

CALLEGUAS MUNICIPAL WATER DISTRICT

2100 Olsen Road, Thousand Oaks, California 91360

www.calleguas.com

Written communications from the public must be received by 8:30 a.m. on the Thursday preceding a regular Board meeting in order to be included on the agenda and considered by the Board at that meeting. Government Code Section 54954.2 prohibits the Board from taking action on items not posted on the agenda except as provided in Subsection 54954.2(b).

BOARD OF DIRECTORS MEETING

April 03, 2024, 4:00 p.m.

AGENDA

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

BOARD OF DIRECTORS

Scott H. Quady, President

Andy Waters, Vice-President

Raul Avila, Secretary

Jacquelyn McMillan, Treasurer

Thibault Robert, Director

2. PUBLIC COMMENTS

This portion of the agenda may be utilized by any member of the public to address the Board of Directors on any matter within the jurisdiction of the Board that does not appear on the agenda. Depending on the subject matter, the Board of Directors may be unable to respond at this time, or until the specific topic is placed on the agenda at a future CMWD Board Meeting, in accordance with the Ralph M. Brown Act. Please limit remarks to three minutes.

To participate:

https://us06web.zoom.us/j/84561392448?pwd=H99iPlpQqxn_tyHwp4l9crNoDyA5og.9Lxwf-xOnu0Y39_z

Phone # +1 (720) 707-2699 *825427# (Denver)

Webinar ID: 845 6139 2448

Passcode: 930807

3. PRESENTATION

Presentation of new staff member, Evaristo (Tito) Aguilar, Regulatory Compliance Division intern.

4. ITEMS TO BE ADDED TO THE AGENDA – GOVERNMENT CODE 54954.2(b)

Consideration of any items that require addition to the agenda due to the existence of an emergency situation, the need to take immediate action, and requests for remote participation due to emergency circumstances.

5. CONSENT CALENDAR

Consent Calendar items are to be approved or accepted by vote on one motion unless a Board member requests separate consideration. If any Board member requests that an item be removed from the Consent Calendar for further discussion, it will be moved to the first item on the Action Items portion of the Agenda.

- A. Approve the Minutes of the March 20, 2024 Regular Board Meeting
- B. Receive and affirm the Payment Register for the District’s activities from February 27, 2024 to March 25, 2024

6. ACTION ITEMS

Action Items call for separate discussion and action by the Board for each agenda item.

- A. Authorize the General Manager to execute a Funding Agreement with Sensor Industries – Jenyffer Vasquez, Principal Water Resource Specialist

7. REPORTS

Report items are placed on the agenda to provide information to the Board and the public and no Board action is sought.

A. GENERAL MANAGER AND STAFF REPORTS

- 1. Update on Initiative 1935 – Richelle Noroyan, Coastal Network Public Affairs Field Coordinator, California Special Districts Association
- 2. Update on Metropolitan Water Rates – Dan Smith, Manager of Finance, and Henry Graumlich, Executive Strategist
- 3. Legislative Update – Charlotte Holifield, Manager of External Affairs

4. Monthly Status Report

5. March 2024 Financial Report – Dan Smith, Manager of Finance

B. GENERAL COUNSEL REPORT

1. General Counsel’s Report

C. BOARD OF DIRECTORS REPORTS

1. Board Member Reports on Ancillary Duties

Reports on ancillary duties are placed on the agenda to provide a forum for discussion concerning the activities of external entities to which Calleguas Board members are assigned in a representative capacity.

a. Report of ACWA Region 8 Director

b. Report of ACWA Joint Powers Insurance Authority Representative

c. Report of Association of Water Agencies of Ventura County Representative

d. Report of Fox Canyon Groundwater Management Agency Representative

e. Report of Metropolitan Water District Director

f. Report of Ventura LAFCo Commissioner

g. Report of Ventura County Regional Energy Alliance Representative

h. Report of Ventura County Special Districts Association Representative

2. Directors’ List of Administrative Code Reimbursable Meetings Other than Ancillary Duties

Reimbursable meetings reports are placed on the agenda to comply with statutory and Calleguas Administrative Code requirements for members of a legislative body who attend a meeting at the expense of the local agency to provide a report of the meeting.

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

4. Request for Future Agenda Items

8. INFORMATION ITEMS

A. WRITTEN COMMUNICATION

1. Calleguas Comment Letter to Metropolitan Water District: The Need for an Alternative to the Proposed Treated Water Surcharge
2. Joint Metropolitan Member Agency Managers Letter on Treatment Surcharge Issues
3. Association of California Water Agencies Coalition Letter, AB 2557 (Wilson) - Support, March 11, 2024
4. Letter to U.S. Senate members, Request for PFAS Liability Exemption for Water and Wastewater Agencies, March 19, 2024
5. Letter to State Water Resources Control Board, Revisions to proposed Conservation as a California Way of Life regulation, March 27, 2024

9. CLOSED SESSION

10. ADJOURNMENT to Board Meeting April 17, 2024 at 4:00 p.m.

Note: Calleguas Municipal Water District conducts in-person meetings in accordance with the Brown Act. The District has also established alternative methods of participation which permit members of the public to observe and address public meetings telephonically and/or electronically. These methods of participation can be accessed through the internet link provided at the top of this agenda.

In addition to the above referenced methods of participation, members of the public may also participate by submitting comments by email to info@calleguas.com by 5:00 p.m. on the calendar day prior to the public meeting. Email headers should refer to the Board meeting for which comments are offered. Comments received will be placed into the record and distributed appropriately.

Agendas, agenda packets, and additional materials related to an item on this agenda submitted to the Board after distribution of the agenda packet are available on the District website at www.calleguas.com.

Pursuant to Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and applicable federal rules and regulations, requests for disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the Secretary to the Board in advance of the meeting to ensure the availability of the requested service or accommodation. Notices, agendas, and public documents related to the Board meetings can be made available in appropriate alternative format upon request.

CALLEGUAS MUNICIPAL WATER DISTRICT
 BOARD OF DIRECTORS MEETING
 March 20, 2024

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. The District also provided telephonic and electronic methods of participation for the public as noted on the meeting agenda.

The meeting was called to order by Scott Quady, President of the Board, at 4:00 p.m.

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

Directors Present at District Headquarters:	Scott Quady, President Andy Waters, Vice-President (arrived 4:55 p.m.) Raul Avila, Secretary Jacquelyn McMillan, Treasurer (arrived 4:08 p.m.) Thibault Robert, Director
---	--

Staff Present at District Headquarters:	Kristine McCaffrey, General Manager Ian Prichard, Deputy General Manager Fernando Baez, Manager of Engineering Tricia Ferguson, Assistant Manager of Human Resources and Risk Management Henry Graumlich, Executive Strategist Charlotte Holifield, Manager of External Affairs Jennifer Lancaster, Manager of Water Resources Rob Peters, Manager of Operations and Maintenance Wes Richardson, Manager of Information Technology Dan Smith, Manager of Finance James Mojica, IT Specialist Kara Wade, Clerk of the Board Megan Neilson, Administrative Assistant
---	--

Staff Present via Videoconference:	Kayde Wade, Administrative Assistant
------------------------------------	--------------------------------------

Legal Counsel Present at District Headquarters:	Walter Wendelstein, Wendelstein Law Group, PC, District Counsel
---	---

2. PUBLIC COMMENTS

None

3. PRESENTATION

None

4. ITEMS TO BE ADDED TO THE AGENDA – GOVERNMENT CODE 54954.2(b)

None

5. CONSENT CALENDAR

A. Approve the Minutes of the March 06, 2024 Board Meeting

On a motion by Director Avila, seconded by Director Robert, the Board of Directors voted 3-0-2 to approve the Consent Calendar.

AYES: Directors Robert, Avila, Quady

NOES: None

ABSENT: Directors McMillan, Waters

6. ACTION ITEMS

A. Discussion of a notice to set the date, time, and place of a public hearing to consider amending Calleguas Ordinance No. 15, Setting Directors' Compensation

On a motion by Director Avila, seconded by Director Robert, the Board of Directors voted 3-0-2 to not set the date, time, and place of a public hearing to consider amending Calleguas Ordinance No. 15, Setting Directors' Compensation.

AYES: Directors Robert, Avila, Quady

NOES: None

ABSENT: Directors McMillan, Waters

7. REPORTS

A. GENERAL MANAGER AND STAFF REPORTS

1. Update on Delta Conveyance Project – Carrie Buckman, Environmental Program Manager for Delta Conveyance, Department of Water Resources, and Graham Bradner, Executive Director, Delta Conveyance Design and Construction Authority

Carrie Buckman, Environmental Program Manager for Delta Conveyance, Department of Water Resources, and Graham Bradner, Executive Director, Delta Conveyance Design and Construction Authority updated the Board on the Delta Conveyance Project and responded to questions.

The General Manager asked Director McMillan, as Calleguas's Metropolitan Water District Board representative, to share Metropolitan's perspective on the project. Director McMillan said that Metropolitan is supportive of the project. There will be a meeting with the Delta County Supervisors on March 25 to discuss mutual support on Delta initiatives.

2. Update on Proposed Metropolitan Water Rates – Dan Smith, Manager of Finance, and Henry Graumlich, Executive Strategist

The Manager of Finance, Executive Strategist, General Manager, and Deputy General Manager presented the proposed rates from Metropolitan as part of Metropolitan's upcoming biennial budget (2025-26) and responded to questions from the Board.

3. General Manager's Report

The General Manager noted that she was a guest at the March 12 Metropolitan Water District Board Meeting and made remarks regarding the treated water surcharge. The General Manager reported on meetings attended and matters of interest to the Board of Directors.

4. February 2024 Water Use and Sales, January 2024 Power Generation, and February 2024 Investment Summary Reports – Dan Smith, Manager of Finance

The Manager of Finance presented the reports and responded to questions from the Board.

B. GENERAL COUNSEL REPORT

1. General Counsel's Report

General Counsel stated that a Quarterly Legal Summary had been provided to the Board; the opt-out submitted by Calleguas in the 3M PFAS litigation was not included in the non-compliant list; and that a memorandum concerning teleconferencing authority would be provided to the Board.

C. BOARD OF DIRECTORS REPORTS

1. Board Member Reports on Ancillary Duties

Reports on ancillary duties are placed on the agenda to provide a forum for discussion concerning the activities of external entities to which Calleguas Board members are assigned in a representative capacity.

a. Report of ACWA Region 8 Director

No report

b. Report of ACWA Joint Powers Insurance Authority Representative

No report

c. Report of Association of Water Agencies of Ventura County Representative

Director Avila said that he attended the March 19 Water Issues meeting. He noted that he will no longer be the president of AWA beginning March 21.

d. Report of Fox Canyon Groundwater Management Agency Representative

No report. Next meeting is March 27.

e. Report of Metropolitan Water District Director

Director McMillan referenced her written report on the Metropolitan meetings she attended from March 07 to March 20. Director McMillan's report is attached and made part of these minutes.

f. Report of Ventura LAFCo Commissioner

Director Avila said he attended the meeting on March 20 as the Vice Chair. Meeting topics included a public hearing regarding Municipal Service Reviews (MSRs) for the Ojai Basin Groundwater Management Agency, Ojai Water Conservation District and Pleasant Valley County Water District. The meeting also included approval of the sphere of influence for the Ojai Basin Groundwater Management Agency, Ojai Water Conservation District, Pleasant Valley County Water District and a review and update for the City of Ojai.

- g. Report of Ventura County Regional Energy Alliance Representative

No report

- h. Report of Ventura County Special Districts Association Representative

No report

- 2. Directors' List of Administrative Code Reimbursable Meetings Other than Ancillary Duties

Reimbursable meetings reports are placed on the agenda to comply with statutory and Calleguas Administrative Code requirements for members of a legislative body who attend a meeting at the expense of the local agency to provide a report of the meeting.

Board members provided reports on various meetings that they attended which are subject to the District's reimbursement policy.

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

None

- 4. Request for Future Agenda Items

None

8. INFORMATION ITEMS

A. WRITTEN COMMUNICATION

- 1. Water Supply Conditions Report

The Manager of Resources said that there will be an allocation update soon.

2. Memorandum from Rutan & Tucker, LLP regarding alternatives for staffing the Fox Canyon Groundwater Management Agency

9. CLOSED SESSION

- A. Pursuant to Government Code Section 54956.9(d)(1) Conference with Legal Counsel – Existing Litigation, Las Posas Valley Water Rights Coalition, et.al., v. Fox Canyon Groundwater Management Agency, et.al., Santa Barbara Superior Court Case No. VENCI00509700.

At 5:45 p.m., Director Quady adjourned to Closed Session to discuss Item 9A as stated on the agenda. Closed Session began at 5:50 p.m.

CLOSED SESSION CONTINUING

At 6:48 p.m., Director Quady reconvened to Open Session.

Regarding 9A, Legal Counsel stated there was a discussion with the Board and Staff, and no action was taken.

10. ADJOURNMENT

Director Quady declared the meeting adjourned at 6:50 p.m.

Respectfully submitted,

Raul Avila, Board

SCOTT H. QUADY, PRESIDENT
DIVISION 2

ANDY WATERS, VICE PRESIDENT
DIVISION 3

RAUL AVILA, SECRETARY
DIVISION 1

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

THIBAUT ROBERT, DIRECTOR
DIVISION 4

KRISTINE MCCAFFREY
GENERAL MANAGER



www.calleguas.com

2100 OLSEN ROAD • THOUSAND OAKS, CALIFORNIA 91360-6800 805/526-9323 • FAX: 805/522-5730

BOARD MEMORANDUM

Date: April 3, 2024
To: Board of Directors
From: Dan Smith, Manager of Finance
Subject: Payment Register: 02/27/24 – 03/25/24

Objective: Report to the Board all payments made by the District by check, EFT (Electronic Fund Transfer) or ACH (Automated Clearing House) payment.

Recommended Action: Receive and file the report.

Budget Impact: None. All items were paid in accordance with the budget.

Discussion: Once a month, staff reports to the Board all of the payments made to vendors of the District by check or EFT. The current register covers the period from February 27, 2024 through March 25, 2024.

Attachment:
Payment Register: 02/27/24 – 03/25/24



Payment Register

02/27/2024 - 03/25/2024

Payroll Accounts

Payroll Checks/EFT Issued **696,972.66**

Operating Account

Checks Issued: 1,244,269.08

Electronic Fund Transfers (EFT) issued: 7,946,562.97

Total Payments \$ 9,190,832.05

Total Checks & Electronic Fund Transfers for 02/27/2024 - 03/25/2024 **\$ 9,887,804.71**

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description
A & M Lawnmower Shop	24856	03/13/2024	53950	Equipment Repair	691.53		
					Check# 24856 Total	691.53	
Access Control Security, Inc.	24857	03/13/2024	57929	Security Services - Feb 2024	7,332.56		
					Check# 24857 Total	7,332.56	
					24902	03/20/2024	57428
					Check# 24902 Total		306.40
ACTenviro	24858	03/13/2024	549897	Hazardous Waste Disposal	3,344.65		
					Check# 24858 Total		3,344.65
ACWA/Joint Powers Insurance	24820	03/06/2024	701783	2024-03 Dental/Vision	10,437.57		
					Check# 24820 Total	10,437.57	
					24903	03/20/2024	WC 4th Qtr 2023A
					Check# 24903 Total		39,320.49
Aflac	24821	03/06/2024	949572	2024-03 EE Paid Ins	258.49		
					Check# 24821 Total		258.49
Airgas USA, LLC	24822	03/06/2024	9146989191	PPE	1,703.97		
					Check# 24822 Total		1,703.97
Alfa Laval, Inc.	24781	02/28/2024	284008839	SV & EP Heat Exchanger Gaskets	2,962.87		
					Check# 24781 Total		2,962.87
All Connected	24782	02/28/2024	43737	Server License	1,069.00		
			43745	UCS Admin Compute and Storage	26,032.86		
			43751	Cisco SMARTnet Renewal	253.09		
			Check# 24782 Total	27,354.95			
	24859	03/13/2024	108085	Support Overage - Jan 2024	836.25		
			108091	Support Connect Services - Mar 2024	13,782.44		
			108092	Disaster Recovery Services - Mar 2024	6,239.60		
			43764	Microsoft 365 G3 GCC License Annual License	26,801.28		
			43766	Exchange Online	96.00		
			Check# 24859 Total	47,755.57			
24904	03/20/2024	43773	Wireless Access Point Replacements	14,572.56			
		43774	Wireless Access Point Replacements	1,850.00			
					Check# 24904 Total		16,422.56

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description		
Amazon Capital Services, Inc.	24905	03/20/2024	1C6J-4VJG-DTXK	Control Supplies	69.69				
			1DK4-CYWR-DTPV	Ham Radio Supplies	93.76				
			13LR-KLHW-D7NR	Control Sys. Supplies	27.69				
			163H-GXYG-96PJ	PC Peripherals	310.76				
			163H-GXYG-9YGC	Eng. Office Supplies	33.53				
			16LF-HC1T-DHNC	HRRM Supplies	61.65				
			1DK4-CYWR-D6YX	O&M Stock	346.96				
			1F9R-117W-CVPM	Dist. Supplies	225.91				
			1JLY-HPD7-DDN3	Dist. Supplies	64.40				
			1LM3-MGCN-99G6	Dist. Supplies	40.32				
			1PD1-QWXX-DD1R	Tablet Accessories	750.71				
			1QCQ-T4RX-DPPD	Sys. Maint. Supplies	61.07				
			1QQP-NKN1-D6QX	Sys. Maint Supplies	121.45				
			1V6V-RKHP-CYVG	Turnout Supplies	316.25				
			Check# 24905 Total					2,524.15	
Arellano Associates	24906	03/20/2024	20848	Public Outreach Support	1,258.14	450	LVMWD-CMWD Interconnection		
Check# 24906 Total					1,258.14				
Association of Water Agencies-VC	24823	03/06/2024	06-15449	CCWUC Training - 01/31/24	360.00				
			06-15472	WaterWise Breakfast - 02/15/24	330.00				
			Check# 24823 Total					690.00	
Astra Backflow, Inc	24860	03/13/2024	290273	Cla-Val Parts	190.73				
			290276	Cla-Val Parts	909.24				
			Check# 24860 Total					1,099.97	
AT&T	24783	02/28/2024	284857073-0224	Signal Channels	149.80				
			Check# 24783 Total					149.80	
			24824	03/06/2024	9930907807	Signal Channels	155.20		
Check# 24824 Total					155.20				
	24907	03/20/2024	21384456	Signal Channels	1,588.45				
			21384819	Signal Channels	29.35				
			Check# 24907 Total					1,617.80	
B & R Supply, Inc.	24784	02/28/2024	1900997278	Tool Repair	380.81				
Check# 24784 Total					380.81				

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description
Batteries Plus	24861	03/13/2024	P68734739	Batteries	34.21		
				Check# 24861 Total	34.21		
BKM Office Environments	24908	03/20/2024	143224	Desk for Resources Department	3,090.14		
				Check# 24908 Total	3,090.14		
Blois Construction, Inc.	24825	03/06/2024	11985	Construction Retention	23,656.01	619	SMP1 Station 270+00 Leak Repair
					(1,182.80)		
				Check# 24825 Total	22,473.21		
Brenntag Pacific, Inc.	24909	03/20/2024	BPI413872	LBWFP Superfloc	1,325.23		
				Check# 24909 Total	1,325.23		
C & M Auto Truck Electric	24862	03/13/2024	020224 Service	Service Unit 12	543.86		
				Check# 24862 Total	543.86		
C.A. Short Company	24785	02/28/2024	PI0000095228	Service Awards	684.57		
				Check# 24785 Total	684.57		
	24863	03/13/2024	PI0000096985	Service Awards	315.65		
				Check# 24863 Total	315.65		
California State Disbursement Unit	24826	03/06/2024	1516801-0224B	#200000001516801-02/29/24	180.00		
				Check# 24826 Total	180.00		
	24910	03/20/2024	1516801-0324A	#200000001516801-03/15/24	180.00		
				Check# 24910 Total	180.00		
California Water Environment Assoc (CWEA)	24786	02/28/2024	813203	Training - Zavalza	25.00		
			813204	Training - Zavalza	25.00		
			813206	Training - Zavalza	25.00		
				Check# 24786 Total	75.00		
	24864	03/13/2024	395480-2024B	Membership Renewal - Quintero	98.00		
				Check# 24864 Total	98.00		
	24911	03/20/2024	395614-2024	Membership Renewal - Pattison	349.00		
			416914-2024B	Membership Renewal - Ceja	98.00		
				Check# 24911 Total	447.00		

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description	
Calolympic Safety	24787	02/28/2024	406222	Gas Monitors	862.37			
			406222-1	Sensors	1,198.47			
			406222-2	Sensors	451.13			
			Check# 24787 Total				2,511.97	
Chandler Asset Management, Inc.	24912	03/20/2024	2402CMWD	Investment Mgmt Fees - Feb 2024	8,599.19			
			Check# 24912 Total				8,599.19	
Chapman and Cutler LLP	24788	02/28/2024	2084666	Revolving Credit Agreement	40,000.00			
			Check# 24788 Total				40,000.00	
Charles P. Crowley Company	24827	03/06/2024	32295	Pressure Valve	1,008.35			
			32323	Valves	291.88			
			Check# 24827 Total				1,300.23	
City of Camarillo	24828	03/06/2024	Dec 2023	2023-12 NPV Desalter LRP Credit	69,677.33			
			Check# 24828 Total				69,677.33	
City of Moorpark	24829	03/06/2024	INV-00005805	Encroachment Permit PWE2024-0344	636.00			
			Check# 24829 Total				636.00	
City of Simi Valley	24789	02/28/2024	15864	Recycled Water - Jan 2024	2,340.35			
			Check# 24789 Total				2,340.35	
			16030	Recycled Water - Feb 2024	139.24			
Check# 24913 Total				139.24				
City of Thousand Oaks	24914	03/20/2024	48326-46726-0324	Utilities	444.92			
			Check# 24914 Total				444.92	
			48326-50840-0324	Utilities	47.67			
Check# 24915 Total				47.67				
Coastal Pipco	24865	03/13/2024	S2247473.001	Sys. Maint Supplies	77.85			
			S2247513.001	Dist. Supplies	(63.99)			
			Check# 24865 Total				13.86	
Colonial Life & Accident Ins	24830	03/06/2024	7189616-0213394	2024-03 EE Paid Ins	1,350.00			
Check# 24830 Total				1,350.00				

