

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

October 16, 2024

A regular meeting of the Board of Directors of Olivenhain Municipal Water District was held on Wednesday, October 16, 2024, at the district office, 1966 Olivenhain Road, Encinitas, California.

President Guerin 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, Hahn, Meyers, San Antonio, and Watt.

President Guerin 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; Jennifer Joslin, Human Resources Manager; John Carnegie, Customer Services Manager; Lindsey Stephenson, Engineering Manager; Jesse Bartlett-May, Operations Manager; Steve Weddle, Engineering Services Supervisor; Brian Sodeman, Customer Service and Public Affairs Supervisor; Leo Mendez, Accounting Supervisor; John Onkka, Water Reclamation Facilities Supervisor; Teresa Chase, Administrative Analyst; Joe Jansen, Administrative Analyst; Stephanie Kaufmann, Executive Secretary; Robert Kreutzer, Department Assistant; Shawna Anderson, Executive Director of San Dieguito River Valley Regional Open Space Park Joint Powers Authority; and Sudhir Pardiwala from Raftelis Financial Consultants.

5. ADOPTION OF AGENDA

Director Watt moved to adopt the agenda, seconded by Director Hahn, and approved unanimously.

6. PERSONAL APPEARANCES AND PUBLIC COMMENTS

There were no personal appearances or public comments.

7. PRESENTATION OF AWARDS AND HONORABLE MENTIONS

Service Awards, Promotions, and Honorable Mentions

* Steve Weddle – Engineering Services Supervisor – 5 years

Engineering Services Supervisor Weddle was congratulated on his years of service.

8. CONSIDER APPROVAL OF THE MINUTES OF THE SEPTEMBER 18, 2024, REGULAR BOARD OF DIRECTORS MEETING

Director Hahn moved to approve the minutes of the September 18, 2024, Regular Board of Directors meeting, seconded by Director Watt, and approved 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; REIMBURSEMENT OF EXPENSES TO BOARD MEMBERS AND STAFF
C-b	CONSIDER ACCEPTANCE OF THE VIA RANCHO MICHELLE PHASE 2 PIPELINE EXTENSION PROJECT (CHRISTMATT CORP.) INTO OMWD’S SYSTEM AND ORDER A NOTICE OF COMPLETION FILED
C-c	CONSIDER APPROVAL OF A NEW CAPITAL IMPROVEMENT PROJECT FOR THE FIREHOUSE SEWER PUMP STATION LINER REPLACEMENT IN THE AMOUNT OF \$160,000 AND APPROPRIATE \$160,000 FROM WASTEWATER CAPITAL RESERVES TO THE FISCAL YEAR 24/25 PROJECT BUDGET

President Guerin moved to approve the Consent Calendar, seconded by Director Meyers, and approved unanimously.

10. AUTHORIZE THE GENERAL MANAGER TO ENTER INTO A JOINT USE AGREEMENT WITH SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY FOR THE OSUNA SEGMENT OF THE COAST TO CREST TRAIL

Engineering Manager Stephenson and San Dieguito River Valley Joint Powers Authority Executive Director Anderson presented the report.

Director Meyers moved to authorize the General Manager to enter into the Joint Use Agreement with the San Dieguito River Valley Regional Open Space Park Joint Powers Authority for the Osuna Segment of the Coast to Crest Trail within OMWD Easements 859 and 1667, seconded by Director Watt, and approved unanimously.

11. CONSIDER ACCESSIBILITY ENHANCEMENTS AT ELFIN FOREST RECREATIONAL RESERVE

Park Supervisor Anderson presented the report.

Director Watt moved to enhance accessibility at Elfin Forest Recreational Reserve by adding a water bottle fill station at the staging area bathroom area and the exploring the idea of adding QR codes to botanical trail interpretive signs, seconded by Director Hahn, and approved unanimously.

12. CONSIDER INFORMATIONAL REPORT ON WATER SUPPLY CONDITIONS AND LONG-TERM WATER USE EFFICIENCY LEGISLATION

Administrative Analyst Jansen presented the informational report.

13. CONSIDER THE CALENDAR FOR THE 2025 OLIVENHAIN MUNICIPAL WATER DISTRICT'S BOARD MEETINGS

General Manager Thorner presented the report.

President Guerin moved to approve proposed 2025 board meeting calendar. Motion failed for lack of second.

Director Hahn moved to tentatively schedule a special board meeting on August 20, 2025, seconded by Director Watt.

