

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
September 5, 2007**

1. The meeting was called to order by President Croucher at 3:30 p.m.

2. ROLL CALL

Directors Present: Bonilla, Breitfelder, Croucher, Lopez (arrived at 3:31 p.m.)
and Robak

Staff Present: General Manager Mark Watton, Asst. GM Administration
and Finance German Alvarez, Asst. GM Engineering and
Water Operations Manny Magana, General Counsel Yuri
Calderon, Chief of Information Technology Geoff Stevens,
Chief Financial Officer Joe Beachem, Chief of Engineering
Rod Posada, Chief of Operations Pedro Porras, Chief of
Administration Rom Sarno, District Secretary Susan Cruz
and others per attached list.

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

President Croucher indicated that he would like to move agenda item 8b,
UPDATE REGARDING RECYCLED MISCONNECTION AT 871 HAROLD
PLACE – FENTON BUSINESS CENTER IN CHULA VISTA, to follow agenda
item 5, PUBLIC PARTICIPATION.

A motion was made by Director Breitfelder, seconded by Director Robak and
carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Croucher and Robak
Noes:	None
Abstain:	None
Absent:	Director Lopez

to approve the agenda.

5. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETINGS OF JUNE 6,
2007 AND SPECIAL BOARD MEETING OF MAY 29, 2007

A motion was made by Director Breitfelder, seconded by Director Robak and
carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Croucher and Robak
Noes:	None

Abstain: None
Absent: Director Lopez

to approve the minutes of the regular board meeting of June 6, 2007 and special board meeting of May 29, 2007.

6. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

No one wished to be heard.

INFORMATION / ACTION ITEM

7. UPDATE REGARDING RECYCLED MISCONNECTION AT 871 HAROLD PLACE - FENTON BUSINESS CENTER IN CHULA VISTA (POSADA/RIPPERGER)

PUBLIC COMMENT:

Ms. Amy Wise indicated that she was representing the tenants of the Fenton Business Center and is co-owner of the Candy Bouquet. She stated that they were concerned because they have not received the water test results for the the Fenton Business Center's water service. She indicated that she wished to know why they have not yet been provided this information.

Ms. Jayne Ballard, a tenant of the Fenton Business Center, indicated that she was basically seconding Ms. Wise's comments. She indicated that they do appreciate that the District immediately came in and repaired the misconnection once it was discovered and happy to see that new processes will be implemented to make sure that this situation does not occur again in the future. However, she indicated that she is concerned that some of these processes were not implemented previously. She also is concerned that the tenants are not being provided the water test information that they have been promised. She stated that she did not understand why the District will not provide the information when it would be helpful to them when seeking medical assistance.

General Manager Watton indicated that the District has provided the historical test results from the reclamation plant. He stated that it takes a little time to run tests and the District has just received the results the day before. He indicated that staff is planning to provide the information in the next couple days.

Ms. Ballard indicated that the reports that the tenants were provided initially listed certain metals found in the water and identified coli form bacteria, specifically e. coli. She stated that some of the blood tests have come back positive for e. coli. However, they believe that there are more pathogens in the water besides e. coli and she was interested in knowing if the reports were the same as the ones they have already received or if it is was more in depth in the specific types of pathogens in the water.

General Manager Watton indicated that it would be similar to the report that they have already received, but this test result is of the water from their building. However, if there are specific things their doctors are looking for, the District would be happy to test for those in the water.

It was discussed that the test results provided was a comparison of recycled water to drinking water. They were historical test results which the District's lab had placed in a tabular form as the actual lab reports are hard to interpret. The table provided an easy to read comparison of the reclaimed water test results and how it compared to drinking water standards. He stated that if there are additional items they wished tested, the District would test for those items as well. Ms. Ballard indicated that they would submit a list to the District.

President Croucher indicated that this situation is a very serious matter to the District. He stated that the district wishes to reestablish the customers' confidence in the District and that by no means is the District taking this matter lightly.

