

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

AUGUST 21, 2019

A regular meeting of the Board of Directors of Olivenhain Municipal Water District was held on Wednesday, August 21, 2019, at the District office, 1966 Olivenhain Road, Encinitas, California.

President Sprague called the meeting to order at 4:00 p.m. Following the Pledge of Allegiance, the Assistant Secretary called the roll. Directors present were Gueirn, Kephart, Sprague, Topolovac, and Watt.

General Manager Thorner stated that arrangements had been made for Director Kephart to attend the board meeting via teleconference from Northern Rockies Lodge Mile 462, Alaska Highway, Muncho Lake, BC, RV Site 10 and that an agenda was posted at that location in compliance with Government Code §§ 54954.2 (a) and 54953 (b)(3). Directors Guerin, Topolovac, Sprague, and Watt voted and unanimously approved of Director Kephart's participation via teleconference. General Manager Thorner stated that, as a result, all agenda items for approval would require a roll call vote.

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; John Carnegie, Customer Services Manager; Dave Smith, Operations Manager; Tom Wood, Human Resources Manager; and Stephanie Kaufmann, Executive Secretary.

Also in attendance were; Consultant George Briest; Consultant Paul Mochel; Brian Sodeman – Customer Service and Public Affairs Supervisor; Karen Ogawa – Engineering Project Administrator; Teresa Chase – Administrative Analyst; Jessica Cleaver – Administrative Analyst; and Shawn Patterson – Department Assistant.

5. ADOPTION OF AGENDA

Upon motion by President Sprague and a second by Director Guerin, the agenda was adopted 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

- * Director Topolovac – Special District Leadership Academy Certificate
- * Dan Nevitt – Instrument Control Technician – 15 years
- * Chris Bumcrot – Line Locator/Inspector – 10 years
- * Jason Hubbard – Engineering Manager – New Hire
- * Martin Tinch – Utility I – New Hire
- * Devin Rodriguez – Utility I – New Hire
- * John McCaw – Utility I – New Hire

Customer Services Manager Carnegie presented Director Topolovac with the Special District Leadership Academy Certificate. President Sprague thanked district employees Nevitt and Bumcrot for their service and the board welcomed new employees Hubbard, Tinch, Rodriguez, and McCaw.

Agenda Item 11 was heard next on the agenda.

11. CONSIDER ADOPTION OF A RESOLUTION HONORING ROBERT F. TOPOLOVAC FOR 20 YEARS OF SERVICE REPRESENTING DIVISION 1 ON THE BOARD OF DIRECTORS

Upon motion by President Sprague and a second by Director Watt, Resolution 2019-17 was adopted by the following roll call vote:

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

8. CONSIDER APPROVAL OF THE MINUTES OF THE JULY 24, 2019, REGULAR BOARD OF DIRECTORS MEETING

Upon motion by Director Watt and a second by President Sprague, the July 24, 2019, meeting Minutes were approved by the following roll call vote:

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

9. CONSIDER CUSTOMER LEAK ADJUSTMENT APPEAL

Upon motion by Director Watt and a second by President Sprague, the option to charge customer MaryAnn Anderson Tier 1 Costs for the full 1,027 units and allow the bill to be paid off over a 12-month period without penalties was approved by the following roll call vote:

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

10. 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

C-b CONSIDER ACCEPTANCE OF THE VALVE REPLACEMENT PROJECT EXCAVATION AND PAVING SUPPORT SERVICES PROJECT FOR FY 2018-2019 (C.E WILSON CORPORATION) INTO THE DISTRICT'S SYSTEM AND ORDER THAT A NOTICE OF COMPLETION FILED

C-c CONSIDER ACCEPTANCE OF THE 4S RANCH WATER RECLAMATION FACILITY CHEMICAL SYSTEMS IMPROVEMENTS PROJECT (NEWEST CONSTRUCTION COMPANY) INTO THE DISTRICT'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED

C-d CONSIDER ACCEPTANCE OF THE DAVID C MCCOLLOM WATER TREATMENT PLANT PLATE SETTLER NO. 3 REHABILITATION PROJECT (PARKSON CORPORATION) INTO THE DISTRICT'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED

C-e CONSIDER ACCEPTANCE OF THE 9530 MT ISRAEL ROAD WATER SERVICE INSTALL PROJECT (CANNON) INTO THE DISTRICT'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED

C-f CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 401 FOR 3800 CANYON DE ORO (HUGHES) AND ORDER THE PERMIT BE RECORDED

C-g CONSIDER ADOPTION OF A RESOLUTION MAKING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS FOR THE LUSARDI CREEK PIPELINE REPLACEMENT PROJECT AND ORDER A NOTICE OF EXEMPTION BE FILED WITH THE COUNTY CLERK, COUNTY OF SAN DIEGO

Upon motion by President Sprague and a second by Director Topolovac, the Consent

Calendar was adopted by the following roll call vote:

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

12. CONSIDER PRESENTATION ON EAM WORK ORDER BACKLOG (INFORMATIONAL ITEM)

Operations Manager Smith presented the informational report. No board action was required.

Director Kephart requested an EAM Work Order Backlog update on the larger backlogs that includes staff hours and varying costs to reduce the backlog to 20% and 50%. The board concurred.

