

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

MAY 20, 2020

A regular meeting of the Board of Directors of Olivenhain Municipal Water District was held on Wednesday, May 20, 2020 at the District office, 1966 Olivenhain Road, Encinitas, California via video conference.

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. It was noted that Directors Guerin, Kephart, Topolovac, and Watt participated in the meeting via teleconference in accordance with Governor Newsom's Executive Order N-29-20, which allows for local or state legislative bodies to hold meetings via teleconference, to make meetings accessible electronically, and waives certain Brown Act provisions as stated in item 11 of the Executive Order.

President Sprague declared a quorum present and ordered the meeting to proceed. In attendance were Alfred Smith, General Counsel; Kimberly Thorner, General Manager; Joey Randall, Assistant General Manager; Rainy Selamat, Finance Manager; Jason Hubbard, Engineering Manager; Steve Weddle, Engineering Services Supervisor; Adam Calm, Systems Operator III; and Stephanie Kaufmann, Executive Secretary. John Carnegie, Customer Services Manager, Geoff Fulks, Operations Manager; Tom Wood, Human Resources Manager, Don MacFarlane, Consulting Engineer; Consultant George Briest, Don Hussey, Systems Operations Supervisor, John Onkka, Wastewater Treatment Plant Supervisor, Leo Mendez, Accounting Supervisor, participated via video conference.

The following phone numbers participated in the Zoom Board Meeting: (619) 994-4175, (805) 427-2084, (619) 838-9065, and (619) 419-6428.

5. ADOPTION OF AGENDA

President Sprague moved to adopt the agenda, seconded by Director Topolovac and approved by the following roll call vote:

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

6. PERSONAL APPEARANCES AND PUBLIC COMMENTS

There were no personal appearances or public comments.

7. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

Operations Manager Fulks was introduced and welcomed by the Board.

8. CONSIDER APPROVAL OF THE MINUTES OF THE APRIL 15, 2020 REGULAR BOARD OF DIRECTORS MEETING

Director Watt moved to approve the April 15, 2020 Regular Board of Directors meeting minutes, seconded by Director Kephart and approved by the following roll call vote:

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

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 MONTHLY INVESTMENT REPORT
- C-b CONSIDER ADOPTION OF A MOTION APPROVING THE DISTRICT'S CONSOLIDATED STATEMENT OF NET POSITION, CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION, CONSOLIDATED STATEMENT OF CASH FLOWS, CONSOLIDATED ACTUAL VS BUDGET SUMMARY, AND CONSTRUCTION IN PROGRESS REPORT
- C-c CONSIDER ACCEPTANCE OF THE 4180 CANYON DE ORO WATER SERVICE INSTALL PROJECT (ZEBU CONSTRUCTION DESIGN & BUILD) INTO THE DISTRICT'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
- C-d CONSIDER ACCEPTANCE OF THE 19828 FORTUNA DEL ESTE FIRE HYDRANT INSTALL PROJECT (LEONARD WITTEWER AND MARTHA BLANE FAMILY TRUST) INTO THE DISTRICT'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
- C-e CONSIDER ACCEPTANCE OF THE 7499 VISTA RANCHO COURT FIRE HYDRANT INSTALL PROJECT (VISTA RANCHO COURT, LLC) INTO THE DISTRICT'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED

- C-f CONSIDER APPROVAL OF A LEASE AGREEMENT BETWEEN CELLCO PARTNERSHIP (VERIZON WIRELESS) AND OLIVENHAIN MUNICIPAL WATER DISTRICT FOR RELOCATED COMMUNICATIONS FACILITIES AT THE 4S-I RESERVOIR SITE AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT
- C-g CONSIDER ACCEPTANCE OF THE RANCHO VALENCIA VISTA 2-INCH WATER SERVICE LATERAL REPAIR PROJECT (LOYA CONSTRUCTORS) INTO THE DISTRICT’S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
- C-h CONSIDER A RESOLUTION AUTHORIZING THE APPLICATION FOR FUNDING FROM THE COUNTY OF SAN DIEGO’S “NEIGHBORHOOD REINVESTMENT PROGRAM”

Director Guerin moved to authorize the Consent Calendar items, seconded by Director Topolovac and approved by the following roll call vote:

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

10. CONSIDER ANNUAL UPDATE OF THE DISTRICT’S FIVE YEAR STAFFING ANALYSIS

Director Topolovac indicated his desire to keep outsourcing the Inspector position.