STAFFS' REPORT:

Chief of Engineering Rod Posada indicated that staffs' report will be focusing on system safety and improved processes to prevent future misconnections and cross-connections. He stated, as presented in the submitted staff report, it is apparent that Inspections staff did not follow written guidelines that could have prevented the misconnection. He noted that, additionally, a variety of tasks performed by outside stakeholders also contributed to the misconnection. He indicated that the developer of the project made changes to the project during construction that included the installation of a two-inch irrigation lateral that was not shown on the approved plans. The contractor for the developer installed potable service plumbing to the irrigation lateral which was not shown on District records (approved plans) and had requested that the District install a potable water meter on the irrigation lateral. The District's inspector complied without properly following existing written guidelines, which caused the potable service to be misconnected to the irrigation service (an irrigation service which was not shown on district records).

He stated since the misconnection was found, district Operations staff has completed testing of the potable water meters serving critical facilities, such as hospitals, schools and parks as a precaution. He stated that, thus far, 111 potable meters have been tested and no issues have been found. He indicated that staff will continue over the next 30-days to test all residential meters that are close or adjacent to recycled water systems.

The District held a Board Ad Hoc Committee meeting and staff was directed by the Ad Hoc Committee to enhance existing procedures to prevent misconnections in the future and that emphasis should be in developing a "failsafe" methodology. He stated that the committee also directed staff to evaluate purple coating, tagging and stamping on existing and future curb stops on recycled meters and evaluating a program for increasing the inspection of recycled systems for cross-connections for critical facilities

(such as hospitals, parks, public areas) from yearly to quarterly. Staff will also implement a verification test that will be performed after a meter has been installed and will coordinate with the City of Chula Vista for potable water testing prior to the issuance of a certificate of occupancy. He further reviewed in detail additional steps that will be taken to assure that future misconnects/cross-connections do not occur (see attached copy of presentation). He stated that the goal in implementing the new processes is to improve and implement a failsafe methodology for meter installations.

President Croucher indicated that this report was developed at the direction of the board Ad Hoc Fenton Business Center Committee. He stated that the committee is chaired by Director Bonilla and Director Breitfelder also serves on the committee. Director Bonilla indicated that he was perturbed that the tenants have not been provided the results of the tests and requested that the first thing the District does is to assure that the tenants receive the water test results. He stated that cost of the tests should not be an issue and he wished the ratepayers to sense the District's urgency to address their issues. He indicated that he would like to see the District respond more quickly because fast, in this instance, is not fast enough. He also shared that the District is discussing increasing the supervision of recycled service connections from yearly to quarterly or possibly monthly and will continue to work on enhancing its processes.

Director Breitfelder wished to make a statement and wanted the Fenton Business Center owner and tenants to have a copy of his remarks. He stated, as such, he would like to read his comments into the record (copy of the comments are attached).

Director Robak indicated that his main concern is getting the water test information to the tenants and he wished the tenants to know that, as Director Bonilla has indicated, the board is very concerned about their situation and they wished to do all they can to make the situation right.

Director Lopez indicated that at this moment, every water, state, etc. agency is looking at the District to observe how this situation is handled and the solutions the District develops. He stated that the District must do everything it can to correct this situation and do it "right."

Director Croucher indicated that the District will leave the Ad Hoc Committee in place to continue to respond to this situation and the District will continue to work with the tenants and their concerns.

PUBLIC COMMENT:

Mr. Joe Padilla of 871 Harold Place indicated that he would like to address the protocols presented today by staff. He stated that he hoped that the protocols include how the District would handle the persons affected by any future misconnects or cross connects. He indicated that communication to the tenants on exactly what staff is doing would be helpful as it is difficult for those affected when they are not aware of what is going on. He gave an example which involved his office where he found his sink dismantled and a note left by District staff stating that he should not use the water as the levels were back up, but did not indicate when the situation would be corrected. Yesterday, his sink was

reassembled, but there was no note indicating if it was okay to utilize the water. He stated that the protocols need to address such situations.

President Croucher indicated that the board also felt that communication was important and they would assure that communication does occur.

