

CALLEGUAS MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS MEETING
July 06, 2022

MINUTES

The meeting of the Board of Directors of Calleguas Municipal Water District was held in-person at 2100 E. Olsen Road, Thousand Oaks CA 91360 and 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 Steve Blois, President of the Board, at 5:01 p.m.

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

Directors at District Headquarters and Participating via Videoconference:	Steve Blois, President Scott Quady, Treasurer Raul Avila, Secretary
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Directors Present via Videoconference:	Andres Santamaria, Vice President Andy Waters, Director
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Staff Present at District Headquarters and Participating via Videoconference:	Anthony Goff, General Manager Grant Burton, Manager of Human Resources Dan Drugan, Manager of Resources Henry Graumlich, Associate General Manager Kristine McCaffrey, Manager of Engineering Steve Sabbe, IT Coordinator Dan Smith, Manager of Administrative Services Kara Wade, Clerk of the Board
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Staff Present via Videoconference:	Susan Molen, Administrative Assistant
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Legal Counsel at District Headquarters and Participating via Videoconference:	Robert Cohen, Cohen & Burge, LLP, District Counsel
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B. MINUTES

On a motion by Director Avila, seconded by Director Quady, the Board of Directors voted 5-0 to approve the June 15, 2022 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 reported on meetings attended and matters of interest to the Board of Directors. No action was taken.

2. June 2022 Monthly Status Report

The Board asked questions, which the General Manager and department managers answered. No action was taken.

F. ADMINISTRATIVE SERVICES

1. May 2022 Financial Statements

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

2. Public hearing and discussion regarding adoption of proposed Resolution No. 2045, establishing rules, rates and regulations for water service; Resolution No. 2046, establishing rates for discharge to the Salinity Management Pipeline; and Resolution No. 2047, adjusting fees for annexation to the District

At 5:31 p.m., President Blois opened the Public Hearing. At 5:32 p.m., President Blois closed the Public Hearing.

RESOLUTION NO. 2045
A RESOLUTION PURSUANT TO ORDINANCE NO. 12
ESTABLISHING RATES, RULES AND REGULATIONS
FOR WATER SERVICE TO AGENCIES WITHIN THE
CALLEGUAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 2046
A RESOLUTION PURSUANT TO ORDINANCE NO. 19
ESTABLISHING RATES FOR DISCHARGE TO THE
SALINITY MANAGEMENT PIPELINE

RESOLUTION NO. 2047
A RESOLUTION OF THE BOARD OF DIRECTORS
OF CALLEGUAS MUNICIPAL WATER DISTRICT ADJUSTING
THE FEE FOR ANNEXATION TO THE DISTRICT

The Manager of Administrative Services said that, at its April 27, 2022 meeting, the Board of Directors reviewed proposed adjustments to Calleguas' rates and fees and set a public hearing on these adjustments for July 06, 2022. These water rates and fees were presented to member purveyors at a meeting on April 28, 2022. The rates presented at these meetings were based on a preliminary budget that was to be adopted in June. A notice of hearing was posted and published according to Government Code Section 6060 in a newspaper of general circulation. The District received no comments from the public or other agencies regarding this matter.

The District's rates and fees are based on the cost of providing service to the purveyors, in accordance with California law. Below is a summary of the rates and fees:

Variable Rates: The proposed 2023 rates for potable water are: Tier 1 at \$1,632 per acre-foot (AF) and Tier 2 at \$1,841 per AF. This reflects a 4.5% increase in the Tier 1 rate and a 14.8% increase in the Tier 2 rate.

Capacity Charge (CC): The CC is based on the highest weekly flow rate for a member purveyor between May 1 and September 30. Member 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 2023 is \$40,352 per peak week flow (in cubic feet per second), representing a decrease of 5.0%. The decrease is a result of a 13.1% decrease in the Metropolitan Water District of Southern California (Metropolitan) rate and a 12.9% increase in the payments to Metropolitan, and a 10.8% decrease in the Calleguas revenue requirement.

