

CALLEGUAS MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS MEETING
March 17, 2021

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 March 17, 2021.

The meeting was called to order by Steve Blois, President of the Board, at 5:00 p.m.

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

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

Staff Present at District Headquarters and Participating via Videoconference: Anthony Goff, General Manager
Dan Drugan, Manager of Resources
Rob Peters, Manager of Operations and Maintenance

Staff Present via Videoconference: Henry Graumlich, Associate General Manager
Kristine McCaffrey, Manager of Engineering
Dan Smith, Manager of Administrative Services
Sue Taylor, Accounting Supervisor
Jennifer Lancaster, Principal Resource Specialist
Kara Wade, Clerk of the Board

Legal Counsel Present via Videoconference: Robert Cohen, Cohen & Burge, LLP, District Counsel

Bond Attorney Present via Videoconference: Kevin Civile, Stradling Yocca Carlson & Rauth

Financial Advisor Present via Videoconference: Jim Bemis, Montague DeRose and Associates

Underwriter Present via Videoconference: Michael Engelbrecht, Wells Fargo

Consultant Present via Christopher Tull, California Data Collaborative, Project Manager
Videoconference:

B. MINUTES

On a motion by Director Santamaria, seconded by Director Avila, the Board of Directors voted 5-0 to approve the March 3, 2021 minutes.

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

NOES: None

C. WRITTEN COMMUNICATION

None

D. PUBLIC FORUM/ORAL COMMUNICATION

None

E. GENERAL MANAGER

None

F. ADMINISTRATIVE SERVICES

1. Discussion regarding proposed Resolution No. 2009, approving and directing the execution of the Indenture of Trust, an Official Statement, a Purchase Contract, Escrow Instructions, and a Continuing Disclosure Agreement, and directing certain related actions in connection with the refinancing of the District's obligations with respect to the Calleguas Refunding Revenue Bonds, 2014 Series A

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CALLEGUAS MUNICIPAL WATER DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$39,320,000 PRINCIPAL AMOUNT OF WATER REVENUE REFUNDING BONDS, SERIES 2021A; AUTHORIZING AND DIRECTING EXECUTION OF AN INDENTURE OF TRUST, ESCROW INSTRUCTIONS, A CONTINUING DISCLOSURE AGREEMENT AND A BOND PURCHASE CONTRACT; AUTHORIZING THE SALE OF BONDS; APPROVING AN OFFICIAL STATEMENT AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO

The Manager of Administrative Services said that, in 2014, the District issued its Refunding Revenue Bonds, 2014 Series A (the "Prior Obligations"). The Prior Obligations are secured solely by the net operating revenues pledged by the District.

Economic conditions are currently favorable to allow the District to refund the Prior Obligations through the issuance of refunding bonds (the “Bonds”) directly by the District. The Prior Obligations are callable on July 1, 2024, and, under federal tax laws, the District is able to complete the advanced refunding and issue taxable bonds. There is also legislation currently pending in Congress that might allow the District to refund these bonds with tax-exempt bonds. There is additional language in the resolution to allow the District to refund the Prior Obligations using this method if the pending legislation is enacted into law, and if this refunding qualifies.

The resolution authorizes the District to issue refunding bonds in an amount not to exceed \$39,320,000. The funds would be used to pay off the Prior Obligations as well as establish a reserve fund if it is deemed necessary. Staff is not currently proposing the establishment of a reserve, but included the reserve amount in the resolution to ensure funding is available. The current net present value of the savings is estimated at \$1,781,000 and represents savings of approximately 5.22% of the outstanding balance of the Prior Obligations. The resolution also establishes a minimum of 3% savings for this transaction to proceed. It is typical for these types of refunding proposals to achieve approximately 3% savings.

Staff explained that the resolution also approves several documents required for the transaction. The documents were all carefully and thoroughly reviewed by the District’s financial advisor, bond counsel, Manager of Administrative Services, and/or General Manager, as appropriate to their areas of responsibility and expertise. Below is a brief summary of the resolution and each of the documents.

The Resolution: The resolution approves the proposed refunding and the form of the financing documents, establishes certain parameters for the financing (maximum size of \$39,320,000, minimum present value savings of 3.00%, and no extension of maturity), and directs staff to finalize the refunding.

Indenture of Trust: This document is the contract between the District and U.S. Bank National Association, as trustee (the “Trustee”) on behalf of the Bondholders. The Indenture contains the mechanics of the Bonds (e.g., interest rates, time of payment, redemption provisions, pledge of Net System Revenues, events of defaults), and also contains certain covenants of the District relating to the Debt Service Payments (e.g., promise not to issue additional debt secured by the Net System Revenue without meeting certain conditions). The terms of the Indenture are consistent with the requirements of the District’s previously adopted Master Resolution related to the issuance of bonds.

