

CALLEGUAS MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS MEETING
February 20, 2019

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 February 20, 2019.

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
Eric Bergh, Manager of Resources
Tony Goff, Manager of Operations and Maintenance
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 Santamaria, seconded by Director Blois, the Board of Directors voted 4-0-1 to approve the February 6, 2019 minutes.

AYES: Directors Blois, Quady, Santamaria, Slosson

NOES: None

ABSTAIN: Director Waters

C. WRITTEN COMMUNICATION

1. Letter to Mauricio Guardado supporting a United Water Conservation District Proposition 1 Grant Funding Proposal for the Coastal Brackish Water Treatment Plant

The General Manager said that, at the request of the United Water Conservation District, Calleguas sent a support letter for a grant application to fund groundwater modeling to determine the functionality of production wells in preventing seawater

intrusion on the Oxnard Plain. Brackish water produced from the wells would be treated and delivered to pumpers in lieu of pumping, with brine discharged to the Salinity Management Pipeline. No action was taken.

D. ORAL COMMUNICATION

None.

E. GENERAL MANAGER

None.

F. FINANCE AND HUMAN RESOURCES

1. January 2019 Water Use and Sales, December 2018 Power Generation, and January 2019 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 January 2019

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

On a motion by Director Quady, seconded by Director Santamaria, 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

3. Discussion regarding approval of a budget increase in the amount of \$92,000 for the purchase of two new vehicles for new staff positions

The Manager of Finance and Human Resources said that on January 16th the Board approved new positions for the O&M department. During the discussion and presentation, the Board was informed that the new positions would require the District to obtain two new vehicles to allow District staff to operate at the required level of efficiency. However, when staff presented the proposed changes to the Board, it neglected to request the budgeted funds needed to purchase these vehicles in the current budget year. The two new positions in the Electro-Mechanical Division need a utility truck with a crane and utility bed at a cost of \$67,000 and the new position in the Controls Systems Division needs a light duty vehicle at a cost of \$25,000.

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

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

NOES: None

G. OPERATIONS AND MAINTENANCE

None.

H. RESOURCES AND PUBLIC AFFAIRS

1. Status of California WaterFix

The Manager of Resources reviewed the history of attempts to build a conveyance facility across the Sacramento-San Joaquin Delta from the early 20th century to the present. He then described the levee strengthening and repair activities that would create a pathway for delivery of fresh water to the south delta after a seismic event causing levee failures and intrusion of seawater. The Board discussed concerns about supply reliability implications of the recent decision by Governor Newsom to reduce the number of tunnels from two to one and how that decision might affect Calleguas' planning for the future. No action was taken.

2. Water Supply Update

The Manager of Resources gave a brief update on water supply conditions. No action was taken.

I. ENGINEERING AND CONSTRUCTION

1. Discussion regarding leak and settlement investigations at Lindero Pump Station No. 2 (Toe of Dam)

The Manager of Engineering and the Manager of Operations & Maintenance described activities that have been performed to investigate settlement and potential leakage in the vicinity of Lindero Pump Station No. 2 (also known as Toe of Dam or TOD). No action was taken.

2. Discussion regarding the use of an unlisted subcontractor for welding on the Las Posas Basin Deep Groundwater Monitoring Project, Deep Wells No. 2 and No. 3, Project No. 527-2

The Manager of Engineering said that the Public Contract Code requires that contractors list in their bid all subcontractors that will perform more than ½ of 1 percent of the contractor's total bid amount. The purpose of this provision is to prevent contractors from "bid shopping" and driving subcontractor prices down after

a contract has already been awarded. According to Section 4109 of the Public Contract Code, a contractor may only use a subcontractor that is not listed in their bid "in cases of public emergency and necessity, and then only after a finding reduced to writing as a public record of the awarding authority setting forth the facts constituting the emergency or necessity."