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description
Computershare Trust Company	24831	03/06/2024	2311475	Trustee Fee - 2010B Bonds	1,800.00		
				Check# 24831 Total	1,800.00		
ConnectWise, LLC	24866	03/13/2024	INV01080162	Perch - IT Security Service - Mar 2024	1,588.40		
				Check# 24866 Total	1,588.40		
Consolidated Electrical Distributors/Royal Ind Sol	24916	03/20/2024	9009-1044717	Electrical Supplies	1,276.28		
				Check# 24916 Total	1,276.28		
Contractor Compliance & Monitoring	24832	03/06/2024	20393 20394	Labor Compliance Services Labor Compliance Services	1,800.00 900.00	450 590	LVMWD-CMWD Interconnection TOD Pump Station Rehabilitation
				Check# 24832 Total	2,700.00		
County of Ventura	24917	03/20/2024	370075	Encroachment Permit PE21-0003-2	570.00	450	LVMWD-CMWD Interconnection
				Check# 24917 Total	570.00		
D&H Water Systems	24833	03/06/2024	I2024-0232	LBWFP Annual Chlorine PM	12,714.35		
				Check# 24833 Total	12,714.35		
Daniel's Tire Service	24790	02/28/2024	250133018	Service Unit 17	100.00		
				Check# 24790 Total	100.00		
DCH Ford of Thousand Oaks	24791	02/28/2024	899163	Service Unit 22	3,811.16		
				Check# 24791 Total	3,811.16		
Department of Consumer Affairs	24792	02/28/2024	C79021 - 2024	P.E. Renewal 2024 - Mueller	180.00		
				Check# 24792 Total	180.00		
Dunn-Edwards Corporation	24867	03/13/2024	2057A08567	Paint	37.49		
				Check# 24867 Total	37.49		
ECS Imaging Inc.	24868	03/13/2024	18557	Laserfiche Forms Add'l LSAP Hours	875.00		
				Check# 24868 Total	875.00		
Endress & Hauser, Inc.	24793	02/28/2024	6002538775	LBWFP Level Transmitters	3,867.04		
				Check# 24793 Total	3,867.04		
ESRI, Inc	24794	02/28/2024	94664705	ArcGIS Software Annual Maintenance	8,470.00		
				Check# 24794 Total	8,470.00		

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description
Eurofins Eaton Analytical, Inc.	24795	02/28/2024	3800031022	Lab Services	175.00		
					Check# 24795 Total	175.00	
Falcon Fuels	24796	02/28/2024	68473	Fuel	7,158.03		
					Check# 24796 Total	7,158.03	
Famcon Pipe and Supply	24918	03/20/2024	S100121309.001	Piping Supplies - Credit	(30.24)		
			S100122077.001	Shutdown Parts	6,230.15		
	Check# 24918 Total				6,199.91		
Federal Express	24797	02/28/2024	8-410-65314	Express Shipping	24.42	619	SMP1 Station 270+00 Leak Repair
				Express Shipping	340.07		
			8-417-36775	Express Shipping	55.76		
	Check# 24797 Total			420.25			
24869	03/13/2024	8-425-03334	Express Shipping	186.47			
		8-432-51332	Express Shipping	211.55			
	Check# 24869 Total			398.02			
24870	03/13/2024	6843546894	Fed Ex Freight	4,115.79			
	Check# 24870 Total			4,115.79			
Fgl Environmental	24834	03/06/2024	400607A	Lab Services	2,129.00		
			400659A	Lab Services	529.00		
			400778A	Lab Services	559.00		
			400779A	Lab Services	559.00		
			400782A	Lab Services	559.00		
			400880A	Lab Services	559.00		
			401264A	Lab Services	203.00		
			401752A	Lab Services	79.00		
			401836A	Lab Services	235.00		
			401838A	Lab Services	121.00		
			402106A	Lab Services	88.20		
			402109A	Lab Services	2,140.20		
			402289A	Lab Services	85.00		
				Check# 24834 Total			7,845.40

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description
Fgl Environmental (continued)	24871	03/13/2024	304975D	Lab Services	51.00		
			304983C	Lab Services	51.00		
			313564A	Lab Services	1,596.75		
			313566A	Lab Services	715.00		
			313830A	Lab Services	233.00		
			314017A	Lab Services	77.00		
			314387A	Lab Services	283.00		
			314438A	Lab Services	77.00		
			314753A	Lab Services	77.00		
			315004A	Lab Services	257.00		
				Check# 24871 Total	3,417.75		
Fisher Scientific	24835	03/06/2024	0245284	Lab Supplies	122.04		
				Check# 24835 Total	122.04		
Franchise Tax Board	24836	03/06/2024	886463872-0224B	#886463872-02/29/24	25.00		
				Check# 24836 Total	25.00		
	24919	03/20/2024	886463872-0324A	#886463872-03/15/24	25.00		
				Check# 24919 Total	25.00		
Frontier	24798	02/28/2024	2091781628-0224	Signal Channels	70.88		
			2131743676-0224	Signal Channels	146.62		
				Check# 24798 Total	217.50		
Gannett California LocaliQ	24799	02/28/2024	6143842	Bid Notice Ad	61.48	603	Crew Building Improvements / Networking Center
				Check# 24799 Total	61.48		
Geotab USA, Inc.	24901	03/13/2024	IN373331	Vehicle GPS Service	1,125.75		
				Check# 24901 Total	1,125.75		
GI Industries	24800	02/28/2024	4556871-0283-6	Waste Removal - Green	689.20		
				Check# 24800 Total	689.20		
	24872	03/13/2024	4556892-0283-2	Waste Removal - Recycle	188.00		
			4556909-0283-4	Waste Removal	538.17		
				Check# 24872 Total	726.17		

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description
Grainger	24801	02/28/2024	9021081519	Dist. Supplies	71.60		
			9022282504	Control Sys. Supplies	755.71		
			9026496621	Unit 60 Supplies	38.08		
			9028850437	Sys. Maint. Supplies	62.26		
				Check# 24801 Total	927.65		
	24837	03/06/2024	9033106429	O&M Stock	162.83		
			9033288433	Spill Response Cabinet	2,172.30		
				Check# 24837 Total	2,335.13		
	24920	03/20/2024	9038827417	Dist. Supplies	65.25		
			9045524791	Dist. Supplies	28.29		
9048617634			Control Sys. Supplies	263.77			
9049789820			Air Filters	134.62			
9049789838			Light Tools	677.97			
9050370312			Control Sys. Supplies	299.38			
			Check# 24920 Total	1,469.28			
Gucciardo Design	24921	03/20/2024	INV-000618	Building Resilience Through Water Eff. Flyers	510.00		
					Check# 24921 Total	510.00	
Home Depot Credit Services	24873	03/13/2024	8086-0224	Credit Card Charges - O&M	3,501.19		
					Check# 24873 Total	3,501.19	
Hose-Man, Inc.	24838	03/06/2024	57487	Hoses	584.44		
					Check# 24838 Total	584.44	
Hunt Ortmann Palffy Nieves Darling & Mah, Inc.	24839	03/06/2024	104965	Legal Services	6,557.25	450	LVMWD-CMWD Interconnection
					Check# 24839 Total	6,557.25	
In-Situ Inc.	24840	03/06/2024	1057259	WF Monitoring Probes	176.97		
					Check# 24840 Total	176.97	
Kaizen InfoSource LLC	24874	03/13/2024	20240301	Records Management	1,500.00		
					Check# 24874 Total	1,500.00	
Kiewit Infrastructure West Co.	24922	03/20/2024	450-29	Construction	414,176.72	450	LVMWD-CMWD Interconnection
				Retention	(20,708.84)		
				Check# 24922 Total	393,467.88		

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description
Larry Walker Associates	24841	03/06/2024	244.75-6	SMP Permit Renewal	962.50		
				Check# 24841 Total	962.50		
Mac Valley Oil Company	24802	02/28/2024	24-309347	Oil	1,848.61		
				Check# 24802 Total	1,848.61		
Martronic Engineering, Inc.	24803	02/28/2024	59528	Paint	130.85		
				Check# 24803 Total	130.85		
	24875	03/13/2024	59557	DigAlert Supplies	1,254.83		
				Check# 24875 Total	1,254.83		
	24923	03/20/2024	59561	DigAlert Supplies	434.36		
				Check# 24923 Total	434.36		
Mc Master-Carr Supply Company	24804	02/28/2024	22396662	Wellfield 2 Supplies	301.85		
				Check# 24804 Total	301.85		
	24842	03/06/2024	22563950	O&M Stock	28.13		
				Check# 24842 Total	28.13		
	24924	03/20/2024	23578211 23597585	Light Tools Unit 64 O&M Supplies	73.39 70.06		
				Check# 24924 Total	143.45		
Michael K. Nunley & Associates, Inc.	24925	03/20/2024	103999517	Engineering Consulting	1,190.94	589	Fairview Well Rehabilitation
				Check# 24925 Total	1,190.94		
Montague DeRose and Associates, LLC	24876	03/13/2024	5608CMWD	Revolving Loan Advisory Services	50,000.00		
				Check# 24876 Total	50,000.00		
Motion Automation Intelligence (Motion AI)	24926	03/20/2024	435315-00	PLC/ADN Communication Equipment	4,574.58		
				Check# 24926 Total	4,574.58		
Napa Auto Parts	24805	02/28/2024	853735	O&M Stock	48.24		
				Check# 24805 Total	48.24		

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description
Napa Auto Parts (continued)	24877	03/13/2024	857917	Unit 36 Supplies	226.23		
				Check# 24877 Total	226.23		
Northern Tool & Equipment	24806	02/28/2024	53333024	Generator Inverter	2,759.54		
				Check# 24806 Total	2,759.54		
NV5, Inc.	24927	03/20/2024	375656	Construction Materials Testing	25,318.00	450	LVMWD-CMWD Interconnection
				Check# 24927 Total	25,318.00		
Office Depot	24843	03/06/2024	29567847	Office Supplies	1,273.01		
				Check# 24843 Total	1,273.01		
Orkin Pest Control	24844	03/06/2024	256392006	Pest Control	267.99		
				Check# 24844 Total	267.99		
Petty Cash	24845	03/06/2024	PC 02/29/24	Petty Cash - Feb 2024	52.72		
				Check# 24845 Total	52.72		
Phoenix Civil Engineering	24928	03/20/2024	22812	Engineering Consulting	14,963.00	450	LVMWD-CMWD Interconnection
				Check# 24928 Total	14,963.00		
Polydyne Inc.	24807	02/28/2024	1804862/1807760	LBWFP Clarifloc	463.32		
				Check# 24807 Total	463.32		
Power Machinery Center	24878	03/13/2024	W78681 W79449	Equipment Repair Equipment Maintenance	2,123.48 157.04		
				Check# 24878 Total	2,280.52		
Price, Postel & Parma, LLP	24879	03/13/2024	210743	Legal Services Legal Services	195.00 741.00	450 562	LVMWD-CMWD Interconnection Calleguas-Ventura Interconnection
				Check# 24879 Total	936.00		
Printing Connection	24846	03/06/2024	71541	Business Cards	218.15		
				Check# 24846 Total	218.15		
Quinn Company	24808	02/28/2024	WON10021224	Annual Generator PM	1,691.25		
				Check# 24808 Total	1,691.25		
	24847	03/06/2024	WON10021854 WON10021855	Annual Generator PM Annual Generator PM	475.00 427.50		
				Check# 24847 Total	902.50		

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description	
Rincon Consultants, Inc.	24809	02/28/2024	54202	Title XVI Feasibility Study	23,208.25			
						Check# 24809 Total	23,208.25	
	24848	03/06/2024	54569	Environmental Consulting	1,430.00	536	SMP Phase 3	
			54639	Environmental Consulting	1,430.00	561	SMP Phase 4	
			Environmental Consulting	1,992.45	450	LVMWD-CMWD Interconnection		
					Check# 24848 Total	4,852.45		
Roy's Towing	24880	03/13/2024	156273	Equipment Transport	1,125.00			
					Check# 24880 Total	1,125.00		
SAS Business Services	24881	03/13/2024	47399	Desk Nameplate	86.87			
					Check# 24881 Total	86.87		
Secorp Industries	24810	02/28/2024	I0086171	SCBA Training Class	522.50			
						Check# 24810 Total	522.50	
	24882	03/13/2024	I0086224	Hydro Flow Testing	1,058.80			
			I0086228	Monthly SCBA Inspection - Feb 2024	620.00			
		I0086229	SCBA Training Class	522.50				
					Check# 24882 Total	2,201.30		
Shred-It	24849	03/06/2024	8005504080	Shredding Services - Nov 2023	126.39			
			8005813287	Shredding Services - Dec 2023	125.46			
						Check# 24849 Total	251.85	
So Cal Crane	24811	02/28/2024	21100	Crane Support / Grandsen PS	1,162.25			
					Check# 24811 Total	1,162.25		
Southern California Edison	24812	02/28/2024	7003153544210224	Utilities	143.32			
			7003154081730224	Utilities	145.23			
						Check# 24812 Total	288.55	
	24813	02/28/2024	7501595107	Consent Request Process Fee - Cust # 10290955	2,074.87	450	LVMWD-CMWD Interconnection	
					Check# 24813 Total	2,074.87		
	24883	03/13/2024	6000015092670224	Utilities	9,987.67			
			7003460257200324	WF Pumping Power	59,802.96			
			7007879066910324	Pumping Power Costs	44,437.35			
						Check# 24883 Total	114,227.98	

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description
Southern California Edison							
(continued)	24929	03/20/2024	7002185503400324	Utilities	38.31		
			7005542693600324	WF Pumping Power	15,971.20		
			7005544657840324	WF Pumping Power	16,224.00		
			7007125735620324	Utilities	16.46		
				Check# 24929 Total	32,249.97		
	24930	03/20/2024	7590539955	SCE Meter for LVMWD & Calleguas Interconnect	7,344.19	450	LVMWD-CMWD Interconnection
				Check# 24930 Total	7,344.19		
Spectrum/Charter Communications							
	24884	03/13/2024	0122407030524	Internet	1,381.96		
				Check# 24884 Total	1,381.96		
Standard Insurance Company							
	24850	03/06/2024	0017126900010324	2024-03 EE Paid Ins	8,830.43		
				Check# 24850 Total	8,830.43		
Stevens Trucking, LLC							
	24851	03/06/2024	2479	Equipment Transport	726.00		
				Check# 24851 Total	726.00		
Stradling Yocca Carlson & Rauth							
	24885	03/13/2024	404953	Legal Services 2024 Revolving Loan	50,000.00		
				Check# 24885 Total	50,000.00		
Sunbelt Rentals, Inc.							
	24886	03/13/2024	150251077-0001	Equipment Rental	1,353.91		
				Check# 24886 Total	1,353.91		
Super Bright LEDs Inc							
	24814	02/28/2024	INVN-286334	LED Light Bulbs	132.75		
				Check# 24814 Total	132.75		
	24852	03/06/2024	INVN-289664	Dist. Supplies	57.40		
				Check# 24852 Total	57.40		
The Gas Company							
	24815	02/28/2024	03581318007-0224	Utilities	605.65		
				Check# 24815 Total	605.65		
Thermo Fisher Scientific (Asheville) LLC							
	24887	03/13/2024	SVO83402800	Incubator Calibration 2024	1,155.00		
				Check# 24887 Total	1,155.00		
Tony's Tires							
	24816	02/28/2024	47313	Tires Unit 22	640.02		
				Check# 24816 Total	640.02		

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description
Tony's Tires (continued)	24888	03/13/2024	47487	Tire Repair Unit 43	25.00		
				Check# 24888 Total	25.00		
U.S. Bank	24853	03/06/2024	7228498	2008 Series A Bond	2,420.00		
				Check# 24853 Total	2,420.00		
Underground Service Alert	24889	03/13/2024	220240152 23-2424582	DigAlert Services Digalert Fees	206.00 88.22		
				Check# 24889 Total	294.22		
USABlueBook	24931	03/20/2024	INV00289750 INV00291339	Water Meter/Stock Drum Pump	780.75 534.72		
				Check# 24931 Total	1,315.47		
Ventura County Air Pollution	24932	03/20/2024	1049462	Permit Renewal Fac 07847 - 4/2024-4/2025	1,448.83		
				Check# 24932 Total	1,448.83		
	24933	03/20/2024	1049465	Permit Renewal Fac 07843 - 4/2024-4/2025	4,755.20		
				Check# 24933 Total	4,755.20		
	24934	03/20/2024	1049585	Permit Renewal Fac 06270 - 4/2024-4/2025	705.00		
				Check# 24934 Total	705.00		
Ventura County Sheriff's Office	24854	03/06/2024	4811265-0224B	#56-2016-004811265-02/29/24	50.00		
				Check# 24854 Total	50.00		
	24935	03/20/2024	4811265-0324A	#56-2016-004811265-03/15/24	50.00		
				Check# 24935 Total	50.00		
Verizon Wireless	24817	02/28/2024	9956597732	Signal Channels	4,497.08		
				Check# 24817 Total	4,497.08		
	24890	03/13/2024	9958278167	Telephone	2,320.24		
				Check# 24890 Total	2,320.24		
WageWorks	24855	03/06/2024	INV6226114	2024-02 Admin Fees	235.00		
				Check# 24855 Total	235.00		
Water Systems Consulting, Inc.	24818	02/28/2024	8982	Water Resources Implementation Strategy WRIST	9,562.50		
				Check# 24818 Total	9,562.50		

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description
Wells Fargo Bank, N.A.	24936	03/20/2024	43938	2008A Remarketing Fee	9,462.50		
					Check# 24936 Total	9,462.50	
Wells Fargo Business Card	24891	03/13/2024	1757-0224	Credit Card Charges - Admin. Svs.	1,057.52		
					Check# 24891 Total	1,057.52	
	24892	03/13/2024	2375-0224	Credit Card Charges - GM	2,673.98		
					Check# 24892 Total	2,673.98	
	24893	03/13/2024	2558-0224	Credit Card Charges - O&M	525.47		
					Check# 24893 Total	525.47	
	24894	03/13/2024	2649-0224	Credit Card Charges - Water Resources	5,278.21		
					Check# 24894 Total	5,278.21	
	24895	03/13/2024	5531-0224	Credit Card Charges - IT	9,160.92		
					Check# 24895 Total	9,160.92	
24896	03/13/2024	6257-0224	Credit Card Charges - Eng	100.00	450	LVMWD-CMWD Interconnection	
				Check# 24896 Total	100.00		
24897	03/13/2024	8040-0224	Credit Card Charges - HRRM	500.03			
				Check# 24897 Total	500.03		
24898	03/13/2024	5087-0224	Credit Card Charges - HRRM	220.50			
				Check# 24898 Total	220.50		
24899	03/13/2024	8805-0224	Credit Card Charges - Exec. Secretary	3,629.41			
				Check# 24899 Total	3,629.41		
24937	03/20/2024	5831-0224	Credit Card Charges - Deputy GM	1,922.75			
				Check# 24937 Total	1,922.75		
West Coast Arborists, Inc.	24938	03/20/2024	1-9824	Tree Trimming Services	8,987.22		
				Check# 24938 Total	8,987.22		
Western Propane Service	24939	03/20/2024	19138739	Propane Tank Rental - Shop	79.37		
				Check# 24939 Total	79.37		
Westlake Ace Hardware	24819	02/28/2024	14402040	O&M Stock	630.37		
			70141327	Pressure Washers	791.50		
				Check# 24819 Total	1,421.87		

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description
Westlake Ace Hardware (continued)	24900	03/13/2024	14402078	O&M Supplies	804.16		
				Check# 24900 Total	804.16		
Check Total					1,244,269.08		
A and B Electric Company, Inc.	2470	03/20/2024	96830	Meetings & Training	476.80		
			96831	Inspection & Consulting Services	19,145.53	450	LVMWD-CMWD Interconnection
			96832	Inspection & Consulting Services	6,486.08	590	TOD Pump Station Rehabilitation
			96833	Inspection & Consulting Services	8,400.00	591	Lake Sherwood Pump Station Rehabilitation
				EFT# 2470 Total	34,508.41		
Aspen Environmental Group	2446	03/05/2024	3595.001-07	Environmental Services - SV Tanks	566.25	569	Simi Valley Reservoir
				EFT# 2446 Total	566.25		
Bondy Groundwater Consulting, Inc.	2460	03/13/2024	095-08	Groundwater Consulting	2,093.58		
				EFT# 2460 Total	2,093.58		
Employment Development Department (EDD)	2452	03/04/2024	2024-02-29	2024-02-29 Payroll Taxes	26,941.42		
				EFT# 2452 Total	26,941.42		
	2465	03/19/2024	2024-03-15	2024-03-15 Payroll Taxes	25,361.65		
				EFT# 2465 Total	25,361.65		
ICMA	2449	03/04/2024	304070-457-0224B	2024-02-29 Def Comp	16,560.46		
				EFT# 2449 Total	16,560.46		
	2450	03/04/2024	803371-414-0224B	2024-02-29 RHS Plan	7,744.30		
				EFT# 2450 Total	7,744.30		
	2467	03/19/2024	304070-457-0324A	2024-03-15 Def Comp	17,001.05		
				EFT# 2467 Total	17,001.05		
	2468	03/19/2024	803371-414-0324A	2024-03-15 RHS Plan	7,744.30		
				EFT# 2468 Total	7,744.30		
Internal Revenue Service (IRS)	2453	03/04/2024	2024-02-29	2024-02-29 Payroll Taxes	147,425.01		
				EFT# 2453 Total	147,425.01		

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description
Internal Revenue Service (continued)	2466	03/19/2024	2024-03-15	2024-03-15 Payroll Taxes	143,994.44		
				EFT# 2466 Total	143,994.44		
Kennedy Jenks Consultants	2471	03/20/2024	169991	Engineering Consulting	12,861.27	603	Crew Building Improvements / Networking Center
			169992	Prop 1 Round 1 IRWM Grant Administration	1,620.00		
			169993	Prop 1 Round 2 IRWM Grant Administration	10,020.00		
			169994	Engineering Consulting	6,084.00	592	Lindero Pump Station Rehabilitation
			169995	Engineering Consulting	3,587.50	480	Conejo Pump Station Rehabilitation
				EFT# 2471 Total	34,172.77		
Metropolitan Water District	2407	02/29/2024	11345	Water Payment - Dec 2023	7,044,999.44		
				EFT# 2407 Total	7,044,999.44		
Mission Uniform Service	2445	02/28/2024	521084992	Mat/Towel Service	110.13		
				EFT# 2445 Total	110.13		
	2447	03/06/2024	521128663	Mat/Towel Service	77.17		
				EFT# 2447 Total	77.17		
	2461	03/13/2024	521171286	Mat/Towel Service	110.13		
				EFT# 2461 Total	110.13		
	2472	03/20/2024	521214641	Mat/Towel Service	77.17		
				EFT# 2472 Total	77.17		
Northern Digital, Inc.	2462	03/13/2024	57676	System Support	1,295.00		
				EFT# 2462 Total	1,295.00		
On-Site Technical Services	2473	03/20/2024	11195	Inspection Services	622.78	450	LVMWD-CMWD Interconnection
			11196	Inspection Services	7,640.02	450	LVMWD-CMWD Interconnection
				EFT# 2473 Total	8,262.80		
Perlter & Ingalsbe	2474	03/20/2024	18845	Engineering Consulting	20,087.50	569	Simi Valley Reservoir
			18846	Engineering Consulting	34,580.00	562	Calleguas-Ventura Interconnection
			18847	Engineering Consulting	6,455.00	590	TOD Pump Station Rehabilitation
			18848	Engineering Consulting	3,385.00	591	Lake Sherwood Pump Station Rehabilitation
				EFT# 2474 Total	64,507.50		
Pers Health	2454	03/13/2024	17457117	2024-03 Health Premium	190,137.69		
				EFT# 2454 Total	190,137.69		

