

CALLEGUAS MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS MEETING
May 19, 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 May 19, 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
Kristine McCaffrey, Manager of Engineering
Rob Peters, Manager of Operations and Maintenance
Steve Sabbe, IT Coordinator

Staff Present via Videoconference: Henry Graumlich, Associate General 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 Avila, seconded by Director Santamaria, the Board of Directors voted 5-0 to approve the May 05, 2021 minutes.

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

NOES: None

C. WRITTEN COMMUNICATION

None

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 May 13, the General Manager and Manager of Resources attended the Ventura County Waterworks Citizens Advisory Council where the Manager of Resources provided an update on drought and water supply conditions and fielded questions from Council members.
- On May 18, the General Manager and Director of Water for Ventura County Waterworks Districts met to discuss ongoing water resource issues, including the proposed Moorpark desalter.

F. ADMINISTRATIVE SERVICES

1. April 2021 Water Use and Sales, March 2021 Power Generation, and April 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 April 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 5-0 to approve the outstanding bills for payment.

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

NOES: None

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3. Discussion regarding Resolution No. 2017 Imposing Water Standby Charges

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CALLEGUAS MUNICIPAL WATER DISTRICT
IMPOSING WATER STANDBY CHARGES

The Manager of Administrative Services said that each year Calleguas renews the Water Standby Charge for the following fiscal year as authorized by Government Code 54984.2. An Engineer's Report is the basis for the Water Standby Charge in accordance with Government Code 54984.3. The report describes current water supply challenges and the District's financial plan to meet them, and emphasizes the importance of local projects in maintaining water supply reliability. An updated Engineer's Report was prepared in May 2017 to reflect the most recent water master plan.

No changes are proposed in the rate schedule. The basic rate remains \$5 per parcel and \$5 per acre on parcels greater than one acre. The total revenue forecast for FY 2022 is \$1,400,000, the average net revenue over the past several years. Since there are no changes in the charge or rate schedule, a public hearing is not required per Government Code 54984.7.

On a motion by Director Quady, seconded by Director Waters, the Board of Directors voted 5-0 to adopt Resolution No. 2017. Resolution No. 2017 is attached and made part of these minutes.

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

4. Quarterly Capital Projects Report for the period ending March 31, 2021

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

5. First Quarter 2021 Consultant Report

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

G. OPERATIONS AND MAINTENANCE

None

H. RESOURCES AND PUBLIC AFFAIRS

The Manager of Resources said that flyers are being distributed to the public regarding the drought and Metropolitan Water Districts storage supply on the Colorado River. He said that once the final 2020 Census information is available, Calleguas will consult with Best Best & Krieger concerning demographer services related to re-districting.

1. Water Supply Update

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

I. ENGINEERING AND CONSTRUCTION

1. Approval of a new capital project: East Portal Isolation Enhancements (Project No. 601)

The Manager of Engineering said that Calleguas receives imported water from Metropolitan Water District of Southern California (Metropolitan) via West Valley Feeder (WVF) No. 1 and No. 2. Both feeders connect to the District's system at East Portal in Chatsworth. When necessary, WVF2 is isolated using four isolation valves located at East Portal. WVF1 is isolated with the use of several upstream valves within Metropolitan's system and an isolation gate at East Portal.

During a planned inspection of the District's Santa Susana Tunnel in February 2019, errant flows from WVF1 made their way to the isolation gate at East Portal. The amount of water was enough to cascade over the 12-foot-tall isolation gate and flow into the Tunnel where District staff were preparing for the upcoming tunnel entry. Those staff already in the Tunnel were able to safely exit, but the tunnel inspection work was cancelled and staff does not feel comfortable entering the tunnel until an improved isolation approach is implemented.

To prevent a similar scenario in the future, District staff has coordinated with Metropolitan staff to develop enhancements to the isolation facilities and provide more protection for Calleguas staff. The enhancements include a new District-owned gate with an outlet connected to a temporary bypass that will convey any errant water out of the Tunnel. This added safety feature will provide additional time for staff to safely exit the Tunnel if water begins to flow for any reason.

With the conceptual design completed and Metropolitan's concurrence on the concept, the project is ready for design. Design will be expedited with the goal of completing it by late summer and bid the project in early fall to enable construction to be performed during the 2021/2022 winter shutdown season. The budget includes limited geotechnical field work to determine the extents of rock excavation required. It

is important to address this issue clearly and definitively in the Contract Documents so appropriate costs can be included in bids and reduce the risk of change orders during construction. Due to access constraints, specialized drilling equipment is needed. The budget also includes funds to cover the investigation and potential procurement of permits from California Department of Fish and Wildlife and the Regional Water Quality Control Board.

The estimated construction cost is \$350,000. More detail was provided in the Capital Project Information and Evaluation Sheets. The Manager of Engineering also provided a brief presentation on the project.

On a motion by Director Avila, seconded by Director Santamaria, the Board of Directors voted 5-0 to approve the new capital project and budget of \$162,000.

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

NOES: None

2. Discussion regarding Grant Agreement Between the State of California (Department of Water Resources) and Calleguas Municipal Water District, Agreement Number 4600013901, Proposition 1 Round 1 Integrated Regional Water Management (IRWM) Implementation Grant

The Manager of Engineering said that the Integrated Regional Water Management (IRWM) Grant Program is designed to encourage integrated regional management of water resources and provide funding for projects that support integrated water management planning and implementation. Calleguas has received funding for several projects through previous rounds of funding under this program, as have numerous other agencies and organizations within Ventura County.

