

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

December 7, 2016

A regular meeting of the Board of Directors of Olivenhain Municipal Water District was held on Wednesday, December 7, 2016 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, Sprague, Topolovac, Varty, 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; George Briest, Engineering Manager; Dave Smith, Operations Manager; and Stephanie Kaufmann, Executive Secretary.

Also in attendance were Consulting Engineer Don MacFarlane; District Auditor David Forman; District employees John Carnegie – Customer Service and Public Affairs Supervisor; Teresa Chase – Staff Analyst; Brian Sodeman – Education and Conservation Coordinator; Jennifer Joslin – HR Analyst; John Onkka – Water Reclamation Facility Supervisor; Tom Arellano – Water Treatment Plant Supervisor; Erik Harp – IT Supervisor; and Adam Calm – Systems Operator II.

5. OATH OF OFFICE FOR DIRECTORS FOR DIVISIONS 2, 3, AND 5

General Counsel Smith did the swearing in of Director Watt for Division 2, Director Guerin for Division 3, and Director Sprague for Division 5. All three directors will serve four-year terms through December 4, 2020.

6. ADOPTION OF AGENDA

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

7. PERSONAL APPEARANCES AND PUBLIC COMMENTS

There were no personal appearances or public comments.

8. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

- * John Carnegie, Customer Service and Public Affairs Supervisor – 10 years of service
- * Jason Gray, Instrument Control Technician I – New Hire
- * Brian Keeler, Instrument Control Technician I – New Hire
- * Morgan Ferguson, Field Service Tech I – New Hire
- * Brandon Burrow, Field Service Tech I – New Hire
- * Tom Arellano, Water Treatment Facilities Supervisor – Promotion
- * Joey Randall, Assistant General Manager – Promotion

9. CONSIDER APPROVAL OF THE MINUTES OF THE NOVEMBER 2, 2016 REGULAR BOARD OF DIRECTORS MEETING

Director Watt moved to approve the November 2, 2016 meeting minutes, seconded by Director Guerin and carried unanimously.

10. 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 ANNUAL REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S FINANCIAL POLICY (INVESTMENTS)
- C-d CONSIDER APPROVAL OF AN AGREEMENT WITH SAN DIEGO BUILDING MAINTENANCE FOR DISTRICT-WIDE JANITORIAL SERVICES IN THE AMOUNT OF \$51,720 PER YEAR AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT
- C-e CONSIDER APPROVAL OF ANNUAL REVISIONS TO THE DISTRICT'S RECORDS RETENTION SCHEDULE
- C-f CONSIDER ADOPTION OF A RESOLUTION SUPPORTING THE DISTRICT'S EMPLOYEE SAFETY AND WELLNESS PROGRAMS

C-g CONSIDER ACCEPTANCE OF THE RANCHO LA COSTA COMMERCIAL BUILDING PROJECT (SANTA FE LA COSTA, LLC) INTO THE DISTRICT'S SYSTEM AND ORDER THAT A NOTICE OF COMPLETION BE FILED

C-h CONSIDER APPROVAL OF PRIVATE ENCROACHMENT PERMIT NO. 378 FOR THE CROSBY ESTATE AT RANCHO SANTA FE MASTER ASSOCIATION AND PRIVATE ENCROACHMENT PERMIT NO. 380 FOR CROSBY NATIONAL GOLF CLUB, LLC, AND ORDER THAT THE PERMITS BE RECORDED

Director Watt moved to approve the Consent Calendar items as written, seconded by Director Topolovac and carried unanimously.

11. CONSIDER APPROVAL OF THE DISTRICT'S FISCAL YEAR 2015-2016 AUDITED FINANCIAL STATEMENTS AND COMPREHENSIVE ANNUAL FINANCIAL REPORT (FINAL DRAFT)

Finance Manager Selamat and District Auditor David Forman utilized a PowerPoint presentation to summarize this item.

Director Watt moved to approve the District's Fiscal Year 2015-2016 audited financial statements and the final draft of the Comprehensive Annual Financial Report, seconded by Director Varty and carried unanimously.

12. CONSIDER REPORT ON THE 4S RANCH RECYCLED WATER FILL STATION PERFORMANCE AND CONSIDER APPROVAL OF A CALIFORNIA ENVIRONMENTAL QUALITY ACT NOTICE OF EXEMPTION IF THE BOARD DESIRES TO MAKE THE STATION PERMANENT

President Sprague moved to approve the 4S Recycled Water Fill Station as a permanent facility, to include maintaining operational status, filing a CEQA NOE with the San Diego County Clerk, and to increase outreach with a report back in September 2017, seconded by Director Guerin and carried unanimously.

