

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

JUNE 19, 2019

A regular meeting of the Board of Directors of Olivenhain Municipal Water District was held on Wednesday, June 19, 2019, at the District office, 1966 Olivenhain Road, Encinitas, California.

President Sprague called the meeting to order at 4:01 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; George Briest, Engineering Manager; John Carnegie, Customer Services Manager; Dave Smith, Operations Manager; Tom Wood, Human Resources Manager; and Stephanie Kaufmann, Executive Secretary.

Also in attendance were Sudhir Pardiwala from Raftelis Financial Consultants, Inc; Consulting Engineer Don MacFarlane; district employees Brian Sodeman – Customer Service and Public Affairs Supervisor; Chad Williams – Engineering Supervisor; Karen Ogawa – Engineering Project Administrator; Jared Graffam – Financial Analyst; and Shawn Patterson – Department Assistant.

5. ADOPTION OF AGENDA

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

6. PERSONAL APPEARANCES AND PUBLIC COMMENTS

Customer Steve Linke provided public comment under agenda item 16. It was also noted that two public comment letters were submitted and included in the board packet from Kevin Honeycutt and Steve Linke.

7. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

- * San Diego Local Agency Formation Commission Service Award to President Sprague
- * Gary Briant – Purchasing/Warehouse Clerk – New Hire

SDLAFCO Executive Director Keene Simonds presented President Sprague a resolution honoring his service. The board welcomed Purchasing/Warehouse Clerk Briant.

8. CONSIDER APPROVAL OF THE MINUTES OF THE MAY 22, 2019 REGULAR BOARD OF DIRECTORS MEETING

Director Watt moved to approve the May 22, 2019, meeting minutes, 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 MONTHLY INVESTMENT REPORTS

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-c CONSIDER ADOPTION OF A RESOLUTION ESTABLISHING THE APPROPRIATION LIMIT AND AUTHORIZING THE APPLICATION OF PROCEEDS OF TAXES FOR FISCAL YEAR 2019-2020

C-d CONSIDER APPROVAL OF THE FOURTH AMENDMENT TO THE CONSULTING PROFESSIONAL SERVICES AGREEMENT WITH NOSSAMAN FOR GOVERNMENT RELATIONS AND GRANT WRITING SERVICES

C-e CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 397 FOR SURF CUP SPORTS, LLC (ROBERT HASKELL) AND ORDER THE PERMIT BE RECORDED

C-f CONSIDER CHANGE ORDERS NO. 1 AND 2 TO KEETON CONSTRUCTION COMPANY, INC. FOR THE TOTAL AMOUNT OF \$95,387 FOR ADDITIONAL WORK REQUIRED AT TEMPORARY TRAILER COMPLEXES FOR THE NEW AND REMODELED OPERATIONS AND ADMINISTRATION FACILITIES (BUILDING D) PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

C-g CONSIDER A RESOLUTION GOVERNING THE DISTRICT'S GRANT APPLICATION TO UNITED STATES BUREAU OF RECLAMATION FOR FUNDING UNDER THE WATER INFRASTRUCTURE IMPROVEMENTS FOR THE NATION ACT PROGRAM FOR THE NORTH SAN DIEGO WATER REUSE 2020 PROJECT

President Sprague moved to authorize the Consent Calendar items, seconded by Director Watt and carried unanimously.

10. CONSIDER ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT HONORING GEORGE BRIEST FOR OVER 20 YEARS OF SERVICE UPON HIS RETIREMENT

Director Guerin moved to adopt Resolution No. 2019-06, seconded by Director Kephart and carried unanimously.

President Sprague and General Manager Thorner presented the resolution to Engineering Manager Briest.

11. CONSIDER APPROVAL OF DISTRICT INSURANCE POLICIES FOR FISCAL YEAR 2020 WITH ALLIED WORLD IN AN AMOUNT NOT TO EXCEED \$267,669 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Customer Services Manager Carnegie presented the report.

Director Topolovac moved to approve the general liability, property, automobile, equipment, terrorism, excess, and cybersecurity insurance policies for Fiscal Year 2020 and authorize the General Manager to execute an insurance agreement on the District's behalf, seconded by Director Kephart and carried unanimously.

12. CONSIDER SETTING A TIME AND PLACE FOR A PUBLIC HEARING TO CONSIDER OLIVENHAIN MUNICIPAL WATER DISTRICT'S PUBLIC HEALTH GOAL REPORT (JULY 24, 2019 – 5:30 P.M.)

Director Kephart moved to set a Public Hearing to consider Olivenhain Municipal Water District's Public Health Goal Report for 2016-2018 on Wednesday, July 24, 2019, at 5:30 p.m at OMWD headquarters; seconded by Director Guerin and carried unanimously.

13. CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 3 – Organization of Staff; Article 4 – Classified Positions; and Article 5 – Working Hours, Employee Benefits)

After discussion, upon motion by President Sprague and a second by Director Kephart, Ordinance 465 was approved by the following roll call vote:

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

14. CONSIDER APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH AEGIS ENGINEERING MANAGEMENT IN THE AMOUNT OF \$164,984 FOR RECYCLED WATER SITE INSPECTIONS, TESTING, AND DOCUMENTATION SERVICES FOR NEW AND EXISTING RECYCLED WATER SITES AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Operations Manager Smith presented the report.

Director Watt moved to approve an agreement with Aegis Engineering Management in the amount of \$164,984 for inspections, testing, and documentation services for the District's existing and new recycled water sites and authorization for the General Manager to sign on behalf of the District, seconded by Director Kephart and carried unanimously.

