

CALLEGUAS MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS MEETING
October 20, 2021

MINUTES

The meeting of the Board of Directors of Calleguas Municipal Water District was held telephonically and via videoconference in accordance with the State of Emergency Declaration issued on March 4, 2020 by the Governor of the State of California, Government Code §54953(e), and Calleguas Resolution No. 2031.

The meeting was called to order by Andres Santamaria, Vice President of the Board, at 5:02 p.m.

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

Directors Present via Videoconference: Andres Santamaria, Vice President
Scott Quady, Treasurer
Raul Avila, Secretary

Directors Absent: Steve Blois, President
Andy Waters, Director

Staff Present at District Headquarters and Participating via Videoconference: Anthony Goff, General Manager
Kristine McCaffrey, Manager of Engineering
Rob Peters, Manager of Operations and Maintenance
Dan Smith, Manager of Administrative Services
Steve Sabbe, IT Coordinator

Staff Present via Videoconference: Henry Graumlich, Associate General Manager
Dan Drugan, Manager of Resources
Grant Burton, Manager of Human Resources
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 Quady, the Board of Directors voted 3-0 to approve the October 06, 2021 minutes.

AYES: Directors Avila, Quady, Santamaria

NOES: None

ABSENT: Directors Blois, Waters

C. WRITTEN COMMUNICATION

None

D. PUBLIC FORUM/ORAL COMMUNICATION

None

E. GENERAL MANAGER

1. General Manager's Report

The General Manager reported on meetings attended and matters of interest to the Board of Directors.

2. Discussion regarding proposed changes to the Administrative Code regarding Board of Directors Authorized Expenses and Activities to allow for Use of District-Owned Laptops

The General Manager said that the current Administrative Code allows for Directors to use District-owned electronic tablet devices to view Board Agenda Packets and participate in District Board Meetings. Both virtual and hybrid Board Meetings have necessitated expanded use of technology for Director participation at these meetings. To address these circumstances, access to electronic devices needs to be expanded to laptop computers and necessary accessories. Furthermore, it is no longer standard practice to deliver paper copies of Agenda packets to Directors.

The proposed changes to Section 2.11.2 (f) (1) Authorized Activities and Expenses of the Administrative Code were included in the Agenda packet.

On a motion by Director Avila, seconded by Director Quady, the Board of Directors voted 3-0 to approve the amendments to the Administrative Code.

AYES: Directors Avila, Quady, Santamaria

NOES: None

ABSENT: Directors Blois, Waters

F. ADMINISTRATIVE SERVICES

1. September 2021 Water Use and Sales, August 2021 Power Generation, and September 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 September 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 3-0 to approve the outstanding bills for payment.

AYES: Directors Avila, Quady, Santamaria

NOES: None

ABSENT: Directors Blois, Waters

3. Quarterly Investment Report for the Second Quarter of 2021

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

G. HUMAN RESOURCES

The Manager of Human Resources said that he is revising job descriptions, has procured a vendor for Human Resource systems automation, and will participate in the California Special Districts Association Salary and Benefits Survey. No action was taken.

H. OPERATIONS AND MAINTENANCE

1. Discussion regarding Resolution No. 2030, authorization and call for bids for standby generator preventative maintenance services

A RESOLUTION OF THE BOARD OF DIRECTORS OF
CALLEGUAS MUNICIPAL WATER DISTRICT
APPROVING THE SPECIFICATIONS AND CALLING FOR BIDS
ON A THREE-YEAR MAINTENANCE SERVICES AGREEMENT FOR THE
DISTRICT'S STANDBY POWER GENERATORS

The contract is to perform preventative and corrective maintenance on the District's twenty standby generators and will be effective from January 1, 2022 through December 31, 2024. This work is estimated to cost \$300,000 over the next three years. Services will be billed as lump sum and time-and-material tasks.

On a motion by Director Quady, seconded by Director Avila, the Board of Directors voted 3-0 to adopt Resolution No. 2030. Resolution No. 2030 is attached and made part of these minutes.

AYES: Directors Avila, Quady, Santamaria

NOES: None

ABSENT: Directors Blois, Waters

2. Discussion regarding the Agreement Between Golden State Renewable Energy, LLC and Calleguas Municipal Water District for installation and use of a battery energy storage system

The Manager of Operations and Maintenance said that, in August, the District was approved to receive funds from Southern California Edison's (SCE's) Self-Generation Incentive Program (SGIP) for a battery storage system at Fairview Pump Station. The funds were allocated by the California Public Utilities Commission to be distributed through the investor-owned utilities to businesses that meet all three of the following criteria:

1. Fire Threat - facility located in a Tier 2 or Tier 3 High Fire Threat District or that has experienced over two Public Safety Power Shut-offs
2. Critical Facilities – fourteen types of facilities, including public and private water, wastewater, and flood control facilities
3. Eligible Community - facility located in (or serves) disadvantaged community or low-income area

