

CALLEGUAS MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS MEETING
May 15, 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 May 15, 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
Scott Quady, Treasurer
Andy Waters, Secretary
Steve Blois

Director Absent: Andres Santamaria, Vice President

Staff Present: Eric Bergh, Interim General Manager/Manager of Resources
Dan Drugan, Resource Programs Administrator
Tony Goff, Manager of Operations and Maintenance
Henry Graumlich, Manager of Strategic Planning
Kristine McCaffrey, Manager of Engineering
Sue Taylor, Accounting Supervisor
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 Quady, the Board of Directors voted 3-0-1 to approve the April 3, 2019 minutes.

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

C. WRITTEN COMMUNICATION

None

D. ORAL COMMUNICATION

None

E. GENERAL MANAGER

1. Public hearing and discussion regarding amendments to Ordinance No. 18, Covering the Authority of Officers to Execute Contracts and Instruments

ORDINANCE NO. 18

AN ORDINANCE OF CALLEGUAS MUNICIPAL WATER DISTRICT
COVERING THE AUTHORITY OF OFFICERS TO EXECUTE CONTRACTS
AND INSTRUMENTS

At 5:02 p.m., President Slosson opened the Public Hearing. There was no public comment. At 5:03 p.m., President Slosson closed the Public Hearing.

The Interim General Manager said that, at its April 3, 2019 meeting, the Board voted to hold a public hearing to adopt amendments to Ordinance No. 18 increasing the limit at which a formal bid process is required for materials procurement. This change increases the General Manager's signatory authority for materials procurements from \$34,999 to \$49,999. A Notice of Public Hearing was posted on the District's notice boards and advertised in the Ventura County Star on April 8 and 29. To date, the District has received no comments from the public regarding this matter.

On a motion by Director Quady, seconded by Director Waters, the Board of Directors voted 4-0 to approve the amended Ordinance No. 18. The amended Ordinance No. 18 is attached and made part of these minutes.

AYES: Directors Blois, Waters, Quady, Slosson

NOES: None

ABSENT: Director Santamaria

Director Slosson said that Item H-1 on the agenda would be heard at this time.

H. RESOURCES AND PUBLIC AFFAIRS

1. Public hearing and discussion regarding Resolution No. 1967 to submit an application for change of organization and initiate Ventura Local Agency Formation Commission proceedings regarding the District's operation of the Salinity Management Pipeline (SMP)

RESOLUTION OF APPLICATION OF THE BOARD OF DIRECTORS
OF CALLEGUAS MUNICIPAL WATER DISTRICT
TO INITIATE VENTURA LOCAL AGENCY FORMATION COMMISSION
PROCEEDINGS REGARDING THE DISTRICT'S
OPERATION OF THE SALINITY MANAGEMENT PIPELINE

At 5:04 p.m., President Slosson opened the Public Hearing. There was no public comment. At 5:05 p.m., President Slosson closed the Public Hearing.

The Resource Programs Administrator said that Ventura Local Agency Formation Commission (LAFCo) staff provided an opinion that operation of the SMP by the District constitutes a wastewater service. LAFCo has taken the position that the District is not currently authorized to provide wastewater services and that the District must submit a request for activation of the latent power to provide wastewater services related to the operation of the SMP. While District staff disagrees with the opinion of LAFCo staff on this matter, in the spirit of cooperation and to avoid a protracted dispute, staff recommends that the District submit an application to initiate LAFCo proceedings.

Per Government Code Section 56824.12, prior to submitting a resolution of application to LAFCo, the District shall conduct a public hearing on the resolution. Notice of a public hearing was posted in the Ventura County Star as required in accordance with Government Code Sections 56153, 56154 and 6061. To date, the District has received no comments from the public regarding this matter.

On a motion by Director Waters, seconded by Director Blois, the Board of Directors voted 4-0 to approve Resolution No. 1967. Resolution No. 1967 is attached and made part of these minutes.

AYES: Directors Blois, Waters, Quady, Slosson

NOES: None

ABSENT: Director Santamaria

Director Slosson said that Item I-1 on the agenda would be heard at this time.

