

CALLEGUAS MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS MEETING
December 16, 2020

MINUTES

The meeting of the Board of Directors of Calleguas Municipal Water District was held telephonically and via videoconference in accordance with Executive Orders N-25-20, N-29-20, and N-33-20 of the State of California on December 16, 2020.

The meeting was called to order by Andres Santamaria, Vice President of the Board, at 5:00 p.m.

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

Directors Present via Videoconference: Andres Santamaria, Vice President
Scott Quady, Treasurer
Andy Waters, Secretary
Steve Blois, Director
Raul Avila, Director

Staff Present at District Headquarters and Participating via Videoconference: Dan Drugan, Manager of Resources
Rob Peters, Manager of Operations and Maintenance
Dan Smith, Manager of Administrative Services

Staff Present via Videoconference: Anthony Goff, General Manager
Henry Graumlich, Associate General Manager
Kristine McCaffrey, Manager of Engineering
Kara Wade, Clerk of the Board

Legal Counsel Present via Videoconference: Robert Cohen, Cohen & Burge, LLP, District Counsel
Walt Wendelstein, 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 December 2, 2020 minutes.

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

C. WRITTEN COMMUNICATION

1. Letter Supporting the Oxnard Harbor District/Port of Hueneme's "SPARC Project" Grant Application

The General Manager said that Calleguas expressed support for the Oxnard Harbor District/Port of Hueneme's (OHD/PH) grant application to the California Office of Emergency Services to fund its Secure Power Availability & Resiliency for Our Community (SPARC) Project. OHD/PH presented the SPARC Project during the December 1 Ventura County Special Districts Association meeting. Grant funds would support an energy blueprint study and a plan for the Port of Hueneme to transition to zero-emissions and mitigate public safety power shutoffs.

D. PUBLIC FORUM/ORAL COMMUNICATION

None

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

L. BOARD OF DIRECTORS

1. Board member welcome and introductions

The General Manager welcomed and introduced new Board member Raul Avila. The new and existing Board members then shared their background information and provided their perspectives on District related issues. No action was taken.

E. GENERAL MANAGER

1. General Manager's Report

- On December 2, the General Manager attended the Metropolitan Member Agency Managers Working Group Meeting, led by Calleguas' Associate General Manager, which included a discussion of issues to be covered at the December Metropolitan Water District of Southern California (Metropolitan) Board meetings.
- On December 4, the General Manager, Manager of Administrative Services, and Manager of Operations and Maintenance prepared and submitted COVID-19 costs incurred by the District to the Ventura County Special Districts Association (VCSDA). The VCSDA is undertaking an effort to pursue funds under the Federal CARES Act to provide some financial relief to special districts that have incurred COVID-19-related expenses.
- On December 10, the General Manager, Manager of Engineering, Manager of Resources, and Associate General Manager met the City of Oxnard's Public Works Director, Assistant Public Works Director, and Water Utility Manager to discuss multiple water resource planning efforts.

- On December 11, the General Manager and Associate General Manager attended the Metropolitan Member Agency Managers meeting where updates on their rate refinement process, Integrated Resources Plan, Urban Water Management Plan, and leak detection program were discussed.
- On December 15, the General Manager and Associate General Manager met with members of an Ojai Valley water advisory group to discuss water resource planning.

F. ADMINISTRATIVE SERVICES

1. November 2020 Water Use and Sales, October 2020 Power Generation, and November 2020 Investment Summary Reports

The Manager of Administrative Services presented the subject reports. No action was taken.

2. Disbursements for the District's monthly activities for November 2020

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 4-0-1 to approve the outstanding bills for payment.