Payment Register

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description
Pers Health (continued)	2455	03/13/2024	17457123	2024-03 Health Premium	6,469.03		
					EFT# 2455 Total		6,469.03
Pers Retirement	2451	02/29/2024	2024-02-1PA	2024-02-1 Adj PEPRA Contrib	1,956.00		
					EFT# 2451 Total		1,956.00
	2456	03/13/2024	2024-02-1	2024-02-1 Classic Contrib	55,787.48		
					EFT# 2456 Total		55,787.48
	2458	03/13/2024	2024-02-2	2024-02-2 Classic Contrib	53,953.93		
EFT# 2458 Total					53,953.93		
2459	03/13/2024	2024-02-2P	2024-02-2 PEPRA Contrib	28,511.32			
				EFT# 2459 Total		28,511.32	
SatCom Global Inc.	2463	03/13/2024	AI03240043	Satellite Phone	57.54		
					EFT# 2463 Total		57.54
Wendelstein Law Group PC	2448	03/06/2024	W 1260-0224	Legal Services	383.50	450	LVMWD-CMWD Interconnection
				Legal Services	1,327.50	450	LVMWD-CMWD Interconnection
			W1247-0224	Legal Services	236.00	603	Crew Building Improvements / Networking Center
				Legal Services	24,190.00		
			EFT# 2448 Total		26,137.00		
					EFT Total		7,946,562.97
					Grand Total		9,190,832.05



**Payment Register - TMDL
02/27/2024 - 03/25/2024**

TMDL Operating Cash Account

Total Checks and Electronic Fund Transfers Issued: \$ 85,122.64

Cash in TMDL Bank Account \$ 1,497,945.07

Payment Register - TMDL

Payment Date 02/27/24 - 03/25/24

Vendor	Ck#	Pmt Date	Invoice #	Invoice Description	Invoice Amt	Proj #	Project Description
California Conservation Corps	443	02/28/2024	INNU-011914	TMDL - Jan 2024	7,950.00		
					Check# 443 Total	7,950.00	
	446	03/20/2024	INNU-011963	TMDL - Feb 2024	7,885.00		
					Check# 446 Total	7,885.00	
Calleguas Municipal Water District	444	02/28/2024	2024-00000007	TMDL - Jan 2024	727.00		
					Check# 444 Total	727.00	
	447	03/20/2024	2024-00000008	TMDL - Feb 2024	727.00		
					Check# 447 Total	727.00	
Larry Walker Associates	448	03/20/2024	617.18-24	Salt and Nutrient Mgmt Plan Development	408.00		
			617.31-6	Regulatory Tracking and as Needed Support	7,202.50		
			617.32-7	TMDL Program Management & Reporting	1,576.75		
			617.33-7	TMDL Monitoring and Data Mgmt	37,666.60		
			617.34-7	CCW Salts TMDL Monitoring Program	14,760.09		
			617.39-7	TMDL Meeting Attendance and Contract Admin	4,656.43		
					Check# 448 Total	66,270.37	
Ventura County Farm Bureau	445	02/28/2024	21624	TMDL - Jan 2024	1,563.27		
					Check# 445 Total	1,563.27	
					Check Total	85,122.64	
					Grand Total	85,122.64	

SCOTT H. QUADY, PRESIDENT
DIVISION 2

ANDY WATERS, VICE PRESIDENT
DIVISION 3

RAUL AVILA, SECRETARY
DIVISION 1

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

THIBAUT ROBERT, DIRECTOR
DIVISION 4

KRISTINE MCCAFFREY
GENERAL MANAGER



www.calleguas.com

2100 OLSEN ROAD • THOUSAND OAKS, CALIFORNIA 91360-6800 805/526-9323 • FAX: 805/522-5730

BOARD MEMORANDUM

Date: April 3, 2024
To: Board of Directors
From: Jenyffer Vasquez, Principal Water Resource Specialist
Subject: Item 6.A – Authorize the General Manager to Execute a Funding Agreement with Sensor Industries

Objective: Implement a funding agreement with Sensor Industries to provide toilet leak detection sensor systems in multi-family housing in Disadvantaged Communities (DACs) in the Calleguas service area. Calleguas would pay the upfront cost of system installation and would then be reimbursed by Metropolitan.

Recommended Action: Authorize the General Manager to execute funding agreements between Calleguas, Sensor Industries, and the property owners for Gateway Station and Coastal Village Apartments.

Budget Impact: Calleguas would pay Sensor Industries \$75,000 for Gateway Station and \$37,500 for Coastal Village Apartments, which would then be reimbursed by Metropolitan through the Member Agency Administered Program (MAAP). There would be no net budget impact.

Discussion: Sensor Industries proposes to provide toilet leak-detection sensor systems for two multi-family housing developments located in Disadvantaged Communities (DACs) in Oxnard, Gateway Station and Coastal Village Apartments. Sensor's system detects toilet leaks and sends alerts to a building's maintenance staff so they can quickly remedy the leak. The system consists of leak-detection sensors that are installed on each individual toilet at a property and an accompanying Mesh-Network required for signal transmission. After the success of this same system at Palm Vista Apartments in Oxnard, this project is expected to reduce the overall water use by at least 15% on average month-over-month at each of the two properties. For

reference, this 15% decrease was able to reduce the per-person-per-day water usage at Palm Vista down to just 92 gallons.

Metropolitan provides funding to each of its Member Agencies for customized water savings projects through the MAAP. In recent years, Metropolitan has allowed full funding of programs within DAC census tracts thereby providing additional program flexibility. Calleguas has received MAAP funding for four similar projects over the last several years.

The owners of both Gateway Station and Coastal Village Apartments would like to install the Sensor system at their properties but do not have the capital available to pay for the project and await reimbursement through the MAAP. Calleguas staff has submitted both project proposals to Metropolitan for approval of funding. If approval is received, staff proposes to enter into the attached agreement, which would allow Calleguas to pay Sensor directly from its Conservation budget, and then would receive reimbursement of the full costs of each project from MAAP funding (reimbursement expected within one to two months of initial expenditure). This would foster greater access to available funding for proven water-savings technologies in the Calleguas service area and would assist the City of Oxnard in meeting its overall conservation targets under Assembly Bill 1668 and Senate Bill 606. The sample funding agreement has been prepared by Resources staff in concert with District General Counsel.

Attachment:

1. Sample Funding Agreement for Leak Detection Sensor Installation

FUNDING AGREEMENT FOR LEAK DETECTION SENSOR INSTALLATION

This *Funding Agreement for Leak Detection Sensor Installation* (“Funding Agreement”) is made and entered into this ____ day of _____, 2024 by and between Calleguas Municipal Water District (“Calleguas”), Sensor Industries (“Sensor”), and [Property Owner] (“Owner”). Calleguas, Sensor, and Owner may each be individually referred to herein as a “Party” and collectively as “The Parties”.

RECITALS

A. WHEREAS, Calleguas is a Municipal Water District organized under the Municipal Water District Law of 1911, located in Ventura County, California, with a mission to provide its service area with a reliable supplemental supply of regional and locally developed water in an environmentally and economically responsible manner; and

B. WHEREAS, Calleguas is a member agency of Metropolitan Water District of Southern California (“Metropolitan”) and therefore has access to Metropolitan Member Agency Administered Program (MAAP) funding for the installation of water conservation and water efficiency projects in the Calleguas service area; and

C. WHEREAS, Sensor is a Delaware corporation with a mission to help commercial real-estate owners lower operating costs, protect their properties, and increase sustainability with water technology; and

D. WHEREAS, Owner is the owner of the real property located at [Property Address] (“the Property”); and

E. WHEREAS, Owner wishes to have toilet leak detection sensors and an associated mesh network required for signal transmission installed by Sensor at the Property to improve water use efficiency (“the Project”), Sensor wishes to undertake the Project, and Calleguas wishes to assist Owner in obtaining funding for the Project.

TERMS

Based on the foregoing recitals which are incorporated into this Funding Agreement by this reference, and for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed by the Parties that:

1. Sensor/Owner Agreements.

Sensor and Owner shall enter into separate agreements for the installation of the Project at the Property. Such separate agreements will include: (1) a Sales Order by and between Sensor and Owner establishing the duties and obligations of Sensor and Owner with respect to the Project; and (2) a License Agreement by and between Sensor and Owner for the use of a technology platform by Owner consisting of hardware and software for monitoring and reporting functionality of the Project. These separate agreements will be referred to herein collectively as the “Installation Agreements.” Calleguas will not be a party to the Installation Agreements and will have no duties or obligations under the Installation Agreements to Sensor or Owner.

2. Funding Approval.

Prior to executing the Installation Agreements, Sensor and Owner shall provide copies of the final drafts of the Installation Agreements to Calleguas. Calleguas will submit such final drafts of the Installation Agreements to Metropolitan to obtain Metropolitan Member Agency Administered Program (MAAP) funding approval of the Project. Upon receipt of Metropolitan funding approval of the Project, Calleguas will notify Sensor and Owner of such approval, and the amount of funding available, including any “not to exceed” amount.

3. Calleguas Funding.

Calleguas will fund the Project with MAAP monies and pay Sensor for the installation of the Project at the Property for Owner in accordance with the terms of this “Funding Agreement.” Calleguas shall have no duties or obligations to Sensor or Owner for the Project at the Property other than as specified in this Funding

Agreement. This Funding Agreement is not a performance, payment, completion, or labor and materials bond. Calleguas does not guarantee or warrant that the funds for the Project will be sufficient to meet incurred expenses. Calleguas does not guarantee or warrant any estimated construction costs or budgets set forth in the Installation Agreements. Calleguas does not guarantee or warrant that it will pay any invoice submitted by Owner unless and until it has received an approved reservation of funding from Metropolitan prior to the initiation of work on the Project. Calleguas assumes no liability to any entity, including, but not limited to, Owner or Sensor, and any contractors and subcontractors on the Project, for any delays or refusal by Metropolitan regarding approval or transmittal of MAAP monies to Calleguas. By entering into this Funding Agreement, Calleguas is only acting as a conduit: 1) for transfer of MAAP monies to Sensor for the Project in furtherance of the Installation Agreements and 2) for the transmission of required invoices, reports, financial information, and other information required by Metropolitan under its MAAP. Calleguas is not acting as a surety.

4. Use of Funds.

Owner and Sensor guarantee that all funds received pursuant to this Funding Agreement for the Project shall solely and exclusively be used for the purposes set out in the Installation Agreements for the Project. Calleguas shall not be responsible for any money paid out as a result of fraud, forgery, or misrepresentation.

5. Invoicing.

Owner will submit invoices to Calleguas which include back-up documentation of tasks and/or services completed by Sensor. Invoices shall include photos documenting the installation process as well as a photograph for each sensor post-installation. Calleguas will obtain reimbursement for Project costs from the MAAP. Calleguas and/or Metropolitan may request project data and documentation to demonstrate a regional water conservation benefit in accordance with Metropolitan's MAAP requirements. Owner and Sensor agree to furnish additional project information upon request. Upon receipt of the required back-up documentation, Calleguas

will transmit funds to Sensor.

6. Changes to the Project.

Calleguas will have no duty or obligation to pay any amount in excess of the designated “not to exceed” amount. Owner and Sensor will provide timely notification to Calleguas of any field changes or change orders that modify the design or cost of Project improvements. Any proposed changes that would result in higher cost to Calleguas will require prior written approval by Calleguas. Calleguas, Sensor, and Owner may negotiate a reasonable cost share for any such changes, as appropriate.

7. Annual Fees.

Sensor Industries charges an annual fee for leak detection system monitoring. Owner will be responsible for any ongoing system monitoring expense. Such system monitoring expense is not encompassed by this Funding Agreement.

8. Indemnity.

To the fullest extent permitted by law, Owner and Sensor shall defend, indemnify, and hold Calleguas, its officers, employees, and agents, free and harmless from any and all claims, costs, damages, investigations, lawsuits, and expenses, including attorney’s fees, judgments, awards, or liabilities arising out of this Funding Agreement, and the installation, maintenance, or operation of the Project by Owner and/or Sensor. This indemnity shall not apply to any claim, cost, damage, investigation, lawsuit, or expense that is caused by the sole active negligence of Calleguas.

9. Compliance with Law.

The Parties agree that Sensor and Owner shall comply with all applicable laws, policies, and regulations in the performance of the Project.

10. Maintenance and Repair.

Calleguas shall have no responsibility for ownership, maintenance, and/or repair of the Project, prior to, during, or after the completion of the Project, or at any time.

11. Abandonment/Default.

The Parties agree that if Owner and Sensor abandon carrying out the Project, or fail to cure any breach of this Funding Agreement within 30 days of receipt of Notice of Breach from Calleguas or within such time as otherwise agreed to in writing by the Parties, then Calleguas may, in its sole discretion, serve written notice to Owner and Sensor that Calleguas intends to terminate this Funding Agreement and thereafter in its sole discretion terminate this Funding Agreement. Upon any termination for failure to cure a breach of this Funding Agreement, Calleguas shall have no further duty or liability to Sensor or Owner with respect to any payments under this Funding Agreement.

12. Insurance.

Calleguas shall not be responsible for securing insurance protection against loss or damage to the Project and any pre-purchased materials from any source, including, but not limited to, the following: fire, earthquake, vandalism, and theft. Neither is Calleguas liable for any loss or damage resulting from the failure to secure any such insurance.

13. Assignment.

Calleguas shall not be obligated to recognize any assignment of this Funding Agreement by Owner or Sensor to any third party, except as agreed to in writing by Calleguas, Owner, and Sensor. Any assignment of this Funding Agreement that is not approved in writing by Calleguas will be of no force and effect.

14. Severability. Any provision of this Funding Agreement which is prohibited, unenforceable, or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability, or non-authorization without invalidating the remaining provisions hereof or affecting the

validity, enforceability, or legality of such provision in any other jurisdiction.

15. No Third Party Beneficiaries.

This Funding Agreement is only for the benefit of the Parties, not for the benefit of any third party, and no third party may enforce any rights or obligations under this Funding Agreement.

16. No Relationship.

Nothing in this Funding Agreement shall create any contractual relationship between any contractor or subcontractor of Owner or Sensor. Owner and Sensor agree to be fully responsible for the acts and omissions of their contractors and subcontractors and persons either directly or indirectly employed by them. Calleguas shall have no obligations to pay monies to any contractor or subcontractor of Owner and Sensor.

17. Term.

This Funding Agreement shall terminate upon the earlier of: (i) [Date] unless extended by the Parties in writing; (ii) completion of all obligations under the Installation Agreements and Funding Agreement; or (iii) termination of this Funding Agreement by Calleguas due to breach as set forth in Paragraph 11.

18. Audit and Records.

For four years after completion of the Project, Owner and Sensor shall retain copies of records of: (i) deposits into, and disbursements from, accounts for the Project; and (ii) requests for payment from Owner and documentation in support of those requests and required under this Funding Agreement. Owner and Sensor shall provide access to inspect such records during normal business hours upon request.

19. Authorization.

Each of The Parties represents and warrants that each person signing this Funding Agreement on behalf of any of The Parties, has legal authority to sign this Funding Agreement, and bind that Party, and has been authorized to sign this Funding Agreement, if such specific authorization is required.

20. Notice.

Notice pursuant to this Funding Agreement shall be sent by United States mail and by email transmission to the following representatives for The Parties:

CALLEGUAS:

Calleguas Municipal Water District
ATTN: Kristine McCaffrey
2100 E. Olsen Rd.
Thousand Oaks CA 91360
kmccaffrey@calleguas.com

SENSOR:

X
X
X
X

OWNER:

Y
Y
Y
Y

Any Party may change the representatives designated in this Funding Agreement upon written notice to the other Parties.

21. Governing Law.

This Funding Agreement is entered into and shall be construed and interpreted in accordance with the laws of the State of California. Venue for any action, claim, dispute or proceeding arising from or related to this Funding Agreement shall be in the County of Ventura.

22. Integrated Agreement.

This Funding Agreement is an integrated agreement and represents the entire agreement of The Parties

concerning the subject matter(s) set forth herein. Any prior or contemporaneous agreements, representations, or understandings between the Parties –express or implied – regarding the subject matter of this Funding Agreement are of no force and effect. This Funding Agreement has been equally drafted and/or negotiated by and between The Parties hereto and shall not be construed against any Party as the drafting Party.

23. Dispute Resolution. Any claim, dispute, or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to the institution of legal or equitable proceedings by either Party. The Parties shall endeavor to resolve claims, disputes and other matters in question between them by mediation which, unless the Parties mutually agree otherwise, shall be in accordance with the applicable Mediation Rules of the American Arbitration Association currently in effect. A request for mediation shall be filed in writing with the other Parties to this Agreement. The Parties shall share the mediator's fee and any filing fees equally. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

24. No Waiver; Remedies. No failure on the part of District to exercise, and no delay in exercising, any right, power, or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

25. Amendments. No amendment, modification, or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by each of the Parties hereto.

26. Captions. The captions contained in this Agreement are for convenience only and shall not affect the construction or interpretation of any provisions of this Agreement.

27. Counterparts. This Agreement may be executed in any number of counterparts and by different Parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all

of which when taken together shall constitute one and the same instrument. One or more counterparts of this Agreement may be delivered via digital copy with the intention that they shall have the same effect as an original executed counterpart hereof.

Wherefore, having read the foregoing and having understood and agreed to the terms of this Funding Agreement the Parties voluntarily agree to same and affix their signatures below.

Calleguas Municipal Water District

Address: 2100 Olsen Road
Thousand Oaks, CA 91360

Sign: _____

Print: _____

Title: _____

Date: _____

Sensor Industries

Address: 474 E. Main Street
Ventura, CA 93001

Sign: _____

Print: _____

Title: _____

Date: _____

[Owner]

Address:

Sign: _____

Print: _____

Title: _____

Date: _____

SCOTT H. QUADY, PRESIDENT
DIVISION 2

ANDY WATERS, VICE PRESIDENT
DIVISION 3

RAUL AVILA, SECRETARY
DIVISION 1

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

THIBAUT ROBERT, DIRECTOR
DIVISION 4

KRISTINE MCCAFFREY
GENERAL MANAGER



BOARD MEMORANDUM

Date: April 3, 2024
To: Board of Directors
From: Charlotte Holifield, Manager of External Affairs
Subject: Item 7.A.1 – Update on Initiative 1935

Objective: The purpose of this item is to provide the Board with background and an update about Initiative 1935, which may appear on the November 2024 ballot.

Discussion: The California Business Roundtable, along with other organizations, is sponsoring an initiative to amend the California Constitution to limit the ability of state and local governments to raise revenues for essential government services. Should this initiative pass, Calleguas and its purveyors could be significantly impacted. The initiative seeks to overturn court decisions limiting the reach of such laws as Proposition 13 (1978), Proposition 218 (1996), and Proposition 26 (2010) in order to impose new requirements for adopting, extending, and collecting fees and taxes. If passed, it could retroactively invalidate state and local fees and taxes adopted after January 1, 2022 if they do not align with and/or implement the provisions of the initiative.

The California Special Districts Association (CSDA) estimates that Initiative 1935 would result in the loss of billions of dollars annually in critical state and local funding. Additionally, the Legislative Analyst's Office has determined that several of Initiative 1935's proposals, in particular expanding the definition of a "tax" to include a broad range of fees and requiring voter approvals of state and local taxes, could result in "potentially substantially lower" annual state and local revenues.

CSDA has joined a coalition of local government associations and leaders in adopting an Oppose position on Initiative 1935. The measure is currently in the courts as a result of Governor Newsom and other legislative leaders filing an emergency petition to the California Supreme Court for a pre-election challenge, arguing that the measure is unlawful because it improperly revises the state constitution via initiative, and would impair essential government services.

Richelle Noroyan, Coastal Network Public Affairs Field Coordinator at CSDA, will provide an overview of the initiative, an update on the coalition's activities, and the status of the proposal.

Bills of Interest 2024				
Topic	Bill Number	Author	Summary	Calleguas / Purveyor Position - Potential Impact
Connection & Capacity Fees / Prop 218				
Rate setting / litigation	AB 2257	Wilson	Would prohibit "surprise lawsuits" after increased rates and fees are adopted by a public agency by requiring interested parties to submit written comments challenging a proposed rate increase in a timely way.	Purveyors are supportive and Calleguas has joined an ACWA-led Support coalition.
Local government: fees and charges: water: higher-consumptive water parcels.	AB 1827	Papan	The bill would allow local water agencies when imposing or increasing fees or charges for property-related water service pursuant to Proposition 218, to include the incrementally higher costs of water service due to any of the following: 1) The higher water usage demand of parcels; 2) The maximum potential water use of parcels; 3) Projected peak water usage; or 4) Any combination of paragraphs (1) to (3), inclusive.	TBD
Development fees - collection	SB 937	Wiener	Prohibits a local agency from requiring the payment of certain fees or charges on a development until the date the certificate of occupancy is issued.	Purveyors have concerns that delaying fee collection until date of occupancy, rather than when service is connected, could result in no fees being collected at all.
Development fees - estimates and itemizations	AB 1820	Schiavo	Would authorize a development proponent that submits a preliminary application for a housing development project to request a preliminary fee and exaction estimate and require a local agency to comply with the request within 10 business days. Additionally, after an application is complete, it would require the agency to provide the development proponent with an itemized list and total sum amount of all fees and exactions that will apply to the project.	Purveyors have concerns regarding the 10-day deadline for compliance and the requirement to respond to a <i>preliminary</i> application.

