MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
April 6, 2011

1. The meeting was called to order by President Bonilla at 3:35 p.m.

2. ROLL CALL

Directors Present:	Bonilla, Gonzalez, Lopez and Robak
Directors Absent:	Croucher
Staff Present:	General Manager Mark Watton, Asst. General Manager of Administration and Finance German Alvarez, Asst. General Manager of Engineering and Water Operations Manny Magana, General Counsel Daniel Shinoff, 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. MOMENT OF SILENCE IN MEMORY OF MR. FRANK BIEHL, LEE & RO, INC.

Ron Ripperger, District Manager of Engineering, Design and Construction spoke in memory of Frank Biehl and provided the following:

"Frank Biehl was the Manager of Lee & Ro's San Diego office. Frank died on March 10, 2011. Frank was a Professional Civil Engineer and Land Surveyor and spent most of his work life here in the San Diego Region. Frank was responsible for overseeing the design of some of the District's most successful Pipeline Projects including the Recyled Supply Link and the Jamacha Pipeline. For those who knew him, he was cheerful, had a wonderful smile and sense of humor, was a vibrant, feisty, fun loving person who could not help but bring a smile to your face. Frank was always in attendance at District Board meetings and interested in getting the latest information. He could also be found handing out his trademark "Tide Tables" booklets at the District, hence one of his many nicknames "High Tide". Frank gained many good friends here at the District because of his honesty, integrity, and commitment to getting the work done. He was truly one of a kind and one of the last true "gentlemen" left who personified "style". He will be missed."

A moment of silence was held in memory of Mr. Frank Biehl.

5. APPROVAL OF AGENDA

President Bonilla recommended pulling Agenda Item 13, Closed Session – Conference with Legal Counsel – Existing Litigation [Government Code §54956.9(a)], as Director Croucher was unable to attend today's meeting. Director Croucher sits on the Ad Hoc Legal Matters Committee and President Bonilla would like to consider the item at a later date when Director Croucher is present.

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

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

to approve the agenda as amended by President Bonilla.

6. APPROVE THE MINUTES OF THE REGULAR MEETING OF SEPTEMBER 1, 2010

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

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

to approve the minutes of the regular meeting of September 1, 2010.

7. 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.

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:

Director Mark Robak requested that Item 7f, Approve a One-Year Agreement with Brownstein, Hyatt, Farber and Schrek (BHFS) for an Amount Not-to-Exceed $160,000 for Comprehensive State and Federal Legislative Issues Advocacy, be pulled for discussion.

President Bonilla presented item 7f for discussion. In response to an inquiry from Director Robak regarding the services of BHFS, General Manager Mark Watton

indicated that attorneys, Ms. Chris Frahm and Mr. David Bernhardt, from BHFS will be the primary contacts for State and Federal issues respectively. The proposed BHFS agreement will cover the continuance of legislative advocacy in Sacramento and the scope of work will be expanded to include legislative advocacy for the Rosarito Desalination Project. General Manager Watton stated that Ms. Frahm has worked with the District on State issues (i.e. health, environmental protection, water quality) and indicated that the proposed one-year agreement would expand her firm's services to provide Federal representation. Mr. Bernhardt is a partner in the firm and works in their Washington D.C. office. He has worked with the Bureau of Reclamation, has experience with Presidential Permits and is familiar with its process. His services are also required to assist with regulatory issues associated with the project. General Manager Watton indicated that the project will require signatures from both the United States' and Mexico's Presidents and may involve a Minute Order under the Mexican Water Treaty between the United States of America and Mexico that was established in 1944.

After receiving General Manager Watton's report, Director Robak withdrew his recommendation to pull Item 7f from the consent agenda.

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

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

to approve the following consent calendar items:

a) APPROVE THE ISSUANCE OF A PURCHASE ORDER TO CUMMINS CAL PACIFIC, LLC IN THE AMOUNT OF $63,125.38 FOR THE PURCHASE OF ONE (1) REPLACEMENT EMERGENCY STANDBY GEN-SET FOR THE RALPH W. CHAPMAN WATER RECYCLING FACILITY

b) ADOPT ORDINANCE NO. 529 AMENDING SECTION 36.03, ENCROACHMENT IN DISTRICT EASEMENTS, OF THE DISTRICT'S CODE OF ORDINANCES

c) APPROVE THE FISCAL YEAR 2011 LEGISLATIVE PROGRAM

d) ADOPT ORDINANCE NO. 528 AMENDING SECTION 34, ISSUANCE AND PAYMENT OF WATER BILLS, AND SECTION 53, FEES, RATES, CHARGES AND CONDITIONS FOR SEWER SERVICE, OF THE CODE OF ORDINANCES

e) ADOPT RESOLUTION NO. 4170 DESIGNATING SPECIFIC STAFF POSITIONS TO BE AUTHORIZED AS AGENTS TO DEAL WITH THE STATE OF CALIFORNIA, OFFICE OF EMERGENCY SERVICES, ON THE