AYES: Directors Avila, Waters, Quady, Santamaria

NOES: None

ABSTAIN: Director Blois

3. Discussion regarding employee cost of living adjustment and revised salary schedule

The Manager of Resources said that Section 12.4.2 (b) of Calleguas' Administrative Code states: "In December of each year, the General Manager shall recommend to the Board a percentage cost-of-living adjustment (COLA) based on the Federal Consumer Price Index (CPI) Report for the 12 month period ending in November for the urban area in closest proximity to the District. Any COLA approved by the Board shall become effective January 1 and apply to salaries, tuition reimbursement amounts, special duty incentive pay, and daily on-call duty pay. The COLA does not apply to the salaries of the General Manager and District Counsel."

Calleguas has high quality, lean, and hardworking staff, and it was recommended that the Board approve a COLA effective January 1, 2021 and adopt the resultant revised salary schedule. The increase in the CPI from November 2019 to November 2020 is 1.0%. The budget for the current fiscal year assumed an increase of 2.0%.

On a motion by Director Blois, seconded by Director Quady, the Board of Directors voted 5-0 to approve a cost of living adjustment of 1.0% effective January 1, 2021 and adopt a revised salary schedule.

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

G. OPERATIONS AND MAINTENANCE

1. Discussion regarding professional services by Pure Technologies for eddy current inspection of Calleguas Conduit North Branch Unit 1 for an amount not to exceed \$111,826

Calleguas has performed eddy current inspection periodically on its pre-stressed concrete cylinder pipelines (PCCP) to measure the number of wire breaks in the pre-stressed wires, inspecting all of its PCCP pipes at least once in the past 15 years. The number of wire breaks is an indicator of whether the pipeline is at potential risk of failure. If the number of wire breaks exceeds a minimum threshold, then a strengthening project, such as carbon fiber or steel lining, can be implemented to significantly reduce the risk of failure. Eddy current technology is the industry standard for such inspections, and is the method used by Metropolitan.

The year's inspection schedule covers 1.9 miles of 78-inch Calleguas Conduit North Branch. The inspection work involves conveying an eddy current device through dewatered pipelines. Results from that inspection are then analyzed to determine the number of wire breaks in each pipeline and compiled into a report with a detailed table of all pipes identified with broken wires.

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

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

H. RESOURCES AND PUBLIC AFFAIRS

1. Discussion regarding Metropolitan's 2021 Legislative Priorities and Principles

The Manager of Resources said that Metropolitan's recently adopted 2021 Legislative Priorities and Principles are included in the Board Packet as an information item. No action was taken.

2. Water Supply Update

The Manager of Resources provided an update on water supplies. No action was taken.

I. ENGINEERING AND CONSTRUCTION

1. Discussion regarding Temporary Construction Easement Deed, Easement Deed, and Right of Way Agreement for Calleguas-Las Virgenes Interconnection, Project No. 450 (Oak Park First Plaza LLC), located on the southeast corner of Lindero Canyon and Kanan Rds. in Oak Park, California, on APN 685-0-330-055

The Manager of Engineering said that, in order to complete the construction of the Calleguas-Las Virgenes Interconnection, several easements at the northwest corner of the subject property are needed: a utility easement for Calleguas' facilities, a utility easement for Southern California Edison facilities to serve the new Calleguas facilities, and a temporary construction easement. The District and its right-of-way agent attempted to work with the underlying property owner, Oak Park First Plaza, LLC, in good faith to negotiate financial compensation for the required easements, but ultimately negotiations failed and the Board adopted a Resolution of Necessity to initiate an eminent domain lawsuit on July 15, 2020.

Negotiations between Oak Park First Plaza, LLC and the District's right-of-way agent have continued, and revised easement deeds and a Right of Way Agreement have been developed. Key provisions of the arrangement are as follows:

- Calleguas will pay \$42,543.50 for all of the necessary easements, consistent with the independent appraisal obtained by the property owner. (The previous offer was \$25,368 in accordance with the appraisal prepared by the District's appraiser.)
- Once escrow closes, Calleguas will dismiss the eminent domain lawsuit with prejudice.

The Right of Way Agreement and Deeds were reviewed by Todd Amspoker of Price Postel & Parma, right-of-way legal counsel.

