

TRIUNFO SANITATION DISTRICT

Minutes of the adjourned regular meeting of December 19, 2011
Oak Park Library, 899 N Kanan Road, Oak Park, CA 91377

1. Roll Call (4 present). Chair Paule called the meeting to order at 5:18 p.m.
Steven Iceland
Michael McReynolds (absent)
Janna Orkney
Michael Paule
James Wall
2. Pledge of Allegiance – Led by Director Iceland.
3. Amendments to the Agenda – Director Orkney requested that Item 15 be postponed to the next meeting so that the entire Board could be present. It was moved by Director Iceland, seconded by Director Wall, and duly carried by the Board, with Director McReynolds absent, to approve the agenda as amended.
4. Approval of Minutes – Chair Paule noted a correction to Page 8, Item 27, eleventh paragraph, should read as follows, "... compared to 17 cents per 100 cubic feet." It was moved by Director Orkney, seconded by Director Iceland, and duly carried by the Board, with Director McReynolds absent, to approve the November 28, 2011 meeting minutes as amended.
5. Public Comments – None.

CONSENT ITEMS – (Items 6 and 7)

6. Minutes of October 24, 2011 – It was moved by Director Orkney, seconded by Director Iceland, and duly carried by the Board, with Director McReynolds absent, to approve the revised minutes of October 24, 2011.
7. Request from Oak Park Unified School District (OPUSD) for Promotion of Super Saturday Event – It was moved by Director Orkney, seconded by Director Iceland, and duly carried by the Board, with Director McReynolds absent, to authorize the use of the reverse side of the January 2012 OPWS bill insert to promote the OPUSD Super Saturday event and direct staff to design and produce the appropriate announcement in collaboration with OPUSD staff.

REPORTS – (Items 8 and 9)

8. Oak Canyon Update
 - a. Project Update – Tim Doyle, The PRD Group, presented the update and reviewed the Project Management Plan.

- b. Project Outreach Program Update – Mr. Anders presented the report.
9. Report from Standing Subcommittees – Mr. Anders reported that the Recycled Water Committee was continuing to explore options to expand reclaimed water service in Oak Park. He noted that their activities included mapping out the recycled water system, exploring potential areas of expansion, and looking at the Capri Tract and the volume of water they use. He mentioned that Sam Hill & Sons provided a quote in the amount of \$375,000 to extend the reclaimed water system into that development. He noted that the tract uses 34 acre feet of potable water to irrigate the exterior landscaping and that ultimately it could take a number of years to recover the cost to extend reclaimed water service. Director Orkney stated that the committee was looking at possible ways to cover the cost of the expansion and perhaps asking Calleguas Municipal Water District or Las Virgenes Municipal Water District for funding because Triunfo Sanitation District built much of their infrastructure. She noted that previously Director Wall expressed concern that the reclaimed water ordinance sets the reclaimed water rate at no greater than 90 percent of the potable water rate; however, it does not specify whose potable water rate. She stated that the committee wanted to look at how that cost compared to Lake Sherwood's cost for potable water and explore possible cost savings. Director Iceland inquired whether the District could ask the homeowner's association to make a financial contribution for the expansion. John Mathews, Legal Counsel, responded that it could be factored into the rate.

Director Orkney reported that the Website Redesign Committee met with Heidi Hayes from the Agency. She noted that the Agency had developed a site map that the committee reviewed in depth and provided modifications. She stated that she had imagined two different websites with a link because Oak Park Water Service had more traffic; however, Ms. Hayes indicated that there was only one system for Triunfo Sanitation District and they did not bid for developing two separate sites. Director Orkney further stated that she wanted to review the contract because she wanted a separate website for Oak Park Water Service. Chair Paule suggested that a main page could be developed where people could select a specific division.

Director Iceland reported that the Finance Committee developed draft Ordinance Nos. 73 and 74, which were on the Board's agenda.

ACTION ITEMS – (Items 10 through 17)

10. TSD Contract No. T11-013, Padre Associates, Inc. – Tim Doyle, The PRD Group, presented the staff report. He responded to questions regarding the contract services which would include bird surveys in the areas that are being decommissioned and the cost for changes to environmental documents.