The Watersheds Coalition of Ventura County selected five projects from the region to include in a proposal for funding this round and the Department of Water Resources (DWR) awarded funding to the proposal as follows:

Project Proponent	Project	Funding
Calleguas MWD	Calleguas-LVMWD Interconnection	\$3,500,000
Camarillo Sanitary District	Reclaimed Water Storage Reservoir	\$2,000,000
City of Thousand Oaks	Los Robles Desalter	\$1,805,680
City of Ventura	Eastside to Westside Waterline Interconnection Project	\$2,053,000
United Water Conservation District	Iron and Manganese Removal Project (Phase 1)	\$2,500,000
Total		\$11,858,680

In November 2019, the Board approved Calleguas serving in the roles of grant applicant and grant proposal project manager, as well as the contracting agency with DWR if funding were ultimately received. (The County has previously served in this role, but elected not to do so this round because the suite of projects does not include a County project.)

As a regional water agency, Calleguas was in a unique position to support this important grant effort for the entire county. The projects selected for funding include one for Calleguas, two for Calleguas purveyors, and two for other nearby water agencies. The benefit of these projects to regional water supply reliability is significant.

The agreement with DWR covers the standard terms for the grant agreement, as well as the specific scope of work, budget, and schedule for each project. This round of grant funding DWR requires that each project included in the grant agreement have completed its California Environmental Quality Act documentation and acquired all permits required for implementation. The other projects are considered “placeholder” projects and will be added to the agreement via amendment as they meet these requirements. At this time, only Calleguas’ Calleguas-LVMWD Interconnection and United Water Conservation District’s Iron and Manganese Removal Project (Phase 1) have met these requirements and are included in the grant agreement. The other three projects remain as “placeholders.”

Walt Wendelstein from Cohen & Burge has reviewed the agreement and it was included in the Board packet.

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

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

3. Discussion regarding 2020 Proposition 1, Integrated Regional Water Management Implementation Subgrant Agreement Between Calleguas Municipal Water District and United Water Conservation District

The Manager of Engineering said that in order to effectively administer the grant agreement above, Calleguas needs to enter into a subagreement with each local project sponsor to define each party’s rights and responsibilities with respect to the grant. Since only United Water Conservation District’s Iron and Manganese Removal Project (Phase 1) has met the requirements for inclusion in the grant agreement, only that subgrant agreement needs to be executed at this time. As the “placeholder” projects are added to the grant agreement by amendment, subgrant agreements will also be executed. The subgrant agreement is substantively similar to the one that Ventura County has used to administer numerous previous rounds of IRWM funding.

Walt Wendelstein from Cohen & Burge has reviewed the subagreement and it was included in the Board packet.

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

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

4. Discussion regarding approval of professional services by Kennedy Jenks Consultants to perform grant administration services for Proposition 1 IRWM Round 1 Implementation Grant for the Watersheds Coalition of Ventura County for an amount not to exceed \$121,295

The Manager of Engineering said that the grant agreement above includes specific and detailed requirements for reporting, invoicing, and submittal of deliverables to DWR. Quarterly reporting and invoicing information must be gathered from each local project sponsor, reviewed to confirm it meets DWR's rigorous requirements, and consolidated into a single package for submittal to DWR. Review and submittal of project reports for each project and an overall grant report must also be performed. Kennedy Jenks has performed these grant administration services for numerous previous rounds of IRWM funding, as a consultant for the County of Ventura. Their familiarity with the grant requirements and DWR expectations makes them uniquely suited to perform these services efficiently and cost effectively.

This item includes these services for the two projects included in the grant agreement, Calleguas' Calleguas-LVMWD Interconnection and United Water Conservation District's Iron and Manganese Removal Project (Phase 1). Additional budget would need to be authorized as placeholder projects are added to the grant agreement by amendment. The schedule assumes that all grant projects will be completed by March 2024.

Local project sponsors would deposit funds with Calleguas yearly to pay for their proportionate share of grant administration costs. Calleguas would ultimately only be responsible for paying the grant administration costs associated with the Calleguas-LVMWD Interconnection.

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

1. Providing Reliability to Metropolitan's State Water Project Dependent Member Agencies

The Associate General Manager said that with a 5% State Water Project allocation, Metropolitan is taking extraordinary drought actions to ensure that member agencies that are primarily dependent on State Water Project supplies, like the District, will have access to sufficient supplies and storage reserves to meet successive dry years and emergency storage needs. The Associate General Manager discussed short and long-term opportunities to bolster resilience for the District. No Action was taken.

K. DISTRICT COUNSEL

District Counsel said that a Case Management Conference was scheduled for May 19, 2021 and Phase 2 of the trial is scheduled to commence on October 18, 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 May 10 and 11, 2021. The Metropolitan Board also met on May 7 and 8 to interview candidates for Metropolitan general manager. Pending reference checks and salary negotiation, the Metropolitan Board is expected to review an employment contract in June. Director Blois briefed the Board on rising insurance costs, rate refinement discussions, progress on the Greg Avenue Pump Plant upgrade to improve water reliability for the District, and Metropolitan's pilot work on the proposed regional recycling facility at Carson.

M. CLOSED SESSION

None

N. OTHER BUSINESS

None

O. FUTURE AGENDA ITEMS

None

P. ADJOURNMENT

Director Blois declared the meeting adjourned at 6:43 p.m.

Respectfully submitted,

DocuSigned by:



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Raul Avila, Board Secretary