13. CONSIDER ADOPTION OF AN ORDINANCE AMENDING THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S ADMINISTRATIVE AND ETHICS CODE (ARTICLE 4 – CLASSIFIED POSITIONS AND ARTICLE 5 – WORKING HOURS, EMPLOYEE BENEFITS)

Upon motion by Director Topolovac and a second by President Sprague, Ordinance No. 446 was adopted by the following roll call vote:

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

14. CONSIDER THE OMWD FINANCE CORPORATION ANNUAL MEETING (See Separate Agenda)

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

15. CONSIDER THE OMWD FINANCING AUTHORITY (JOINT POWERS AUTHORITY) BOARD MEETING (See Separate Agenda)

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."

16. CONSIDER INFORMATIONAL REPORT ON WATER SUPPLY AND DROUGHT CONDITIONS AND LONG-TERM WATER USE EFFICIENCY REGULATIONS

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

17. CONSIDER DISCUSSION OF BOARD OFFICERS AND COMMITTEE ASSIGNMENTS TO TAKE PLACE AT THE JANUARY 2017 BOARD MEETING

Director Topolovac moved to approve staff recommendation in addition to rotating Director Watt with Directory Varty on the Ad Hoc Personnel Subcommittee, seconded by Sprague and carried unanimously.

18. CONSIDER REJECTION OF THE LOW BIDDER AND AWARD OF A CONTRACT TO DICK MILLER, INC. FOR THE CONSTRUCTION OF PHASE 2 OF THE SANTA FE VALLEY PUMP STATION REPAIR PROJECT IN THE AMOUNT OF \$262,611, AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Director Watt moved to reject the low bid received from SCW Contracting Corporation (SCW) for the Santa Fe Valley Recycled Water Pump Station Repair Project, approve the award of a contract to Dick Miller, Inc. (DMI) in the amount of \$262,611, and authorize the General Manager to sign on behalf of the District, seconded by Director Topolovac and carried unanimously.

19. INFORMATIONAL REPORTS

A. President's Report

President Sprague thanked the Board for the opportunity to serve.

B. General Manager's Report

General Manager Thorner reported that Sandalwood HOA has signed a recycled water agreement and that the federal WRDA Bill appears to be on track to pass in the House and the Senate despite Senator Boxer's opposition.

C. Consulting Engineer's Report

Consulting Engineer MacFarlane will submit his report next week after the MWD meeting.

D. General Counsel's Report

General Counsel Smith provided a written report which was included in the board packet.

E. San Diego County Water Authority Report

Director Guerin reported that she was appointed back to the CWA Legislative, Conservation, and Outreach Committee to serve as chairwoman.

F. Legislative Report

The report was included in the board packet.

G. LAFCO Report

President Sprague provided a brief report.

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

Public Policy Committee Meeting (November 14)

Directors Guerin and Sprague attended the meeting.

COWU Breakfast Meeting (November 15)

Director Varty attended the meeting where ACWA president Kathy Tiegs presented.

CSDA San Diego Chapter Quarterly Dinner (November 17)

Director Varty attended the meeting and provided brief comments.

Public Policy Committee Meeting with Senator Bates (November 18)

Director Guerin attended the meeting.

Outreach Committee Meeting (November 21)

Directors Sprague and Watt attended the meeting.

Finance Committee Meeting (November 21)

Directors Varty and Watt attended the meeting and reviewed the audited financial results.

Facilities Committee Meeting (November 28)

Directors Guerin and Sprague attended the meeting.

Village Park Recycled Water Ribbon Cutting Event (November 28)

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

ACWA Fall Conference (November 28-December 1)

Directors Varty and Watt attended the ACWA Fall Conference and provided brief comments.

SDNEDC Annual Breakfast (December 7)

Directors Varty and Watt attended the breakfast.

AB 1234 Ethics Training (December 4)

Director Topolovac completed this training.

20. **CORRESPONDENCE**

Correspondence was provided in the board packet.

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

Request for Director Guerin to attend the California H2O Women Conference in Santa Barbara, CA on Friday, January 27, 2017.

Director Watt approved, Varty seconded and carried unanimously.

22. FUTURE AGENDA ITEMS

There were no future agenda items requested.

23. CONSIDER PUBLIC COMMENTS

There were no public comments.

24. ADJOURNMENT

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

Lawrence A. Watt, President
Board of Directors
Olivenhain Municipal Water District

ATTEST:

Gerald E. Varty, Secretary
Board of Directors
Olivenhain Municipal Water District