It was moved by Director Iceland, seconded by Director Wall, and duly carried by the Board, with Director McReynolds absent, to authorize the Chair to sign Contract No. T11-013 with Padre Associates, Inc., for environmental support

services for the Conifer Tank Replacement Project, in the amount of \$32,393 with a contract term ending June 30, 2013.

11. Disaster Preparedness Plan – Andy Hovey, Technical Services Supervisor, presented the staff report. The Board discussed the need for sufficient generators, issues with cell phone communication and GPS devices during an incident, the need for high quality fuel lines for the generators, periodic testing of the system, incorporating a training element, and annual review.

It was moved by Director Orkney, seconded by Director Iceland, and duly carried by the Board, with Director McReynolds absent, to direct staff to contract with Risk Management Professionals to update the District's Plan and approve a budget adjustment of \$21,620.

12. Oak Park Water Service - Ordinance No. TSD-73 – Vickie Dragan, Director of Finance, presented the staff report.

Chair Paule noted that Keli Kaye submitted a speaker card inquiring whether there was a recovery in lien cost and whether the District could place a lien. Ms. Dragan responded that the District would not be placing a lien on properties. Mr. Mathews added that recovery could be processed through a lien. Director Iceland noted that the cost to place a lien may be more than the amount owed, which would include the cost for staff time and filing.

Director Orkney stated that she wanted all customers to be called when they are past due and facing water shut-off. Director Iceland expressed concern with the amount of staff time involved in calling customers. Ms. Dragan noted that staff makes courtesy calls to customers when time allows and when door hangers are placed and before water shut-offs are done.

It was moved by Director Iceland, seconded by Director Orkney, and duly carried by the Board, with Director McReynolds absent, to conduct the first reading, by title only, of Ordinance No. TSD-73, Prescribing Policies and Procedures for Oak Park Water Service. Josie Guzmán, Clerk of the Board, read Ordinance No. TSD-73 in title only.

It was moved by Director Orkney, seconded by Director Iceland, and duly carried by the Board, with Director McReynolds absent, to schedule a public hearing for the January 23, 2012 Triunfo Sanitation District Regular Board Meeting to conduct the second reading, by title only, of Ordinance No. TSD-73 and to consider adoption of Ordinance No. TSD-73.

13. Miscellaneous Fees and Charges - Ordinance No. TSD-74 – Ms. Dragan presented the staff report.

It was moved by Director Iceland, seconded by Director Wall, and duly carried by

the Board, with Director McReynolds absent, to conduct the first reading, by title only, of Ordinance No. TSD-74, Prescribing Miscellaneous Fees and Charges. Ms. Guzmán read Ordinance No. TSD-74 in title only.

It was moved by Director Iceland, seconded by Director Orkney, and duly carried by the Board, with Director McReynolds absent, to schedule a public hearing for the January 23, 2012 Triunfo Sanitation District Board Regular Meeting to conduct second reading, by title only, of Ordinance No. TSD-74 and to consider adoption of Ordinance No. TSD-74.

14. Update on Discussions with Calleguas Municipal Water District – Mr. Anders distributed handouts with Calleguas Municipal Water District's (Calleguas) water rate charges and Triunfo Sanitation District's (TSD) recycled water rates. He noted that he met with General Manager Susan Mulligan and Fiscal Manager Dan Smith from Calleguas and that they reviewed Calleguas' investments in the reclaimed water system. He noted that Calleguas owed approximately \$8 million for the purchase of the system. He also noted that the current potable water rate for Tier 1 was \$981, which would increase to \$1,056 effective January 1, 2012. He stated that based on Ordinance No. 17 Calleguas charges 80 percent of the Tier 1 rate for reclaimed water, which would increase to \$845 effective January 1, 2012. He explained that Calleguas adopts a resolution to modify the ordinance to reflect the new rates for reclaimed water. He noted that the second handout showed the relationship and the movement of water from the Joint Powers Authority to TSD to Calleguas and back to TSD. He explained that the line item labeled CMWD/TSD Spread showed how Calleguas was able to pay down the \$7 million from the original investment of \$15 million, which was the difference between purchase price from TSD and the re-sell amount. He also noted that the spread was affected by the wholesale rates set by the Joint Powers Authority, the Tier 1 water rate influenced by the cost of water from the Metropolitan Water District, and the establishment of the 80 percent indexing. He noted that rates would need to be increased until the spread reaches \$600,000.

