

CALLEGUAS MUNICIPAL WATER DISTRICT
2100 Olsen Road, Thousand Oaks, California 91360
www.calleguas.com

BOARD OF DIRECTORS MEETING

July 6, 2016, 5:00 p.m.

AGENDA

Written communications from the public must be received by 8:30 am on the Thursday preceding a regular Board meeting in order to be included on the agenda and considered by the Board at that meeting. Government Code Section 54954.2 prohibits the Board from taking action on items not posted on the agenda except as provided in Subsection 54954.2(b).

A. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND ROLL CALL

BOARD OF DIRECTORS

Scott H. Quady, President
Thomas Slosson, Vice President
Andy Waters, Treasurer
Andres Santamaria, Secretary
Steve Blois, Director

B. MINUTES (June 15, 2016)

Action: It is recommended that the Board approve the June 15, 2016 minutes.

C. WRITTEN COMMUNICATION

1. Letter from Tony Goff, Calleguas Manager of Operations and Maintenance, to Jeanine Townsend, Clerk to the Board, State Water Resources Control Board, submitting comments regarding SWRCB Draft Drinking Water Fee Regulations

D. ORAL COMMUNICATION

Members of the public may address the Board on items within the jurisdiction of the Board that do not appear on the agenda. Please limit remarks to three minutes.

E. GENERAL MANAGER

1. Update on matters of interest to the Board
2. Simi Valley Groundwater Study

3. Approval of wheeling of water by the City of Oxnard for Rio Manor Mutual Water Company
Action: It is recommended that the Board approve wheeling of water by the City of Oxnard for Rio Manor Mutual Water Company subject to certain conditions.
4. June 2016 Monthly Status Report

F. FINANCE AND HUMAN RESOURCES

1. May 2016 Financial Statements
2. Discussion regarding proposed changes to Administrative Code
Action: It is recommended that the Board approve amendments to the Administrative Code clarifying the life insurance coverage provided to Board members and employees and authorize staff to procure insurance accordingly.

G. OPERATIONS AND MAINTENANCE

1. 2016 Annual Water Quality Report

H. RESOURCES AND PUBLIC AFFAIRS

I. ENGINEERING AND CONSTRUCTION

1. Change Order Report for Q2 2016
2. Discussion regarding Resolution No. 1893, authorization and call for bids for Las Posas Basin Deep Groundwater Monitoring Project, Deep Well No. 1, Project No. 527-1, located at 6811 Grimes Canyon Road, in an unincorporated area of Ventura County, California
Action: It is recommended that the Board adopt Resolution No. 1893.
3. Discussion regarding Salinity Management Pipeline emergency repair work
Action: It is recommended that the Board make a determination pursuant to Public Contract Code Section 22050 that the repair of the Salinity Management Pipeline does not permit a delay resulting from competitive solicitation for bids, and that certain repair work is necessary to respond to the emergency. (four-fifths vote required)

J. GROUNDWATER RESOURCES

K. STRATEGIC PLANNING

L. DISTRICT COUNSEL

M. BOARD OF DIRECTORS

1. Discussion regarding Resolution No. 1894, nominating Andy Waters to Fill the term of 1/1/2015 to 1/1/2019 for the Alternate Special District Member of the Ventura Local Agency Formation Commission (LAFCo)

Action: It is recommended that the Board adopt Resolution No. 1894.

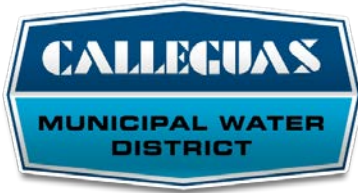
2. Oral report on meetings attended by Board members
3. Discussion regarding upcoming meetings to be attended by Board members

N. OTHER BUSINESS

O. FUTURE AGENDA ITEMS

P. ADJOURNMENT to July 20, 2016 at 5:00 p.m.

Pursuant to Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and applicable federal rules and regulations, requests for disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the Secretary to the Board in advance of the meeting to ensure the availability of the requested service or accommodation. Notices, agendas, and public documents related to the Board meetings can be made available in appropriate alternative format upon request.



Board Meeting Agenda Memo July 6, 2016

** An asterisk indicates that additional paperwork is provided in the packet.*

C. WRITTEN COMMUNICATION

1. Letter from Tony Goff, Calleguas Manager of Operations and Maintenance, to Jeanine Townsend, Clerk to the Board, State Water Resources Control Board, submitting comments regarding SWRCB Draft Drinking Water Fee Regulations**

The State Water Resources Control Board (SWRCB) draft drinking water fee regulations abandon the previous practice of charging the actual costs to regulate each water system to a new structure under which large systems (including wholesale agencies) would pay more and subsidize the cost of regulating the small systems. Calleguas sent a letter supporting the Association of California Water Agencies' (ACWA's) proposed fee structure. Both Calleguas' and ACWA's letters are enclosed for reference.

E. GENERAL MANAGER

1. Update on matters of interest to the Board
2. Simi Valley Groundwater Study

Joe Deakin, Simi Valley Assistant Public Works Director, will present the results of a recent study by the City's Waterworks District on its groundwater basin.

3. Approval of wheeling of water by the City of Oxnard for Rio Manor Mutual Water Company*

Action: It is recommended that the Board approve wheeling of water by the City of Oxnard for Rio Manor Mutual Water Company subject to certain conditions.

Rio Manor Mutual Water Company (Rio Manor) is located south of Highway 101 and east of Vineyard Avenue in the City of Oxnard (Oxnard) and is one of the unannexed windows in the Calleguas service area. Rio Manor is supplied by two wells, 150 feet and 220 feet deep respectively. Because the 150 foot well has gone dry, Rio Manor's Board is concerned that the sole well supplying the system could either go dry or fail due to mechanical problems and there would be no water available for the residents. A location map is enclosed for reference.

As you know, Calleguas' policies and agreements prohibit delivery of water from inside the service area to unannexed areas outside the service area. However, Rio Manor has proposed to return any water delivered by Oxnard back into the service area by transferring one acre-foot of groundwater credits to Oxnard for each acre-foot delivered from Oxnard to Rio Manor, so there would be no net movement of water outside the Calleguas service area. Essentially Oxnard would be conveying Rio Manor's groundwater through Oxnard's facilities (well and pipes) to the Rio Manor water system, which can be characterized as wheeling.

Water wheeling is permissible under Calleguas policies. Section 5(a) of Calleguas Ordinance No. 12 specifically provides for the delivery of wheeled water outside the Calleguas service area boundaries when authorized by Calleguas' Board of Directors. Staff recommends that the Board approve this wheeling arrangement on the following conditions:

1. The agreement between Oxnard and Rio Mano shall clearly characterize the arrangement as "water wheeling."
2. For each acre foot of water delivered from the City to Rio Manor, the Fox Canyon Groundwater Management Agency (GMA) shall transfer one acre foot of groundwater credits from Rio Manor to the City. This transfer must take place within six months of the delivery with documentation submitted to Calleguas within 30 days from the date of transfer.

If the Board approves this wheeling arrangement, staff would send a letter to Rio Manor documenting Board approval, while encouraging Rio Manor to annex, and offering to work with Rio Manor to identify state agencies and programs that could provide funding and/or assistance for annexation to improve water supply reliability for small water systems.

Rio Manor's Board President, Joe Roque, and their consultant, Robert Eranio, will attend the meeting to answer any questions the Board may have.

4. June 2016 Monthly Status Report*

F. FINANCE AND HUMAN RESOURCES

1. May 2016 Financial Statements*

2. Discussion regarding proposed changes to Administrative Code**

Action: It is recommended that the Board approve amendments to the Administrative Code clarifying the life insurance coverage provided to Board members and employees and authorize staff to procure insurance accordingly.

As staff was working on a new contract for provision of life insurance coverage recently, they discovered that the language in the Calleguas Administrative Code describing the level of life insurance coverage to be provided to Board members was unclear. In practice, Board members have been provided with \$5,000 in life insurance coverage and the employees have been provided with \$100,000 in coverage. The amount provided to the employees is clearly set forth in the Administrative Code, but the section describing the Board coverage simply refers to the section on employee coverage, from which one could infer that the Board coverage should be the same as that provided for the employees.

Therefore, the Board needs to make a decision about what level of life insurance coverage should be provided to Board members and amend the Code to clearly state that amount. To aid the Board in that decision, staff researched the cost of various levels of coverage and what levels other local public agencies provide to their Board members.

Cost of coverage

The insurance underwriters for Calleguas' current policy are willing to increase the coverage to \$25,000, but no higher, due to the age of the Board members. The cost associated with increasing the amount from \$5,000 to \$25,000 would be approximately \$780 per year.

Calleguas could attempt to purchase insurance through an outside carrier for an amount up to \$100,000. It is likely that each Board member would have to pass a physical in order to qualify. Based on the current ages of the Board members, and assuming they passed the physicals and could obtain coverage, the cost associated with increasing the amount from \$5,000 to \$100,000 would be approximately \$8,400 per year.

Coverage provided at similar agencies

The following agencies provided information on the life insurance coverage provided to their Board or Council members:

United WCD	\$0
Casitas MWD	\$10,000
Camrosa WD	\$0
Castaic Lake WD	\$0
Las Virgenes MWD	\$25,000
City of Moorpark	\$25,000
City of Oxnard	\$5,000
City of Simi Valley	\$0
City of Thousand Oaks	\$250,000 only for travel

It is recommended that three changes be made to the Administrative Code (all shown in redline format in the packet).

- Change Section 2.12 to clearly state the amount of life insurance coverage provided to the Board.
- Make non-substantive clarifications to Section 2.12.
- Add a caveat to Section 12.5.6 stating that levels of life insurance coverage for employees may be reduced after they reach a certain age due to limitations in the insurance policy. There are no employees or Board members affected by this at their current ages under Calleguas' current life insurance policy, but this has happened in the past and could happen in the future.

G. OPERATIONS AND MAINTENANCE

1. 2016 Annual Water Quality Report*

H. RESOURCES AND PUBLIC AFFAIRS

I. ENGINEERING AND CONSTRUCTION

1. Change Order Report for Q2 2016****

The following change order summaries are provided:

- Salinity Management Pipeline, Phase 2B (Project No. 495)
- Salinity Management Pipeline, Phase 2D (Project No. 508)
- Grandsen Pump Station, Phase 2 (Project No. 500)
- CCSB/CCNB Broken Back Prevention and Rehabilitation, Phase 1 (Project No. 532)

2. Discussion regarding Resolution No. 1893, authorization and call for bids for Las Posas Basin Deep Groundwater Monitoring Project, Deep Well No. 1, Project No. 527-1, located at 6811 Grimes Canyon Road, in an unincorporated area of Ventura County, California*

Action: It is recommended that the Board adopt Resolution No. 1893.

The Las Posas Aquifer Storage and Recovery (ASR) Wellfields extract stored water from the Las Posas Valley Groundwater Basin for delivery during emergencies or scheduled maintenance events that prevent normal delivery of imported water through Metropolitan Water District of Southern California and/or Calleguas' conveyance facilities. Deep groundwater monitoring wells are needed to provide data to assess the effect of Calleguas' storage and recovery activities on groundwater levels and quality in the basin and to provide data for groundwater modeling efforts. The monitoring wells will also support Sustainable Groundwater Management Act planning and implementation. In an effort to collect groundwater elevation and water quality data to

enhance on-going monitoring of the Wellfield operations and surrounding areas, Calleguas is planning to construct multiple groundwater monitoring wells as part of the overall Las Posas Basin Deep Groundwater Monitoring Project. The wells are designed to provide the means for monitoring at multiple depths to assess both the lateral and vertical movement of stored water. The Groundwater Manager will provide a brief overview of the project and the overall monitoring program.

The project constructs the first monitoring well (Deep Well No. 1) at Wellfield No. 2, and involves drilling the pilot hole to approximately 1,250 feet deep, reaming the pilot hole to the required diameters, installing the well casings, completing the well and wellhead, and developing the well. The well is designed to accommodate the use of an appropriately-sized portable sampling pump to periodically purge and sample the wells from anticipated standing water levels, which can be in excess of 600 feet below grade.

The engineer's estimate for this project is \$371,000. There is money available in the construction fund to perform the work. Staff has had the opportunity to review the plans and specifications and recommends that the Board approve the requested action. The plans and specifications can be found here:

<https://www.dropbox.com/sh/uce46g26t9v519a/AAB3SU1TaiUynD7cURWnrEYTa?dl=0>

3. Discussion regarding Salinity Management Pipeline emergency repair work*

Action: It is recommended that the Board make a determination pursuant to Public Contract Code Section 22050 that the repair of the Salinity Management Pipeline does not permit a delay resulting from competitive solicitation for bids, and that certain repair work is necessary to respond to the emergency. (four-fifths vote required)

During a routine inspection on June 30th, O&M staff discovered water flowing out of a valve can for an air/vacuum relief valve isolation valve on the Salinity Management Pipeline (SMP). Closing the isolation valve stopped the flow of water, so the leak is between the isolation valve and the air/vacuum relief valve vault. The location is shown on the enclosed map.

Since the isolation valve to the air/vacuum relief valve has been closed to stop the leak, the SMP can continue to operate. However, the air/vacuum relief valve provides surge protection for the SMP. Having the valve out of service puts the SMP at risk of damage from surges and it is prudent to minimize the period of time it is out of service.

In accordance with her authority under Ordinance No. 18, the General Manager authorized Blois Construction to begin work to excavate at the location of the leak and make any necessary repairs. The cost of the work could be greater than \$35,000, so the Public Contract Code requires a formal bid procedure which would take several months. The capital improvement program budget includes funds to cover repairs for emergency repairs. An update will be provided to the Board at the meeting.

J. GROUNDWATER RESOURCES

K. STRATEGIC PLANNING

L. DISTRICT COUNSEL

M. BOARD OF DIRECTORS

1. Discussion regarding Resolution No. 1894, nominating Andy Waters to Fill the term of 1/1/2015 to 1/1/2019 for the Alternate Special District Member of the Ventura Local Agency Formation Commission (LAFCo) **

Action: It is recommended that the Board adopt Resolution No. 1894.

The Ventura Local Agency Formation Commission (LAFCo) is seeking nominations for a person to serve as the alternate special district member. LAFCo is responsible for implementing state law and state and local policies relating to boundary changes for cities and most special districts, including spheres of influence, incorporations, annexations, and reorganizations (including annexations to Calleguas and Metropolitan). Calleguas pays \$95,000 in fees to LAFCo each year, representing 47% of the special districts' budget.

The term of one of the two special district members of LAFCo, held by Bruce Dandy, expires on January 1, 2017. When a LAFCo special district member completes his/her term of office, the alternate special district member automatically becomes a special district regular member of LAFCo for a new four-year term. Therefore, Alternate Commissioner Mary Anne Rooney will become a regular member starting a new four-year term on January 1, 2017 and a special district alternate member must be selected to complete Ms. Rooney's term, which expires January 1, 2019.

Special district alternate members of LAFCo can participate fully in LAFCo proceedings, but cannot vote except in the absence of, or due to the abstention of, one of the two special district regular members. Because special district alternate members automatically become regular members upon the completion of a regular member term of office, the new alternate member likely will become a regular member on January 1, 2019 when the term of Commissioner Elaine Freeman expires.

Director Waters has expressed interest in serving as the special district alternate member on LAFCo. Should the Calleguas Board decide to nominate him, the subsequent steps in the election would be as follows:

By August 12th Calleguas' General Manager submits Resolution No. 1894 and a resume or candidate statement for Director Waters to LAFCo.

By August 26th LAFCo sends a ballot of nominated candidates to the special districts (list provided in the packet).

By October 14th Special district boards vote and submit ballots to LAFCo.

By October 21st LAFCo sends the election results to the special districts.

2. Oral report on meetings attended by Board members

Pursuant to Government Code Section 53232.3(d), Board members will provide oral reports on meetings attended at the expense of the District.

3. Discussion regarding upcoming meetings to be attended by Board members

UPCOMING MEETINGS		
Board Meeting	Wed. 7/6, 5:00 pm	Calleguas Board Room
APWA Lunch - Ventura's WaterPure Project	Thu. 7/14, 11:30 am	Orchid Building 816 Camarillo Springs Rd. Camarillo
AWA Water Issues	Tue. 7/19, 7:30 am	AWA Conference Room 5156 McGrath St., Ventura
CMWD/Las Virgenes PFA Board Meeting	Wed. 7/20, 4:30 pm	Calleguas Board Room
Board Meeting	Wed. 7/20, 5:00 pm	Calleguas Board Room
Purveyor Meeting	Mon. 7/25, 10:00 am	Calleguas Board Room
Board Meeting	Wed. 8/3, 5:00 pm	Calleguas Board Room
ACWA Region 8 - Disaster Preparedness	Thu. 8/4, 9:30 am	Metropolitan Water District 700 North Alameda St., L.A.
Board Meeting	Wed. 8/17, 5:00 pm	Calleguas Board Room
Purveyor Meeting	Mon. 8/22, 10:00 am	Calleguas Board Room
Engineering & Construction Committee Meeting	Wed. 8/31, 5:00 pm	Calleguas Conf. Room A

CALLEGUAS MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS MEETING
June 15, 2016

MINUTES

The regular meeting of the Board of Directors of Calleguas Municipal Water District was held at the District Office, 2100 Olsen Road, Thousand Oaks, California, on June 15, 2016.

The meeting was called to order by Scott Quady, President of the Board, at 5:00 p.m.

A. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND ROLL CALL

Directors Present: Scott H. Quady, President
Thomas L. Slosson, Vice President
Andy Waters, Treasurer
Andres Santamaria, Secretary
Steve Blois, Director

Staff Present: Susan Mulligan, General Manager
Eric Bergh, Manager of Resources
Bryan Bondy, Groundwater Manager
Tony Goff, Manager of Operations and Maintenance
Kristine McCaffrey, Manager of Engineering
Dan Smith, Manager of Finance
Kara Wade, Clerk of the Board

Legal Counsel Present: Robert Cohen, Cohen & Burge, LLP, District Counsel

B. MINUTES

On a motion by Director Santamaria, seconded by Director Slosson, the Board of Directors voted 3-0-2 to approve the revised June 1, 2016 minutes.