Public Works				
Public works contracts - notification to state	AB 1890	Patterson	Would require the awarding body of a public works contract to provide notice to Department of Industrial Relations (DIR) if there is a change in the identity of a contractor or subcontractor performing the project or, within 30 days, if the total amount of the contract change exceeds \$10,000.	Additional reporting requirements for both Calleguas and purveyors.
Water Conservation				
Urban water use targets: indoor residential water use	AB 2894	Gallagher	This bill appears to be a spot bill and will likely be amended later on to have substantive language.	Could provide some relief from Conservation as a California Way of Life regulation requirements.
Urban retail water supplier: water use	SB 1330	Archuleta	Provides for a number of technical changes to the proposed Conservation as a California Way of Life regulation in response to water supplier concerns. Changes include extension of deadlines, access to mapping data, and concerns regarding variances.	Could provide some relief from Conservation as a California Way of Life regulation requirements.
Urban retail water suppliers: written notice: conservation order: dates	AB 3121	Hart	Extends deadlines for compliance with certain Conservation as a California Way of Life regulations by one year, providing that the starting date the State Water Board is authorized to issue a written notice is January 1, 2026 and a conservation order is January 1, 2027 to an urban retail water supplier that does not meet its urban water use objective.	Could provide some relief from Conservation as a California Way of Life regulation requirements.
Urban retail water suppliers: informational order: conservation order	SB 1110	Ashby	This bill would require the State Water Board to consider lower cost actions a water supplier has implemented or will implement in order to help the water supplier achieve overall water supply resiliency in determining whether to issue an informational order and conservation order.	Could provide some relief from Conservation as a California Way of Life regulation requirements.
Water use efficiency standards	SB 1185	Niello	This bill is currently an intent bill; it will be amended later to have substantive language. Currently, the bill states that it is the intent of the Legislature to enact future legislation relating to water use efficiency standards.	TBD

Bonds				
California Flood Protection Act	AB 305	Villapuda	Would provide one billion dollars (\$1,000,000,000) for urban flood risk reduction. Projects funded pursuant to this subdivision shall address flooding in urbanized areas and provide multiple benefits. Eligible projects shall include, but are not limited to, stormwater capture and reuse, planning and implementation of low-impact development, restoration of urban streams and watersheds, debris flow mitigation, and increasing permeable surfaces to help reduce flooding, plus dam and levee safety.	If passed, could provide funding for Calleguas and / or purveyor projects.
Climate Resiliency and Flood Protection Bond Act of 2024	SB 638	Eggman	Would provide one billion dollars (\$1,000,000,000) for programs to provide greater resiliency from the effects of climate change, extreme weather events, and sea level rise; and provide improvement to aquatic and wildlife habitat, as provided. Of these funds, \$100 million is allocated for multiple benefit flood management projects in urban coastal watersheds.	If passed, could provide funding for Calleguas and / or purveyor projects.
Drought, Flood and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024	SB 867	Allen	Would authorize a \$15.5 billion general obligation bond for a range of resource-based programs to improve California's climate resiliency.	If passed, could provide funding for Calleguas and / or purveyor projects.
Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024	AB 1567	Garcia	Would authorize a \$15.995 billion general obligation bond to fund a broad range of resource-based programs that will assist California to improve its climate resiliency.	If passed, could provide funding for Calleguas and / or purveyor projects.
Wastewater				
Sewer service: disadvantaged communities	AB 805	Arambula	Allows State Water Resources Control Board to require an administrator for failing sewer systems.	TBD

Water Quality & Supply				
Lead testing in schools	AB 1851	Holden	Reintroduction of author's AB 249 from last year, which was vetoed by the Governor. Pertains to lead testing in schools; revisions include requirements for nonprofit technical assistance for specified and undetermined schools districts.	TBD
California Water for All	SB 366	Caballero	Requires Department of Water Resources to engage in formalized water supply planning with a goal to develop a plan for an additional 10 million acre-feet of supply by 2040.	Calleguas has an official "Support" position. Potential benefit of additional water supply resulting from the provisions of this bill.
Emergency water supplies	SB 1218	Newman	This bill would declare that it is the established policy of the state to encourage and incentivize, but not mandate, the development of emergency water supplies, and to support their use during times of water shortage.	TBD
Federal				
Low-Income Household Water Assistance Program (LIHWAP) Establishment Act	TBD	Padilla	Establishes and funds a permanent, nationwide water affordability assistance program.	Would assist purveyors with collecting payments for service.
PFAS Liability Exemption	S. 1430	Lummis	Would protect water systems from CERCLA liability for PFAS contamination.	Liability exemption would be of benefit to systems containing PFAS contamination as passive receivers.

General Manager's Monthly Status Report to the Board of Directors



CALLEGUAS
MUNICIPAL WATER
DISTRICT



bewaterwise.com



bewaterwise.com



Steve Lazar, Construction Inspector II; Gabriela Araujo, Associate Project Manager; and David Hernandez, Assistant Operations Supervisor, were happy to attend the Ventura College Job Fair on March 20 to talk with students about why they love working at Calleguas.

Report for March 2024 Activities

MSR March 2024

Water Resources Implementation Strategy (WRIST)

1. The General Manager, Deputy General Manager, and Executive Strategist, along with the consultant team of Water Systems Consulting and Dopudja & Wells, held a series of very productive discussions with regional partners City of Oxnard, United Water Conservation District, City of Ventura, and Casitas Municipal Water District about potential opportunities for collaboration. The consultant team is adding the resulting potential projects to the portfolio evaluation process.

Water Policy and Strategy

2. Metropolitan Water District. In March, the Metropolitan Water District of Southern California (Metropolitan) Board of Directors considered the following issues of particular relevance to the District. Agendas, background materials, livestream meetings, and video archives for Metropolitan Board and Committee meetings may be accessed through the Metropolitan website, <https://mwdh2o.legistar.com/Calendar.aspx>.
 - Budget and Rates: The Metropolitan Board continued its biennial budget and rate deliberations with workshops on March 12 and 26. The Board's discussion has primarily focused on various alternatives to the initial untreated water proposal for 13% for year one and 8% for year two. The treated water surcharge adds an additional 3.5% rate increase to the untreated rate. By the March 26 workshop, the Board had settled on a set of alternatives to develop for a decision at its April 9 Board meeting. Those alternatives use a conservatively low water sales projection of 1.34 million acrefeet; a series of property tax options of 0.0035% (the existing tax), 0.0055%, 0.007% and 0.0099%; and a proposed \$18 million in additional budget cuts. The General Manager was further instructed to pursue potential revenue generation from negotiated sales of stored Colorado River water in Lake Mead that might either augment conservation funding or bolster reserves. (The official report out from the workshop was not available at the time of this writing so the described options may be subject to change.) Metropolitan staff will work out the detailed cost of service and budget analyses. All the proposals attenuate the initial rate proposal with varying lower rate levels as fixed costs are covered by the various property tax increments.
 - The treated water surcharge remained unchanged, except that the various property tax alternatives resulted in treated water surcharge increases. This incongruity, as well as a variety of other questionable assumptions in the treated water surcharge, were documented in a joint member agency letter from Calleguas, Las Virgenes, and Foothill Municipal Water Districts and Pasadena Water and Power. The March 25 letter (included in the Board packet) called for a

consultation with the member agencies prior to the April 9 scheduled rate adoption. The letter also reiterated the call for a rate alternative consistent with Metropolitan's 2017 policy principles. These comments were originally presented by President Quady at Metropolitan's March 12 public hearing on the budget and rates, expanded upon by the Calleguas General Manager at the March 12 Metropolitan Board meeting, and memorialized in a letter to the Metropolitan Board from the Calleguas General Manager on March 22 (included in the Board packet). At the March 26 Metropolitan Board workshop, Metropolitan's General Manager committed to meeting with the member agency managers affected by the treated water surcharge and reconsider the 2017 treatment surcharge rate proposal.

- The District's retail water agencies and cities have been briefed on the Metropolitan rate issues with meetings on March 8 for water managers, March 20 update for elected officials and executive managers, and March 28 purveyor managers meeting. The General Manager and Executive Strategist participated in a March 7 Metropolitan General Manager's roundtable discussion of the rates as well as numerous member agency manager and director caucuses, and informal consultations with Metropolitan financial staff.

3. Climate Adaptation Master Plan for Water (CAMP4W)

- On March 18, the General Manager and Executive Strategist participated in a CAMP4W Task Force all-day training workshop on long-term planning processes and business modeling. The training included experts on climate science and modeling, scenario planning, and climate adaptation planning.
- On March 27, the Executive Strategist attended the CAMP4W Task Force discussion of the draft year one report on the Climate Adaptation Master Plan.

External Affairs

General Manager Presentations

4. On March 4, the General Manager was invited to present to the Oxnard City Council to provide an overview of Calleguas, the WRIST process, water use efficiency programs of benefit to the City of Oxnard, and other topics. Director Jacque McMillan also attended the presentation.
5. On March 21, the General Manager was invited to present to the Ventura County City Managers monthly luncheon meeting to discuss the Calleguas system, proposed Metropolitan rate increases, and other topics. Approximately 25 city managers and staff were in attendance.

Workforce Development

6. On March 20, External Affairs staff coordinated participation by Calleguas staff in the 2024 Ventura College Career Fair & Job Expo. Steve Lazar, Construction Inspector II, Gabriela Araujo, Associate Project Manager, and David Hernandez, Assistant Operations Supervisor, represented Calleguas at the event, talking with students about various career opportunities available in the water industry.

Strategic Plan Implementation

7. On March 25, External Affairs and Water Resources staff and the Deputy GM met to further develop the Calleguas Strategic Communications Plan, continuing the work discussed in the Board workshop on February 21. Next steps include refining messaging and defining audiences and outreach tools.

Partnerships

8. On March 7, the Manager of External Affairs chaired the third meeting of the Calleguas Regional Legislative Group Meeting, featuring representatives from the following purveyors: City of Camarillo, City of Oxnard, Cal-Am Water, Triunfo Sanitation District, Crestview Mutual Water District, and Camrosa Water District. The group discussed legislative and regulatory issues of interest at the state and federal levels, including the Conservation as a California Way of Life regulation, a federal effort to fund a low-income water rate assistance program, and a state bill regarding Proposition 218 processes and litigation. Staff from State Senator Monique Limon and Assemblymember Steve Bennett joined the group for lunch, discussing the legislators' bill priorities and answering questions from the group.
9. Staff organized a visit to local NPR affiliate KCLU radio on March 7 at California Lutheran University with several Public Information Officers representing Calleguas purveyors.

News Director/Anchor Lance Orozco gave the group a tour of the station and discussed how to build positive and productive relationships with media outlets. Attendees included staff from Ventura County, City of Camarillo, City of Oxnard, and Triunfo Sanitation District.



10. Along with Board President Scott Quady, staff attended the premiere of the Las Virgenes-produced film, *Flames to the Ocean*, shown on March 7 at the Regency Calabasas multiplex. Many dignitaries attended, including Assemblymember Jacqui Irwin and other local elected officials. The film is a retrospective about the 2018 Woolsey Fire and its impacts on the Las Virgenes service area.



11. Staff participated in both the Conejo Valley and the Simi Valley Chambers of Commerce virtual meetings and provided Calleguas updates, which included Calleguas advocacy on the Conservation as a California Way of Life regulation, PFAS liability exemption federal activity, and the Calleguas-Las Virgenes interconnection project.
12. The Manager of External Affairs has been serving on the AWA-VC Symposium planning committee to coordinate speakers and details for the event on April 18.

State Advocacy

13. Staff drafted and submitted a comment letter on behalf of Calleguas purveyors to the State Water Resources Control Board regarding the latest iteration of the Conservation as a Way of Life regulation, released on March 12. This most recent version of the proposed regulation contained improvements from the previous version but is still lacking in some areas.
14. Calleguas joined a coalition letter supporting AB 2257 (Wilson), which attempts to prevent “surprise lawsuits” in Proposition 218 ratemaking proceedings by requiring timely submittal of written objections during an agency’s ratemaking process.

Federal Advocacy

15. Staff drafted and submitted letters to the U.S. Senate Majority and Minority Leaders as well as the Environment and Public Works Committee Chair and Ranking Member, plus California’s two U.S. Senators, regarding Calleguas’s request for PFAS liability protections for water and wastewater agencies under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).
16. Staff submitted an application for the Lake Bard Pump Station project through California U.S. Senator Laphonza Butler’s office for consideration in the FY2025 Senate Appropriations Committee Congressionally Directed Spending program. Staff secured letters of support for the request from several purveyors, including Metropolitan Water District, City of Simi Valley, City of Thousand Oaks, City of Camarillo, Cal-Am Water and California Water Service.
17. Upon the request of the City of Camarillo and the City of Thousand Oaks, Calleguas submitted letters of support for the cities’ Advanced Metering Infrastructure project funding proposals for congressional funding consideration.

Water Resources

Public Outreach and Engagement

18. *Calleguas Website Redesign Project* – Staff is preparing to redesign the Calleguas website to create a modern, user-friendly, and accessible website that effectively communicates information about Calleguas, promotes public engagement, and complies with industry regulations and standards. On March 18, the Manager of Water Resources and Senior Communications Specialist engaged in a Website Redesign Kickoff Meeting with L.A. Design Studio. The meeting involved a discovery discussion to outline staff preferences, as well as to articulate the envisioned appearance and user experience of the new website.

19. *Calleguas Purveyor Managers Meeting* – On March 28, the District hosted its monthly Purveyor Managers Meeting. The agenda covered Metropolitan’s proposed rate increase, updates on the recently revised Water Conservation as a California Way of Life regulation, an introduction to Metropolitan’s Member Agency Administered Program, and a roundtable discussion regarding employee retention.
20. On March 14, the Manager of Water Resources provided an overview of Calleguas and a water supply update to the Moorpark Citizens Advisory Committee.
21. On March 14, the Manager of Water Resources, Manager of External Affairs, Principal Water Resources Specialist, and Senior Communications Specialist attended the Metropolitan joint Public Information Officers (PIO) and Water Use Efficiency (WUE) Coordinators Working Group Meeting. The meeting was centered around collaborating on a tap water campaign to inaugurate Water Awareness Month in May. Evelyn Wendel from WeTap.org, a non-profit organization dedicated to enhancing awareness and advocating for the installation of drinking water fountains to improve public health and address social and economic disparities, delivered a presentation on campaign opportunities and facilitated the discussion.

Water Use Efficiency and Conservation

22. *Turnkey Turf Transformation Project* – Staff continues to work with Inland Empire Utilities Agency, who is managing the administration of the grant received through the DWR Urban Community Drought Relief Grant Program, to develop draft interagency agreements and other administrative protocols for the program.
23. *Water Awareness Communications Campaign* – Calleguas remains engaged with JPW Communications in promoting “The Landscape is Change” communications campaign. Staff is currently integrating a non-functional turf outreach component into the campaign, which involves the creation of an informational flyer.
24. The Native Garden Distribution Event in partnership with TreePeople was held at Calleguas’ headquarters on March 2. A total of 29 garden kits were distributed.
25. The UC Master Gardeners of Ventura County held their monthly Calleguas-sponsored drip irrigation workshop on Saturday, March 9. This hands-on class teaches participants how to convert their existing sprinkler systems to drip irrigation. There were three attendees. Workshops will continue the second Saturday of every month until October. To increase participation in future workshops, advertisements are being placed in the Camarillo, Thousand Oaks, Moorpark, and Simi Valley *Acorn* newspapers.

26. On March 13, the Manager of Water Resources and the Principal Water Resources Specialist attended the California Water Efficiency Partnership (CalWEP) Spring Plenary (virtual). This event included updates from CalWEP and Alliance for Water Efficiency (AWE) staff. Additionally, the program included updates on the newly released Conservation as a California Way of Life regulation, landscape irrigation management tools, and discussion on AB 1572 implementation.
27. On March 18, the District held a meeting of Purveyor Conservation Coordinators and Public Information Officers. The meeting included a presentation by Tia Fleming, Executive Director of External Affairs at CalWEP, who discussed the latest revisions to the Water Conservation as a California Way of Life regulation. Additionally, Calleguas staff delivered legislative updates, shared details about upcoming landscaping workshops, and facilitated a discussion on a potential shared services opportunity using funding from the Metropolitan Member Agency Administered Program.
28. On March 20, the Senior Communications Specialist attended the Thousand Oaks monthly water coordination meeting, where she provided updates on the Water Conservation as California Way of Life regulation, Metropolitan rate increases, and upcoming landscaping workshops hosted by Calleguas. The City of Thousand Oaks also shared updates on their Climate and Environmental Action Plan, as well as their Arbor Earth Day event scheduled for April 18.
29. On March 21, the Manager of Water Resources, Principal Water Resource Specialist, and Senior Communications Specialist attended Metropolitan's monthly Water Use Efficiency (WUE) Group Meeting. Meeting topics included updates on Metropolitan's conservation program activity, conservation topics to be presented to Metropolitan's Board in April, and External Affairs activities. The meeting concluded with a member agency roundtable discussion.
30. In March, there were 140 applications with approved reservations under the Turf Replacement Program (TRP) for a total reserved amount of \$2,276,402 in Metropolitan funding and \$131,283 in Calleguas supplemental funding. Another five applications are in the pre-approval stage, awaiting a confirmed reservation. These applications total \$12,568 in requested Metropolitan funding, although funds are not committed until an application is approved and a small percentage of applications drop out at this stage. Only funding remaining available within the supplemental budget will be committed.

Since July 1, 2023, there have been 334 TRP rebates paid totaling \$1,911,626 in Metropolitan funding and \$506,418 in Calleguas supplemental funding.

For fiscal year (FY) 2023-24, under the Device Rebate Program, there are currently 183 pending applications totaling \$39,367 in reserved Metropolitan funding. An additional 644 rebates have been paid, totaling \$89,533 in Metropolitan funding.

Upcoming Events

31. Saturday April 6, 10 a.m. - 11:30 a.m. – California Friendly Landscape Training
Hosted at Calleguas headquarters and provided through Metropolitan, participants will learn how to design their yard using the four principles of gorgeous, climate-appropriate landscaping:

- Build a healthy living soil sponge
- Hold rainwater on a property
- Select local native plants that minimize water use and maximize biodiversity
- Control irrigation

Registration is required at: <https://www.greengardensgroup.com/g3-events/turf-remove-replace-or-maintain-in-person-at-calleguas-240323/>

32. Saturday, April 20, 10 a.m. – 2 p.m. - City of Thousand Oaks Annual Arbor Earth Day Celebration

Held at the Thousand Oaks Community Center, Calleguas will host an information booth, offering giveaways and handouts on water-wise landscaping, including the *Garden Landscapes for Ventura County* guide. For more information on the event: <https://www.toaks.org/departments/public-works/sustainability/arbor-earth-day>

33. Saturday, April 27, 10 a.m. – 11:30 a.m. – Turf Replacement Process – Application to Rebate

Hosted at Calleguas headquarters and provided by the UC Master Gardeners of Ventura County, the workshop will guide participants through the turf replacement rebate application process. Attendees will learn how to apply, complete turf removal, and receive a rebate.

Registration is required: <https://ucanr.edu/sites/VCMG/?calitem=581170>

34. Saturday, April 13, 9 a.m. – 11 a.m. – Hands-on Drip Irrigation Workshop

The UC Master Gardeners of Ventura County will conduct their monthly Calleguas-sponsored drip irrigation workshop at Calleguas headquarters. This hands-on class

teaches participants how to convert their existing sprinkler systems to drip irrigation. Registration is required at <https://ucanr.edu/sites/VCMG/?calitem=571176>

Groundwater Resources

35. *Fox Canyon Groundwater Management Agency (FCGMA)*

- The FCGMA Board of Directors held a special meeting on March 8. The FCGMA accepted the Las Posas Basin Watermaster Policy Advisory Committee's nominations to the Technical Advisory Committee. The Board also received a report from the Executive Committee on the hiring of outside counsel to evaluate the Agency's staffing options, authorizing the release of a memorandum from Rutan & Tucker, LLP regarding alternatives for staffing the FCGMA.
- At its March 27 meeting, the FCGMA voted to authorize the Executive Committee to evaluate fiscal impacts of alternative staffing options for the agency. These options, as presented by Chair West, include "Independent Direct Staffing," in which the FCGMA Executive Officer and newly created Assistant Executive Officer would be "exclusive" employees of the FCGMA; "Hybrid Indirect Staffing," in which employees of the County and/or United would be subject only to FCGMA direction and management; and "Fully Indirect Staffing," in which the FCGMA's scope of work is entirely outsourced to consultants and contractors. The Deputy General Manager made comments reflecting Board discussion on this item, to the effect that the FCGMA would be best served by maintaining full and direct supervisory control over its Executive Officer and by not rushing a full financial and pro/con analysis of staffing alternatives.

The Board also adopted an ordinance to amend the Ordinance to Establish and Allocation System for the Oxnard and Pleasant Valley Groundwater Basins to comply with the decision and order of *City of Oxnard v. Fox Canyon Groundwater Management Agency*. The ordinance establishes a "Calleguas Water Flex Allocation Program," which would allow a groundwater operator in the Oxnard-Pleasant Valley Basin to obtain a flex allocation based on "coordinated" deliveries of Calleguas supplemental surface water during a baseline period. Calleguas was not consulted during the FCGMA's development of this program and the Ordinance raises more questions regarding the operationalization of the program than it answers. The Deputy GM made comments to that effect at the March 27 meeting. The FCGMA is under a deadline of April 8 to adopt amendments to the Ordinance that conform to the legal decision and order and were uninclined to make any changes to the Ordinance at this juncture. The program, unworkable as

it is in any water management reality, satisfies the decision and order and has the advantage of being so unattractive to groundwater operators who receive supplemental water from Calleguas, and could therefore avail themselves of the program, that it is all but certain none will.

In addition to a number of other items that do not directly affect Calleguas, the FCGMA Board welcomed Camarillo Mayor Tony Trembley as the city representative to the Board. Mr. Trembley replaces Oxnard Councilmember Bert Perillo, who is now alternative city representative. Mr. Trembley has served on the FCGMA Board before. Eugene West, Dave Borchard, Kelly Long, and Lynn Maulhardt remain on the Board; Eugene West remains Chair.

36. *Las Posas Basin Watermaster Policy Advisory Committee (PAC) and Technical Advisory Committee (TAC)* – At its March 7 meeting, the PAC heard from Eugene West, Chair of the Fox Canyon Groundwater Management Agency, regarding the options the FCGMA may take with regard to staffing the agency, which is currently facing significant staffing challenges. Chair West indicated there are three general options: to stand up a new, independent agency; to continue with the County staffing the agency but in what Chair West called a “different relationship”; and to contract out one hundred percent of the agency’s work. Chair West anticipates this being an iterative public process. The PAC also weighed in on the initial basin assessment, which was set by the FCGMA at \$64/AF in December 2023. (Calleguas does not pay a basin assessment as the District does not have an allocation recognized in the Judgment.) Also at the March 7 meeting, the PAC reviewed the FCGMA 2024 Groundwater Sustainability Plan Annual Update. The PAC found it lacking in several areas and issued a Recommendation Report to that effect.