General Manager Watton indicated that staff would gather the facts specific to Mr. Padilla's suite and staff should have the information by the end of the day. It was noted that there is follow-up testing occurring which will continue through the end of the month.

President Croucher indicated that to assure that the district responds to all the tenants' concerns, it would be helpful if they put their requests and concerns in writing. Staff could then provide the appropriate information in response to their questions or concerns. The requests should be forwarded to either Chief of Administration Rom Sarno or Communications Officer Armando Buelna. President Croucher indicated that staff would insure that the board members receive copies of their correspondence.

CONSENT CALENDAR

8. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:

A motion was made by Director Breitfelder, seconded by Director Bonilla and carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	None

to approve the following consent calendar items:

- a) ADOPT RESOLUTION NO. 4105 APPROVING THE THIRD AMENDMENT TO THE METRO WASTEWATER JOINT POWERS AUTHORITY AGREEMENT REGARDING THE ADDITION OF THE CITY OF CHULA VISTA AS A PARTICIPATING AGENCY
- b) APPROVE THE MITIGATED NEGATIVE DECLARATION FOR THE 1485-1 PUMP STATION REPLACEMENT PROJECT
- c) APPROVE CHANGE ORDER NO. 1 TO THE EXISTING CONTRACT WITH PACIFIC HYDROTECH CORPORATION FOR CONSTRUCTION OF THE 640-1 AND 640-2 RESERVOIRS PROJECT IN THE AMOUNT OF \$116,562

- d) FISCAL YEAR 2007 STRATEGIC PLAN AND PERFORMANCE MEASURES REPORT
- e) ADOPT ORDINANCE NO. 512 AMENDING SECTION 2.01, "AUTHORITY OF THE GENERAL MANAGER" OF THE OTAY WATER DISTRICT CODE OF ORDINANCES TO DELEGATE TO THE GENERAL MANAGER POWER TO TAKE CERTAIN ACTIONS IN CONNECTION WITH A DECLARED EMERGENCY INCLUDING EXECUTING AND AWARDED, WITHOUT BIDDING, CERTAIN CONTRACTS NECESSARY TO RESTORE THE NORMAL DISTRICT SERVICES
- f) PRESENTATION OF BOARD OF DIRECTOR'S EXPENSES FOR THE 4TH QUARTER OF FISCAL YEAR 2007
- g) REVIEW THE DISTRICT'S INVESTMENT POLICY (POLICY NO. 27) AND RE-DELEGATE AUTHORITY FOR ALL INVESTMENT RELATED ACTIVITIES TO THE CHIEF FINANCIAL OFFICER IN ACCORDANCE WITH GOVERNMENT CODE SECTION 35607
- h) ADOPT RESOLUTION NO. 4106 TO ELECT THREE REPRESENTATIVES TO THE SPECIAL DISTRICT RISK MANAGEMENT ASSOCIATION'S (SDRMA) BOARD OF DIRECTORS
- i) CONSIDER CASTING A VOTE TO ELECT A REPRESENTATIVE TO THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS, REGION 6, SEAT B
- j) CONSIDER CASTING VOTES TO ELECT A CHAIR, VICE CHAIR AND FIVE (5) BOARD MEMBER REPRESENTATIVES TO THE ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) BOARD OF DIRECTORS REPRESENTING REGION 10

INFORMATION / ACTION ITEMS

9. FINANCE AND ADMINISTRATION

- a) ADOPT RESOLUTION NO. 4110 APPROVING THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE DISTRICT AND THE OTAY WATER DISTRICT EMPLOYEE'S ASSOCIATION, APPROVING THE SAME PROVISIONS AS WELL AS OTHER SPECIFIC BENEFITS FOR MANAGEMENT AND CONFIDENTIAL EMPLOYEES, APPROVING RECOMMENDATIONS OF THE COMPENSATION STUDY, APPROVING AMENDMENTS TO POLICIES 22 AND 24, AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS (WILLIAMSON)

