

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

NOVEMBER 13, 2019

A regular meeting of the Board of Directors of Olivenhain Municipal Water District was held on Wednesday, November 13, 2019 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; John Carnegie, Customer Services Manager; Dave Smith, Operations Manager; Tom Wood, Human Resources Manager; and Stephanie Kaufmann, Executive Secretary.

Also in attendance were Raftelis Consultant Sudhir Pardiwala, Consulting Engineer Don MacFarlane; district employees Brian Sodeman – Customer Service and Public Affairs Supervisor; Steven Weddle – Engineering Supervisor; Leo Mendez – Accounting Supervisor; Jared Graffam – Financial Analyst; Teresa Chase – Administrative Analyst; Jessica Cleaver – Administrative Analyst; Arman Tarzi – Administrative Analyst; and Shawn Patterson – Department Assistant.

5. ADOPTION OF AGENDA

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

6. PERSONAL APPEARANCES AND PUBLIC COMMENTS

There were no personal appearances or public comments.

7. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

- * Elfin Forest Recreational Reserve Photo Contest Winners
- * Mike Keller – Systems Operator II – 15 Years
- * Arman Tarzi – Administrative Analyst – New Hire
- * Steven Weddle – Engineering Supervisor – New Hire
- * Cienamon Bailey – Records and Contract Coordinator – New Hire

President Sprague and Park Supervisor Anderson introduced the annual Elfin Forest Recreational Reserve photo contest winners. The various categories and winners of the photo contest were announced as listed below. Winners who were in attendance were congratulated by the board.

Best in Show	Francesca Hummler
1st Place – Scenic View	Jeff Brock
1st Place – Water Scenery	Daniel Humphrey
1st Place – Plants	Maria Ana Karina Lara
1st Place – Animals	Karen Wood
1st Place – People’s Choice	Sabine Kurz-Sherman
1st Place – Youth	Stella Klins
1st Place – Employee	Teresa Chase
Runner Up – Employee	Jared Graffam

All employees were recognized by the board and those present.

8. CONSIDER APPROVAL OF THE MINUTES OF THE OCTOBER 16, 2019 REGULAR BOARD OF DIRECTORS MEETING

Director Kephart moved to approve the October 16, 2019 meeting minutes, seconded by Director Topolovac and carried unanimously.

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; AND REIMBURSEMENT OF EXPENSES TO BOARD MEMBERS

C-b CONSIDER APPROVAL OF A CONTRACT WITH SUEZ WATER TECHNOLOGIES AND SOLUTIONS IN THE AMOUNT OF \$61,083 FOR ON-SITE FIELD SERVICES TO PERFORM MEMBRANE FIBER REPAIRS TO THE FIRST STAGE MEMBRANES AT THE DAVID C. MCCOLLOM WATER TREATMENT PLANT AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

C-c CONSIDER DESIGNATION OF A DELEGATE FOR THE DECEMBER 4 ELECTION OF OFFICERS TO THE ASSOCIATION OF CALIFORNIA WATER AGENCIES BOARD OF DIRECTORS

C-d CONSIDER ACCEPTANCE OF THE 18490 LAGO VISTA (LOT 23) FIRE HYDRANT INSTALL PROJECT (DUNCAN CUSTOM HOMES, INC.) INTO THE DISTRICT’S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED

- C-e CONSIDER ACCEPTANCE OF THE 16147 VIA DE SANTA FE WATER SERVICE INSTALL PROJECT (MILBERRY FARM, LLC) INTO THE DISTRICT’S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
- C-f CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 403 FOR 6415 RANCHO SANTA FE FARMS DRIVE (SIMANTOB) AND ORDER THE PERMIT BE RECORDED
- C-g CONSIDER APPROVAL OF A RESOLUTION TO ADOPT THE 2019 SAN DIEGO INTEGRATED REGIONAL WATER MANAGEMENT PLAN

Director Topolovac moved to authorize the Consent Calendar items, seconded by Director Kephart and carried unanimously.

- 10. CONSIDER APPROVAL OF A CONTRACT WITH TEICHERT ENERGY & UTILITIES GROUP IN THE AMOUNT OF \$3,828,000 FOR THE CONSTRUCTION OF THE EL CAMINO REAL PIPELINE REPLACEMENT AND GREEN BIKE LANE PROJECT AND INCREASE THE OVERALL PROJECT BUDGET BY \$960,000 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Engineering Manager Hubbard presented the report. Director Topolovac inquired as to the reason OMWD’s cost estimate for the project was under all received bids. The underestimation was due to the acceleration of the project, which did not allow sufficient time to perform an engineer’s estimate that would have provided a more accurate project cost for the project.

Director Watt moved to approve a contract with Teichert Energy & Utilities Group for the construction of the El Camino Real Pipeline Replacement and Green Bike Lane Project in the amount of \$3,828,000, increasing the overall project budget by \$960,000, and authorize the General Manager to sign on behalf of the District, seconded by Director Topolovac and carried unanimously.

