

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

JULY 20, 2016

A regular meeting of the Board of Directors of Olivenhain Municipal Water District was held on Wednesday, July 20, 2016 at the District office, 1966 Olivenhain Road, Encinitas, California.

Director Topolovac 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, Sprague, Topolovac, Varty, and Watt.

General Manager Thorner stated that arrangements had been made for President Sprague to attend the Board Meeting via teleconference from 1477 Queens Bay, Lake Havasu City, AZ 86403 and that an agenda was posted at that location in compliance with Government Code §§ 54954.2 (a) and 54953 (b)(3). Directors Guerin, Topolovac, Varty, and Watt voted and unanimously approved of President Sprague's participation via teleconference. General Manager Thorner stated that, as a result, all agenda items for approval would require a roll call vote.

Director Topolovac declared a quorum present and ordered the meeting to proceed. In attendance were Kimberly Thorner, General Manager; Alfred Smith, General Counsel; Rainy Selamat, Finance Manager; Dave Smith; Operations Manager; Chad Williams, Engineering Supervisor; Tom Wood, Human Resources Manager; Joseph Randall, Customer Services Manager; and Stephanie Kaufmann, Executive Secretary.

Also in attendance were Consulting Engineer Don MacFarlane; Consultants Robert Porr and Lora Carpenter – Fieldman, Rolapp & Associates; Mike Bardin and Bill Hunter from Santa Fe Irrigation District; and District employees Brian Sodeman – Education and Conservation Coordinator; and Teresa Chase – Staff Analyst.

5. ADOPTION OF AGENDA

Item 16 was moved to be heard after Item 10. Items 19 and 20 were moved to be heard after Item 13.

Upon motion by Director Watt and a second by Director Varty, the agenda was adopted by the following roll call vote:

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

6. PERSONAL APPEARANCES AND PUBLIC COMMENTS

Lynn Ridpath spoke regarding staying at Level 2 water supply condition.

7. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

- \* Dave Smith, Operations Manager, 10 years
- \* Joel Holt, Water Treatment Plant Operator Level III, 10 years

Director Topolovac presented the awards.

8. CONSIDER APPROVAL OF THE MINUTES OF THE JUNE 15, 2016 REGULAR BOARD OF DIRECTORS MEETING

Upon motion by Director Guerin and a second by Director Watt, the June 15, 2016 meeting Minutes were approved by the following roll call vote:

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

9. CONSENT CALENDAR

C-a 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-b 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 REPORT

C-c CONSIDER ACCEPTANCE OF THE VALVE REPLACEMENT PROJECT EXCAVATION AND PAVING SUPPORT SERVICES CONTRACT 2016-02 INTO THE DISTRICT'S SYSTEM AND ORDER THAT A NOTICE OF COMPLETION BE FILED

- C-d CONSIDER APPROVAL OF AN AGREEMENT WITH CAROLLO ENGINEERS IN THE AMOUNT OF \$73,650 FOR PRE-SELECTION OF UV EQUIPMENT FOR THE 4S RANCH WATER RECLAMATION FACILITY AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT
  
- C-e CONSIDER ACCEPTANCE OF THE 8120 ARTESIAN ROAD FIRE DETECTOR CHECK PROJECT (MONTY’S MAINTENANCE, INC.) INTO THE DISTRICT’S SYSTEM AND ORDER THAT A NOTICE OF COMPLETION BE FILED
  
- C-f CONSIDER ACCEPTANCE OF RANCHO SANTA FE LAKES UNIT 3 PROJECT (RANCHO SANTA FE LAKES PARTNERS, LLC) INTO THE DISTRICT’S SYSTEM AND ORDER THAT A NOTICE OF COMPLETION BE FILED
  
- C-g CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 373 FOR 1085 RANCHO SANTA FE ROAD (GRISWALD FAMILY TRUST DTD 10-13-14) AND ORDER THAT THE PERMIT BE RECORDED
  
