



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

MINUTES
SPECIAL MEETING

5:00 PM

January 30, 2018

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Joe McDermott.

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, Glen Peterson, and Lee Renger.

Absent: None

Staff Present: David Pedersen, General Manager
David Lippman, Director of Facilities and Operations
Don Patterson, Director of Finance and Administration
Joe McDermott, Director of Resource Conservation and Public Outreach
Josie Guzman, Clerk of the Board
Wayne Lemieux, District Counsel

2. APPROVAL OF AGENDA

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

3. PUBLIC COMMENTS

Board President Peterson presented a certificate and service award pin to Director Polan in recognition of five years of service. He also presented a certificate to General Manager David Pedersen in recognition of five years of service.

General Manager David Pedersen introduced newly hired Director of Resource Conservation and Public Outreach Joe McDermott. Mr. McDermott stated that he was looking forward to working with the Board. He noted that he previously worked for the City of Ventura and he worked on Ventura Water's Pure Water Program.

4. CONSENT CALENDAR

A List of Demands: January 30, 2018: Ratify

B Minutes: Regular Meeting of January 9, 2018: Approve

C Budget Planning Calendar for Fiscal Years 2018-2019 and 2019-2020

Receive and file the Budget Planning Calendar for Fiscal Years 2018-2019 and 2019-2020.

Director Polan moved to approve the Consent Calendar. Motion seconded by Director Renger. Motion carried unanimously.

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A 60th Anniversary Recognition of Partner in Service – Los Angeles County Fire Department

Board President Peterson presented a plaque to Chief Williams from the Los Angeles County Fire Department in recognition of the Fire Department being the District's Partner in Service for the past 60 years. Chief Williams thanked the Board of Directors and stated that the Fire Department is looking forward to continuing to work together with the District.

B Presentation by Paul Jones, General Manager of Eastern Municipal Water District, on Small Water System Governance

Paul Jones, General Manager of Eastern Municipal Water District, provided a PowerPoint presentation entitled "Governance and Service Delivery: A Solution to Providing Safe Drinking Water to Communities Served by Chronically Non-compliant Systems." He stated that Eastern Municipal Water District was proposing legislation for a realistic and effective solution to address the issues of communities throughout the State that are served by chronically noncompliant water systems and are serving contaminated water due to unsound infrastructure. He noted that SB 623 (Monning) was introduced last year, which would establish a safe and affordable drinking water program funded by an agricultural, fertilizer, and dairy fee. He also stated that subsequently the language of the bill was amended to include a public goods charge, which would assess individual service connections 95 cents per month and assess customers with larger meters \$10 per month.

He expressed concern that SB 623 would open the door for taxing water and affect the affordability of water for customers. He noted that SB 623 did not pass; however, he explained that it was returning this year, and the Governor included elements of the bill in the budget outline that could be part of a proposed budget trailer bill. He stated that the water industry does not believe SB 623 will solve these issues, and that the funds raised to support the current delivery model will not be the solution to sustainability nor provide clean, safe, reliable, and affordable water to people throughout the State. He addressed the legislative proposal for the creation and formation of a small system water authority, and the process for taking noncompliant systems and forming them into new agencies. He also addressed financial tools and enhancements for a small system water authority and the post-formation process. He stated that he believes the proposal has merit because it puts entities together into viable, ongoing water systems. He noted that an author has been identified for the proposed bill, and the bill language is currently being reviewed by legislative counsel. He also noted that the California Municipal Utilities Association would be co-sponsoring the bill. He stated that meetings have been held with the Association of California Water Agencies (ACWA) Disadvantaged Community Work Group, Metropolitan Water District of Southern California and its Member Agencies, Senate and Assembly Committee staff members, three of the State Water Resources Control Board members and their staff, CALAFCO, and representatives of the environmental justice community. He asked the Board to review the legislation when it is introduced and consider supporting the bill.

C Legislative and Regulatory Updates

Syrus Devers, representing Best Best & Krieger LLP, provided an update on legislative activities. He stated that Senator Monning and the Brown Administration would continue to advocate for SB 623 this year. He noted that the majority of the language in SB 623 focuses on generating money and calculating the size of the required fund. He noted that he has been speaking in support of Eastern Municipal Water District's plan, ACWA has organized a strike team of lobbyists, and he and General Manager David Pedersen would be traveling to Sacramento the following day to meet with legislators. He provided an update on SB 606 and AB 1668 water efficiency legislation, which would reform how water conservation is handled and noted that there was discussion to improve the language of the bills. He also noted that a meeting would take place the following day in the Governor's Office regarding potential changes that could include an increase to the recycled water credit. He stated that he was working with the District on potential legislation to eliminate surface water augmentation restrictions for State's Water Recycling Funding Program, so the District could become eligible for these funds. He provided an update on legislation dealing with auxiliary dwelling units (ADU), which states that connection fees cannot be charged and separate meters cannot be required. He noted that Senator Bob Wieckowski introduced SB 831, which would undo some of SB 1069 dealing with ADUs, and he recommended the District consider opposing the legislation. He also noted that other issues in legislation that are not water-related include housing, transportation, residential living units/group homes, and the recent wildfires.

D Water Supply Conditions Update

General Manager David Pedersen presented the report and recommended that the District begin preparations for the return of drought conditions.