Golden State Renewable Energy (GSR) has agreed to partner with Calleguas to plan, design, install, and maintain a battery backup storage system at Fairview Pump Station pursuant to this 10-year agreement. The total cost for the system is \$1.3 million, which will be offset by reimbursement payments through SGIP. GSR would retain ownership of the batteries and would be financially responsible for all phases of the process, including maintenance and SGIP reporting, for the duration of the agreement. Calleguas would be the host facility and would receive the benefit of the battery system through emergency outage use and reduced power costs during normal operations. The battery system will be cycled an average of once per week during peak electrical hours and recharged during off peak hours. Estimated annual energy savings based on 2020-2021 usage and current SCE rates is approximately \$18,000, resulting in a 28% reduction in annual energy costs.

Per the agreement, the cost of this system to Calleguas will be \$685,450 in the first year. The entire cost will be offset by California's SGIP in the amount of \$685,450, resulting in a net zero cost to the District. In years two through six, annual performance based payments of up to \$137,090 will also be paid through the SGIP. Any additional miscellaneous expenditures and revenues associated with this agreement will be incorporated into each fiscal year budget before it is approved.

On a motion by Director Avila, seconded by Director Quady, the Board of Directors voted 3-0 to authorize the General Manager to sign the Agreement and approve a budget increase in Outside Services expense of \$685,450 and a budget increase in Contributed Capital – Other Agency of \$685,450.

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

I. RESOURCES AND PUBLIC AFFAIRS

1. Water Supply Update

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

J. ENGINEERING AND CONSTRUCTION

1. Change Order Report for Q3 2021

Change Order summaries were provided for the following projects:

- Oxnard-Santa Rosa Feeder, Las Posas Feeder, and Miscellaneous Valve Improvements (Project No. 442)
- North Pleasant Valley Desalter SMP Discharge Station (Project No. 574) **(project complete)**

The Manager of Engineering said that there were no change orders through the end of Q3 on Calleguas-LVMWD Interconnection (Project No. 450), Lindero Pump Station No. 2 (Toe of Dam or TOD) Rehabilitation (Project No. 590), Lake Sherwood Pump Station Rehabilitation (Project No. 591), and Administration Building Roof Replacement (Project No. 602). No action was taken.

2. Discussion regarding approval of a capital project budget increase in the amount of \$242,000 for the Lake Bard Pump Station, LBWFP Flowmeter, and Lake Bard Outlet Tower Improvements (Project No. 587)

The Manager of Engineering said that the Lake Bard Water Filtration Plant (LBWFP) is one of the two primary sources of potable water for Calleguas during an imported

outage. The LBWFP draws from Lake Bard and has a treatment capacity of 100 cubic feet per second (cfs); Lake Bard has a total storage capacity of 10,500 acre-feet (AF). Due to hydraulic constraints through the LBWFP, only 7,500 AF can be treated and delivered as potable water. The remaining approximately 3,000 AF are available only as an emergency supply that can be disinfected, but not treated by the LBWFP to meet the Surface Water Treatment Rule. A Boil Water Order would need to be issued if that water were delivered into the system.

In order to access up to 2,988 AF of the remaining 3,000 AF for treatment and delivery as potable water, the Lake Bard Pump Station (LBPS) is needed to provide the hydraulic lift to enable this additional water to flow through the LBWFP process. The pumps will be constructed upstream of the LBWFP near the existing inlet water screens and have the potential to provide up to the 100 cfs treatment capacity of the LBWFP. At this flow, the LBPS could deliver water through the LBWFP for up to an additional 15 days. The LBPS was identified in the Water Supply Alternatives Study as one of the most promising projects evaluated to address supply shortfalls during a reasonably foreseeable worst case imported water outage.

The primary improvements include:

- Pump station, including four vertical turbine pumps with 350 horsepower motors and related electrical equipment.
- Electrical improvements, including coordination with the Conejo Pump Station Rehabilitation currently in conceptual design.
- Removable pump station canopy to protect the pump motors from heat and extend their lifespan.
- Suction and discharge headers and connections to existing pipelines.
- Additional site access, utility, and drainage improvements.
- Surge protection improvements, if determined necessary by the surge analysis.
- A backup flowmeter for the LBWFP to provide redundancy in the event the primary flowmeter fails.

During design, staff determined that additional work is needed to incorporate the following design modifications:

- **Change from four-pump to three-pump configuration:** During design-phase potholing, an existing 42-inch diameter water pipeline was found to conflict with the pump station discharge header. The close proximity of the pipelines and existing site constraints make the original four-pump configuration infeasible to construct; however, three vertical turbine pumps with larger motors can be constructed and achieve the required flow.
- **Modified pump station process control strategy and additional surge analysis:** The original design scope of work assumed a simple pump control approach, where the LBWFP would be shut down when gravity flow from Lake Bard became infeasible and restarted with the LBPS online. During design, staff determined that it would be preferable to keep the LBWFP online during the

transition from gravity flow to operation with the LBPS. This requires modifications to the process control strategy and additional surge analysis.