Readiness to Serve Charge (RTS): The RTS Charge is a direct pass through from Metropolitan, with no Calleguas component. An increase of 14.3% is proposed in 2023 based on the 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 anticipated lower sales, the overall increase to the purveyors is expected to average 7.5%, with slight variations due to different purveyors' payments under the CC and RTS. All proposed changes would become effective January 1, 2023.

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 \$26.25 per acre foot was calculated for calendar year 2023 by determining the fair share of the construction costs of the pipes and dividing by the ten-year average annual delivery capacity of the pipes, which represents a 0.3% decrease in the rate. The decrease is due to an adjustment to the assets used to determine the wheeling rate due to the retirement of assets that were previously included in the rate.

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 rates for discharge in 2023 are proposed to increase 4.5%, consistent with the increase in the potable water variable rate. The rate for brine is proposed to be \$674.20 per AF and the rate for non-brine is proposed to be \$54.00 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 \$3,790 per acre is proposed for 2023, and represents an increase of \$182 or 5.0%.

On a motion by Director Quady, seconded by Director Avila, the Board of Directors voted 5-0 to adopt Resolution Nos. 2045, 2046 and 2047. Resolution Nos. 2045, 2046 and 2047 are attached and made part of these minutes.

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

3. Public hearing and discussion regarding amendments to Ordinance No. 12, Covering rules and regulations for water service to member agencies within Calleguas Municipal Water District

At 5:33 p.m., President Blois opened the Public Hearing. At 5:34 p.m., President Blois closed the Public Hearing.

ORDINANCE NO. 12
AN ORDINANCE OF CALLEGUAS MUNICIPAL WATER DISTRICT
COVERING THE RULES AND REGULATIONS FOR WATER SERVICE
TO MEMBER AGENCIES WITHIN CALLEGUAS MUNICIPAL WATER DISTRICT,
AS AMENDED

The Manager of Administrative Services said that, at its April 27, 2022 meeting, the Board voted to hold a public meeting to adopt amendments to Ordinance No. 12. A Notice of Public Hearing was posted on the District's notice board and advertised twice in the Ventura County Star.

A redline copy of the ordinance was provided in the packet to show changes from the current version, as is a clean copy incorporating those changes. The District received no comments from the public or other agencies regarding this matter.

On a motion by Director Avila, seconded by Director Santamaria, the Board of Directors voted 5-0 to adopt the amended Ordinance No. 12. Ordinance No. 12 is attached and made part of these minutes.

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

4. Discussion regarding professional services to be performed in Fiscal Year 2022/23 on contracts without a fixed scope and fee

The Manager of Administrative Services said that Ordinance No. 18 requires that professional services to be performed on contracts without a fixed scope and fee be approved by the Board for all contracts paid for on a time and material basis for which the estimated value is greater than \$100,000 in any fiscal year.

Whenever possible, professional services are performed on a not-to-exceed basis tied to a specific scope of work, but sometimes it is not possible to define the scope ahead of time. Examples include inspection services, which depend on the quality and duration of a contractor's work, or software troubleshooting work, which depends on how many problems arise during the year. In such cases, staff obtains hourly rates for the consultants and approves payment for work monthly as services are provided.

The packet included a list of the consultants and not-to-exceed amounts for which staff is seeking Board approval for the upcoming fiscal year. Funds are included in the adopted 2022/23 budget.

On a motion by Director Avila, seconded by Director Quady, the Board of Directors voted 5-0 to approve the Fiscal Year 2022/23 not-to-exceed amounts for these professional services.

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

NOES: None

G. HUMAN RESOURCES

The Manager of Human Resources said that there has been a notable increase in Covid-19 cases in District staff. The District's Covid-19 protocols are being followed and all critical District activities are being performed.

H. OPERATIONS AND MAINTENANCE

None

I. RESOURCES AND PUBLIC AFFAIRS

1. Status of Emergency Water Conservation Program (EWCP) Performance and Compliance

The Manager of Resources said that the Emergency Water Conservation Program (EWCP) mandates a 1-day-per-week watering restriction (or equivalent) and includes an alternative path for compliance, which is a volumetric delivery limit of imported water supplies based on gallons per capita per day (GPCD). The EWCP period is June 1, 2022 – December 31, 2022.

