

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

December 13, 2017

A regular meeting of the Board of Directors of Olivenhain Municipal Water District was held on Wednesday, December 13, 2017 at the District office, 1966 Olivenhain Road, Encinitas, California.

President Watt called the meeting to order at 4:04 p.m. Following the Pledge of Allegiance, the Assistant Secretary called the roll. Directors present were Sprague, Topolovac, Varty, and Watt.

General Manager Thorner stated that arrangements had been made for President Varty to attend the Board Meeting via teleconference from 1075 South Locust, Denver, Colorado and that an agenda was posted at that location in compliance with Government Code §§ 54954.2 (a) and 54953 (b)(3). Directors Topolovac, Sprague, and Watt voted and unanimously approved of Director Varty's participation via teleconference. General Manager Thorner stated that, as a result, all agenda items for approval would require a roll call vote. Director Guerin was not in attendance as she was attending the Colorado River Users Group Meeting on behalf of the San Diego County Water Authority.

President Watt 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; Tom Wood, Human Resources Manager; and John Carnegie, Customer Services Manager.

Also in attendance were Consulting Engineer Don MacFarlane; District employees Brian Sodeman – Customer Service and Public Affairs Supervisor; Erik Harp – IT Supervisor; Tom Arellano – Water Treatment Facilities Supervisor; Leo Mendez – General Ledger Accountant II; Jessica Mackey – Operations Coordinator; and Shawn Patterson – Department Assistant.

5. ADOPTION OF AGENDA

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

AYES: Directors Sprague, Topolovac, Varty, and Watt

NOES: None

ABSTAIN: None

ABSENT: Guerin

6. PERSONAL APPEARANCES AND PUBLIC COMMENTS

There were no personal appearances or public comments.

7. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

- * Nate Naugles – Pump/Motor Tech I – Lateral Transfer
- * Sandra Rodriguez – Customer Service Rep I – New Hire
- * Phillip Reed – Utility II – 5 Years of Service

All employees were recognized and congratulated for their excellent contributions and years of service.

8. CONSIDER APPROVAL OF THE MINUTES OF THE NOVEMBER 8, 2017 REGULAR BOARD OF DIRECTORS MEETING

Upon motion by President Watt and a second by Director Sprague, the November 8, 2017 meeting minutes were approved by the following roll call vote:

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

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; AND MONTHLY INVESTMENT REPORTS
- 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 APPROVAL OF ANNUAL REVISIONS TO THE DISTRICT’S RECORDS RETENTION SCHEDULE AND THE REVISED EMAIL POLICY

- C-e CONSIDER APPROVAL OF A MULTI-YEAR AGREEMENT WITH WHITSON CONTRACTING AND MANAGEMENT, INC FOR STORM WATER POLLUTION PREVENTION PLAN (SWPPP) PREPARATION SERVICES FOR THE DISTRICT HEADQUARTERS AND 4S RANCH WATER RECLAMATION FACILITY SITES IN THE AMOUNT OF \$24,296.50 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

- C-f CONSIDER APPROVAL OF AN AGREEMENT WITH DUDEK FOR PREPARATION OF PLANS AND SPECIFICATIONS FOR THE CONSTRUCTION OF THE 4SWRF TERTIARY FILTER REHABILITATION PROJECT IN THE AMOUNT OF \$92,440 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

- C-g CONSIDER REVISIONS TO THE LEGISLATIVE GUIDELINES FOR 2018

- C-h CONSIDER APPROVAL OF A CONTRACT WITH RAMONA PAVING FOR THE REPAVING OF BROOKSIDE LANE IN THE AMOUNT OF \$62,027 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

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

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

- 10. CONSIDER APPROVAL OF THE DISTRICT'S FISCAL YEAR 2016-2017 AUDITED FINANCIAL STATEMENTS AND COMPREHENSIVE ANNUAL FINANCIAL REPORT (FINAL DRAFT)

David Forman with White Nelson Diehl Evan LLP presented on the FY 16/17 audit. Finance Manager Selamat also included a presentation on OMWD's Debt Service Coverage Ratio.

