

CALLEGUAS MUNICIPAL WATER DISTRICT
BOARD OF DIRECTORS MEETING
January 18, 2023

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 Scott Quady, President of the Board, at 5:00 p.m.

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

Directors at District Headquarters and Participating via Videoconference:	Scott Quady, President Andy Waters, Vice-President Jacquelyn McMillan, Treasurer Raul Avila, Secretary Thibault Robert, Director
Staff Present at District Headquarters and Participating via Videoconference:	Kristine McCaffrey, Acting General Manager/Manager of Engineering Grant Burton, Human Resources Manager Dan Drugan, Manager of Resources Henry Graumlich, Associate General Manager - Water Policy & Strategy Rob Peters, Manager of Operations and Maintenance Dan Smith, Manager of Administrative Services Steve Sabbe, IT Coordinator James Mojica, Information Technology Specialist III Kara Wade, Clerk of the Board
Staff Present via Videoconference:	Kayde Wade, Administrative Assistant
Legal Counsel at District Headquarters and Participating via Videoconference:	Walt Wendelstein, Wendelstein Law Group, PC, District Counsel

B. MINUTES

On a motion by Director Waters, seconded by Director Avila, the Board of Directors voted 5-0 to approve the January 04, 2023 minutes as revised.

AYES: Directors Robert, Avila, McMillan, Waters, Quady
NOES: None

C. WRITTEN COMMUNICATION

None

D. PUBLIC FORUM/ORAL COMMUNICATION

None

E. GENERAL MANAGER

The Manager of Administrative Services introduced a new Calleguas employee: James Mojica, Information Technology Specialist III. The Board and staff welcomed him.

F. ADMINISTRATIVE SERVICES

1. December 2022 Water Use and Sales, November 2022 Power Generation, and December 2022 Investment Summary Reports

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

2. Disbursements for the District's monthly activities for December 2022

On a motion by Director McMillan, seconded by Director Avila, the Board of Directors voted 5-0 to approve the outstanding bills for payment.

AYES: Directors Robert, Avila, McMillan, Waters, Quady
NOES: None

3. Fourth Quarter 2022 Investment Report

Alayne Marie Sampson from Chandler Asset Management, Inc. presented the Investment Report. The Board of Directors asked questions and reviewed the subject reports. No action was taken.

G. HUMAN RESOURCES

1. Notice of changes made to the Employee Handbook in the last 6 months (Administrative Code Section 4.5 (d)(1)(ii))

The Human Resources Manager presented the changes to the Employee Handbook. No action was taken.

H. OPERATIONS AND MAINTENANCE

1. Discussion regarding Resolution No. 2067, authorization and call for bids for well maintenance services

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

The Manager of Operations and Maintenance said that the contract is to perform corrective maintenance and rehabilitation services on the District's nineteen Las Posas Basin Aquifer Storage and Recovery Wells on an as-needed basis. The contract will be effective from April 1, 2023 through March 31, 2026; no specific value is currently established for the contract and services will be billed as time-and-material tasks. At the time of contract award, the Board will be asked to approve a three year not-to-exceed amount of \$300,000 for the work that may be performed under this contract.

On a motion by Director Avila, seconded by Director Waters, the Board of Directors voted 5-0 to adopt Resolution No. 2067. Resolution No. 2067 is attached and made part of these minutes.

AYES: Directors Robert, Avila, McMillan, Waters, Quady
NOES: 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).

Metropolitan Water District of Southern California (Metropolitan) established an agency-specific volumetric delivery limit for Calleguas. 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.

The Manager of Resources provided an update on the status of EWCP performance and compliance. No action was taken.

2. Water Supply Update

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

J. ENGINEERING AND CONSTRUCTION

1. Project Development and Implementation Process

The Manager of Engineering presented an overview of the project development and implementation process, highlighting the approvals that the Board provides to enable the implementation of capital projects. No action was taken.