AYES: Directors Santamaria, Slosson, Quady

NOES: None

ABSTAINING: Directors Blois, Waters

C. WRITTEN COMMUNICATION

1. Coalition letter to Assembly Member Marc Levine opposing Assembly Bill 554 (Wolk), Delta Levee Subventions

The Manager of Resources said that Calleguas signed a coalition letter opposing legislation by Senator Lois Wolk (Davis) that would permanently commit state general funds to the maintenance of private levees in the Sacramento Delta, which is inconsistent with the “beneficiaries pay” concept commonly applied for such programs, including California WaterFix. The Board asked questions and the Manager of Resources answered them. No action was taken.

D. ORAL COMMUNICATION

None

Director Quady said that Item H-1 would be heard at this time.

H. RESOURCES AND PUBLIC AFFAIRS

1. Discussion regarding proposed Resolution No. 1888 adopting the Final 2015 Urban Water Management Plan

RESOLUTION OF THE BOARD OF DIRECTORS
OF CALLEGUAS MUNICIPAL WATER DISTRICT
ADOPTING THE 2015 URBAN WATER MANAGEMENT PLAN
FOR CALLEGUAS MUNICIPAL WATER DISTRICT

The Manager of Resources said this resolution will adopt the Final 2015 Urban Water Management Plan (Plan). The mandatory 60-day public review period for the document closed on June 1. Minor comments were submitted by the Fox Canyon Groundwater Management Agency and Ventura County Waterworks District. The comment letters and District responses are provided in Appendix J. Upon adoption, staff will submit the Plan to the Department of Water Resources (DWR) electronically and in hard copy. The deadline for Plan submittal to DWR is July 1. An electronic copy of the Plan is available for viewing/download at <http://www.calleguas.com/images/docs-documents-reports/finalcmwd2015uwmp.pdf>

The Board asked questions and the Manager of Resources answered them.

On a motion by Director Waters, seconded by Director Blois, the Board of Directors voted 5-0 to approve Resolution No. 1888. Resolution No. 1888 is attached and made part of these minutes.

AYES: Directors Santamaria, Blois, Slosson, Waters, Quady
NOES: None

E. GENERAL MANAGER'S REPORT

1. Update on matters of interest to the Board

The General Manager had no updates.

F. FINANCE AND HUMAN RESOURCES

1. May 2016 Water Use and Sales, April 2016 Power Generation, and May 2016 Investment Summary Reports

The Manager of Finance and Human Resources presented the reports. The Board asked questions and the Manager of Finance and Human Resources answered them. No action was taken.

2. Disbursements for the District's monthly activities for May 2016

Director Waters presented the report. Note: The Metropolitan Water District invoice amount for May 2016 on Page 1 of the disbursement report should be \$8,219,932.72 not \$6,241,348.93. The Board asked questions and the managers answered them.

On a motion by Director Waters, seconded by Director Slosson, the Board of Directors voted 4-0-1 to approve the outstanding bills for payment.

AYES: Directors Santamaria, Slosson, Waters, Quady
NOES: None
ABSTAINING: Director Blois

3. Discussion regarding professional services to be performed in Fiscal Year 2016/17 on contracts without a fixed scope and fee

The Manager of Finance and Human Resources said that Ordinance No. 18, most recently amended by the Board on May 13, 2015, requires that professional services to be performed on contracts without a fixed scope and fee be approved by the Board in the following cases:

- engineering services, engineering studies, land surveying, project permitting, environmental compliance, construction related services, computer

programming, or groundwater services for which the estimated value is greater than \$100,000 in any fiscal year and

- any other services for which the estimated value is greater than \$34,999 in any fiscal year.

Enclosed in the packet was a list of the consultants and not-to-exceed amounts for which staff is seeking Board approval for the upcoming fiscal year. Funds are included in the proposed 2016/17 budget.

On a motion by Director Waters, seconded by Director Blois, the Board of Directors voted 5-0 to approve the Fiscal Year 2016/17 not-to-exceed amounts for these professional services.

AYES: Directors Santamaria, Blois, Slosson, Waters, Quady

NOES: None

4. Discussion regarding changes to the salary schedule and organization chart

The Manager of Finance and Human Resources described each of the proposed staffing changes and referred the Board to an organization chart showing the changes and a table summarizing the position and salary changes.

Operations and Maintenance Department - System Maintenance Division

With the current staffing in the System Maintenance Division, pipeline maintenance cannot be completed on the one-year schedule desired for system reliability. No positions have been added to this division since the mid-1990s. Since that time the District has added Lake Bard Water Filtration Plant, the Wellfield facilities, Grandsen Pump Station, two reservoirs, and 33 miles of pipeline. A year-long manpower analysis in 2015 showed that adding two Maintenance Workers would enable the pipelines to be maintained on an annual basis. Cost: \$121,900/year in salary and benefits plus purchase of a \$64,000 vehicle, crane, and utility bed.

One Maintenance Worker is working full-time on DigAlert marking and inspection and coordination of construction by developers and public agencies near District facilities. The duties of the position are more consistent with those of a Construction Inspector. It would be appropriate to reclassify this position accordingly. Cost: \$8,399/year in salary.

Operations and Maintenance Department

The O&M Department has one administrative staff member, the Operations Administrator, who performs highly-skilled duties, including writing and issuance of bid packages, managing insurance coverage for contractors and consultants, checking compliance with prevailing wage paperwork, acquisition of encroachment permits, and upkeep and maintenance of the automated Time and Activity Tracking system. These duties are similar in complexity to those performed by the Engineering Administrator, but the Operations Administrator receives a lower salary. It would be appropriate to classify the positions at the same pay scale and put them into a new classification of Department Administrator. Cost: \$12,529 per year in salary.

Resources Department

With the recent retirement of the Legislative Administrative Assistant, there is an opportunity to reclassify the position to a lower pay scale more consistent with the expected duties. The new position would be part of a class of Administrative Assistant positions (Levels 1, 2, and Senior) that would apply in all departments. Savings: \$15,757 per year in salary.

Administration - Groundwater

The Groundwater Manager, Bryan Bondy, proposes to leave his employment at Calleguas and work as a consultant because implementation of the Sustainable Groundwater Management Act (SGMA) provides many opportunities for consultants with his skills. The arrangement would also save Calleguas money over the long-term. After basin modeling for the aquifer storage and recovery project is complete, the monitoring wells have been installed and a routine monitoring plan is established, and initial implementation of SGMA is complete, Calleguas will no longer need a full-time Groundwater Manager. It is proposed that Bryan Bondy work 30 hours per week for Calleguas in Fiscal Year 2016/17, and that the number of hours decrease as workload decreases, ultimately levelling out in a few years at about 10 hours per week. The position of Groundwater Manager would be eliminated. Savings: \$200,000 in salary and benefits plus approximately \$20,000 in vehicle use, office, computers, training, phone, and travel. Cost: \$300,000 in consulting services in the first year, decreasing to approximately \$100,000 after the first few years.

The benefits of the proposed changes are:

- System Reliability – Adding two maintenance workers will enable staff to properly maintain aging infrastructure installed in the 1960s and the new infrastructure added over the past two decades, thereby improving system reliability.

- Fairness – Reclassification of DigAlert Maintenance Worker, O&M Administrator, and Legislative Administrative Assistant will compensate them at levels consistent with their responsibilities.
- Operational Flexibility – Creating two series of positions for Administrative staff (Administrative Assistant - Levels 1, 2, and Senior and Department Administrator – Levels 1 and 2) allows for staff to be hired and promoted in different departments as appropriate for their skills and Calleguas’ needs.
- Long-Term Cost Savings – Shifting the Groundwater Manager duties to a consultant will allow for cost savings as workload decreases in the future.

On a motion by Director Slosson, seconded by Director Blois, the Board of Directors voted 5-0 to approve:

- (1) *adding two Maintenance Worker positions;*
- (2) *replacing a Maintenance Worker position with a Construction Inspector position;*
- (3) *replacing the Engineering Administrator and Operations Administrator positions with Department Administrator positions that can be filled at Level 1 or 2;*
- (4) *replacing the Legislative Administrative Assistant Position with an Administrative Assistant position that can be filled at Level 1, 2, or Senior;*
- (5) *eliminating the Groundwater Manager position contingent on the General Manager and District Counsel negotiating acceptable terms for provision of consulting services.*

AYES: Directors Santamaria, Blois, Slosson, Waters, Quady

NOES: None

5. **Public hearing and discussion regarding adoption of proposed Resolution No. 1889, establishing rules, rates and regulations for water service; Resolution No. 1890, Amending Ordinance 17, governing rules, rates and regulations for recycled water service; Resolution No. 1891, establishing rates for discharge to the Salinity Management Pipeline; and Resolution No. 1892, adjusting fees for annexation to the District**

RESOLUTION NO. 1889

A RESOLUTION PURSUANT TO ORDINANCE NO. 12
ESTABLISHING RATES, RULES AND REGULATIONS
FOR WATER SERVICE TO AGENCIES WITHIN THE
CALLEGUAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 1890

A RESOLUTION AMENDING ORDINANCE NO. 17
GOVERNING THE RULES, RATES AND
REGULATIONS FOR RECYCLED WATER
SERVICE TO AGENCIES WITHIN
CALLEGUAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 1891

A RESOLUTION PURSUANT TO ORDINANCE NO. 19
ESTABLISHING RATES FOR DISCHARGE TO THE
SALINITY MANAGEMENT PIPELINE

RESOLUTION NO. 1892

A RESOLUTION OF THE BOARD OF DIRECTORS
OF CALLEGUAS MUNICIPAL WATER DISTRICT ADJUSTING
THE FEE FOR ANNEXATION TO THE DISTRICT

At 6:51 p.m., President Quady opened the Public Hearing. There was no public comment. At 6:53 p.m., President Quady closed the Public Hearing.

The Manager of Finance and Human Resources said that at its April 6, 2016 meeting, the Board of Directors reviewed proposed adjustments to Calleguas' rates and fees and set a public hearing on these adjustments for June 15, 2016. A notice of hearing was posted and published according to Water Code Section 10621 in a newspaper of general circulation. The adjustments to the water rates and fees were presented to member purveyors at a meeting on April 25. To date, the District has received no comments from the public or other agencies regarding this matter.

Water Rates

The proposed 2017 rates for potable water are: Tier 1 at \$1,300 per acre foot (AF) and Tier 2 at \$1,394 per AF. This reflects 3.4% and 0.2% increases respectively. Also included for 2017 is a proposal to increase the Capacity Charge (CC) to \$40,948 per cubic foot per second (cfs). Including the increase in the Readiness to Serve (RTS) charge, passed through from Metropolitan Water District (MWD), the overall increase to the purveyors is expected to average 4.4%, with slight variations due to different purveyors' payments under the CRC and RTS. All proposed changes would become effective January 1, 2017.

As part of the Cost of Service Study, the consultant calculated the rate the District should charge to wheel water through the water system, assuming capacity for the

water is available. A rate of \$20.51 per AF was calculated by determining the fair share of the construction costs of the pipes and dividing by the annual cfs capacity of the pipes.

The proposed rate for recycled water effective January 1, 2017 is \$1,040 per AF, which is 80% of the potable Tier 1 rate. This rate applies to the Oak Park, North Ranch, and Lake Sherwood recycled water systems. Rates for the City of Simi Valley system are established by agreement.

Annexation Fees

Each year Calleguas adjusts its fee using a back property tax due calculation based on the assessed valuation of property within the District and converted into a per-acre charge. A per-acre Annexation Fee rate of \$2,805 is proposed for 2016/17, and represents an increase of \$35 or 1.3%.

Salinity Management Pipeline (SMP) Discharge Rates

At the current rate, the SMP fees are not sufficient to cover the operating costs and debt service to construct the system. Staff recommends that the increases continue to be tied to the rising variable rate of potable water to keep the desalters financially viable. The proposed rate for brine discharge in 2017 is \$537.40 for an increase of 3.4%. The rate for non-brine is proposed to be \$43.00 for an increase of 3.4%. The increase is consistent with the 3.4% increase in the potable water variable rate.

Capital Construction Charge

No changes to the Capital Construction Charges are proposed at this time.

On a motion by Director Blois, seconded by Director Slosson, the Board of Directors voted 5-0 to approve Resolution Nos. 1889, 1890, 1891 and 1892. Resolution Nos. 1889, 1890, 1891 and 1892 are attached and made part of these minutes.

AYES: Directors Santamaria, Blois, Slosson, Waters, Quady

NOES: None

6. Consideration of the proposed Fiscal Year 2016/17 Budget

The Manager of Finance and Human Resources said that the proposed budget was presented at the June 1, 2016 Board Meeting and discussed in detail. Two changes were made to the budget since it was presented:

- 1) An adjustment was made to both the RTS revenues and expense to reflect the amount presented to Calleguas from MWD in its final rate memo.

- 2) The Resources Department has re-allocated \$80,000 for the new phone system to server upgrades for the administration building. The server upgrade has recently become necessary due to the need for additional storage capacity. The phone system will be included in a capital project for the Board to approve at a future meeting. The changes have no effect on the financial position of the budget presented on June 1.

On a motion by Director Waters, seconded by Director Slosson, the Board of Directors voted 5-0 to adopt the proposed Fiscal Year 2016/17 Budget.

AYES: Directors Santamaria, Blois, Slosson, Waters, Quady

NOES: None

7. Discussion regarding approval by the Board, acting as Fiscal Agent for the TMDL stakeholders, for contract services by Larry Walker and Associates to implement the Calleguas Creek Watershed TMDLs in an amount not to exceed \$1,459,600

The Manager of Finance and Human Resources said that the Board acts as Fiscal Agent to secure contract services for the stakeholders implementing total maximum daily loads (TMDLs) on the watershed. As Fiscal Agent, Calleguas collects funding for TMDL contract services from the parties and administers the contracts on their behalf. All TMDL funds are accounted for separately from the District's general and construction funds.

The purpose of this requested action is for the Board, acting as Fiscal Agent, to approve the agreement for Larry Walker and Associates to implement the Calleguas Creek Watershed TMDLs for the TMDL stakeholders. All funds necessary to pay for these services have been collected from the parties.

On a motion by Director Santamaria, seconded by Director Slosson, the Board of Directors voted 5-0, acting as TMDL Fiscal Agent, to approve the contract services.

AYES: Directors Santamaria, Blois, Slosson, Waters, Quady

NOES: None

G. OPERATIONS AND MAINTENANCE

None

H. RESOURCES AND PUBLIC AFFAIRS

1. This item was heard earlier.

I. ENGINEERING AND CONSTRUCTION

1. Discussion regarding approval of a Quitclaim Deed for an easement in the vicinity of Madera Road and Easy Street, Simi Valley (City of Simi Valley)

The Manager of Engineering said that occasionally staff discovers that the District still holds easements for facilities that have been relocated or no longer exist. It is in the District's interest to reduce its risks by divesting itself of unnecessary property interests. Because the easement overlies the public right-of-way (Madera Road, owned by the City of Simi Valley), this quitclaim deed would have to be formally accepted by the City, which staff has indicated they are willing to do.

It appears that, although the Calleguas Conduit North Branch was relocated in this area in 1979, the unnecessary easements were not quitclaimed at that time.

On a motion by Director Blois, seconded by Director Slosson, the Board of Directors voted 5-0 to authorize the Board President and General Manager to execute the quitclaim deed for CMWD Parcel 2600Q1.

AYES: Directors Santamaria, Blois, Slosson, Waters, Quady
NOES: None

2. Discussion regarding approval of a Quitclaim Deed for an easement in the vicinity of Madera Road and Easy Street, Simi Valley (RIF II – Easy Street, LLC)

The Manager of Engineering said that this item is the same as Item 1 above, except that the underlying property owner is a private company and therefore their acceptance of the quitclaim is not required.

On a motion by Director Blois, seconded by Director Slosson, the Board of Directors voted 5-0 to authorize the Board President and General Manager to execute the quitclaim deed for CMWD Parcel 2600Q2.

AYES: Directors Santamaria, Blois, Slosson, Waters, Quady
NOES: None

J. GROUNDWATER RESOURCES

None

K. STRATEGIC PLANNING

None

L. DISTRICT COUNSEL

1. Discussion regarding approval of an increase in the hourly fee paid to Cohen & Burge

The General Manager said that Bob Cohen has served as District Counsel since June 5, 2013. Since July 1, 2015, Cohen & Burge had been paid at \$265 per hour, and staff recommends that starting on July 1, 2016, the hourly rate for Cohen & Burge be increased by 1.9% to \$270.

The recommended fee increase has been included in the Fiscal Year 2016/17 budget.

On a motion by Director Santamaria, seconded by Director Waters, the Board of Directors voted 5-0 to approve an increase in the hourly fee paid to Cohen & Burge.

AYES: Directors Santamaria, Blois, Slosson, Waters, Quady
NOES: None

M. BOARD OF DIRECTORS

1. Oral reports on meetings attended by Board members

Board members provided oral reports on meetings attended at the expense of the District, pursuant to Government Code Section 53232.3(d). All expenses would be filed at the end of the month, accompanied by receipts.

2. Discussion regarding upcoming meetings to be attended by Board members

The Board discussed the following upcoming meetings as well as other meetings they planned to attend individually.

AWA Water Waterwise Breakfast	Thu. 6/16, 7:15 a.m.
Purveyor Meeting – Stormwater Permits	Mon. 6/27, 10:00 a.m.
Board Meeting	Wed. 7/6, 5:00 p.m.
AWA Water Issues	Tue. 7/19, 7:30 a.m.
CMWD/Las Virgenes PFA Board Meeting	Wed. 7/20, 4:30 p.m.
Board Meeting	Wed. 7/20, 5:00 p.m.
Purveyor Meeting	Mon. 7/25, 10:00 a.m.
Channel Counties Water Utilities’ Lunch	Wed. 7/27, 11:30 a.m.