- b) ADOPT RESOLUTION NO. 4111 FOR THE DISTRICT TO PARTICIPATE IN SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S MEDICAL BENEFITS PROGRAM (WILLIAMSON)
- c) APPROVE THE TRANSFER OF \$408,000 FROM THE RETIREE HEALTH RESERVE TO THE GENERAL FUND (WILLIAMSON)

Human Resources Manager Kelli Williamson indicated that at the beginning of the negotiations process, the board appointed an Ad Hoc Negotiations Committee consisting of President Gary Croucher and Vice President Jose Lopez. The District also contracted Mr. Dan Cassidy of Liebert Cassidy & Whitmore as lead negotiator for the District. She stated that staff and Mr. Cassidy met several times with the Ad Hoc Negotiations Committee throughout the negotiations process. The Ad Hoc Committee reviewed the process for negotiations and discussed parameters and strategies. The committee also reviewed in detail the results of the compensation study conducted by Johnson and Associates, various health care plan options, represented and unrepresented management and confidential employee benefits, retiree healthcare and options for retiree health coverage for tier III employees (employees hired after 1993), proposed policy and language revisions and a communication plan for employees and the Districts retirees as staff would be recommending changes to the District's healthcare plan. She reviewed, in detail, the MOU agreement and language changes, healthcare recommendations, and other benefits and services such as considering a new third party administrator (TPA) [see attached copy of presentation]. Staff is recommending Delta Health or Health Comp as proposed TPA vendors. The dental plan will continue to be self-insured, but managed by the new TPA. The TPA will also handle COBRA/Retiree Billing Administration and the flexible spending accounts. The District also plans to switch its life insurance provider to obtain better rates. It is planned that the new TPA will be in place by January 1, 2008.

Human Resource Manager Williamson indicated that it is not anticipated that the negotiated benefits will affect projected water rates over the next six years. This includes all benefits for all active and retired employees. She requested that the board approve item 9a, b and c as proposed in staffs' report.

Director Robak expressed concern in voting on this item as he felt he did not have enough information to vote. He requested a copy of the class and compensation study and indicated that while he is certain that the District has reached a well thought out agreement and he does not question the validity of the study, he would have liked to see the study and receive more information prior to voting.

Director Bonilla indicated that the purpose of the Ad Hoc Committee is to inform the board and he felt that the board has been informed through this report and feedback he has received over the last few months. He stated that he felt that he had enough information to vote.

Director Croucher indicated that he believes that there is a difference in opinion with regard to the committee process. He indicated that the board had provided the Ad Hoc Committee parameters for negotiations and because they had stayed within those parameters, the committee felt comfortable presenting the negotiations agreement to the full board. He stated that had the committee gone outside the parameters, they would have brought the item back to the board for further discussion prior to requesting the board's approval of the negotiated agreement.

Director Breitfelder indicated that he also had not received much information on this item and he felt that it was more of a communications breakdown than anything else. He indicated that while he is a proponent in assuring directors have the information they need in advanced to making a decision, he asked that the item not be referred back to committee. He stated he felt that the committee handled the negotiations appropriately, though it would be helpful in receiving communications periodically as negotiations progressed. He inquired in the consequences of not voting on this item today.

General Manager Watton indicated that the consequences for management and staff would not be positive as management and the employee association has negotiated in good faith and employees are anticipating an action today.

Director Breitfelder inquired based on this, if Director Robak would agree to move forward with a vote on this item.

Director Robak indicated that he would agree to vote on this item with the understanding that he be provided the information following the vote. He stated that he had full confidence in his fellow board members and staff, but he would prefer to be informed prior to voting on any item.

A motion was made by Director Breitfelder, seconded by Director Bonilla and carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	None

to approve items 9a, b c as recommended by staff.

RECESS TO CLOSED SESSION

10. CLOSED SESSION

President Croucher requested that the closed session discussion be moved up on the agenda and proposed that it be the next item discussed. The board concurred.