Director Hahn amended the motion to approve proposed 2025 board meeting calendar and to include August 20, 2025 as a special meeting with the option to cancel the meeting if it is not needed, seconded Director Watt, approved unanimously.

14. CONSIDER ANNUAL OBJECTIVES AND TIGER TEAM STATUS REPORT

Administrative Analyst Chase presented the informational report.

15. CONSIDER AN INFORMATIONAL UPDATE TO THE RECYCLED WATER PROGRAM

Water Reclamation Facilities Supervisor Onkka presented the informational report.

Item 17 was heard next on the agenda.

17. INFORMATIONAL REPORTS

A. President's Report

President Guerin did not have a report this month.

B. General Manager's Report

General Manager Thorner's report was included in the board packet.

C. Consulting Engineer's Report

Consulting Engineer MacFarlane's report 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 (SDCWA) Report

SDCWA representative Meyers reported that new officers for SDCWA are Chair Nick Serrano, Vice Chair Frank Hilliker, and Secretary Joy Lyndes. He also reported that the water transfer negotiations and the Metropolitan Water District negotiations are still ongoing.

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

Document Signing (Sep 19)

Director Watt signed the documents.

Safety Committee Meeting (Sep 25)

Directors Hahn and Meyers attended the meeting.

ACWA Webinar - Regulated Drinking Water Contaminants in California: Protecting Public Health & Financial Resilience (Sep 26)

Director San Antonio attended the webinar.

VIP Facilities Tour (Oct 8)

Director Meyers attended the tour.

Facilities Committee Meeting (Oct 9)

Directors Guerin and Watt attended the meeting.

Water Career Day (Oct 10)

Directors Meyers and San Antonio attended the event at San Elijo Joint Powers Authority.

Meeting with the General Manager RE: Board Meeting (Oct 11)

Director Meyers had a meeting with the General Manager.

Conference Call with the General Manager RE: OMWD Unit AA Construction Project (Oct 14)

President Guerin had a call with the General Manager.

Board Meeting Pre-Briefing (Oct 15)

President Guerin met with the General Manager.

18. CORRESPONDENCE

Correspondence was provided in the board packet.

19. AUTHORIZATION TO ATTEND UPCOMING MEETINGS / CONFERENCES / SEMINARS

There were no meetings requiring authorization to attend.

20. FUTURE AGENDA ITEMS

There were no future agenda items added.

21. CONSIDER PUBLIC COMMENTS

There were no additional public comments.

NOTE: The meeting was in Recess
from 5:21 p.m. to 5:33 p.m.

Item 16 was heard next on the agenda.

16. PUBLIC HEARING TO CONSIDER PUBLIC COMMENTS REGARDING PROPOSED INCREASES TO OLIVENHAIN MUNICIPAL WATER DISTRICT (OMWD) WATER CHARGES EFFECTIVE JANUARY 1, 2025 AND AN ORDINANCE THAT WOULD AUTHORIZE OMWD TO: (1) PASS-THROUGH INCREASES TO OMWD WATER CHARGES AND SDCWA INFRASTRUCTURE ACCESS CHARGE, NOT TO EXCEED 12% EACH YEAR, (2) ADOPT DEMAND REDUCTIONS RATES FOR WATER CONSUMPTION CHARGE, AND (3) ADOPT FIRE METER CHARGE FOR THE FIVE-YEAR PERIOD COMMENCING JANUARY 1, 2025 THROUGH DECEMBER 31, 2029 (5:30 P.M.)

President Guerin announced that this was the time and place for a Public Hearing to consider an increase to Olivenhain Municipal Water District's Water Service Fees.

The General Manager stated that 25,740 notices of the Public Hearing were delivered for mailing to OMWD customers on August 27, 2024. A notice of Public Hearing was posted on the OMWD website and published in the Union Tribune on both Friday, October 4, 2024 and Friday, October 11, 2024.

OMWD retained Raftelis Financial Consultants to conduct a 2024 Water Cost of Service Study to calculate and develop OMWD water rates and charges starting January 1, 2025, and pass-through purchased water wholesale charge increases, inflationary cost increases, and increases to the San Diego County Water Authority Infrastructure Access Charge, not to exceed 12% each year for the next four years, beginning January 1, 2026.

The 2024 Water Cost of Service Study is the basis for allocating costs and calculating the proposed increases to OMWD's water rates and charges for the next five years commencing January 1, 2025. The 2024 Water Rate Study shows the impact of the proposed January 1, 2025 rates to OMWD median customers (13 units of water) would be about \$6 per month or a 5% increase, and for OMWD average customers (23 units of water) would be about \$9 per month or a 5% increase. OMWD customers would still pay less than the average water bill in San Diego County for the same amount of water.