At its March 21 meeting, the PAC voted to send a Recommendation Report to the FCGMA/Watermaster regarding agency staffing. The PAC recommended that the FCGMA hire outside legal counsel and an independent Executive Officer who would, in close consultation with the Board, develop a plan for staffing the agency going forward, including robust financial and cost-benefit analyses. Recognizing that such an effort could take half a year or more, the PAC also recommended that, in the meantime, the FCGMA/Watermaster task the Interim Executive Officer with determining critical functions for both agencies and immediately hire consulting staff who can do the essential work of the agencies.

Acting in his capacity as chair of the PAC, the Deputy General Manager is responsible for communicating with the Watermaster on the PAC’s behalf, including sending PAC Recommendation Reports to the FCGMA/Watermaster. The PAC meets the first and third Thursday at 3:00 p.m. in the Calleguas Board room. Meetings are open to the public.

37. Groundwater storage totals through the end of February include 0 AF of well production and 0 AF of well injection.

Groundwater storage totals through February are as follows:

East Las Posas Wellfield Injection	0 acre-feet
East Las Posas Wellfield Allocation	0 acre-feet
East Las Posas In Lieu	6,348 acre-feet
West Las Posas In Lieu	25,192 acre-feet
Conejo Creek Project	23,453 acre-feet
United Storage	10,482 acre-feet
Oxnard In Lieu	18,060 acre-feet

Engineering

Construction

38. Calleguas-Las Virgenes Municipal Water District (LVMWD) Interconnection (450)

The contractor, Kiewit Infrastructure West Co. (Kiewit), continued work at the Pump Station (PS)/Pressure Reducing Station (PRS) site, installing additional conduits and electrical conductors within the PS/PRS and Bypass Vault interiors as well as additional appurtenances inside the PS/PRS. Kiewit also continued installing ducting and hydronic (cooling) system piping within the PS/PRS. Kiewit completed installing conduits for the new Southern California Edison (SCE) electrical and Spectrum internet/communication services to the PS/PRS, and Spectrum completed installation of the new internet service cables. Kiewit continued to backfill around the PS/PRS.

On the pipeline portion of the work within Lindero Canyon Road, Kiewit completed installation and commissioning of the construction dewatering system and resumed pipeline construction within the shallow groundwater area south of the intersection of Lindero Canyon Road and Bowfield Street. Within this area, Kiewit excavated a pipeline trench, performed construction dewatering, placed shoring, installed, and backfilled approximately 120 feet of 30-inch diameter welded steel pipeline. Kiewit also completed installation of a new 6-inch air-vacuum valve near the intersection of Lindero Canyon Road and Symphony Lane.

At the Triunfo Water and Sanitation District's new meter station located at the southeast corner of Kanan and Lindero Canyon Roads, Kiewit continued work installing appurtenances inside the meter station and installed the access hatch and manway covers. Kiewit also performed site grading and completed replacement of the damaged concrete curb and gutter and sidewalk at that corner. Staff continued to coordinate with

the City of Thousand Oaks regarding encroachment permit requirements and modified traffic control plans. LVMWD staff continues to work on programmable logic controller programming of the PRS control panel. *(CIP Priority: High)*

In response to heightened public interest and a request from the Office of Supervisor Jeff Gorell, staff is working with the project consultant to create additional public outreach materials, update the project Web site, and develop more signage at the project site.

39. *TOD Pump Station Rehabilitation (590)* – The electrical subcontractor, Taft Electric Co., continues to prepare for the upcoming shutdown and cutover to the permanent system. *(CIP Priority: High)*

40. *Lake Sherwood Pump Station Rehabilitation (591)* – The electrical subcontractor, Leed, continues to prepare for the upcoming shutdown and cutover to the temporary system. *(CIP Priority: High)*

Design

41. *Conejo Pump Station Rehabilitation (480)* – Kennedy Jenks Consultants is preparing a Proposal Letter and Fee Schedule for design services. *(CIP Priority: High)*

42. *Salinity Management Pipeline (SMP), Phase 3 (536)/Phase 4 (561)* – Staff returned comments on the administrative draft sections for cultural resources and tribal cultural resources to Rincon. Rincon submitted the second draft of the SEIR to the District for review. *(CIP Priority: Low)*

43. *Calleguas-Ventura Interconnection (562)* – Perliter & Ingalsbe (P&I) submitted the 50% design plans and specifications. Hamner Jewell & Associates (HJA) continued to contact underlying property owners where easements will be necessary, and access is needed to complete the geotechnical investigation. Staff continued to coordinate with the City of Ventura on the flow control station and pipeline connection point and coordinated with the City of Oxnard for the pipeline location along Oxnard's easements. *(CIP Priority: High)*

44. *Simi Valley Tanks (569)* – Perliter & Ingalsbe (P&I) continues design of elements of the project that are not dependent on the results of a site survey and geotechnical investigations. The property owner remains unresponsive to HJA's attempts to obtain temporary right-of-entry for surveying, geotechnical exploration, and environmental field investigations. (No change.) *(CIP Priority: High)*

45. *Oxnard-Santa Rosa Feeder and Santa Rosa Hydro Improvements (582)* – Staff continues review of the revised 90% instrumentation plans and specifications. (No change.) *(CIP Priority: Medium)*

46. *Crestview Well No. 8 (585)* – Crestview Mutual Water Co. is evaluating options for how best to proceed with the project. *(CIP Priority: Not Evaluated)*
47. *Lake Bard Pump Station, Lake Bard Water Filtration Plant (LBWFP) Flowmeter, and Lake Bard Outlet Tower Improvements (587)* – KJ is preparing 100% plans and specifications. *(CIP Priority: High)*
48. *Fairview Well Rehabilitation (589)* – Staff worked with MKN & Associates (MKN) to confirm the operational and disinfection strategies for the well and started working to complete the Preliminary Design Report. *(CIP Priority: High)*
49. *Lindero Pump Station Rehabilitation (592)* – KJ continued to work on final design. Staff coordinated with SCE for new electric service and easements and started coordination with the Conejo Recreation and Park District for construction and the new SCE service line easement. Staff continued coordination with the Ventura County Air Pollution Control District for the Permit to Construct the new emergency generator. *(CIP Priority: High)*
50. *Calleguas Conduit North Branch (CCNB) Broken Back Rehabilitation, Phase 4 (598)* – Full adhesion of mortar lining to prestressed concrete cylinder pipe is critical to the effectiveness of the most promising concrete encasement locating technology. Engineering staff will undertake sounding (using a mallet to hit the inside of the pipe and determining from the resulting sound whether the mortar lining is adhered to the steel cylinder) to determine the extent of delamination of the mortar lining during future shutdowns. *(No change.) (CIP Priority: High)*
51. *Crew Building Expansion and Networking Center Relocation (603)* – The Board authorized calling for bids at its March 6 Board meeting. A Pre-Bid Meeting and Site Visit was held on March 26 for potential bidders. *(CIP Priority: High)*
52. *Somis Farmworker Housing SMP Discharge Station (607)* – The developer, AMCAL, continues to seek approval and signature of the deeds for the permanent and temporary construction easements by the underlying property owner. The District is awaiting a deposit for construction costs from AMCAL, as well as approval to initiate procurement of the control panel, which is a particularly long lead time item. *(No change.) (CIP Priority: Medium)*
53. *Wellfield No. 2 Solar System (613)* – Engineering staff is considering options for accomplishing design of the system. *(CIP Priority: Low)*
54. *CCSB Strengthening for Metrolink SCORE Improvements (614)* – Metrolink continues to review the District's Request for Special Design Consideration package. *(CIP Priority: High)*

Studies & Planning

55. *Analysis of Wood Ranch Dam and Dikes* – Kehoe Testing & Engineering (Kehoe), the subcontractor for Leighton Consulting, Inc. (Leighton), performed Seismic Cone Penetration Tests (SCPTs) in accordance with the approved work plan for Phase II of the seismic analysis. Data gathered from SCPTs is being analyzed by Leighton to determine next steps in the exploration, which will include performing borings for sample collection and analysis.
56. *Pipeline Condition Assessment Program* – O&M Staff isolated approximately 2.5 miles of the Oxnard-Santa Rosa Feeder 2 pipeline to depressurize the SmartBall extraction location of last summer’s failed leak inspection. Staff, V&A Consulting Engineers (V&A), and their leak inspection consultant, Xylem, inspected and located the interference that prevented the extraction tool from entering the pipeline. O&M staff removed the interfering mortar and brought the pipeline back into service. V&A and Xylem will return to reattempt the SmartBall inspection in August.
57. *Study of Seismic Impacts to the Santa Susanna Tunnel* – The consultant, Brierley Associates, continued working on compiling the data and preparing a draft report.

Grants and Funding Opportunities

58. *Proposition 1, Round 1 Integrated Regional Water Management (IRWM) Implementation Grant Funding* – Department of Water Resources (DWR) approved the invoice for the third and fourth quarters of 2022 and the first, second, and third quarters of 2023 and continues to review the invoices and progress reports for the fourth quarter of 2023. DWR continues to evaluate the request for amendment to the grant agreement to reallocate the funding from the City of Camarillo’s Recycled Water Reservoir, which is not proceeding, to the remaining three projects in the agreement (Calleguas–LVMWD Interconnection [Project No. 450], United Water Conservation District Iron and Manganese Removal Project Phase 1, and City of Ventura Eastside to Westside Waterline Interconnection Project Phase 2).
59. *Proposition 1, Round 2 IRWM Implementation Grant Funding and Urban Community Drought Relief Grant* – Invoices and progress reports from project inception through the fourth quarter of 2023 were submitted to DWR. Additionally, an invoice and progress report for January 2024 was submitted for Nyeland Acres Mutual Water Company to expedite reimbursement for the pipeline materials they ordered due to their limited available reserves.
60. *U.S. Bureau of Reclamation Title XVI (Water Reclamation and Reuse) Feasibility Report* – The General Manager is reviewing the second administrative draft Title XVI Feasibility Report for the SMP and several potential brackish groundwater desalters that could discharge into it.

Miscellaneous Engineering Activities

61. *Training* – Sandy Mathews of Larry Walker Associates (LWA) provided training on preparing for Stormwater Pollution Prevention Planning (SWPPP) changes brought by the 2022 General Permit for Stormwater Discharges associated with Construction and Land Disturbance Activities.
62. *Fairview Pump Station Battery Storage System* – Staff coordinated with Ventura Energy and Golden State Renewable Energy to schedule a site inspection of the Battery Energy Storage Systems by staff from the Self Generation Incentive Program.
63. *Advanced Clean Fleet Regulations and Compliance* – Staff attended a California Air Resources Board (CARB) Workshop on Implementation of Assembly Bill 1594 which focused on reevaluating the 13-year minimum useful life threshold used to determine exemption eligibility and expanding existing daily use exemption to allow for more comprehensive usage data.

Operations and Maintenance

System Operations

64. Camrosa's Round Mountain Water Treatment Plant, the City of Camarillo's North Pleasant Valley Desalter, and Port Hueneme Water Agency's water treatment plant are currently online and discharging brine into the SMP.
65. O&M staff hosted Metropolitan Water District's Control Systems Team Manager, Richard Johnson, and several operators from the Joseph Jensen Water Treatment Plant. The site visit included a tour of the Lake Bard Water Filtration Plant with a primary focus on the Ozone Generation Systems. Metropolitan recently upgraded its equipment but provided valuable insight to District staff on operation, troubleshooting, and strategies to extend the useful life of equipment while preparing for future upgrades.
66. The Operations Supervisor provided a tour of the Lake Bard Water Filtration Plant to District staff from the Engineering, Finance, Human Resources, and Water Resources departments. These tours were previously provided for O&M staff as traditional training, but have since been expanded to other departments to impart additional knowledge about the District.
67. Control Systems staff continued to complete annual maintenance and meter calibrations on the service connections throughout the system. Using additional staffing support from System Maintenance, crews focused on increased production while providing cross-training opportunities. This effort to complete upcoming assignments in advance will

allow Control Systems staff to have additional time to test and inspect at the upcoming Las Virgenes Interconnection facility commissioning. Crews also finalized the installation and testing of the communication equipment at the Fairview Pump Station Self-Generation Incentive Program (SGIP) project. The Tesla mega pack standby battery is now online and cycling, which will save the District in electrical costs while meeting the annual contract requirements and providing an additional emergency source of temporary power. Lastly, interviews were completed, and an internal candidate was selected and promoted to the recently opened Instrumentation Technician position.

68. Control Systems staff performed preventative maintenance and routine inspection on:

- LBWFP
- Lake Bard
- Headquarters
- Borchard Road Lateral
- Conejo Pump Station
- Grandsen Pump Station
- TOD Pump Station
- SMP Control Tank
- Conejo Standby Power Station
- Camrosa Discharge Station
- PHWA Discharge Station
- California American Water Service Connections
- City of Camarillo Water Service Connections
- Golden State Water Company Service Connections
- City of Simi Valley Service Connections
- City of Thousand Oaks Service Connections
- Ventura County Waterworks Service Connections
- Wellfield #2 Monitoring Wells

69. Distribution System staff coordinated testing at Springville and East Portal on the recently completed annual maintenance of the hydroelectric generators. With the overall lower flows throughout the month, staff had to be efficient in verifying all required settings. Crews discovered an issue with the recently serviced standby generator at Springville. The staff is working with the outside contractor responsible for the warranty work and will schedule the repair shortly. Crews also worked with the Regulatory and Operations groups to perform sampling and disinfection at Wells 5, 8, 10, and 15. In addition, staff finalized the annual maintenance requirements for the Grandsen Pump Station and are working to submit the required permit reporting to local regulators. Staff also participated in the Santa Rosa Pipeline shutdown by isolating Pressure Regulating Station No. 6 and

Camrosa's service connections while monitoring for surging in the system. Lastly, staff supported the Operations group with pipeline entry and inspection of the Ferric and Ozone diffusers. This included confined space entry requirements and documenting as-found conditions.

70. Distribution System staff performed preventative maintenance and routine inspection on:

- LBWFP
- Headquarters
- Lake Bard
- Conejo Hydroelectric Generator
- East Portal Hydroelectric Generator
- Santa Rosa Hydroelectric Generator
- Springville Hydroelectric Generator
- Conejo Pump Station
- Fairview Pump Station
- Grandsen Pump Station
- Lake Sherwood Pump Station
- Lindero Pump Station
- TOD Pump Station
- Camrosa Discharge Station
- Pressure Regulating Station Nos. 1-4, 6-9, and SMP
- Conejo Standby Power Station
- City of Camarillo Service Connections
- City of Simi Valley Service Connections
- City of Thousand Oaks Service Connections
- Well Nos. 7, 8, 10, 11, and 15
- Wellfield Ammonia and Chlorine Systems

71. System Maintenance staff coordinated and completed a temporary shutdown of the Oxnard Santa Rosa Pipeline to enable Xylem staff to field verify equipment sizing for future Smart Ball inspections. At the beginning of the shutdown, the anticipated plan was modified to accommodate two isolation valves that were leaking. This required additional coordination with Camrosa staff to take facilities out of service while increasing the overall dewatering requirements. Crews worked diligently beginning at 4:30 a.m. and successfully returned the line to service at 9:00 p.m. Engineering's contractor, Xylem, was successful in gathering the necessary data and fit testing equipment to schedule inspections later this summer. Staff continue to cross-train with Distribution and Control Systems groups performing annual maintenance requirements throughout the service area. They also worked closely with the Regulatory Compliance Supervisor to repair and make

improvements to the Quagga Substrates that are used to monitor Lake Bard. Lastly, staff began to plan and procure replacement spool pieces at the Falling Star Turnout to address corrosion issues. This will also prevent additional change order requests from the Las Virgenes Interconnect contractor.

72. System Maintenance staff performed preventative maintenance and routine inspection on:

- Headquarters
- LBWFP
- Lake Bard
- Santa Rosa Hydroelectric Generator
- Springville Hydroelectric Generator
- Calleguas Conduit North Branch No. 2
- Moorpark Feeder No. 2
- Oxnard Santa Rosa Feeder No. 2
- Las Posas Feeder No. 1
- Grandsen Pump Station
- Fairview Pump Station
- Pressure Regulating Station Nos. 6 and 9
- SMP Control Tank
- Thousand Oaks Reservoir
- Newbury Park Reservoir
- Springville Reservoir
- Thousand Oaks Reservoir
- Westlake Reservoir
- Wells 13, 14, and 16
- Wellfield Site Maintenance

73. Water quality met all SWRCB Division of Drinking Water standards for the month of March.

74. The Conejo, East Portal, Grandsen, Santa Rosa, and Springville Hydroelectric Generators are currently available for operation and online as flow conditions permit.

Miscellaneous Operations and Maintenance Activities

75. Operations and Maintenance staff provided design review and other support to the Engineering Department on various projects, including:

- LVMWD-Calleguas Interconnection (Project No. 450)

- Lindero No. 2 (TOD) Pump Station Rehabilitation (Project No. 590)
- Lake Sherwood Pump Station Rehabilitation (Project No.591)
- Crew Building Improvements and Networking Center Relocation (Project No. 603)
- Oxnard-Santa Rosa Feeder Pipeline Inspection

76. The District measured 1.94 inches of rainfall from March 1 to March 25 at the Lake Bard site. Measurable rainfall for the current water year, beginning October 1, is 16.50 inches.

Human Resources and Risk Management (HRRM)

Human Resources

77. On February 5 HRRM staff attended a Los Posas Basin Groundwater presentation and on February 6 HRRM staff attended a Calleguas Treatment Plant Tour.

78. HRRM staff coordinated an onboarding meeting on February 7 with multiple departments to prepare for the new Regulatory Compliance Student Intern orientation.

79. On February 14 staff coordinated an All-Employee Meeting, which included a comprehensive overview of the Engineering Department.

80. Recently, the one of the District's Instrumentation Technicians left the District to pursue a career as a plant operator. He was a valued employee and the District wishes him well in his career in the water industry. Interviews for his replacement occurred on March 19. Six internal candidates were interviewed, one of whom was selected.

81. HRRM staff attended ACWA-JPIA California Paid Sick Leave Training. The presentation focused on new California laws and qualifications for employees. Calleguas already provides sick leave to full-time employees, however the new law provides a mandatory 40 hours of sick leave for part-time positions as well.

82. After a thorough evaluation, HRRM added three new occupational medical facilities to support the District in providing medical care for workers' compensation injuries, pre-employment physicals, hearing and respiratory baseline testing, and Hazmat Team physicals. Each facility provides occupational medical coverage over the Calleguas service area, including weekends and after normal business hours, for quick and efficient care.

Risk Management

83. Ventura County Fire Department (VCFD) delivered equipment to Wellfield 2 with plans to continue site work for the aerial dip tank project. Brush clearance, grading and compacting, and associated activities are expected to continue in the coming weeks.

84. On March 5, the District's HAM radio was successfully operated for the first time during the monthly radio exercise conducted by the Ventura County Amateur Radio Emergency Service (ARES). Monthly tests are performed by volunteer radio operators in accordance with countywide emergency communication procedures. The District's radio will be operated during each monthly exercise going forward. This system provides communication redundancy in case of a major disaster.
85. The Emergency Response Coordinator participated in the City of Simi Valley's regional evacuation planning meeting on March 14 with city officials and other area stakeholders. The meeting focused on a coordinated, standardized approach to regional evacuations involving Simi Valley and the cities of Moorpark and Thousand Oaks.
86. On March 20, the Emergency Response Coordinator virtually attended Southern California Edison's Public Safety Power Shutoff (PSPS) Advisory Board meeting. The meeting included updates on the weather and fire season outlook, grid hardening programs, and ways geographic information systems can be leveraged to provide situational awareness during PSPS events.
87. The Emergency Response Coordinator participated in Metropolitan's quarterly Member Agencies Emergency Management Group meeting on March 21. The meeting focused on joint preparedness efforts, a review of Metropolitan's virtual Emergency Operations Center (EOC), and the intention of Metropolitan's emergency management staff to increase regular coordination with member agencies' emergency management staff.
88. The District's Environmental Health and Safety (EHS) Specialist developed and provided Chemical Hazards in Treatment Plants training for the Engineering Department.
89. The new student intern received specialized training on March 12.
90. The EHS Specialist attended training on Hazard and Risk Assessment during a disaster.
91. On February 29, Risk Management staff participated in the annual JPIA Risk Control Advisor's inspection. This included an in-person meeting with managers and the Risk Control Advisor to discuss safety programs, injury and illnesses, facilities, and trainings. After the meeting, the Manager of O&M, Assistant Manager of HR & Risk Management and EHS Specialist escorted the Risk Control Advisor through the treatment plant facilities and answered questions.
92. The EHS Specialist completed a review and audit of the District's Spill Prevention Control and Countermeasure Plan (SPCC) for the Conejo Generator Facility. The district has an empty tank out of service due to a tank coating failure. Due to the tank failure, the EHS Specialist is working closely with the CUPA to ensure the district is in compliance with regulations.

93. The EHS Specialist/Risk Management Plan Administrator participated in the seismic reassessment of the chlorine and ammonia storage facilities at GCDF, as required by Cal OSHA. This included the following components:

- Pre-meeting with lead staff in Engineering, Operations and Maintenance, and the hired contractors.
- Providing documentation and answering regulatory questions related to the Risk Management Plan.
- Doing a walkthrough inspection of the facilities and equipment at the chlorine and ammonia facilities at GCDF.

94. The EHS Specialist is preparing for the CUPA inspection at LBWFP scheduled for April. The preparation includes:

- Ensuring all required documentation is complete, accurate and available to the inspector.
- Pre-inspecting the affected facilities.
- Pre-review of plans the inspector may want to look at.
- Verifying all required timelines are met.

Finance

95. Staff processed and paid 281 invoices, totaling approximately \$9.2 million, between February 27 and March 25. Staff also processed 11 invoices, totaling \$85,123, on behalf of the Total Maximum Daily Load parties.

96. Finance staff prepared purveyor invoices for water sales in February totaling \$6,433,464.89. Metropolitan invoiced the District for the same period a total of \$4,646,530.11.

97. Metropolitan's invoice for water purchased in January and paid in March is \$4,939,277.11.

98. The balance in the LAIF account as of February 29 was \$2,407,426.67. The monthly effective yield is at 4.122% for February.

99. The Los Angeles-Long Beach-Anaheim Consumer Price Index for February was up 0.5% over the past month and up 3.4% from a year ago.

100. Staff continued developing the FY 2024-25 budget and rate setting process. All budget worksheets have been returned to Finance and the preliminary FY 2024-25 budget has been completed and reviewed by staff and the General Manager. Staff is continuing to

make minor adjustments and awaiting finalization of Metropolitan's water rates prior to finalizing the budget.

101. The Manager of Finance continues to monitor the progress of the 2025 & 2026 water rate setting of Metropolitan Water District. As of March 26, MWD has proposed 10 different possible rate increases. Staff is calculating the five-year rate projections on each scenario to determine the effects each alternative will have on Calleguas rates.

