

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

DECEMBER 11, 2019

A regular meeting of the Board of Directors of Olivenhain Municipal Water District was held on Wednesday, December 11, 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 Kephart, Sprague, Topolovac, and Watt. It was noted that Director Guerin was attending the Colorado River Water Users Association Conference.

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

Also in attendance were consultant Ken Pun from The Pun Group, Consulting Engineer Don MacFarlane, Engineering Consultant George Briest, Scott Goldman from Woodard & Curran, district employees Brian Sodeman – Customer Service and Public Affairs Supervisor; Mark Wilson – Field Services Supervisor; Steven Weddle – Engineering Supervisor; Jared Graffam – Financial Analyst; Karen Ogawa – Engineering Project Administrator; Teresa Chase – Administrative Analyst; Jessica Cleaver – Administrative Analyst; Arman Tarzi – Administrative Analyst; Shawn Patterson – Department Assistant; Eddie Rodriguez – Field Services Technician III; and Brandon Barnick – Field Services Technician III.

5. ADOPTION OF AGENDA

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

6. PERSONAL APPEARANCES AND PUBLIC COMMENTS

There were no personal appearances or public comments.

7. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

- \* Watershed Hero Awards – Business of the Year from The Escondido Creek Conservancy
- \* Brandon Burrow – Water Treatment Plant Operator III – New Hire

- \* Brandon Barnick – Field Services Technician III – 5 years
- \* Jeff Anderson – Park Supervisor – 20 years
- \* Union Tribune Top Work Places in San Diego Award 2019

The Escondido Creek Conservancy President Richard Murphy presented the Watershed Hero Business of the Year award to the board.

The employees were congratulated by all in attendance

8. CONSIDER APPROVAL OF THE MINUTES OF THE NOVEMBER 13, 2019 REGULAR BOARD OF DIRECTORS MEETING

Director Watt moved to approve the November 13, 2019 meeting minutes, seconded by Director Topolovac and carried unanimously with Director Guerin absent.

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 STAFF (NOVEMBER); AND MONTHLY INVESTMENT REPORT
- 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 SUPPORTING THE DISTRICT'S EMPLOYEE SAFETY AND WELLNESS PROGRAMS
- C-d CONSIDER A STATUS UPDATE ON THE UNIT B PIPELINE EMERGENCY REPAIR PROJECT
- C-e CONSIDER APPROVAL OF ANNUAL REVISIONS TO THE DISTRICT'S RECORDS RETENTION SCHEDULE
- C-f CONSIDER REVISIONS TO THE LEGISLATIVE GUIDELINES FOR 2020
- C-g CONSIDER ACCEPTANCE OF THE DIEGUENO MIDDLE SCHOOL FIRE DETECTOR CHECK INSTALL PROJECT (SAN DIEGUITO UNION HIGH SCHOOL DISTRICT) INTO THE DISTRICT'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED

- C-h CONSIDER ACCEPTANCE OF THE 7533 DEL DIOS HIGHWAY FIRE HYDRANT AND WATER SERVICE INSTALL PROJECT (MARWAN BISHAR) INTO THE DISTRICT'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
- C-j CONSIDER ANNUAL REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S INVESTMENT AND BOARD DESIGNATED FUND BALANCES (RESERVES) POLICY
- C-k CONSIDER APPROVAL OF AN AMENDMENT TO THE AGREEMENT WITH INFRASTRUCTURE ENGINEERING COMPANY IN THE AMOUNT OF \$8,990 FOR SURVEYING SERVICES RELATED TO THE GATY PARCEL SALE AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Director Topolovac pulled item C-i from the Consent Calendar for discussion.

Director Kephart moved to authorize the Consent Calendar items with the exception of item C-i, seconded by Director Topolovac and carried unanimously with Director Guerin absent.

