

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

MAY 22, 2019

A regular meeting of the Board of Directors of Olivenhain Municipal Water District was held on Wednesday, May 22, 2019, at the District office, 1966 Olivenhain Road, Encinitas, California.

President Sprague called the meeting to order at 4:00 p.m. Following the Pledge of Allegiance, the Assistant Secretary called the roll. Directors present were Kephart, Sprague, Topolovac, and Watt. It was noted that Director Guerin was absent.

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; John Carnegie, Customer Services Manager; Dave Smith, Operations Manager; Tom Wood, Human Resources Manager; and Stephanie Kaufmann, Executive Secretary.

Also in attendance were Consulting Engineer Don MacFarlane; Consultant Doug Johnson from Ralph Andersen & Associates; Jon P. Rodrigue from Aspen Growth Properties; district employees Brian Sodeman – Customer Service and Public Affairs Supervisor; Chad Williams – Engineering Supervisor; Karen Ogawa – Engineering Project Administrator; Jared Graffam – Financial Analyst; Jessica Cleaver – Education and Conservation Coordinator; Teresa Chase – Staff Analyst; and Shawn Patterson – Department Assistant.

5. ADOPTION OF AGENDA

General Manager Thorner requested to add a complaint received after the posting of the agenda from San Diego Gas & Electric (SDG&E) by 4/5ths vote as a Closed Session item.

Director Watt moved to adopt the amended agenda adding the SDG&E complaint to Closed Session, seconded by Director Topolovac and carried unanimously with Director Guerin absent.

6. PERSONAL APPEARANCES AND PUBLIC COMMENTS

There were no personal appearances or public comments.

7. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

- * 26th Annual Fourth Grade Poster Contest
1st Place: Sayla Egger, Flora Vista Elementary

2nd Place: Addison Bowe, Flora Vista Elementary
3rd Place: Delaney Owens, Flora Vista Elementary

- * Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA)
- * Special District Leadership Academy
- * APWA’s Project of the Year Award – Avenida La Posta Recycled Water & Villanitas HOA Extension Project

President Sprague and Education and Conservation Coordinator Cleaver presented the awards to the students. Finance Manager Selamat presented the GFOA Award to the board. General Manager Thorner and Directors Kephart and Watt were recognized for completing California Special Districts Association’s Special District Leadership Academy. Engineering Manager Briest presented the APWA Project of the Year to the board.

8. CONSIDER APPROVAL OF THE MINUTES OF THE APRIL 17, 2019 REGULAR BOARD OF DIRECTORS MEETING

Director Topolovac moved to approve the April 17, 2019 meeting minutes, seconded by Director Watt and carried unanimously with Director Guerin absent.

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 MONTHLY INVESTMENT REPORT
- 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 APPROVAL OF AN INFORMATION TECHNOLOGY (IT) SUPPORT SERVICES AGREEMENT WITH BEVERLY WEBER FOR THE FINANCIAL ENTERPRISE RESOURCE PLANNING (ERP) AND UTILITY BILLING SYSTEMS ON AN AS-NEEDED BASIS NOT TO EXCEED \$99,000 AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT
- C-d CONSIDER APPROVAL OF A JOINT USE AGREEMENT WITH SAN DIEGO GAS & ELECTRIC FOR AN UNDERGROUND ELECTRICAL SERVICE FOR 4180 CANYON DE ORO AND ORDER THE AGREEMENT BE RECORDED

Director Watt moved to authorize the Consent Calendar items, seconded by Director Kephart and carried unanimously with Director Guerin absent.

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

Human Resources Manager Wood presented the report.

Director Topolovac moved to increase the staffing level to 91 total positions, adopt the staffing analysis for FY 19-20, allow for the addition of one Administrative Analyst position, reclassify the current Education and Conservation Coordinator position to that of Administrative Analyst, and allow for the addition of a new Systems Operator III (lead) classification, seconded by Director Kephart and carried unanimously.

11. CONSIDER RECOMMENDATION BY THE AD HOC BOARD PERSONNEL COMMITTEE TO APPROVE THE SALARY SURVEY PER THE DISTRICT'S EMPLOYEE MEMORANDUM OF UNDERSTANDING

Consultant Doug Johnson from Ralph Andersen & Associates presented the compensation survey.

Director Watt moved to increase the grade ranges for all exempt and non-exempt salary grades by 3.7%, per the compensation report effective on June 22, 2019, seconded by Director Kephart and carried unanimously with Director Guerin absent.

12. CONSIDER A PRESENTATION AND REVIEW OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT'S PROPOSED DRAFT ANNUAL OPERATING AND CAPITAL BUDGET (FISCAL YEAR 2019-20) AND ANNUAL FINANCIAL RISK ASSESSMENT

There was board consensus to move the El Camino Real Pipeline Replacement Project from FY 20-21 to FY 19-20 in the final budget.

Finance Manager Selamat presented the budget. Final consideration and approval of the budget is set for the June 19, 2019, board meeting.

13. CONSIDER APPROVAL OF AN AMENDMENT TO THE AGREEMENT WITH RECON ENVIRONMENTAL, INC. IN THE AMOUNT OF \$100,000 FOR AS-NEEDED ENVIRONMENTAL SUPPORT, BIOLOGICAL SITE ASSESSMENTS, REPORTING, AND MONITORING SERVICES AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT SIDER ANNUAL OBJECTIVES AND TIGER TEAM STATUS REPORT

President Sprague moved to approve an amendment to the agreement with Recon Environmental, Inc. in the amount of \$100,000 and authorize the General Manager to sign the

amendment on behalf of the District, seconded by Director Kephart and carried unanimously with Director Guerin absent.