Information Technology

Cybersecurity

102. IT staff continue to follow up on new cybersecurity vulnerability announcements from various government agencies, as well as attend several monthly webinars regarding cybersecurity and policy development.
103. IT staff continue to make changes to spam filtering services to help block many malicious emails that have been received.
104. IT staff coordinated with AllConnected and had updates performed to critical equipment due to vulnerability announcements received from Cal-OES and CISA.

Training

105. The Manager of IT continues to collaborate with Control Systems Division staff to facilitate training of staff and transition of workload previously performed by the Controls System Specialist.
106. The Manger of IT led an internal IT Department training on how to manipulate computer resources for virtual machines such as RAM, CPU, and disk space. This will allow staff to become less reliant on outside resources.

Hardware and Software

107. IT staff finished deployment of a ticketing system for all IT-related help needs. The software utilized for the ticketing system also provides asset management, inventory tracking that is needed. Currently it is only deployed to the administrative network, but plans are to expand it to the operational technology network.
108. IT staff worked with AllConnected to install and configure the replacement backup servers for the operational technology network. The new servers are currently running in parallel with the older servers until full retention of backups has been reached.

109. IT staff supported onboarding of the new Intern position as well as supporting internal onboarding for the promoted Instrumentation Technician position.
110. IT staff worked with Adobe to correct the District's license portal in order to start assigning licenses to new devices for Adobe Acrobat.
111. IT staff continue to support Centricity in the Time and Materials Tracking (TATS) replacement process. Time has been spent developing user lists and access rights as well as verifying importation of assets from the old Fieldport software.
112. IT staff continues the process of replacing hardware as appropriate.
113. IT staff continues to provide help desk functions. These tasks include:
 - a. Installation and upgrade of software on District devices
 - b. Help with e-mail issues
 - c. Support with audiovisual needs for meetings in the Board Room
 - d. Support with District-issued phones
 - e. Perform updates to the District's SharePoint (Intranet) page



February 29, 2024
Financial Statements

Calleguas Municipal Water District
Statement of Net Assets
as of February 29, 2024

	<u>ASSETS</u>	<u>02/29/24</u>
Current Assets:		
Unrestricted Assets		
Cash		\$ 2,440,797
Investments		171,588,552
Accounts Receivable		12,016,048
Interest Receivable		1,090,276
Inventory		62,408,383
Prepaid Expenses		3,071,678
Restricted Current Assets		
Restricted Cash & Investments		275,092
Total Current Assets		252,890,826
Capital Assets:		
Land & Improvements		21,504,418
CIP		55,075,241
Distribution Facilities		586,894,217
Buildings & Improvements		28,517,563
Equipment		28,776,481
Total Capital Assets		720,767,920
Accumulated Depreciation		(252,516,712)
Capital Assets (Net of Accumulated Depreciation)		468,251,208
Total Assets		\$ 721,142,034
Deferred Outflows - Bond Refunding		4,337,810
Deferred Outflows - Pensions		7,074,733
Deferred Outflows - OPEB		1,514,149
Total Deferred Outflows		\$ 12,926,692
Total Assets & Deferred Outflows		\$ 734,068,726

Calleguas Municipal Water District
Statement of Net Assets
as of February 29, 2024

<u>LIABILITIES AND NET ASSETS</u>	<u>02/29/24</u>
Current Liabilities:	
Accounts Payable	\$ 11,267,683
Accrued Expenses	71,659
Interest Payable	1,059,632
Retention Payable	1,402,443
Deposits	136,508
Compensated Absences	360,225
Current portion of bonds payable	8,025,000
Total Current Liabilities	22,323,151
 Long-Term Liabilities:	
Bonds payable, net of current portion	159,371,095
Compensated Absences	860,483
OPEB Liability	442,959
Pension Liability	9,134,611
Total long-term liabilities	169,809,148
Total Liabilities	192,132,299
 Deferred Inflows - Pensions	 1,410,124
Deferred Inflows - OPEB	994,558
Total Deferred Inflows	\$ 2,404,682
Total Liabilities & Deferred Inflows	\$ 194,536,981
 Net Assets:	
Invested in capital assets, net of related debt	280,002,359
Restricted	9,744,423
Unrestricted	249,784,964
Total Net Assets	539,531,745
Total Liabilities, Deferred Inflows and Net Assets	\$ 734,068,726

Calleguas Municipal Water District
Income Statement
Comparison for Eight Months of Budget

	Eight Months of FY 2023-24 Budget	Eight Months Ended 02/29/24	\$ Variance	%
Water Sales	\$ 80,651,410	\$ 74,135,790	\$ (6,515,620)	91.9%
Other Water Revenues	40,000	409,604	369,604	1024.0%
Capacity Charge	4,867,434	4,844,204	(23,230)	99.5%
Readiness to serve-purveyors	5,215,586	5,184,414	(31,172)	99.4%
Recycled Water	82,251	59,073	(23,178)	71.8%
Pumping Power Revenue	684,000	875,223	191,223	128.0%
Power Generation	198,300	414,571	216,271	209.1%
SMP Fees	639,278	366,554	(272,724)	57.3%
Total Operating Revenues	<u>92,378,259</u>	<u>86,289,433</u>	<u>(6,088,826)</u>	<u>93.4%</u>
Cost of Water	59,546,074	54,302,917	5,243,157	91.2%
Capacity Reservation Charge-MWD	1,372,249	1,358,800	13,449	99.0%
Readiness to serve-MWD	5,466,335	5,474,920	(8,585)	100.2%
Recycled Water	59,496	48,342	11,154	81.3%
Pumping Power	1,188,000	1,550,482	(362,482)	130.5%
Total Cost of Water	<u>67,632,154</u>	<u>62,735,461</u>	<u>4,896,693</u>	<u>92.8%</u>
Salaries	7,445,370	7,308,887	136,483	98.2%
Benefits	3,498,996	3,466,267	32,729	99.1%
Fuel and vehicle exp	169,380	102,741	66,639	60.7%
Utilities	236,672	208,113	28,559	87.9%
Operations & Maintenance Supplies	833,796	566,053	267,743	67.9%
Office Supplies	207,084	103,676	103,408	50.1%
Outside services	2,374,219	1,511,759	862,460	63.7%
Consultants/Studies	1,959,334	679,348	1,279,986	34.7%
Permits, Leases and fees	211,540	252,570	(41,030)	119.4%
Travel & Training	123,616	107,171	16,445	86.7%
Memberships	173,460	192,677	(19,217)	111.1%
Insurance	387,000	379,772	7,228	98.1%
Legal	833,336	309,607	523,729	37.2%
Election Costs	0	0	0	N/C
Conservation	1,122,115	445,858	676,257	39.7%
Miscellaneous	1,336	8,050	(6,714)	602.5%
Capital Contributions	0	0	0	N/C
Total Operating Administration Expenses	<u>19,577,254</u>	<u>15,642,549</u>	<u>3,934,705</u>	<u>79.9%</u>
Operating Income	<u>\$ 5,168,851</u>	<u>\$ 7,911,423</u>	<u>\$ 2,742,572</u>	<u>153.1%</u>

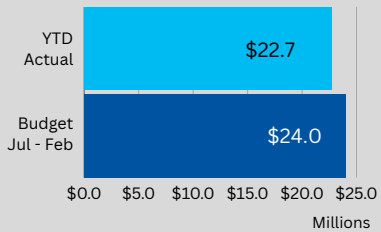
Calleguas Municipal Water District
Income Statement
Comparison for Eight Months of Budget

	Eight Months of FY 2023-24 Budget	Eight Months Ended 02/29/24	\$ Variance	%
Operating Income	\$ 5,168,851	\$ 7,911,423	\$ 2,742,572	153.1%
Interest Income	2,083,336	3,321,107	1,237,771	159.4%
G/L on Investments	0	2,646,302	2,646,302	N/C
Water standby charges	798,000	782,089	(15,911)	98.0%
Tax Revenue	6,310,500	6,489,187	178,687	102.8%
Tax Collection, Bank & Bond Fees	(336,993)	(334,245)	2,748	99.2%
Other Income	48,484	47,952	(532)	98.9%
Interest and redemption expense	(4,710,936)	(4,584,417)	126,519	97.3%
Bond Premium/Discount Amortization	(159,732)	(159,734)	(2)	100.0%
Build America Bond Subsidy	695,670	677,173	(18,497)	97.3%
Total non-operating revenue/Expenses	4,728,329	8,885,415	4,157,086	
Income before Capital, Contributions, & Depreciation	9,897,180	16,796,838	6,899,658	169.7%
Depreciation	(10,200,000)	(9,176,692)	1,023,308	90.0%
Capital Equipment > \$5,000	(651,208)	(320,429)	330,779	49.2%
Project Expense	0	(61,479)	(61,479)	N/C
Gain/(Loss) on Sale of Capital Assets	0	11,100	11,100	N/C
Grant/Capital Contribution Revenue	0	0	0	N/C
Capital Related Expenses	(10,851,208)	(9,547,501)	1,303,707	88.0%
Changes in Net Assets	\$ (954,028)	\$ 7,249,338	\$ 8,203,366	
Net Assets, beginning of year		532,282,408		
Net Assets, end of year		\$ 539,531,745		

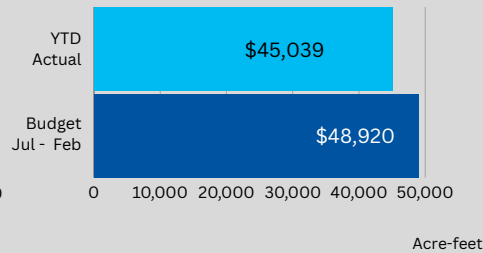
Financial Snapshot - February 2024



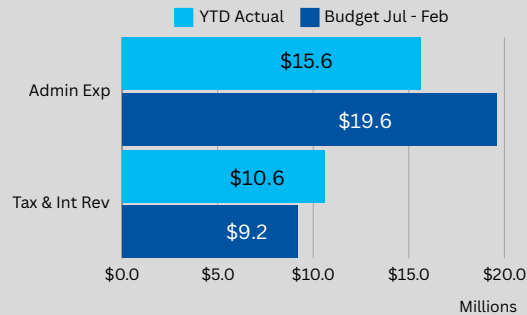
Water Revenues (Net of Water Costs)



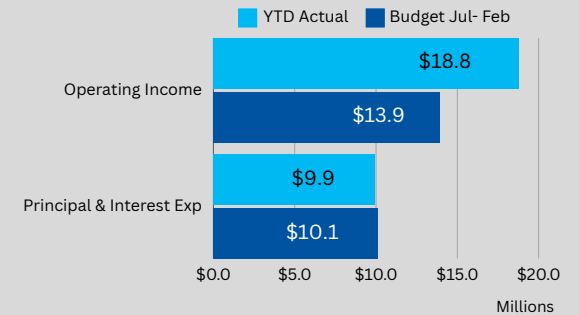
Water Sales in Acre-feet



YTD Admin Exp/Taxes and Interest Rev



YTD Operating Income / Principal & Interest Exp



Budget & Actuals for the Month of February 2024

	Budget	Actuals	\$Variance
Total Operating Revenues	\$ 8,954,152	\$ 6,475,106	\$ (2,479,046)
Total Cost of Water	6,408,312	4,497,458	1,910,854
Total Operating Admin Expenses	2,181,504	1,800,647	380,857
Operating Income	364,336	177,001	(187,335)
Total Non-Operating Rev/Exp	(370,191)	(1,104,233)	(734,042)
Capital Related Expenses	(1,328,581)	(1,157,177)	171,404
Changes in Net Assets	\$ (1,334,436)	\$ (2,084,408)	\$ (749,972)

Cash & Investment Balances

	as of January 31, 2024	as of February 29, 2024
Cash	\$ 6,773,817	\$ 2,440,797
Investments	170,030,915	171,588,552
Restricted Investments	274,725	275,092
Total:	\$ 177,079,457	\$ 174,304,441

Current Ratio

11.33

Current Assets / Current Liabilities

Measures the District's capacity to settle short-term debts using readily available assets. The higher the ratio is above 1.0, the better financial position the District is in.

Quick Ratio / Acid Test Ratio

8.40

(Current Assets - Inventory - Prepaids) / Current Liabilities

Measures the District's ability to settle debts using quick assets, which are assets readily convertible to cash within 90 days. A good quick ratio is generally considered to be 1.0 or higher.

0.27

Debt Ratio

Total Liabilities / Total Assets

Measures total liabilities as a percentage of total assets. It reflects the District's ability to use its assets to cover its debt obligations. A lower debt ratio often indicates greater stability, but industry-specific benchmarks vary. Typically, a ratio around 0.5 is considered reasonable.

1.90

Debt Service Coverage

Operating Income / (Principal + Interest)

Measures the District's ability to service debt payments by comparing its net operating income with its total debt service obligations. A 1.25 is required for the District to issue more debt per its Bond Documents. A 1.75 - 2.0 is looked on favorably when issuing new debt financing.

4.70

Times Interest Earned

(Earnings before Interest & Depreciation) / Interest Expense

Measures a portion of income available to cover future interest expenses. It reveals how many times the District could pay interest from its income. Higher ratios are more favorable, indicating stronger financial health.

Upcoming Meetings

This table includes meetings that can be attended by all Board members.

In order to ensure Brown Act compliance, a majority of members should not discuss Calleguas specific issues at meetings other than designated Calleguas Board Meetings.

Public Engagement, Communications, and Legislative Affairs Committee Meeting	Tue. 04/02, 2:30 p.m.	2100 Olsen Road, Thousand Oaks IN PERSON ONLY
VCSDA* Guest Speaker: Kristine McCaffrey, Calleguas General Manager	Tue. 04/02, 5:30 pm	Camarillo Health Care District, 3639 Las Posas Rd. Suite 117, Camarillo
Calleguas Board Meeting	Wed. 04/03, 4:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event
ACWA Legislative Symposium*	Wed. 04/10, 1:00 p.m.	SAFE Credit Union Convention Center, K Street, Sacramento IN PERSON ONLY
Calleguas Board Meeting	Wed. 04/17, 4:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event
AWA Symposium*	Thu. 04/18, 8:00 a.m.	Courtyard Marriott Oxnard
Calleguas Purveyor Meeting	Thu. 04/25, 10:00 a.m.	2100 Olsen Road, Thousand Oaks IN PERSON ONLY
Calleguas Board Meeting	Wed. 05/01, 4:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event
ACWA/JPIA	Sun. 05/05 to Mon. 05/06	Safe Credit Union Convention Center, Sacramento
ACWA Spring Conference*	Mon. 05/06 to Thu. 05/09	Safe Credit Union Convention Center, Sacramento
Calleguas Board Meeting	Wed. 05/15, 4:00 p.m.	2100 Olsen Road, Thousand Oaks Hybrid Event
AWA WaterWise*	Thu. 05/16, 8:00 a.m.	1701 Lombard Street, Oxnard Hybrid Event
AWA Water Issues	Tue. 05/21, 8:00 a.m.	1701 Lombard Street, Oxnard Hybrid Event

* Reservations required. Contact Kara if you would like to attend.

SCOTT H. QUADY, PRESIDENT
DIVISION 2

ANDY WATERS, VICE PRESIDENT
DIVISION 3

RAUL AVILA, SECRETARY
DIVISION 1

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

THIBAUT ROBERT, DIRECTOR
DIVISION 4

KRISTINE MCCAFFREY
GENERAL MANAGER



web site: www.calleguas.com

2100 OLSEN ROAD • THOUSAND OAKS, CALIFORNIA 91360-6800 805/526-9323 • FAX: 805/522-5730

March 22, 2024

Chair Adán Ortega and Board of Directors
Metropolitan Water District of Southern California
700 N. Alameda Street
Los Angeles, California 90012

Transmitted as pdf to dl-boardsupportteam@mwdh2o.com

The Need for an Alternative to the Proposed Treated Water Surcharge:
Background Materials on Public Hearing Comments on Proposed Water Rates and Charges for
Calendar Years 2025 and 2026

Dear Chair Ortega,

On March 12, 2024, Calleguas Municipal Water District Board President Scott Quady presented public comments at Metropolitan Water District of Southern California's (Metropolitan's) Public Hearing on proposed water rates and charges for calendar years 2025 and 2026. The purpose of this letter is to memorialize President Quady's public hearing comments, provide supporting background material, and reiterate his request for your Board's development of a treated water surcharge rate alternative consistent with your Board's adopted policy.

President Quady cited Metropolitan Resolution No. 9221 which adopted policy principles for the treated water surcharge. Those principles included two key provisions:

1. Treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles.
2. Treatment services shall be recognized to include physical water treatment, as well as *operational benefits such as available treatment capacity used by member agencies.* (emphasis added)

The policy principles were adopted to "provide a guidance framework for changes Metropolitan may wish to make to any treatment rate or charge now or in the future." The future is now. As proposed, the treated water surcharge does not appropriately distribute the operational benefit of available treatment capacity.

Member agencies that have access to both treated and untreated water from Metropolitan find it cost-effective to purchase Metropolitan's untreated water and treat it themselves while continuing to benefit from the ability to meet peak demands utilizing Metropolitan's treated water capacity. For the 15 Metropolitan member agencies that receive only treated water, this is not an option. As presented to your Board, 85% of the treatment costs are fixed, including the cost to make that treatment capacity available on demand, and those fixed costs are collected on a 100% volumetric basis. As a result, those agencies that can only access treated water pay a disproportionate cost to maintain the treatment capacity for those that use treated water on an as-needed basis.

There is a solution. In 2017, a member agency working group and Metropolitan staff developed an alternative consistent with Metropolitan's cost of service principles that allocates fixed costs to account for the benefit of the treatment capacity. It was not adopted largely on the vote of member agencies who had the alternative to avoid paying for the treatment capacity. At the time, it was hoped that the cost differential between untreated and treated rates would narrow in the future, but that has not occurred.

We now have a clear view of how lower sales will affect Metropolitan's future financial sustainability. For Metropolitan as a whole, a new balance must be struck between fixed costs and fixed revenues. The treated water surcharge is the same issue, just a more extreme example: 85% fixed costs funded on 100% volumetric revenues. The reserve for the Water Treatment Surcharge Stabilization Fund stands at zero and is projected to remain at zero for the next two years. This is not a model for future sustainability.

Your Board's commitment to addressing the treated water surcharge imbalance in this budget cycle can demonstrate Metropolitan's commitment to a balanced approach. We urge you to develop an alternative that follows your Board's policy to properly apportion the costs and benefits associated with maintaining treatment capacity. Thank you for your consideration.

Sincerely,



Kristine McCaffrey, P.E.
General Manager

cc: Adel Hagekhalil, General Manager
Mohsen Mortada, Chief of Staff
Katano Kasaine, Chief Financial Officer / Assistant General Manager
Marjorie Wheeler, Executive Strategist

Attachments

1. Transcript of Public Comments, Scott Quady, President of Calleguas Municipal Water District Board of Directors at Metropolitan March 12, 2024 Public Hearing on Proposed Water Rates and Charges
2. Metropolitan Water District of Southern California Resolution 9221 Approving the Treatment Charge Workgroup's Proposed Policy Principles
3. Metropolitan Water District of Southern California Board Letter 8-1, Board Meeting of April 11, 2017 including Attachment 1, "Proposed Policy Principles, Recommendations, and Implementation Considerations

Good afternoon Chair Ortega, Director McMillan, members of the Board; my name is Scott Quady, I'm president of the Calleguas Municipal Water District. I appreciate the opportunity to address you today.

Calleguas delivers water to 19 retail agencies, most of which, as community water systems, must engage in a Proposition 218 process to set rates. As you've heard, a rate increase of this magnitude will almost certainly lead to rate protests. Rate protests, even when ultimately unsuccessful, have the effect of eroding trust in the institution seeking the increase. They can change the politics of the city or water agency, and often not in a good way.

Given the principle of transparency, so central to a Cost of Service Analysis, ratepayers will be able to clearly identify the drivers of the higher rates their suppliers will be seeking to collect.

While Metropolitan is not subject to Proposition 218, you have historically been fairly transparent about the rates. You have been fairly clear in defining what constitutes the capacity charge, for instance: the cost, apportioned on a pro rata share by each member agency, of providing and maintaining a distribution system with the capacity to meet peak demands.

Fifteen of your 26 member agencies—more than half—receive only treated water. There are other member agencies who receive both treated and untreated water, but depend on Metropolitan's treated water capacity when they need it. Metropolitan's capacity to distribute water to meet peak demands means the capacity to distribute **treated** water to meet peak demands.

Treatment capacity is part of the cost of Metropolitan's treatment service.

This isn't just my idea. Or Calleguas's perspective.

It is, in fact, Metropolitan policy.

On April 11, 2017, the Metropolitan Board of Directors adopted Resolution 9221, Approving the Treatment Charge Workgroup's Proposed Policy Principles. There were three principles. I'll cite the first two.

1. *Treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles.*
2. *Treatment services shall be recognized to include physical water treatment, **as well as operational benefits such as available treatment capacity** used by member agencies.*

Available treatment capacity—the ability for Metropolitan to treat all the water required even by its occasional customers—is part of Metropolitan's cost of service.

Calleguas urges the Board to create a rate that adheres with your own principles.

President Quady's March 12, 2024 Public Comments to the Metropolitan Board

Recognizing that it is unlikely you'll be able to do so before the rates need to be adopted next month, Calleguas encourages your Board to defer action on the treatment surcharge until the issue can be developed completely.

Thank you.

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

RESOLUTION 9221

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
APPROVING
THE TREATMENT CHARGE WORKGROUP'S PROPOSED POLICY PRINCIPLES**

WHEREAS, the Board of Directors (“Board”) of The Metropolitan Water District of Southern California (“Metropolitan”), pursuant to Sections 133, 134 and 134.5 of the Metropolitan Water District Act (the “Act”), is authorized to fix such rate or rates for water as will result in revenue which, together with revenue from any water standby or availability of service charge or assessment, will pay the operating expenses of Metropolitan, provide for repairs and maintenance, provide for payment of the purchase price or other charges for property or services or other rights acquired by Metropolitan, and provide for the payment of the interest and principal of its bonded debt, including payment of the interest and principal of Metropolitan’s non-tax funded debt; and

WHEREAS, on April 12, 2016, the Board voted to (1) define objectives of a new treated water charge, (2) further analyze alternatives to bring back to the Board for discussion in fall 2016, and (3) bring a possible recommendation to the Board for a new treated water charge effective January 1, 2018; and

WHEREAS, on June 28, 2016, the Executive Committee of the Board approved the formation of a Workgroup to achieve its objectives, with participation made open to all member agencies; and

WHEREAS, the Executive Committee established a timeline for the Workgroup to provide recommendations to Metropolitan’s Finance and Insurance (F&I) Committee, and directed the Workgroup to:

- Define objectives of a fixed treated water charge;
- Determine costs to be included in a fixed charge;
- Determine allocation methodology;
- Address issues related to the implementation of a new charge; and
- Consider implementation in January 2018 or as part of the next biennial budget.