Continuing Disclosure Agreement: This document is mandated by the Securities and Exchange Commission and establishes that the District will annually provide information concerning the Bonds. The District has already been providing such information in connection with the Prior Obligations.

Official Statement: This is the disclosure document to be provided to potential purchasers of the Bonds, and contains information on the Bonds, the District, the system, and the current financial condition of the District.

Purchase Contract: This document is the contract between the District and the Underwriter, and provides that the Underwriter will purchase the Bonds on a specific date, at specific interest rates and at a specific price. The final terms will be included on the pricing date for the Bonds.

Escrow Instructions: The Escrow Instructions, between the Authority and U.S. Bank National Association, as trustee and escrow agent for the Prior Obligations, must be consented to by the District. Proceeds of the refunding Bonds will be deposited under the Escrow Instructions in an amount to pay principal of and interest on the Prior Obligations until July 1, 2024, and the redemption price of the Prior Obligations on such date.

Conclusion

Staff explained that the resolution will provide for the issuance and delivery of the Bonds and an estimated present value savings of \$1,781,000. It should be noted that the amount of the authorization is larger than the amount expected to be needed so that staff has the flexibility to respond to market conditions. The resolution also establishes a minimum of 3% savings, below which the transaction would not take place.

The District's bond counsel, financial advisor, and underwriter attended the meeting to answer questions.

On a motion by Director Avila, seconded by Director Santamaria, the Board of Directors voted 5-0 to adopt Resolution No. 2009. Resolution No. 2009 is attached and made part of these minutes.

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

2. February 2021 Water Use and Sales, January 2021 Power Generation, and February 2021 Investment Summary Reports

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

3. Disbursements for the District's monthly activities for February 2021

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

On a motion by Director Quady, seconded by Director Avila, the Board of Directors voted 4-0-1 to approve the outstanding bills for payment.

AYES: Directors Waters, Avila, Quady, Santamaria

NOES: None

ABSTAIN: Director Blois

G. OPERATIONS AND MAINTENANCE

None

H. RESOURCES AND PUBLIC AFFAIRS

1. Discussion regarding Imported Water Outage Protocol – February 2021 Fact Sheet and Memorandum *Information only*

The Manager of Resources said that the Imported Water Outage Protocol (IWOP) is a planning-effort intended to formalize demand reduction actions with District purveyors in the event of a medium to long-term outage of imported water. Development of an IWOP stems from the District's Water Supply Alternatives Study as a recommended next step in Calleguas' water outage planning.

In March 2020, Calleguas entered into an agreement with California Data Collaborative (CaDC) to assist with the creation of an allocation model that could be utilized in the event of a catastrophic interruption of water supply. Findings from the allocation model and methodologies studied are discussed in the February 2021 IWOP Memorandum. Included in the Board Packet was a single-page Fact Sheet that summarizes the IWOP Memorandum.

Staff provided a presentation to the Board and discussed next steps for the IWOP. 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. Engineering & Construction Committee Report

Committee Chair Blois summarized the discussion from the Engineering & Construction Committee meeting held on March 16, 2021. He said there are evolving projects that are being prioritized and responded to over time. He noted that certain future projects will include electric vehicle charging stations. No action was taken.

2. Discussion regarding approval of a capital project budget allocation in the amount of \$26,000,000 for LVMWD-CMWD Interconnection (Project No. 450)

The Manager of Engineering said that the LVMWD-CMWD Interconnection is a cost-effective means of improving the reliability and flexibility of Calleguas' and 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. For Calleguas, the interconnection is a means of receiving potable water for its customers from LVMWD if Calleguas experiences an outage that doesn't affect LVMWD's supply. These outages could include those affecting East Portal, the Santa Susana Tunnel, Calleguas Conduit North Branch, Calleguas Conduit South Branch, the Lindero Feeders, and the western portion of West Valley Feeder No. 2. The interconnection is anticipated to provide approximately 8 to 21 cubic feet per second to Calleguas' Oak Park and Conejo Valley regions. This project is also a critical step to provide sufficient alternative water supplies to enable the District to shut down the Santa Susana Tunnel long enough to perform the tunnel improvements recommended by the Study of Seismic Impacts to the Santa Susana Tunnel.