Metropolitan established an agency-specific volumetric delivery limit for Calleguas. Calleguas subsequently calculated volumetric limits for its water purveyors. Volumetric limits are based on an equivalent share of Human Health and Safety water available from the Department of Water Resources (roughly based on 55 GPCD offset by a certain volume of local supplies) plus any additional water Metropolitan can provide from the State Water Project system, allocated to each agency based on proportionate

population. Monthly volumetric limits are used as the basis to assess any penalties, if needed.

Enclosed in the agenda packet was a letter from Metropolitan regarding determinations of EWCP compliance for all Calleguas purveyors, the most recent weekly tracking report from Metropolitan, and a weekly tracking report that shows the Calleguas purveyors. The Manager of Resources provided an update on the status of EWCP performance and compliance. No action was taken.

J. ENGINEERING AND CONSTRUCTION

1. Discussion regarding approval of professional services by Leighton Consulting Inc. to perform Phase I of the Seismic Analysis of Wood Ranch Dam and Dikes for an amount not-to-exceed \$125,832

The Manager of Engineering said that Lake Bard is impounded by Wood Ranch Dam and six dikes. Construction was completed in 1965. A seismic stability analysis of Dike No. 1 was performed in 1997 (because it is the only dike not founded on bedrock), but the stability of Wood Ranch Dam and Dike Nos. 2 through 6 has not been assessed since their construction over 56 years ago. Since that time, the requirements of the California Division of Safety of Dams (DSOD) have changed and the scientific community's knowledge of ground motions given differing foundation and exposure proximities to seismic sources has substantially improved. Although there are no obvious deficiencies, DSOD classifies Wood Ranch Dam as having an extremely high downstream hazard risk should the dam fail, because residents are located downstream.

A request for qualifications was issued to four potential consulting firms in February. Three qualifications packages were received in April and the experience, qualifications, and team for Leighton Consulting Inc. were determined to be the most appropriate firm for the work.

To maximize efficiency and cost effectiveness a two-phase approach will be used:

- Phase I: Based on analysis and existing information combined with a comprehensive site reconnaissance, Leighton will preliminarily assess the risk of Wood Ranch Dam and all six dikes to downstream populated areas. This will allow Calleguas to more effectively make operating decisions for Lake Bard that directly relate to life-safety.
- Phase II: The second work phase will build on the conclusions of the first phase by including subsurface exploration and a reanalysis of embankment and foundation materials for the dam and all the dikes.

Phase I includes the following tasks:

- Reviewing available literature pertaining to the project site.

- Performing a field reconnaissance to observe and map existing surface conditions, geologic features, and site constraints.
- Conducting a Seismic Hazard Analysis, which consists of a site-specific ground motion study in accordance with DSOD's seismic design criteria.
- Performing Liquefaction and Cyclic Softening Analyses to evaluate the cyclic softening potential of embankment fill and underlying alluvial deposits for Dike No. 1 using existing geotechnical data.
- Conducting Slope Stability Analyses of the dam and embankments.
- Performing Deformation Analyses to assess the extent of movement, potential failure mechanisms, and dam/dikes foundation behavior under potential seismic conditions.
- Preparing a report summarizing the findings and providing recommendations for Phase II.

This work has been budgeted for in the Fiscal Year 2022/23 Engineering budget and the cost for professional services is reasonable for the work required.

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

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

NOES: None

2. Discussion regarding approval of professional services by V&A Consulting Engineers, Inc. to perform Pipeline Condition Assessment Services for Oxnard-Santa Rosa Feeder, Units 1 and 2 (located north of Santa Rosa Road and along and west of Blanchard Road) for an amount not-to-exceed \$176,479

The Manager of Engineering said that, after experiencing several failures of its pre-stressed cylinder pipelines (PCCP), the District has been actively assessing and rehabilitating its PCCP since 1999. Due to their increasing age, and advancements in inspection technologies, the District plans to expand its pipe condition assessment to include other pipeline materials, which are primarily welded steel pipe (WSP) and concrete cylinder pipe (CCP, also known as bar-wrapped pipe). This is a cost-effective approach to reducing the risk of failure and associated disruption and damage.