- 11. CONSIDER APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH NINYO & MOORE FOR GEOTECHNICAL SERVICES FOR THE EL CAMINO REAL PIPELINE REPLACEMENT AND GREEN BIKE LANE PROJECT IN THE AMOUNT OF \$115,051 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Director Watt moved to approve a Professional Services Agreement in the amount of \$115,051 with Ninyo & Moore for geotechnical services on the El Camino Real Pipeline Replacement and Green Bike Lane project and authorize the General Manager to sign on behalf of the District, seconded by Director Kephart and carried unanimously.

Director Guerin stepped out of the meeting for agenda item 12.

12. CONSIDER RELEASE OF THE MANCHESTER RECYCLED WATER PROJECT'S CALIFORNIA ENVIRONMENTAL QUALITY ACT MITIGATED NEGATIVE DECLARATION FOR PUBLIC REVIEW AND SET A TIME AND PLACE FOR A PUBLIC HEARING (JANUARY 15, 2020-5:30 P.M.)

Director Watt moved to release the Initial Study/draft Mitigated Negative Declaration for the Manchester Recycled Water Project to the public for review and set a time and place for the public hearing as of January 15, 2020 at 5:30 P.M; seconded by Director Kephart and carried unanimously with Director Guerin absent.

Item 14 was heard next on the agenda.

Director Guerin returned to the meeting.

14. REVIEW OF GENERAL MANAGER'S DECLARATION OF THE UNIT B PIPELINE REPAIR PROJECT AS AN EMERGENCY PROJECT IN ACCORDANCE WITH CALIFORNIA PUBLIC CONTRACT CODE SECTION 1102, INCLUDING APPROVAL OF A CONSTRUCTION CONTRACT WITH CASS ARRIETA CORPORATION IN THE AMOUNT OF \$138,105 FOR REPAIR OF THE PIPELINE

Director Kephart moved to affirm the General Manager's emergency declaration of the Unit B Pipeline Repair Project, including approval of the construction contract with Cass Arrieta Corporation in the amount of \$138,105 for the pipeline repair, seconded by President Sprague and carried unanimously.

Item 15 was heard next on the agenda.

15. CONSIDER ADOPTION OF A RESOLUTION MAKING CEQA FINDINGS FOR THE UNIT B PIPELINE REPAIR PROJECT AND ORDERING THAT A NOTICE OF EXEMPTION BE FILED WITH THE COUNTY CLERK, COUNTY OF SAN DIEGO

Director Watt moved to adopt Resolution No. 2019-21, seconded by Director Kephart and carried unanimously.

Item 16 was heard next on the agenda.

16. INFORMATIONAL REPORTS

A. President's Report

President Sprague had nothing to report.

B. General Manager's Report

General Manager Thorner provided a written report that was included in the board packet.

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 the General Manager recruitment process.

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

OMWD VIP Facilities Tour (Oct 17)

Director Topolovac attended the Tour.

Graywater Workshop (Oct 22)

Director Kephart attended the workshop.

Water For People Luncheon (Oct 24)

Director Topolovac attended the event.

Facilities Committee Meeting (Oct 29)

Directors Guerin and Watt attended the committee meeting.

Personnel Committee Meeting (Oct 30)

Directors Gueirn and Sprague attended the committee meeting.

Safety Committee Meeting (Oct 31)

Directors Kephart and Topolovac attended the committee meeting.

RSF Open House Breakfast (Nov 3)

Director Kephart attended the event.

Legislative Roundtable (Nov 6)

Directors Kephart and Watt attended the event.

UT Luncheon (Nov 13)

Directors Guerin, Kephart, Sprague, Topolovac, and Watt attended the event.

17. **CORRESPONDENCE**

Correspondence was provided in the board packet.

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

There were no requests.

19. **FUTURE AGENDA ITEMS**

There were no future agenda items.

20. **CONSIDER PUBLIC COMMENTS**

There were no public comments.

NOTE: The meeting was in closed session
from 5:08 p.m. to 5:33 p.m.

21. **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)] • Additional Facts: Lawsuit received on May 16, 2019.
- C) CONSIDER GENERAL MANAGER REVIEW [PURSUANT TO GOVERNMENT CODE SECTION 54957] • Additional Facts: Full review in closed session and any adjustment to compensation to be discussed in open session.

Item 13 was heard next on the agenda.