Upon motion by Director Sprague and a second by Director Topolovac, the District's Fiscal Year 2016-2017 Audited Financial Statements and Comprehensive Annual Financial Report were approved by the following roll call vote:

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

- 11. CONSIDER ANNUAL REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S INVESTMENT POLICY AND REQUEST TO TRANSFER FUNDS FROM RECYCLED OPERATING (REVENUE) FUND TO RECYCLED CAPITAL AND EQUIPMENT FUND IN THE AMOUNT OF \$2 MILLION

Upon motion by President Watt and a second by Director Sprague, the transfer of funds from recycled operating (revenue) fund to recycled capital and equipment fund in the amount of \$2 million was approved by the following roll call vote:

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

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

Upon motion by Director Sprague and a second by Director Varty, an ordinance amending OMWD's Administrative and Ethics Code (Article 19) was adopted by the following roll call vote:

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

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

Upon motion by President Watt and a second by Director Topolovac, an ordinance amending OMWD's Administrative and Ethics Code (Article 4 – Classified Positions) was adopted by the following roll call vote:

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

14. CONSIDER A CONTRACT EXTENSION WITH 3 PHASES RENEWABLES AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Upon motion by President Watt and a second by Director Topolovac, a contract extension with 3 Phases Renewables and authorization for the General Manager to sign on behalf of the District was approved by the following roll call vote:

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

15. CONSIDER APPROVAL OF AN AGREEMENT WITH NINYO & MOORE FOR ON-CALL AND AS-NEEDED GEOTECHNICAL SERVICES IN THE AMOUNT OF \$250,000 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Upon motion by Director Topolovac and a second by Director Sprague, an agreement with Ninyo & Moore for on-call and as-needed geotechnical services in the amount of \$250,000 and authorization for the General Manager to sign on behalf of the District was approved by the following roll call vote:

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

16. CONSIDER APPROVAL OF A CHANGE ORDER WITH WESTERN PUMP, INC. IN THE AMOUNT OF \$62,859 FOR THE WASH BAY AND FUEL PUMP RELOCATION PROJECT, APPROPRIATE \$112,141 FOR THE PROJECT, AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Upon motion by Director Varty and a second by Director Sprague, a change order with Western Pump, Inc. in the amount of \$62,859 for the Wash Bay and Fuel Pump Relocation Project, appropriation of \$112,141 for the project, and authorization for the General Manager to sign on behalf of the District was approved by the following roll call vote:

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

17. CONSIDER FINAL DESIGN OF THE DAVID C. MCCOLLOM WATER TREATMENT PLANT OFFICE RENOVATION PROJECT

Upon motion by Director Sprague and a second by Director Varty, final design of the David C. McCollom Water Treatment Plant Office Renovation Project was approved by the following roll call vote:

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

18. CONSIDER AWARD OF A CONTRACT TO NATIONAL ELECTRIC WORKS, INC. FOR REPLACEMENT OF THE CIELO PUMP STATION MOTOR CONTROLS IN THE AMOUNT OF \$63,200 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Upon motion by Director Topolovac and a second by Director Sprague, award of a contract to National Electric Works, Inc. for replacement of the Cielo Pump Station Motor Controls in the amount of \$63,200 and authorization for the General Manager to sign on behalf of the District was approved by the following roll call vote:

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

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

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

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

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

21. INFORMATIONAL REPORTS

A. President's Report

President Watt thanked all OMWD employees and board members for their contributions over the past year.

B. General Manager's Report

General Manager Thorner announced a revised Senate Bill 623 was released and it includes a water meter tax.

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

E. San Diego County Water Authority Report

Director Guerin was not present. General Manager Thorner attended the December 7th SDCWA board meeting.

F. Legislative Report

The report was included in the board packet.

G. LAFCO Report

Director Sprague reported that he was appointed Vice Chair of the LAFCO Committee.

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

APWA Monthly Luncheon (November 9)

President Watt attended the luncheon.

OMWD Finance Committee Meeting (November 15)

Directors Sprague and Varty attended the meeting.

SDCWA Comment Meeting (November 15)

Director Guerin met with General Manager Thorner to discuss the SDCWA Board packet.

CSDA San Diego Chapter Quarterly Dinner (November 16)

Directors Guerin and Varty attended the dinner.

GM Meeting (November 27)

Director Topolovac attended a meeting with the General Manager.

ACWA Fall Conference (November 27-30)

Directors Watt and Varty attended the conference.

SDNEDC Business Breakfast (December 6)

Directors Sprague, Varty, and Watt attended the breakfast.

SDCWA Legislative Roundtable (December 12)

Directors Guerin, Varty, and Watt attended the roundtable featuring Assemblymember Todd Gloria.

22. **CORRESPONDENCE**

Correspondence was provided in the board packet.

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

There were no meetings requiring authorization to attend.

24. **FUTURE AGENDA ITEMS**

There were no future agenda items added.

25. **CONSIDER PUBLIC COMMENTS**

There were no public comments.

26. **ADJOURNMENT**

President Watt adjourned the meeting at 6:00 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