6. TREASURER

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

7. BOARD OF DIRECTORS

A Local Agency Formation Commission: Election of Special District Representative and Alternate

Select candidates to serve as the Local Agency Formation Commission Special District Representative and Alternate, and authorize the General Manager to execute and return the official voting ballot no later than 5:00 p.m. on Friday, April 6, 2018.

General Manager David Pedersen presented the report.

Director Renger moved to approve Item 7A and select E.G. "Jerry" Gladback as the Representative and Joseph T. Rizicka as the Alternative. Motion seconded by Director Caspary. Motion carried unanimously.

B California WaterFix Update: Education and Awareness Campaign

Authorize the General Manager to approve a \$10,000 contribution to the Southern California Water Coalition to support a continued public education and awareness campaign for the California WaterFix.

General Manager David Pedersen presented the report.

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

Director Caspary urged staff to make sure that the education program for the California WaterFix also includes discussion regarding governance and oversight, and that the management of construction and operation of the California WaterFix demonstrates that it is in good experienced hands, will come in at cost estimates, and will deliver as promised.

Motion carried unanimously.

8. FACILITIES AND OPERATIONS

A Barrymore Pressure Reducing Station No. 25 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 Barrymore Pressure Reducing Stations No. 25 Rehabilitation Project.

General Manager David Pedersen presented the report.

Director Caspary moved to approve Item 8A. Motion seconded by Director Polan. Motion carried unanimously.

9. FINANCE AND ADMINISTRATION

A Monthly Cash and Investment Report: December 2017

Receive and file the Monthly Cash and Investment Report for December 2017.

Don Patterson, Director of Finance and Administration, presented the report and PowerPoint presentation. He responded to questions related to the rate structure that is based on the Five-Year Infrastructure Investment Plan and the pay-go policy for capital projects.

A discussion ensued regarding exploring other investment options for a better rate of return.

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

A discussion ensued regarding designating reserve funds for the Pure Water Project Las Virgenes-Triunfo.

Mr. Patterson responded to a question regarding the amount spent on maintenance and upgrades versus new capital construction over time by stating that staff would include this information at the next Board meeting as part of the Quarterly Financial Report.

Motion carried unanimously.

10. NON-ACTION ITEMS

A Organization Reports

(1) MWD Representative Report

Board President Peterson reported the MWD Special Committee on the Bay Delta met on January 23rd to receive an update on the California WaterFix.

(2) Other

Director Caspary reported that he and Resource Conservation Manager Dave Roberts attended the Santa Monica Bay Restoration Commission Watershed Advisory Council

Meeting on January 17th for an update and overview of Phase 2 of the Santa Monica Bay National Estuary Program Bay Restoration Plan revision process. Dave Roberts noted that the meeting was very productive, and he had an opportunity to speak with a representative from the City of Los Angeles, Department of Sanitation to discuss the need for and importance of recycled water and potable reuse projects.

B Director's Reports on Outside Meetings

Director Renger reported that he attended the Association of Water Agencies of Ventura County (AWAVC) WaterWise Breakfast on January 18th, where Eric Boldt from the NOAA/National Weather Service provided the annual weather, snowpack, and water supply update. He noted that Southern California was still experiencing a drought and there have been moderate La Niña weather conditions. He also reported that an update was provided regarding the flooding and debris flow experienced in Montecito.

Directors Caspary and Polan reported that they also attended the AWAVC WaterWise Breakfast.

Director Lewitt reported that he attended the California Association of Sanitation Agencies (CASA) Conference in Palm Springs where a presentation was provided regarding the City of Santa Rosa's emergency response during the recent wildfire and their Directors' role as spokespersons to the press. He also reported that he attended sessions regarding the economy, upcoming elections, public/private partnerships, and the possible return of earmarks. He noted that he participated in an interview to promote CASA membership.

Director Polan reported that he also attended the CASA Conference where he attended the session regarding the City of Santa Rosa's emergency response following the wildfire and issues experienced with burnt high density polyethylene (HDPE) pipes, and ash and plastic going into the wastewater system. He expressed the importance of becoming familiar with the District's Emergency Response Plan. He also reported that he attended a session regarding SCADA security.

Board President Peterson reported that he also attended the AWAVC WaterWise Breakfast and the CASA Conference. He noted that he attended a session at the CASA conference regarding CASA's nonflushable wipes campaign

C General Manager Reports

- (1) General Business

General Manager David Pedersen referred to the calendar of events, including the JPA meeting on February 5th.

- (2) Follow-Up Items

D Directors' Comments

Director Renger noted that a total eclipse of the moon would occur on January 31st beginning at 4:51 a.m.

11. FUTURE AGENDA ITEMS

Director Caspary requested that staff bring back a report regarding the District's Investment or Financial Policies and adding the Pure Water Project Las Virgenes-Triunfo to the reserves classification. Board President Peterson requested that this item be brought forth at the Strategic Planning Workshop.

Director Caspary also requested that a review of the District's Emergency Response Plan be brought forth at the Strategic Planning Workshop.

12. PUBLIC COMMENTS

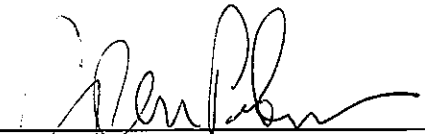
None.

13. CLOSED SESSION

None.

14. OPEN SESSION AND ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **7:11 p.m.**



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

ATTEST:



JAY LEWITT, Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)