

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

August 16, 2017

A regular meeting of the Board of Directors of Olivenhain Municipal Water District was held on Wednesday, August 16, 2017 at the District office, 1966 Olivenhain Road, Encinitas, California.

President Watt 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.

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; John Carnegie, Customer Services Manager; and Stephanie Kaufmann, Executive Secretary.

Also in attendance were Consulting Engineer Don MacFarlane; District employees Brian Sodeman – Customer Service and Public Affairs Supervisor; Chad Williams – Engineering Supervisor; Erik Harp – IT Supervisor; Teresa Chase – Staff Analyst; Shawn Patterson – Administrative Assistant; Lisa Maxwell – Accountant I; and Joe Mackey – Safety/Risk Compliance Administrator.

5. ADOPTION OF AGENDA

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

6. PERSONAL APPEARANCES AND PUBLIC COMMENTS

There were no personal appearances or public comments.

7. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

- \* Michelle McMahon – IT Coordinator – New Hire
- \* Adam Schmidt – Systems Administrator – New Hire
- \* Shane Sullivan – WTP Operator III – New Hire
- \* Joe Mackey – Safety/Risk Compliance Administrator – 10 Years
- \* Lisa Maxwell – Accountant I – 20 Years

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

8. CONSIDER APPROVAL OF THE MINUTES OF THE JULY 19, 2017 REGULAR BOARD OF DIRECTORS MEETING

Director Guerin moved to approve the July 19, 2017 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 AND STAFF

C-b CONSIDER AN ADDITIONAL APPROPRIATION OF \$30,000 TO THE PRIVATIZATION OF PALMA DE LA REINA PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT AND CONSIDER ACCEPTANCE OF THE PRIVATIZATION OF PALMA DE LA REINA PROJECT (PIPERIN CORPORATION) INTO THE DISTRICT'S SYSTEM AND ORDER THAT A NOTICE OF COMPLETION BE FILED

C-c CONSIDER ACCEPTANCE OF THE BLACK MOUNTAIN RANCH EAST CLUSTERS UNIT NO. 3 PROJECT (SPIC DEL SUR, LLC) INTO THE DISTRICT'S SYSTEM AND ORDER THAT A NOTICE OF COMPLETION BE FILED

C-d CONSIDER ACCEPTANCE OF THE FAIR OAKS VALLEY PRESSURE REDUCING STATION PROJECT (CWV LA COSTA 49 LLC) INTO THE DISTRICT'S SYSTEM AND ORDER THAT A NOTICE OF COMPLETION BE FILED

C-e CONSIDER ACCEPTANCE OF THE RANCHO SANTA FE FARMS ROAD REALIGNMENT PROJECT (PARDEE HOMES) INTO THE DISTRICT'S SYSTEM AND ORDER THAT A NOTICE OF COMPLETION BE FILED

C-f CONSIDER ACCEPTANCE OF THE ENCINITAS VILLAGE SQUARE FIRE DETECTOR CHECK AND WATER SERVICE INSTALLATION PROJECT (FESTIVAL ENCINITAS PARTNERS, LLC) INTO THE DISTRICT'S SYSTEM AND ORDER THAT A NOTICE OF COMPLETION BE FILED

C-g CONSIDER VOTING FOR THE ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 10 BOARD OF DIRECTORS

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

10. CONSIDER AMENDMENTS TO THE CONFLICT OF INTEREST CODE OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT

Director Sprague moved to adopt the Conflict of Interest Code with the noted revisions, seconded by Director Varty and carried unanimously.

11. CONSIDER A RESOLUTION DESIGNATING AN AUTHORIZED REPRESENTATIVE TO SUBMIT AN APPLICATION, EXECUTE AN AGREEMENT AND ANY AMENDMENTS, AND CERTIFY FUNDING DISBURSEMENTS WITH THE STATE OF CALIFORNIA FOR A DESALINATION GRANT

Assistant General Manager Randall presented the report. Director Topolovac moved to adopt Resolution 2017-18, seconded by Director Sprague and carried unanimously.

12. CONSIDER A RESOLUTION GOVERNING THE DISTRICT'S GRANT APPLICATION SUBMITTED TO THE UNITED STATES BUREAU OF RECLAMATION FOR FUNDING UNDER THE WATER INFRASTRUCTURE IMPROVEMENTS FOR THE NATION PROGRAM AND APPROVAL OF THE PRINCIPALS OF UNDERSTANDING FOR THE NORTH SAN DIEGO WATER REUSE 2020 PROJECT

General Manager Thorner presented the report. President Watt moved to adopt Resolution 2017-19, seconded by Director Guerin and carried unanimously.