DISTRICT'S BEHALF IN ALL MATTERS PERTAINING TO DISASTER ASSISTANCE

f) APPROVE A ONE-YEAR AGREEMENT WITH BROWNSTEIN, HYATT, FARBER AND SCHREK FOR AN AMOUNT NOT-TO-EXCEED $160,000 FOR COMPREHENSIVE STATE AND FEDERAL LEGISLATIVE ISSUES ADVOCACY

g) APPROVE AN AGREEMENT FOR PROFESSIONAL AS-NEEDED HYDRAULIC MODELING SERVICES WITH NARASIMHAN CONSULTING SERVICES, INC. IN AN AMOUNT NOT-TO-EXCEED $175,000 DURING FISCAL YEARS 2011, 2012 AND 2013 (ENDING JUNE 30, 2013)

h) APPROVE THE WATER ASSESSMENT REPORT DATED FEBRUARY 2011 FOR THE RABAGO TECHNOLOGY PARK PROJECT AS REQUIRED BY SENATE BILL 610

i) ADOPT RESOLUTION NO. 4171 ANNEXING PROPERTY OWNED BY DAVID L. AND SUZANNE M. DUKE (APN: 519-281-07-00) TO THE OTAY WATER DISTRICT'S IMPROVEMENT DISTRICT NO. 18

j) APPROVE A CONSTRUCTION CONTRACT TO SEPULVEDA CONSTRUCTION FOR THE 944-1R PUMP STATION UPGRADE PROJECT IN AN AMOUNT NOT-TO-EXCEED $1,162,423

k) APPROVE REVISIONS TO THE COOPERATIVE AGREEMENT FOR THE UNITED STATES BUREAU OF RECLAMATION TITLE XVI FUNDING FOR THE OTAY WATER DISTRICT RECYCLED WATER INFRASTRUCTURE PROGRAM

l) APPROVE AMENDMENTS TO TWO (2) UTILITY AGREEMENTS (NOs. 31755 AND 31926) WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION

m) APPROVE A PROFESSIONAL SERVICES CONTRACT WITH TETRA TECH, INC. FOR THE DESIGN OF PHASE 2 OF THE RANCHO DEL REY WELL PROJECT IN AN AMOUNT NOT-TO-EXCEED $724,493.50

n) APPROVE THE ISSUANCE OF A PURCHASE ORDER TO SLOAN ELECTROMECHANICAL SERVICE & SALES FOR THE PROCUREMENT OF FIVE (5) PUMPS, MOTORS AND DISCHARGE HEADS FOR THE 711-1 PUMP STATION IMPROVEMENT PROJECT IN AN AMOUNT NOT-TO-EXCEED $204,934.45

INFORMATIONAL ITEMS

9. ITEMS ARE PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS.

a) 2011 RESIDENTIAL CUSTOMER OPINION AND AWARENESS SURVEY REPORT (REA AND PARKER RESEARCH INC.)

Rea and Parker Research presented the findings of the Residential Customer Opinion and Awareness Survey in detail (see attachment A to staffs' report for details of the findings). It was indicated that 308 respondents participated in the survey that was conducted from January 6-11, 2011.

In response to a question from Director Robak, Rea and Parker Research stated that in 2005 and 2006 there was a slight increase in the number of respondents who favored the use of recycled water for residential front yards, but overall the respondents opinion on such use has remained fairly consistent over the years. Director Robak suggested that the District include a question that asks customers their opinion of the use of recycled water on both residential front and backyard landscapes after they are made aware that it is already occurring in the state of Florida.

Director Robak inquired if the survey included questions about "Potable Re-use." Rea and Parker Research indicated that it only inquires about respondents' opinion of its use as drinking water. However, the City of San Diego is currently conducting a customer survey that inquires more pointedly about respondents opinion on "Potable Re-Use." He stated that he would happy to share the results of the City's survey if the Board has interest. General Manager Watton indicated that the District's survey shows a downward trend in respondents' opinion on supplementing drinking water with potable re-use.

Director Robak indicated that he was encourage by the survey's result regarding respondents' interest in Social Media where 61% of respondents believe that it is important for the District to have a social media presence. Director Robak recommended that the next survey inquire about customers' opinion of videotaping or streaming meetings on the District's website.

President Jaime Bonilla thanked Rea and Parker Research for their work on the Residential Customer Opinion and Awareness Survey and recommended in future that they provide an analysis of the report that indicates what has been learned from the survey findings; areas where the District can focus or make improvements in relation to the findings.

b) FISCAL YEAR 2011 STRATEGIC PLAN AND PERFORMANCE MEASURES UPDATE REPORT

Chief of Information Technology Geoff Stevens provided a detailed update on the Fiscal Year 2011 Strategic Plan and Performance Measures (see attachment A to staffs' report for details of the update).

