

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
OLIVENHAIN MUNICIPAL WATER DISTRICT

JANUARY 15, 2020

A regular meeting of the Board of Directors of Olivenhain Municipal Water District was held on Wednesday, January 15, 2020 at the district office, 1966 Olivenhain Road, Encinitas, California.

President Sprague called the meeting to order at 4:02 p.m. Following the Pledge of Allegiance, the Assistant Secretary called the roll. Directors present were Guerin, Kephart, Sprague, Topolovac, and Watt.

President Sprague declared a quorum present and ordered the meeting to proceed. In attendance were Kimberly Thorner, General Manager; Alfred Smith, General Counsel; Joseph Randall, Assistant General Manager; Rainy Selamat, Finance Manager; Jason Hubbard, Engineering Manager; Dave Smith, Operations Manager; John Carnegie, Customer Services Manager; and Stephanie Kaufmann, Executive Secretary.

Also in attendance were City of Poway Senior Management Analyst, Jessica Parks, Consulting Engineer Don MacFarlane, Engineering Consultant George Briest, district employees Brian Sodeman – Customer Service and Public Affairs Supervisor; Mark Wilson – Field Services Supervisor; Dan Bean – Construction Supervisor; Steven Weddle – Engineering Supervisor; Karen Ogawa – Engineering Project Administrator; Teresa Chase – Administrative Analyst; Jesica Cleaver – Administrative Analyst; Arman Tarzi – Administrative Analyst; and Shawn Patterson – Department Assistant.

5. ADOPTION OF AGENDA

General Manager Thorner reported that there will be a presentation in the General Manager's report on the Rancho Santa Fe Road emergency work that took place after the agenda was posted.

Director Watt moved to adopt the agenda, seconded by Director Topolovac and carried unanimously.

6. PERSONAL APPEARANCES AND PUBLIC COMMENTS

Jessica Parks from the City of Poway addressed the board to thank staff for their assistance at the City of Poway last month.

7. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

- * Jeffrey Herrmann – Utility I – New Hire
- * Cameron Adams – Utility I – New Hire
- * Tong Tang – Field Services Technician II – 15 years

The employees were welcomed and congratulated by all in attendance.

8. CONSIDER APPROVAL OF THE MINUTES OF THE DECEMBER 11, 2019 REGULAR BOARD OF DIRECTORS MEETING, MINUTES OF THE DECEMBER 11, 2019 ANNUAL BOARD OF DIRECTORS MEETING OF THE OMWD FINANCE CORPORATION, AND MINUTES OF THE DECEMBER 11, 2019 BOARD OF DIRECTORS MEETING OF THE OMWD FINANCING AUTHORITY (JOINT POWERS AUTHORITY)

Director Topolovac moved to approve the December 11, 2019 Regular Board of Directors meeting minutes, minutes of the December 11, 2019 Annual Board of Directors Meeting of the OMWD Finance Corporation, and minutes of the December 11, 2019 Board of Directors Meeting of the Financing Authority (Joint Powers Authority), seconded by Director Kephart and carried unanimously with Director Guerin abstaining.

9. CONSENT CALENDAR

- C-a CONSIDER ADOPTION OF A MOTION APPROVING THE PAYMENT OF LISTED WARRANTS FROM THE DISTRICT’S REVOLVING AND REGULAR ACCOUNTS; LISTED TRANSFERS OF FUNDS; REIMBURSEMENT OF EXPENSES TO BOARD MEMBERS AND STAFF (NOVEMBER); AND MONTHLY INVESTMENT REPORT
- C-b CONSIDER ADOPTION OF A MOTION APPROVING THE DISTRICT’S CONSOLIDATED STATEMENTS OF NET POSITION, CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, CONSOLIDATED STATEMENT OF CASH FLOWS, CONSOLIDATED ACTUAL VS BUDGET SUMMARY, AND CONSTRUCTION IN PROGRESS REPORTS
- C-d CONSIDER ACCEPTANCE OF THE 16413 RIO VISTA ROAD FIRE DETECTOR CHECK AND WATER SERVICE INSTALL PROJECT (RANCHO DEVELOPERS, INC.) INTO THE DISTRICT’S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
- C-f CONSIDER APPROVAL OF A FIRST AMENDMENT TO THE ORIGINAL PURCHASE AGREEMENT WITH THE ESCONDIDO CREEK CONSERVANCY FOR THE PURCHASE OF APN 223-081-04-00, 223-081-05-00, 223-082-23-00, AND 223-082-04-00 (GATY PARCELS) AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT
- C-g CONSIDER NOMINATIONS FOR A REGULAR SPECIAL DISTRICT MEMBER FOR THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION

Director Watt requested to pull item C-c and Director Kephart requested to pull item C-e from the consent calendar for further discussion.