3. Metropolitan update

Director Blois referred to the summary that was handed out at the Board meeting and described discussions about MWD's Official Statements for bond issuance and negotiations to address shortages on the Colorado River.

N. OTHER BUSINESS

None

O. FUTURE AGENDA ITEMS

The General Manager proposed putting the following items on a future agenda:

- Nomination of a Calleguas Board member to serve on the Ventura County Local Agency Formation Commission,
- Amending the Administrative Code to clarify the amount of life insurance provided for Board members, and
- Mid-year review of progress on the General Manager's annual goals.

P. ADJOURNMENT

Director Quady declared the meeting adjourned at 6:36 p.m.

Respectfully submitted,

Andres Santamaria, Board Secretary

SCOTT H. QUADY, PRESIDENT
DIVISION 2

THOMAS L. SLOSSON, VICE PRESIDENT
DIVISION 1

ANDRES SANTAMARIA, SECRETARY
DIVISION 4

ANDY WATERS, TREASURER
DIVISION 3

STEVE BLOIS, DIRECTOR
DIVISION 5

SUSAN B. MULLIGAN
GENERAL MANAGER



web site: www.calleguas.com

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Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
I Street, 24th Floor
Sacramento, California 95814

Re: Comments regarding SWRCB Draft Drinking Water Fee Regulations

Dear Ms. Townsend:

Calleguas Municipal Water District (Calleguas) is a public wholesale water agency responsible for supplying potable water to over twenty local agencies and private companies in cities and unincorporated areas in Ventura County. Three-quarters of Ventura County residents depend on Calleguas for all or part of their water supply, as the District supplies more than 630,000 people in the communities of Bell Canyon, Camarillo, Camarillo Heights, Lake Sherwood, Las Posas Estates, Moorpark, Oak Park, Oxnard, NAWA-Point Mugu, NCBC-Port Hueneme, Newbury Park, Port Hueneme, Santa Rosa Valley, Simi Valley, Somis, and Thousand Oaks. We appreciate the opportunity to comment on the State Water Resources Control Board's ("SWRCB") draft Drinking Water Fee Regulations released for public comment on April 29, 2016 ("Draft Fee Regulations").

Calleguas recognizes that the final Fee Regulations must ensure that the Drinking Water Program has adequate funding. However, we are concerned that the Draft Fee Regulations do not equitably allocate Drinking Water Program costs among fee payors. We also encourage the SWRCB to take steps to ensure that the Drinking Water Program maintains its accountability to public water systems and the customers we serve. **Calleguas supports the Association of California Water Agencies' comments and suggested amendments to the Draft Fee Regulations, including the Water Community Option for the fee schedule.**

Thank you for the opportunity to comment on the Draft Fee Regulations. Calleguas encourages the SWRCB and its staff to continue to work with public water systems and their representatives on this important issue. If you have any questions regarding this matter, please contact Amy Maday at amaday@calleguas.com or at 805.579.7117.

Sincerely,

Tony Goff
Manager of Operations and Maintenance
Calleguas Municipal Water District



Sent via ELECTRONIC MAIL to DAS-DrinkingWaterFees@waterboards.ca.gov

June 21, 2016

Ms. Jeanine Townsend, Clerk of the Board
 State Water Resources Control Board
 1001 I Street, 24th Floor
 Sacramento, CA 95814

Re: ACWA Comments regarding SWRCB Draft Drinking Water Fee Regulations

Dear Ms. Townsend:

The Association of California Water Agencies (“ACWA”) appreciates the opportunity to comment on the State Water Resources Control Board’s (“SWRCB”) draft Drinking Water Fee Regulations released for public comment on April 29, 2016 (“Draft Fee Regulations”). ACWA represents over 435 public water agencies that collectively supply 90% of the water delivered in California for domestic, agricultural and industrial uses. Many of ACWA’s public agency members are entrusted with the responsibility of supplying the public with safe, high-quality drinking water. Ensuring the safety of drinking water supplies by complying with all relevant state and federal standards is the highest priority of these agencies.

I. BACKGROUND

The SWRCB’s Drinking Water Program is charged with the responsibility of administering the California Safe Drinking Water Act (“SDWA”).¹ Under SB 83 (2015), effective July 1, 2016, “Each public water system shall submit an annual fee according to a fee schedule established by the [SWRCB]... for the purpose of reimbursing the [SWRCB] for the costs incurred” by the SWRCB for conducting activities mandated under the SDWA.² The categories of Public Water Systems that pay these fees include Community Water Systems, Wholesaler Water Systems, and Transient and Nontransient Noncommunity Water Systems.

Following the enactment of SB 83 in June 2015, ACWA and other stakeholders met with SWRCB staff in a series of meetings to discuss potential approaches to structuring the SWRCB’s Drinking Water Program fee structure, presented at a SWRCB Board Workshop in

¹ Health & Safety Code § 116271.

² Health & Safety Code § 116565. (*Operative July 1, 2016.*)

November 2015, and along with many individual water systems' representatives, participated in a series of workshops held by SWRCB staff in locations around the state in December 2015.

The Draft Fee Regulations released for public comment on April 29, 2016 propose to significantly alter the existing structure of the fees paid by Community Water Systems and Wholesaler Water Systems. Under the Draft Fee Regulations, beginning in Fiscal Year 2016-17, fees for all Community Water Systems would be assessed on a per-connection basis, with two tiers of per-connection fees depending on system size. In contrast, under the current fee schedule, Community Water Systems with 1,000 or fewer connections pay a fee set at \$6 per service connection, with a minimum fee of \$250, while systems with more than 1,000 connections are charged a fee that is calculated based on the number of hours of service that the system requires from the Drinking Water Program ("fee-for-service"). Similarly, for Wholesaler Water Systems the Draft Fee Regulations would impose an annual fee of \$6,000 with an additional volumetric surcharge. Under the current fee schedule, these Wholesaler systems pay annual fees based on fee-for-service.

The Draft Fee Regulations' stated goal is to recover sufficient funding to support the Drinking Water Program's increased budget authorization amount for Fiscal Year 2016-17 and create a more stable and consistent source of funding for the Program. ACWA supports adequate funding for the Drinking Water Program. As is explained in section II, however, we have significant concerns related to the Draft Fee Regulations. In order to address these concerns, we encourage the SWRCB to replace the fee schedule included in the Draft Fee Regulations with the alternative fee schedule detailed in section III and Attachment 1. Finally, we urge the SWRCB to take additional steps to ensure that the State's Drinking Water Program maintains its accountability to public water systems and the customers they serve by modifying the Draft Fee Regulations and including provisions in the SWRCB Resolution adopting the final drinking water fee regulations that are detailed in section IV of this comment letter.

II. THE DRAFT FEE REGULATIONS DO NOT ALLOCATE DRINKING WATER PROGRAM COSTS EQUITABLY AMONG COMMUNITY WATER SYSTEM FEE PAYORS

ACWA acknowledges that the final drinking water fee regulations must ensure that the Drinking Water Program has adequate funding to support the amount allocated to the Program by the Legislature. However, we are concerned that the Draft Fee Regulations do not equitably allocate Drinking Water Program costs as they would impose dramatic fee increases on many Large Water Systems while decreasing fees for all Small Water Systems to levels substantially less than that those previously established by the Legislature.³

Under the California Constitution, State regulatory fees are required to bear a "fair or reasonable relationship" to the fee payor's burdens on, or benefits received from, the

³ For purposes of this comment letter, "Large Water Systems" are defined as Community Water Systems serving more than 1000 connections and "Small Water Systems" are defined as Community Water Systems serving 1000 or fewer connections.

governmental activity.⁴ As explained below, the Draft Fee Regulations’ dramatic increases on many Large Water Systems’ fees and significant reductions for all Small Water Systems’ fees are not fair or reasonable.

A. The Draft Fee Regulations Would Result in Dramatic Fee Increases for Many Large Water Systems

As illustrated in Table 1 below, for many Large Water Systems the SWRCB’s Draft Fee Regulations would *dramatically increase* their annual fees when compared to the fees that systems have been paying under fee-for-service.

Table 1 - Examples of Impact of Draft Fee Regulations on Large Water Systems

System Name	Number of Service Connections	FY 2014-15 Actual Fee	SWRCB Draft Fee Regulations	Percentage Fee Increase (SWRCB Draft Fee Regulations compared to FY2014-15 actuals)
CITY OF MERCED	29,948	\$10,058	\$61,896	515%
SANTA ROSA, CITY OF	54,603	\$10,464	\$111,206	963%
CONTRA COSTA WATER DISTRICT	61,110	\$14,498	\$124,220	757%
EASTERN MUNICIPAL WD	137,037	\$31,233	\$276,074	784%
SAN DIEGO, CITY OF	276,525	\$46,818	\$555,050	1,086%

An analysis of the magnitude of the proposed increases of the Draft Fee Regulations on water systems of different sizes has been included as Attachment 2 to this comment letter.

B. The Draft Fee Regulations Would Result in Across the Board Fee Reductions for Small Water Systems

In contrast with the dramatic fee increases for many Large Water Systems, the SWRCB’s Draft Fee Regulations would significantly decrease annual fees for all Small Water Systems. Under the Draft Fee Regulations, the average annual fee for Small Water Systems would be substantially less than the fees paid by these systems since the current fee structure was adopted by the Legislature in 2009. Under the current fee structure, Small Water Systems pay a fee of \$6 per service connection, with a minimum fee of \$250.

With the costs of the Drinking Water Program increasing and fees for many Large Water Systems increasing by orders of magnitude, it is not reasonable to significantly decrease fees

⁴ Cal. Const. art XIII. A., § 3.

across the board for all Small Water Systems. This is particularly true given the caps on fees for severely disadvantaged communities (SDACs) appropriately included in the Draft Fee Regulations.

C. The Draft Fee Regulations Provisions for Wholesaler Water Systems Do Not Enhance Revenue Stability and Are Inequitable for Both Wholesalers and Their Customers

For Wholesaler Water Systems, the Draft Fee Regulations would impose an annual fee of \$6,000 with an additional volumetric surcharge of \$1.36 per million gallons of water produced.⁵ The use of a volumetric production surcharge as the basis of these fees is problematic for a number of reasons.

First, the use of a volumetric surcharge to calculate fees could result in decreased revenue stability. Wholesalers' total production can vary significantly from year-to-year as water availability changes. These changes in production would significantly affect the stability and predictability of the fees paid by Wholesalers.

Secondly, there are matters of equity associated with the pass-through effects of any volumetric-based fees for Wholesalers. In some cases, there are Wholesalers which serve as intermediary water suppliers, obtaining their water from other Wholesaler Water Systems before distributing these supplies to retail water agencies. A fee structure based on total production would have the effect of charging downstream water systems multiple times for the same water.

Finally, Wholesalers vary widely in the complexity of their systems and total production does not correlate with regulatory oversight requirements. Comparing the existing fees paid by Wholesaler Water Systems with their total production, it is clear that Wholesalers' need for regulatory oversight from the Division of Drinking Water does not clearly correlate with their total production. Billing Wholesalers based on their "total production" is not equitable to these systems or their ratepayers.

III. THE DRAFT FEE REGULATIONS SHOULD BE AMENDED TO MORE EQUITABLY ALLOCATE THE FEE INCREASES REQUIRED TO FUND THE DRINKING WATER PROGRAM

A. Water Community Option for Community Water Systems

ACWA and other drinking water system representatives have developed an alternative fee option ("Water Community Option"). The Water Community Option for Community Water

⁵ Under § 64305(a) of the Draft Fee Regulations, "Million Gallons" means the annual average, rounded to the nearest million, as reported to the State Board by the wholesaler for 2012, 2013 and 2014, of the total gallons of water that the wholesaler produced from surface water and from groundwater and gallons of finished water that the wholesaler purchased or received from another public water system."

Systems is set forth in Table 2 below, as well as in Attachment 1, where it is set side-by-side with the current SWRCB fee schedule and the Draft Fee Regulations.

Table 2 - Water Community Option for Community Water Systems

System Type	Per-Connection Fee
Small	100 or fewer connections: \$250 or \$6/connection , whichever is more. (SDACs: \$100)
	101-1,000 connections: \$6/connection (SDACs: \$2/ connection)
Large	1,001-5,000 connections: \$6/connection for first 1,000 connections, \$3.5/connection for each connection over 1,000. (SDACs: \$2/connection)
	5,001-15,000 connections: \$6/connection for first 1,000 connections, \$3.5/connection for next 4,000 connections, \$2/connection for each connection over 5,000
	15,000+ connections: \$6/connection for first 1,000 connections, \$3.5/connection for next 4,000 connections, \$2/connection for next 10,000 connections, \$1/connection for each connection over 15,000

The Water Community Option recovers the same amount in total fees as the Draft Fee Regulations, but is also consistent with the following key considerations when compared to the Draft Fee Regulations:

1. *The Water Community Option allocates fee increases more equitably among Large Water Systems than the Draft Fee Regulations.*

The Water Community Option allocates fee increases more equitably among Large Water Systems by creating additional tiers of per-connection fees for these systems. These additional tiers create a fee structure that accounts for the fact that water systems benefit from economies of scale when considering the amount of service that they typically require from the Drinking Water Program on a per-connection basis. The Water Community Option also reflects the investments of many Large Water Systems in in-house resources and staff that reduce their need for Drinking Water Program service on a per-connection basis.

2. *The Water Community Option maintains the current fee structure for Small Water Systems.*

Since 2009, Small Water Systems have been paying fees set by statute at \$6 per service connection, with a minimum fee of \$250. As detailed in Attachment 1, the Water Community Option would maintain the existing fee structure for Small Water Systems, with new caps on fees for severely disadvantaged communities. With the costs of the Drinking Water Program increasing and fees for many Large Water Systems increasing dramatically, it is not reasonable to significantly decrease fees across the board for all Small Water Systems.

The Water Community Option would ensure that fees fairly track system size by requiring all Community Water Systems to pay the per-connection fees charged to smaller systems for similar tiers of system size (i.e., fees would be assessed at \$6 per connection for the first 1000 connections for all systems, except for severely disadvantaged communities).

3. *The Water Community Option includes the same caps on fees for severely disadvantaged communities (SDACs) as the Draft Fee Regulation.*

ACWA acknowledges the SWRCB's interest in providing a reduction of fees for Community Water Systems serving SDACs. The Water Community Option includes the same caps on fees for SDACs as the Draft Fee Regulations prepared by SWRCB staff.

4. *The Water Community Option is simple to understand and administer.*

The Water Community Option is consistent with SWRCB's goal of creating a more stable and consistent source of funding for the Drinking Water Program by moving to a per-connection fee schedule for Community Water Systems, but refines the deescalating per-connection tiers proposed in the Draft Fee Regulations to ensure consistency with the considerations identified above.

ACWA encourages the SWRCB to adopt the Water Community Option for Community Water Systems.

B. Water Community Option for Wholesaler Water Systems

The Water Community Option for Wholesaler Water Systems would maintain the existing fee-for-service structure for Wholesalers. By requiring that Wholesalers pay for the service they receive, the fee-for-service structure ensures that the program will be able to recover the full costs of providing regulatory oversight and any required assistance to these water systems.

While Wholesaler systems vary widely in their complexity and the total populations they serve, the Wholesaler category includes several very large systems, including the nation's largest drinking water system. These large systems benefit from internal investments in staff and

resources that limit their need for assistance from the Drinking Water Program, but given the scale of their operations and the large populations they serve, they do occasionally require substantial amounts of Program staff time on various regulatory oversight issues. This can result in significant variances in Drinking Water Program service requirements for these systems from year-to-year. Preserving the Drinking Water Program's ability to recover the full cost of service from these systems can help ensure that the Program's funding is adaptable to these changing circumstances.

ACWA encourages the SWRCB maintain the existing fee-for-service structure for Wholesaler Water Systems.

IV. THE SWRCB RESOLUTION ADOPTING THE FINAL DRINKING WATER FEE REGULATIONS SHOULD ENSURE THAT THE STATE'S DRINKING WATER PROGRAM MAINTAINS ITS ACCOUNTABILITY TO PUBLIC WATER SYSTEMS AND THE CUSTOMERS THEY SERVE

A. Maintain the Drinking Water Program's accounting of staff time allocated to specific water systems.

Under the current fee-for-service structure, all Large Water Systems receive semi-annual invoices that detail the Drinking Water Program staff time dedicated to their system. These invoices are critical to providing water systems with an opportunity to review and account for the service provided by the Drinking Water Program to their system.

As the Drinking Water Program moves towards a connection-based fee structure, we encourage the Board to include language in the Resolution adopting the final drinking water fee regulations that directs SWRCB staff to retain the DART system which is currently used to track Drinking Water Program staff time and continue to make an accounting of Drinking Water Program service available to Public Water Systems. This can help ensure that water systems are able to obtain the service, oversight and support that they require.

B. Track and report key Drinking Water Program performance metrics.

The Drinking Water Program provides essential services and oversight for all Public Water Systems, and regardless of how fees are assessed it is critical to ensure that all water systems receive an appropriate level of service in a timely fashion.

ACWA encourages the Board to include language in the Resolution adopting the final drinking water fee regulations that directs SWRCB staff to develop an annual report on key Drinking Water Program performance metrics to be presented to the Board at a public meeting no less frequently than once per year. In addition to providing the Board with an update on the Drinking Water Program's performance, the report would give members of the public, including Public Water System fee payors, an opportunity to provide feedback on the level of service provided by the Drinking Water Program.

C. Ensure that implementation of the final drinking water fee regulation is responsive to fee payors' budgeting processes and other constraints.

Section 64315 of the Draft Fee Regulations requires that fee invoices be paid “within forty five (45) calendar days of the date of the invoice, except that this date may be extended by the State Board for good cause, which shall be determined at the State Board's sole discretion.”

