

CALLEGUAS MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS MEETING
September 18, 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 September 18, 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: Anthony Goff, General Manager
Eric Bergh, Manager of Resources
Dan Drugan, Manager of Resources
Rob Peters, 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 Santamaria, the Board of Directors voted 5-0 to approve the September 4, 2019 minutes.

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

C. WRITTEN COMMUNICATION

None

D. ORAL COMMUNICATION

None

E. GENERAL MANAGER

1. Approval of wheeling of water by the City of Oxnard for Cloverdale Mutual Water Company

The General Manager said that Cloverdale Mutual Water Company (Cloverdale) is located north 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. Cloverdale is supplied by two wells and both are close to exceeding the Maximum Contaminant Level (MCL) level for nitrate. Should the wells fail future water quality tests, Cloverdale will be required to shut down the only supply of water to their residents. The City of Oxnard stands ready to supply Cloverdale with safe drinking water via a 4-inch connection from a City fire hydrant. A location map of the affected area was included in the Board packet for reference.

Calleguas' policies and agreements prohibit delivery of water from inside the service area to unannexed areas outside the service area. However, the situation with Cloverdale can be characterized as a potential water quality emergency. Consumption of drinking water that is high in nitrates can be harmful, especially for infants and pregnant women. Nitrate is a regulated drinking water contaminant with an established State MCL.

The City of Oxnard and Cloverdale are in the process of drafting an Out of Agency Service Agreement that would be executed in the event Cloverdale's water supplies exceed the MCL for nitrate. The agreement would detail an arrangement whereby Cloverdale returns 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 Cloverdale, so there would be no net movement of water outside the Calleguas service area. Essentially Oxnard would be conveying Cloverdale's groundwater through Oxnard's facilities (well and pipes) to the Cloverdale water system, which can be characterized as wheeling. The Board approved similar terms in 2016 for Rio Manor Mutual Water Company and a copy of the approval letter was included in the Board packet for reference.

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 recommended that the Board approve this wheeling arrangement on the following conditions:

1. The agreement between Oxnard and Cloverdale clearly characterizes the arrangement as "water wheeling."
2. For each acre-foot of water delivered from the City to Cloverdale, the Fox Canyon Groundwater Management Agency transfers one acre-foot of groundwater credits from Cloverdale 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.

3. The agreement shall be reviewed by Calleguas to ensure consistency with the District's policies prior to final approval by Oxnard and Cloverdale.

On a motion by Director Santamaria, seconded by Director Quady, the Board of Directors voted 5-0 to approve wheeling of water by the City of Oxnard for Cloverdale Mutual Water Company subject to certain conditions.

As set forth on the agenda for this item, a letter will also be sent by Calleguas staff to Cloverdale documenting Board approval, and offering to work with Cloverdale to identify state agencies and programs that could provide funding and assistance for annexation to improve water supply reliability.

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

NOES: None

The General Manager presented Rob Peters, Manager of Operations and Maintenance, with a plaque from the Association of California Water Agencies Joint Powers Insurance Authority for completion of management certification courses in the areas of Supervisor Basics, Operations, and Human Resources.

Director Slosson said that Item H-2 on the agenda would be heard at this time.

H. RESOURCES AND PUBLIC AFFAIRS

2. Discussion regarding Resolution No. 1981, certifying the Final Environmental Impact Report, making required findings, and adopting a Mitigation Monitoring and Reporting Program for the Calleguas MWD/Las Virgenes MWD Interconnection Project

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CALLEGUAS MUNICIPAL WATER DISTRICT CERTIFYING
THE FINAL ENVIRONMENTAL IMPACT REPORT,
MAKING REQUIRED FINDINGS, AND ADOPTING
A MITIGATION MONITORING AND REPORTING PROGRAM
FOR THE CALLEGUAS MUNICIPAL WATER DISTRICT / LAS VIRGENES MUNICIPAL WATER
DISTRICT INTERCONNECTION PROJECT

Manager of Resources Eric Bergh said that, following the close of the mandatory 45-day public review period on August 16, staff responded to comments received and incorporated changes into the Final Environmental Impact Report (FEIR), as necessary. All public comments and District responses were included in Section 9 of the FEIR.