- 13. PUBLIC HEARING TO CONSIDER PUBLIC COMMENTS ON (1) ADOPTING INCREASES IN OLIVENHAIN MUNICIPAL WATER DISTRICT (OMWD) WATER COMMODITY CHARGES WITH DEMAND RATE REDUCTION ADJUSTMENTS AND SAN DIEGO COUNTY WATER AUTHORITY (SDCWA) INFRASTRUCTURE ACCESS CHARGE EFFECTIVE MARCH 1, 2020; OMWD MONTHLY SYSTEM ACCESS CHARGES AND OMWD MONTHLY FIRE METER FIXED METER CHARGES STARTING MARCH 1, 2020 ENDING MARCH 1, 2024; AND (2) AN ORDINANCE AUTHORIZING OMWD TO PASS THROUGH ANY FUTURE INCREASES IN SDCWA INFRASTRUCTURE ACCESS CHARGE, INCREASES IN OMWD COMMODITY CHARGE FOR PURCHASED WATER WHOLESALE AND INFLATION, AND INCREASES IN OTHER WATER RATES AND CHARGES MANDATED BY THE STATE OF CALIFORNIA FOR A FIVE-YEAR PERIOD COMMENCING MARCH 1, 2020 THROUGH DECEMBER 31, 2024 NOT TO EXCEED 9% PER YEAR (5:30 P.M.)

Finance Manager Selamat presented the report.

President Sprague announced that this was the time and place for a Public Hearing to consider an increase to Olivenhain Municipal Water District's Water Service Fees.

The General Manager stated that 28,575 Notices of Public Hearing concerning proposed rate increases and adjustments for Olivenhain Municipal Water District Water Service Fees were delivered via the U.S. Postal Service on September 26, 2019 to any property owner of a parcel upon which the Water Service Charges are proposed for imposition or any tenant directly liable for the payment of Water Service Charges. A Notice of Public Hearing was published in the Union-Tribune on November 1, 2019 and November 8, 2019. The District retained Raftelis Financial Consultants to conduct a 2019 Water Cost of Service Study. The 2019 Water Cost of Service Study is the basis for allocating costs and calculating the proposed adjustments and increases to the District's Water Service Charges for consideration. Staff recommends that the District's Water Rates and Charges be adjusted and increased as explained in the 2019 Water Cost of Service Study Report and shown in the Notice of Public Hearing. Forty nine written protest letters and one comment letter were received.

Seven members of the public were in attendance to speak and offered the following comments:

Julie Sarno: Ms. Sarno spoke in opposition to a rate increase. She requested an incentive for low-water users to shift financial responsibility to those with higher water consumption. General Manager Thorner responded that OMWD is always looking for ways to help offset costs.

John Walsh: Mr. Walsh spoke in opposition to a rate increase. He had a question regarding pass-through costs from the San Diego County Water Authority and if they were included in the proposed rate increase. General Manager Thorner responded that the proposed revenue adjustment includes the estimated purchased wholesale water pass-through costs for the next five years. Mr. Walsh also inquired as to whether or not the District has looked into consolidation with other water districts in the area. General Manager Thorner indicated that although the board looked into this possibility in the past and decided against consolidation, they remain open to future possibilities.

Mark Walton: Mr. Walton provided comments in opposition of the rate increase. He expressed concern with increasing water costs despite the amount of money his HOA contributed to infrastructure in order to lower their costs of water and oblige with state efficiency goals. Staff informed Mr. Walton that the recycled water rate for his HOA would be reduced by 6% this year and outlined programs they may be interested in to expand their use of recycled water.

Mukesh Mehta: Mr. Mehta commented in opposition of the rate increase and the OMWD System Access Charge. He stated that higher water users should pay more than lower water users. He also indicated that there should be some sort of cost containment established amongst the industry.

Roger Pyes: Mr. Pyes from Horizon Christian Fellowship spoke in opposition of the rate increase and stressed the hardship that falls on the church. He stated that they are on a fixed income and every rate increase impacts their budget. General Manager Thorner offered that the church take advantage of the District's free Water Use Efficiency Evaluation service to find ways to lower their water usage. She also offered that exploring the use of recycled water for their large property is an option and that the District would follow up with him.

Christy Bruce Lane: Ms. Bruce Lane asked about potential cost increases due to new legislation. General Manager Thorner responded that OMWD is extremely active and engaged in any legislation affecting the District and testifies on behalf of ratepayers at state public hearings. She also added that complying with state mandates and requirements does increase costs for the District.

Steve Linke: Mr. Linke commented that he is opposed to the proposed water rate adjustments and pass-through increases, including, but not limited to, the proposed levels of the OMWD System Access Charge and Commodity Charge.

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

NOTE: The meeting was in recess
from 7:17 p.m. to 7:32 p.m.

NOTE: The meeting was in closed session
from 7:32 p.m. to 8:09 p.m.

22. OPEN SESSION

CONSIDER GENERAL MANAGER'S (A) 2019 INCENTIVE AND (B) 2020 COMPENSATION

After discussion by the board, General Manager Thorner was awarded \$7,200 for goal incentive pay for calendar year 2019, payable in November. General Manager Thorner will receive a base pay increase of 2.5% effective January 1, 2020.

Director Guerin moved to grant the aforementioned goal incentive pay and compensation as stated, seconded by Director Topolovac and carried unanimously.

It was noted that the 2020 goal incentive amount would be established after the Annual Goals and Objectives presentation in January 2020.

23. ADJOURNMENT

President Sprague adjourned the meeting at 8:26 p.m.

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

ATTEST:

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