- C-i CONSIDER VOTING IN THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION'S 2020 SPECIAL DISTRICTS ADVISORY COMMITTEE ELECTION

President Sprague moved to substitute Courtney Provo in place of Thomas Kennedy for OMWD's vote on the ballot, seconded by Director Kephart. The motion failed with Directors Watt and Topolovac voting no and Director Guerin absent.

President Sprague moved to vote for the staff recommended slate consisting of Kimberly Thorner – Olivenhain Municipal Water District, Michael (Mike) Sims – Bonita-Sunnyside Fire Protection District, Jack Bebee – Fallbrook Public Utility District, Robert Thomas – Pomerado Cemetery District, Albert C. Lau – Santa Fe Irrigation District, Thomas (Tom) Kennedy – Rainbow Municipal Water District, Mark Robak – Otay Water District, and James E. Gordon – Deer Springs Fire Protection District, seconded by Director Watt. Motion carried with Director Topolovac voting no and Director Guerin absent.

- 10. CONSIDER APPROVAL OF THE DISTRICT'S FISCAL YEAR 2018-2019 AUDITED FINANCIAL STATEMENTS AND COMPREHENSIVE ANNUAL FINANCIAL REPORT (FINAL DRAFT)

Ken Pun from The Pun Group presented the Comprehensive Annual Financial Report.

Director Watt moved to approve the fiscal year 2018-2019 Audited Financial Statements and approve the final draft of the District's fiscal year 2018-2019 Comprehensive Annual Financial Report (CAFR), seconded by Director Kephart and carried unanimously with Director Guerin absent.

11. CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 8 – Water Rates and Charges) TO TAKE EFFECT ON MARCH 1, 2020

Upon motion by Director Kephart and a second by Director Topolovac, Ordinance 469 was adopted by the following roll call vote:

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

12. CONSIDER ADOPTION OF A RESOLUTION MAKING CEQA EXEMPTION FINDINGS FOR THE WATER RATE INCREASES AND DEMAND REDUCTION RATE ADJUSTMENTS AND ORDERING A NOTICE OF EXEMPTION BE FILED WITH THE COUNTY CLERK OF THE COUNTY OF SAN DIEGO

Director Watt moved to adopt Resolution No. 2019-23, seconded by President Sprague and carried unanimously with Director Guerin absent.

13. CONSIDER ADOPTION OF AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT AUTHORIZING PASS-THROUGH INCREASES IN PURCHASED WATER WHOLESALE COSTS, SAN DIEGO WATER AUTHORITY INFRASTRUCTURE ACCESS CHARGE, INCREASES TO THE DISTRICT'S COST OF OPERATIONS AND CAPITAL FACILITIES, AND ANY NEW FEES MANDATED BY THE STATE OF CALIFORNIA TO BE COLLECTED ON WATER RATES; AND REVISING ARTICLE 8.4 OF THE DISTRICT'S ADMINISTRATIVE AND ETHICS CODE

Upon motion by Director Topolovac and a second by Director Watt, Ordinance 470 was adopted by the following roll call vote:

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

14. CONSIDER UPDATE ON MOBILE SERVICE ORDER PROCESSING (INFORMATIONAL ITEM)

Customer Services Manager Carnegie, Field Services Supervisor Wilson, and Field Services Technician III's Barnick and Rodriguez presented the informational report.

15. CONSIDER APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH AQUA-METRIC SALES COMPANY FOR CUSTOMER ENGAGEMENT PORTAL SERVICES AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Director Watt moved to enter into an agreement for customer engagement portal services with Aqua-Metric Sales Company, seconded by Director Kephart and carried unanimously with Director Guerin absent.

16. CONSIDER AN UPDATE AND ACCEPTANCE OF THE SUB-REGION 3 RECYCLED WATER EXPANSION PLAN REPORT; A PARTNERSHIP PROJECT BETWEEN OLIVENHAIN MUNICIPAL WATER DISTRICT, SANTA FE IRRIGATION DISTRICT, SAN DIEGUITO WATER DISTRICT, LEUCADIA WASTEWATER DISTRICT, AND SAN ELIJO JOINT POWERS AUTHORITY

Scott Goldman from Woodard & Curran presented the informational report.