Director Guerin moved to approve the staffing level for the coming 2020-2021 fiscal year with 91 total positions and to reclassify the Line Locator/Inspector to Inspector I, Inspector to Inspector II, and reclassify the vacant Inspector position to a new Inspector III classification, seconded by President Sprague and approved by the following roll call vote:

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

11. CONSIDER ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT AUTHORIZING DESIGNATION OF APPLICANT’S AGENT FOR NON-STATE AGENCIES, TO BE FILED WITH THE CALIFORNIA GOVERNOR’S OFFICE OF EMERGENCY SERVICES FOR THE PURPOSE OF OBTAINING CERTAIN FEDERAL AND/OR STATE FINANCIAL ASSISTANCE

Director Watt moved to adopt Resolution 2020-05 to receive State and/or Federal Assistance as required by the California Office of Emergency Services, seconded by President Sprague and approved by the following roll call vote:

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

12. CONSIDER A PRESENTATION AND REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S PROPOSED DRAFT BIENNIAL BUDGET FOR FISCAL YEARS 2021 AND 2022 OPERATING AND CAPITAL BUDGET AND ANNUAL FINANCIAL RISK ASSESSMENT

Finance Manager Selamat presented the report. General Manager Thorner noted that the Finance Committee will revisit the projections and assumptions included in the presentation while evaluating the financial effects of the COVID pandemic.

Director Watt moved to tentatively approve the Biennial Operating and Capital Budget for Fiscal Years 2021 and 2022, accept the District's Financial Risk Assessment, and select Option 2; a 0% increase in Operating (Non-Payroll) from Fiscal Year End 2020, seconded by Director Kephart and carried by the following roll call vote:

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

President Sprague moved to add a time-sensitive emergency agenda item to increase the District's Local Agency Investment Fund (LAIF) percentage limitation stated in the Investment Policy to earn a higher yield on its investment during the COVID-19 economic crisis, seconded by Director Watt and carried by the following roll call vote:

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

It was noted that General Counsel Smith opined that this action is in accordance with the Brown Act and that the 4/5<sup>ths</sup> vote of the Board required to add an emergency agenda item was fulfilled.

ADDED AGENDA ITEM:

EMERGENCY AGENDA ITEM TO INCREASE THE DISTRICT’S LOCAL AGENCY INVESTMENT FUND PERCENTAGE LIMITATION FROM 30% TO 40% TO EARN A HIGHER YIELD ON ITS INVESTMENT WHILE IN THE COVID PANDEMIC

Finance Manager Selamat indicated that OMWD had \$7 million called and discussed the time-sensitivity of this agenda item as the market and yields could change.

President Sprague moved to increase the District’s Local Agency Investment Fund (LAIF) percentage limitation stated in the Investment Policy, as authorized District investment, from a no more than 30% of the total value of all District investments or \$20 million (whichever is less) to a no more than 40% of the total value of all District investments in order for the District to earn a higher yield on its investment during the COVID-19 economic crisis, seconded by Director Watt and carried by the following roll call vote:

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

13. CONSIDER APPROVAL TO DELAY 4S RANCH AND RANCHO CIELO SANITATION DISTRICT’S SEWER SERVICE FEE INCREASE UNTIL JULY 2021 AND ADOPT AN ORDINANCE TO AMEND OLIVENHAIN MUNICIPAL WATER DISTRICT’S ADMINISTRATIVE AND ETHICS CODE SECTION 28.5 – SEWER RATES AND CHARGES

