

CALLEGUAS MUNICIPAL WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
April 21, 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 April 21, 2021.

The meeting was called to order by Steve Blois, President of the Board, at 5:04 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  
Steve Sabbe, IT Coordinator

Staff Present via Videoconference: Henry Graumlich, Associate General Manager  
Fernando Baez, Senior Project Manager  
Dan Smith, Manager of Administrative Services  
Kara Wade, Clerk of the Board  
Kayde Wade, Administrative Assistant

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

**B. MINUTES**

On a motion by Director Quady, seconded by Director Waters, the Board of Directors voted 5-0 to approve the April 7, 2021 minutes.

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

NOES: None

## C. WRITTEN COMMUNICATION

### 1. Letter Opposing AB 1434 (Friedman) – Indoor Residential Water Use Standards

The Manager of Resources said that, through this letter, Calleguas expressed opposition to AB 1434 which would arbitrarily change the indoor water use standards established by AB 1668 (Friedman, 2018). This bill is counter to agreements that were made when AB 1668 and SB 606 were passed and signed into law, including the requirement for the Department of Water Resources to submit a report on the result of its indoor water use studies as a basis for future recommendations on water use standards. The proposed indoor water use standards in this bill are not based on robust findings and analysis of the benefits and impacts of the changing standards on water and wastewater management, including potable water use, wastewater, recycling and reuse systems, infrastructure, operations, and supplies. No action was taken.

### 2. Letter of Support for the California Data Collaborative's Grant Application to USBR

The Manager of Resources said that the California Data Collaborative (CaDC) has submitted a grant proposal to the United States Bureau of Reclamation (USBR) to fund a Data Platform for Urban Water Efficiency in California to assist local water suppliers with tracking, quality controlling, analyzing, and reporting their water production and demand data. Calleguas submitted this letter in support of the CaDC's proposal. No action was taken.

### 3. Letter Opposing AB 377 (R. Rivas) – Water Quality: Impaired Waters

The Manager of Resources said that, through this letter, Calleguas expressed opposition to AB 377 which would overhaul the existing National Pollutant Discharge Elimination System permitting process in California by removing Regional Water Quality Control Board discretion to make decisions based on local conditions. Permits issued under the various discharge programs are incredibly diverse and complex, and attempting to enact a uniform statewide regulation would have unintended consequences because of the broad scope of the legislation and the variety of permits and permittees affected. No action was taken.

### 4. Letter in Support of SB 559 (Hurtado): State Water Resiliency Act of 2021

The Manager of Resources said that, through this letter, Calleguas expressed support for SB 559 which would address necessary repairs to State Water Project and Central Valley Project Infrastructure, including canals, roads, and bridges damaged due to subsidence. With improvements to these critical facilities, the increased availability of reliable water access can be used to replenish groundwater basins, fill reservoirs, support recycled water projects, enhance and restore ecosystems, and allow water to

be blended with local sources to meet or exceed drinking water standards. No action was taken.

**5. Letter of Support for the City of Thousand Oaks' Los Robles Desalter Project Grant Application to USBR**

The Manager of Resources said that Calleguas submitted a letter in support of the City of Thousand Oaks' Los Robles Desalter Project grant application to USBR's WaterSMART Desalination Construction Projects program. No action was taken.

**D. PUBLIC FORUM/ORAL COMMUNICATION**

None

**E. GENERAL MANAGER**

**1. General Manager's Report**

The General Manager gave a report on recent meetings that he attended.

- On April 13, 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. March 2021 Water Use and Sales, February 2021 Power Generation, and March 2021 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 March 2021**

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 5-0 to approve the outstanding bills for payment.

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

NOES: None

**3. Quarterly Investment Report for the period ending March 31, 2021**

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

**4. February 2021 Financial Statements**

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

**5. Consideration of a notice to set the time and date of a public hearing regarding Annual Adjustment to the District's Water Rates and Fees**

The Manager of Administrative Services said that the purpose of this item was to set rates and fees for calendar year 2022. Metropolitan Water District of Southern California (Metropolitan) adopted the rates for calendar years 2021 and 2022 at their Board meeting on April 14, 2020.

Staff is budgeting for water sales of 86,800 acre-feet in calendar year 2022, a slight increase from 2021 estimates.

The proposed water rate, fees and charges were developed in conjunction with a preliminary fiscal year 2021-22 draft budget and the District's Strategic Plan. One of the goals of the Strategic Plan is to maintain an annual rate increase below 6% while maintaining the financial integrity of the District. The proposed water rates, fees, and charges will meet these objectives.