The interconnection includes the following improvements:

- Underground Pump Station (PS), including two vertical turbine pumps with 400 horsepower motors and related electrical equipment, flowmeter, and piping, to deliver water from LVMWD to Calleguas, located on Calleguas' property at 10 Lindero Canyon Rd. in Oak Park. The pumps include variable frequency drives due to the need to pump over a wide range of flows and pressures.
- Underground pressure regulating station (PRS), including two parallel control valves and related electrical equipment, flowmeter, and piping, to deliver water from Calleguas to LVMWD.
- Two 500 kilowatt portable trailer-mounted generators to provide standby power at the PS/PRS in the event of utility power outages. These generators would be stored at the District's yard and moved to the PS/PRS site only when needed.
- 6,100 linear feet of 30-inch diameter interconnection pipeline from the PS/PRS to a connection to Lindero Feeder 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. This relocation enables the District to utilize a portion of the existing Lindero Feeder, rather than constructing new parallel pipeline.
- Upgrade to the existing Lindero Pump Station No. 1 reverse flow valve to increase flow capacity from Calleguas' Oak Park region to the Conejo Valley region, enabling water from the interconnection to be delivered to a larger part of the Calleguas service area.
- Several controlled venting vacuum valve upgrades for surge protection along Lindero Feeder.

The existing capital budget was established for design, permitting, and right-of-way acquisition, which is now complete. This budget allocation covers estimated construction costs based on the engineer's estimate; costs for inspection (including Calleguas, City of Thousand Oaks, construction materials, pipe fabrication, welding, biological resources, and other specialty inspection); costs for project management; costs for engineering support during bidding and construction; costs for labor compliance verification; and costs for designing, fabricating, and programming permanent control panels for the pump station, pressure regulating station, and the relocated TWSD turnout (see items below).

In accordance with the interconnection agreement, LVMWD will reimburse Calleguas for the costs associated with designing and constructing LVMWD's PRS and flowmeter facilities. LVMWD is in construction for their portion of the pipeline.

Due to the efforts of Calleguas staff, 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 Avila, seconded by Director Waters, the Board of Directors voted 5-0 to approve the budget allocation.

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

NOES: None

3. Discussion regarding Resolution No. 2008, authorization and call for bids for LVMWD-CMWD Interconnection (Project No. 450), located at 10 Lindero Canyon Rd. in Oak Park, at the southeast corner of Kanan and Lindero Canyon Roads in Oak Park, within the public right of way along Lindero Canyon Rd. in Thousand Oaks, at Lindero Pump Station at the intersection of Ave. de los Flores and Erbes Rd. in Thousand Oaks, and along Lindero Feeder in Thousand Oaks, California

A RESOLUTION OF THE BOARD OF DIRECTORS OF CALLEGUAS
MUNICIPAL WATER DISTRICT
APPROVING THE PLANS AND SPECIFICATIONS
AND CALLING FOR BIDS FOR LVMWD-CMWD INTERCONNECTION

The Manager of Engineering said that, as discussed above, design of LVMWD-CMWD Interconnection is complete and it is ready to be bid and constructed. The engineer's estimate for the project is \$18,083,500.

On a motion by Director Quady, seconded by Director Avila, the Board of Directors voted 5-0 to adopt Resolution No. 2008. Resolution No. 2008 is attached and made part of these minutes.

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

NOES: None

4. Discussion regarding approval of professional services by Phoenix Civil Engineering, Inc. to perform bid and construction support services for LVMWD-CMWD Interconnection (Project No. 450), for an amount not-to-exceed \$1,181,700

Bid and construction support services include:

- Attending the pre-bid meeting via videoconferencing.
- Responding to questions during the bid period.
- Preparing and distributing addenda during the bid period (if needed).
- Reviewing the bid results and providing a recommendation for award.
- Attending the pre-construction meetings.
- Reviewing up to 500 shop drawings and submittals for conformance with the Contract Documents.
- Responding to requests for information.
- Performing site visits and investigations.
- Providing technical assistance to District staff for preparation of field orders and work change directives.
- Providing startup assistance.
- Preparing record drawings.

This is a difficult, complex project, which will require significant assistance from Phoenix Civil Engineering, Inc. (Phoenix) during construction. This is primarily due to:

- The wide assortment of improvements to be constructed, including civil, site work, landscape, structural, pipeline, mechanical, electrical, and instrumentation.
- The challenges of pipeline construction, including numerous existing utility crossings and connections to existing buried pipelines.
- The tight construction schedule and limited window of opportunity for multiple shutdowns required to make connections to existing pipelines.
- Extensive traffic control.

- The challenging process of facility startup and testing of multiple new systems.

Phoenix has relevant experience and expertise and is familiar with the District's facilities. Phoenix's work on other projects has been of good quality and the cost for professional services is reasonable for the work required.

