

CALLEGUAS MUNICIPAL WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
October 17, 2018

**MINUTES**

The meeting of the Board of Directors of Calleguas Municipal Water District was held at the District Office, 2100 Olsen Road, Thousand Oaks, California, on October 17, 2018.

The meeting was called to order by Thomas L. Slosson, President of the Board, at 5:00 p.m.

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

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

Staff Present: Susan Mulligan, General Manager  
Tony Goff, Manager of Operations and Maintenance  
Henry Graumlich, Manager of Strategic Planning  
Kristine McCaffrey, Manager of Engineering  
Dan Smith, Manager of Finance and Human Resources  
Kara Wade, Clerk of the Board

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

**B. MINUTES**

On a motion by Director Blois, seconded by Director Waters, the Board of Directors voted 5-0 to approve the October 3, 2018 minutes.

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

On a motion by Director Blois, seconded by Director Waters, the Board of Directors voted 5-0 to approve the October 10, 2018 minutes.

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

**C. WRITTEN COMMUNICATION**

None

#### D. ORAL COMMUNICATION

None

#### E. GENERAL MANAGER

##### 1. 25-Year Service Pin for General Manager

The Board President gave a 25-year service pin to the General Manager, who talked about how Calleguas has changed during that period.

Director Slosson said that Item F-3 would be heard at this time.

#### F. FINANCE AND HUMAN RESOURCES

##### 3. Adoption of the District's Debt Management Policy

Jim Bemis of Montague DeRose & Associates, Calleguas' Financial Advisor, said that, per Senate Bill 1029 passed in 2016, Calleguas is required to have a Debt Management Policy in place when it issues bonds. Although there are no plans in the immediate future to issue bonds, it is advisable to have the policy in place well in advance of any issuance in order to begin implementing the procedures in the Debt Management Policy. The policy also provides clear Board guidance to staff on these matters.

The draft Debt Management Policy was prepared by Montague DeRose & Associates and presented to the Board in detail on August 31, 2018. No changes have been made to the policy since that time.

Mr. Bemis also reviewed guidelines that are not mandated by the draft policy, but which could be established in the future by the Board, including:

- debt service coverage goal above the minimum required,
- desired minimum cash on hand,
- preferred size and frequency of borrowing,
- desired Moody's and Standard and Poor's rating, and
- percentage of capital projects expenditures paid with PAYGO funding.

The General Manager said that these guidelines would be brought back to the Board at another time for consideration.

On a motion by Director Blois, seconded by Director Waters, the Board of Directors voted 5-0 to adopt the District's Debt Management Policy.

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

NOES: None

**1. September 2018 Water Use and Sales, August 2018 Power Generation, and September 2018 Investment Summary Reports**

The Manager of Finance and Human Resources presented the reports. No action was taken.

**2. Disbursements for the District's monthly activities for September 2018**

Director Waters presented the disbursement report. The Board asked questions and the managers answered them.

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

AYES: Directors Waters, Quady, Santamaria, Slosson

NOES: None

ABSTAIN: Director Blois

**4. Investment Report for quarter ending September 30, 2018**

The Manager of Finance and Human Resources presented the report. No action was taken.

**G. OPERATIONS AND MAINTENANCE**

**1. Discussion regarding approval of a budget increase in the amount of \$50,000 for Vehicle Replacements**

The Manager of Operations and Maintenance said that the District maintains a fleet of over 50 vehicles and replaces approximately 4 to 5 vehicles per year, based on vehicle age, mileage, escalating maintenance costs, and usage. This budget year, staff needs to replace two additional vehicles that were not scheduled for replacement. Unit 4, a 2007 Ford Ranger, experienced catastrophic engine failure. Unit 27, a 2016 Ford F150, was destroyed in a fire while parked along the 23 Freeway. Unit 27 is the District's DigAlert vehicle and staff was on foot in the field marking pipelines when the truck ignited. Highway Patrol witnessed fuel leaking from the engine compartment and engulfing the vehicle in flames. A claim has been submitted to ACWA JPIA for Unit 27.

The Board previously approved a vehicle budget of \$159,000, and all vehicles that staff planned to purchase in the current fiscal year have been purchased. Additional funds are needed to replace these two vehicles that unexpectedly broke down. Both vehicles are required to perform necessary operation and maintenance functions. The budget increase will allow for purchase of these unscheduled replacement vehicles.

Director Waters asked about the timing of the insurance claim and payment, and staff said both vehicles are needed now and that the insurance money will be deposited in the appropriate account when it is received.

On a motion by Director Santamaria, seconded by Director Quady, the Board of Directors voted 5-0 to approve the budget increase.

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

2. Discussion regarding Resolution No. 1955, approving the specifications and calling for bids for a contract to perform as-needed landscape maintenance and weed abatement services

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
CALLEGUAS MUNICIPAL WATER DISTRICT  
APPROVING THE SPECIFICATIONS AND CALLING FOR BIDS  
FOR A LANDSCAPE MAINTENANCE SERVICES AGREEMENT

The Manager of Operations and Maintenance said that the purpose of this requested action is to authorize a call for bids for a contract to perform weed abatement services at the District's properties to comply with annual Fire Department property clearance notices and perform as-needed landscape maintenance, and weed and brush removal, at large properties. The total cost of the work is approximately \$72,000 per year.

The bids will establish hourly rate schedules for labor, equipment, and materials and the bid totals will be based on hypothetical hours to perform the District's current annually contracted workload. The contract will be for one year with an option for the District to renew the contract annually for up to two additional years.