- C-h CONSIDER ADOPTION OF A RESOLUTION FOR APPLICATION TO THE LOCAL AGENCY FORMATION COMMITTEE FOR EXPANSION OF SEWER LATENT POWERS AND AN AMENDMENT TO THE DISTRICT’S SEWER SPHERE OF INFLUENCE TO INCLUDE THE RANCHO HILLS/SHAW PROJECT (6 LOTS)
  
- C-i CONSIDER A CHANGE ORDER TO NINYO & MOORE IN THE AMOUNT OF \$75,000 FOR ADDITIONAL GEOTECHNICAL SERVICES NEEDED FOR THE VILLAGE PARK RECYCLED WATER PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Upon motion by Director Watt and a second by Director Guerin, the Consent Calendar was adopted by the following roll call vote:

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

- 10. CONSIDER INFORMATION PRESENTED BY THE DISTRICT’S FINANCIAL ADVISORS, FIELDMAN ROLAPP & ASSOCIATES, ON REFUNDING OF 2009 WATER REVENUE BONDS

Robert Porr and Lora Carpenter attended from Fieldman, Rolapp & Associates and presented the report.

Upon motion by Director Watt and a second by Director Varty, approval to proceed with the refinancing and refunding of the 2009 water revenue bonds was approved by the following roll call vote:

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

Item 16 was moved to be heard next on the agenda.

16. CONSIDER JOINT USE ADVANCED METERING INFRASTRUCTURE AGREEMENT WITH SANTA FE IRRIGATION DISTRICT

Customer Services Manager Randall along with Santa Fe Irrigation District General Manager Mike Bardin presented the report.

Upon motion by Director Varty and a second by Director Guerin, authorization was given to execute a Joint Use Advanced Metering Agreement with Santa Fe Irrigation District and was approved by the following roll call vote:

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

11. CONSIDER APPROVAL OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S CAPACITY FEES AND ADOPTION OF AN ORDINANCE AMENDING THE DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 13 - Policy for District Facilities)

Upon motion by Director Guerin and a second by Director Watt, Ordinance No. 440 was adopted by the following roll call vote:

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

12. CONSIDER VOTING IN THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION 2016 BOARD ELECTION

Upon motion by Director Guerin and a second by Director Watt, Bill Nelson was selected as the District's vote to fill Seat B on the California Special Districts Association's Board of Directors and was approved by the following roll call vote:

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

13. CONSIDER ANNUAL OBJECTIVES AND TIGER TEAM STATUS REPORT

This was an informational item. No board action was required.

Items 19 and 20 were moved to be heard next on the agenda.

19. CONSIDER INFORMATIONAL REPORT ON WATER SUPPLY AND DROUGHT CONDITIONS

Customer Services Manager Randall and General Manager Thorner presented the informational item. No Board action was required.

20. CONSIDER A RESOLUTION OF THE BOARD OF DIRECTORS OF OLIVENHAIN MUNICIPAL WATER DISTRICT RESCINDING THE LEVEL 2 WATER SUPPLY SHORTAGE CONDITION, RETURNING TO LEVEL 1 WATER SUPPLY SHORTAGE CONDITION EFFECTIVE JULY 20, 2016, AND IMPLEMENTING LEVEL 1 WATER RATES EFFECTIVE WITH THE JULY 31 WATER BILLS

Upon motion by Director Guerin and a second by Director Varty, Resolution No. 2016-13 was adopted by the following roll call vote:

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

14. CONSIDER SETTING A TIME AND PLACE FOR A PUBLIC HEARING TO CONSIDER OLIVENHAIN MUNICIPAL WATER DISTRICT'S PUBLIC HEALTH GOAL REPORT (AUGUST 17, 2016 - 5:30 P.M.)

Upon motion by Director Topolovac and a second by Director Watt, the Public Health Goal Report Public Hearing will be August 17, 2016 at 5:30 p.m. in the boardroom and was approved by the following roll call vote:

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

15. CONSIDER APPROVAL OF AN AGREEMENT WITH BALBOA ENGINEERING, INC. IN THE AMOUNT OF \$149,850 FOR PREPARATION OF A PRELIMINARY DESIGN REPORT AND ALIGNMENT STUDY FOR THE REPLACEMENT OF THE EL CAMINO REAL PIPELINE AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Upon motion by Director Watt and a second by Director Varty, an agreement with Balboa Engineering, Inc. in the amount of \$149,820 was approved by the following roll call vote:

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

17. CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 4 - Classified Positions)

The Board bifurcated the vote of the Assistant General Manager and Department Assistant positions.