15. CONSIDER ADOPTION OF A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT APPROVING THE OPERATIONS, MAINTENANCE, AND CAPITAL IMPROVEMENT BUDGET FOR FISCAL YEAR 2019-20

President Sprague moved to adopt Resolution No. 2019-09, seconded by Director Topolovac and carried unanimously.

16. CONSIDER 2019 DRAFT WATER COST OF SERVICE STUDY – FINANCIAL PLAN WORKSHOP WITH RAFTELIS FINANCIAL CONSULTANTS, INC.

Sudhir Pardiwala from Raftelis Financial Consultants, Inc. presented the 2019 Draft Water Cost of Service Study.

Customer Steve Linke provided comments on fixed costs and requested alternative rate structures in the Cost of Service Analysis. A copy of his letter was included in the record and given to the board. The board thanked Mr. Linke for his comments.

President Sprague moved to finalize the proposed 5-year Water Financial Plan as presented by Raftelis to initiate the water cost of service analysis for the 2019 Water Cost of Service Study, seconded by Director Guerin and carried unanimously.

17. CONSIDER ADOPTION OF A RESOLUTION ELECTING TO HAVE SEWER SERVICE FEES WITHIN THE 4S RANCH SANITATION DISTRICT COLLECTED ON THE COUNTY TAX ROLLS FOR THE FISCAL YEAR JULY 1, 2019 TO JUNE 30, 2020 AND TO CERTIFY SAID FEES WITH THE SAN DIEGO COUNTY ASSESOR

President Sprague moved to group agenda Items 17, 18, and 19 together and adopt Resolution No. 2019-10, Resolution No. 2019-11, and Resolution No. 2019-12, seconded by Director Topolovac and carried unanimously.

18. CONSIDER ADOPTION OF A RESOLUTION ELECTING TO HAVE SEWER SERVICE FEES WITHIN THE RANCHO CIELO SANITATION DISTRICT COLLECTED ON THE COUNTY TAX ROLLS FOR THE FISCAL YEAR JULY 1, 2019 TO JUNE 30, 2020 AND TO CERTIFY SAID FEES WITH THE SAN DIEGO COUNTY ASSESOR
19. CONSIDER ADOPTION OF A RESOLUTION ELECTING TO HAVE SEWER SERVICE FEES FOR THE SANTALUZ AFFORDABLE HOUSING AREA AND BLACK MOUNTAIN RANCH EAST CLUSTERS PROJECT WITHIN THE 4S RANCH SANITATION DISTRICT COLLECTED ON THE COUNTY TAX ROLLS FOR THE FISCAL YEAR JULY 1, 2019 TO JUNE 30, 2020 AND TO CERTIFY SAID FEES WITH THE SAN DIEGO COUNTY ASSESOR
20. CONSIDER STAFF RECOMMENDATIONS ON ACTIONS RELATED TO ACCESSORY DWELLING UNITS

Director Watt moved to authorize staff to continue processing water and sewer applications in accordance with District standard practices as outlined in the District's Administrative and Ethics Code by evaluating if existing meters have adequate capacity to address both domestic and fire flows when ADU requests are made, and to come back to the board with a policy for sewer connections similar to Leucadia Wastewater District, seconded by Director Topolovac and carried unanimously.

21. INFORMATIONAL REPORTS

A. President's Report

President Sprague had nothing to report.

B. General Manager's Report

General Manager Thorner reported on the bond refinancing of Assessment District 96-1 that would result in a savings of \$1.5 million for District ratepayers.

C. Consulting Engineer's Report

Consulting Engineer MacFarlane provided a written report that was included in the board packet.

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 reported on a potential regional reconveyance study and the search for a General Manager.

F. Legislative Report

The Legislative Report was included in the board packet.

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

Interpretive Center 10-Year Celebration (June 1)

Directors Kephart, Topolovac, and Watt attended the celebration.

Finance Committee Financial Plan Workshop (June 5)

Directors Sprague and Watt attended the workshop.

Regional Water Issues Meeting (June 6)

Director Guerin attended the meeting.

Regional Conveyance Meeting (June 7)

Director Guerin attended the meeting.

Regional Conveyance Meeting (June 17)

Director Guerin was on the conference call.

22. CORRESPONDENCE

Correspondence was provided in the board packet.

23. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

There were no requests.

24. FUTURE AGENDA ITEMS

General Manager Thorner reported that a revised sewer policy will be added as a future agenda item.

25. CONSIDER PUBLIC COMMENTS

There were no public comments.

NOTE: The meeting was in recess
from 6:03 p.m. to 6:28 p.m.

NOTE: The meeting was in closed session
from 6:28 p.m. to 6:56 p.m.

26. CLOSED SESSION

- A) CONSIDER GENERAL COUNSEL REVIEW [PURSUANT TO GOVERNMENT CODE SECTION 54957] • Additional Facts: Preliminary input provided on May 22, 2019; full review to be held on June 19, 2019.
- B) POTENTIAL LITIGATION – PALMA DE LA REINA [PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)] • Additional Facts: Claim received on January 4, 2019 and rejected by the board on February 13, 2019.
- C) 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.
- D) CONSIDER LITIGATION – SAN DIEGO GAS & ELECTRIC COMPANY VS. SC VALLEY ENGINEERING, INC; OMWD [PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)] • Additional Facts: Lawsuit received on May 16, 2019.

27. OPEN SESSION

After discussion by the board, Director Watt moved to approve a rate increase to the General Counsel's contract in the amount of 4.25% effective July 1, 2019, seconded by Director Guerin and carried unanimously.

28. ADJOURNMENT

President Sprague adjourned the meeting at 6:58 p.m.

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

ATTEST:

Lawrence A. Watt, Treasurer
Board of Directors
Olivenhain Municipal Water District