



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

**MINUTES**  
**REGULAR MEETING**

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5:00 PM

November 22, 2016

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Jacqy Gamble.

**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  
David Lippman, Director of Facilities and Operations  
Don Patterson, Director of Finance and Administration  
Jeff Reinhardt, Public Affairs and Communications Manager  
Josie Guzman, Clerk of the Board  
Keith Lemieux, District Counsel

**2. APPROVAL OF AGENDA**

General Manager David Pedersen stated there was no update for Closed Session Item 13A, and he recommended that it be removed from the agenda.

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

3. **PUBLIC COMMENTS**

None.

4. **CONSENT CALENDAR**

**A List of Demands: November 22, 2016: Ratify**

**B Minutes: Regular Meeting of November 8, 2016: Approve**

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

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

**A Proclamation in Recognition of Upcoming Retirement: Jacqy Gamble**

Board President Peterson presented a proclamation to Jacqy Gamble, Management Analyst II, in recognition of her retirement following 28 years of service to the District. Ms. Gamble expressed her appreciation.

**B Legislative and Regulatory Updates**

General Manager David Pedersen provided updates regarding the Water Resources Development Act (WRDA) bill and appropriation for the Water Infrastructure Finance and Innovation Act (WIFIA) Program. He stated that MWD Executive Legislative Representative Kathy Cole would provide the annual legislative update at the December 13th Board Meeting. He noted that the Regional Water Quality Control Board would meet on December 8th to consider several items on their agenda, including the draft 2013 Malibu Creek Watershed Nutrients and Sedimentation Implementation Plan. He reported that the State Water Resources Control Board Division of Drinking Water would release draft regulations for Surface Water Augmentation by the end of the year, which could impact the Pure Water Project Las Virgenes-Triunfo. He also reported that the State Water Resources Control Board would issue draft regulations on long-term water use efficiency in response to the Governor's Executive Order, and the District would have 10 days to review and comment.

**C Water Supply Conditions and Drought Response**

General Manager David Pedersen provided year-to-date precipitation updates on the 8-station index, which was at 207 percent of average at 15.7 inches, and the 5-station index, which was at 120 percent of average at seven inches. He noted that Oroville was at 42 percent of capacity, Shasta at 62 percent of capacity, San Luis at 36 percent of capacity, and Castaic at 68 percent of capacity. Board President Peterson added that Cachuma was at 10 percent of capacity and Casitas at 33 percent of capacity.

## **D 2016 Capacity Fee Study: Framework Workshop No. 2**

General Manager David Pedersen provided introductory remarks.

Sanjay Gaur, representing Raftelis Financial Consultants, Inc., presented a PowerPoint presentation of the 2016 Capacity Fees Study Overview and potential methodologies, approaches, and fees. He stated that the first approach would be a system buy-in method that would focus on the total value and capacity of the existing system. He also stated that the second approach would be an incremental cost approach that would focus on the cost of additional facilities included in the Capital Improvement Program and provide the incremental capacity needed to accommodate growth. He further stated that the third approach would be a hybrid approach that would combine the buy-in and incremental methods. He noted that based on the July 12, 2016 workshop, the outcome was to pursue a hybrid approach for water capacity fees, a buy-in approach for wastewater capacity fees, and no fees for recycled water. He reviewed the replacement cost calculations for wastewater and potable water, incremental component for potable water, conservation buy-in component per equivalent residential unit (ERU), water capacity fee summary, and total fee summary.

Doug Anders, Administrative Services Coordinator, provided a PowerPoint presentation of the proposed Capacity Fees Implementation. He discussed the phased fee adjustment with a one-year grace period for increased water and sanitation capacity fees, administration, meter, and installation costs; outreach program for prepaid customer deposits and for the building and local community; and the goal to implement new fees on July 1, 2017. He reviewed the administration and installation fees, current and proposed potable water capacity fees, fully loaded three-year phased approach for rate increase, and LVMWD Code revisions.

Keith Lemieux, District Counsel, responded to a question regarding legal restrictions for increasing capacity fees by stating that capacity fees are not covered under the same rules that apply to fees for serving water.

David Lippman, Director of Facilities and Operations, stated that upon the Board's concurrence, staff would propose to begin outreach efforts immediately in anticipation of adoption of the new fee structure effective July 1, 2017, and provide information regarding the one-year grace period, which would begin once the new fees are adopted.