Director Guerin moved to delay the July 2020 increase in sewer rates and charges until 2021 and adopt Ordinance 475 to amend Section 28.5 of the District’s Administrative and Ethics Code (Sewer Rates and Charges), seconded by Director Kephart and approved by the following roll call vote:

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

14. CONSIDER A STATUS UPDATE ON THE NEW AND REMODELED OPERATIONS AND ADMINISTRATION FACILITIES PROJECT AND APPROVAL OF CHANGE ORDERS NO. 5 AND 6 IN THE AMOUNT OF \$159,540.28 TO KEETON CONSTRUCTION COMPANY, INC. AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Director Guerin moved to approve Change Orders No. 5 and 6 in the amount of \$159,504.28 and authorize the General Manager to sign on behalf of the District, seconded by Director Topolovac and approved by the following roll call vote:

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

15. CONSIDER APPROVAL OF THE PURCHASE OF FURNITURE FOR THE NEW AND REMODELED OPERATIONS AND ADMINISTRATION FACILITIES PROJECT FROM BKM OFFICEWORKS IN THE AMOUNT OF \$139,314 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Director Guerin moved to approve the purchase of furniture from BKM in the amount of \$139,314 and authorize the General Manager to sign on behalf of the District, seconded by Director Topolovac and carried by the following roll call vote:

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

16. CONSIDER INFORMATIONAL REPORT ON THE MOST RECENT POST RAIN EVENT PIPELINE INSPECTION

Systems Operator III Calm presented the informational report. No Board action was required.

17. REVIEW GENERAL MANAGER'S DECLARATION OF THE UNIT AA PIPELINE REHABILITATION PROJECT AS AN EMERGENCY PROJECT IN ACCORDANCE WITH CALIFORNIA PUBLIC CONTRACT CODE SECTION 1102, INCLUDING APPROVAL OF A TIME AND MATERIAL CONSTRUCTION CONTRACT WITH CASS ARRIETA CORPORATION FOR AN AMOUNT NOT TO EXCEED \$260,000, APPROPRIATE \$100,000 TO THE PROJECT BUDGET, AND AUTHORIZATION OF THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT, AND CONSIDER ADOPTION OF A RESOLUTION MAKING CEQA FINDINGS FOR THE UNIT AA PIPELINE REHABILITATION PROJECT AND ORDERING THAT A NOTICE OF EXEMPTION BE FILED WITH THE COUNTY CLERK, COUNTY OF SAN DIEGO

Engineering Services Supervisor Weddle presented the report.

Director Watt moved to affirm the General Manager’s emergency declaration, including approval of a not-to-exceed, time and material construction contract with Cass Arrieta, appropriate \$100,000 to the project budget, adopt Resolution 2020-06, which makes CEQA findings for declaration of the Unit AA Pipeline Rehabilitation Project as an Emergency Project exempt from CEQA, and approve filing a Notice of Exemption for the project with the San Diego County Clerk seconded by Director Kephart and approved by the following roll call vote:

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

18. CONSIDER ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT APPROVING THE SEWER SYSTEM MANAGEMENT PLAN (SSMP)

Wastewater Treatment Plant Supervisor Onkka presented the report.

Director Kephart moved to adopt Resolution 2020-07 to approve the updated SSMP, seconded by Director Guerin and approved by the following roll call vote:

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

19. REVIEW GENERAL MANAGER’S DECLARATION OF INDIAN HEAD CANYON PIPELINE RESTORATION AS AN EMERGENCY PROJECT IN ACCORDANCE WITH CALIFORNIA PUBLIC CONTRACT CODE SECTION 1102, INCLUDING APPROVAL OF A TIME AND MATERIAL CONSTRUCTION CONTRACT WITH CASS ARRIETA CORPORATION FOR AN AMOUNT NOT TO EXCEED \$30,000, APPROPRIATE \$68,000 TO THE PROJECT BUDGET, AND AUTHORIZATION OF THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT, AND CONSIDER ADOPTION OF A RESOLUTION MAKING CEQA FINDINGS AND ORDERING THAT A NOTICE OF EXEMPTION BE FILED WITH THE COUNTY CLERK, COUNTY OF SAN DIEGO

Engineering Services Supervisor Weddle presented the report.