I. ENGINEERING AND CONSTRUCTION

- 1. Discussion regarding approval of a capital project budget increase in the amount of \$250,000 for ASR Monitoring Wells - Las Posas Basin Deep Groundwater Monitoring Project (Project No. 527)**

The Manager of Engineering said that the Las Posas Aquifer Storage and Recovery Wellfields extract stored water from the Las Posas Groundwater Basin for delivery during emergencies or scheduled maintenance events that prevent delivery of imported water. 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, provide data for groundwater modeling efforts, and support Sustainable Groundwater Management Act (SGMA) planning and implementation. The wells are designed to enable monitoring at multiple depths to assess both the lateral and vertical movement of stored water.

The original capital project budget was based on preliminary estimates by staff; however, the costs for the deep monitoring wells constructed to date or currently under construction are higher than those in the original capital project budget due to the need for full-time inspection during construction, changes in well design, and higher bid prices for well drilling due to SGMA.

Initially, based on the bid cost, it was believed that the remaining capital project budget would be sufficient for construction of Monitoring Well Nos. 2 and 3 (additional capital project budget would still have been needed for future wells). However, during well construction, significant modifications have been needed to the design for Monitoring Well No. 2. To ensure that there is sufficient capital project budget to safely complete both Monitoring Well No. 2 and 3, staff believes it is prudent to request a capital project budget increase of \$250,000 at this time.

This capital project budget increase only covers the anticipated costs for Monitoring Well Nos. 2 and 3. The overall monitoring program will be reassessed in light of the higher than anticipated costs and groundwater litigation in the next few months.

On a motion by Director Blois, seconded by Director Quady, the Board of Directors voted 4-0 to approve the budget increase.

AYES: Directors Blois, Waters, Quady, Slosson

NOES: None

ABSENT: Director Santamaria

F. FINANCE AND HUMAN RESOURCES

1. April 2019 Water Use and Sales, March 2019 Power Generation, and April 2019 Investment Summary Reports

The Accounting Supervisor presented the subject reports. No action was taken.

2. Disbursements for the District's monthly activities for April 2019

Director Quady presented the disbursement report. The Board asked questions, which the managers answered.

On a motion by Director Quady, seconded by Director Waters, the Board of Directors voted 3-0-1 to approve the outstanding bills for payment.

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

G. OPERATIONS AND MAINTENANCE

1. Discussion regarding Resolution No. 1968 to award the contract for standby generator maintenance services and authorization of a budget of \$200,000

A RESOLUTION OF THE BOARD OF DIRECTORS
OF CALLEGUAS MUNICIPAL WATER DISTRICT
AWARDING THE CONTRACT FOR
STANDBY GENERATOR MAINTENANCE
SERVICES FOR THE DISTRICT

The Manager of Operations and Maintenance said that the purpose of this requested action is to award a contract to perform preventative and corrective maintenance services on Calleguas' 16 standby generators to Duthie Power Services of Long Beach, California. Calleguas received two bids at the May 7, 2019 bid opening. The bid proposal established a lump sum rate for annual preventative maintenance on all 16 generators for a three-year period and included an hourly rate schedule for labor, equipment, and materials for as-needed corrective maintenance. Staff recommends award of the contract to Duthie Power Services and that the Board approve a budget of \$200,000 to cover the three-year period.

On a motion by Director Blois, seconded by Director Waters, the Board of Directors voted 4-0 to approve Resolution No. 1968. Resolution No. 1968 is attached and made part of these minutes.

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

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 provided an overview of topics discussed at recent Metropolitan committee and Board meetings, including Lake Powell and Lake Mead storage increases due to wet conditions. He said that Metropolitan's end of year storage is anticipated to be a record high.

M. CLOSED SESSION

None

N. OTHER BUSINESS

Director Blois expressed his interest in continuing to serve on the Association of California Water Agencies (ACWA) Region 8 Board. As such, the Interim General Manager stated that a resolution of support will be agendaized for the June 5 Board meeting.

O. FUTURE AGENDA ITEMS

None

P. ADJOURNMENT

Director Slosson declared the meeting adjourned at 6:10 p.m.

Respectfully submitted,



Andy Waters, Board Secretary