With the costs of the Drinking Water Program increasing and fees for many water systems substantially escalating under any revised fee proposal, many fee payors (particularly public agencies) will be required to obtain budget approvals to pay their revised fee. Obtaining the necessary authorization to pay these increased fees may take more than 45 days from receipt of an invoice. Accordingly, ACWA encourages the SWRCB to revise the section 64315 of the Draft Fee Regulations to provide 90 days for payment of invoices, and to include language in the Resolution adopting the final drinking water fee regulations that directs SWRCB staff to interpret the “good cause” provision in a manner that is responsive to fee payors' budgeting processes and other constraints.

ACWA appreciates the SWRCB's willingness to engage public water system representatives on this important issue. We urge the SWRCB to: 1) modify the Draft Fee Regulations consistent with the Water Community Option; and, 2) include the accountability elements detailed in this letter in the Board Resolution adopting the final drinking water fee regulations.

If you have any questions regarding this matter, please contact me at AdamR@ACWA.com or (916) 441-4545.

Sincerely,



Adam Walukiewicz Robin
Senior Regulatory Advocate

cc: The Honorable Felicia Marcus, Chair
The Honorable Dorene D'Adamo, Member
The Honorable Tam M. Doduc, Member
The Honorable Frances Spivy-Weber, Member
The Honorable Steven Moore, Member
Mr. Tom Howard, Executive Director
Mr. Eric Oppenheimer, Chief Deputy Director
Ms. Cindy Forbes, Deputy Director, Division of Drinking Water
Mr. John Russell, Deputy Director, Division of Administrative Services
Mr. David Ceccarelli, Staff Services Manager II, Division of Administrative Services
Mr. Ryan Wilson, Staff Services Manager I, Division of Administrative Services

Attachments

1. Side-by-Side Details: SWRCB Draft Fee Regulations and Water Community Option
2. Impacts Analysis: SWRCB Draft Fee Regulations and Water Community Option

ATTACHMENT 1 - Side-by-Side Details: SWRCB Draft Fee Regulations and Water Community Option

System Type	SWRCB Current Fee Schedule	SWRCB Proposed Fee Regulations	Water Community Option
Small	1,000 or fewer connections: \$250 or \$6/cxn, whichever is more*	100 or fewer connections: \$200 (SDACs: \$100)	100 or fewer connections: \$250 or \$6/cxn, whichever is more* (SDACs: \$100)
		101-1,000 connections: \$4/cxn (SDACs: \$2/cxn)	101-1,000 connections: \$6/cxn (SDACs: \$2/cxn)
Large	1,001+ connections: fee-for-service	1,001+ connections: \$4/cxn for first 1,000 cxns, \$2/cxn for each cxn over 1,000 (SDACs: \$2/cxn)	1,001-5,000 connections: \$6/cxn for first 1,000 cxns, \$3.5/cxn for each cxn over 1,000 (SDACs: \$2/cxn)
			5,001-15,000 connections: \$6/cxn for first 1,000 cxns, \$3.5/cxn for next 4,000 cxns, \$2/cxn for each cxn over 5,000
			15,000+ connections: \$6/cxn for first 1,000 cxns, \$3.5/cxn for next 4,000 cxns, \$2/cxn for next 10,000 cxns, \$1/cxn for each cxn over 15,000

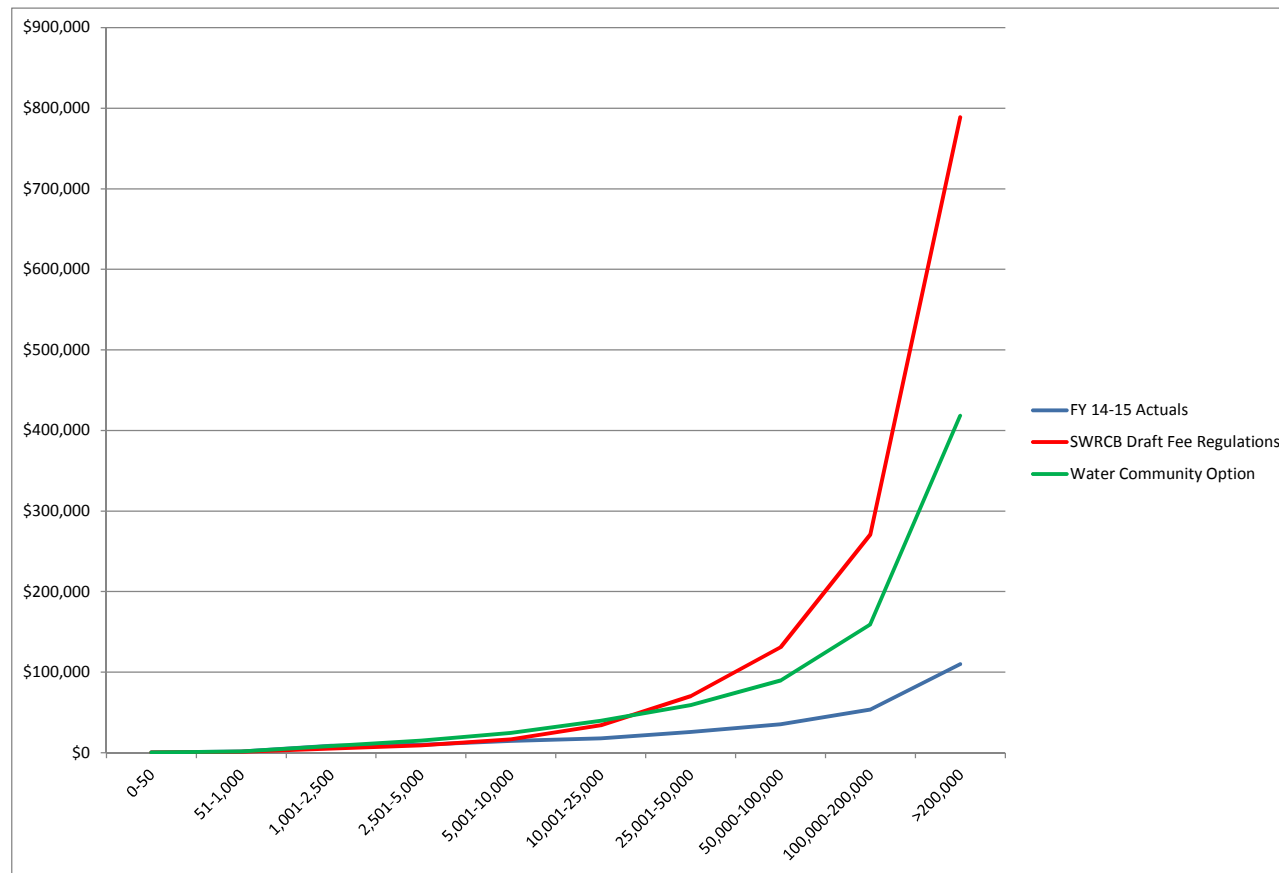
SDAC: Severely Disadvantaged Community

cxn: Connection

* - Consistent with provisions of Health & Safety Code section 116565 in effect from 2009 through June 30, 2016

ATTACHMENT 2 - Impacts Analysis: SWRCB Draft Fee Regulations and Water Community Option

Average Fee Option Impacts By System Size						
# of Service Connections	# of Systems in Range	FY 14-15 Actuals - Average Fee	SWRCB Draft Fee Regulations - Average Fee	SWRCB Draft Fee Regulations - % of FY14-15 Actuals	Water Community Option - Average Fee	Water Community Option - % of FY14-15 Actuals
0-50	467	\$252	\$200	79%	\$254	101%
51-1,000	805	\$1,688	\$1,106	66%	\$1,697	101%
1,001-2,500	211	\$8,807	\$5,280	60%	\$8,240	94%
2,501-5,000	137	\$9,733	\$9,073	93%	\$14,878	153%
5,001-10,000	110	\$14,518	\$16,525	114%	\$24,525	169%
10,001-25,000	132	\$18,018	\$34,162	190%	\$39,764	221%
25,001-50,000	63	\$25,701	\$70,086	273%	\$59,043	230%
50,000-100,000	16	\$35,484	\$131,225	370%	\$89,612	253%
100,000-200,000	5	\$53,664	\$270,708	504%	\$159,354	297%
>200,000	4	\$110,172	\$788,645	716%	\$418,323	380%





Location Map
Rio Manor Mutual Water Company

SCOTT H. QUADY, PRESIDENT
DIVISION 2



THOMAS L. SLOSSON, VICE PRESIDENT
DIVISION 1

ANDRES SANTAMARIA, SECRETARY
DIVISION 4

ANDY WATERS, TREASURER
DIVISION 3

STEVE BLOIS, DIRECTOR
DIVISION 5

SUSAN B. MULLIGAN
GENERAL MANAGER

web site: www.calleguas.com

2100 OLSEN ROAD • THOUSAND OAKS, CALIFORNIA 91360-6800 805/526-9323 • FAX: 805/522-5730

To: Board of Directors
From: Susan Mulligan, General Manager
Date: July 1, 2016
Subject: Monthly Status Report on District Activities

Engineering

Construction

1. Miscellaneous Wellfield Improvements (476) – Staff continues to coordinate with Environmental Construction, Inc. for performance of warranty repairs to the interior coating system of Grimes Canyon Reservoir. Perliter and Ingalsbe (P&I) continues working on the design of instrument sunshades for outdoor flowmeters at Wellfield No. 1 and a repair plan for the surge tank at Well No. 18 to address pre-existing pitting discovered on the tank's interior during the project.
2. PLC Replacement Project (489) – During testing and startup, the need for additional capabilities and controls were identified, particularly associated with pump station operation when Time of Use (TOU) rates are in force during the summer. Staff authorized Northern Digital, Inc. (NDI) to perform the necessary modifications and NDI performed the work. An internal debriefing meeting was held to discuss the lessons learned from implementation at the Lindero Pump Station pilot site that can be applied to future PLC upgrade work.
3. Salinity Management Pipeline (SMP), Phase 2B (495) – Blois Construction (Blois) continues to address paperwork punch list items.
4. Grandsen Pump Station, Phase 2, Standby Generators, Hydroelectric Generator, and Regulating Station No. 2 Relocation (500) – Shimmick Construction Company (SCCI) completed shoring for over-excavation under the new pump station and diesel generator building. SCCI is placing imported material and geosynthetic reinforcement material in layers in the over-excavation. SCCI potholed the locations along Moorpark Feeder in Butler Ranch where air/vacuum relief valves (AVARV) will be upsized and the location of a connection for an additional surge tank at the Surge Tank Facility at Strathearn and Madera Rd. in Simi Valley. While potholing Calleguas Conduit North

Branch for an AVARV upsizing in eastern Simi Valley, SCCI damaged the 2-inch AVARV pipeline, which is being repaired.

5. Salinity Management Pipeline, Phase 2D (508) – Blois completed pipeline installation and successfully hydrostatically tested the pipeline. Blois began removing excess non-contaminated spoils within Caltrans' ROW. Blois began installing the fitting connecting SMP 2D to SMP 2C. Staff continues to work with Right-of-Way Legal Counsel to resolve the remaining eminent domain case.
6. East Portal Hydro Aggregated Remote Information Gateway (ARIG) (540) – Trimark Associates and staff continue to prepare the necessary California Independent System Operator (CAISO) paperwork. (No change.)
7. Improvements to Accommodate Los Angeles Ave. Widening (549) and Los Angeles Ave. Widening (A-0207) – The City's contractor completed several of the 20-foot concrete cap sections; five remain to be completed.

Design

8. OSR Feeder, LPF, Santa Rosa Hydro, and Misc Valve Improvements (442) – P&I continues with preliminary design. Northwest Hydraulic Consultants Inc. (NHC) completed an analysis of alternative surge control options at Reg Station 5, where there is inadequate space for the bypass pipeline previously recommended. P&I is preparing a scope amendment to incorporate the final recommended surge control modifications at Reg Stations 4, 5, 6, and 6A into the preliminary design. GE installed a replacement multifunction relay at Santa Rosa Hydro to comply with Southern California Edison (SCE) requirements in the new hydro interconnection agreement. The relay will be reused when the electrical gear is replaced during the project.
9. LVMWD-CMWD Interconnection (450) – Kennedy/Jenks Consultants (K/J) provided additional verification regarding projected hydraulic grade lines (HGL) and flows at the interface between Calleguas' and Las Virgenes' systems from its 2013 hydraulic analysis. Phoenix Civil Engineering, Inc. (Phoenix) made adjustments to their work to account for the verified information from K/J, and Phoenix submitted the draft Hydraulics Technical Memorandum, which is under review by staff and LVMWD.
10. Wellfield Emergency Generators (494) – Staff returned comments to K/J on the 90 percent plans and specifications and met with K/J to discuss the review comments. K/J continues to work on the Health Risk Assessment (HRA) required by the Ventura County Air Pollution Control District as part of their permitting requirements for the emergency generators. Staff continues to coordinate with SCE regarding design matters.

11. Wellfield Water Treatment Plant (506) – The technical memorandum analyzing a less expensive, alternative configuration for the cartridge filter treatment system is on hold pending the outcome of additional Master Plan modeling (see Master Plan item below).
12. Camarillo SMP Discharge Station (525) – After more than two years, the City of Camarillo submitted the remainder of the information needed for the surge analysis. NHC prepared a preliminary report to confirm their understanding of the City’s existing and planned facilities and planned operations. The preliminary report is under review by Camarillo.
13. Las Posas Basin Deep Groundwater Monitoring Project, Deep Well No. 1 (527-1) – K/J finalized the plans and specifications. The Board will consider calling for bids at its July 6 meeting.
14. Emergency Plastic Pipe Procurement and Storage (534) – P&I is preparing 90 percent plans and specifications. (No change.)
15. Salinity Management Pipeline, Phase 3 (536) – The City of Camarillo indicated that they are drafting an agreement to allow the District to install the SMP inside the Upland Rd. Bridge.
16. Anode Well Replacement (539) – HDR Inc. submitted 90 percent plans, which are under review by staff.
17. Networking Center Upgrades (551) – Staff is working with AllConnected Inc. (ACI) to develop a scope of work for Phase 2. (No change.)
18. Crestview Interconnection (552) – Staff returned comments to Michael K. Nunley & Associates, Inc. (MKN) on the draft preliminary design report (PDR). MKN is revising the PDR.
19. CCNB Broken Back Rehabilitation, Phase 3 (554) – **This is a new project on this report.** P&I is preparing 50 percent plans and specifications. Staff met with City of Simi Valley public works staff to discuss the traffic control implications of the project.

Miscellaneous

20. Training – One of the Project Managers presented the second of a two-part series on large diameter pipeline rehabilitation, which discussed trenchless rehabilitation methods suitable for large diameter pipe, including carbon fiber lining, similar techniques incorporating both fiberglass and carbon fiber, and swagelining.
21. ACWA Energy Committee – The Manager of Engineering participated in a monthly regulatory conference call.

22. Master Plan Update – Staff returned comments to K/J on the final draft of the Seawater Desalination Technical Memorandum. K/J is performing additional modeling to support the LVMWD Interconnection and Wellfield Water Treatment Plant work.
23. Santa Rosa Hydro Contract Renewal – The Grid Interconnection Agreement was executed; the existing Power Purchase Agreement will expire June 30 and the new one will become active July 1.
24. Potential Interconnection with City of Ventura – The Calleguas General Manager and Shana Epstein, Water Department General Manager for the City of Ventura, discussed the potential price and deal points for wheeling Ventura’s State Project Water with Debra Man and Gary Breaux of Metropolitan Water District. Metropolitan is drafting an agreement for consideration. Ms. Epstein provided a list of potential deal points for an agreement between Calleguas and Ventura and the Calleguas General Manager is adding to and editing those deal points. Once the two general managers come to agreement, the proposed deal points will be presented to the respective elected bodies for consideration.

Operations and Maintenance

25. Operations and Maintenance Department held an Operator Training Program Meeting for staff on June 24. The Operations Supervisor shared experiences and knowledge gained at chlorine safety and emergency response training at the Mississippi State Fire Academy which he attended in April.
26. Calleguas submitted a comment letter to the State Water Resources Control Board (SWRCB) in support of the Association of California Water Agencies’ (ACWA) comments and suggested amendments to the Draft Fee Regulations, including the Water Community Option for the fee schedule. As proposed, the Draft Fee Regulation increases Calleguas annual costs significantly and charges consumers multiple times for water delivered by Calleguas.
27. Completion of upgrades to the Grimes Canyon Disinfection Facility warranted an update of the District’s Risk Management Plan (RMP) for chlorine and ammonia storage. The RMP was completed earlier this year and an inspection by Ventura County Environmental Health Division was conducted on June 23. The inspection went well and no deficiencies were noted.
28. The Manager of Operations and Maintenance met with Camrosa Water District staff on June 29 to discuss District reliability features and the consequences of a large-scale power outage on critical service connections that supply water to Camrosa.
29. Operations and Maintenance staff provided plan review, technical, and field support to the Engineering and Groundwater Departments on various projects including:
 - Miscellaneous Wellfield Improvement – shutdown planning,

- Grandsen Pump Station, Phase 2 – System Maintenance: field support,
- PLC Replacement Project – Control Systems, Operations: technical and field support,
- Wheeling of Recycled Water through the SMP – project coordination,
- Wellfield Water Treatment Plant – System Maintenance: field support,
- LVMWD-CMWD Interconnection – plan review,
- Santa Rosa Hydro Contract Renewal – Control Systems: technical support,
- Salinity Management Pipeline, Phase 2D – System Maintenance: field support,
- Anode Well Replacement – Control Systems, Operations: technical support,
- Wellfield Emergency Generators Wellfield Emergency Generators – plan review, and
- Wellfield Perimeter Monitoring Probes – Control Systems: monitoring probe installation, data collection, and field inspection.

30. Control Systems staff spent time making repairs to Standby Generator No. 1 at the Conejo Standby Power Station, replacing the leak detection device for ferric chloride containment at the Lake Bard Water Filtration Plant, and continuing work on PLC upgrades at Lindero Pump Station.