WHEREAS, Metropolitan retained Dr. Tom Chesnutt of A&N Technical Services, Inc. to facilitate the process, which took place from September 2016 through February 2017; and

WHEREAS, at the February meeting of the F&I Committee, the Workgroup presented its Proposal in a document titled, “Treatment Charge Workgroup Proposed Policy Principles, Recommendations, and Implementation Considerations” (Proposal), dated February 2, 2017; and

WHEREAS, the Proposal recommends that the Board adopt three policy principles, which would provide a guidance framework for changes Metropolitan may wish to make to any treatment rate or charge now or in the future, as follows:

1. Treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles.
2. Treatment services shall be recognized to include physical water treatment, as well as operational benefits such as available treatment capacity used by member agencies.
3. In an effort to contain overall treatment costs on an on-going basis, MWD shall programmatically identify opportunities to partially or fully decommission unneeded treatment infrastructure and minimize future O&M and capital expenditures. MWD should obtain member agency commitment to utilize new or expanded future treatment capacity.

WHEREAS, the Proposal recommends a Treatment Capacity Charge that mirrors the existing Metropolitan Capacity Charge, to be allocated to member agencies based upon a three-year trailing maximum peak day flow through treated water service connections during the May 1 through September 30 peak summer demand period; and

WHEREAS, the recommended Treatment Capacity Charge would recover the capital financing costs incurred to meet maximum summer treatment capacity, also referred to as “fixed demand costs”; and

WHEREAS, the F&I Committee considered the Proposal at its regular February 2017 and March 2017 meetings, pursuant to informational presentations, review, and deliberation; and

WHEREAS, on April 10, 2017, the Proposal, together with a staff review thereof, was further discussed and reviewed by the F&I Committee and by the Board on April 11, 2017; and

WHEREAS, each of said meetings of the Board were conducted in accordance with the Brown Act (commencing at 54950 of the Government Code), at which due notice was provided and quorums were present and acting throughout; and

NOW, THEREFORE, the Board of Directors of The Metropolitan Water District of Southern California does hereby resolve, determine and order as follows:

Section 1. That the Board of Directors of Metropolitan hereby adopts the following policy principles for the recovery of treatment costs, which would provide a guidance framework for changes Metropolitan may wish to make to any treatment rate or charge now or in the future:

1. Treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles.

2. Treatment services shall be recognized to include physical water treatment, as well as operational benefits such as available treatment capacity used by member agencies.
3. In an effort to contain overall treatment costs on an on-going basis, MWD shall programmatically identify opportunities to partially or fully decommission unneeded treatment infrastructure and minimize future O&M and capital expenditures. MWD should obtain member agency commitment to utilize new or expanded future treatment capacity.

Section 2. That this Board finds that the adoption of the policy is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). Finally, where it can be seen with certainty that there is no possibility that the proposed actions may have a significant impact on the environment, those actions are not subject to CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

Section 3. That the General Manager and the General Counsel are hereby authorized to do all things necessary and desirable to accomplish the purposes of this Resolution, including, without limitation, the commencement or defense of litigation.

Section 4. That the Board Executive Secretary is hereby directed to transmit a certified copy of this Resolution to the presiding officer of the governing body of each member agency.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California, at its meeting held on April 11, 2017.



Board Executive Secretary
The Metropolitan Water District
of Southern California



● **Board of Directors**
Finance and Insurance Committee

4/11/2017 Board Meeting

8-1

Subject

Adopt CEQA determination and adopt resolution approving Treatment Charge Workgroup's proposed policy principles, recommended treatment capacity charge, and treatment capacity charge implementation

Executive Summary

In February 2017, a report was presented to the Finance and Insurance (F&I) Committee providing an overview of the work of the Treatment Charge Workgroup (Workgroup). The Workgroup met from September 2016 through February 2017. The culmination of this effort is the "Proposed Policy Principles, Recommendations, and Implementation Considerations" (Proposal) for a treatment fixed charge beginning no sooner than January 1, 2021, with the remaining treatment revenue requirement to continue to be recovered through a uniform, volumetric rate. The Proposal, included as [Attachment 1](#), was presented to and discussed by the F&I Committee at its February 2017 and March 2017 regular meetings. Pursuant to the Committee's consensus that the Proposal be presented as an action item at the April meetings of the F&I Committee and the Board, this letter recommends approval of the Proposal. Specifically, it recommends adoption of the Resolution approving the Treatment Charge Workgroup's proposed policy principles, recommendations for a treatment capacity charge, and implementation of a treatment capacity charge, provided as [Attachment 2](#).

Details

On April 12, 2016, Metropolitan's Board of Directors adopted the biennial budget for fiscal years (FY) 2016/17 and 2017/18, water rates for calendar years (CY) 2017 and 2018, and charges for CY 2017. Pursuant to requests for staff to review and present alternatives to the 100% volumetric treatment surcharge, which recovers all revenue requirements allocable to Metropolitan's treatment function, staff, with consultation provided by Raftelis Financial Consultants, Inc., proposed the Board adopt a two-part Treated Water Fixed Charge based upon the cost of service report which was included in Board Letter 8-1 dated April 12, 2016. The first component of the proposed charge would have recovered the Fixed Standby costs of the treatment function and would have been apportioned to member agencies based on the average treated water sales by member agency for the most recent ten fiscal years (ten-year rolling average). The second component would have recovered the Fixed Demand costs and would have been apportioned to member agencies based on each agency's peak treated water demand for the last three summer seasons, defined as the highest daily treated water demand for May through September.

The Board voted instead to continue the 100% volumetric Treatment Surcharge and to: (1) define objectives of a new treated water charge, (2) further analyze alternatives to bring back to the Board for further discussion in fall 2016, and (3) bring a possible recommendation to the Board for a new treated water charge effective January 1, 2018. Staff proposed the following process to the Executive Committee to achieve those objectives:

- Staff would chair a Workgroup of member agencies to work on the issues;
- The Workgroup would use the monthly Member Agency Managers meeting to receive input and information;
- The Workgroup would provide analyses for the Board and develop options and approaches; and
- The F&I Committee would receive regular updates, review proposals and provide direction to the Workgroup.

On June 28, 2016, the Executive Committee formed the Workgroup, which was open to representatives of all of Metropolitan's member agencies, and directed the Workgroup participants to address the following policy issues:

- Define objectives of a fixed treated water charge;
- Determine costs to be included in a fixed charge;
- Determine allocation methodology;
- Address issues related to the implementation of a new charge; and
- Consider implementation in January 2018 or as part of the next biennial budget.

The Executive Committee also established a timeline pursuant to which the Workgroup would be formed in July/August 2016, the F&I Committee would receive a recommendation from the Workgroup in March 2017, and the F&I Committee would make a recommendation to the Board in July 2017 for potential implementation in CY 2018 or CY 2019.

Metropolitan retained Dr. Tom Chesnutt of A&N Technical Services, Inc. to facilitate the process for the participating member agencies. Sixteen member agencies participated in the process (List of Workgroup Participants, Attachment 5). On August 15, 2016, staff provided an update to the F&I Committee regarding the formation of the Workgroup, the Executive Committee's directions to the Workgroup on policy, and the intended process for the Workgroup.

The Workgroup met six times from September 2016 to February 2017. During the process, staff presented information to the Workgroup and Member Agency Managers, including information regarding water treatment plant flows, financial statement and rate impacts of write-down of treatment plants, review of the Metropolitan budget, review of the functionalization and allocation of Metropolitan's treatment costs, and a long-term Treatment Surcharge forecast. The Member Agency Managers were also provided with updates from September 2016 to November 2016 (there was no Member Agency Managers meeting in December 2016) and January 2017.

In February 2017, the Workgroup voted to present the "Proposed Policy Principles, Recommendations, and Implementation Considerations" included as [Attachment 1](#). Updates were provided to the F&I Committee from September 2016 to February 2017, with discussions of the Workgroup's Proposal at the February 2017 and March 2017 F&I Committee meetings.

Workgroup Proposal

The Proposal consists of:

- Policy Principles for Treatment Rates and Charges;
- Recommendations for Treatment Rates and Charges; and
- An implementation consideration for Treated Water Charges.

Policy Principles for Treatment Rates and Charges

The Workgroup proposes that the Board adopt the following Policy Principles quoted in full below, which would provide a guidance framework for changes Metropolitan may wish to make to any treatment rate or charge now or in the future:

1. Treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles.
2. Treatment services shall be recognized to include physical water treatment, as well as operational benefits such as available treatment capacity used by member agencies.
3. In an effort to contain overall treatment costs on an on-going basis, MWD shall programmatically identify opportunities to partially or fully decommission unneeded treatment infrastructure and minimize future O&M and capital expenditures. MWD should obtain member agency commitment to utilize new or expanded future treatment capacity.

Recommendations for Treatment Rates and Charges

The Workgroup further recommends the adoption of a Treatment Capacity Charge that mirrors the existing Metropolitan Capacity Charge. The Treatment Capacity Charge would recover the capital financing costs

functionalized to the Treatment function that are allocated to the Fixed Demand category. Fixed Demand costs are those capital costs incurred to meet maximum summer treatment capacity. These Treatment Fixed Demand costs would be recovered from member agencies based on their three-year trailing maximum summer peak day demand through treated water connections. The summer demand period is defined as May 1 through September 30. All other Treatment function costs would continue to be recovered through a uniform, volumetric rate per acre-foot of treated water sales. The Workgroup's recommended Treatment Capacity Charge reflects the second component of the two-part Treated Water Fixed Charge proposed by staff to the Board on April 12, 2016, which also proposed to recover Fixed Demand costs based on three-year trailing maximum summer peak day demand.

An implementation consideration for Treated Water Charges

To provide member agencies with sufficient time to plan for operational and financial impacts, the Workgroup proposes to incorporate the Treatment Capacity Charge into Metropolitan's biennial cost of service process and implement it no sooner than January 1, 2021. If implemented for CY 2021, the Treatment Capacity Charge for each agency would be determined based on the three-year trailing maximum summer peak day demand through treated water connections for CYs 2017 through 2019.

A resolution approving the Treatment Charge Workgroup's Policies, Recommendations, and Implementation, which includes the Treatment Capacity Charge, is provided as **Attachment 2**. If the resolution approving all of the Workgroup's recommendations is approved, staff will include a Treatment Capacity Charge in the proposed rates and charges effective January 1, 2021 and January 1, 2022, developed in the manner described above. A resolution approving only the Workgroup's proposed Policy Principles is provided as **Attachment 4**. If the resolution approving only the Workgroup's Policy Principles is approved, the principles would provide a guidance framework for changes Metropolitan may consider regarding treatment rates or charges in the future.

Requests from the March 13, 2017 F&I Committee Meeting

Members of the F&I Committee, at its March 13, 2017 meeting, requested that staff provide additional information regarding two topics.

1. Resiliency

One of the attributes of effective treated water cost recovery identified by the Workgroup was the structuring of Metropolitan's treatment revenues with low variability and appropriate levels of resiliency. The request was made for information about the need for financial resiliency through a treatment fixed charge, if financial resiliency is going to be part of the principles recommended by the Workgroup

The Workgroup provided background statements in their written communication to the F&I Committee, concluding "structuring MWD's treatment revenues with low variability and appropriate levels of resiliency" is one of "several important attributes of effective treated water cost recovery." (Page 1 of **Attachment 1**.) Thus, the Workgroup is not proposing that the Board adopt financial resiliency as a policy principle, but the Workgroup does conclude that financial resiliency is an important attribute of the recovery of Metropolitan's treatment costs.

Financial resiliency has been in the forefront of recent water utility research. Financial resiliency is defined as "the ability to thrive in the presence of fiscal stresses that threaten to temporarily or systematically move an organization or industry off-balance or out of fiscal equilibrium."¹ Key to financial resiliency is the robustness of the utility business model in generating stable and adequate revenue streams. Fixed charges, when replacing revenues generated by volumetric rates, contribute to stable revenue streams and enhance financial resiliency.

The proposed Treatment Capacity Charge would generate a fixed revenue stream to replace a portion of the current treatment revenue requirement that is 100 percent dependent on sales volumes. By definition, the Treatment Capacity Charge would improve the stability of treatment cost recovery, of which 91 percent are fixed

¹ Water Research Foundation, "Defining a Resilient Business Model for Water Utilities", prepared by: Jeff Hughes, Mary Tiger, Shadi Eskaf, Stacey Isaac Berahzer, Sarah Royster, Christine Boyle, and Dayne Batten, Environmental Finance Center at the University of North Carolina at Chapel Hill, Chapel Hill, NC 27599-3330; and Peiffer Brandt and Catherine Noyes, Raftelis Financial Consultants, Inc., 1031 South Caldwell St., Suite 100, Charlotte, NC 28203; ©2014, page 2.

costs. This would result in less revenue dependent on sales volumes, a more stable revenue stream, and improved financial resilience across a range of hydrologic variability.

2. Background Information Regarding Treatment Costs

At the March 13, 2017 F&I Committee meeting, staff presented a summary slide (slide 6 of the PowerPoint presentation) containing the costs, by category, that make up Metropolitan's 2017/18 Treatment Revenue Requirement, which are functionalized as treatment costs pursuant to Metropolitan's cost of service process. A request was made for background information that makes up each of the categories of treatment costs summarized in slide 6. Staff made a detailed presentation to Workgroup participants on October 20, 2016, which contains the background information requested, and is included herein as **Attachment 3**. The presentation referenced cost data shown in the current biennial budget document; it also referenced the relevant schedules in the cost of service study, which was included in Board Letter 8-1 dated April 12, 2016. This information was also provided as part of Attachment 4 in Board Letter 8a to the F&I Committee, dated February 14, 2017.

The budget is the foundation of the cost of service report. There is much detail in the budget document on Metropolitan's website regarding departmental operating and capital financing expenditures. Budgets are developed in detail by line item (labor, chemicals, materials, professional services, travel, etc.) for each team. The budgeted dollars by team roll up to units, units roll to sections, sections roll to groups. The largest portions of the budget for the Water System Operations (WSO) group are the Water Treatment and Conveyance and Distribution section budgets, which together make up 59 percent of WSO's budget. The other six WSO sections (Office of the General Manager, Operations Support Services, Water Quality, Water Operations and Planning, Safety and Environmental Services, Power Operations and Planning) serve a support function within the group. The Water Treatment section of the WSO budget of \$74.5 million includes the budget for the five treatment plants. (Page 63 of the budget, and slide 5 in **Attachment 3**.) The Water Treatment Section budget includes the salaries and benefits, professional services, materials and supplies, outside services, and variable treatment costs for chemicals, power, and solids. Accordingly, a large portion of the Treatment Revenue Requirement is contained in the WSO Budget.

Treatment revenue requirements are made up of the following items: WSO direct departmental O&M costs at the five treatment plants; WSO support O&M costs; Support O&M costs from Other Groups; Capital Financing costs; Revenue Offsets; Administrative & General costs. (Schedules 8 and 9 in the cost of service report, and slide 10 in **Attachment 3**.)

- WSO Direct O&M costs come from the budget and are functionalized to treatment by location and by activity so that they include only costs pertaining to treatment; thus, a portion of the Electrical and Control Teams O&M at the five treatment plants is subtracted because they perform Distribution functions. (Slide 9 in **Attachment 3**.)
- WSO support O&M costs includes a portion of Operations Support, Operations Planning, Water Quality, Safety & Environmental, and Power Operations. These are functionalized to treatment by time keeping and team function.
- Support O&M costs from Other Groups includes Engineering, functionalized to treatment by Net Book Value (NBV) shares; it also includes Information Technology, Human Resources, and Office of the General Manager, and these costs are functionalized prorata by labor costs.
- Capital financing costs includes debt service and Pay-As-You-Go funding of the Capital Investment Plan. Capital costs are functionalized to treatment by NBV shares. Treatment NBV includes all Metropolitan facilities which perform treatment functions. Treatment NBV is around 31% in FY 2017/18. (Schedule 4 in the cost of service report, and slide 11 in **Attachment 3**.)
- Revenue Offsets includes interest income and property tax revenues. These are functionalized prorata by total costs and by NBV shares, respectively.
- Administrative & General includes departmental O&M for Administrative Services, General Counsel, General Auditor, Ethics, and Office of the CFO. These costs are functionalized prorata by total costs.

The supporting treatment cost details can be found in the budget documents pages 36, 62, and 63; the cost of service report, pages 63 to 72; and the Workgroup October 20, 2016 presentation.

Policy

Metropolitan Water District Act Section 133: Fixing of Water Rates

Metropolitan Water District Act Section 134: Adequacy of Water Rates; Uniformity of Rates

Metropolitan Water District Act Section 134.5: Water Standby or Availability of Service Charge

Metropolitan Water District Administrative Code Section 4301(a): Cost of Service and Revenue Requirement

By Minute Item 50438, the Board, at its April 12, 2016 meeting, approved a motion that the Board (1) define objectives of a new treated water charge, (2) further analyze alternatives to bring back to the Board for further discussion in fall 2016, and (3) bring a possible recommendation for a new treated water charge effective January 1, 2018.

California Environmental Quality Act (CEQA)

CEQA determination for Options #1, #2, and #3:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). Finally, where it can be seen with certainty that there is no possibility that the proposed actions may have a significant impact on the environment, those actions are not subject to CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

The CEQA determination for Options #1, #2, and #3 is: Determine that the proposed action is not defined as a project and is not subject to CEQA pursuant to Sections 15378(b)(2), 15378(b)(4), and 15061(b)(3) of the State CEQA Guidelines.

Board Options

Option #1

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and

Adopt the Resolution Approving the Treatment Charge Workgroup's Policy Principles, Recommendation for a Treatment Capacity Charge, and Implementation of a Treatment Capacity Charge.

Fiscal Impact: None

Option #2

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and

Adopt the Resolution Approving the Treatment Charge Workgroup's Proposed Policy Principles and take no further action at this time.

Fiscal Impact: None

Option #3

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA and is not subject to CEQA, and

Take no action at this time and maintain Metropolitan's current 100% volumetric Treatment Surcharge.

Fiscal Impact: None

Staff Recommendation

Option #1



Gary Breaux
Chief Financial Officer/
Assistant General Manager

4/4/2017
Date



Jeffrey Kightlinger
General Manager

4/4/2017
Date

Attachment 1 – Proposed Policy Principles, Recommendations, and Implementation Considerations

Attachment 2 – Resolution Approving the Treatment Charge Workgroup’s Proposed Policy Principles, Recommendations for a Treatment Capacity Charge, and Implementation of a Treatment Capacity Charge

Attachment 3 – October 20, 2016 Presentation to the Treatment Charge Workgroup, containing background material on treatment costs

Attachment 4 – Resolution Approving the Treatment Charge Workgroup’s Proposed Policy Principles

Attachment 5 – List of Workgroup Participants

Ref# cfo12650105

TREATMENT CHARGE WORKGROUP
PROPOSED POLICY PRINCIPLES, RECOMMENDATIONS, AND
IMPLEMENTATION CONSIDERATIONS

February 2, 2017

The Treatment Charge Workgroup (“Workgroup”) was initially established by the MWD Board of Directors to develop recommendations for a fixed treatment surcharge for subsequent consideration by the Board. The constraints placed on the Workgroup were simply that any recommendations had to be based on the existing Cost of Service Study. Several meetings of the Workgroup have been utilized to discuss the attributes of successful treatment cost recovery, and the methods of accounting for assets, revenues and costs.

The Workgroup concluded there are several important attributes of effective treated water cost recovery. These include, but are not limited to, providing a clear nexus between member agency treatment service costs and the benefits received, and structuring MWD’s treatment revenues with low variability and appropriate levels of resiliency.

Prior to establishing a specific rate-related proposal, the Workgroup recommends the Board’s consideration and potential adoption of Policy Principles. These principles would provide a guidance framework for changes MWD may wish to make to the treated water portion of its rate structure in the future.

Potential imposition of a new treated water charge would more ideally be done in the context of a full rate refinement review. This would ensure the components of the resultant rate structure are fully harmonized. However, absent a full rate refinement review, modifications to MWD’s existing charges may be implemented to incorporate policy changes regarding the recovery of treatment component costs. This document presents Proposed Policy Principles, Recommendations, and an implementation consideration.

Policy Principles for Treatment Rates and Charges:

1. Treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles.
2. Treatment services shall be recognized to include physical water treatment, as well as operational benefits such as available treatment capacity used by member agencies.
3. In an effort to contain overall treatment costs on an on-going basis, MWD shall programmatically identify opportunities to partially or fully decommission unneeded treatment infrastructure and minimize future O&M and capital expenditures. MWD

should obtain member agency commitment to utilize new or expanded future treatment capacity.

Recommendations for Treatment Rates and Charges:

1. Adopt a Treatment Capacity Charge that mirrors the existing Capacity Charge in a manner consistent with cost of service principles.
2. This Treatment Capacity Charge should be implemented based upon a three-year trailing maximum peak day flow through treated water service connections during the May 1 through September 30 peak summer demand period.

An Implementation Consideration for Treated Water Charges:

1. To provide member agencies with sufficient time to plan for operational and financial impacts to their agencies and sub-agencies, this Treatment Capacity Charge should be integrated into MWD's biennial cost of service process and considered for implementation at the Board's discretion with rates and charges effective no sooner than January 1, 2021 (thus, inclusive only of the summer peaks of 2017-2019.)

March 25, 2024

Chair Adán Ortega and Board of Directors
General Manager Adel Hagekhalil
Metropolitan Water District of Southern California
700 N. Alameda Street
Los Angeles, California 90012

Transmitted as pdf to dl-boardsupportteam@mwdh2o.com

Water Treatment Surcharge Rate Questions and Alternatives:
Comments to Board of Directors Workshop on Proposed Biennial Budget,
March 26, 2024

Dear Chair Ortega, Board of Directors, and General Manager Hagekhalil;

We understand how hard the Chair, the Board of Directors, and Metropolitan staff have worked at developing the proposed biennial budget, rates and charges. We thank you for your collaborative approach.

In discussions, and on-going coordination, among our fellow member agency managers, we have identified many significant concerns regarding the large treatment surcharge increases, ranging from 47% to 56%, that are proposed in the rate increase alternatives shown by Metropolitan. The issue is not simply the extraordinarily high rate increases, it is the many questions around the calculation of the water treatment surcharge, the management of the associated water treatment surcharge rate stabilization fund, and the equity issues around the class of member agencies that can only receive treated water.