- **Replacement of Outlet Tower Valves:** LBPS construction requires connecting to existing 84-inch and 60-inch LBWFP inlet pipelines. Staff performed a water-tightness test of the five existing 48-inch butterfly valves inside the Lake Bard Outlet Tower upstream of these pipelines to ensure that the connection work could be safely performed, but the valves did not completely seal and water continued to flow. An underwater inspection determined that replacing the valves (which are more than 50 years old) is necessary to properly isolate the existing pipelines for the new connections and for future operations and maintenance activities.
- **Replacement of Electric Hoist:** The existing overhead electric hoist (which is more than 50 years old) inside the Lake Bard Outlet Tower is not functional and needs to be replaced. The hoist will facilitate replacement of the valves inside the Lake Bard Outlet Tower during construction, as well as provide lifting capacity for operations and maintenance activities.
- **Modifications to Walkway/Tower Connection:** A seismic evaluation of the Lake Bard Outlet Tower was performed as a separate study, which determined that the connection of the walkway to the tower should be modified to ensure the connection is capable of withstanding expected differential movement between the walkway and the tower itself.

On a motion by Director Quady, seconded by Director Avila, the Board of Directors voted 3-0 to approve the capital project budget increase.

AYES: Directors Avila, Quady, Santamaria

NOES: None

ABSENT: Directors Blois, Waters

3. Discussion regarding an amendment to the scope of work for professional services by Kennedy Jenks to perform design for the Lake Bard Pump Station, LBWFP Flowmeter, and Lake Bard Outlet Tower Improvements (Project No. 587), increasing the not-to-exceed amount by \$209,800

The Manager of Engineering said that, as described above, Kennedy Jenks (KJ) needs to perform additional design work not anticipated in their original scope of work, increasing the not-to-exceed cost by \$209,800 from \$784,300 to \$994,100.

Kennedy Jenks has relevant experience and expertise and is very familiar with Calleguas' infrastructure and operational requirements, especially at the Lake Bard site. KJ's work on other projects, particularly those with a significant electrical component, has been of good quality and the cost for professional services is reasonable for the work required.

On a motion by Director Quady, seconded by Director Avila, the Board of Directors voted 3-0 to approve the professional services.

AYES: Directors Avila, Quady, Santamaria

NOES: None

ABSENT: Directors Blois, Waters

K. WATER POLICY AND STRATEGY

1. Update on Regional and State Actions Affecting Water Supply to Metropolitan's State Water Project Dependent Areas

The Associate General Manager provided an update on Metropolitan's analysis of minimum water demands for health, safety, wildfire protection, and critical commercial, industrial, and institutional (CII) uses in the State Water Project (SWP) dependent areas. If, as a consequence of a zero percent SWP allocation, the Department of Water Resources (DWR) allocates water on a health and safety basis, DWR would take the analysis into consideration. The SWP contract does not include an explicit provision for providing critical CII water and it is uncertain whether DWR will provide water to meet that need. The Associate General Manager also reviewed the provisions of the Governor's emergency drought proclamation and how it relates to potential future actions by the state and Metropolitan. No action was taken.

L. DISTRICT COUNSEL

District Counsel said there will be a closed session for the Las Posas Adjudication on November 3, 2021, at 4:00 p.m. A Case Management Conference for the case was originally scheduled for October 27, 2021, but was continued to November 10, 2021. The trial date has been confirmed to be January 19, 2022. No action was taken.

M. 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

The Associate General Manager provided an update on Metropolitan Board actions and committee considerations. In particular, the Associate General Manager reported on the Engineering and Operations Committee's discussion of engineering solutions to improve the resilience of the SWP dependent areas of Metropolitan's service area. In addition, Metropolitan Board Chair Gray announced the formation of five new Metropolitan Board committees to address the following areas: SWP dependent areas of Metropolitan; Colorado River issues; under-served communities; diversity, equity, and inclusion issues; and a One Water Initiative focus for the Conservation and Local Resources Committee.

N. CLOSED SESSION

None

O. OTHER BUSINESS

None

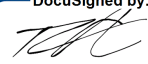
P. FUTURE AGENDA ITEMS

A closed session regarding the Las Posas Basin adjudication will be held on November 3, 2021, at 4:00 p.m.

Q. ADJOURNMENT

Director Santamaria declared the meeting adjourned at 6:46 p.m.

Respectfully submitted,

DocuSigned by:


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Raul Avila, Board Secretary