President Sprague moved to authorize the Consent Calendar items with the removal of items C-c and C-e, seconded by Director Watt and carried unanimously.

C-c CONSIDER APPROVAL OF A CONTRACT WITH C.E. WILSON CORPORATION IN THE AMOUNT OF \$803,350 FOR THE FISCAL YEAR 2019-2020 VALVE REPLACEMENT PROJECT EXCAVATION AND PAVING SUPPORT SERVICES, APPROPRIATE \$180,000 TO THE PROJECT BUDGET AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Director Watt inquired as to why there was only one bid received for this project.

Operations Manager Smith explained that there were five contractors who pre-qualified for the project but that the district only received one bid for the 2019-2020 Valve Replacement Project due to complexity, valve sizing, extensive permitting, traffic control, and required geotechnical reporting. He also mentioned that there will be another pre-qualification process taking place in the next couple of weeks.

Director Watt moved to approve item C-c, seconded by Director Kephart and carried unanimously.

C-e CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 404 FOR 17912 EL BRAZO (BALAJI SAIRAM, LP) AND ORDER THE PERMIT BE RECORDED

Director Kephart had a question in regards to allowing an encroachment be placed over a sewer manhole within an easement. General Manager Thorner indicated that the intent of the Encroachment Permit is to have the customer acknowledge a possibility that their encroaching facilities may be taken out at any time should the district need access to the easement and that the district cannot be held liable.

Director Kephart moved to approved item C-e, seconded by President Sprague and carried unanimously.

10. CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 4 – Classified Positions; and Article 5 – Working Hours, Employee Benefits)

Upon motion by President Sprague and a second by Director Guerin, Ordinance 473 was adopted by the following roll call vote:

AYES: Directors Guerin, Kephart, Sprague, Topolovac, and Watt
NOES: None
ABSTAIN: None
ABSENT: None

11. CONSIDER A CONTRACT EXTENSION WITH 3 PHASES RENEWABLES AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Director Kephart moved to approve a contract extension with 3 Phases Renewables for renewable energy supplies and to authorize the General Manager to sign on behalf of the district, seconded by Director Topolovac and carried unanimously.

12. CONSIDER DRAFT ANNUAL OBJECTIVES AND INCENTIVE PAY FOR CALENDAR YEAR 2020

Staff Analyst Chase reviewed this item and requested board input. The final annual objectives will be brought to the board for approval on February 12, 2020.

Minor edits were made to the draft annual objectives and the following objectives were added:

Objective 28 – Evaluate employee health and fitness program and on-site wellness facilities; review with Personnel Committee.

Objective 44 – Conduct outreach to customers regarding leak-detection devices.

Director Topolovac moved to approve a maximum potential amount of incentive pay of \$7,200 for the General Manager for CY 2020, to be reviewed and determined by the board at the November 2020 Board Meeting, seconded by Director Watt and carried unanimously.

13. CONSIDER INFORMATIONAL REPORT ON WATER SUPPLY CONDITIONS AND LONG-TERM WATER USE EFFICIENCY LEGISLATION

Administrative Analyst Cleaver presented the informational report.

14. CONSIDER INFORMATIONAL REPORT ON OLIVENHAIN MUNICIPAL WATER DISTRICT'S IDENTITY THEFT PREVENTION PROGRAM

Customer Service and Public Affairs Supervisor Sodeman presented the informational report.