We would like a meeting with financial staff to discuss our concerns and understand the methods used to determine the treatment surcharge and its proposed increases. We would like this meeting to be held before the April Board meeting where action is currently scheduled to be taken on Metropolitan's proposed biennial budget, rates and charges. We, as General Managers, do not feel comfortable endorsing a rate alternative to our agencies' Metropolitan representatives until we have a full understanding of how the treatment surcharge and its proposed increases are being derived. We ask that without a complete understanding and agreement on the methods used to derive the treatment surcharge and a possible solution to attenuate the very large increases, the adoption of the biennial budget, rates and charges be delayed until May or June 2024.

Listed below are the main questions and concerns we have with the treatment surcharge.

1. **Why is the treatment surcharge increasing even more when the ad valorem tax increases?** The original alternative with 1.44 million acre-feet of sales and no ad valorem tax resulted in a 47% increase over two years. This increase is untenable, but now the other alternatives with the ad valorem tax are showing even greater percentage increases with Alternative 2a at 56% over two years. We need an explanation as to how

costs are being allocated so that when the ad valorem tax is increased, the treatment surcharge also increases. The ad valorem tax increase should be lowering all rate components of the composite rate except the treatment surcharge which should, if calculated correctly, stay the same. However, the increase in the ad valorem tax revenue is increasing the treatment surcharge, which is counterintuitive and aggravating the problem.

2. **How is PAYGO and debt service being allocated to the treatment surcharge?** We understand that capital financing costs are allocated based on a "Net Book Value Plus Work-in-Progress" methodology. Because Metropolitan's five treatment plants have high book value as compared to much of its other, aging infrastructure, a greater portion of PAYGO and debt service are being allocated to the treatment surcharge. However, there is no clear nexus between the actual projects funded or financed through debt service and the treatment surcharge. Please verify how PAYGO and debt service are allocated to the treatment surcharge and provide details on the actual capital investments proposed for treatment infrastructure. Additionally, how are the costs of the La Verne Water Quality Laboratory upgrades being allocated to the various rate components? How are costs for Pure Water Southern California allocated?
3. **How would the treated water surcharge rate differ if you used the fixed cost recovery methodology proposed in the 2017 Metropolitan staff recommendation?** While Metropolitan staff has proposed numerous alternatives to address the untreated water rate and even numerous cost recovery alternatives for the proposed Pure Water Southern California, the treated water surcharge remains unabated under all alternatives. This limits the ability of the Board of Directors to fulfill its policy making role to address the problem.
4. **What are the projections for treated versus untreated sales?** Based on lower overall sales projections, should the assumed ratio of treated versus untreated sales be different? A change in this ratio could make a major difference in the calculation of the treatment surcharge.
5. **How has the water treatment rate stabilization fund been used that its level is now zero dollars?** Did the low water sales from last year eliminate all funds and were those funds specifically directed to address treatment costs? How is that fund being managed? Are there certain guidelines/policies being used? If not, should guidelines/policies be established?
6. **What would be the cost of providing raw water to all agencies?** The inaccessibility of raw water for 15 of Metropolitan's 26 member agencies puts them at an unfair advantage when it comes to their rates and the economy within those agencies' service areas. The treatment surcharge is increasing to such a level that it would be conducive for many of these agencies to build their own treatment plants and process the water themselves.

What would be the cost for Metropolitan to provide all member agencies with equitable access to untreated water?

In 2017, Metropolitan established a workgroup to review the treatment surcharge. Recommendations were made to the Board of directors which included a treated water capacity charge. The charge was not adopted by the Board, and only policy principles were adopted with two key provisions:

1. Treatment rates and charges shall align treatment costs with treatment services and benefits received consistent with cost of service principles.
2. Treatment services shall be recognized to include physical water treatment, as well as operational benefits such as available treatment capacity used by member agencies.

The payment for operational benefits such as available treatment capacity has been ignored and those agencies that cannot take raw water have been left paying more and more of the treatment surcharge that has been constructed to benefit almost all agencies. We propose one or a combination of all of the following solutions for this dilemma.

1. Until a full understanding and agreement is reached on the method used to determine the treatment surcharge, do not increase the current treatment surcharge and pay for that portion of additional expenses through other reserves. We understand that the other reserves are low as well and part of the goal is to build up those reserves. Through this solution, those reserves would build up at a slower pace than would otherwise occur.
2. A fixed charge should be adopted based on treated water connection capacity. This would entail no agency being able to roll off of Metropolitan for some portion of fixed costs that are attributable to the readiness-to-serve and peaking components of treatment. Peaking should be considered year-round instead of summer only since agencies that have their own treatment plants would normally use Metropolitan's treatment capacity for maintenance of their plants during the winter period. In the meantime, those agencies that can only take treated water are still paying for the others to ride the system.
3. Until such time as a new structure can be developed, fixed treatment costs should be assigned to all rate components and only the variable cost of treatment should be applied to the treatment surcharge.
4. Transition the cost of service methodology for capital financing (PAYGO and debt service) from "Net Book Value Plus Work-in-Progress" to "Direct Assignment" to more accurately attribute treatment infrastructure investments with the associated charges.

We would like the discussion to begin sooner rather than later on ways to provide more fixed revenues to Metropolitan and further analyze the reserves considering climate change impacts to ensure that Metropolitan has both stable revenues and rate increases.

We and our fellow managers look forward to meeting with Metropolitan's financial staff.

Regards,

Nina Jazmadarian
General Manager
Foothill Municipal Water District

David W. Pedersen, P.E.
General Manager
Las Virgenes Municipal Water District

Stacie N. Takeguchi, P.E.
Assistant General Manager – Water
Pasadena Water and Power

Henry Graumlich
Executive Strategist
Calleguas Municipal Water District

cc: Mohsen Mortada, Chief of Staff
Katano Kasaine, Chief Financial Officer / Assistant General Manager
Marjorie Wheeler, Executive Strategist



March 11, 2024

The Honorable Ash Kalra
 Chair, Assembly Committee on Judiciary
 1020 N Street, Room 104
 Sacramento, CA 95814

RE: AB 2257 (Wilson) – Local government: property-related water and sewer fees and assessments: remedies
Position: SUPPORT

Dear Chair Kalra:

The Association of California Water Agencies (ACWA) and undersigned organizations write to express our strong support for AB 2257, which would authorize public agencies to adopt procedures for the submittal and consideration of public comments regarding proposed water and sewer rates and assessments. This optional process proposed in this bill would bolster dialogue and transparency between public agencies and their customers and give public agencies an opportunity to address concerns during the ratemaking process.

Public water and sewer agencies provide essential government services for the benefit of communities, agriculture, industries, and the environment. These agencies are responsible for ensuring a consistent

and reliable water supply, safeguarding the quality of drinking water, planning, constructing, and maintaining critical infrastructure, and much more. With climate change presenting unprecedented challenges, these agencies also must adapt and enhance aging infrastructure to mitigate the impacts of increasingly frequent and severe climate-related events. Public agencies throughout California are making generational investments to build 21st Century infrastructure for a 21st Century climate.

The revenue necessary for public agencies to fulfill their essential government functions and adapt to a changing climate predominantly comes from service rates and assessments. While these agencies require financial stability to meet increasing demands, a rise in Proposition 218 litigation is making it increasingly difficult to ensure agencies can pass fair and reasonable rates to cover the costs of operations and investments.

Oftentimes, these suits are filed without first having raised concerns with the public agency during the public notice-and-comment process leading up to the decision to adopt rates or assessment. When litigants avoid raising concerns with proposed rates or assessments during the ratemaking process, the public agencies cannot endeavor to resolve the dispute and avoid litigation. The financial consequences of these lawsuits can be severe, as it is not uncommon for litigants to seek tens of millions of dollars in damages. Surprise lawsuits have the potential to undermine an agency's ability to maintain stable budgets necessary to operate effectively.

AB 2257 would build upon Proposition 218's existing procedural requirements by creating an exhaustion of administrative remedies procedure, that, if a public agency elected to follow, would require the timely submittal of written objections during an agency's ratemaking process. Ratepayers would be required to state the particular Proposition 218 compliance concern, and public agencies would be required to provide their board and the public with written responses to each comment received prior to acting on the proposed rate or assessment. Ratepayers would be required to participate in this process in order to challenge the agency's adopted rates or assessments in court.

With a greater understanding of potential concerns and the agency's responses, the agency's board would have the opportunity to abandon its ratemaking/assessment proposal, change it (reduce it), or to better explain why it complies with Proposition 218's substantive limitations, before having to defend it in litigation. Additionally, if a public agency complies with the exhaustion procedures, the bill would specify documents that could be included in the administrative record, subject to certain exceptions, in the event of litigation.

AB 2257 would bolster the financial stability of public water and sewer agencies by creating a clear and robust public process that facilitates dialogue, transparency, and the opportunity to resolve issues and avoid costly litigation. Codifying a procedure that requires issue exhaustion in Proposition 218 litigation would protect both legislative and adjudicative functions by allowing a legislative body to hear the evidence, apply its reasoned discretion and expertise, and create an administrative record to facilitate judicial review. This would also foster better-informed administrative decisions, which benefit the objector, the public agency, and members of the public within the public agency's jurisdiction. This is especially valuable in ratemaking cases in which evidence and policies are highly technical. It would also help agencies develop more defensible rates and build rapport and trust with their ratepayers.

For the reasons above, ACWA and the undersigned organizations strongly support AB 2257 and respectfully request your "AYE" vote when the bill is heard in the Assembly Judiciary Committee. If you

have any questions about our position or this bill, please contact ACWA Senior State Relations Advocate, Kristopher Anderson, at KrisA@acwa.com or (916) 441-4545.

Sincerely,

Kristopher M. Anderson, Esq.
Senior State Relations Advocate
Association of California Water Agencies

Brian M. Olney
General Manager
Helix Water District

David J. Coxey
General Manager
Bella Vista Water District

Hannah Davidson
Water Resources Specialist II
Hidden Valley Lake Community Services District

Kristine McCaffrey
General Manager
Calleguas Municipal Water District

Paul A. Cook
General Manager
Irvine Ranch Water District

Natalie Rogers
Mayor
City of Santa Rosa

Pat Kaspari
General Manager
McKinleyville Community Services District

Mary Rogren
General Manager
Coastside County Water District

Matt Hurley
General Manager
McMullin Area Groundwater Sustainability
Agency

Jennifer A. Spindler
General Manager
Crestline-Lake Arrowhead Water Agency

Elizabeth Salomone
General Manager
Mendocino County Russian River Flood Control
& Water Conservation Improvement

John Bosler
General Manager/CEO
Cucamonga Valley Water District

Justin Scott-Coe
General Manager
Monte Vista Water District

Daniel Muelrath
General Manager
Diablo Water District

Nick Turner
General Manager
Montecito Water District

Jan Lee
General Manager
Dublin San Ramon Services District

Kimberly A. Thorner
General Manager
Olivenhain Municipal Water District

Joe Mouawad, P.E.
General Manager
Eastern Municipal Water District

Anthony L. Firenzi
Director of Strategic Affairs
Placer County Water Agency

Jack Bebee
General Manager
Fallbrook Public Utility District

Trent Taylor
Water Resources Manager
Rosedale-Rio Bravo Water Storage District

Betsy Miller
General Manager
San Bernardino Valley Water Conservation
District

Paul Helliker
General Manager
San Juan Water District

Matt Stone
General Manager
Santa Clarita Valley Water Agency

Peter M. Rietkerk
General Manager
South San Joaquin Irrigation District

Sean Barclay
General Manager
Tahoe City Public Utility District

Deanna Jackson
Executive Director
Tri-County Water Authority

Gary Arant
General Manager
Valley Center Municipal Water District

Erik Hitchman
General Manager
Walnut Valley Water District

Craig D. Miller, P.E.
General Manager
Western Municipal Water District

cc: The Honorable Lori Wilson
Honorable Members, Assembly Committee on Judiciary
Nicholas Liedtke, Deputy Chief Counsel, Assembly Committee on Judiciary
Daryl Thomas, Consultant, Assembly Republican Caucus

SCOTT H. QUADY, PRESIDENT
DIVISION 2

ANDY WATERS, VICE PRESIDENT
DIVISION 3

RAUL AVILA, SECRETARY
DIVISION 1

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

THIBAUT ROBERT, DIRECTOR
DIVISION 4

KRISTINE MCCAFFREY
GENERAL MANAGER



www.calleguas.com

2100 OLSEN ROAD • THOUSAND OAKS, CALIFORNIA 91360-6800 805/526-9323 • FAX: 805/522-5730

March 19, 2024

U.S. Senator Laphonza Butler
112 Hart Senate
Washington, DC 20510

RE: Calleguas Municipal Water District Requests Support for Passive Receiver PFAS Liability Protection

Dear Senator Butler,

Calleguas Municipal Water District respectfully requests your support for PFAS liability protections for water and wastewater agencies under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) that follow all applicable laws and regulations for PFAS chemicals. Calleguas is the largest water wholesaler in Ventura County, California, with 19 purveyors serving three-quarters of the County's population – about 640,000 residents, as well as numerous businesses and institutions. Potential liability from a proposed CERCLA hazardous substance designation for PFOA and PFOS, and the associated costs, is a serious concern for many of our purveyors.

In September 2022, EPA published a proposed rule to designate PFOA and PFOS as CERCLA hazardous substances. That rule is now in the final stages, currently at the Office of Management and Budget for review, and is expected to be finalized before the end of this month. Congress intended CERCLA to be a statute that would allow for the remediation of contaminated sites and ensure the polluters are financially responsible for the cleanup through the "polluter pays" model. Calleguas strongly supports ensuring the CERCLA "polluter pays" principle remains intact. However, under current federal efforts, water suppliers and their ratepayers will be facing a "community pays" outcome that unfairly shifts the clean-up and liability costs onto water agencies and the public they serve.

Public water and wastewater agencies are passive receivers of PFAS from a vast array of domestic, commercial, and industrial sources. Water systems, and the public, do not have control over PFAS in the environment given the overwhelming presence of this family of chemicals.

Without an explicit exemption from liability under CERCLA, water systems could be held financially liable for the cleanup of Superfund sites contaminated with PFAS for merely fulfilling their responsibilities under the Safe Drinking Water Act to treat and dispose of these chemicals to protect public health. While we appreciate that EPA has shared that it does not intend to pursue water systems for cleanup costs, the CERCLA statute leaves those same systems vulnerable to litigation by the polluters themselves

through potentially responsible party (PRP) suits. Cleanup costs alone are unaffordable for many water systems; adding the financial implications of litigation would be overly burdensome for ratepayers.

We ask that the Senate consider and pass legislation that would protect water systems and uphold CERCLA's polluter pays principle. One example of this is Senator Cynthia Lummis' legislation, **S. 1430, the Water Systems PFAS Liability Protection Act**. This legislation would provide the protection that water systems desperately need to face the challenge of PFAS pollution. This legislation would protect water systems, as CERCLA intends, and put the burden solely on polluters – not ratepayers. This will allow water systems to focus on and allocate resources to accomplish their most important goal: providing safe, reliable, and affordable water service.

Calleguas urges you to uphold CERCLA's "polluter pays" principle and protect water systems and the ratepayers they serve by supporting a tailored legislative exemption from PFAS liability.

Thank you for your attention to this request.

Sincerely,

A handwritten signature in black ink, appearing to read "K. McCaffrey", with a long, sweeping underline that extends to the right.

Kristine McCaffrey
General Manager

CC:

Senator Cynthia Lummis
Senator Alex Padilla

SCOTT H. QUADY, PRESIDENT
DIVISION 2

ANDY WATERS, VICE PRESIDENT
DIVISION 3

RAUL AVILA, SECRETARY
DIVISION 1

JACQUELYN MCMILLAN, TREASURER
DIVISION 5

THIBAUT ROBERT, DIRECTOR
DIVISION 4

KRISTINE MCCAFFREY
GENERAL MANAGER



www.calleguas.com

2100 OLSEN ROAD • THOUSAND OAKS, CALIFORNIA 91360-6800 805/526-9323 • FAX: 805/522-5730

March 27, 2024

Mr. James Nachbaur, Director
Office of Research, Planning and Performance
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Re: Comment Letter — Proposed Making Conservation a California Way of Life Regulation

Dear Mr. Nachbaur:

Thank you for the opportunity to comment on the most recent version of the proposed Conservation as a California Way of Life regulation. We appreciate the State Water Resources Control Board's continued efforts to craft a set of requirements that provide meaningful water conservation while taking into account the impacts on water suppliers in the state.

Calleguas Municipal Water District (Calleguas) is a wholesale water provider serving southeastern Ventura County, providing imported water to approximately 640,000 residents – more than three-quarters of the County. Calleguas is one of 26 Member Agencies of the Metropolitan Water District of Southern California (Metropolitan). We serve 19 purveyors throughout the County, consisting of cities, special districts, investor-owned utilities, County waterworks districts, and mutual water companies.

On behalf of our purveyors, I want to thank you for addressing the many concerns that were raised in our letter of October 4, 2024, regarding the previous iteration of the regulation. We welcome the many improvements that have been made, particularly in the following areas:

Extension of deadlines for compliance: The additional time provided for suppliers to comply with the regulation is imperative for such a complex set of requirements. Providing additional time to develop programs, collect data, and implement performance measures will better position water agencies for compliance. We believe that adjusting compliance to begin in 2027 is consistent with the intent of the enacting legislation, which created a pathway within the first two to five years from the intended 2022 adoption date of the regulation for suppliers to develop programs that will be essential to achieving compliance. The change in compliance dates provides an important signal and more certainty to suppliers that the Board's focus is on the successful compliance with the regulation, rather than enforcement.

Alternative compliance pathways: These will be especially beneficial for disadvantaged communities, which are already burdened with many challenges in supplying water to their customers. Many agencies, particularly those that are inland, face much steeper paths to compliance simply by virtue of their

geography and associated climatic conditions. The proposed changes to Section 966(i) and (j) provide for a more feasible alternative compliance pathway.

Acceptance of regional-level programs as fulfilling supplier water conservation program requirements:

This provision is of particular importance to our region, as Calleguas offers numerous successful water use efficiency programs to our purveyors. One example is our participation in Metropolitan's regional Turf Replacement Program. From the program's start in 2014, a total of 5,481 customers in our service area have participated, transforming nearly 15.9 million square feet (over 365 acres) of irrigated turfgrass in both the CII and residential sectors. Metropolitan and Calleguas have paid more than **\$32 million** in turf replacement rebates to customers in the Calleguas service area. This program has resulted in an estimated savings of 2,148 acre-feet per year of water. Our customers also take advantage of the many water-saving device rebates offered through BeWaterWise.com, with Calleguas supplementing several of these rebates. We appreciate that the Board recognized the value of these programs and the potentially duplicative nature of the previous provision requiring water suppliers to develop their own conservation programs.

The above changes represent great improvement to the overall regulation and a demonstration of the Board's responsiveness to our and others' concerns, which is much appreciated. Ideas for additional areas of improvement are as follows:

Funding for regulation implementation: Fundamentally, the regulation is no less complex than the prior version, although additional flexibility has been provided in some areas. The need for dedicated funding and technical assistance remains. Even those suppliers with zero percent reduction requirements will still have to meet the detailed and complex BMPs for CII customers, potentially requiring additional staff. It is challenging for many suppliers (like cities) to add new staff. If new staff *can* be added, the additional costs must be passed on to ratepayers, which will compound the impacts to affordability. Suppliers who cannot add new staff will need to hire consultants to assist with the many aspects of framework compliance, which again will ultimately impact affordability.

Landscape Area Measurement (LAM) data: The Department of Water Resources (DWR) provided the initial LAM data, but this data included errors that had to be painstakingly identified by water agencies in order to better reflect retailers' actual water use on existing landscapes to accurately calculate the water use objective. In addition, the LAM data will need to be regularly updated and interpreted in order to comply with the framework moving forward. DWR needs to continue to fund the development, distribution, and QA/QC of those datasets for every agency, as this is an unreasonable burden on top of the additional costs suppliers will incur as a result of this regulation.

Reporting Year: The Conservation Legislation allows for water suppliers' calculations to be based on "conditions for the previous calendar or fiscal year." (Wat. Code § 10609.20, subd. (b).) Section 975 of the draft Regulation would require urban water supply reports to be based on conditions of the previous state fiscal year. A regulation cannot limit flexibility that a statute specifically allows. We additionally note that this is inconsistent with the Board's adopted Water Loss Regulation, which allows water loss audit reporting on either a fiscal or calendar year. Because the proposed Regulation would require water suppliers to report based on the state fiscal year, it is inconsistent with the Conservation Legislation. Additionally, the requirement for suppliers to report on a fiscal year basis creates conflict with other existing reporting requirements, including the electronic annual report. Please consider that the final Regulation allow suppliers to report either calendar year or fiscal year.

Landscape Efficiency Factor requirement: While the lowering of required benchmarks are an improvement, there is still concern about an ultimate 0.55 Landscape Efficiency Factor (LEF) being very difficult, if not impossible, for some agencies to meet. As described above, many agencies, including Calleguas's inland member purveyors, are geographically located in areas that trend hotter, drier, and windier than more coastal areas. Within Calleguas's service area, these areas are largely built out with single-family homes. While participation in the Turf Replacement Program and other initiatives aimed at reducing outdoor water use has been robust, these areas may never be able to meet 0.55 LEF. The Department of Water Resources' (DWR) 2022 *Recommendations to the State Water Board*, developed in coordination with the Board and a diverse group of stakeholders and technical analyses and studies, recommended 0.63 LEF by 2030. We request that the Board revise the regulation to align with DWR's recommendations for an outdoor standard.

Finally, please know that, along with many other water wholesalers and water suppliers, Calleguas actively encourages conservation in our service area through a number of programs, including the aforementioned turf removal rebates, native plant sales, water-efficient device rebates, drip irrigation workshops, and much more. Despite some recent claims in the media to the contrary, water suppliers *do* prioritize conservation and have invested considerable resources in promoting water use efficiency. Conservation has always been a way of life in Ventura County, and, along with our retailers, Calleguas has been at the forefront of these efforts. Since 2007, our retailers have cut back their usage by more than 56 percent and between 2000 and 2022, our service area reduced all water use by nearly 30 percent. We plan to continue providing water conservation programs to Ventura County residents and being a partner in promoting efficient water use throughout our region.

We appreciate the opportunity to once again provide these comments on behalf of our retail suppliers and are thankful the Board took the water supplier community's feedback into account for this revised version. We stand ready to work with you to refine this latest version to make the final rule both effective in achieving meaningful water savings and feasible for water suppliers to implement.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ian Prichard', written in a cursive style.

Ian Prichard
Deputy General Manager

cc: State Senator Monique Limón
State Senator Henry Stern
Assemblymember Steve Bennett
Assemblymember Jess Gabriel
Assemblymember Jacqui Irwin