HDR prepared a Pipeline Condition Assessment Planning Study to identify the methods and technologies to perform pipeline condition assessment of Calleguas' WSP and CCP. Based on the recommendations in this study, staff proposes to pilot test the new approach for pipeline condition assessment on a section of the CCP Oxnard-Santa Rosa Feeder Units 1 and 2, which is relatively accessible (most of the pipeline lies under agricultural land).

Staff issued a request for proposals for these services. Two proposals were received and V&A Consulting Engineers was determined to be the most appropriate firm for the work based on their experience, qualifications, and cost.

The work includes the following tasks:

- Electrical Continuity Survey – This verifies whether the pipeline is electrically connected (bonded at joints), which is essential to the viability of cathodic protection to a pipeline. It also helps determine the most appropriate method of conducting additional corrosion surveys and aids in understanding the survey results.
- Cell-to-Cell Potential Survey – Corrosion of metals produces electrical currents and differences in electrical potential (voltage). A potential survey collects voltage readings to identify hot spots where corrosion may be occurring. For this type of potential survey, connection to the pipeline or its appurtenances is not required.
- Pipe-to-Soil Potential Survey – Similar to cell-to-cell potential surveys, this type of survey collects potential readings but is preferred because it provides direct measurements of corrosion activity on the pipeline. This method requires the pipeline to be electrically continuous and physical connection to the pipeline or its appurtenances. If the pipeline is not electrically continuous, the survey will still provide valuable information as the portions of the pipe that are surveyed can be used to estimate the condition of the entire pipeline and understand how the pipeline is performing in its environment.
- Leak Detection – Leak detection can be accomplished by conveying a tool through the interior of the pipeline while it is flowing. Small undetected leaks can grow to larger leaks that can potentially lead to catastrophic failure. Locating leaks before they result in large pipeline failures saves both money and water.

This work has been budgeted for in the Fiscal Year 2022/23 Engineering budget 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 5-0 to approve the professional services.

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

3. Approval of a new capital project: Somis Farmworker Housing SMP Discharge Station (Project No. 607)

The Manager of Engineering said that Amcal Housing (Amcal) is building a farmworker housing complex and associated wastewater treatment plant in Somis. Amcal has entered into an agreement with the District for the construction of a SMP discharge station for discharge of tertiary treated recycled water. In accordance with the

requirements of the Agreement, Amcal would be responsible for the associated design and construction costs.

This initial budget covers preliminary engineering design activities. Estimated construction costs will follow once preliminary design is complete, but are anticipated to be approximately \$300,000. It is anticipated that this project will take approximately 18 months to implement.

On a motion by Director Santamaria, seconded by Director Quady, the Board of Directors voted 5-0 to approve the new capital project and budget of \$46,000.

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

NOES: None

4. Discussion regarding Resolution No. 2048, authorization and call for bids for As-Needed Pipeline Services

A RESOLUTION OF THE BOARD OF DIRECTORS OF CALLEGUAS
MUNICIPAL WATER DISTRICT
APPROVING THE CONTRACT DOCUMENTS
AND CALLING FOR BIDS FOR AS-NEEDED PIPELINE SERVICES

The Manager of Engineering said that, in 2016 and 2019, Calleguas awarded a contract for As-Needed Pipeline Services to perform various pipeline and appurtenance projects, including:

- Emergency repairs.
- Relocation of appurtenances, adjustment of existing facilities, and other pipeline and appurtenance modifications to accommodate developer and public projects, such as road widening and street resurfacing.
- Design-phase potholing.
- Other miscellaneous pipeline, appurtenance, and related work.

Having this work performed under the As-Needed Pipeline Services contract has avoided the need for emergency declarations and allowed the work to be performed cost-effectively, since it is based on competitively bid unit price rates.