31. Control Systems staff performed preventative maintenance and routine inspection on:

- Wellfield Ammonia System,
- Conejo Hydroelectric Generator,
- Santa Rosa Hydroelectric Generator,
- Oak Park North Ranch Recycled Pipeline Unit 1,
- Conejo Pump Station,
- Fairview Pump Station,
- Oak Park Pump Station,
- Pressure Regulating Station No. PIT 2, 6, and 8,
- Grimes Canyon Reservoir,
- Lindero Reservoir,
- Lake Bard Water Filtration Plant,
- Brandeis Mutual service connection,
- California American service connections,
- Camrosa service connections,
- Oak Park North Ranch Recycled service connection,
- Solano Verde service connection, and
- Wells 17 and 18.

32. Distribution System staff spent time repairing a leak on the Lake Bard Water Filtration Plant ferric chloride system, supporting contractor preventive maintenance on District standby generators, and replacing a broken valve actuator at PIT 2.

33. Distribution System staff performed preventative maintenance and routine inspection on:

- Wellfield Chlorine System,
- Conejo Hydroelectric Generator,
- East Portal Hydroelectric Generator,
- Santa Rosa Hydroelectric Generator,
- Springville Hydroelectric Generator,
- Conejo Pump Station,
- Fairview Pump Station,
- Grandsen Pump Station,
- Lake Sherwood Pump Station,
- Lindero Pump Station,
- Oak Park Pump Station,
- TOD Pump Station,
- Pressure Regulating Stations No. 2, 4, 6 and 7,
- CCNB Relief Station,
- Conejo Reservoir,
- Lake Sherwood Reservoir,
- Springville Reservoir,
- Lake Bard Water Filtration Plant, and
- Wells 7, 8, 10, 14, and 17.

34. System Maintenance staff spent time shutting down a portion of Grandsen Pump Station No. 1 piping, performing annual brush clearing at various sites, and replacing a leaking air vacuum and release valve on the Conejo Reservoir Inlet piping.

35. System Maintenance staff performed preventative maintenance and routine inspection on:

- Santa Rosa Hydroelectric Generator,
- Springville Hydroelectric Generator,
- Borchard Road Lateral,
- Calleguas Conduit North Branch Unit 1,
- Lindero Feeders No. 4-1 and 4-2,
- Moorpark Feeder No. 2,
- Newbury Park Lateral No. 2,
- Lake Bard Water Filtration Plant piping,
- Conejo Pump Station,
- Grandsen Pump Station,
- Oak Park Pump Station,
- Conejo Reservoir,
- SMP Control Tank,
- Springville Reservoir,
- Thousand Oaks Reservoir,

- Westlake Reservoir,
- City of Camarillo service connections,
- City of Simi Valley service connections,
- Wellfield site.

36. Water quality met all State and Federal standards for the month of June.

37. Groundwater storage totals through the end of May include no well production, 39 acre feet of well injection, and 9 acre feet of in lieu deliveries through the Zone Agreement.

Groundwater storage totals through April are as follows:

<i>East Las Posas Wellfield Injection</i>	<i>5,997 acre feet</i>
<i>East Las Posas In Lieu</i>	<i>6,350 acre feet</i>
<i>West Las Posas In Lieu</i>	<i>25,314 acre feet</i>
<i>Oxnard In Lieu</i>	<i>16,524 acre feet</i>
<i>Pleasant Valley In Lieu</i>	<i>1,736 acre feet</i>
<i>Conejo Creek Project</i>	<i>23,253 acre feet</i>

38. The Conejo, East Portal, Santa Rosa, and Springville Hydroelectric Generators are currently available for operation and on-line as flow conditions permit.

The District measured 0.10 inches of rainfall from June 1 to June 28 at the Lake Bard site. Measurable rainfall for the current water year, beginning October 1, is 7.98 inches.

Resources

Development Programs

39. Calleguas Annexation No. 100 – Pleasant Valley Venture LLC – On May 24, the application submittal to Metropolitan was completed and submitted. On June 14, the application package for LAFCO was delivered. Approvals by both agencies are expected in September.

40. On June 8, District staff met with representatives of Oxnard School District (OSD) to discuss the potential annexation of a 25-acre site for both an elementary school campus and a middle school campus. Located at the southeast corner of Doris Avenue and Patterson Road, the site is within the Teal Club Specific Plan area. OSD cited the urgency of building additional schools and plans to proceed with annexation and development of this site rather than wait for the perceived slow progress on the entire Teal Club project. Considerable work remains to be done by OSD before initiating annexation. OSD does not yet have title to the property, but expects to close escrow soon.

41. Capital Construction Charge (CCC) – Capital Construction Charge (CCC) collections from June 2015 through May 2016 totaled \$3,651,622. Compared to receipts of \$2,402,261 during the same months a year earlier, year-over-year revenue increased by 52 percent. All of the month’s revenue came from residential projects. Roughly two-thirds of the fees were collected from the Elacora development in the Springville area of Camarillo (Tract 5955).
42. Staff discussions with representatives of Ventura Farms (VF) and Triunfo Sanitation District (Triunfo) regarding the construction of a recycled water connection for Ventura Farms properties in Hidden Valley are ongoing. The 1997 annexation of 10.3 acres of VF land requires that recycled water be used, when available, for landscaped areas exceeding one acre. Triunfo recently reported that a draft agreement will soon be presented to VF for review and comment.

Water Resource Management

43. State Water Resources Control Board (SWRCB) Drought Emergency Regulation – Working closely with Metropolitan and District purveyors, required wholesale water supply availability documentation was prepared and on June 15 this documentation was submitted to the SWRCB, provided to District purveyors for their use in completing required self-certifications, and posted on the Calleguas website. To comply, Calleguas compiled purveyors’ three-year forecasts of local production and provided the resulting aggregate net demand for imported water over the same period to Metropolitan. In turn, Metropolitan analyzed its portfolio of supplies and confirmed that it can meet the forecast demands of its members without requiring cutbacks. While this assessment fully complies with the requirements of the State Board’s revised drought regulation, it is important to note that this does not guarantee that such water supplies will be available as Metropolitan’s dry-year reserves would be virtually exhausted by the end of 2019 under the assessed scenario. Going forward, Metropolitan’s Board will determine whether the implementation of water supply allocations are warranted based on real-time resource conditions.
44. 2015 Urban Water Management Plan (UWMP) – At its regularly scheduled Board Meeting on June 8, the District held a public hearing to solicit comments and answer questions from the public on its Draft 2015 UWMP. One member of the public attended. Few comments were received before the Public Hearing. All comment letters and District responses were incorporated into the Final UWMP adopted by the Board on June 15. The Final UWMP was posted on the Calleguas website on June 16 and submitted to the Department of Water Resources on June 22, in advance of the July 1 deadline.

Public Affairs & Conservation

45. The Manager of Resources provided presentations on water supply conditions, drought impacts and response, and water supply allocations at the following meetings:

- June 2 – Democratic Club of Camarillo
 - June 7 – Ventura County Special Districts Association
46. Conservation Programs – During the month, residential rebates were issued for 125 high efficiency clothes washers, 109 rain barrels, and 11 weather-based irrigation controllers. Under the commercial program, rebates were issued for 4,982 rotating nozzles, 2,166 flow regulators, 25 high efficiency toilets, and 23 weather-based irrigation controllers. In addition, 3,814 residential turf removal rebates have either been paid or released for payment. 134 applications remain on hold. Under the commercial turf removal program, 120 applications have either been paid or released for payment and 17 applications remain on hold. Lastly, the *freesprinklernozzles.com* program remains active with 1,544 and 5,085 nozzles installed under the residential and multi-family/commercial programs, respectively, in FY 2016.
47. Monthly Purveyor Meeting – The purveyors received a briefing on water supply implications of the proposed Regional Water Quality Control Board 2016 MS4 Stormwater Permit, SWRCB Emergency Conservation Regulations, and Metropolitan’s water supply status. They each discussed the actions they are taking to loosen water use restrictions for their customers while communicating a message about continuing to conserve water.

Strategic Planning

48. Metropolitan Water District — In June, the Metropolitan Water District Board of Directors heard updates on two key areas of future water supply reliability: shortage contingencies on Colorado River deliveries and the future of California WaterFix.

On the Colorado River, Lake Mead is the storage reservoir that supplies California, Nevada, and Arizona. Metropolitan has actively worked with other states to execute transfer and exchange agreements that have allowed Metropolitan to augment its Colorado River allocation and to store water in Lake Mead. Accessing this stored water during shortages on the State Water Project system has helped Metropolitan's member agencies through the current drought. If the lake level is below 1,075 feet on January 1, a shortage condition is triggered that reduces Metropolitan's ability to access stored water in Lake Mead. The lake elevation is currently 1,072 feet. In response to the potential shortage declaration, Metropolitan has been working with other California Colorado River users, Nevada and Arizona to agree on voluntary reductions to better manage the lake elevation and develop greater certainty for future shortage conditions.

On the future of California WaterFix, the Metropolitan Board heard an update on the pending State Water Resources Control Board's (SWRCB) water right hearing scheduled to begin on July 26. Because California WaterFix will change the point of diversion for the State Water Project, the State Board must approve the change and assess the impact on other beneficial uses of the water. The State Department of Water Resources

and the U.S. Bureau of Reclamation will present the need for the project to the State Board. Over 100 other interested parties have expressed interest in the proceedings before the State Board. Metropolitan will be coordinating with other State Water Project contractors to provide testimony on its policy interests. In a related action, the State Board will also be updating its Bay-Delta Water Quality Control Plan which sets water quality and flow objectives to protect beneficial uses in the Bay-Delta. The Board committee also discussed the recent court decision invalidating the Delta Stewardship Council's Delta Plan. It is unclear how the court decision will affect the California WaterFix. The Metropolitan Directors will be briefed at July's Legal Affairs Committee on the effect of the decision.

Groundwater Resources

49. Aquifer Storage and Recovery (ASR)

- Non-District Well Monitoring and Pump Lowering (Project No. 518) – The quarterly groundwater level data downloads were completed.
- ASR Perimeter Monitoring Wells (Project No. 527) – The Groundwater Manager assisted the Engineering Department with finalizing the plans and specifications for Deep Monitoring Well No. 1.
- Groundwater Modeling (Project No. 528) – CH2M Hill issued the draft conceptual model report for review by the Groundwater Manager and staff at Fox Canyon Groundwater Management Agency and United Water Conservation District. Intera, Inc. worked on the next project phase (numerical model development), and focused on data compilation and developing an understanding of the basin.

50. Las Posas Basin Users Group (LPUG)

- LPUG met on June 22 to discuss ongoing Sustainable Groundwater Management Act (SGMA) and Fox Canyon Groundwater Management Agency (FCGMA) planning issues affecting the Las Posas Basin. The group received updates from the Groundwater Manager concerning the LPUG Allocation Committee, FCGMA Water Market Group, and FCGMA Technical Advisory Group. The General Manager provided an update on the Las Posas Basin Replacement Water Study. LPUG discussed three well permit applications under FCGMA review. The Groundwater Manager provided a summary of LPUG's comments on FCGMA's proposed policy for brackish groundwater pumping.
- The Groundwater Manager met with various LPUG members at their request to discuss issues related to the Sustainable Groundwater Management Act and the FCGMA proposed brackish groundwater pumping policy.

51. Las Posas Basin Replacement Water Feasibility Study – K/J submitted a draft technical memorandum concerning interconnections between water systems and analyzed water supply options.
52. Fox Canyon Groundwater Management Agency – The FCGMA Board of Directors met on June 22. The FCGMA Board approved the budget for fiscal year 2016-2017, which is based on a pump fee increase from \$10/acre-foot to \$12.50/acre-foot for calendar year 2017. The FCGMA Board voted to terminate the Agency’s contract with the Groundwater Sustainability Plan consultant and authorized the Executive Office to negotiate with another consultant who originally proposed to perform the work. The FCGMA Board approved an exception to the Agency’s temporary prohibition on new extraction facilities for the City of Oxnard’s indirect potable reuse pilot test wells. The FCGMA Board received presentations from its staff and the City of Camarillo concerning the Northern Pleasant Valley Groundwater Basin Groundwater Treatment Project (a.k.a. North Pleasant Valley Desalter). The FCGMA Board discussed considering approval of 9,000 acre-feet per year of proposed groundwater pumping to supply the desalter at the Board of Directors meeting in July.

The Groundwater Manager attended the FCGMA Water Market Group meeting on June 16.

The Groundwater Manager attended a meeting with FCGMA staff and other stakeholders on June 29 to discuss the FCGMA’s draft brackish groundwater supply policy.

53. FCGMA Technical Advisory Group (TAG) – The June TAG meeting was cancelled due to the termination of the FCGMA’s Groundwater Sustainability Plan consultant contract.

54. Other

- Association of Water Agencies of Ventura County – The Groundwater Manager presented “Groundwater Sustainability Plan Regulations... The Good, the Bad, and the Ugly” at the Waterwise Breakfast on June 16.
- Calleguas Creek Watershed Salts Subcommittee – The Groundwater Manager attended the subcommittee meeting held on June 15. The group is moving forward with the development of the state-required Salt and Nutrient Management plan.

Finance

55. The 2016-17 Budget was finalized and adopted by the Board at its June 15 meeting.
56. Staff continued to prepare for the 2015-16 annual audit. Per the auditor’s request, the initial fieldwork was rescheduled for July.



May 31, 2016
Financial Statements

**Calleguas Municipal Water District
Statement of Net Assets
as of May 31, 2016**

<u>ASSETS</u>	<u>05/31/16</u>
Current Assets:	
Cash & Investments	\$ 180,446,764
Accounts Receivable	14,960,301
Current Portion non-trade notes Receivable	-
Inventory	42,383,543
Prepaid Expenses	5,000
Restricted Current Assets	
Restricted Cash & Investments	52,480
Total Current Assets	237,848,089
Capital Assets:	
Capital Assets (Net of Accumulated Depreciation)	472,354,009
Total Capital Assets	472,354,009
Other Non-current Assets:	
Other LT Assets	30,000
Total other non-current assets	30,000
Total Assets	\$ 710,232,098
Deferred Outflows	6,464,669
Total Assets & Deferred Outflows	\$ 716,696,767

**Calleguas Municipal Water District
Statement of Net Assets
as of May 31, 2016**

<u>LIABILITIES AND NET ASSETS</u>	<u>05/31/16</u>
Current Liabilities:	
Accounts Payable	\$ 16,637,278
Interest Payable	3,362,059
Retention Payable	1,152,327
Deposits	180,110
Current portion of bonds payable	8,195,000
Total Current Liabilities	29,526,774
Long-Term Liabilities:	
Bonds payable, net of current portion	224,857,658
Compensated Absences	592,241
OPEB Liability	358,584
Pension Liability	5,888,063
Total long-term liabilities	231,696,546
Total Liabilities	261,223,320
Deferred Inflows	1,744,748
Total Liabilities & Deferred Inflows	\$ 262,968,068
Net Assets:	
Invested in capital assets, net of related debt	227,051,112
Restricted	11,776,765
Unrestricted	214,900,822
Total Net Assets	453,728,699
Total Liabilities and net assets	\$ 716,696,767

Calleguas Municipal Water District
Statement of Revenues, Expenses Changes in Net Assets
For the Eleven Months Ended 05/31/16

	Fiscal Year 2015-16 Budget	Eleven Months Ended 05/31/16	\$ Variance Budget to Actual Current YTD	% of Budget
Water Sales	\$ 102,363,320	\$ 89,780,817	\$ (12,582,503)	87.7%
Other Water Revenues	130,760	94,267	(36,493)	72.1%
Capacity Reservation Charge	4,707,690	3,767,969	(939,721)	80.0%
Readiness to serve-purveyors	7,449,680	7,058,353	(391,327)	94.7%
Recycled Water	1,825,100	1,478,652	(346,448)	81.0%
Pumping Power Revenue	787,500	643,446	(144,054)	81.7%
Power Generation	450,000	269,749	(180,251)	59.9%
SMP Fees	250,000	158,785	(91,215)	63.5%
Total Operating Revenues	<u>117,964,050</u>	<u>103,252,039</u>	<u>(14,712,011)</u>	<u>87.5%</u>
Cost of Water	77,900,190	68,388,865	9,511,325	87.8%
Capacity Reservation Charge-MWD	2,581,650	2,362,918	218,732	91.5%
Readiness to serve-MWD	7,449,680	6,873,826	575,854	92.3%
Recycled Water	766,680	588,857	177,823	76.8%
Pumping Power	1,386,000	976,324	409,676	70.4%
Total Cost of Water	<u>90,084,200</u>	<u>79,190,790</u>	<u>10,893,410</u>	<u>87.9%</u>
Salaries and benefits	9,122,010	8,042,584	1,079,426	88.2%
Fuel and vehicle exp	170,000	96,749	73,251	56.9%
Utilities	525,000	413,325	111,675	78.7%
Operations & Maintenance Supplies	534,950	457,462	77,488	85.5%
Office Supplies	89,300	45,535	43,765	51.0%
Outside services	1,716,960	1,492,807	224,153	86.9%
Consultants/Studies	1,944,500	614,212	1,330,288	31.6%
Permits, Leases and fees	170,000	142,738	27,262	84.0%
Travel & Training	114,750	75,207	39,543	65.5%
Memberships	161,050	142,474	18,576	88.5%
Insurance	250,000	125,865	124,135	50.3%
Legal	258,750	215,087	43,663	83.1%
Election Costs	0	0	0	N/C
Water Efficiency Programs	883,420	708,161	175,259	80.2%
Miscellaneous	0	1,234	(1,234)	N/C
Capital Contributions	0	99,820	(99,820)	N/C
Total Operating Administration Expenses	<u>15,940,690</u>	<u>12,673,260</u>	<u>3,267,430</u>	<u>79.5%</u>
Operating Income	<u>\$ 11,939,160</u>	<u>\$ 11,387,988</u>	<u>\$ (551,172)</u>	<u>95.4%</u>