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

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

NOES: None

5. Discussion regarding approval of professional services by Northern Digital, Inc., to perform control systems integration services for LVMWD-CMWD Interconnection (Project No. 450) for an amount not-to-exceed \$550,430

The Manager of Engineering said that control systems integration brings together the component control and instrumentation subsystems for a project and integrates them into Calleguas' existing systems for operation. It is critical to the successful functionality of a project. To minimize the risk of problems during construction and to facilitate seamless coordination with existing control systems, Calleguas has found that it is most effective and efficient to provide these system integration services, rather than having the contractor hire a subcontractor to do so.

Northern Digital, Inc.'s (NDI) scope of work for control systems integration for the LVMWD-CMWD Interconnection PS includes the following elements:

- Design, fabricate, and test Calleguas' new Pump Station Control Panel (PSCP) to integrate the new pump station facilities into Calleguas' Supervisory Control and Data Acquisition (SCADA) system.
- Perform all necessary Programmable Logic Controller (PLC), operator interface terminal (OIT), and human-machine interface (HMI) programming for the PSCP. The programming work also includes modifying programming at existing PLCs for the Control Room Data Concentrator. Modifications to the existing PLC programs is necessary for system functionality and data routing between the PSCP and the Networking Center.
- Develop the HMI/SCADA screens necessary for the Control Room to operate the new facilities controlled by the PSCP.
- Integrate the new facilities into Calleguas' SCADA system.
- Test each component and the completed system.
- Provide operator training.
- Develop record documentation.

NDI's scope of work also includes the following elements for the relocated TWSD Turnout and the LVMWD-CMWD Interconnection PRS:

- Design, fabricate, and test Calleguas' new control panel for the relocated TWSD Turnout. The existing PLC, PLC program, and HMI/SCADA screens currently in

operation at the Falling Star Turnout control panel will be reused for the new TWSD Turnout control panel.

- Design, fabricate, and test LVMWD's new Pressure Regulating Station Control Panel (PRSCP) to integrate the new pressure regulating station facilities into LVMWD's SCADA system. All necessary PLC, OIT, and HMI programming and SCADA integration for the PRSCP will be provided by LVMWD.
- Test each component.
- Develop record documentation.

NDI has relevant experience and expertise and has performed similar services successfully on numerous Calleguas projects. NDI's work on other projects has been of good quality and the cost for professional services is reasonable for the work required.

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

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

J. WATER POLICY AND STRATEGY

The Associate General Manager provided an update on the Metropolitan Water District rate refinement process. The member agency managers' rate refinement workgroup met on March 16 to review general rate refinement guiding principles. Calleguas joined with eleven other member agencies to submit draft rate principles. The next step will be a review of those principles by the Metropolitan Board Finance and Insurance Committee in April 2021.

K. DISTRICT COUNSEL

District Counsel said that a Case Management Conference was held on February 25, 2021. At that time the court approved a stipulation by the parties which included provisions concerning phase 2 discovery, and continuing the trial for 60 days.

L. BOARD OF DIRECTORS

- 1. Discussion regarding Resolution No. 2010, Concurring in Nomination of Melody Henriques-McDonald of the San Bernardino Valley Water Conservation District to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA)**

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CALLEGUAS MUNICIPAL WATER DISTRICT
CONCURRING IN NOMINATION TO THE EXECUTIVE
COMMITTEE OF THE ASSOCIATION OF CALIFORNIA
WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY ("JPIA")

The General Manager said that ACWA JPIA requires that, in order for a person to be nominated to the Executive Committee, her own agency must adopt a nominating resolution and three other member districts must adopt concurring resolutions. This agenda item was a concurring resolution for Melody Henriques-McDonald of San Bernardino Valley Water Conservation District for nomination to the ACWA JPIA Executive Committee. Biographical information about the nominee was provided in the packet.

On a motion by Director Quady, seconded by Director Avila, the Board of Directors voted 5-0 to adopt Resolution No. 2010. Resolution No. 2010 is attached and made part of these minutes.

AYES: Directors Waters, Avila, Quady, Santamaria, Blois
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 provided an update on the Metropolitan committee and Board meetings held on March 8 and 9, 2021. He provided the Board with reports on Metropolitan's ongoing workplace climate investigation, Metropolitan's Regional Recycling Project (aka the Carson Recycling Project), the Colorado River aqueduct flows, and Metropolitan's general manager recruitment process.

M. CLOSED SESSION

None

N. OTHER BUSINESS

None

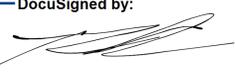
O. FUTURE AGENDA ITEMS

None

P. ADJOURNMENT

Director Blois declared the meeting adjourned at 6:59 p.m.

Respectfully submitted,

DocuSigned by:

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Raul Avila, Board Secretary