The Board discussed concerns with tying the reclaimed water rate to the potable water rate; automatic annual increases; inequity to TSD because its watershed is Malibu Creek whereas Calleguas' other customers watershed is Calleguas Creek; having TSD pay for all of the infrastructure costs that benefits Malibu Creek; and TSD having to contribute to the Salinity Management Plan which benefits all agencies of the Calleguas Creek Watershed but not TSD.

Mr. Mathews commented that these were the types of issues that are not solved in board meetings and suggested that it might take numerous meetings with Calleguas in order to move this forward.

Chair Paule suggested pursuing a dialog with Calleguas that rates should not be tied to the cost of drinking water. Director Orkney suggested that the Chair and

Vice Chair speak at a Calleguas Board Meeting. Mr. Anders suggested that he meet with Calleguas staff once more. Director Orkney requested that Mr. Anders inform Calleguas that the Chair wants to speak with their Board. She stated that it was her perception that Calleguas is insulated on what is occurring in the retail water side and they are not used to dealing with their retailers.

15. Update on FY 2012 Goals & Objectives – Postponed to January 23, 2012.
16. Urban Water Institute's Spring Water Conference, Palm Springs, California – Mr. Anders presented the staff report.

It was moved by Director Orkney, seconded by Director Wall, and duly carried by the Board, with Director McReynolds absent, to include the Urban Water Institute's Spring Water Conference as an authorized conference for the Board.

17. State Controller's Requirements for Special Districts to Report Compensation – Ms. Dragan presented the staff report. The Board discussed posting compensation of elected officials versus appointed officials; adding a footnote regarding the change in the Board's governance; posting the 2010 appointed members' compensation on the website; posting compensation of key officials; and posting the billable rate sheet in lieu of posting compensation of key officials.

It was moved by Chair Paule, seconded by Director Orkney, and duly carried by the Board, with Director McReynolds absent, to post the calendar year 2010 compensation report required by the State Controller's Office, post the Directors' compensation on the TSD website, and that the information on Attachment 2 containing the Directors' compensation be moved to Attachment 1.

INFORMATION ITEMS – (Items 18 through 23)

It was moved by Director Iceland, seconded by Director Wall, and duly carried by the Board, with Director McReynolds absent, to receive and file the Information Items.

18. Investment Report – November 2011
19. Disbursements – November 2011 – Director Orkney stated that the memorandum listing the Directors' Days of Service was redundant because it included the same information as the Payroll Details and was therefore not needed.
20. Revenue & Expense Report – November 2011 – Chair Paule inquired whether all of the allocations that he questioned the previous month were made under Potable Water. Ms. Dragan responded that the allocations were made. She noted that the actual revenues for wastewater would be received in mid January and would appear in the financial report in February.
21. Water Conservation Report

22. Water Conservation Rebate Update

23. Future Meetings, Seminars and Conferences:

- Joint Powers Authority meeting January 9, 2012, 5 p.m., Oak Park Library
- CASA 2012 Mid-year Conference, January 18 – 20, 2012, Palm Desert
- TSD Board meeting January 23, 2012, 5:15 p.m., Oak Park Library

NEW BUSINESS – (Item 24 only)

24. Discussion

- a. Board Members – Director Iceland mentioned that he received a thank you note signed by every team member from the Oak Park High School Solar Cup Team and acknowledging the District's recent sponsorship. He requested an item on the January agenda regarding the reorganization of the Board. He wished everyone a Merry Christmas and a Happy New Year, and noted that he would be on vacation through January 16, 2012.

Director Orkney noted that she previously requested a monthly breakdown of charges that Triunfo Sanitation District pays to Ventura Regional Sanitation District (VRSD). She stated that the contract with VRSD would be up for a possible contract renewal in March 2013 and that she did not know how the Board was going to judge what VRSD does unless the Board looks at their costs. She noted that previously staff prepared a summary for Chair Paule's financial review. Chair Paule stated that Ms. Dragan prepared a report that summarized different categories and amounts. He suggested that staff continue to prepare a summary report by month and by category for the Board's review in order to see expenses comparatively month to month.