It should be noted that staff has not yet assembled all of the information for development of the final budget. However, the proposed budget will be complete and provided to the Board before the Board is asked to formally approve the rates. The rates could be adjusted slightly from those provided in the packet based on more complete budget figures.

To allow for required public noticing, the date for the public hearing on this matter is proposed for July 7, 2021. Below is a brief description of the proposed changes to the water rates and fees. Additional information was provided in the packet.

**Water Rates**

Variable Rates: The proposed 2021 rates for potable water are: Tier 1 at \$1,561 per acre-foot (AF) and Tier 2 at \$1,603 per AF. This reflects a 3.6% increase in the Tier 1 rate and a 3.5% decrease in the Tier 2 rate. The proposed rates include a 3.5% increase in the Metropolitan Tier 1 Rate and a 3.7% increase in Calleguas' rate.

Capacity Charge (CC): The CC is based on the highest weekly flow rate for a purveyor between May 1 and September 30. Purveyors with substantial production capacity from local supplies have the ability to take less water during that high demand period, which allows for wholesale water treatment, storage, delivery, and emergency supply infrastructure to be built at smaller capacities and saves money. The proposed CC for 2022 is \$42,489 per peak week flow (in cubic feet per second), representing an increase of 9.4%. The increase is a result of a 14.0% increase in the Metropolitan rate and a 12.9% increase in the payments to Metropolitan, and a 12.6% increase in the Calleguas revenue requirement. Last year, Calleguas delayed the anticipated increase in the CC to ensure a lower rate during the beginning of the pandemic. The District is now phasing in the increases over several years to smooth out the CC increases.

Readiness to Serve Charge (RTS): The RTS Charge is a direct pass through from Metropolitan, with no Calleguas component. An increase of 5.3% is proposed in 2022 based on the adopted Metropolitan RTS Charge.

Temporary Water Rate: The Temporary Water Rate is the rate charged to someone other than a purveyor, typically a contractor, and may only be used for short term purposes. It is set at two times the Tier 2 variable rate.

Overall: Considering all fixed and variable costs, as well as the lower sales, the overall increase to the purveyors is expected to average 4.0%, with slight variations due to different purveyors' payments under the CC and RTS. All proposed changes would become effective January 1, 2022.

### **Wheeling Rate**

During FY 2015-16, the District completed the Cost of Service study developing a rate to wheel water through the water system, assuming capacity for the water is available. A rate of \$26.32 per acre foot was calculated for calendar year 2022 by determining the fair share of the construction costs of the pipes and dividing by the 10-year average annual delivery capacity of the pipes. The current change represents a 0.2% decrease in the rate. The decrease is due to an adjustment to the assets used to determine the wheeling rate. Several assets had been included in the rate and were determined to have been retired in previous years.

### **Salinity Management Pipeline (SMP) Rates**

The first SMP rates were effective on January 1, 2012 and were established at a rate that would make it cost effective for purveyors to build and operate groundwater desalters. Since 2012, the SMP rates have been tied to the rising Tier 1 rate of potable water. The proposed rates for discharge in 2022 are proposed to increase 3.6%, consistent with the increase in the potable water

variable rate. The rate for brine is proposed to be \$645.20 per AF and the rate for non-brine is proposed to be \$51.70 per AF. In accordance with Ordinance No. 19, Rules and Regulations for Use of the SMP, rates for SMP discharges outside the service area are 150% of the rates inside the service area.

### **Annexation Fees**

Each year Calleguas adjusts its per-acre fee using financial information from the preceding fiscal year. The fee is based on a back property tax due calculation based on the assessed valuation of property within the District and converted into a per acre charge. An Annexation Fee rate of \$3,608 per acre is proposed for 2022, and represents an increase of \$175 or 5.1%.

The proposed 2022 rates and fees will be presented to the purveyors at the monthly Purveyor Managers Meeting on April 26.

On a motion by Director Quady, seconded by Director Waters, the Board of Directors voted 5-0 to set the time and date of a public hearing on the water rate and fee adjustments at 5:00 p.m. on July 7, 2021.

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

## **G. OPERATIONS AND MAINTENANCE**

### **1. Discussion regarding Resolution No. 2011, approving the specifications and calling for bids for a contract to perform as-needed tree trimming and removal services**

A RESOLUTION OF THE BOARD OF DIRECTORS OF CALLEGUAS  
MUNICIPAL WATER DISTRICT  
APPROVING THE SPECIFICATIONS  
AND CALLING FOR BIDS FOR A  
TREE TRIMMING AND REMOVAL SERVICES AGREEMENT

The Manager of Operations and Maintenance said that the purpose of this requested action is to authorize a call for bids for a contract to perform tree trimming and removal services at the District's properties on an as-needed basis. The total cost of the work is approximately \$30,000 per year.