The board recessed to closed session at 4:45 p.m. to discuss the following matters:

- a) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION
[GOVERNMENT CODE §54956.9(a)]
 - (i) HARRON v. OTAY WATER DISTRICT
- b) ANTICIPATED LITIGATION (GOVERNMENT CODE §54956.9)

1 CASE
- c) CONFERENCE WITH LABOR NEGOTIATOR (GOVERNMENT CODE §54957.6)

AGENCY DESIGNATED NEGOTIATORS:
DAN CASSIDY, LIEBERT, CASSIDY AND WHITMORE
KELLI WILLIAMSON

EMPLOYEE ORGANIZATION:
OTAY WATER DISTRICT EMPLOYEE ASSOCIATION

ALL UNREPRESENTED PERSONNEL INCLUDING
MANAGEMENT
AND CONFIDENTIAL EMPLOYEES

RETURN TO OPEN SESSION

- 11. REPORT ON ANY ACTIONS TAKEN IN CLOSED SESSION. THE BOARD MAY ALSO TAKE ACTION ON ANY ITEMS POSTED IN CLOSED SESSION

The board reconvened from closed session at 5:29 p.m. General Counsel, Yuri Calderon reported there were no reportable actions taken in closed session.

Director Bonilla left at 5:29 p.m.

- 12. ENGINEERING AND WATER OPERATIONS

- a) CAPITAL IMPROVEMENT PROGRAM FISCAL YEAR-END 2007
UPDATE (RIPPERGER)

Sr. Civil Engineer Ken Simmons presented an update on the District's Capital Improvement Program (CIP) for fiscal year-end 2007. He indicated that the District prepared a rolling six-year CIP. He indicated that the FY 2007 program consisted of 91 projects totaling \$37.1 million. He stated that the projects are broken down into the following four categories:

- Capital Facilities \$28.1 million
- Replacement/Renewal \$ 3.9 million
- Capital Purchases \$ 1.7 million
- Developer Reimbursements \$ 3.4 million

He indicated that overall expenditures through the end of FY 2007 totaled approximately \$32.4 million which is 87% of budgeted expenditures for FY 2007. He indicated that the District exceeded the strategic plan target of 75%. He stated that the construction change order at fiscal year end was -0.31%.

Sr. Civil Engineer Simmons presented a map showing the location and status of major District projects (see attached copy of presentation) and reviewed the completed flagship projects which included the 450-1 recycled reservoir, 680-1 recycled pump station and the 30-inch recycled water pipeline. He also reviewed the flagship projects in construction and design phases and the progress made on major projects. He noted slides with details on the consultant contract status and expenditures on individual projects.

13. BOARD INFORMATION / ACTION ITEMS

- a) CONSIDER CASTING VOTES TO ELECT NINE (9) SPECIAL DISTRICTS ADVISORY COMMITTEE MEMBERS AND AN ALTERNATE SPECIAL DISTRICT MEMBER ON THE LOCAL AREA FORMATION COMMISSION (LAFCO)

A motion was made by Director Breitfelder, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	None

to reelect Mr. John Ingalls as Alternate LAFCO member and vote for all nine candidates listed on the ballot for the Special District's Advisory Committee.

- b) CONSIDER NOMINATING DISTRICT REPRESENTATIVES TO THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' (ACWA) COMMITTEES

General Manager Watton indicated that this item was reviewed by the Finance, Administration and Communications Committee at a meeting held on August 22, 2007. The committee did not make a recommendation, but placed the item on the agenda should there be board members interested in serving on any of the ACWA committees. The board referred the item back to the Finance and Administration Committee to make recommendation.

A motion was made by Director Breitfelder, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	None

to authorize the Finance, Administration and Communications Committee to make the District's nominations on behalf of the full board.

c) DISCUSSION OF 2007 BOARD MEETING CALENDAR

General Manager Watton noted that a Special Board Meeting/Board Workshop has been scheduled on October 9, 2007.

There were no changes to the Board meeting calendar.

REPORTS

14. GENERAL MANAGER'S REPORT

General Manager Watton indicated Director Bonilla had suggested that the discussion on local investment opportunities be referred to the Finance, Administration and Communications Committee for recommendation to the board. The board concurred.

