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

August 19, 2026

A meeting of the Board of Directors of Olivenhain Municipal Water District was held on Wednesday, August 19, 2026, at the district office, 1966 Olivenhain Road, Encinitas, California.

President Hahn called the meeting to order at 4:00 p.m. Following the Pledge of Allegiance, the Assistant Secretary called the roll. Directors present were Guerin, Hahn, Lanfried, Maloni, and Meyers.

President Hahn declared a quorum present and ordered the meeting to proceed. In attendance were Kimberly Thorner, General Manager; Alfred Smith, General Counsel; Don MacFarlane, Consulting Engineer; Joey Randall, Assistant General Manager; Jennifer Joslin, Human Resources Manager; John Carnegie, Customer Services Manager; Jesse Bartlett-May, Operations Manager; Leo Mendez, Finance Manager; Erik Harp, IT Supervisor; Brian Sodeman, Customer Service and Public Affairs Supervisor; Steve Weddle, Engineering Services Supervisor; John Onkka, Wastewater Treatment Supervisor; Brandon Barnick, Field Services Supervisor; Evan DeWindt, Water Treatment Facilities Supervisor; Jared Graffam, Accounting Supervisor; Joe Jansen, Administrative Analyst; Teresa Chase, Administrative Analyst; Adam Schmidt, Senior Systems Administrator; Gabriela Saffiote, Human Resources Analyst; Stephanie Kaufmann, Executive Secretary; and Robert Kreutzer, Department Assistant.

5. ADOPTION OF AGENDA

Director Meyers moved to adopt the agenda, seconded by Director Lanfried, and approved unanimously.

6. PERSONAL APPEARANCES AND PUBLIC COMMENTS

There were no public comments.

7. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

Service Awards, Promotions, and Honorable Mentions

*WaterSmart Landscape Contest Winner, Peter Hevezi
*Nick Boess – Field Services Technician II – Grow Your Own Promotion
*Josh Westbrook – Inspector II – Grow Your Own Promotion and 5 Years
*Jesus Hernandez, Jr. – Water Treatment Plant Operator III – 5 Years
*Georgeanna Clark – Project Accountant II – 5 Years
*Amy Hill – Customer Service Representative II – 5 Years
*Nate Naugles – Pump/Motor Technician I – 10 Years
*William Broadhead – Water Reclamation Operator III – 10 Years
*Caleb Jencks – Field Services Technician I – New Hire

*Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting
*CASA Award of Excellence in Public Outreach/Education for the 2025 Water Career Day

Administrative Analyst Chase presented the WaterSmart Landscape Contest Winner award to Peter Hevezi.

The employees were thanked for their service and were congratulated by the board.

Field Services Technician I Jencks was welcomed by the board.

Finance Manager Mendez presented the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting award.

Human Resources Analyst Saffiote presented the CASA Award of Excellence in Public Outreach/Education for the 2025 Water Career Day award.

8. <u>CONSIDER APPROVAL OF THE MINUTES OF THE JUNE 17 2026, REGULAR BOARD OF DIRECTORS MEETING</u>

Director Guerin moved to approve the minutes of the June 17, 2026, Regular Board of Directors meeting, seconded by Director Maloni, and approved unanimously.

9. <u>CONSENT CALENDAR</u>

C-a <u>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; AND MONTHLY INVESTMENT REPORTS</u>

C-b <u>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 REPORTS</u>

C-c <u>CONSIDER 2026 ANNUAL OBJECTIVES AND TIGER TEAM STATUS REPORT</u>

C-e <u>CONSIDER ACCEPTANCE OF THE PROGRAMMABLE LOGIC CONTROLLER REPLACEMENT PROJECT INTO OMWD'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED</u>