Director Orkney wished everyone happy holidays and Merry Christmas.

Director Wall thanked everyone on his first year, which was interesting and very educational.

Chair Paule thanked staff, legal counsel, and the Directors for their hard work. He spoke regarding upcoming increases to wholesale water rates from Metropolitan Water District to member agencies, costs for the Salinity Management Plan, and costs for other agencies' capital improvement projects. He noted that he spoke with Barry Steinhardt from Las Virgenes Municipal Water District (Las Virgenes) regarding options for other water sources, whether to continue to purchase water from Calleguas, whether there was a possibility of purchasing water and bringing it from a different direction from Las Virgenes, and whether to possibly consolidate Triunfo Sanitation District with Las Virgenes. He suggested that, along with the VRSD contract coming up for renewal in 2013, the Board should explore

consolidation with Las Virgenes. He noted that LAFCo indicated that it was possible to have multi-county districts. He also noted that he and Mr. Steinhardt discussed setting up a meeting in January with the two District Managers and the Chairs of both Districts to discuss whether or not there would be interest to put on the agenda a discussion of consolidation, whether there would be economies of scale, and whether there would be opportunities to lower the overall cost of running the District. He stated that he wanted to see if the Board would concur with his setting up a meeting and he would report back as to whether or not there is an interest to further these discussions. Director Wall noted that consolidation was a recommendation from the Grand Jury. Director Orkney expressed concern that this item was not on the agenda for discussion and that she wanted the full Board to be present before discussing this item. She also expressed concern with how discussions with the Las Virgenes General Manager and Chair would proceed because the Las Virgenes Chair could have any kind of opinion and Mr. Anders could not be frank in that meeting without having the Board's direction. Chair Paule indicated that he was seeking a sense from the Board on whether it was worthwhile to have preliminary discussions before placing this on the agenda. Mr. Mathews noted that Chair Paule could always meet with the Chair from another Board. Director Orkney expressed concern with involving General Managers and stated that she believed this required transparency. Mr. Mathews responded that he did not feel it was a violation of the Brown Act. Chair Paule stated that he wanted to meet with General Manager John Mundy and Chairman Lee Renger from Las Virgenes and with Mr. Anders in January and report back to see if the Board would want to take this to another level. Director Orkney indicated that she could only approve Chair Paule meeting with the Chair from Las Virgenes and that she did not support Chair Paule meeting with the General Managers without this being on the agenda. Chair Paule stated that he would meet with Chairman Lee Renger from Las Virgenes and report back to the Board in January.

- b. District Manager – None.
- c. Legal Counsel – None.

25. Future Agenda Items – Review of Reclaimed Water Ordinance; Contract Staffing Levels; Cell Tower Standardized Lease Agreements; RFP for Wastewater and Water Services; Membership on the Association of California Water Agencies (ACWA); Update on FY 2012 Goals & Objectives.

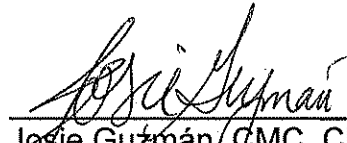
Chair Paule mentioned that he was contacted by representatives from ACWA who asked to give a presentation on the benefits of membership at the Board's meeting in January.

26. Reports on Outside Meetings/Conferences – Director Orkney reported that she attended the ACWA conference and that she was very impressed. She noted that


she attended a presentation by Judge Wenger and presentations regarding the San Diego blackout and the Sacramento Delta. She reported that she was no longer the Special Districts Representative on the Ventura Regional Sanitation District (VRSD) and that she attended the VRSD meeting where she received a commendation. She also reported that she attended the Special Districts Selection Committee meeting where Bill Murphy from Ojai Valley Sanitary District was confirmed as the new VRSD Representative. She noted that the committee discussed the Representative's responsibility to communicate with the committee and that Robert Krimmer acted as legal counsel for the group.

Chair Paule reported that he also attended ACWA conference and that he was very impressed. He noted that he attended sessions on finance, Proposition 218, communicating with the public, rates, recycled water, and potable water reuse.

27. Adjournment – The meeting was adjourned at 8:07 p.m.



Josie Guzmán, CMC, Clerk of the Board



Michael Paule, Chair