

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
July 11, 2012**

1. The meeting was called to order by President Lopez at 3:32 p.m.

2. ROLL CALL

Directors Present: Gonzalez, Lopez and Robak

Directors Absent: Croucher (due to a work commitment) and Thompson (out-of-town on pre-scheduled vacation)

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

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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

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

to approve the agenda.

5. APPROVE THE MINUTES OF THE REGULAR BOARD MEETINGS OF MAY 2 AND JUNE 6, 2012, AND SPECIAL BOARD MEETING OF MAY 15, 2012

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

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

to approve the minutes of the regular board meetings of May 2 and June 6, 2012 and special board meeting of May 15, 2012.

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.

General Manager Watton introduced new employees to the District, Mr. Daniel Martin, Engineering Manager, who joins the District from SANDAG and Mr. Jose Martinez, Utilities Services Manager, who comes to the District from SAIC and the U.S. Navy.

CONSENT ITEMS

7. 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 Robak requested that item 6d be pulled for discussion.

Upon a motion by Director Robak, seconded by President Lopez and carried with the following vote:

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

to approve the following remaining consent calendar items:

- a) APPROVE CHANGE ORDER NO. 2 TO THE EXISTING CONTRACT WITH TC CONSTRUCTION, INC. IN AN AMOUNT NOT-TO-EXCEED \$42,412.96 FOR THE LA PRESA SYSTEM IMPROVEMENTS PROJECT
- b) ADOPT RESOLUTION NO. 4200 TO CONTINUE WATER AND SEWER AVAILABILITY CHARGES FOR DISTRICT CUSTOMERS FOR FISCAL YEAR 2012-2013 TO BE COLLECTED THROUGH PROPERTY TAX BILLS
- c) ADOPT RESOLUTION NO. 4202 TO ESTABLISH THE TAX RATE FOR IMPROVEMENT DISTRICT NO. 27 FOR FISCAL YEAR 2012-2013

- e) CAST VOTES TO ELECT REPRESENTATIVES TO THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS, REGION 6, SEATS A AND C

President Lopez presented Item 6d for discussion.

- d) APPROVE AGREEMENTS WITH THE FOLLOWING:
 - ABLEFORCE, INC., IN THE AMOUNT OF \$170,000 FOR PROGRAMMING SERVICES FOR FINANCIAL AND REPORTING SYSTEMS ENHANCEMENTS
 - ONE YEAR O&M SERVICE AGREEMENTS FOR FY 2013 WITH:
 - i. GTC SYSTEMS, INC., IN THE AMOUNT OF \$78,000 FOR NETWORK MANAGEMENT AND MONITORING SERVICES
 - ii. AT&T IN THE AMOUNT OF \$99,000 FOR LOCAL AND LONG DISTANCE TELEPHONE AND INTERNET SERVICE
 - iii. VERIZON WIRELESS IN THE AMOUNT OF \$81,000 FOR CELL PHONE DEVICE CONVERSION AND WIRELESS SERVICES
 - iv. SOFT CHOICE IN THE AMOUNT OF \$83,546 FOR SOFTWARE LICENSES UNDER THE MICROSOFT ENTERPRISE AGREEMENT
 - v. TYLER TECHNOLOGIES IN THE AMOUNT OF \$139,710 TO COVER THE COSTS OF A SOFTWARE MAINTENANCE AGREEMENT, ANNUAL SUPPORT, AND CONSULTING SERVICES (O&M \$119,710/CIP P2470 \$20,000)

Director Robak indicated that he recalled that the District had approved internet services and inquired which company was selected and if AT&T was providing the same service. General Manager Watton indicated that the contract was with Cox Communications for two years of service. Cox Communications would provide redundancy services to back-up AT&T. The two services are separate (AT&T and Cox Communications). Because the Cox Communications contract was already approved, it was not listed in staffs' report. It was noted that AT&T also provides telephone services.

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

Ayes: Directors Gonzalez, Lopez and Robak
Noes: None

Abstain: None
Absent: Directors Croucher and Thompson

to approve staffs' recommendation.

ACTION ITEMS

8. BOARD

a) DISCUSSION OF 2012 BOARD MEETING CALENDAR

District Secretary Cruz indicated that dates for a joint agency board meeting with Helix WD, Padre Dam MWD and Sweetwater Authority are currently being considered in October. She also noted that the District's Special Board Meeting for a Board Workshop has been scheduled on Tuesday, September 11, 2012.

President Lopez indicated that if members of the board have any items they wished discussed at the joint agency board meeting, to please share them with him.