13. CONSIDER REJECTING THE BID FOR CONSTRUCTION OF THE LA COSTA VALES PRESSURE REDUCING STATION REPLACEMENT PROJECT FROM BALI CONSTRUCTION INC. IN THE AMOUNT OF \$369,000 AND AUTHORIZE STAFF TO REBID THE PROJECT

Engineering Manager Briest presented the report. Director Sprague moved to reject the bid received from Bali Construction Inc; seconded by Director Guerin and carried unanimously.

Item 15-c was heard before item 14.

15-c Consulting Engineer's Report

Consulting Engineer MacFarlane provided a written report that was included in the board packet. He also presented Metropolitan Water District's (MWD) California WaterFix presentation on infrastructure and operations.

General Manager Thorner then presented MWD's California WaterFix presentation on financing and cost allocation.

14. PUBLIC HEARING TO CONSIDER THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S WATER CAPACITY FEES FOR 2017 (5:30 P.M.)

President Watt announced that this was the time and place for a Public Hearing to consider Capacity Fees for 2017.

General Manager Thorner stated that the district evaluates capacity fees on an annual basis to determine if appropriate funds are being collected to fund necessary capital expansion, replacement, and betterment project. The proposed Capacity Fee adjustments are 4.3% for 2017 which is based on the ENR Construction Index.

There were no members of the public in attendance to speak.

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

NOTE: The meeting was in recess  
from 5:38 p.m. to 5:56 p.m.

It was noted that Director Sprague exited the meeting at 5:38 p.m.

15. INFORMATIONAL REPORTS

A. President's Report

President Watt reported that one of OMWD's 2017 Annual Objectives was to conduct a population study to see if the redistricting process was warranted. With board consensus, President Watt decided to form a Population Study Review Ad Hoc Committee consisting of himself and Director Varty to analyze the study and report back to the full board.

President Watt also commended the crews who assisted with the work on Brookside Lane and provided a brief update on the COWU breakfast meeting.

B. General Manager's Report

General Manager Thorner reported on SB 623 (Monning), relating to a public goods charge on water that was introduced and needs a 2/3 vote to pass.

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 that she attended MWD's California WaterFix presentation on finance and cost allocation. She also requested an agenda item at the next board meeting to receive direction on the board's position on the California WaterFix.

Legislative Report

The report was included in the board packet.

F. LAFCO Report

Director Sprague had nothing to report.

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

**Computer Training (Aug 1)**

Director Varty attended the training.

**Computer Training (Aug 2)**

Directors Topolovac and Watt attended the training.

**4S Ranch Water Reclamation Facility Open House (Aug 5)**

Directors Varty and Watt attended the event.

**LAFCO Retirement Reception (Aug 7)**

Directors Varty and Watt attended the reception recognizing the longtime LAFCO employees and board members.

**Legislative Roundtable with Assemblymember Lorena Gonzalez Fletcher (Aug 7)**

Directors Varty and Watt attended the event hosted by San Diego County Water Authority.

**Finance Committee Meeting (Aug 8)**

Directors Sprague and Varty attended the meeting.

**Computer Training (Aug 8)**

Director Sprague attended the training.

**Computer Training (Aug 10)**

Director Guerin attended the training.

**COWU Breakfast Meeting (Aug 15)**

Directors Varty and Watt attended the meeting.

16. **CORRESPONDENCE**

Correspondence was provided in the board packet.

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

There were no meetings requiring authorization to attend.

18. **FUTURE AGENDA ITEMS**

Director Guerin added an agenda item to the next board meeting to receive direction on the board's position on the California WaterFix.

19. **CONSIDER PUBLIC COMMENTS**

There were no public comments.

NOTE: The meeting was in closed session  
from 6:21 p.m. to 6:24 p.m.

20. **CLOSED SESSION**

- A) CONSIDER LITIGATION – SAN DIEGO COUNTY OFFICE OF EDUCATION, ET. AL. V. THE COUNTY OF SAN DIEGO, ET. AL [PURSUANT TO GOVERNMENT CODE SECTION 54956.9]

**OPEN SESSION**

President Watt directed staff on all closed session items.

21. **ADJOURNMENT**

President Watt adjourned the meeting at 6:24 p.m.

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

ATTEST:

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