The bids will establish hourly rate schedules for labor, equipment, and materials and the bid totals will be based on hypothetical hours to perform the District's estimated annual workload. The contract will be for one year with an option for the District to renew the contract annually for up to two additional years.

On a motion by Director Avila, seconded by Director Santamaria, the Board of Directors voted 5-0 to adopt Resolution No. 2011. Resolution No. 2011 is attached and made part of these minutes.

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

NOES: None

**2. Discussion regarding Resolution No. 2012, authorization and call for bids for District security patrol services**

A RESOLUTION OF THE BOARD OF DIRECTORS OF CALLEGUAS  
MUNICIPAL WATER DISTRICT  
APPROVING THE SPECIFICATIONS  
AND CALLING FOR BIDS FOR A  
SECURITY PATROL SERVICES AGREEMENT

The Manager of Operations and Maintenance said that the purpose of this requested action is to authorize a call for bids for a contract to provide security patrol services at Calleguas facilities on a nightly basis and site-specific security services on an as-needed basis. Calleguas spends approximately \$66,000 per year on security patrol services.

The bids will establish hourly rate schedules for labor and the bid totals will be based on hypothetical hours to perform the District's estimated annual workload. The contract will be for one year with an option for the District to renew the contract annually for up to two additional years.

On a motion by Director Waters, seconded by Director Avila, the Board of Directors voted 5-0 to adopt Resolution No. 2012. Resolution No. 2012 is attached and made part of these minutes.

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

NOES: None

## H. RESOURCES AND PUBLIC AFFAIRS

### 1. Water Supply Update

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

## I. ENGINEERING AND CONSTRUCTION

### 1. Discussion regarding approval of a capital project budget increase in the amount of \$190,000 for the Grandsen Standby Generator Replacement (Project No. 599)

The Senior Project Manager said that Bay City Electric Works (BCEW) has completed removal and replacement of the diesel generator engine that failed at Grandsen Pump Station and Ventura County Air Pollution Control District has issued a draft permit that allows the District to operate the replacement generator. In order to fully test the performance of the replacement generator, it is necessary to have BCEW use a temporary reactive load bank, which will allow BCEW to operate the replacement generator under conditions ranging from zero to full load; the load bank will also allow BCEW to test the operation of both the replacement generator and the second generator together to ensure that they both start automatically when necessary and transfer and share the load as required. This testing is more than the estimate included in BCEW's original cost proposal for the generator replacement, so it is necessary to request approval for an increase to the capital budget. As with the replacement and permitting costs, the District anticipates that these testing costs (except staff costs and any insurance deductible) will be reimbursed by the District's insurance provider.

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

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

## J. WATER POLICY AND STRATEGY

The Associate General Manager provided an update on recent discussions with Metropolitan staff and other Metropolitan member agency managers about constraints in Metropolitan's ability to supply member agencies who are mostly reliant on State Water Project (SWP) supplies. Metropolitan staff is implementing operational changes to supply Calleguas' demands as well as maintain an emergency reserve supply in case of a catastrophic interruption of the SWP. The Associate General Manager outlined strategic opportunities to improve resiliency given the attention the drought has brought to these

system constraints. The Board will receive a more detailed presentation at a future meeting.

**K. DISTRICT COUNSEL**

District Counsel said that a Case Management Conference is scheduled for May 12, 2021 and Phase 2 of the trial is scheduled to commence on August 16, 2021.

**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 update on the Metropolitan committee and Board meetings held on April 12 and 13, 2021. He highlighted briefings on Metropolitan's operations and storage reserves, which demonstrated reliability during the current drought conditions. He noted that the independent investigation into Metropolitan's workplace culture is receiving strong participation from Metropolitan employees. The investigators have extended their final report deadline by 60 days to accommodate interviews with employees and review of documents. The general manager hiring process is proceeding with a strong candidate pool and a potential decision by June 2021. Director Blois also noted the ongoing work on rate refinement to provide a sustainable financial foundation in the context of reduced sales.

**M. CLOSED SESSION**

None

**N. OTHER BUSINESS**

None

**O. FUTURE AGENDA ITEMS**

None

P. ADJOURNMENT

Director Blois declared the meeting adjourned at 6:37 p.m.

Respectfully submitted,

DocuSigned by:  


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Raul Avila, Board Secretary