

CALLEGUAS MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS MEETING
September 4, 2019

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 September 4, 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
Andy Waters, Secretary
Scott Quady, Treasurer
Steve Blois, Director

Staff Present: Tony Goff, General Manager
Dan Drugan, Manager of Resources
Rob Peters, 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 Quady, seconded by Director Blois, the Board of Directors voted 4-0-1 to approve the August 21, 2019 minutes, as corrected per Director Blois.

AYES: Directors Blois, Quady, Santamaria, Slosson

NOES: None

ABSTAIN: Director Waters

C. WRITTEN COMMUNICATION

1. Letter dated August 22, 2019 Oppose – AB 1580 (Levine): Major Infrastructure Construction Projects

The Manager of Resources said that Calleguas expressed opposition to AB 1580 through this coalition letter. AB 1580 requires a state agency undertaking a publicly-funded major infrastructure construction project that costs \$1 billion or more, excluding transportation projects, to form an oversight committee to act as the authority for critical decisions regarding the project. As written, the bill is ambiguous and has the potential to impact the work of the Delta Conveyance Design and Construction Authority. No action was taken.

D. ORAL COMMUNICATION

None

E. GENERAL MANAGER

1. August 2019 Monthly Status Report

The Board asked questions, which the General Manager and department managers answered. No action was taken.

F. FINANCE AND HUMAN RESOURCES

1. Second Quarter 2019 Capital Project Report

The Manager of Finance and Human Resources said that this report provides a snapshot of the financial activity that has occurred on the District's capital projects, the overall amount spent to date on each project, the phase each project has been budgeted through, and the estimated date the current phase will be completed. During the current quarter, five projects have been completed. The completed projects had a combined cost of approximately \$4.6 million and all were completed within budget. No action was taken.

2. Discussion regarding approval of a capital project budget allocation in the amount of \$2,100,000 for the Crestview Well 8 (Project No. 585)

The Manager of Finance and Human Resources said that, on September 19, 2018, the Board approved an agreement with Crestview Mutual Water Company (Crestview) to reimburse Crestview up to \$2,100,000 of construction costs for a new well, in exchange for a commitment that Crestview will deliver a minimum of 3 cubic feet per second of water for up to 6 months to Calleguas if requested. To simplify the accounting for this

project, staff is requesting to establish a capital project to track the costs as the reimbursements will be ongoing for up to five years.

The original agenda item allocated \$500,000 to the Contributed Capital to Others account in FY 2018-19. None of this budget was used during that fiscal year. Staff is requesting to allocate \$2,100,000 to this project to match the reimbursement cap established in the agreement. The costs for this project will continue to be expensed through the Contributed Capital to Others account but the budget will be included in the capital project and reported to the Board through the Quarterly Capital Projects Report.

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

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

G. OPERATIONS AND MAINTENANCE

None

H. RESOURCES AND PUBLIC AFFAIRS

1. Discussion regarding Future Supply Actions Funding Agreements for the Los Robles Groundwater Utilization Pilot Study

The Manager of Resources said that, in January 2019, the Metropolitan Board approved funding for a study proposal submitted by Calleguas on behalf of the City of Thousand Oaks (City). Metropolitan awarded \$292,800 to the City's Los Robles Groundwater Utilization Pilot Study, which will evaluate reverse osmosis and closed-circuit reverse osmosis treatment of brackish groundwater produced by a groundwater well located at the Los Robles Greens Golf Course. The study will also test the performance of greensand filtration as pre-treatment to reverse osmosis.

As structured, the prime agreement for Future Supply Actions (FSA) funding is exclusively between Metropolitan and Calleguas. Calleguas, in turn, plans to enter into a separate agreement with the City to pass on all obligations, responsibilities, and liabilities contained in the Metropolitan agreement. Staff and legal counsel worked extensively on development of the separate agreement. The District's role will be limited to coordination of required invoicing and reporting from the awarded purveyor as well as to directly pass-through funds received from Metropolitan.

On a motion by Director Blois, seconded by Director Santamaria, the Board of Directors voted 5-0 to authorize the General Manager to execute the documents required to

enter into Future Supply Actions Funding Agreements with Metropolitan Water District and the City of Thousand Oaks.

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

2. Discussion regarding Future Supply Actions Funding Agreements for the Arroyo Las Posas Feasibility Study

The Manager of Resources said that, in January 2019, the Metropolitan Board approved funding for a study proposal submitted by Calleguas on behalf of the Ventura County Waterworks District No. 1 (VCWWD). Metropolitan awarded \$120,000 to VCWWD's Arroyo Las Posas Stormwater Diversion Feasibility Study. VCWWD will perform a percolation test utilizing state-of-the-art technology developed by the Lawrence Berkeley National Laboratory. The test will estimate the permeability of the subsurface and provide engineered design to improve permeability.