C-f CONSIDER APPROVAL OF: 1) AMENDMENT NO. 2 WITH ARCADIS IN THE AMOUNT OF $53,900 TO EXPAND THE EVALUATION OF ALTERNATIVES FOR THE FLUORIDE SAFETY IMPROVEMENTS PROJECT FOR THE DAVID C MCCOLLOM WATER TREATMENT PLANT; 2) INCREASE THE PROJECT BUDGET BY AN ADDITIONAL $35,000 FROM CAPITAL RESERVE FUND AND APPROPRIATE IN THE CURRENT FISCAL YEAR BUDGET FOR THE PROJECT; AND 3) AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD

C-g CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 431 FOR RANCHO SANTA FE LENDERS, LLC. TO CONSTRUCT A CONCRETE SWALE THROUGH OMWD EASEMENT 678 LOCATED AT 18531 ALISO CANYON AND ORDER THE PERMIT TO BE RECORDED

C-h CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 432 FOR SAJJAD IBRAHIM PAGARKAR AND HUSNA DAWOOD PARKAR TO CONSTRUCT A PRIVATE SEWER FORCEMAIN THROUGH OMWD EASEMENT 1526 AND 1529 LOCATED AT 7984 ARTESIAN RD AND ORDER THE PERMIT TO BE RECORDED

C-i CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 433 FOR RASKESH JAISWAL AND SHIKHA JAISWAL TO CONSTRUCT A PRIVATE SEWER FORCEMAIN THROUGH OMWD EASEMENT 842 AND 1529 LOCATED AT 7930 ARTESIAN RD AND ORDER THE PERMIT TO BE RECORDED

C-j CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 434 FOR RICHARD D BAGLEY TO CONSTRUCT A PRIVATE SEWER FORCE MAIN THROUGH OMWD EASEMENT 90, 842 AND 1529 LOCATED AT APN 267-146-05-00 AND ORDER THE PERMIT TO BE RECORDED

Director Meyers requested to pull item C-d.

Director Meyers moved to approve the Consent Calendar item with the exception of item C-d, seconded by Director Guerin, and approved unanimously.

C-d CONSIDER APPROVAL OF A TWO-YEAR CONTRACT WITH KIRK PAVING, INC. FOR ON-CALL ASPHALT AND PAVING REPAIR SERVICES IN AN AMOUNT NOT TO EXCEED $550,000, WITH THE OPTION TO EXTEND FOR UP TO TWO ADDITIONAL YEARS AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF OMWD

After a brief discussion, Director Meyers moved to approve the Consent Calendar item C-d, seconded by President Hahn, and approved unanimously.

10. CONSIDER AN ORDINANCE AMENDING OLIVENHAIN MUNICIPAL WATER DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 9 – Rules Relating to Customer Accounts) TO PROTECT OLIVENHAIN MUNICIPAL WATER DISTRICT'S DISTRIBUTION SYSTEM FROM THIRD PARTY FIRE SERVICES

Operations Manager Bartlett-May presented the report.

Upon motion by Director Guerin, and a second by Director Maloni, Ordinance 541 was approved by the following roll call vote:

AYES:	Directors Guerin, Hahn, Lanfried, Maloni, and Meyers
NOES:	None
ABSTAIN:	None
ABSENT:	None

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

Administrative Analyst Jansen presented the informational report.

12. CONSIDER PRESENTATION ON ENTERPRISE ASSET MANAGEMENT WORK ORDER BACKLOG (INFORMATIONAL ITEM)

Operations Manager Bartlett-May presented the informational report.

Director Lanfried requested to include additional narrative in the backlog descriptions.

13. CONSIDER ADOPTION OF AN ARTIFICIAL INTELLIGENCE POLICY AND AN ORDINANCE AMENDING THE DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 5.28 – Working Hours, Employee Benefits)

Assistant General Manager Randall presented the report.

Director Meyers requested to include a definition of "material contribution" to district operations in the AI Policy. General Manager Thorner indicated that the General Counsel would be engaged to draft the definition to include in the policy.