2. Discussion regarding the approval of a capital project budget in the amount of \$15,000 for the Wellfield No. 2 Solar System (Project No. 613)

The Manager of Engineering said that TerraVerde Energy, the Association of California Water Agencies' preferred provider for renewable energy services, conducted a feasibility study to identify potential locations for photovoltaic (PV) generation and/or battery energy storage sites at Calleguas' facilities. Staff identified Wellfield No. 2 as the most promising site to install a PV energy generation system due to the availability of land, on-site power demands, and a lack of entanglement with other existing renewable energy contracts. A battery storage system is not proposed because analysis determined the initial costs would not be recouped over a 25-year term.

Under Southern California Edison's current Net Energy Metering (NEM 2.0) tariff, the PV system could offer long-term energy savings, particularly during peak and semi-peak hours, when energy is the most expensive. On December 15, 2022, the California Public Utilities Commission formally adopted a new 'Net Billing Tariff' as a successor to the existing NEM 2.0 program. The new tariff would drastically reduce the value of energy exported to the grid by 80%, dramatically increasing the payback period and decreasing long-term energy savings. In order to implement a cost-effective project, Calleguas must obtain approval for the project to be on the NEM 2.0 tariff; the

successor tariff is significantly less desirable and substantially extends the payback period.

This phase of the work is limited to the preparation and submittal of a NEM 2.0 interconnection application, prior to the NEM 2.0 sunset date of April 13, 2023. If the interconnection application is accepted prior to the sunset date, subsequent Board approval will be sought for design and construction costs. For the project to maintain eligibility for the NEM 2.0 tariff, the PV system will have to be built within three years of the successful interconnection application. Upon completion of construction, Calleguas would be covered by the NEM 2.0 tariff for 20 years with the caveat that the CPUC's recent decision states that while the CPUC "has the authority to revise NEM 1.0 and NEM 2.0 tariffs," the CPUC "should not revise the NEM 1.0 or 2.0 tariffs."

The total construction cost is estimated at \$1.78M and, based on this construction cost estimate, the project would have a payback period of approximately 7 years.

On a motion by Director Avila, seconded by Director Waters, the Board of Directors voted 5-0 to approve the capital project.

AYES: Directors Robert, Avila, McMillan, Waters, Quady

NOES: None

3. Discussion regarding approval of a capital project budget allocation in the amount of \$1,963,000 for Simi Valley Tanks (Project No. 569)

The Manager of Engineering said the 2017 Potable Water Master Plan identified the need for additional storage in the Simi Valley area to meet peak hourly demands in the Simi Valley Region during imported water supply outage conditions. Given the lack of storage within Simi Valley, balancing demands and supplies within the region is also operationally challenging under normal supply and high demand conditions. Modeling determined that a 4.6 million gallon (MG) aboveground tank would be adequate.

Seven potential sites in eastern Simi Valley near Calleguas Conduit South Branch (CCSB) and Calleguas Conduit North Branch (CCNB) were identified and evaluated. The site selection study, which included preliminary design, has been completed and Site 7 has been recommended. The major project components include:

- Two tanks totaling 4.6 MG in capacity approximately 46' tall and 99' in diameter.
- 36" diameter inlet and outlet pipelines and connections to the existing CCNB and CCSB.
- 24" diameter drain and overflow pipe and connection to an existing storm drain.
- An access road leading from the public right-of-way to the tanks.

The previous budget covered evaluation of the potential sites and preliminary design. Additional budget needs to be allocated to move forward with design and preliminary negotiations for acquiring the property. Additional capital project budget will be requested to cover the cost of preparing California Environmental Quality Act (CEQA) documentation once the consultant's scope of work has been developed, and property acquisition once a final appraisal has been received.

On a motion by Director Waters, seconded by Director Avila, the Board of Directors voted 5-0 to approve the capital project budget allocation.

