **7:03 p.m.**

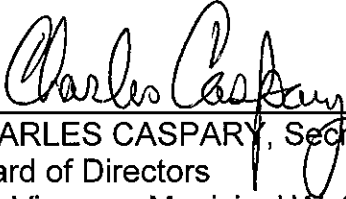
District Counsel Keith Lemieux reported that during Closed Session Item 15C, the Board authorized intervention and litigation in San Diego County Water Authority v. Metropolitan Water District of Southern California, et al. He also reported that during Closed Session Item 15B, the Board directed District Counsel to file the necessary filing for unlawful detainer against The Harp, LLC dba NuLife Treatment Centers.

Seeing no further business to come before the Board, the meeting was duly adjourned at **7:04 p.m.**



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

ATTEST:



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

(SEAL)