The current contract will expire in September and staff is requesting the approval of the Contract Documents for As-Needed Pipeline Services and authorization to call for bids. The contract will be effective for one year with an option to renew annually for up to two additional years. Services will be billed as time-and-material tasks. The required work depends on the need for emergency repairs, impacts of projects being performed by others, and other needs, so there is no specific value for the contract. Based on the use of the current contract, staff estimates that approximately \$400,000 per year of work would fall under this contract in the future.

On a motion by Director Waters, seconded by Director Avila, the Board of Directors voted 5-0 to adopt Resolution No. 2048. Resolution No. 2048 is attached and made part of these minutes.

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

K. WATER POLICY AND STRATEGY

1. Discussion of emergency water supplies to supplement limited water supplies from Metropolitan Water District of Southern California

The Associate General Manager said that the General Manager has initiated preliminary discussions with other responsible parties to secure emergency water supplies for the District to supplement the limited water supply available from Metropolitan. Many of these potential emergency supplies will require inter-agency cooperation. The Board's action to authorize the General Manager to negotiate with responsible parties adds formal standing to these efforts and establishes the Board's policy interest in securing emergency supplies. Under Metropolitan's current emergency water conservation program, these supplies would augment supplies available to the District's member purveyors, and their customers, and help prepare for an uncertain future water supply going into 2023. The Associate General Manager provided water resources policy context and the General Manager discussed current prospects for supplemental supplies. All formal agreements would be brought to the Board for their future consideration and final approval.

On a motion by Director Avila, seconded by Director Santamaria, the Board of Directors voted 5-0 to authorize the General Manager to negotiate with responsible parties to secure emergency water supplies.

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

L. DISTRICT COUNSEL

District Counsel said that a Case Management Conference will be conducted on August 11, 2022 with regard to Phase 2 of the Las Posas litigation. It is anticipated that the Phase 2 trial will be scheduled to commence in late September.

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

Director Blois noted that Metropolitan Board discussions have focused more on issues stemming from the State Audit on Equal Employment Opportunity violations and related discrimination and retaliation claims than on the drought emergency.

4. Discussion regarding an extension of Resolution No. 2031, continuing the proclamation of a local emergency, continuing the ratification of the proclamation of a State of Emergency by executive order, and authorizing remote teleconference meetings of the legislative bodies of Calleguas Municipal Water District pursuant to Brown Act provisions

On October 6, 2021, the Board passed Resolution No. 2031 authorizing remote teleconference meetings pursuant to AB 361. AB 361 modifies the Brown Act and authorizes teleconference meetings when a State of Emergency has been proclaimed by the Governor, and meeting in person presents imminent risk to the health and safety of attendees. [Government Code §54953(e)(1)]

In order to continue teleconference meetings, AB 361 requires reconsideration of findings every 30 days. [Government Code §54953(e)(3)]. Since the passage of AB 361, the Governor's March 4, 2020 Proclamation of Emergency due to COVID-19 remains in effect, and conditions set forth in Resolution No. 2031 have not changed with respect to the risks to the health and safety of attendees. Staff will continue to monitor the status of the Governor's order, and prevailing conditions, and inform the Board.

Staff recommends that, based on reconsideration of the above referenced conditions, Resolution No. 2031 be extended for an additional 30 days. Such extension shall take

effect immediately and will be effective until August 05, 2022 or until such earlier time that the Board takes additional action by resolution or motion in accordance with Water Code §71276 and Government Code §54953(e) to extend the time during which the legislative bodies of Calleguas Municipal Water District may continue to teleconference without compliance with standard Brown Act requirements.

On a motion by Director Santamaria, seconded by Director Waters, the Board of Directors voted 5-0 to extend Resolution No. 2031 authorizing remote teleconference meetings of the legislative bodies of the District. Resolution No. 2031 is attached and made part of these minutes.

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

NOES: None

N. CLOSED SESSION

None

O. OTHER BUSINESS

None

P. FUTURE AGENDA ITEMS

A Closed Session regarding the Las Posas litigation will be conducted at a future upcoming Board meeting.

Q. ADJOURNMENT

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

Respectfully submitted,



Raul Avila, Board Secretary