

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

MAY 16, 2018

A regular meeting of the Board of Directors of Olivenhain Municipal Water District was held on Wednesday, May 16, 2018, 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; Joey Randall, Assistant General Manager; Rainy Selamat, Finance 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; Tom Arellano – Water Treatment Facilities Supervisor; John Onkka – Water Reclamation Facility Supervisor; Gabe Hernandez – Water Reclamation Operator Level IV; Jason Emerick – Water Reclamation Operator Level III; Teresa Chase – Staff Analyst; Jessica Cleaver – Education and Conservation Coordinator; and Shawn Patterson – Administrative Assistant.

5. ADOPTION OF AGENDA

Director Topolovac 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

- * 25th Annual Fourth Grade Poster Contest
 - 1st Place: Taylor Whiting, Ocean Knoll Elementary
 - 2nd Place: Miller Utech, Stone Ranch Elementary
 - 3rd Place: Samantha Norris, Stone Ranch Elementary
- * CWEA State Award and Water Environment Federation George W. Burke Award for Plant Safety – Small (4SRWRF)
- * Tom Arellano – Water Treatment Facilities Supervisor – 15 Years of Service

President Watt and Education and Conservation Coordinator Cleaver presented the awards to the students. Brian Peck from CWEA presented OMWD with the State Award and Water Environment Federation George W. Burke Award for Plant Safety. Water Treatment Facilities Supervisor Arellano was recognized for his years of service to the district.

8. CONSIDER APPROVAL OF THE MINUTES OF THE APRIL 18, 2018 REGULAR BOARD OF DIRECTORS MEETING

Director Sprague moved to approve the April 18, 2018, meeting minutes, seconded by Director Varty 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 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 ACCEPTANCE OF THE CIELO PUMP STATION MOTOR CONTROLS REPLACEMENT PROJECT (NATIONAL ELECTRIC WORKS, INC.) INTO THE DISTRICT'S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED

C-d CONSIDER APPROVAL OF AN AGREEMENT WITH HOCH CONSULTING IN THE AMOUNT OF \$117,500 FOR FINAL DESIGN SERVICES FOR THE RANCHO SANTA FE/MANCHESTER AVENUE POTABLE WATER PIPELINE REPLACEMENT PROJECT AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

C-e CONSIDER ADOPTION OF A RESOLUTION MAKING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS FOR THE RANCHO SANTA FE RD/MANCHESTER AVENUE PIPELINE REPLACEMENT PROJECT AND ORDERING THAT A NOTICE OF EXEMPTION BE FILED WITH THE COUNTY CLERK, COUNTY OF SAN DIEGO

C-f CONSIDER ADOPTION OF A RESOLUTION MAKING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS FOR THE 4S RANCH NEIGHBORHOOD 1 SEWER PUMP STATION REPLACEMENT PROJECT AND ORDERING THAT A NOTICE OF EXEMPTION BE FILED WITH THE COUNTY CLERK, COUNTY OF SAN DIEGO

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

10. CONSIDER ANNUAL UPDATE OF THE DISTRICT'S FIVE YEAR STAFFING ANALYSIS

Human Resources Manager Wood presented the report. Director Topolovac moved to keep the staffing at 90 total positions and adopt the staffing analysis for FY 18-19, seconded by Director Guerin and carried unanimously.

11. CONSIDER OMWD'S DISTRICT OF DISTINCTION ACCREDITATION LEVEL

There was unanimous board consent to have staff monitor future Special District Leadership Foundation Academy training dates and report back to the board when posted to continue the District of Distinction accreditation level discussion.

Item 13 was heard next on the agenda.

13. CONSIDER ADOPTION OF A RESOLUTION MAKING CEQA FINDINGS FOR THE CADENCIA STREET VALVE REPLACEMENT PROJECT AND ORDERING THAT A NOTICE OF EXEMPTION BE FILED WITH THE COUNTY CLERK, COUNTY OF SAN DIEGO

President Watt moved to adopt Resolution 2018-07 which makes findings for the declaration of the Cadencia Street Valve Replacement project as an emergency project and filing a Notice of Exemption for the project with the County Clerk, seconded by Director Varty and carried unanimously.

Item 14 was heard next on the agenda.

14. CONSIDER DECLARATION OF THE CADENCIA VALVE REPLACEMENT PROJECT AN EMERGENCY PROJECT IN ACCORDANCE WITH CALIFORNIA PUBLIC CONTRACT CODE 1102, APPROVAL OF A CHANGE ORDER TO PIPERIN CORPORATION IN AMOUNT OF \$97,289 FOR REPAIR OF THE VALVES, APPROPRIATION OF \$125,000 TO THE PROJECT, AND AUTHORIZATION FOR THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Director Sprague moved to approve the emergency declaration, approve the change order to Piperin Corporation, and appropriate funds from the Pipeline Replacement Capital Project Fund, seconded by Director Guerin and carried unanimously.

Item 17 was heard next on the agenda.

17. CONSIDER APPROVAL OF DISTRICT INSURANCE POLICIES FOR FISCAL YEAR 2019 WITH ALLIED WORLD IN AN AMOUNT NOT TO EXCEED \$264,628 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Customer Services Manager Carnegie presented the report. Director Guerin moved to approve the quote for \$264,628 from Allied World for general liability, property, automobile, equipment, terrorism, excess, and cybersecurity insurance policies for FY 19, seconded by Director Sprague and carried unanimously.

Item 15 was heard next on the agenda.