Future rate increases in 2026 and beyond will be brought back to the board for consideration each year.

Five members of the public were in attendance to speak and offered the following comments:

Mary Ann Wolf: Made comments on the need to repair the Lake Hodges Dam.

Scott Maloni: Spoke in support of OMWD and supports continuing to distribute accurate information to the public. He suggested that it would be helpful if OMWD elaborated on the specific methodology used to determine the increase in volumetric rates during each of the demand reduction stages.

Eric Armstrong: Spoke in support of OMWD, a 5% rate increase, and the creative cost savings efforts OMWD has taken.

Joel Tuckey: Spoke in support of a 5% rate increase, his concern for longevity, water supply, long term objectives, and planning for the future.

Casey Carter: Spoke against the rate increase and was concerned that the Proposition 218 notice indicated that inflation was part of the proposed rate increase. She indicated that the customers are also dealing with rising costs and inflation. She also expressed concern for a solution and the need to capture more snowfall instead of disposing of water to the ocean.

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

Finance Manager Selamat and consultant Sudhir Pardiwala from Raftelis presented the report. The item will be presented for a vote at the November board meeting.

22. CONSIDER A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OLIVENHAIN MUNICIPAL WATER DISTRICT DESIGNATING REAL PROPERTY NEGOTIATORS AS GENERAL MANAGER THORNER AND ASSISTANT GENERAL MANAGER RANDALL RELATING TO THE ACQUISITION OF REAL PROPERTY RELATED TO THE SAN DIEGUITO VALLEY GROUNDWATER PROJECT

Director Watt moved to adopt Resolution No. 2024-20, designating real property negotiators as General Manager Thorner and Assistant General Manager Randall relating to the San Dieguito Groundwater Project, seconded by Director Meyers, and carried unanimously.

NOTE: The meeting was in Recess
from 6:49 p.m. to 7:00 p.m.

NOTE: The meeting was in Closed Session
from 7:00 p.m. to 7:24 p.m.

23. CLOSED SESSION

- A) CONSIDER LITIGATION – OLIVENHAIN MUNICIPAL WATER DISTRICT v. COUNTY OF SAN DIEGO [PURSUANT TO GOVERNMENT CODE SECTION 54956.9]
- B) CONSIDER LITIGATION – STANLEY D. JONES ET AL. VS. OLIVENHAIN MUNICIPAL WATER DISTRICT [PURSUANT TO GOVERNMENT CODE SECTION 54956.9]
- C) CONFERENCE WITH REAL PROPERTY NEGOTIATORS [PURSUANT TO GOVERNMENT CODE SECTION 54956.8]
- PROPERTIES UNDER NEGOTIATION: EASEMENT(S) THROUGH LA VALLE COASTAL CLUB AND RESORT APN: 302-082-21-00, APN: 302-120-36-00
 - NEGOTIATORS: GENERAL MANAGER THORNER AND ASSISTANT GENERAL MANAGER RANDALL, NEGOTIATING PARTIES: MR PROPCO, LLC
 - UNDER NEGOTIATION: PRICE AND TERMS
- D) CONSIDER GENERAL MANAGER PERFORMANCE EVALUATION [PURSUANT TO GOVERNMENT CODE SECTION 54957] • Additional Facts: Receive packet; full review and compensation discussion to be held on November 6, 2024.

24. OPEN SESSION

General Counsel Smith stated that there was no reportable action from Closed Session.

25. CONSIDER APPROVAL OF DRAFT PRINCIPLES OF UNDERSTANDING WITH MR PROPCO, LLC, INCLUDING AUTHORIZING THE GENERAL MANAGER TO NEGOTIATE EASEMENT PURCHASES IN AN AMOUNT NOT TO EXCEED \$65,000 AND AFFIRM APPROVAL OF ITEMS 16 A, B, D, E FROM THE SEPTEMBER 18, 2024 BOARD MEETING

President Guerin moved to affirm the approval of items 16, A, B, D, E from the September 18, 2024 board meeting, to approve the updated Principles of Understanding with MR PropCo, LLC, and authorize the General Manager to negotiate purchasing easements necessary for the pump testing and exploratory boring in an amount not to exceed \$65,000, seconded by Director San Antonio, and carried unanimously.

26. ADJOURNMENT

President Guerin adjourned the meeting at 7:26 p.m.

Christy Guerin, President
Board of Directors
Olivenhain Municipal Water District

ATTEST:

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