Upon motion by Director Meyers, and a second by Director Lanfried, Ordinance 542 was approved by the following roll call vote:

AYES:	Directors Guerin, Hahn, Lanfried, Maloni, and Meyers
NOES:	None
ABSTAIN:	None
ABSENT:	None

14. CONSIDER INFORMATIONAL REPORT ON RECENT RATE CASES, LEGISLATIVE EFFORTS AND OTHER REGIONAL MEMBER AGENCY EFFORTS RELATED TO TIERED WATER RATES (ANNUAL OBJECTIVE 53)

General Manager Thorner presented the informational report.

15. CONSIDER AND DISCUSS THE PROPOSED PASS-THROUGH INCREASES TO OMWD'S WATER (POTABLE AND RECYCLED) RATES AND CHARGES FOR 2027

Finance Manager Mendez presented the report.

Director Maloni moved to preliminarily support the full pass-through adjustments for calendar year 2027, seconded by Director Meyers, and approved unanimously. Staff will bring the pass-through adjustments to the board for adoption at the October board meeting.

16. CONSIDER INFORMATIONAL ITEM REGARDING FINANCIAL SCENARIOS AND IMPACT ON RESERVES

Finance Manager Mendez presented the informational report.

17. REVIEW PRESENTATION ON OMWD'S INVESTMENT STRATEGY AND CONSIDER ISSUING A REQUEST FOR PROPOSALS (RFP) FOR INVESTMENT MANAGEMENT SERVICES FOR A TRIAL PERIOD OF THREE YEARS (ANNUAL OBJECTIVE 57, PART 2)

Finance Manager Mendez presented the report.

Director Maloni moved to issue a competitive Request for Proposals (RFP) for professional investment management services for a trial period of three years and return to the Finance Committee with three recommended investment management firms for consideration, seconded by Director Lanfried, and approved unanimously.

18. PUBLIC HEARING TO CONSIDER IMPLEMENTATION OF PHASE FOUR OF THE FIVE-YEAR PHASE-IN PROGRAM OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S WATER CAPACITY FEES FOR 2025 (AUGUST 19, 2026 – 5:30 P.M.)

President Hahn announced that this was the time and place for a Public Hearing to consider proposed changes to the district's Water Capacity Fees for 2026.

General Manager Thorner stated that notice of this hearing was published in the Union-Tribune on Friday, August 7, 2026, and Friday, August 14, 2026.

There were not any members of the public in attendance who wished to speak and there were no comments received from the public.

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

General Manager Thorner stated that the district evaluates capacity fees on an annual basis to determine if appropriate funds are being collected to fund necessary capital expansion, replacement, and betterment projects. A Water Capacity Fee Study completed by Raftelis in 2023 is the basis for calculating the proposed changes to the district's water capacity fees. The reason for these proposed changes is to adjust the district's water capacity fees to reflect the value on the district's assets based on the total system capacity and the revised estimate of pipeline replacement costs. The proposed changes include a 5-year phase-in with an Engineering News Record (ENR) – Construction Cost Index (CCI) Adjustment in years 2, 3, 4, and 5. OMWD is currently in year 4 of the 5-year phase-in. Revenue generated from water capacity fees will be issued to repay debt issued to finance water infrastructure based on total system capacity, and to provide the funds for planned water replacement and improvement projects.

President Hahn moved to accept the report, seconded by Director Guerin, and approved unanimously. Staff will present the capacity fees to the board at the September 16, 2026 meeting for adoption.

19. INFORMATIONAL UPDATE OF THE GENERAL MANAGER'S DECLARATION OF THE CALLE BARCELONA EMERGENCY LEAK REPAIR PROJECT

Operations Manager Bartlett-May presented the informational report.

20. INFORMATIONAL REPORTS

A. President's Report

President Hahn did not have a report.

B. General Manager's Report

General Manager Thorner reported that the iBank loan was submitted, that CalPERS released their most recent actuarial report, showing a funded ratio for OMWD of 79.2% for 2025, and that the district received an insurance claim check from ACWA JPIA for the Azahar Emergency Leak.