Director Topolovac moved to affirm the General Manager’s emergency declaration, including approval of a not-to-exceed, time and material construction contract with Cass Arrieta, appropriate \$68,000 to the project budget, adopt Resolution 2020-08, which makes CEQA findings for declaration of the Indian Head Canyon Pipeline Restoration Project as an Emergency Project

exempt from CEQA, and approve filing a Notice of Exemption for the project with the San Diego County Clerk seconded by Director Kephart and approved by the following roll call vote:

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

20. CONSIDER UPDATE ON THE GENERAL MANAGER’S DECLARED COVID-19 EMERGENCY

General Manager Thorner presented the report. No Board action was required.

21. INFORMATIONAL REPORTS

A. President’s Report

President Sprague did not have anything to report.

B. General Manager’s Report

General Manager Thorner reported that she was asked to serve on the SD LAFCO Fallbrook/Rainbow De-annexation Subcommittee.

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 Fallbrook/Rainbow detachment and stated that the Regional Conveyance Study is on hold until July.

F. Legislative Report

The Legislative Report is attached.

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



**GM Teleconference (Apr 16)**

Director Guerin had a teleconference meeting with the General Manager.

**GM Teleconference (Apr 17)**

Directors Guerin and Watt had individual teleconferences with the General Manager.

**Zoom Tour of the New and Remodeled Administrative Facilities (Apr 22)**

Directors Sprague and Watt participated in the tour.

**GM Teleconference (Apr 28)**

Director Guerin had a teleconference meeting with the General Manager to discuss CWA issues.

**GM Teleconference (Apr 29)**

Directors Sprague and Watt had individual teleconferences with the General Manager.

**Zoom Tour of the New and Remodeled Administrative Facilities (Apr 29)**

Director Kephart participated in the tour.

**Safety Committee Meeting (Apr 30)**

Directors Kephart and Topolovac attended the Zoom Safety Committee Meeting.

**GM Teleconference (May 11)**

Director Guerin had a teleconference meeting with the General Manager.

**GM Teleconference (May 12)**

Directors Kephart and Watt had individual teleconferences with the General Manager.

**Finance Committee Meeting (May 13)**

Directors Sprague and Watt attended the meeting.

**GM Teleconference (May 18)**

Director Topolovac had a teleconference meeting with the General Manager.

**NH1 Sewer Pump Station Tour (May 19)**

Directors Topolovac and Watt attended the tour.

**GM Teleconference (May 19)**

Director Guerin had a teleconference meeting with the General Manager to discuss CWA issues.

22. **CORRESPONDENCE**

Correspondence was provided in the board packet.

23. **AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS**

There were no meetings requiring authorization to attend.

24. **FUTURE AGENDA ITEMS**

No future agenda items were requested.

25. **CONSIDER PUBLIC COMMENTS**

There were no public comments.

NOTE: The meeting was in closed session  
from 7:44 p.m. to 8:03 p.m.

26. **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 GENERAL COUNSEL REVIEW [PURSUANT TO GOVERNMENT CODE SECTION 54957] • Additional Facts: Preliminary input provided on May 20, 2020; full review to be held on June 17, 2020.**

27. OPEN SESSION

President Sprague announced that General Counsel Smith’s compensation will be discussed in Open Session at the June 17 Board Meeting.

28. ADJOURNMENT

President Sprague adjourned the meeting at 8:04 p.m.

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Edmund K. Sprague, President  
Board of Directors  
Olivenhain Municipal Water District

ATTEST:

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Kimberly A. Thorner, Assistant Secretary  
General Manager  
Olivenhain Municipal Water District