The Manager of Resources provided a brief overview of the FEIR, required findings, and Mitigation Monitoring and Reporting Program.

On a motion by Director Blois, seconded by Director Santamaria, the Board of Directors voted 5-0 to approve Resolution No. 1981. Resolution No. 1981 is attached and made part of these minutes.

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

E. GENERAL MANAGER

The General Manager shared with the Board that he had conducted a two day Management Retreat. He said that the first day was spent learning about the managers' work history, management style and philosophy, departmental functions, and goals for the coming year. The second day was spent with the management team clarifying and communicating their values, and identifying opportunities to increase collaboration and efficiency.

F. FINANCE AND HUMAN RESOURCES

1. August 2019 Water Use and Sales, July 2019 Power Generation, and August 2019 Investment Summary Reports

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

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

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

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

G. OPERATIONS AND MAINTENANCE

1. Discussion regarding Resolution No. 1979, call for bids for pump maintenance services

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

The Manager of Operations and Maintenance said that the contract is to perform corrective maintenance and rehabilitation services on the District's distribution and water treatment pump assemblies on an as-needed basis. The contract will be effective from January 1, 2020 through December 31, 2020 with an option to renew annually for up to two additional years. Services will be billed as time-and-material tasks. The average annual cost of these services over the past several years has been \$57,000, but, since the required work depends on the ongoing rehabilitation requirements, there is no specific value for the contract. At the time of contract award, the Board will be asked to approve a three year not-to-exceed amount of \$200,000 for the work that may be performed under this contract.

On a motion by Director Waters, seconded by Director Blois, the Board of Directors voted 5-0 to approve Resolution No. 1979. Resolution No. 1979 is attached and made part of these minutes.

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

H. RESOURCES AND PUBLIC AFFAIRS

1. Discussion regarding Resolution No. 1980, approving the North Pleasant Valley Desalter Project 2014 Local Resources Program Agreement

A RESOLUTION OF THE BOARD OF DIRECTORS OF
CALLEGUAS MUNICIPAL WATER DISTRICT
APPROVING THE NORTH PLEASANT VALLEY DESALTER PROJECT
2014 LOCAL RESOURCES PROGRAM AGREEMENT
AMONG THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, CALLEGUAS
MUNICIPAL WATER DISTRICT, AND
CITY OF CAMARILLO

Manager of Resources Dan Drugan said that the City of Camarillo (Camarillo) is seeking funding to assist with construction and operation of the North Pleasant Valley Desalter Project. This action would approve in principle the draft agreement among Calleguas, Metropolitan, and Camarillo regarding participation in Metropolitan's Local Resources Program. According to Camarillo, the facility would produce approximately 3,800 acre-feet per year of recovered groundwater. This water is expected to offset an equal amount of imported water. Metropolitan would contribute a sliding scale incentive with a maximum of \$340 per acre-foot of actual qualified yield for the 25-year duration of the agreement. Funds would be transferred to Camarillo via a credit on the Metropolitan bill to Calleguas and a corresponding credit on Calleguas' bill to Camarillo.

On a motion by Director Quady, seconded by Director Blois, the Board of Directors voted 5-0 to approve Resolution No. 1980. Resolution No. 1980 is attached and made part of these minutes.

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

I. ENGINEERING AND CONSTRUCTION

1. Discussion regarding approval of professional services by Brierley Associates to perform Phase 2 of the Study of Seismic Impacts to the Santa Susana Tunnel (SSISST) for an amount not to exceed \$343,384

The Manager of Engineering said that Calleguas receives 100% of its potable water supply through the 1.3-mile-long, 96-inch-diameter Santa Susana Tunnel, which was completed in 1962. Since the tunnel is in a seismically active region and is an important asset, Calleguas recently performed Phase 1 of a seismic vulnerability assessment to determine the potential modes of failure, projected extent of damage, and recovery projections, including duration of anticipated outages.

Phase 1 determined that the tunnel could be at risk of experiencing damage from a worst-case scenario earthquake, so Phase 2 will include:

- Developing mitigation measures (improvements) that can be implemented to minimize the potential for damage resulting from a worst-case scenario earthquake. Potential improvements may include reinforcing sections of the tunnel near the portals and fault zones. A bypass system may need to be installed to redirect water through the tunnel to implement improvements.
- Providing feasible repair options that can be quickly employed if the tunnel is damaged during a significant earthquake. Options include identifying proactive measures that Calleguas can take to return the tunnel to a usable level of service quickly. A bypass system may be needed to implement any repairs.
- Preparing a final report summarizing the work and findings.