Director Caspary requested that outreach efforts include an explanation of the difference between the District's water and sanitation systems compared to other jurisdictions' systems due to geographic area, extensive distribution and collection systems, number of pressure zones and distribution system duplication needed to provide fire flow, and the impact on capacity fees.

## **6. TREASURER**

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

**7. FACILITIES AND OPERATIONS**

**A Assessor's Parcel No. 4461-008-022: Detachment Request**

**Approve in concept the detachment of APN No. 4461-008-022 from the District's service area.**

General Manager David Pedersen presented the report.

Board President Peterson stepped out of the Board Room at 6:01 p.m.

Director Caspary inquired whether the owner of this parcel filed a deferral for water standby fee charges and whether the District had a policy to collect deferred fees upon a parcel detachment. General Manager David Pedersen responded that staff would research and follow-up.

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

AYES: Caspary, Lewitt, Polan, Renger

NOES: None

ABSENT: Peterson

ABSTAIN: None

**B Las Virgenes Road Pressure Reducing Station No. 49 Rehabilitation Project: CEQA Determination and Call for Bids**

**Find that the work is categorically exempt from the California Environmental Quality Act and authorize a Call for Bids for the Las Virgenes Road Pressure Reducing Station No. 49 Rehabilitation Project.**

General Manager David Pedersen presented the report.

Board President Peterson returned to the Board Room at 6:06 p.m.

David Lippman, Director of Facilities and Operations, responded to a question related to landscape irrigation contributing to corrosion in vaults.

Director Polan moved to approve Item 7B. Motion seconded by Director Caspary. Motion carried unanimously.

**C Headquarters Pavement Rehabilitation Project: Construction Award**

**Award a construction contract to Toro Enterprises, Inc., in the amount of \$117,704.60, and reject all remaining bids upon receipt of duly executed contract documents for the Headquarters Pavement Rehabilitation Project.**

General Manager David Pedersen presented the report.

Director Caspary moved to approve Item 7C. Motion seconded by Director Renger.

David Lippman, Director of Facilities and Operations, responded to a question regarding the bids that came in significantly higher than the two lowest bids by stating that the District's engineering firm conducted a survey of the headquarters' paving and delineated the areas that require crack sealing and slurry versus areas that require pavement removal and replacement before slurry.

Motion carried unanimously.

#### **D Janitorial Services: Contract Renewal**

**Authorize the General Manager to execute the second one-year renewal option with Commercial Cleaning Services, in the amount of \$70,197, for District-wide janitorial services.**

General Manager David Pedersen presented the report.

Board President Peterson departed from the Board Meeting at 6:09 p.m. Vice President Renger presided over the remainder of the meeting.

General Manager David Pedersen responded to a question regarding whether there had been consideration in hiring staff to conduct janitorial services by stating that the cost to hire staff would be substantially higher due to costs associated with employee benefits. David Lippman, Director of Facilities and Operations, added that the work is done after hours and the current janitorial service uses a three-person crew.

Director Caspary moved to approve Item 7D. Motion seconded by Director Polan. Motion carried by the following vote:

AYES: Caspary, Lewitt, Polan, Renger

NOES: None

ABSENT: Peterson

ABSTAIN: None

#### **E Building No. 8 Server Room Improvement Project: Reject All Bids**

**Reject all bids for the Building No. 8 Server Room Improvement Project.**

General Manager David Pedersen presented the report.

Eric Schlageter, Senior Engineer, responded to a question regarding whether staff had contacted the contractors who attended the pre-bid meeting to ask why they did not submit bids by stating that the project requires a B-licensed contractor for framing, electrical, fire suppression system, and heating and air conditioning work, and many

subcontractors included markup and coordination which inflated the costs. He noted there were only two contractors that could have bid as a B-licensed contractor; however, only one contractor submitted a bid. He also noted that staff was in the process of reevaluating the scope of work to develop alternate options for the project

Director Caspary moved to reject all bids for the Building No. 8 Server Room Improvement Project. Motion seconded by Director Lewitt. Motion carried by the following vote:

AYES: Caspary, Lewitt, Polan, Renger

NOES: None

ABSENT: Peterson

ABSTAIN: None

## 8. FINANCE AND ADMINISTRATION

### A Resolution of Intent for Continuation of Potable Water Standby Charge

Pass, approve and adopt the proposed Resolution of Intent for continuing the Standby Charge pursuant to the Municipal Water District Law of 1911; order notification for those properties that changed ownership since the last Standby Charge assessment; order publication of a Notice of Public Hearing in a newspaper of general circulation once a week for a two-week period; and set a public hearing on the matter for 5:00 p.m. on January 10, 2017.