The Board commended Chief of Information Technology Stevens for his assistance in accomplishing and implementing the District's Strategic Plan. The board believes

the plan is a very important and viable tool for monitoring and tracking the District's progress, especially in our current economic situation. The Strategic Plan also motivates staff to execute the objectives and goals of the plan as it provides a visual of the District's progress.

General Manager Watton indicated that on May 9, 2011, an economist will provide a presentation on the local and state economy. The information presented will help develop the Strategic Plan for Fiscal Years 2012 to 2014 and the Fiscal Year 2012 budget which will be presented at the May 16, 2011 special board meeting. General Manager Watton noted that the Strategic Plan and Performance Measure Report is available on the District's intranet and can be reviewed in more detail.

10. BOARD

a) DISCUSSION OF 2011 BOARD MEETING CALENDAR

It was discussed that several Directors would be out-of-town during the week of the August board meeting. The board suggested that the meeting be rescheduled to the following Wednesday, August 10, 2011, and asked District Secretary Cruz to poll the members to determine a new date for the August meeting.

REPORTS

11. GENERAL MANAGER'S REPORT

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General Manager Watton provided the Board a copy of a letter from the International Boundary and Water Commission (IBWC) United States and Mexico, dated March 25, 2011. The letter indicated that Mexico has informed the IBWC that they will no longer require the May and June water deliveries and canceled water deliveries for the two months.

General Manager Watton presented his report and indicated that staff of the Water Conservation Division provided a presentation at Cuyamaca College's 3rd Annual Sustainable Urban Landscapes Conference, that staff partnered with Sweetwater Authority and the Water Education Foundation to hold a Project WET (Water Education for Teachers) Educator Workshop, revised Summary Plan Descriptions have been distributed and that a Mexico Network for has been added to the dental plan, new alternative payment types are available to District customers, a new bill format is being developed by staff, the District has retained Mr. Alan Nevin, an economist and the Director of Economic Research at Marketpointe Realty Advisors, and the District's budget workshop is scheduled for May 16.

SAN DIEGO COUNTY WATER AUTHORITY UPDATE

There were no CWA updates to report.

12. DIRECTORS' REPORTS/REQUESTS

Director Lopez indicated that he and Director Gonzalez attended a Delta Tour and stated that the tour was very informative. He indicated that he gained a better understanding of why local agencies stress the importance of conserving water. He noted that the tour included several presentations that provided information about the Rosarito Desalination Project. Director Lopez lastly shared that the project was also included in several presentations at the WateReuse Conference that he attended.

Director Robak discussed the format of the Accounts Payable Demands List attached to the GM's Report and requested that staff add a time frame for each disbursement on the list as it would clarify if disbursements are for monthly or annual expenses. Director Robak indicated that he and Directors Lopez and Gonzalez attended a WateReuse Conference in Dana Point, California. He discussed the District's photo contest and indicated that the deadline to submit photos is April 18, 2011. And lastly, Director Robak shared some of his memories of Frank Biehl and indicated his condolences to the Biehl family.

13. PRESIDENT'S REPORT

President Bonilla reported on meetings he attended during the month of March 2011 and indicated that on March 15 he attended an Ad Hoc Redistricting Committee meeting to discuss and begin the reapportionment of the District's divisional boundaries as required following a census. On March 16 he met with General Manager Watton to discuss items to be presented at the March committee meetings, and also attended the City of Chula Vista's Board of Ethics Committee to discuss the District's complaint filed with the committee. On March 17 he met with representative of Banco Popular to discuss possible services that the bank may provide to the District. On March 22 he met with Will Gustafson to discuss issues concerning the Salt Creek Golf Course lease. Lastly, on April 1 he met with General Manager Watton and General Counsel Dan Shinoff to discuss the April board agenda.

President Bonilla shared that the District submitted a complaint to the City of Chula Vista's Board of Ethics Committee concerning the unethical demeanor of one of its members. He provided details of the complaint and shared his thoughts about the matter and indicated that as President of the Otay Water District, he feels that it is his duty to protect the reputation of the District and its employees and Board of Directors. He noted that if litigation is pursued in this matter, it would be handled through his own resources.

General Manager Watton presented to the board a Distinguished Budget Award from the Governor's Finance Office Association (GFOA) that was awarded to the District's Chief Financial Officer Beachem and his staff. General Manager Watton noted that it was very nice to see Chief Financial Officer Beachem and his staff receive an award for their work. He noted that it is a great honor for staff to be recognized by peers as it is an indication that staff is looked upon as a role model.

President Bonilla and General Manager Watton congratulated Chief Financial Officer Beachem and his staff on their receipt of the award.

14. ADJOURNMENT

With no further business to come before the Board, President Bonilla adjourned the meeting at 5:12 p.m.

President

ATTEST:

District Secretary