13. CONSIDER VOTE FOR A SPECIAL DISTRICT REPRESENTATIVE TO THE SAN DIEGO COUNTY CONSOLIDATED REDEVELOPMENT OVERSIGHT BOARD

Upon motion by Director Guerin and a second by Director Topolovac, the board nominated Mitch Thompson of Otay Water District as the Special District Representative to the San Diego County Consolidated Redevelopment Oversight Board by the following roll call vote:

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

14. CONSIDER A STATUS UPDATE FOR THE NEW AND REMODELED OPERATIONS AND ADMINISTRATION FACILITIES (BUILDING D) PROJECT AND APPROVAL OF CHANGE ORDER NO. 3 TO KEETON CONSTRUCTION COMPANY, INC. IN THE AMOUNT OF \$99,345 FOR CHANGES MADE AT THE DISTRICT'S REQUEST, UNKNOWN SITE CONDITIONS, AND ADDITIONAL DEMOLITION FOR THE PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Consultant Briest presented the report.

Upon motion by Director Watt and a second by Director Guerin, Change Order No. 3 with Keeton Construction Company, Inc. in the amount of \$99,345 and authorization for the General Manager to sign on behalf of the District was 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 AN AGREEMENT WITH THE CITY OF ENCINITAS ESTABLISHING MUTUALLY AGREED UPON RESPONSIBILITIES FOR INCORPORATING THE CITY OF ENCINITAS' GREEN BIKE LANE PROJECT INTO THE DISTRICT'S EL CAMINO REAL PIPELINE REPLACEMENT PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Upon motion by President Sprague and a second by Director Watt, the agreement with the City of Encinitas and authorization for the General Manager to sign on behalf of the District was approved by the following roll call vote:

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

16. CONSIDER DISCUSSION OF AND BOARD INPUT ON THE 2019-2020 OUTREACH ACTION PLAN

Customer Service and Public Affairs Supervisor Sodeman presented the Outreach Plan.

The board provided the following input to be included into the 2019-2020 Outreach Plan:

- Create an infographic on leak detection that shows financial impact to customers.
- Utilize infographics and outreach materials from San Diego County Water Authority when possible.
- Update video content on the website and recirculate videos on how to turn off your water and how to manage your pressure regulator.
- Prepare key messages and consistent talking points for OMWD events.
- Provide background and prepare packets for teachers for the poster contest to try to increase participation.
- Develop signage about the project for the El Camino Real Pipeline Replacement Project.

17. PUBLIC HEARING TO CONSIDER THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S WATER CAPACITY FEES FOR 2019 (5:30 P.M.)

President Sprague announced that this was the time and place for a Public Hearing to consider Capacity Fees for 2019.

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. The proposed Capacity Fee adjustments are 1.4% for 2019, which is based on the ENR Construction Index.

There were no members of the public in attendance to speak.

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

18. CONSIDER APPROVAL OF A 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

Upon motion by President Sprague and a second by Director Watt, the Purchase Agreement with The Escondido Creek Conservancy in the amount of \$1.99 million to purchase the following District-owned parcels: APN 223-081-04-00, 223-081-05-00, 223-082-23-00, and 223-082-04-00 (Gaty Parcels) and authorization for the General Manager to sign on behalf of the District was approved by the following roll call vote:

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

19. INFORMATIONAL REPORTS

A. President's Report

President Sprague had nothing to report.

B. General Manager's Report

General Manager Thorner reported that CWA's Pipeline 4 will have a planned 10-day shutdown beginning September 9. General Manager Thorner attended a Council of Water Utilities By-Laws Committee meeting and reported that there will be a survey regarding the direction of COWU circulated in the weeks to come. She announced that the

SDLAFCO Special District Advisory Committee will be tasked with looking at the issue of who has the right to serve recycled water in a portion of North County; Leucadia Wastewater District or Carlsbad Municipal Water District. She also cautioned the board about a water filter scam that has been circulating.

C. Consulting Engineer’s Report

Consulting Engineer MacFarlane will provide a report at the next 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 reported that there will be a closed session on the potential Rainbow/Fallbrook de-annexation. She also reported that the CWA and MWD negotiations have been at a stand-still for the last couple months.

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

CWA Comment Meeting (Aug 1)

Director Guerin attended the comment meeting.

Finance Committee Meeting (Aug 15)

Directors Sprague and Watt attended the meeting.

20. CORRESPONDENCE

Correspondence was provided in the board packet.

21. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

There were no requests.

22. FUTURE AGENDA ITEMS

Director Kephart requested an EAM Work Order Backlog update on the larger backlogs that includes staff hours and varying costs to reduce the backlog to 20% and 50%. The board concurred.

23. CONSIDER PUBLIC COMMENTS

There were no public comments.

NOTE: The meeting was in recess
from 6:31 p.m. to 6:53 p.m.

NOTE: The meeting was in closed session
from 6:53 p.m. to 8:05 p.m.

24. CLOSED SESSION

- A) 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.
- B) 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.
- C) 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.
- D) PUBLIC EMPLOYMENT: GENERAL MANAGER [Pursuant to Government Code Section 54957 and 54954.5]

22. OPEN SESSION

Upon motion by President Sprague and a second by Director Watt, the board moved to grant 80 hours of Executive Time Off for the General Manager in a Calendar Year (CY) with a proration of 30 hours for the remainder of this year to be codified by approval of an Ordinance at the next board meeting and was approved by the following roll call vote:

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

ABSTAIN: None
ABSENT: None

23. ADJOURNMENT

President Sprague adjourned the meeting at 8:05 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