He noted that the District provided the City of Chula Vista's City Manager Garcia, Councilman Rindone, Chief Ghio of San Miguel Fire Department and Director Lopez a tour of the District. City Manager Garcia was very interested in not only touring the District from the air, but also looking at the maps and learning where our water supply comes from. He indicated that Councilman Rindone was particularly taken by the view and the lay out of the developments within the District. It was a successful tour.

He indicated that the Bay Delta Water system is going to be a continuing news item and something that will shape our future with regard to water supply, revenues, etc. He stated that the issue will be agendized for discussion at the October 9, 2007 board workshop.

He noted that water fluoridation will be delayed until November 2007. He indicated that the delay is due to a technical issue at Metropolitan Water District (MWD). MWD is working on getting the equipment in place in order to begin fluoridation.

He indicated that Strategic Planning workshops are being scheduled with staff to focus on developing the FY09-11 Strategic Plan.

He asked Chief Financial Officer Joe Beachem to present on the awards that were recently received by his department. Chief Financial Officer Beachem indicated that in the past year staff has been focused on updating the District's financial policies and procedures. He stated that staff had submitted both the debt and investment policies for award consideration to the Association of Public Treasurers of the United States and Canada and both policies have received "Certificates of Excellence" awards. General Manager Watton added that a couple of financial policies will be presented to the board in the next few months, which will complete the suite of finance policies.

General Manager Watton noted that the Prop 218 notices have been mailed to customers. He stated that the hearing date for the proposed rate increases has been scheduled during the October 3, 2007 board meeting. He noted that ten (10) letters of protest have been received, thus far.

He shared that the District demonstrated its AMR program and provided a tour to the City of Tijuana's Water Department (CESPT). He stated that the City of Tijuana is interested in utilizing AMR within their city and wished to hear what the District has learned since moving to AMR. He indicated that a representative from Master Meters also attended.

a) SAN DIEGO COUNTY WATER AUTHORITY (SDCWA) UPDATE

General Manager Watton indicated that CWA is focused on the Bay Delta issues. He indicated that they have received presentations from MWD and CWA staff attended the last meeting of the State Department of Water Resources Committee. He noted that this issue will be agendized for presentation at the October 9, 2007 board workshop.

President Croucher indicated that with regard to the MWD delegates report, they are waiting upon the judge's decision with regard to the Bay Delta pumps (shutting them down). He stated that the final decision does not become permanent until October 22, 2007 at which time there will be decisions made as to next steps (litigation, etc.). He indicated that there have been discussions of halting all annexations. He noted that water agencies can decide to halt all annexations, however, cities have the power to move forward with annexations regardless. He stated that this issue will also be discussed at the October 9, 2007 board workshop.

15. DIRECTORS' REPORTS/REQUESTS

Director Breitfelder indicated with regard to the San Diego Taxpayer's Association event on August 21, 2007 that a representative of the agricultural industry spoke of the interrelationship between their industry's continued existence and land fallowing. He stated that it is believed that, at some point, the land would be developed and would equate to many new homes requiring water. He indicated with regard to the model ordinance, that it is geared more toward water efficient landscaping. He stated that the Model Ordinance Committee

discussed the possibility of having the ordinance also apply to individual single family residences as residential landscapes are where a huge percentage of water is consumed. He indicated that if developers install landscapes that are not water efficient, it is ten times harder to convert the landscapes to water conserving than if it were installed from the beginning. He stated that he was happy to see the Building Industry Association become proactive on this issue and it was not surprising to see many governmental agencies arguing against doing so as it tends to be more controversial. He stated he, however, was disappointed to see CWA vote against the issue.

He also noted that he attended the Metro Commission meeting on behalf of Director Robak. He stated that he found it interesting that there was a certain amount of friction between the board members and support staff. He noted that there also seems to be a difference in philosophy between the City of San Diego and the rest of the commission board members. General Manager Watton indicated that the conflict goes back to the 1990's when the commission was being implemented. He indicated that the City of San Diego has been making it very clear who is controlling the sewer system as they pay the majority of the bills. He indicated that by the City of Chula Vista joining the Metro, they will become a large contributor as they will also pay a large portion of the Metro's bills. He indicated that their joining may be a positive force for the dynamics at the Metro Commission meetings.