Upon motion by Director Guerin and a second by Director Watt, Ordinance No. 441 to approve the Assistant General Manager position was adopted by the following roll call vote:

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

Upon motion by Director Guerin and a second by Director Varty, Ordinance No. 441 to approve the Department Assistant I position was adopted by the following roll call vote:

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

18. DISCUSS PROPOSED CHANGES TO THE FISCAL IMPACT SECTION OF FUTURE STAFF MEMO FOR REPORTING CAPITAL SPENDING ON DISTRICT'S CONSTRUCTION IN PROGRESS (CIP)

This was an informational item. No board action was required.

Item 21 was heard next on the agenda.

21. CONSIDER ADOPTION OF AN ORDINANCE AMENDING OLIVENHAIN MUNICIPAL WATER DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (Article 8 - Water Rates & Charges, Article 9 - Rules Relating to Customer Accounts, and Article 13 - Policy for District Facilities)

Upon motion by Director Guerin and a second by Director Varty, Ordinance No. 442 was adopted by the following roll call vote:

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

22. INFORMATIONAL REPORTS

A. President's Report

President Sprague had nothing to report.

B. General Manager's Report

General Manager Thorner reported that OMWD entered into an agreement with Rancho Santa Fe Farms HOA who is participating in OMWD's Recycled Water Retrofit Loan Program. It was also reported that the Little Hoover Commission has scheduled a hearing to look at California Special Districts in which we will be monitoring. To conclude, General Manager Thorner and Operations Manager Smith presented on the leak that occurred at Rancho Santa Fe Rd. and Encinitas Blvd.

C. Consulting Engineer's Report

Consulting Engineer MacFarlane provided a written report which was included in the Board packet.

D. General Counsel's Report

General Counsel Smith stated that a written report was included in the Board packet.

E. San Diego County Water Authority Report

Director Guerin reported that nominations for new SDCWA officers are taking place.

F. Legislative Report

The report was included in the Board packet.

G. LAFCO Report

President Sprague had nothing to report.

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

**CIP Fiscal Impact Presentation Meeting (June 20)**

President Sprague attended the meeting.

**COWU Breakfast (June 21)**

Director Varty and Watt attended the meeting and provided brief comments.

**Safety Committee Meeting (June 30)**

Directors Topolovac and Watt reported that we are still at 10 years with no lost time from safety incidents.

**Finance Committee Meeting (July 13)**

Directors Varty and Watt attended and provided brief comments.

**COWU Breakfast (July 19)**

Director Varty attended the meeting.

23. CORRESPONDENCE

Correspondence was provided in the Board packet.

24. AUTHORIZATION TO ATTEND UPCOMING MEETINGS/CONFERENCES/SEMINARS

There were no meetings requiring authorization to attend.

25. FUTURE AGENDA ITEMS



There were no future agenda items.

26. CONSIDER PUBLIC COMMENTS

Customer Lynn Ridpath spoke at the beginning of the meeting and was reported under personal appearances and public comments.

NOTE: The meeting was in closed session from 6:26 p.m. to 6:29 p.m.

27. CLOSED SESSION

- A) CONSIDER LITIGATION – SALATINO EASEMENT [PURSUANT TO GOVERNMENT CODE SECTION 54956.9] • Additional Facts: The matter relates to the District’s use of an easement in the vicinity of Artesian Road. OMWD successfully demurred.

OPEN SESSION

Director Topolovac directed staff on the closed session item.

28. ADJOURNMENT

Director Topolovac adjourned the meeting at 6:29 p.m.

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Robert F. Topolovac, Vice President  
Board of Directors  
Olivenhain Municipal Water District

ATTEST:

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Christy Guerin, Secretary  
Board of Directors  
Olivenhain Municipal Water District