Calleguas Municipal Water District
Statement of Revenues, Expenses Changes in Net Assets
For the Eleven Months Ended 05/31/16

	Fiscal Year 2015-16 Budget	Eleven Months Ended 05/31/16	\$ Variance Budget to Actual Current YTD	% of Budget
Operating Income	\$ 11,939,160	\$ 11,387,988	\$ (551,172)	95.4%
Interest Income	1,629,000	1,359,235	(269,765)	83.4%
Water standby charges	1,400,000	808,790	(591,210)	57.8%
Tax Revenue	6,970,000	7,607,426	637,426	109.1%
Tax Collection, Bank & Bond Fees	(585,000)	(770,917)	(185,917)	131.8%
Capital construction charges	2,000,000	2,802,426	802,426	140.1%
Other Income	57,420	2,289,049	2,231,629	3986.5%
Interest and redemption expense	(9,080,570)	(8,215,969)	864,601	90.5%
Bond Premium/Discount Amortization	147,110	290,390	143,280	197.4%
Build America Bond Subsidy	1,447,000	738,870	(708,130)	51.1%
Total non-operating revenue/Expenses	3,984,960	6,909,299	2,924,339	173.4%
Income before Capital, Contributions, & Depreciation	15,924,120	18,297,288	2,373,168	114.9%
Depreciation	(13,530,000)	(12,362,813)	(1,167,187)	91.4%
Capital Equipment > \$5,000	(273,500)	(187,451)	86,049	68.5%
Project Expense	0	(188,476)	(188,476)	N/C
Gain/(Loss) on Sale of Capital Assets	0	0	0	N/C
Capital Contributions	0	47,077	47,077	N/C
	(13,803,500)	(12,691,663)	(1,222,537)	
Changes in Net Assets	\$ 2,120,620	5,605,625		
Net Assets, beginning of year		448,123,074		
Net Assets, end of year		\$ 453,728,699		

**Calleguas Municipal Water District
Comparison for Eleven Months of Budget**

	Eleven Months of FY 2015-16 Budget	Eleven Months Ended 05/31/16	\$ Variance	%
Water Sales	\$ 92,126,988	\$ 89,780,817	\$ (2,346,171)	97.5%
Other Water Revenues	109,794	94,267	(15,527)	85.9%
Capacity Reservation Charge	4,282,586	3,767,969	(514,617)	88.0%
Readiness to serve-purveyors	7,009,404	7,058,353	48,949	100.7%
Recycled Water	1,607,913	1,478,652	(129,261)	92.0%
Pumping Power Revenue	730,012	643,446	(86,566)	88.1%
Power Generation	396,450	269,749	(126,701)	68.0%
SMP Fees	229,167	158,785	(70,382)	69.3%
Total Operating Revenues	<u>106,492,314</u>	<u>103,252,039</u>	<u>(3,240,275)</u>	<u>97.0%</u>
Cost of Water	70,110,171	68,388,865	1,721,306	97.5%
Capacity Reservation Charge-MWD	2,363,501	2,362,918	583	100.0%
Readiness to serve-MWD	6,940,867	6,873,826	67,041	99.0%
Recycled Water	675,445	588,857	86,588	87.2%
Pumping Power	1,270,500	976,324	294,176	76.8%
Total Cost of Water	<u>81,360,484</u>	<u>79,190,790</u>	<u>2,169,694</u>	<u>97.3%</u>
Salaries and benefits	8,361,854	8,042,584	319,270	96.2%
Fuel and vehicle exp	155,833	96,749	59,084	62.1%
Utilities	481,251	413,325	67,926	85.9%
Operations & Maintenance Supplies	490,380	457,462	32,918	93.3%
Office Supplies	81,862	45,535	36,327	55.6%
Outside services	1,578,054	1,492,807	85,247	94.6%
Consultants/Studies	1,782,462	614,212	1,168,250	34.5%
Permits, Leases and fees	155,834	142,738	13,096	91.6%
Travel & Training	105,192	75,207	29,985	71.5%
Memberships	154,715	142,474	12,241	92.1%
Insurance	250,000	125,865	124,135	50.3%
Legal	237,188	215,087	22,101	90.7%
Election Costs	0	0	0	N/C
Conservation	868,837	708,161	160,676	81.5%
Miscellaneous	0	1,234	(1,234)	N/C
Capital Contributions	0	99,820	(99,820)	N/C
Total Operating Administration Expenses	<u>14,703,462</u>	<u>12,673,260</u>	<u>2,030,202</u>	<u>86.2%</u>

**Calleguas Municipal Water District
Comparison for Eleven Months of Budget**

	Eleven Months of FY 2015-16 Budget	Eleven Months Ended 05/31/16	\$ Variance	%
Interest Income	1,493,250	1,359,235	(134,015)	91.0%
Water standby charges	1,330,000	808,790	(521,210)	60.8%
Tax Revenue	6,540,500	7,607,426	1,066,926	116.3%
Tax Collection, Bank & Bond Fees	(536,251)	(770,917)	(234,666)	143.8%
Capital construction charges	1,833,334	2,802,426	969,092	152.9%
Other Income	52,637	2,289,049	2,236,412	4348.7%
Interest and redemption expense	(8,323,856)	(8,215,969)	107,887	98.7%
Bond Premium/Discount Amortization	134,851	290,390	155,539	215.3%
Build America Bond Subsidy	723,500	738,870	15,370	102.1%
Total non-operating revenue/Expenses	3,247,965	6,909,299	3,661,334	212.7%
Depreciation	(12,402,500)	(12,362,813)	39,687	99.7%
Capital Equipment > \$5,000	(250,709)	(187,451)	63,258	74.8%
Project Expense	0	(188,476)	(188,476)	N/C
Gain/(Loss) on Sale of Capital Assets	0	0	0	N/C
Grant/Capital Contribution Revenue	0	47,077	47,077	N/C
Capital Related Expenses	(12,653,209)	(12,691,663)	(38,454)	100.3%

2.12 BENEFITS

This paragraph outlines the benefits that are either provided or available to Directors. Although the District may provide other benefits to its Employees, benefits not listed in this paragraph are not provided to the Directors.

(a) The premiums for the following benefits are fully paid by the District:

(1) Workers Compensation

(2) Medical coverage

(i) The District will pay the full cost of medical insurance up to the annual cost of the maximum HMO or PERS Choice premium of the health plans available to the District through CalPERS. The coverage will be based on the following requirements:

- Directors seated prior to December 1, 2012 (Director and dependents)
- Directors seated on or after December 1, 2012 (Director only)

(ii) Board Members may change the Level of Enrollment and Style of Coverage as allowed by the enrollment rules published by CalPERS. If a change in Level of Enrollment or Style of Coverage increases the cost of the health plan above the cost of the maximum of HMO or PERS Choice for the allowed level, the Board Member must reimburse the District for the amount that the selected plan exceeds the maximum allowed HMO or PERS Choice cost.

(3) Dental coverage (Director and family) (consistent with the coverage described in Section 12.5.2 of this Code)

(4) Vision coverage (Director and family) (consistent with the coverage described in Section 12.5.2 of this Code)

(5) Group Life Insurance (Director only) (consistent with the coverage described in Section 12.5.6 of this Code, except that the coverage amount shall be up to \$XXXX). This coverage is subject to the ability of the Board member to qualify the coverage.

(6) Retirement Program (as allowed by law)

(b) Federal taxes associated with Medicare and Social Security are paid by the

Commented [SM1]: The changes in this section are not substantive. It is clearer to describe the benefit here than to refer to the employee section, which has items in it that are not applicable to the Board.
Deleted: (seein Part 12 of this Code)

Commented [SM2]: This is the more correct term.
Deleted: family

Deleted: see

Commented [SM3]: More specific.

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Commented [SM4]: This phrase would be added if the Board chooses a lower coverage amount than the \$100,000 provided to the employees.

Commented [SM5]: This caveat is needed if the Board chooses a coverage amount greater than \$25,000.

District and withheld from compensation for Board members who are not exempt from such taxes as required by law.

(c) The following benefits are available to Directors; however, all costs associated with these benefits are the responsibility of the Director:

(1) Deferred Compensation (consistent with the plan described in Section 12.5.3 of this Code)

Deleted: see Part 12

(2) Flexible Spending Account (IRS 125 Program for unreimbursed medical and dependent care expenses; see Part 12 of this Code)

(3) Medical coverage for dependents of Directors seated on or after December 1, 2012.

Deleted: family members

Deleted: (see Part 12 of this Code)

12.5 ELECTIVE BENEFITS

Elective benefits apply only to Regular Employees. Where “Employee” or “Employees” are referenced in this section, it shall mean “Regular Employee” or “Regular Employees.”

Notwithstanding anything to the contrary provided herein, the Board, in its discretion, may change, modify, or discontinue altogether one or all of the elective benefits described herein or otherwise provided by the District.

12.5.1 MEDICAL PLANS

12.5.1.1 GENERALLY

The District will maintain membership in at least one group health plan (hereinafter “group plan”), as selected and approved from time-to-time by the Board. Each eligible Employee may participate in a group plan upon completion of the minimum amount of service established by the group plan.

12.5.1.2 DEFINITIONS

For the purposes of Section 12.5.1:

“**CalPERS**” means California Public Employees Retirement System.

“**Eligible Member**” or “**Member**” means a Regular Employee, retired Employee, and their dependents. It may also include present and past Board Members within the limits of prevailing law.

“**Dependent**” means the spouse and all unmarried dependent children eligible for coverage under the group plan.

“**Hourly Rate**” means the Employee’s annual salary divided by 2,080 hours.

“**Retiree**” means an Eligible Member at least fifty years of age who has met the eligibility requirements of the District’s retirement system and is receiving or is eligible to receive a retirement stipend.

“**Level of Enrollment**” shall mean the appropriate level of health insurance coverage: single-party, two-party or family.

“**Style of Coverage**” shall refer to the type of coverage either Health Maintenance Organization (HMO) or Preferred Provider Organization (PPO).

12.5.1.3 MEDICAL BENEFITS FOR ACTIVE EMPLOYEES

It is the intent of the District to ensure that medical benefits are available to all Eligible Members. To that end, the following guidelines are provided:

- (a) For Employees, the District will pay the full cost of medical insurance up to the annual cost of the maximum HMO or PERS Choice premium of the health plans available to the District through CalPERS. The coverage will include the Employee and all dependents allowed by the CalPERS Health Benefit program. Employees may change the Level of Enrollment and Style of Coverage as allowed by the enrollment rules published by CalPERS. If a change in Level of Enrollment or Style of Coverage increases the cost of the health plan above the cost of the maximum of HMO or PERS Choice, for an equal Level of Enrollment, the Employee must reimburse the District for the amount that the selected plan exceeds the maximum allowed HMO or PERS Choice cost. The reimbursement will be made through a deduction from the Employee's paycheck based on a semi-monthly amount.
- (b) The following exception to the cost limitation above applies only to Employees hired by the District before July 1, 1995. If these Employees were enrolled in health benefit plans on June 30, 1995, that exceed the maximum HMO or PERS Choice premium, the cost of continued enrollment for the same Level of Enrollment and Style of Coverage will continue to be paid by the District.

12.5.2 DENTAL AND VISION PLANS

The District will maintain membership in a group dental and vision plan, as selected and approved by the Board, subject to the following:

- (a) For Employees, the District will pay the full cost of dental and vision insurance. The coverage will include the Employee and all dependents allowed by the insurance plan.
- (b) Each Eligible Member may participate in these plans upon completion of the minimum amount of service established by the group plan.
- (c) The District does not pay for either dental or vision benefits for any Retiree. Retirees are eligible under the provisions established through Consolidated Omnibus Budget Reconciliation Act (COBRA) to continue their coverage.

12.5.3 DEFERRED COMPENSATION PLAN

Employees of the District may defer portions of their compensation pursuant to the provisions of Section 457 of the Internal Revenue Code. Deferred compensation plans shall be approved by the Board by resolution or contract.

12.5.4 FLEXIBLE SPENDING ACCOUNTS

Employees may annually contribute to flexible spending accounts (IRS 125 Plan) maintained by the District. An Employee may contribute the maximum allowed by law in any plan year to a “Dependent Daycare Account” and/or an “Unreimbursed Medical Expense Account”. Flexible spending accounts are subject to the provisions of prevailing tax law regarding limitations, administration and disbursements.

12.5.5 EMPLOYEE ASSISTANCE PROGRAM (EAP)

In order to help maintain the well-being of its Employees, the District has established an Employee Assistance Program (EAP) that provides assessment and referral when problems of a personal nature affect the Employee’s life and work. Participation in the Program shall be confidential and shall not be grounds for discipline.

12.5.6 LIFE INSURANCE PROGRAM

The District provides each Employee with limited Life Insurance and Accidental Death and Dismemberment Coverage in the amount of \$100,000. This coverage is provided at no cost to the Employee. Additionally, Employees have the option to, at their own expense, purchase additional insurance for themselves and their dependents. This coverage amount may be reduced after Employees reach a certain age due to limitations in the insurance policy.



ANNUAL
WATER QUALITY REPORT
JULY 2016



Este informe contiene información muy importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien.

Water Quality as Our Priority

Water quality continues to be a priority for Calleguas Municipal Water District. Our mission since the 1950s has been to provide our service area with a reliable supply of high quality, imported drinking water. A team of highly trained professionals works hard to ensure Calleguas' water supply meets all state and federal water quality standards. This brochure provides information about the sources and quality of the water delivered by Calleguas in 2015. Included are details about where your water comes from, what it contains, and how it compares to State and Federal standards.

During the year, multiple tests for over 150 drinking water contaminants were performed on Calleguas' water supply to determine concentrations of mineral, physical, bacteriological, inorganic, organic, and radioactive constituents.

Once again, we are proud to report our system did not violate any water quality standards. For additional information on the quality of water delivered by Calleguas, please contact Amy Maday at (805) 579-7117 or visit our website at www.calleguas.com.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the USEPA's Safe Drinking Water Hotline (1-800-426-4791).

Our Mission

... is to provide the service area with a reliable supplemental supply of regional and locally developed water in an environmentally and economically responsible manner.

Our Source Water

Calleguas' primary drinking water supply is obtained from the Feather River Watershed, located in the northern Sierras, and conveyed through the State Water Project. Colorado River water serves as a secondary supply source for the District and is transported through Metropolitan Water District's Colorado River Aqueduct.

Originating in northern California, State Water Project deliveries are conveyed over 500 miles through a network of reservoirs, aqueducts, and pump stations. The State Water Project supply is filtered and disinfected at Metropolitan's Joseph Jensen Filtration Plant in Granada Hills.

The Colorado River Aqueduct has been the backbone of Southern California's imported water supply for more than 70 years. Built and operated by Metropolitan, the 242-mile aqueduct delivers water from the Colorado River at Lake Havasu along the California/Arizona border. The Colorado River supply is filtered and disinfected at Metropolitan's F.E. Weymouth Treatment Plant in the City of La Verne.

Metropolitan Water District of Southern California has completed a source water assessment of both the State Water Project and Colorado River supply. The State Water Project source is considered to be most vulnerable to urban and storm water runoff, wildlife, agriculture, recreation, and wastewater. The Colorado River source is considered to be most vulnerable to contamination from recreation, urban and stormwater runoff, increasing urbanization in the watershed, and wastewater. A copy of this assessment can be obtained by contacting Metropolitan at (213) 217-6850.

Following treatment at the Jensen and Weymouth Plants, water is conveyed by pipeline through the San Fernando Valley to Calleguas' mile-long tunnel in the Santa Susana Mountains. While the Weymouth Filtration Plant employs similar treatment technology to the Jensen Filtration Plant, water quality of Colorado River supplies varies from that of State Project supplies. Information on the quality of the treated water can found on the attached water quality tables.

The water is then distributed by Calleguas and its purveyors to an estimated 630,000 Ventura County residents, representing 75% of the County's population. Surplus supplies of imported water are stored in Lake Bard, the District's surface water reservoir near the City of Thousand Oaks, and the Las Posas groundwater basin underlying the City of Moorpark and surrounding area. Through the Las Posas Aquifer Storage and Recovery (ASR) project, Calleguas stores water for later use during Metropolitan system shutdowns and emergencies.

Visit www.calleguas.com for more information on the Las Posas ASR project and other Calleguas water supply reliability programs.

General Information About Source Water

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water before we treat it include:

- *Microbial contaminants*, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- *Inorganic contaminants*, such as salts and metals, that can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- *Pesticides and herbicides*, that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- *Organic chemical contaminants*, including synthetic and volatile organic chemicals, that are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural application, and septic systems.
- *Radioactive contaminants* that can be naturally-occurring or be the result of oil and gas production and mining activities.



Our Treated Water

In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency (USEPA) and the Division of Drinking Water prescribe regulations which limit the amount of certain contaminants in water provided by public water systems. Department regulations also establish limits for contaminants in bottled water that must provide the same protection for public health.

Calleguas achieves these standards through vigilant watershed protection and treatment techniques used at Metropolitan's Jensen and Weymouth Plants as well as Calleguas' Lake Bard Water Filtration Plant. A good indicator of the effectiveness of our filtration system is the measurement of turbidity. Turbidity, or the cloudiness of water, is listed in the tables included in this report.



Water Quality Data

The tables below list all the drinking water contaminants that we detected during the 2015 calendar year. The presence of these contaminants in the water does not necessarily indicate that the water poses a health risk. Unless otherwise noted, the data presented in these tables is from testing done January 1 through December 31, 2015. The State requires that we monitor for certain contaminants less than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year. Some of the data, though representative of water quality, is more than one year old.