14. CONSIDER APPROVAL OF AN AMENDMENT TO THE ORIGINAL PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS WITH ASPEN GROWTH PROPERTIES, INC. FOR THE PURCHASE OF THE WIEGAND PARCEL AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Jon P. Rodrigue from Aspen Growth Properties discussed the proposed site plan of the property.

President Sprague moved to approve an amendment to the Purchase and Sale Agreement and Escrow Instructions, seconded by Director Kephart and carried unanimously with Director Guerin absent.

Item 16 was heard next on the agenda.

16. CONSIDER AN AMENDMENT TO THE CONSULTING AGREEMENT WITH VALLEY CM, INC. IN THE AMOUNT OF \$500,000 FOR FY20-FY22 (3 YEARS) FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES AND AUTHORIZE THE GENERAL MANAGER TO SIGN ON BEHALF OF THE DISTRICT

Engineering Manager Briest presented the report. He indicated that Valley CM, Inc. would be able to handle the moving of the El Camino Real Pipeline Project to FY 19-20.

President Sprague moved to approve an amendment with Valley CM, Inc. in the amount of \$500,000 for construction management and inspection services for various capital improvement projects scheduled for construction in FY 20-22 and authorize the General Manager to sign on behalf of the District, seconded by Director Kephart. The motion carried with Director Watt voting no and Director Guerin absent.

Item 15 was heard next on the agenda.

15. CONSIDER AN INFORMATIONAL REPORT ON REGIONAL ACCESSORY DWELLING UNIT ORDINANCES AND REGULATIONS

Engineering Manager Briest presented the informational report.

Director Watt requested staff come back with a recommendation from staff on how we handle accessory dwelling units. The board concurred.

NOTE: The meeting was in recess
from 6:39 p.m. to 6:53 p.m.

17. INFORMATIONAL REPORTS

A. President’s Report

President Sprague had nothing to report.

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

General Manager Thorner reported that there will be Special Budget Workshops on June 11 and 13.

F. Legislative Report

The Legislative Report was included in the board packet.

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

Surf Cup Drill Site Tour (Apr 18)

Directors Kephart, Topolovac, and Watt attended the tour.

ACWA Wildfire Preparedness Webinar (Apr 23)

Director Kephart participated in the webinar.

Safety Committee Meeting (Apr 25)

Directors Kephart and Topolovac attended the committee meeting.

Annual EFRR Creek to Bay Clean-Up (Apr 27)

Director Kephart attended the event.

VIP Facilities Tour (May 2)

Directors Kephart, Topolovac, and Watt attended the tour.

Finance Committee Meeting (May 3)

Directors Sprague and Watt attended the committee meeting.

EFRR Volunteer Appreciation BBQ (May 4)

Director Watt attended the event.

ACWA JPIA Board Meeting (May 6)

Director Watt attended the meeting.

ACWA Spring Conference (May 7-10)

Directors Watt and Kephart attended the conference.

SWPPP Presentation at EUSD (May 14)

Director Watt attended the presentation.

APWA Awards Luncheon (May 16)

Director Watt attended the luncheon.

CWA Comment Meeting (May 17)

Director Guerin attended the meeting.

Facilities Committee Meeting (May 20)

Directors Guerin and Watt attended the meeting.

Outreach Committee Meeting (May 21)

Directors Sprague and Watt attended the meeting.

Public Works Week Luncheon (May 22)

Directors Sprague and Kephart attended the luncheon.

18. **CORRESPONDENCE**

Correspondence was provided in the board packet.

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

There were no requests.

20. **FUTURE AGENDA ITEMS**

Director Watt requested staff come back with Policy on how we handle accessory dwelling units. The board concurred.

21. **CONSIDER PUBLIC COMMENTS**

There were no public comments.

NOTE: The meeting was in closed session
from 7:05 p.m. to 7:21 p.m.

22. **CLOSED SESSION**

A) **CONSIDER GENERAL COUNSEL REVIEW [PURSUANT TO GOVERNMENT CODE SECTION 54957] • Additional Facts: Preliminary input provided on May 22, 2019; full review to be held on June 19, 2019.**

B) **POTENTIAL LITIGATION – PALMA DE LA REINA [PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)] • Additional Facts: Claim received on January 4, 2019, and rejected by the board on February 13, 2019.**

- C) CONSIDER LITIGATION – LYNXT ENTERPRISES, LLC VS. PARS SORRENTO VALLEY SCIENCE PARK 1, LP [PURSUANT TO GOVERNMENT CODE SECTION 54956.9] • Additional Facts: OMWD was served a complaint as a nominal defendant.

- D) CONSIDER LITIGATION – SAN DIEGO GAS & ELECTRIC COMPANY VS. SC VALLEY ENGINEERING, INC; OMWD [PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)] • Additional Facts: Complaint received on May 16, 2019.

23. OPEN SESSION

Director Watt moved to reject San Diego Gas & Electric complaint, seconded by Director Topolovac and carried unanimously with Director Guerin absent.

24. ADJOURNMENT

President Sprague adjourned the meeting at 7:22 p.m.

Edmund K. Sprague, President
Board of Directors
Olivenhain Municipal Water District

ATTEST:

Robert M. Kephart, Secretary
Board of Directors
Olivenhain Municipal Water District