On a motion by Director Blois, seconded by Director Quady, the Board of Directors voted 5-0 to authorize the Vice President of the Board and the General Manager to sign the certificates of acceptance for the Temporary Construction Easement Deed for CMWD Parcel No. 2205T and Easement Deed for CMWD Parcel No. 2205, and execute the Right of Way Agreement on behalf of the District.

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

NOES: None

2. Discussion regarding approval of a capital project budget increase in the amount of \$105,000 for LVMWD-CMWD Interconnection (Project No. 450)

The LVMWD-CMWD Interconnection is a cost-effective means of improving the reliability and flexibility of Calleguas' and Las Virgenes Municipal Water District's (LVMWD's) potable water systems. The interconnection will improve the ability of Calleguas and LVMWD to provide potable water to their customers during an interruption in imported water supply to either agency. The interconnection includes the following main components:

- Underground Pump Station and Pressure Regulating Station (PS/PRS).
- 30-inch diameter interconnection pipeline from the PS/PRS to a connection to an existing Calleguas pipeline at the intersection of Kanan Rd. and Lindero Canyon Rd.
- Relocated Triunfo Water & Sanitation District (TWSD) Turnout (to replace the existing Falling Star Turnout) at the intersection of Kanan Rd. and Lindero Canyon Rd.

The expenditures associated with right-of-way acquisition have been higher than anticipated as follows:

- As described in the agenda item above, the price paid for the easements for the relocated TWSD turnout is higher than anticipated.
- Although a negotiated agreement was reached with the property owner, significant assistance from Right-of-Way Legal Counsel and the District's right-of-way agent was necessary to file the eminent domain case and support the negotiation efforts.

Additionally, the level of effort associated with the instrumentation and control aspects of the project, particularly the extensive coordination required with LVMWD, has resulted in higher than anticipated costs for Engineering and Operations & Maintenance staff and consultants.

While design, permitting, and right-of-way acquisition are nearly completed, to ensure that there is sufficient capital project budget to complete these efforts, staff believed it prudent to request a capital project budget increase of \$105,000.

It should be noted that, due to staff's efforts, the Department of Water Resources has awarded this project \$3.5 million in funding under the Proposition 1 Integrated Regional Water Management Implementation Grant Program.

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

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

NOES: None

J. WATER POLICY AND STRATEGY

The Associate General Manager provided a summary of his participation in a regional stakeholder meeting of the California Water Commission to discuss conveyance. The Water Commission is assessing the State's role in financing conveyance to help regions adapt to climate change and meet State policy goals. Participating in a panel presentation, the Associate General Manager provided an overview of how regional conveyance in Ventura County could promote water supply resilience, protect natural ecosystems, supplement over-drafted groundwater resources, and secure safe drinking water for disadvantaged communities.

K. DISTRICT COUNSEL

District Counsel said that a Case Management Conference regarding Phase 2 of the Las Posas Adjudication trial was held on December 11. District Counsel also provided a general overview of the various phases of the trial.

L. BOARD OF DIRECTORS

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 provided an update on the Metropolitan committee and Board meetings held on December 7, 8, and 15. He reported that the Integrated Resource Plan (IRP) is proceeding well. The IRP has a twenty-year planning horizon and is updated every five years. The recruitment process for a new general manager for Metropolitan is also proceeding with the job description and desired qualities to be considered by the Board in January. Director Blois also reported that Chairwoman Gray's appointment of Board committee chairs and vice chairs was delayed by a counterproposal and lack of Board consensus on how to proceed. The appointments were tabled pending reconsideration in January.

M. CLOSED SESSION

None

N. OTHER BUSINESS

None

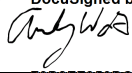
O. FUTURE AGENDA ITEMS

None

P. ADJOURNMENT

Director Santamaria declared the meeting adjourned at 6:29 p.m.

Respectfully submitted,

DocuSigned by:


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Andy Waters, Board Secretary