On a motion by Director Waters, seconded by Director Blois, the Board of Directors voted 5-0 to approve Resolution No. 1955. Resolution No. 1955 is attached and made part of these minutes.

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

## H. RESOURCES AND PUBLIC AFFAIRS

None

## I. ENGINEERING AND CONSTRUCTION

### 1. Change Order Report for Q3 2018

The Manager of Engineering said that Change Order summaries were provided for the following projects:

- Wellfield Emergency Generators (Project No. 494)
- Grandsen Pump Station, Phase 2 (Project No. 500)
- Plastic Pipe Storage Project (Project No. 534)
- Anode Well Replacement (Project No. 539) (Completed)

Dam, Dike 1, and Springville Reservoir Erosion Repair and Drainage Improvements (Project No. 565) did not have any change orders during the reporting period. No action was taken.

### 2. Discussion regarding Amendment No. 1 to the Agreement to Install Monitoring Well on Parcel No. 500-0-200-025 (Daryl Edward Smith and Susan Lillis Smith)

The Manager of Engineering said that, in April 2017, the Board approved the Agreement to Install Monitoring Well (Agreement) on the above-referenced property. The Agreement provides the District access to install a deep groundwater monitoring well and, once construction of the well is complete, requires the property owner to grant an easement for the well.

At the time the original Agreement was executed, staff was continuing to negotiate with a second property owner to install an additional monitoring well, with the goal of bidding and constructing both monitoring wells as a single project. Due to the many challenges encountered in negotiating the agreement with the second property owner, as well as the time required to complete the design, bidding, and award for both monitoring wells, construction has not yet begun. The project was awarded in September and has a completion date in May 2019.

The original Agreement included compensation for the removal of avocado trees within the monitoring well work area. In anticipation of construction, the property owner removed the existing avocado trees in November 2017. The amendment provides additional compensation in the amount of \$2,000 to account for lost production based on the expectation by the property owner that construction of the monitoring well would have commenced earlier. At the request of the property owner, the agreement provides for an additional \$2,000 to be paid if the work is not completed a year from now, which is unlikely.

Walt Wendelstein of Cohen & Burge reviewed the amendment.

On a motion by Director Waters, seconded by Director Blois, the Board of Directors voted 5-0 to authorize the President of the Board and General Manager to execute the amendment.

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

**3. Discussion regarding approval of a capital project budget allocation in the amount of \$77,583 for the North Pleasant Valley Desalter SMP Discharge Station (Project No. 574)**

The Manager of Engineering said that the City of Camarillo and the District entered into an agreement on April 18, 2018 to construct a discharge station to enable Camarillo's North Pleasant Valley Groundwater Desalter to discharge brine to the Salinity Management Pipeline (SMP). Since that time, preliminary design has been completed and additional budget allocation is needed to move forward with design.

In accordance with the agreement, Camarillo is responsible for the costs of the work and no work will be authorized until a deposit for this phase is received. This budget covers design; construction costs will follow once the design is complete.

On a motion by Director Blois, seconded by Director Quady, the Board of Directors voted 5-0 to approve the capital project budget allocation.

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

**4. Discussion regarding approval of a capital project budget allocation in the amount of \$116,000 for the Hueneme Road Culvert Rehabilitation (Project No. 573)**

The Manager of Engineering said that a section of a precast concrete box culvert in the County of Ventura's jurisdiction in Hueneme Road east of Olds Road settled due to construction of the SMP, Phase 1A, and the project is no longer within the warranty period. MNS Engineers, Inc. has completed design of the repairs and traffic control plans and applied for the encroachment permit from the County of Ventura; additional budget allocation is needed to move forward with construction of the repairs. Blois Construction, Inc. will perform the work under the As-Needed Pipeline Services Contract.

On a motion by Director Waters, seconded by Director Santamaria, the Board of Directors voted 4-0-1 to approve the capital project budget allocation.

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

**J. STRATEGIC PLANNING**

None

**K. DISTRICT COUNSEL**

None

**L. 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 meetings they planned to attend.

**3. Metropolitan update**

Director Blois said that the Metropolitan Board modified procedures for Board approval of capital projects to reflect the shift from a small number of large projects building new infrastructure, to a large number of small rehabilitation projects. He also said that a maximum contaminant level set by the State Water Resources Control Board within the past year for 1,2,3-trichloropropane (TCP) has eliminated the aqueduct pump back capability from much of the Central Valley groundwater banking supply.

**M. CLOSED SESSION**

**1. Pursuant to Government Code Section 54957 (personnel exemption), Employee Performance Evaluation – General Manager**

At 6:31 p.m., Director Slosson adjourned to Closed Session to discuss Item M-1 as stated on the agenda.

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**CLOSED SESSION CONTINUING**  
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At 6:55 p.m., Director Slosson reconvened the meeting to Open Session.

Regarding M-1, on a motion by Director Quady, seconded by Director Blois, the Board of Directors voted 5-0 to grant a 2.2% pay increase to the General Manager's salary.

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

**N. OTHER BUSINESS**

None

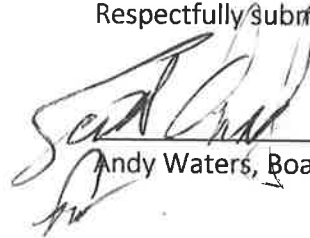
**O. FUTURE AGENDA ITEMS**

None

**P. ADJOURNMENT**

Director Slosson declared the meeting adjourned at 6:59 p.m.

Respectfully submitted,



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Andy Waters, Board Secretary