15. CONSIDER ADOPTION OF A RESOLUTION OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT (DISTRICT) AUTHORIZING THE ISSUANCE OF REVENUE BONDS NOT TO EXCEED \$5,500,000 BY THE OMWD FINANCING AUTHORITY ON BEHALF OF THE DISTRICT AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS

General Manager Thorner reported that a copy of the good faith estimates of Fieldman, Rolapp & Associates for the sale of the 2018 Revenue Bonds were made available to the public. The total payment amount calculated, including principal (\$5.5 million), true interest cost of the bonds estimated at 3.1%, and all fees and charges paid to Stradling, Fieldman & Rolapp, US Bank, and California Debt Investment and Advisory Committee is estimated at \$6,465,914.

Finance Manager Selamat presented the report. Director Guerin moved to adopt Resolution 2018-08 and to proceed with issuance of the 2018 Revenue Bonds (not to exceed \$5.5 million) by the Authority in order to close the bond transactions on or before June 29, 2018, as previously discussed with the board, seconded by Director Sprague and carried unanimously.

Item 16 was heard next on the agenda.

16. CONSIDER THE OMWD FINANCING AUTHORITY (JOINT POWERS AUTHORITY) BOARD MEETING (See Separate Agenda) - AT 5:00 PM OR THEREAFTER

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

Item 12 was heard next on the agenda.

12. CONSIDER PRESENTATION AND REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S PROPOSED DRAFT ANNUAL OPERATING AND CAPITAL BUDGET (FISCAL YEAR 2018-19) AND ANNUAL FINANCIAL RISK ASSESSMENT

Finance Manager Selamat presented the budget. No board action was required. Final consideration and/or approval of the budget is set for the June 20, 2018, board meeting.

18. INFORMATIONAL REPORTS

A. President's Report

President Watt reported that he will be speaking at the Reidy Creek CSDA Field Trip on May 17 and at San Dieguito High School Academy's AVID class.

B. General Manager's Report

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

C. Consulting Engineer's Report

Consulting Engineer MacFarlane provided a written report that 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 provided a brief update from the ACWA Conference on meetings discussing the Water Tax and SB 623.

F. Legislative Report

The Legislative Report was included in the board packet.

G. LAFCO Report

Director Sprague provided an update from the May 9, 2018, LAFCO meeting where board member compensation, fire protection districts, and dispatch services were discussed.

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

SWPPP Internship (April 19)

President Watt attended the committee meeting.

EFRR Annual Creek to Bay Clean-up (April 21)

Directors Varty and Watt attended the event.

Ad-Hoc Cybersecurity Meeting (Apr 23)

Directors Topolovac and Watt attended the meeting.

Safety Committee Meeting (April 26)

Directors Topolovac and Varty attended the meeting.

AB1825 Harassment Training (Due May 2)

Directors Sprague (Completed April 25), Topolovac (Completed March 24), and Varty (Completed April 27) completed the training.

Finance Committee Meeting (May 2)

Directors Sprague and Varty attended the meeting.

ACWA JPIA Meeting (May 7)

President Watt attended the meeting at the ACWA Conference.

ACWA Spring Conference (May 8-10)

Directors Varty and Watt attended the conference.

COWU Breakfast (May 15)

Director Varty attended the breakfast.

CWA Comments (May 15)

Director Guerin attended the meeting with the General Manager.

19. **CORRESPONDENCE**

Correspondence was provided in the board packet.

20. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

There were no meetings requiring authorization to attend.

21. FUTURE AGENDA ITEMS

There were no future agenda items added.

22. CONSIDER PUBLIC COMMENTS

There were no public comments.

NOTE: The meeting was in recess
from 6:23 p.m. to 6:48 p.m.

NOTE: The meeting was in closed session
from 6:48 p.m. to 7:19 p.m.

23. CLOSED SESSION

A) CONSIDER GENERAL COUNSEL REVIEW [PURSUANT TO GOVERNMENT CODE SECTION 54957] • Additional Facts: Preliminary input provided on April 18, 2017; full review to be held on May 16, 2018.

24. OPEN SESSION DISCUSSION OF GENERAL COUNSEL COMPENSATION

After discussion by the board, Director Topolovac moved to approve a rate increase to the General Counsel's contract in the amount of 3.5% effective July 1, 2018, seconded by Director Sprague. The motion carried with Director Varty voting no.

25. ADJOURNMENT

President Watt adjourned the meeting at 7:23 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

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

May 16, 2018

An annual meeting of the Board of Directors of the OMWD Finance Corporation was held on Wednesday, May 16, 2018, at the District office, 1966 Olivenhain Road, Encinitas, California.

President Watt called the meeting to order at 5:03 p.m. 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; Joey Randall, Assistant General Manager; George Briest, Engineering Manager; Dave Smith, Operations Manager; John Carnegie, Customer Services Manager; Tom Wood, Human Resources Manager; Rainy Selamat, Finance Manager; and Stephanie Kaufmann, Executive Secretary.

Also in attendance were Consulting Engineer Don MacFarlane; District employees Brian Sodeman – Customer Service and Public Affairs Supervisor; and Shawn Patterson – Department Assistant.

ADOPTION OF AGENDA

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

PERSONAL APPEARANCE AND PUBLIC COMMENTS

There was no one present to comment.

CONSIDER ADOPTION OF A RESOLUTION OF THE OMWD FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF REVENUE BONDS NOT TO EXCEED \$5,500,000 BY THE OMWD FINANCING AUTHORITY ON BEHALF OF THE DISTRICT AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS

Director Topolovac moved to adopt Resolution 2018-09 to assist the District in financing the Building D project, seconded by Director Varty and carried unanimously.

ADJOURNMENT

President Watt adjourned the meeting at 5:04 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