Director Watt moved to accept the recycled water expansion plan report, seconded by President Sprague and carried unanimously with Director Guerin absent.

17. CONSIDER UPDATE ON THE 45 RANCH RESIDENTIAL RECYCLED WATER FILL STATION (INFORMATIONAL ITEM)

Operations Manager Smith presented the informational report.

18. CONSIDER APPROVAL OF A CONTRACT WITH CHARLES KING COMPANY IN THE AMOUNT OF \$96,350 AND INCREASE IN THE OVERALL PROJECT BUDGET BY \$110,000 FOR THE LUSARDI CREEK PIPELINE RESTORATION PROJECT, AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Director Watt moved to approve a contract with Charles King Company in the amount of \$96,350 and allocate an additional \$110,000 to the overall project budget for the construction of the Lusardi Creek Pipeline Restoration Project, and authorize the General Manager to sign on behalf of the District, seconded by Director Topolovac and carried unanimously with Director Guerin absent.

19. CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (ARTICLE 4 – CLASSIFIED POSITIONS)

Upon motion by Director Watt and a second by Director Topolovac, Ordinance 471 was adopted by the following roll call vote:

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

ABSTAIN: None  
ABSENT: Director Guerin

20. CONSIDER THE OMWD FINANCE CORPORATION ANNUAL MEETING

President Sprague conducted the OMWD Finance Corporation annual meeting. The minutes for the OMWD Finance Corporation meeting are attached as Exhibit “A.”

21. CONSIDER THE OMWD FINANCING AUTHORITY (JOINT POWERS AUTHORITY) BOARD MEETING

President Sprague conducted the OMWD Financing Authority (Joint Powers Authority) board meeting. The minutes for the OMWD Financing Authority meeting are attached as Exhibit “B.”

22. CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE OLIVENHAIN MUNICIPAL WATER DISTRICT’S ADMINISTRATIVE AND ETHICS CODE (ARTICLE 21 – SAFETY PROVISIONS AND PRACTICES)

Upon motion by Director Watt and a second by President Sprague, Ordinance 472 was adopted by the following roll call vote:

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

NOTE: The meeting was in recess  
from 6:15 p.m. to 6:40 p.m.

23. INFORMATIONAL REPORTS

A. President’s Report

President Sprague had nothing to report.

B. General Manager’s Report

General Manager Thorner had nothing to report.

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 was attending the Colorado River Water Users Association Conference.

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

**APWA Luncheon (Nov 14)**

Director Watt attended the luncheon.

**AB 1234 Ethics Training (Nov 15)**

President Sprague completed his training.

**Finance Committee Meeting (Nov 20)**

Directors Sprague and Watt attended the committee meeting.

**CSDA Quarterly Dinner (Nov 21)**

Directors Sprague and Watt attended the dinner.

**Unit B Pipeline Tour (Nov 22)**

Directors Kephart, Topolovac, and Watt attended the tour.

**AB1825 Harassment Training (Nov 25)**

Director Watt completed his training.

**ACWA JPIA Meeting (Dec 2)**

Director Watt attended the meeting on behalf of the district.

**ACWA Conference (Dec 3-5)**

Directors Kephart, Topolovac, and Watt attended the conference.

**End of the Year Dinner (Dec 6)**

Directors Guerin, Kephart, Topolovac, and Watt attended the dinner.

24. **CORRESPONDENCE**

Correspondence was provided in the board packet.

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

There were no meetings requiring authorization to attend.

26. **FUTURE AGENDA ITEMS**

No future agenda items were requested.

27. **CONSIDER PUBLIC COMMENTS**

There were no public comments.

NOTE: The meeting was in closed session  
from 6:50 p.m. to 7:25 p.m.