Summary of Water Quality Results For 2015

Parameter	Percent of Supply		Imported Surface Water Treated at Metropolitan's Jensen Plant		Imported Surface Water Treated at Metropolitan's Weymouth Plant		Locally Stored Surface Water Treated by Calleguas		Major Sources in Drinking Water
	MCL [MRDL]	PHG (MCLG) [MRDLG]	Average	Range	Average	Range	Average	Range	
			67%		28%		5%		

PRIMARY DRINKING WATER STANDARDS - Mandatory Health-Related Standards

CLARITY (a)

Turbidity (NTU) (TT)	Highest Single Value	0.09	0.05	0.07	Soil runoff
	% of samples ≤ 0.3 NTU	100%	100%	100%	

DISINFECTION BY-PRODUCTS AND DISINFECTANT RESIDUALS

Parameter	MCL [MRDL]	PHG (MCLG) [MRDLG]	Average	Range	Average	Range	Average	Range	Notes
Bromate (ppb) (b)	10	0.1	8.0	1.1 – 13.0	n/a	n/a	ND	ND	By-product of drinking water disinfection
Haloacetic Acids (ppb) (c)	60	n/a	Highest LRAA = 7.8, Range = 3.0 – 14.0						By-product of drinking water disinfection
Total Chlorine Residual (ppm)	[4]	[4]	Highest Running Annual Average = 2.2, Range = 1.2 – 2.7						Drinking water disinfectant added for treatment
Total Trihalomethanes (ppb) (c)	80	n/a	Highest LRAA = 34.4, Range = 21.1 – 48.9						By-product of drinking water disinfection

INORGANIC CHEMICALS

Parameter	MCL [MRDL]	PHG (MCLG) [MRDLG]	Average	Range	Average	Range	Average	Range	Notes
Aluminum (ppb)	1,000	600	ND	ND – 84	156	88 – 200	ND	ND	Erosion of natural deposits, residual from water treatment process
Arsenic (ppb)	10	0.004	3.3	3.3	2.1	2.1	ND	ND	Erosion of natural deposits, runoff from orchards
Barium (ppm)	1	2	ND	ND	0.12	0.12	ND	ND	Erosion of natural deposits; oil and metal refineries
Fluoride - Distribution System (ppm) (d)	2.0	1	Highest Running Annual Average = 0.9, Range = 0.7 – 1.0						Water additive that promotes strong teeth
Nitrate (as N) (ppm)	10	10	0.8	0.6 – 0.9	ND	ND	ND	ND	Runoff & leaching from fertilizer & sewage
Selenium (ppb)	50	30	ND	ND	ND	ND	5	ND – 6	Erosion of natural deposits; discharge from refineries

RADIOLOGICALS (e)

Parameter	MCL [MRDL]	PHG (MCLG) [MRDLG]	Average	Range	Average	Range	Average	Range	Notes
Gross Alpha Particle Activity (pCi/L)	15	(0)	3	ND – 5	ND	ND – 4	4	4	Erosion of natural deposits
Gross Beta Particle Activity (pCi/L)	50	(0)	ND	ND – 5	5	4 – 6	ND	ND	Decay of natural and manmade deposits
Uranium (pCi/L)	20	0.43	2	2 – 3	3	2 – 3	ND	ND	Erosion of natural deposits

ABBREVIATIONS, DEFINITIONS, and NOTES

LRAA = Locational Running Annual Average
n/a = not applicable

ND = None Detected
NTU = Nephelometric Turbidity Units

ppm = parts per million, or milligrams per liter (mg/L)
ppb = parts per billion, or micrograms per liter (µg/L)

pCi/L = PicoCuries per Liter

Maximum Contaminant Level (MCL) = The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible.

Maximum Contaminant Level Goal (MCLG) = The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency.

Maximum Residual Disinfectant Level (MRDL) = The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial pathogens.

Maximum Residual Disinfectant Level Goal (MRDLG) = The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

Public Health Goal (PHG) = The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

Primary Drinking Water Standard = MCLs and MRDLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

Treatment Technique (TT) = A required process intended to reduce the level of a contaminant in drinking water.

(a) The turbidity level of filtered water shall be less than or equal to 0.3 NTU in 95% of the measurements taken each month and shall not exceed 1.0 NTU at any time.

(b) Compliance for treatment plants that use ozone is based on a running annual average of monthly samples. The Weymouth plant does not add ozone; therefore, bromate sampling is not required.

(c) Compliance is based on the LRAA of data collected at distribution system-wide monitoring locations. The range of all samples collected is included.

(d) The Metropolitan Water District treats their water by adding fluoride to the naturally occurring level in order to help prevent dental caries in consumers. The fluoride levels in the treated water are maintained within a range of 0.6 – 1.2 ppm, as required by State Water Resources Control Board (SWRCB), Division of Drinking Water (DDW).

(e) MWD collects four consecutive quarters of radiological monitoring triennially. The last sample was collected in 2014. Calleguas conducts radiological monitoring annually.

Parameter	Percent of Supply		Imported Surface Water Treated at Metropolitan's Jensen Plant		Imported Surface Water Treated at Metropolitan's Weymouth Plant		Locally Stored Surface Water Treated by Calleguas		Major Sources in Drinking Water
	Secondary MCL	Notification Level	Average	Range	Average	Range	Average	Range	
			67%		28%		5%		

SECONDARY DRINKING WATER STANDARDS - Aesthetic Standards

Aluminum (ppb) (a)	200		ND	ND – 84	156	88 – 200	ND	ND	Erosion of natural deposits, residual from water treatment process
Chloride (ppm)	500		86	85 – 86	100	98 – 102	97	91 – 103	Runoff and leaching from natural deposits; seawater influence
Color (Units)	15		1	1	1	1	ND	ND	Naturally-occurring organic materials
Odor Threshold (Units)	3		2	2	2	2	ND	ND	Naturally-occurring organic materials
Specific Conductance (µS/cm)	1,600		698	692 – 703	1,040	1,030 – 1,060	703	673 – 744	Substances that form ions when in water, seawater influence
Sulfate (ppm)	500		110	108 – 112	257	252 – 261	84	74 – 94	Runoff and leaching from natural deposits
Total Dissolved Solids (ppm)	1,000		405	405	660	654 – 665	373	350 – 400	Runoff and leaching from natural deposits
Turbidity (NTU) (b)	5		ND	ND	ND	ND	0.2	ND – 0.3	Soil runoff

ADDITIONAL PARAMETERS (Unregulated)

Alkalinity (ppm)	NS	NS	91	89 – 92	126	123 – 129	97	90 – 100	
Boron (ppm)	NS	1	0.24	0.24	0.12	0.12	0.20	0.20	
Calcium (ppm)	NS	NS	36	36	78	77 – 78	34	33 – 35	
Chlorate (ppb)	NS	800	70	70	104	104	ND	ND – 24	
Corrosivity (AI) (c)	NS	NS	12.2	12.1 – 12.3	12.5	12.5	11.8	11.2 – 12.3	
Hardness (Total Hardness) (ppm)	NS	NS	132	130 – 134	300	296 – 304	149	144 – 153	
Magnesium (ppm)	NS	NS	11	10 – 11	27	26 – 28	16	15 – 16	
N-Nitrosodimethylamine (ppt)	NS	10	2.2	2.1 – 2.2	ND	ND	ND	ND – 2.1	
pH (pH Units)	NS	NS	8.3	8.2 – 8.4	8.1	8.1	7.9	7.3 – 8.4	
Potassium (ppm)	NS	NS	2.7	2.5 – 2.9	4.9	4.8 – 5.0	4.0	3.0 – 4.0	
Sodium (ppm)	NS	NS	91	90 – 92	100	97 – 102	82	74 – 90	
Total Organic Carbon (ppm)	NS	NS	1.6	1.2 – 2.4	2.6	2.4 – 2.8	2.1	1.9 – 2.3	
Vanadium (ppb)	NS	50	7.7	7.7	ND	ND	ND	ND	

ABBREVIATIONS, DEFINITIONS, and NOTES

AI = Aggressive Index

ND = None Detected

NS = No Standard

NTU = Nephelometric Turbidity Units

ppm = parts per million, or milligrams per liter (mg/L)

ppb = parts per billion, or micrograms per liter (µg/L)

ppt = parts per trillion, or nanograms per liter (ng/L)

µS/cm = microSiemen per Centimeter

Secondary Maximum Contaminant Level (MCL) = Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.

Notification Level = The level at which notification of the public water system's governing body is required.

(a) Aluminum has both primary and secondary standards.

(b) The monthly averages and ranges of turbidity shown in the Secondary Standards section are based on source effluents.

(c) AI measures the aggressiveness of water transported through pipes. Water with AI < 10.0 is highly aggressive and would be very corrosive to almost all materials found in typical water system. AI ≥ 12.0 indicates non-aggressive water. AI between 10.0 and 11.9 indicates moderately aggressive water.

Information for Customers with Special Water Needs

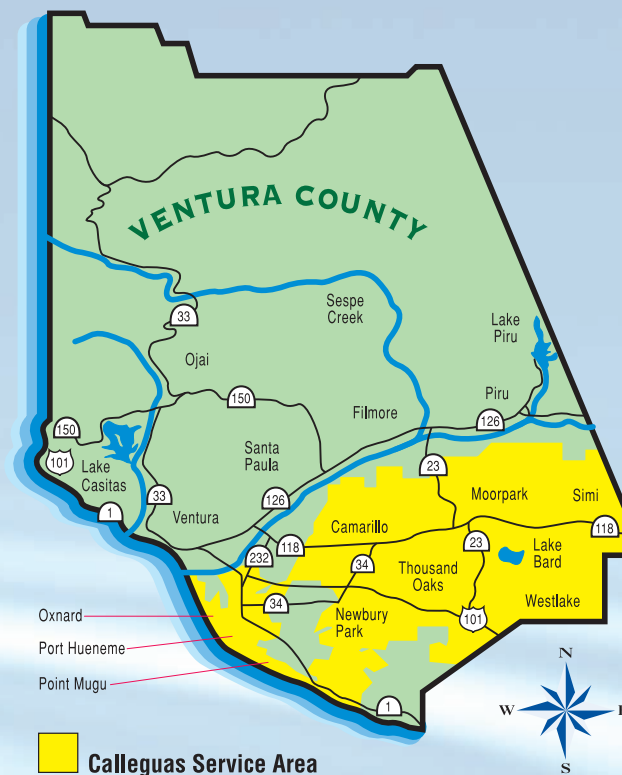
Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. USEPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (1-800-426-4791).



Constituents Tested for and Not Detected

In addition to the information provided in the Summary of Water Quality Results, Calleguas also monitored for, but did not detect, many other contaminants during 2015. Some of those contaminants were:

Antimony	Foaming Agents	Pesticides	Tritium
Asbestos	Herbicides	Radium 226	Volatile Organic
Beryllium	Lead	Radium 228	Chemicals (VOCs)
Cadmium	Mercury	Silver	Zinc
Chromium 6	MTBE	Strontium-90	
Copper	Nitrite	Thallium	
Cyanide	Perchlorate	Total Chromium	



Information on Lead in Household Plumbing

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Your local utility is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/safewater/lead>.

Drinking Water Fluoridation

In 2007, Calleguas' wholesale water provider, the Metropolitan Water District of Southern California, joined a majority of the nation's public water suppliers in systematically adding fluoride to drinking water at each of five water treatment plants in order to help prevent tooth decay.

In line with recommendations from the Division of Drinking Water, as well as the U.S. Centers for Disease Control and Prevention, Metropolitan adjusted the natural fluoride level in the water, which ranges from 0.1 to 0.4 parts per million, to the optimal range for dental health of 0.7 to 0.8 parts per million. Fluoride levels in drinking water are limited under California state regulations at a maximum dosage of 2 parts per million.

Fluoride has been added to U.S. drinking water supplies since 1945. Of the 50 largest cities in the U.S., 43 fluoridate their drinking water.

For more information about the benefits of drinking water fluoridation, please visit the following websites: **The American Dental Association** at <http://www.ada.org/fluoride.aspx> and **U.S. Centers for Disease Control and Prevention** at http://www.cdc.gov/fluoridation/fact_sheets/cwf_qa.htm

Information on Radon

Water suppliers are required to provide information on the presence of radon in water sources. A known human carcinogen, radon is a radioactive gas that one cannot see, taste, or smell. Commonly found in soils throughout the United States, breathing air containing radon may lead to lung cancer. Drinking water containing radon may also cause increased risk of stomach cancer. Radon can seep up through the ground and into homes and other structures through cracks and holes in foundations. Over time, concentrations of the gas can increase to high levels potentially exposing inhabitants to greater health risks. It is possible that radon can also be released from tap water when used for showering, washing dishes, and other household activities. However, the concentration of radon released through tap water is in most cases assumed to be considerably lower than concentrations entering a home from underlying ground. If you are concerned about radon, you are advised to test the air in your home. Testing is inexpensive and easy. The EPA recommends taking measures to reduce radon levels in your home if concentrations are 4 PicoCuries per liter of air (pCi/L) or higher. For additional information, call your State radon program (1-800-745-7236), the EPA Safe Drinking Water Act Hotline at (1-800-426-4791), or call the National Safe Council Radon Hotline (1-800-SOS-RADON).

Water Conservation

Calleguas makes water conservation a priority and has long offered rebate programs for water conservation devices. Over the years, water saving technologies have advanced in both quality and effectiveness and these advancements have increased the number of rebate offerings.

In April 2105, Calleguas adopted a resolution implementing a water shortage allocation program and calling for extraordinary conservation efforts to reduce water use within its service area. Resources links for conservation issues are:

Education: <http://mwdh2o.com/mwdh2o/pages/education/h2o/h2o.html>

Rebates (SoCal WaterSmart): <http://socalwatersmart.com>

Water Savings Incentives (Community Partnering Plan):
<http://www.mwdh2o.com/mwdh2o/pages/yourwater/cpp/cpp.html>

Innovative Conservation Program: <http://www.bewaterwise.com/icp.html>

California Native Plant Society: <http://www.cnps.org>

Gardening Classes: <http://www.bewaterwise.com/training01.html>

More Information on Water Quality

Calleguas Municipal Water District

2100 Olsen Road • Thousand Oaks, CA 91360-6800
(805) 526-9323
<http://www.calleguas.com>

Metropolitan Water District of Southern California

Public Affairs • P.O. Box 54153 • Los Angeles, CA 90054-0153
(800) CALL MWD
www.mwdh2o.com

State Water Resources Control Board

Division of Drinking Water • 601 North 7th Street • Sacramento, CA 94234-7320
http://www.waterboards.ca.gov/drinking_water/programs

U.S. Environmental Protection Agency (WH-550)

Office of Ground Water & Drinking Water
401 M. Street, S.W. • Washington, D.C. 20460
Safe Drinking Water Hotline (800) 426-4791
<http://water.epa.gov/drink/index.cfm>

The Calleguas Municipal Water District Board of Directors meets on the first and third Wednesday of each month at 5:00 pm at the District's administration building, 2100 Olsen Road in Thousand Oaks. The public is welcome to attend these meetings.

bewaterwise.com[®]



Scott H. Quady, President

Thomas L. Slosson, Vice President

Andres Santamaria, Secretary

Andy Waters, Treasurer

Steve Blois, Director

Susan B. Mulligan, General Manager

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Salinity Management Pipeline, Phase 2B (Project No. 495) Summary of Change Orders

Description of Work	Reason	Cost (Credit) to Calleguas
Change Order No. 1 <i>(Approved by the General Manager February 10, 2015)</i>		
1-1 Pothole additional utilities.	During construction, the contractor encountered unmarked, unanticipated utilities along Hueneme Road that needed to be potholed. These utilities were not indicated on the Drawings, nor able to be located based on visible surface features. <i>(Could not reasonably have been anticipated during design)</i>	\$2,743.06
1-1 Use video inspection to locate sewer laterals along Dawson Drive.	During construction, the contractor found that some of the sewer laterals along Dawson Drive were not in the locations indicated on the Drawings, which were prepared based on record information provided by the City of Camarillo, and were not able to be located based on visible surface features. The contractor proposed video inspection as a time- and cost-saving measure to accurately locate the laterals for potholing. <i>(Could not reasonably have been anticipated during design)</i>	\$7,279.68
Change Order No. 2 <i>(Approved by the General Manager May 11, 2015)</i>		
2-1 Resurvey and re-stake the pipeline alignment at the south end.	During potholing, the contractor discovered that the location of the connection to the existing SMP 2A pipeline was in a slightly different location than shown on the Drawings. It was necessary to modify the pipeline alignment, so the contractor had to re-survey and re-stake the pipeline alignment. <i>(Could not reasonably have been anticipated during design)</i>	\$999.25
Change Order No. 3 <i>(Approved by the General Manager February 16, 2016)</i>		
3-1 Incorporate AVARV undergrounding into the Stormwater Pollution Prevention Plan (SWPPP).	Although the undergrounding of existing AVARVs along Hueneme Road was incorporated into the project, the addition of this work to the SWPPP was overlooked, so the contractor had to modify the SWPPP. <i>(Design omission)</i>	\$1,073.60
3-2 Install flanged coupling adaptors instead of PVC flanges.	Although the District had decided to use flange coupling adaptors in lieu of PVC flanges due to issues encountered on the first phase of the AVARV undergrounding, the necessary changes were not fully incorporated into the Contract Documents. To ensure long-term reliability, the District directed the contractor to install flanged coupling adaptors instead of PVC flanges. <i>(Design omission)</i>	\$18,302.11
3-3 Obtain a Right of Entry Agreement from Union Pacific Railroad (UPRR) to perform potholing in the railroad's right of way.	UPRR required the contractor to execute a separate Right of Entry Agreement prior to beginning work in UPRR right-of-way, even though the District and UPRR had previously executed a Pipeline Crossing Agreement. <i>(Could not reasonably have been anticipated during design)</i>	\$626.75