The Las Posas Basin Deep Groundwater Monitoring Project, Deep Wells No. 2 and No. 3, consists of constructing two new monitoring wells. During the submittal review process, the Engineer determined that much of the casing in Monitoring Well No. 2 (the deeper of the two at approximately 1,650 feet) needs to be comprised of steel, rather than the specified polyvinyl chloride (PVC), because the PVC cannot structurally support the weight of the casing or resist the pressure of the well backfill and seal materials at those depths. This steel casing must be welded. This change in materials has been addressed in a Change Order that did not require Board approval.

Since welding was not anticipated in the project as originally bid and the contractor, Cascade Drilling, L.P., does not have the expertise in-house to perform the welding work, a qualified welding subcontractor is needed. Although the final cost of the subcontracted work is not yet known, it is anticipated that the cost for the welding subcontractor (Ultra Welding, Inc., of Palmdale) may total more than ½ of 1 percent of the original contract amount (or \$4,998.80).

Staff recommends that the Board make a finding per Public Contract Code Section 4109 that the use of an unlisted subcontractor for welding for the Las Posas Basin Deep Groundwater Monitoring Project, Deep Wells No. 2 and No. 3 is a necessity.

On a motion by Director Blois, seconded by Director Waters, the Board of Directors voted 5-0 to make a determination pursuant to Public Contract Code Section 4109 that the use of an unlisted subcontractor for welding for the Las Posas Basin Deep Groundwater Monitoring Project, Deep Wells No. 2 and No. 3 is a necessity.

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

J. STRATEGIC PLANNING

None

K. DISTRICT COUNSEL

None

L. BOARD OF DIRECTORS

1. Discussion regarding Resolution No. 1961, Nominating its ACWA JPIA Board Member to the California Water Insurance Fund Board

A RESOLUTION OF THE BOARD OF DIRECTORS
OF CALLEGUAS MUNICIPAL WATER DISTRICT
NOMINATING ITS ACWA JPIA BOARD MEMBER TO THE
CALIFORNIA WATER INSURANCE FUND BOARD
AN ACWA JPIA CAPTIVE INSURANCE COMPANY

The General Manager said that ACWA JPIA has established a captive insurance company called the California Water Insurance Fund (CWIF). It is a wholly owned private insurance company set up in Utah and is expected to save members money with discounted excess and reinsurance costs, higher investment earnings, and a wider variety of risk financing options. CWIF is owned by the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA), has its own Board of Directors, and is managed by ACWA JPIA staff.

There are two positions to be filled on the CWIF Board of Directors. An election will be held during the ACWA JPIA Board of Directors' meeting at the spring conference in Monterey. For the initial term, these two positions will be filled for three years each. Thereafter, they will be two-year terms.

Director Quady has represented Calleguas on the ACWA JPIA Board of Directors for the past six years and has expressed interest in serving on the CWIF Board of Directors. Candidates must be nominated by resolution by their own agency and receive concurring resolutions from three other ACWA JPIA members. Work is underway to obtain concurring nominations.

On a motion by Director Waters, seconded by Director Blois, the Board of Directors voted 5-0 to adopt Resolution No. 1961 nominating Director Quady to serve on the CWIF Board of Directors. Resolution No. 1961 is attached and made part of these minutes.

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

NOES: None

2. 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.

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

The Board discussed meetings they planned to attend.

4. Metropolitan update

Director Blois said that the Metropolitan Board approved a Turf Replacement Program increase from \$1 to \$2 per square foot and received updates on rehabilitation of Greg Avenue Pump and historic low demands due to the recent rains.

M. CLOSED SESSION

None

N. OTHER BUSINESS

None

O. FUTURE AGENDA ITEMS

The General Manager said that Yuba County Water Agency and Santa Clarita Valley Water Agency had requested that Calleguas adopt concurring resolutions to nominate Brent Hastey and Jerry Gladbach respectively to the ACWA JPIA Executive Committee. These resolutions will be placed on the March 6, 2019 agenda for consideration.

P. ADJOURNMENT

Director Slosson declared the meeting adjourned at 7:22 p.m.

Respectfully submitted,



Andy Waters, Board Secretary