28. **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)]
- C) CONSIDER INFORMATIONAL REPORT ON CYBERSECURITY [PURSUANT TO GOVERNMENT CODE SECTION 54957(a)]
- D) CONSIDER CLAIM FROM TC CONSTRUCTION [PURSUANT TO GOVERNMENT CODE SECTION 54956.9] • Additional Facts: Bid protest letter received on November 21, 2019.

29. OPEN SESSION

There was no reportable action from closed session.

30. ADJOURNMENT

President Sprague adjourned the meeting at 7:26 p.m.

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

ATTEST:

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

MINUTES OF AN ANNUAL MEETING  
OF THE BOARD OF DIRECTORS OF THE  
OMWD FINANCE CORPORATION

December 11, 2019

An annual meeting of the Board of Directors of the OMWD Finance Corporation was held on Wednesday, December 11, 2019 at the district office, 1966 Olivenhain Road, Encinitas, California.

President Watt called the meeting to order at 6:11 p.m. Directors present were Kephart, Sprague, Topolovac, and Watt. It was noted that Director Guerin was attending the Colorado River Water Users Association Conference.

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

Also in attendance were Consulting Engineer Don MacFarlane, Engineering Consultant, George Briest, district employees Brian Sodeman – Customer Service and Public Affairs Supervisor; Steven Weddle – Engineering Supervisor; and Shawn Patterson – Department Assistant.

ADOPTION OF AGENDA

Director Watt moved to adopt the agenda as presented, seconded by Director Sprague and carried unanimously with Director Guerin absent.

PERSONAL APPEARANCE AND PUBLIC COMMENTS

There was no one present to comment.

CONSIDER THE STATUS OF DEBT ISSUED BY THE NON-PROFIT CORPORATION (OLIVENHAIN MUNICIPAL WATER DISTRICT WATER SYSTEM REFUNDING REVENUE BONDS SERIES 2015A)

Director Watt moved to receive and accept the staff report, seconded by Director Topolovac and carried unanimously with Director Guerin absent.

ADJOURNMENT

President Watt adjourned the meeting at 6:12 p.m.

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

ATTEST:

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

MINUTES OF THE BOARD OF DIRECTORS MEETING  
OF THE OMWD FINANCING AUTHORITY  
(JOINT POWERS AUTHORITY)

December 11, 2019

A meeting of the Board of Directors of the OMWD Financing Authority (Joint Powers Authority) was held on Wednesday, December 11, 2019 at the district office, 1966 Olivenhain Road, Encinitas, California.

President Watt called the meeting to order at 6:13 p.m. Directors present were Kephart, Sprague, Topolovac, and Watt. It was noted that Director Guerin was attending the Colorado River Water Users Association Conference.

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

Also in attendance were Consulting Engineer Don MacFarlane, Engineering Consultant, George Briest, district employees Brian Sodeman – Customer Service and Public Affairs Supervisor; Steven Weddle – Engineering Supervisor; and Shawn Patterson – Department Assistant.

ADOPTION OF AGENDA

Director Topolovac moved to adopt the agenda as presented, seconded by President Sprague and carried unanimously with Director Guerin absent.

PERSONAL APPEARANCE AND PUBLIC COMMENTS

There was no one present to comment.

CONSIDER THE STATUS OF DEBT ISSUED BY THE OMWD FINANCING AUTHORITY (OMWDFINANCING AUTHORITY SEWER REVENUE BONDS SERIES 2018A, OLIVENHAINMUNICIPAL WATER DISTRICT WATER SYSTEM REFUNDING REVENUE BONDS SERIES 2016A, AND OMWD FINANCING AUTHORITY WATER REVENUE BONDS SERIES 2009)

President Sprague moved to receive and accept the staff report, seconded by Director Topolovac and carried unanimously with Director Guerin absent.

ADJOURNMENT

President Watt adjourned the meeting at 6:14 p.m.

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

ATTEST:

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