#### RESOLUTION NO. 2502

**A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT INITIATING PROCEEDINGS FOR THE CONTINUATION OF THE WATER AVAILABILITY OR STANDBY CHARGE FOR THE FISCAL YEAR COMMENCING JULY 1, 2017.**

(Reference is hereby made to Resolution No. 2502 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 payment made through the property tax rolls.

Don Patterson, Director of Finance and Administration, responded to a question regarding advertising the Notice of Public Hearing by stating that the advertisement would be published in *The Acorn*, a duly adjudicated newspaper.

Director Caspary moved to approve Item 8A. Motion seconded by Director Lewitt. Motion carried by the following vote:

AYES: Caspary, Lewitt, Polan, Renger

NOES: None

ABSENT: Peterson  
ABSTAIN: None

**B Claim from David Erwin Brown**

**Deny the claim from David Erwin Brown.**

General Manager David Pedersen presented the report.

Director Caspary moved to deny the claim from David Erwin Brown. Motion seconded by Director Polan. Motion carried by the following vote:

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

**9. INFORMATION ITEMS**

**A Claim from Marc and Maria Rubel**

**10. NON-ACTION ITEMS**

**A Organization Reports**

- (1) MWD Representative Report

No report was presented.

- (2) Other

No report was presented.

**B Director's Reports on Outside Meetings**

Director Polan reported that all of the Boardmembers attended the Association of Water Agencies of Ventura County (AWAVC) WaterWise Breakfast meeting on November 17th where presentations were given regarding local groundwater management, the State's permanent water reduction regulations, and the desalination forum scheduled on December 1st.

Director Caspary commented on the presentations relating to local and surface groundwater supplies and stated that he was pleased with the District's position in terms of water supplies, and the actions the Board has taken to make better use of existing reclaimed water supplies.

Director Lewitt noted that Susan Mulligan, General Manager of Calleguas Municipal Water District (Calleguas), mentioned that MWD was in the process of considering whether to build a potable water reuse system in the City of Carson or whether to fund desalination projects, and opening up wheeling topics. He also noted that Ms. Mulligan mentioned that seawater intakes were the biggest hurdle with ocean desalination.

Director Renger noted that he asked Ms. Mulligan regarding the possibility of the District using the brine line. He stated that Ms. Mulligan indicated that Calleguas is concerned with elements of emerging concern and the possibility of making the outfall longer and increasing the amount of dilution.

**C General Manager Reports**

(1) General Business

General Manager David Pedersen noted that the District's newly adopted Mission and Vision Statements were posted in the Board Room. He also noted that a copy of the water rate change notice was provided to the Board. He stated that the rate change would become effective on January 1, 2017, and there would be no change to sanitation rates. He referred to the Community Calendar and Calendar of Events and noted the ACWA Conference in Anaheim from November 29 through December 2, 2016, where he would be a speaker regarding budget-based rates; several City Council and school district reorganizations; and City Manager Cherie Paglia's retirement from the City of Hidden Hills on December 12th.

(2) Follow-Up Items

**D Directors' Comments**

None.

**11. FUTURE AGENDA ITEMS**

None.

**12. PUBLIC COMMENTS**

None.

**13. CLOSED SESSION - (This item was removed from the agenda.)**

**A Conference with District Counsel – Existing Litigation (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 (TMDL cases)



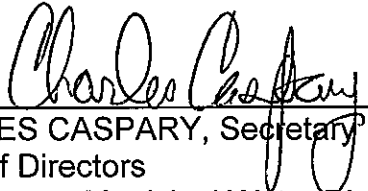
2. Las Virgenes – Triunfo Joint Powers Authority v. United States  
Environmental Protection Agency (FOIA case)

14. **OPEN SESSION AND ADJOURNMENT**

Seeing no further business to come before the Board, the meeting was duly adjourned  
at **6:34 p.m.**

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

ATTEST:

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

(SEAL)