

**MINUTES OF THE  
BOARD OF DIRECTORS MEETING OF THE  
OTAY WATER DISTRICT  
September 2, 2015**

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

2. ROLL CALL

Directors Present: Lopez, Croucher, Robak, Smith and Thompson

Staff Present: General Manager Mark Watton, General Counsel Dan Shinoff, Attorney Richard Romero, Asst. General Manager German Alvarez, Chief of Engineering Rod Posada, Chief Financial Officer Joe Beachem, Chief of Information Technology Geoff Stevens, Chief of Operations Pedro Porrás, Asst. Chief of Administration and Information Technology Adolfo Segura, Asst. Chief of Operations Jose Martinez, Sr. Confidential Executive Secretary Tita Ramos-Krogman, and others per attached list.

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

A motion was made by Director Croucher, and seconded by Director Thompson and carried with the following vote:

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

to approve the agenda.

5. APPROVE THE MINUTES OF THE REGULAR BOARD MEETING OF MAY 6, 2015 and June 24, 2015

A motion was made by Director Thompson, seconded by Director Smith and carried with the following vote:

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

to approve the minutes of the regular board meeting of May 6, 2015 and June 24, 2015.

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.

CONSENT CALENDAR

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:

A motion was made by Director Thompson, seconded by Director Croucher and carried with the following vote:

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

to approve the following consent calendar item:

- a) AWARD A PROFESSIONAL AS-NEEDED UTILITY LOCATING SERVICES CONTRACT TO AIRX UTILITY SURVEYORS, INC. IN AN AMOUNT NOT-TO-EXCEED \$350,000 FOR A PERIOD OF THREE (3) FISCAL YEARS (FY), FY 2016 THROUGH 2018 (ENDING JUNE 30, 2019)

ACTION ITEMS

8. BOARD

- a) DISCUSSION OF THE 2015 BOARD MEETING CALENDAR

There were no changes to the meeting calendar.

INFORMATIONAL ITEM

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

- a) FOURTH QUARTER OF FISCAL YEAR 2015 CAPITAL IMPROVEMENT PROGRAM REPORT (MARTIN)

Engineering Manager Dan Martin provided an update on the District's fourth quarter of FY 2015 Capital Improvement Program. He indicated that the FY

2015 budget is divided into 73 projects totaling \$10.6 million. The overall expenditures through the fourth quarter are \$9.8 million which is approximately 92% of the FY 2015 budget. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Mr. Martin's report.

In response to a comment made by Director Thompson, Engineering Manager Dan Martin stated that staff will consider adding each CIP project's location into the quarterly reports provided to Directors.

Director Smith commended staff for accelerating alternative CIP projects which resulted in the District exceeding its goal to align projected expenditures with actual expenditures in the FY 2015 CIP Budget. The CIP Budget's actual expenditures is 92%, which exceeded the 80% target.

## REPORTS

### 10. GENERAL MANAGER'S REPORT

General Manager Watton presented information from his report that included an update on the District's Employee Recognition Luncheon, Rate Increase Notices, CWA providing a Smart Phone App for reporting water waste, and the Rosarito Desalination Project. He indicated that the District will schedule a desalination committee meeting at the end of the year to provide an update on the Rosarito Desalination Project.

Mr. Watton reported on discussions and actions from the CWA board meetings. He also reported that Secretary John Laird attended a CWA committee meeting where the Bay Delta Tunnel Project was discussed.

Director Croucher reported on discussions and actions at the CWA's Legislation, Conservation and Outreach Committee meeting. He provided an update on the Carlsbad Desalination Project and shared that CWA will be hosting a Legislative Round Table where Speaker Atkins will be present. He indicated that board members are welcome to attend the round table. He also stated that MWD will be hosting tours of the Colorado River, Bay Delta Shores, etc. if board members are interested in attending.

At the request of Director Thompson, Chief Financial Officer Joe Beachem stated that staff will double-check the numbers on the Rate Increase Notices before they are sent out to customers.

Director Smith observed that the District's expenditures exceeded its revenues in FY 2015 which resulted in an approximate \$1.7M shortfall for the beginning of FY 2016. Chief Financial Officer Beachem stated the figures were for the year-end of FY 2015. He indicated the current year-to-date variance shows a shortfall of only \$255,000. The variance is due to customers conserving more water than anticipated. Staff is continuing to monitor the budget and conservation and will be bringing the matter to the board for discussion at a future meeting.

11. DIRECTORS' REPORTS/REQUESTS

Director Croucher reported that he received an email from a customer who commended Meter Technician Kim Chavez for detecting a leak at his/her property which prevented a significant amount of water waste and helped them (the property owner) save money.

At the request of Director Thompson, General Manager Watton stated that staff will further research the possibility of installing a charging station for electric cars at the District.

Director Smith shared that he is teaching at San Diego State University and he provides his students (via the District's website) with information on how to conserve water.

12. PRESIDENT'S REPORT

President Lopez reported on meetings he attended during the month of August 2015 (a list of meetings he attended is attached).

13. CLOSED SESSION

The board recessed to closed session at 4:37 p.m. to discuss the following matters:

- a) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9:

1 CASE

- b) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9:

1 CASE

- c) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION  
[GOVERNMENT CODE §54956.9]

UNITED STATES, ET AL., EX. REL. JOHN HENDRIX vs. J-M  
MANUFACTURING COMPANY, INC., ET AL.; CASE NO. ED CV 06-  
00055GW

The board reconvened at 5:24 p.m. and Attorney Richard Romero stated that the board took no reportable actions in closed session.

14. ACTION ITEM

APPROVE CHANGE ORDERS NO. 2 AND NO. 3 TO THE EXISTING CONTRACT WITH OLYMPUS AND ASSOCIATES, INC. FOR THE 944-1, 944-2, AND 458-2 RESERVOIR INTERIOR/EXTERIOR COATINGS AND UPGRADES PROJECT; AND INCREASE THE OVERALL BUDGETS FOR CIPs P2531, P2532, AND P2535 IN AN AMOUNT OF \$325,000

With no discussion by the board, a motion was made by Director Croucher, seconded by Director Robak and carried with the following vote:

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

to approve staffs' recommendation.

15. ADJOURNMENT

With no further business to come before the Board, President Lopez adjourned the meeting at 5:28 p.m.

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President

ATTEST:

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District Secretary

**President's Report**  
**September 2, 2015 Board Meeting**

**A) Meetings attended during the Month of August 2015:**

- 1) **August 7: Board Agenda Briefing.** Met with General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the August 13 Board Meeting.
- 2) **August 13: OWD Regular Board Meeting**
- 3) **August 21: Casa Familiar 29th Annual ABRAZO Awards Event.**  
Attendees: Director Thompson
- 4) **August 25:**
  - a. **Met with City of Chula Vista Councilmember Miesen.**  
Discussed the City of San Diego Recycled Water Rate Study. Attendees: Director Thompson, General Manager Watton and Finance Manager Bell
  - b. **Met with City of Chula Vista Councilmember McCann.**  
Discussed the City of San Diego Recycled Water Rate Study. Attendees: Director Thomspson, General Manager Watton and Finance Manager Bell
- 5) **August 26: Met with City of San Diego Councilmember Emerald.** Discussed the City of San Diego Recycled Water Rate Study. Attendees: General Manager Watton and Finance Manager Bell
- 6) **August 28: Board Agenda Briefing.** Met with General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the September Board Meeting.