INFORMATIONAL ITEMS

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

a) REPORT ON THE FINDINGS OF THE 2012 CUSTOMER AWARENESS AND OPINION SURVEY

Communications Officer Armando Buelna indicated that an objective within the District's Strategic Business Plan is the conducting of customer opinion surveys so the District may gain a better understanding of customer attitudes, awareness and opinions, specifically, as they are related to the District's programs and services. He stated the ultimate goal of the surveys is to improve customer service. In March 2012 the board was presented the draft questionnaires for the General Customer Satisfaction and Opinion and the Call Center Surveys. At that meeting, the board directed staff to reduce the margin of error for the General Customer Satisfaction and Opinion Survey from +/- 5.7% to +/-4.5%. He noted, in order to reduce the margin of error to +/-4.5%, the number of respondents to the General Customer Satisfaction and Opinion Survey was increased from 300 (number of respondents to the 2011 survey) to 480 in this year's survey.

He stated that the Call Center Survey differs from the General Customer Satisfaction and Opinion Survey in that respondents were from a list of customers who have had contact with the District's call center within the past six (6) months. The margin of error for this survey is +/-5.4%. He indicated that the General Customer Satisfaction and Opinion Survey was conducted from March 14 to 23 and the Call Center Survey was conducted from late March through early April by Rea &

Parker Research. He stated that Drs. Rea and Parker would present the findings of both surveys.

Dr. Parker presented the findings of the General Customer Satisfaction and Opinion Survey and indicated that his presentation will include graphs and charts which represent the statistics from the surveys. He stated the basic finding of the survey is that there is, and always has been, a high level of satisfaction with the Otay WD and it is even better in 2012. He stated that 92% of the respondents are very confident or somewhat confident that there will be enough water and this has been holding steady for many years now. Dr. Parker reviewed the findings in detail (reference attached copies of presentation and Attachment A to staffs' reports which provides notes from the District's Finance, Administration and Communications Committee's discussion regarding the findings of the survey).

Director Gonzalez inquired if the District could develop a mobile application for customers to pay their water bill. Communications Officer Buelna indicated that staff is working with the District's billing vendor, InfoSend, to try and develop an 'App.' It is possible, however, it is still new technology. InfoSend is looking into developing the 'App'.

b) REPORT ON THE FINDINGS OF THE 2012 CUSTOMER AWARENESS AND OPINION SURVEY

Dr. Louis Rea presented the findings of the Call Center Customer Satisfaction Survey. He noted the differences in the characteristics of the respondents to the call center survey versus the general customer survey. He indicated the respondents were more Hispanic, had a lower median income and were a little younger in age than the respondents to the General Customer Survey. He stated that the percentage of customers who place a call to the Call Center is declining and the main purpose customers contact the call center is for billing issues as opposed to repair issues as was the main reason in the last survey. He noted that the average number of calls customers must make to achieve a resolution to their issue has been declining since 2006. Dr. Rea reviewed the findings in detail (reference attached copies of presentation and Attachment A to staffs' reports which provides notes from the District's Finance, Administration and Communications Committee's discussion regarding the findings of the survey).

Director Robak inquired how the respondents' characteristics compare to the District's service area demographics. Dr. Parker indicated that, in theory, the random selection of respondents should represent the demographics of the District's service area. He noted that, however, there is likely differences as respondents are screened, in that, they must be a customer of the District for at least one (1) year, must have a telephone number in the system so they may be contacted by phone, must be at least 18 years of age and the survey excludes renters who do not receive a water bill from the District directly (they are billed through their HOA's).

Director Robak also inquired about respondents' opinion/confidence in automated meters. Dr. Parker indicated that the survey did not include questions concerning customers opinions regarding automated meters. General Manager Watton noted that there were a couple of customers who opposed the automated meters as they felt the radio frequency associated with reading the meter impacted their health. It was discussed that over 99% of the District's customers have been converted to the automated read meters. There is approximately 200 meters of 49,000 that still need to be replaced.

General Counsel Dan Shinoff left at 4:41 p.m. and the District's Attorney, Richard Romero, sat in for Mr. Shinoff.

President Lopez indicated that continuing the customer surveys are very important to the District and he commended Drs. Rea and Parker for their good work on the surveys.

c) INFORMATIONAL FOLLOW-UP REPORT TO FISCAL YEAR 2013
BUDGET WORKSHOP

Chief Financial Officer Beachem indicated that this item is being presented as a follow-up to the board's request for additional information at the Board Budget Workshop held on May 15, 2012. He presented information responding to the board's requests (reference Attachment A to staffs' report which provides notes from the District's Finance, Administration and Communications Committee's discussion regarding this item).

Directors Robak and Gonzalez thanked staff for providing the additional information. Director Gonzalez indicated that the information shows that the District is working to benefit its constituents and is trying to find ways to improve services.

President Lopez commended staff and thanked them for following up on the board's requests.