15. CONSIDER APPROVAL OF CHANGE ORDER NO. 1 TO J.R. FILANC CONSTRUCTION, INC. IN THE AMOUNT OF \$177,364.10 FOR ADDITIONAL BLASTING, PATCHING AND COATING WORK ON THE TERTIARY FILTER REHABILITATION PROJECT DUE TO UNKNOWN SITE CONDITIONS, APPROPRIATE \$200,000 TO THE PROJECT BUDGET AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Director Topolovac moved to approve Change Order No. 1 to J.R. Filanc Construction Company, Inc. in the amount of \$177,364.10 for additional blasting, patching and coating work on the 4S Ranch Water Reclamation Facility Tertiary Filter Rehabilitation Project, appropriate \$200,000 to the project budget, and authorize the General Manager to sign on behalf of the district, seconded by President Sprague and carried unanimously.

16. PUBLIC HEARING TO CONSIDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT INITIAL STUDY AND DRAFT MITIGATED NEGATIVE DECLARATION FOR THE MANCHESTER AVENUE RECYCLED WATER PROJECT (5:30 P.M.)

President Sprague announced that this was the time and place for a Public Hearing to consider the California Environmental Quality Act Initial Study and Draft Mitigated Negative Declaration for the Manchester Avenue Recycled Water Project.

General Manager Thorner stated that the Manchester Avenue Recycled Water Project involves the construction of approximately 1.4 miles of 6-inch PVC recycled water pipeline to expand recycled water service to the corridor along Manchester Avenue and South El Camino Real from the Interstate 5 freeway to Tennis Club Drive in the City of Encinitas. The project is an extension of the district's existing Northwest Quadrant recycled water service area. No members of the public were in attendance to speak.

President Sprague announced that the Public Hearing was closed and reconvened the meeting of the Board of Directors.

17. CONSIDER UPDATE ON EAM WORK ORDER BACKLOG (INFORMATIONAL ITEM)

Operations Manager Smith presented the informational report.

18. INFORMATIONAL REPORTS

A. President's Report

President Sprague had nothing to report.

B. General Manager's Report

General Manager Thorner reported the results of the SDLAFCO Special District Advisory Committee Election, where she was reelected.

Engineering Manager Hubbard reported on the Rancho Santa Fe Road Emergency Declaration and an update on the Unit B Emergency work.

C. Consulting Engineer’s Report

Consulting Engineer MacFarlane’s written report was provided to the board at the meeting.

D. General Counsel’s Report

General Counsel Smith provided a written report that was included in the board packet.

E. San Diego County Water Authority Report

Director Guerin provided an update on the Rainbow/FPUD detachment and the MWD litigation.

F. Legislative Report

There was not a Legislative Report for this meeting.

G. Twelve Month Calendar/Other Meetings/Reports by Board Members Per AB 1234

2019 North County Excellence in Economic Development Awards Luncheon (Dec 12)

Directors Watt and Topolovac attended the luncheon.

Festivus (Dec 19)

Directors Kephart and Watt attended the event.

AB 1234 Ethics Training (Dec 30)

Director Watt completed the training.

Manchester Ave. Recycled Water Project Community Meeting (Jan 7)

Directors Kephart and Watt attended the meeting.

Rancho Santa Fe Rd. Pipeline Condition Assessment Community Event (Jan 11)

Directors Kephart and Watt attended the event.

19. CORRESPONDENCE

Correspondence was provided in the board packet.

20. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

There were no meetings requiring authorization to attend.

21. FUTURE AGENDA ITEMS

No future agenda items were requested.

22. CONSIDER PUBLIC COMMENTS

There were no public comments.

NOTE: The meeting was in closed session
from 7:03 p.m. to 7:23 p.m.

23. CLOSED SESSION

- A) CONSIDER LITIGATION – LYNXT ENTERPRISES, LLC VS. PARS SORRENTO VALLEY SCIENCE PARK 1, LP [PURSUANT TO GOVERNMENT CODE SECTION 54956.9] •
Additional Facts: OMWD was served a complaint as a nominal defendant.

- B) CONSIDER LITIGATION – SAN DIEGO GAS & ELECTRIC COMPANY VS. SC VALLEY ENGINEERING, INC; OMWD [PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)]

24. OPEN SESSION

There was no reportable action from closed session.

25. ADJOURNMENT

President Sprague adjourned the meeting at 7:31 p.m.

Robert F. Topolovac, Vice President
Board of Directors
Olivenhain Municipal Water District

ATTEST:

Robert M. Kephart, Secretary
Board of Directors
Olivenhain Municipal Water District