C. Consulting Engineer's Report

Consulting Engineer MacFarlane's report was provided 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 (SDCWA) Report

SDCWA representative Meyers reported on the Colorado River water supply conditions, the leadership changes on the SDCWA board for the next two-year term, and the Business Model Work Group.

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

KnowBe4 Security Awareness Proficiency Training (June 18)

Director Maloni completed the training.

Conference Call with the General Manager RE: Presentation on OMWD (July 14)

Director Lanfried had a call with the General Manager.

Conference Call with the General Manager RE: ASML Project (July 14)

President Hahn had a call with the General Manager.

Friends of Solana Beach Library OMWD Facilities Tour (July 15)

Directors Lanfried and Meyers attended the tour.

Conference Call RE: Developer Capacity Fees (July 15)

Director Guerin had a call with the General Manager.

ACWA Region 9 Event (July 17)

Director Meyers attended the event.

Document Signing (July 20)

Director Guerin signed documents.

SDCWA Voting Structure and Governance Ad Hoc Committee Meeting (July 22)

Directors Maloni and Meyers attended the committee meeting.

Safety Committee Meeting (July 22)

Directors Guerin and Hahn attended the committee meeting.

San Diego County Dental Society Legislative Committee (July 23)

Director Lanfried presented to San Diego County Dental Society Legislative Committee.

ACWA Region 10 Meeting (July 24)

Director Maloni attended the meeting.

Survey Questions Subcommittee Meeting (July 27)

Directors Lanfried and Maloni attended the meeting.

ACWA Region 10 Meeting (July 29)

Director Maloni attended the meeting.

Meeting RE: OMWD and SDCWA Issues (Aug 4)

Director Meyers met with the General Manager.

Finance Committee Meeting (Aug 11)

Directors Maloni and Meyers attended the committee meeting.

Board Meeting Pre-Briefing (Aug 17)

Director Meyers had a call with the General Manager.

Board Meeting Pre-Briefing (Aug 17)

Director Lanfried had a call with the General Manager.

Board Meeting Pre-Briefing (Aug 17)

President Hahn had a call with the General Manager.

Board Meeting Pre-Briefing (Aug 18)

Director Guerin had a call with the General Manager.

EFRR Executive Committee Meeting (Aug 18)

Directors Lanfried and Maloni attended the meeting.

21. CORRESPONDENCE

Correspondence was provided in the board packet.

22. <u>AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS</u>

There were no meetings requiring authorization to attend.

23. <u>FUTURE AGENDA ITEMS</u>

General Manager Thorner indicated that staff would propose financial scenarios when bringing back San Dieguito Valley Brackish Desalination Project to the board.

24. <u>CONSIDER PUBLIC COMMENTS</u>

There were not any public comments.

NOTE: The meeting was in Recess
from 7:35 p.m. to 7:49 p.m.

NOTE: The meeting was in Closed Session
from 7:49 p.m. to 8:16 p.m.

25. <u>CLOSED SESSION</u>

A) <u>CONSIDER CLAIM – O'KEEFE [PURSUANT TO GOVERNMENT CODE SECTION 54956.9] • Additional Facts: Claim received on June 22, 2026. Extension granted until August 24, 2026.</u>

B) <u>CONSIDER OMWD LABOR NEGOTIATIONS BARGAINING UNIT MEMBERS ASSOCIATION (BUMA) AND OLIVENHAIN MUNICIPAL DISTRICT EMPLOYEES ASSOCIATION (DEA) • (Negotiation Team – General Manager, Kimberly Thorner; HR Manager, Jennifer Joslin) [PURSUANT TO GOVERNMENT CODE SECTION 54957.6] • Additional Facts: Update on Negotiations.</u>

26. <u>OPEN SESSION</u>

General Counsel Smith stated that there was no reportable action from Closed Session.

27. <u>ADJOURNMENT</u>

The meeting was adjourned at 8:16 p.m.

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Matthew R. Hahn, President
Board of Directors
Olivenhain Municipal Water District

ATTEST:

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Christy Guerin, Secretary
Board of Directors
Olivenhain Municipal Water District