Brierley Associates performed well on Phase 1 of this work and has again assembled a qualified, experienced team for Phase 2.

The Manager of Engineering provided a brief overview of the anticipated work.

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

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

2. Discussion regarding Grant Deed, Easement Deed, and Temporary Construction Easement Deed for LVMWD-CMWD Interconnection, Project No. 450 (Rancho Simi Recreation & Park District), located east of Lindero Canyon Rd. between Blackbird Ave. and the Ventura County line

The Manager of Engineering said that this right of way acquisition is for the interconnection pump station and pressure regulating station (PS/PRS) for the LVMWD-CMWD Interconnection, just north of the Ventura County line near the intersection of Lindero Canyon Road and Blackbird Avenue (as shown on the enclosed map). The PS/PRS will be constructed on an approximately 0.8-acre property to be purchased in fee from Rancho Simi Recreation & Park District (RSRPD). The right-of-way acquisition also includes an easement for access and utilities and a temporary construction easement to provide sufficient work area. These property rights were also shown on the enclosed map. Calleguas agreed to pay RSRPD \$100,000 for all of the necessary property rights.

On a motion by Director Santamaria, seconded by Director Blois, the Board of Directors voted 5-0 to authorize the President of the Board and the General Manager to sign the certificates of acceptance for the Grant Deed for Parcel CMWD 6000, Easement Deed for CMWD 6001, and Temporary Construction Easement Deed for 6002T.

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

NOES: None

3. Discussion regarding approval of a capital project budget increase in the amount of \$100,000 for LVMWD-CMWD Interconnection (Project No. 450)

The Manager of Engineering said that when the capital project budget for design was requested it was assumed that right-of-way costs for the PS/PRS site would be nominal (the appraised value was \$7,374). However, based upon a negotiated agreement between Calleguas and RSRPD, Calleguas will pay \$100,000 for the property rights.

More detail was provided in the Capital Project Information and Evaluation Sheets.

On a motion by Director Blois, 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

4. Discussion regarding the Multi-Agency Cooperative Funding Agreement

The Manager of Engineering said that the Regional Brine Management Study would enable the Las Virgenes – Triunfo Joint Powers Authority, City of Thousand Oaks, Camrosa Water District, and Calleguas to investigate a joint solution to the conveyance, treatment, and reuse of recycled water and brine discharge in the Malibu and Calleguas Creek Watersheds. The participating agencies have selected Woodard & Curran to perform the Regional Brine Management Study and Las Virgenes Municipal Water District will serve as the contracting agency. This Multi-Agency

Cooperative Funding Agreement formalizes the terms of the cost-sharing arrangement among the agencies. Calleguas' share of the costs would be \$37,473.50.

Walt Wendelstein of Cohen & Burge reviewed the agreement. A copy of the agreement was included in the packet.

On a motion by Director Santamaria, seconded by Director Quady, the Board of Directors voted 5-0 to authorize the General Manager to execute the agreement.

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

NOES: None

J. STRATEGIC PLANNING

The Manager of Strategic Planning briefed the Board on comments he made regarding the State's water resilience portfolio initiative. On September 12, he addressed the Los Angeles Regional Water Quality Control Board at the listening session with the State Water Resources Control Board for the water resilience portfolio. The Manager of Strategic Planning spoke on behalf of Calleguas Creek watershed interests working to balance water quality objectives with water supply reliability.

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 Metropolitan's letter regarding the State's water resilience portfolio initiative, low water sales due to conservation and reduced water demands, and details of Metropolitan's Direct Use Pilot Program for developing and monitoring stormwater capture for on-site use.

M. CLOSED SESSION

None

N. OTHER BUSINESS

None

O. FUTURE AGENDA ITEMS

None

P. ADJOURNMENT

Director Slosson declared the meeting adjourned at 6:32 p.m.

Respectfully submitted,



Andy Waters, Board Secretary