REPORTS

10. GENERAL MANAGER'S REPORT

SAN DIEGO COUNTY WATER AUTHORITY (CWA) UPDATE

General Manager Watton indicated with regard to the Poseiden Desalination Project that it is projected that an acre foot of water will cost approximately \$2,300+. CWA is currently reviewing the project and Otay staff has been asked to provide feedback on CWA's assumptions concerning the project. He indicated that staff would be providing an update on the Poseiden project for the board in the next meeting or two. He noted that CWA's rate increase has been published at 7%, but it likely will be 10% to 11%. He also shared that CWA discussions have included the lawsuit with Metropolitan Water District (MWD) and the IID matters. CWA has continued to

prevail in court on procedural issues with MWD. MWD is still trying to attribute the IID transfer for some of the water cost. He indicated that, however, the IID water transfer has nothing to do with CWA's lawsuit. CWA's lawsuit is with regard to how MWD's rates are structured. MWD's rate structure is not configured properly Under Propositions 26 and 218. He indicated that if members of the board hear comments about the lawsuits or have questions, to please feel free to call either Director Croucher or himself.

General Manager Watton also highlighted information from his report that included an update on the District's sewer treatment plant, Water-Smart Plants Program, the employee recognition luncheon, that District forms are being made available on-line, that Chief of Information Technology Geoff Stevens and GIS Manager Ming Zhao will be presenting at the ESRI conference later this month, the transitioning of meter reading staff members to the Operations Department, and an update on water purchases and sales.

He indicated if members of the board have an interest in touring the District's newly upgraded treatment plant, to please let him know and staff will schedule a tour. He also indicated that the District received a letter from the California Department of Public Health wherein they commended the District's staff for their "continued diligence and conscientiousness placed in generating quality data from the laboratory." He stated that the District does not get such comments from the regulatory agencies very often and when they are received, he liked to share them with the board.

11. DIRECTORS' REPORTS/REQUESTS

Director Robak indicated that he had read an article that SANDAG had purchased a large property in Jamul for \$18 million (SANDAG paid \$10 million and Homeland Security provided \$8 million). He stated that the land is not developable and felt that the public did not receive a good investment.

Director Gonzalez indicated that he had attended a Hispanic Chamber event and a Latino Community Breakfast. He also shared that he completed the installation of a water conserving landscape at his residence which included the removal of grass from his front and back yards.

12. PRESIDENT'S REPORT

President Lopez reported on meetings he attended during the month of June 2012 (a list of meetings he attended is attached). He shared that the Water Conservation Garden will be presenting a film, "Watershed," in their amphitheatre on Saturday, July 28, at 8:15 p.m. He stated that Robert Redford is the executive producer of the film and he encouraged the board and staff to attend. He indicated that the Water Conservation Garden is also hosting other concerts and that a list is available on their website. He indicated that it is hoped that the Garden would become self-sufficient and that he was pleased with the new personnel hired by the Garden.

He also shared that he attended a couple of CSDA sponsored webinars (“What every Public Agency Should Know about Prevailing Wage” and “Proposition 218, Proposition 26 and Rate Setting”). He stated they were very informative and it was very worthwhile to take some of these seminars.

13. ADJOURNMENT

With no further business to come before the Board, President Lopez adjourned the meeting at 5:18 p.m.

President

ATTEST:

District Secretary

President's Report
July 11, 2012 Board Meeting

A) Meetings attended during the Month of *June* 2012:

- 1) **June 1:** Board Agenda Briefing. Met with General Manager Watton and General Counsel Daniel Shinoff to review items that will be presented at the June Board meeting.
- 2) **June 6:** Attended the District's Regular Board Meeting
- 3) **June 7:** Attended a meeting of the Metro Commission.
 - a) Discussed various Metro Commission matters that included the consideration to approve the San Diego Recycled Water Study and the FY 2011-2012 Budget (Metro Commission agenda attached).
- 4) **June 13:** Attended the Water Conservation Garden Board Meeting.
 - a) Discussed the Garden's FY 2012-2013 Budget and the Garden Operating Agreement (Water Conservation Garden agenda attached).
- 5) **June 14:** Participated in a CSDA sponsored Webinar titled, "What every Public Agency should know about Prevailing Wage."
- 6) **June 15:** Committee Agenda Briefing. Met with General Manager Watton to review items that will be presented at the June Committee meetings.
- 7) **June 19:** Participated in a CSDA sponsored Webinar titled, "Proposition 218, Proposition 26 and Rate Setting."
- 8) **June 20:** Attended a meeting of the Engineering, Operations and Water Resources Committee.
 - a) Reviewed, discussed, and made recommendation on items that will be presented at the July board meeting.
- 9) **June 21:** Attended a meeting of the Finance, Administration and Communications Committee.
 - a) Reviewed, discussed, and made recommendation on items that will be presented at the July board meeting.
- 10) **June 29:**
 - a) **Agenda Briefing Meeting.** Attendees: Mark Watton and Jeff Morris
 - (i) Discussed items to be presented at the July 2012 board meeting.