As structured, the prime agreement for FSA funding is exclusively between Metropolitan and Calleguas. Calleguas, in turn, plans to enter into a separate agreement with VCWWD to pass on all obligations, responsibilities, and liabilities contained in the Metropolitan agreement. Staff and legal counsel worked extensively on development of the separate agreement. The District's role will be limited to coordination of required invoicing and reporting from the awarded purveyor as well as to directly pass-through funds received from Metropolitan.

On a motion by Director Waters, seconded by Director Blois, the Board of Directors voted 5-0 to authorize the General Manager to execute the documents required to enter into Future Supply Actions Funding Agreements with Metropolitan Water District and Ventura County Waterworks District No. 1.

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

I. ENGINEERING AND CONSTRUCTION

1. Discussion regarding Resolution No. 1978, award of the contract for As-Needed Pipeline Services and authorization of a budget of \$400,000

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF CALLEGUAS MUNICIPAL WATER DISTRICT
AWARDING THE CONTRACT FOR AS-NEEDED PIPELINE SERVICES**

The Manager of Engineering said that, on August 20, 2019, the District received three bids for As-Needed Pipeline Services, ranging from \$77,584.50 to \$88,358.33. The bid prices were based on a hypothetical project where bidders applied their bid markup to equipment costs from Caltrans rates, labor costs from prevailing wage rates, and materials. District staff has reviewed the bids and recommends awarding to the lowest responsive and responsible bidder, Lash Construction, Inc. Staff estimates that approximately \$400,000 per year of work will be completed under this contract, with all work performed on an as-needed basis. Lash Construction, Inc., meets the experience requirements to perform the work. The contract will be effective for one year from execution of the contract with an option to renew annually for up to two additional years if Calleguas so desires.

On a motion by Director Waters, seconded by Director Santamaria, the Board of Directors voted 5-0 to adopt Resolution No. 1978. Resolution No. 1978 is attached and made part of these minutes.

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

NOES: None

2. Approval of a new capital project: Santa Rosa Hydro Improvements (Project No. 582)

The Manager of Engineering said that the Oxnard Santa Rosa (OSR) Feeder, Las Posas Feeder, Santa Rosa Hydro, and Miscellaneous Valve Improvements (Project No. 442) is comprised of improvements recommended by Northwest Hydraulic Consultant's surge analysis for the OSR Feeders and Las Posas Feeder and improvements requested by the O&M Department to improve reliability and operability and reduce the risk of failure of aging components. The improvements are similar in nature and were grouped into a single project to enable cost effective implementation.

Of the improvements contained in Project No. 442, several involve Santa Rosa Hydro as follows:

- Modification of the Santa Rosa Hydro Station bypass into a pressure regulation station.
- Replacement of the existing inlet and outlet valves at Santa Rosa Hydro.
- Replacement of two existing pressure transmitters and installation of a flow meter and differential pressure transmitter at Pressure Regulating Station No. 7.
- Replacement of outdated electrical equipment and control panels at Santa Rosa Hydro.

As design has progressed, the complexity of the improvements at Santa Rosa Hydro has hindered the overall progress of the project. Staff and the design engineer believe that splitting the Santa Rosa Hydro improvements into a separate project will enable more timely implementation of Project No. 442. Additionally, establishing a separate project will significantly reduce the complexity of the shutdowns required for the combined

project. Two smaller, less complex projects may also result in a more competitive bidding environment.

The anticipated construction cost is approximately \$2.2 million. More detail was provided in the Capital Project Information Sheet and Capital Project Evaluation Sheet.

On a motion by Director Blois, seconded by Director Quady, the Board of Directors voted 5-0 to approve the new capital project and budget of \$860,000.

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

NOES: None

3. Discussion regarding approval of professional services by Perliter & Ingalsbe to perform design for the Santa Rosa Hydro Improvements (Project No. 582), for an amount not-to-exceed \$680,116

The Manager of Engineering said that, as described above, staff recommends that the Santa Rosa Hydro Improvements be split into a separate project from the Oxnard-Santa Rosa Feeder, Las Posas Feeder, Santa Rosa Hydro, and Miscellaneous Valve Improvements (Project No. 442) to facilitate timely implementation and simplify shutdown requirements. While much of the design effort will be similar, producing a separate set of Contract Documents for the project does result in some additional cost. However, staff feels the benefits described above justify that cost. The scope of work and budget for the design of Project No. 442 will be reduced accordingly.

Perliter & Ingalsbe is performing the design for Project No. 442 and has already completed a portion of the design work for the Santa Rosa Hydro Improvements that will be transferred to this project. Their work on the project to date has been of good quality and they have a history of excellent design work for the District.

On a motion by Director Blois, seconded by Director Santamaria, the Board of Directors voted 5-0 to approve the professional services.

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

NOES: None

J. STRATEGIC PLANNING

None

K. DISTRICT COUNSEL

None

L. BOARD OF DIRECTORS

1. Oral report 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 there was no report.

M. CLOSED SESSION

None

N. OTHER BUSINESS

None

O. FUTURE AGENDA ITEMS

None

P. ADJOURNMENT

Director Slosson declared the meeting adjourned at 5:35 p.m.

Respectfully submitted,



Andy Waters, Board Secretary