Director Breitfelder also mentioned that the Water Conservation Garden (WCG) will be losing its board secretary. He indicated that he understands that the agency, from which the WCG board president represents, generally provides the board secretarial support. He suggested that the District provide the support as has been the practice in the past. President Croucher indicated that the District has provided a one time payment to the Garden to cover the cost for the board secretarial support as the District did not have staff to provide the support due to work load. It was suggested that this item be agendaized for discussion by the District's Finance, Administration and Communications Committee. The board concurred.

He lastly thanked the staff who handled the Olympic Parkway situation and Human Resources Manager Kelli Williamson and her staff for their success in negotiating a five-year agreement with the District's employee association.

Director Lopez indicated that the Bay Delta issue is exposing the fact that there is a lot of misunderstanding of where the San Diego region's water is imported from. It seems that many believe our water comes from the Colorado River only. He indicated that the District must educate and encourage other City of Chula Vista council members and other agency members to get active in the water issues. He stated that the board, as ambassadors, must also get active. He noted that he is looking forward to attending the WaterReuse conference based on the current water issues and will be attending with a different viewpoint/interest.

Director Robak indicated that Caltrans had originally planned to put in recycled pipe within Highway 94's landscape between the exits of Bancroft and Avocado. However, Caltrans will no longer be installing the recycled pipeline. He noted that the District worked with Caltrans to install the irrigation system so that it would be easy to convert the system to recycled should recycled water become available to the area. He also mentioned with regard to the CIP map, if it can be available on the Director's extranet for viewing by the board. Chief of Information Technology Geoff Stevens indicated that it can be made available as requested.

16. PRESIDENT'S REPORT / REQUESTS

President Croucher indicated that the San Diego Fire Expo Day will be held on September 8, 2007 at the Otay Ranch Shopping Center. He indicated that the District will be participating in the Fire Expo. It is a community event and all are invited to attend.

He noted that the District took a large hit today with regard to the misconnection. He indicated that the District is always looking for innovative ways to diversify its water resources and one of those ways is through recycled water. He stated that the board stands up tall when the District receives awards and it must also stand tall and take the hits as well. He indicated that the board stands by staffs' side and stands strong behind General Manager Watton.

17. ADJOURNMENT

With no further business to come before the Board, President Croucher adjourned the meeting at 6:12 p.m.

President

ATTEST:

District Secretary

Director Breitfelder's comments as referenced on page 4 of the minutes of the September 5, 2007 board meeting:

No one will be left behind. We must move very briskly on this matter. This hasn't been an easy of pleasant experience for anyone. We're all embarrassed and I think we feel we let down the people associated with the Fenton Business Center and the community at large. Institutionally, I think that's appropriate.

That's not the whole story though. Sometimes we all get so close to the trees that it's easy to forget the forest. This recycled water system we possess is so vast it's almost unique. How many inspections and hook ups have we had over the last 10 years without incident. I doubt anyone knows off the top of their head because there's just too many.

If an entity does anything enough times, human error on the part of one or a few individuals and unlikely events –even a series of them are going to happen. We call it luck, but it's really just probabilities catching up with us – and they always will.

I think the district demonstrated collective character in taking responsibility with no excuses. Being open and forthcoming with everyone and *working together* wholeheartedly to correct the problem in such a way that it **never** happens again.

I find wisdom in the old saying that, "Anyone can look good while everything is breaking their way. True champions are defined by how they respond to adversity." I've always been very proud to be associated with this institution and the many people who have contributed to making it great.

The next thing I'm going to say is maybe too much of a cliché, but I cannot think of a better way to say it. As I see it, everyone has come together and worked together in a very extraordinary way to make the best out of this very difficult situation. In the sense of coming together and everyone working together to prevail over adversity, certainly for the years that I have been here, these last few weeks have been the District's finest hours. We just have to move forward and not leave the people that were subjected to this situation behind and bring this situation to its proper conclusion.