Salinity Management Pipeline, Phase 2B
Summary of Change Orders

Description of Work	Reason	Cost (Credit) to Calleguas
3-4 Resurvey and re-stake the pipeline alignment at the north end.	During potholing, the contractor discovered that some existing utilities at the north end of the alignment were in different locations than shown on the Drawings. It was necessary to modify the pipeline alignment, so the contractor had to re-survey and re-stake the pipeline alignment. <i>(Could not reasonably have been anticipated during design)</i>	\$4,131.60
3-5 Install guard posts around vaults in farmland.	During design, staff and Hamner Jewell & Associates discussed the potential need for guard posts in the farmland with the property owner, but the property owner did not want guard posts at that time. During construction, the property owner expressed concern that the vaults extending approximately 6 inches aboveground would not be sufficiently visible to drivers of farm equipment and guard posts were installed to improve visibility. <i>(Improvement requested during construction)</i>	\$9,704.48
3-6 Delete the requirement for replacement of landscaping within the City of Camarillo's jurisdiction.	The City requested that Calleguas reimburse the City for landscaping costs so that they may complete the work at a later time instead of having the contractor perform the work. <i>(Change required by the permitting agency)</i>	(\$2,708.32)
3-7 Pay for replacement of a damaged light in the Ventura County Transportation Commission (VCTC) parking lot.	During construction, the contractor's equipment hit an existing light in the VCTC parking lot. The City of Camarillo hired a contractor to replace the light, and asked the District to reimburse them for those costs. The District withheld the money from the contractor through this change order item. <i>(Reimbursement for property damage)</i>	(\$2,344.00)
Change Order No. 4 <i>(Approved by the Manager of Engineering May 23, 2016)</i>		
4-1 Perform additional pavement modifications in Dawson Drive in the vicinity of the Camarillo Feed Store	The Contract Documents required the installation of a pavement extension adjacent to the parking lot for the Camarillo Feed Store to facilitate temporary traffic control. Existing grades were significantly different from those shown on the plans and substantial additional pavement installation was necessary for safety. <i>(Could not reasonably have been anticipated during design)</i>	\$22,000.20
4-2 Delete the requirement to place slurry seal on streets within City of Camarillo jurisdiction.	The Contract Documents required the installation of slurry seal on all streets disturbed by excavation or temporary striping. Once construction was complete, the City of Camarillo required the use of crack seal prior to the slurry seal placement, although the crack seal was not required by the encroachment permit.	(\$75,882.21)

Salinity Management Pipeline, Phase 2B
 Summary of Change Orders

Description of Work	Reason	Cost (Credit) to Calleguas
	After extensive negotiations with both the Contractor and the City, it was determined that it would be most efficient and cost effective to delete the slurry seal requirement from this Contract and have Calleguas pay for the work as part of an upcoming Camarillo crack seal and slurry seal project, where economies of scale and competitive bidding would likely result in substantial cost savings. <i>(Change required by the permitting agency)</i>	
	Total	(\$14,054.00)

Original contract amount: \$8,822,000.00
 Change Orders: (\$14,054.00) (0.16%)
 New contract amount: \$8,807,946.00

BREAKDOWN OF CHANGE ORDERS BY CATEGORY	Amount	Percentage of Original Contract Amount
Design error	\$0	0%
Design omission	\$41,395.71	0.47%
Could not reasonably have been anticipated during design	\$15,780.34	0.18%
Improvement requested during construction	\$9,704.48	0.11%
Change required by the permitting agency	(\$78,590.53)	(-0.89%)
Reimbursement for property damage	(\$2,344.00)	-0.03%

**Salinity Management Pipeline, Phase 2D
(Project No. 508)
Summary of Change Orders**

Description of Work	Reason	Cost (Credit) to Calleguas
Change Order No. 1 (approved by the Project Manager August 13, 2015)		
1-1 Provide and install a project sign.	As part of the Proposition 84 funding requirements, Calleguas is required to post a project sign stating that the project is partially funded under that program. (improvement requested during construction)	\$2,226.95
Change Order No. 2 (approved by the Manager of Engineering March 21, 2016)		
2-1 Extend Casing No. 1 and revise the connection point to SMP 2C.	<p>Potholing identified several utilities that conflicted with the intended location of the launch pit for Casing No. 1. The launch pit was relocated to avoid the existing utilities which resulted in the need to extend Casing No. 1.</p> <p>Also, potholing of the connection point to SMP 2C found that the connection point was at a different location and angle than anticipated based on the SMP 2C record drawings. The connection point was redesigned to accommodate the as-found conditions. (could not reasonably have been anticipated during design)</p>	\$27,170.57
Total		\$29,397.52

Original contract amount:	\$6,906,506.00
Change Orders:	\$ 29,397.52 (0.43%)
New contract amount:	\$6,935,903.52

BREAKDOWN OF CHANGE ORDERS BY CATEGORY	Amount	Percentage of Original Contract Amount
Improvement requested during construction	\$2,226.95	0.03%
Could not reasonably have been anticipated during design	\$27,170.57	0.39%

GRANDSEN PUMP STATION, PHASE 2
(Project No. 500)
Summary of Change Orders

Description of Work	Reason	Cost (Credit) to Calleguas
Change Order No. 1 (approved by the Manager of Engineering June 6, 2016)		
1-1 Remove concrete obstruction to install communications line.	During construction of a 2" communications conduit, the Contractor encountered an unexpected concrete obstruction that had to be removed. <i>(could not reasonably have been anticipated during design)</i>	\$1,189.09
1-2 Remove excessive concrete encasement.	The Contract Documents require removal of portions of an existing 12" HDPE storm drain encased in concrete. Based on record drawings, the encasement was anticipated to be approximately 2 feet wide, but the encasement was discovered to be 11 feet wide. <i>(could not reasonably have been anticipated during design)</i>	\$3,629.05
1-3 Install No U-Turn signs at Spring Road median.	The City of Moorpark required the installation of No U-Turn signs in the median on Spring Road where it was modified to allow access of large vehicles to the site. The work included the provision of temporary U-Turn signs, installation of more permanent U-Turn signs for the duration of the project, removal of the signs at the end of the project, and traffic control associated with each of these activities. <i>(change required by the permitting agency)</i>	\$2,417.03
1-4 Remove concrete encasement.	The Contract Documents require removal of an existing slurry encased 24" HDPE storm drain and replacement with an 18" PVC storm drain. At one end, it was discovered that the storm drain was concrete encased and interfering portions of the encasement had to be removed. <i>(could not reasonably have been anticipated during design)</i>	\$1,280.50
1-5 Pothole an additional two locations on the existing 24" HDPE storm drain.	After the discovery of concrete encasement around the 24" HDPE storm drain (Item 1-4), staff was concerned that an unanticipated encasement might exist along the entire alignment. The Contractor was directed to pothole two additional locations to determine whether the 24" storm drain was encased and whether it could potentially be protected in place rather than replaced. <i>(could not reasonably have been anticipated during design)</i>	\$701.55
Total		\$9,217.22

Original contract amount:	\$20,271,000.00
Change Orders:	\$9,217.22 (0.045%)
New contract amount:	\$20,280,217.22

GRANDSEN PUMP STATION, PHASE 2
Summary of Change Orders

BREAKDOWN OF CHANGE ORDERS BY CATEGORY	Amount	Percentage of Original Contract Amount
Design error	\$0	0%
Design omission	\$0	0%
Could not reasonably have been anticipated during design	\$6,800.19	0.034%
Improvement requested during construction	\$0	0%
Change required by the permitting agency	\$2,417.03	0.012%
Reimbursement for property damage	\$0	0%

**CCNB/CCSB Broken Back Rehabilitation, Phase 1
(Project No. 532R)
Summary of Change Orders**

Description of Work	Reason	Cost (Credit) to Calleguas
Change Order No. 1 (approved by the Project Manager June 27, 2016)		
1-1 Delete Rehabilitation Location 111-102 from the Work.	The Contract Documents required the Contractor to locate the ends of the existing concrete encasements in order to install the cement-slurry in the correct location. During potholing of Location 111-102 (just west of Donkey Hill), it was discovered that the concrete encasement extended further than previously believed. The encasement extended to an adjacent manhole structure where the pipe is composed of welded steel. It is believed that this modification was made subsequent to original construction and was not documented in the District's record drawings. The Contractor was paid for his potholing costs and this location was deleted from the project as rehabilitation was found not to be necessary. <i>(Could not reasonably have been anticipated during design.)</i>	(\$44,969.55)
	Total	(\$44,969.55)

Original contract amount:	\$417,254.00
Change Orders:	-\$ 44,969.55 (-10.78%)
New contract amount:	\$372,284.45

BREAKDOWN OF CHANGE ORDERS BY CATEGORY	Amount	Percentage of Original Contract Amount
Could not reasonably have been anticipated during design	-\$44,969.55	-10.78%

RESOLUTION NO. 1893

A RESOLUTION OF THE BOARD OF DIRECTORS OF
CALLEGUAS MUNICIPAL WATER DISTRICT
APPROVING THE PLANS AND SPECIFICATIONS
AND CALLING FOR BIDS FOR LAS POSAS BASIN DEEP
GROUNDWATER MONITORING PROJECT, DEEP WELL NO. 1

THE BOARD OF DIRECTORS OF CALLEGUAS MUNICIPAL WATER
DISTRICT DOES HEREBY DETERMINE AND RESOLVES AS FOLLOWS:

SECTION 1. That Contract Documents for Project Number 527-1 for Las Posas Basin Deep Groundwater Monitoring Project, Deep Well No. 1, shall be and hereby are approved.

SECTION 2. That the proposed project is found to be exempt from the requirements of the California Environmental Quality Act as it meets Class 1 and 3 exemption criteria applicable to projects that 1) consist of minor alterations of existing public structures and facilities, involving negligible or no expansion of use beyond that existing, and 2) relate to construction and location of limited numbers of new, small facilities or structures and installation of small new equipment and facilities in small structures.

SECTION 3. That the Secretary of the Board of Directors shall certify to the adoption of this Resolution, and shall cause to be advertised by publishing a notice in the Ventura County Star, a newspaper of general circulation within said District. The notice shall direct readers to the Calleguas website for the complete Notice Inviting Bids for the project referred to in Section 1 of this Resolution.

Bids shall be received at the District Office, 2100 Olsen Road, Thousand Oaks, California 91360-6800, until the time and date specified in the Notice Inviting Bids for the Project, or any addenda thereto, at which time the bids will be opened.

ADOPTED, SIGNED AND APPROVED this sixth day of July, 2016.

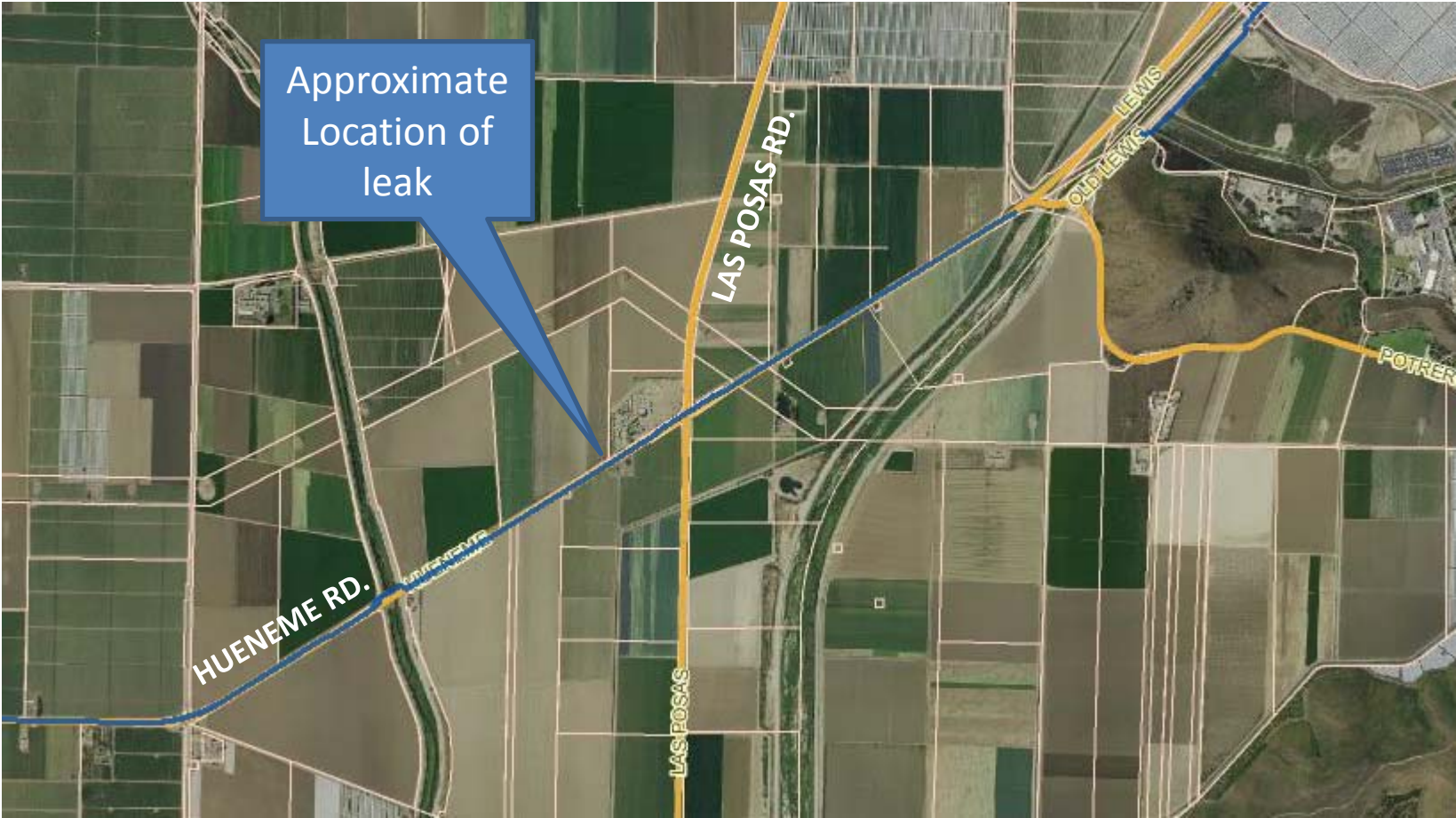
Scott H. Quady, President
Board of Directors

I HEREBY CERTIFY that the foregoing Resolution was adopted at a meeting of the Board of Directors of Calleguas Municipal Water District held on July 6, 2016.

ATTEST:

Andres Santamaria, Secretary
Board of Directors

(SEAL)



RESOLUTION NO. 1894

**RESOLUTION OF THE BOARD OF DIRECTORS OF
CALLEGUAS MUNICIPAL WATER DISTRICT
NOMINATING ANDY WATERS TO FILL THE TERM OF
1/1/2015 TO 1/1/2019 FOR THE ALTERNATE
SPECIAL DISTRICT MEMBER OF THE
VENTURA LOCAL AGENCY FORMATION COMMISSION**

WHEREAS, the Executive Officer of the Ventura Local Agency Formation Commission (LAFCo) has notified Calleguas Municipal Water District of an anticipated vacancy on LAFCo for an alternate member representing the independent special districts in Ventura County to fill the term from 1/1/2015 to 1/1/2019, and has issued a call for nominations to be submitted in writing pursuant to California Government Code Section 56332(c); and

WHEREAS, the Ventura County Independent Special District Selection Committee has adopted Rules and Regulations concerning vacancies on LAFCo and the time for consideration of candidates for appointment; and

WHEREAS, the Rules and Regulations of the Ventura County Independent Special District Selection Committee require that nominations shall be by resolution and candidates nominated shall submit a resume or candidate statement; and

WHEREAS, at the time and in the manner required by law, the Calleguas Municipal Water District Board of Directors met on July 6, 2016 to consider the call for nominations by the LAFCo Executive Officer;

NOW THEREFORE BE IT RESOLVED by the Calleguas Municipal Water District Board of Directors as follows:

1. Andy Waters is hereby nominated to fill the anticipated vacancy in the term beginning 1/1/2015 and expiring 1/1/2019 as the alternate member of the Ventura LAFCo representing independent special districts in Ventura County.
2. The General Manager shall transmit a signed copy of this Resolution and a copy of the resume or candidate statement for Andy Waters to the Ventura LAFCo Executive Officer.

ADOPTED, SIGNED AND APPROVED this sixth day of July, 2016.

AYES

NOES

ABSTAINS

Scott H. Quady, President
Board of Directors

I HEREBY CERTIFY that the foregoing Resolution was adopted at a meeting of the Board of Directors of Calleguas Municipal Water District held on July 6, 2016.

ATTEST:

Andres Santamaria, Secretary
Board of Directors

(SEAL)



VENTURA LOCAL AGENCY FORMATION COMMISSION

COUNTY GOVERNMENT CENTER • HALL OF ADMINISTRATION

800 S. VICTORIA AVENUE • VENTURA, CA 93009-1850

TEL (805) 654-2576 • FAX (805) 477-7101

WWW.VENTURA.LAFCO.CA.GOV

INDEPENDENT SPECIAL DISTRICTS IN VENTURA COUNTY

As of June 2016

1. Bardsdale Public Cemetery District
2. Bell Canyon Community Services District*
3. Blanchard/Santa Paula Library District*
4. Calleguas Municipal Water District*
5. Camarillo Health Care District*
6. Camrosa Water District*
7. Casitas Municipal Water District*
8. Channel Islands Beach Community Services District
9. Conejo Recreation & Park District*
10. El Rancho Simi Public Cemetery District
11. Fillmore-Piru Memorial District
12. Fox Canyon Groundwater Management Agency*
13. Hidden Valley Municipal Water District
14. Meiners Oaks Water District*
15. Montalvo Community Services District*
16. Ojai Valley Sanitary District*
17. Ojai Water Conservation District*
18. Oxnard Drainage District No. 1
19. Oxnard Drainage District No. 2*
20. Oxnard Harbor District*
21. Piru Public Cemetery District
22. Pleasant Valley County Water District
23. Pleasant Valley Recreation & Park District*
24. Rancho Simi Recreation & Park District*
25. Saticoy Sanitary District*
26. Triunfo Sanitation District*
27. United Water Conservation District*
28. Ventura County Resource Conservation District*
29. Ventura Port District
30. Ventura River County Water District*

* Special Districts that have provided written consent to conduct the election via email.