AYES: Directors Robert, Avila, McMillan, Waters, Quady

NOES: None

4. Discussion regarding approval of professional services by Perliter & Ingalsbe to perform design services for the Simi Valley Tanks (Project No. 569), for an amount not-to-exceed \$1,636,236

The Manager of Engineering said the Simi Valley Tanks are described in the agenda item above. The design services include:

- Surveying.
- Performing geotechnical investigations and evaluations.
- Performing utility search and plotting the utilities on the survey maps.
- Designing two tanks and their appurtenances including:
 - foundation ring beams
 - stairways
 - roof vent and platform
 - tank shell manholes
 - tank interior ladder
 - overflow trough
- Designing the 36" diameter inlet and outlet pipelines.
- Designing the 24" diameter drain and overflow pipeline.
- Designing the access road from the public right-of-way to the tanks.
- Designing the connection details to the CCSB and CCNB.
- Designing the cathodic protection system for each tank.
- Designing any necessary retaining walls.
- Preparing plans and specifications for the tanks and site improvements, including civil, structural, mechanical, electrical, and instrumentation.
- Assisting with obtaining permits from Ventura County Watershed Protection District, the City of Simi Valley, and the State Water Resources Control Board.
- Preparing a Storm Water Pollution Prevention Plan.
- Preparing an estimate of probable construction costs.
- Coordinating with District staff and necessary consultants, jurisdictions, and agencies throughout the design, permitting, and right-of-way acquisition efforts.

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

AYES: Directors Robert, Avila, McMillan, Waters, Quady

NOES: None

K. WATER POLICY AND STRATEGY

The Associate General Manager – Water Policy and Strategy informed the Board that the Association of Water Agencies Ventura County has initiated its annual symposium planning. Director McMillan and the Associate General Manager - Water Policy and Strategy are among the members of the planning committee. The symposium is planned for April 20, 2023.

L. DISTRICT COUNSEL

None

M. BOARD OF DIRECTORS

1. Resolution No. 2068 nominating a Calleguas Director as a Member of the Fox Canyon Groundwater Management Agency Board of Directors Representing Mutual Water Companies and Special Districts not Governed by the County Board of Supervisors

A RESOLUTION OF THE BOARD OF
DIRECTORS OF CALLEGUAS MUNICIPAL
WATER DISTRICT NOMINATING RAUL AVILA
AS A MEMBER OF
THE FOX CANYON GROUNDWATER MANAGEMENT AGENCY
BOARD OF DIRECTORS REPRESENTING MUTUAL WATER COMPANIES
AND SPECIAL DISTRICTS NOT GOVERNED BY THE COUNTY BOARD OF SUPERVISORS

Every two years the mutual water companies and special districts not governed by the County Board of Supervisors select a representative and an alternate to serve on the Fox Canyon Groundwater Management Agency for the next two years. The Board President of each agency, or their designated representative, casts a vote. Eugene West of Camrosa Water District has served as the representative of this group of agencies since 2015 and Director Waters has served as the alternate since 2013.

On a motion by Director Waters, seconded by Director McMillan, the Board of Directors voted 5-0 to adopt Resolution No. 2068 nominating Raul Avila as the alternate representative. Resolution No. 2068 is attached and made part of these minutes.

AYES: Directors Robert, Avila, McMillan, Waters, Quady
NOES: None

2. Oral reports on meetings attended by Board members

Pursuant to Government Code Section 53232.3(d), Board members provided oral reports on meetings attended at the expense of the District.

3. Discussion regarding upcoming meetings to be attended by Board members

The table of upcoming meetings was provided as a packet insert.

4. Metropolitan update

Director McMillan provided an update on January Metropolitan Board and Committee meetings. Specifically, Director McMillan provided details on the water supply outlook, the Board action to authorize Metropolitan's General Manager to pursue water transfers and exchanges, urban water conservation and supplemental development opportunities as presented by the Pacific Institute, the authorization of a pilot stormwater project, state and federal legislation, and the installation of Metropolitan's newly elected Chair Adán Ortega.

N. CLOSED SESSION

None

O. OTHER BUSINESS

None

P. FUTURE AGENDA ITEMS

None

Q. ADJOURNMENT

Director Quady declared the meeting adjourned at 6:45 p.m.

Respectfully submitted,



Raul Avila, Board Secretary

