

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
June 1, 2016**

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

2. ROLL CALL

Directors Present: Croucher, Lopez and Thompson

Directors Absent: Robak and Smith (both were out-of-town on preplanned vacation)

Staff Present: General Manager Mark Watton, Attorney Jeanne Blumenfeld, Chief Financial Officer Joe Beachem, Chief of Administration and Information Technology Adolfo Segura, Asst. Chief of Operations Jose Martinez, District Secretary Susan Cruz and others per attached list.

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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

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

to approve the agenda.

5. APPROVE THE MINUTES OF THE SPECIAL BOARD MEETINGS OF DECEMBER 15, 2015, MARCH 23, 2016 AND APRIL 4, 2016

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

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

to approve the minutes of the special board meetings of December 15, 2015, March 23, 2016 and April 4, 2016.

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.

PUBLIC HEARING

7. PUBLIC HEARING ON THE DISTRICT'S 2015 URBAN WATER MANAGEMENT PLAN (UWMP)

THE BOARD HELD A PUBLIC HEARING TO CONSIDER APPROVING THE DISTRICT'S 2015 UWMP. THE BOARD INVITED THE PUBLIC TO PROVIDE COMMENTS ON THE UWMP.

a) ADOPT RESOLUTION NO. 4306 APPROVING THE DISTRICT'S 2015 UWMP (COBURN-BOYD)

Environmental Compliance Specialist Lisa Coburn-Boyd indicated that staff is requesting that the board adopt Resolution No. 4306 to approve the District's 2015 UWMP. She indicated that since 1984, the California Urban Water Planning Act has required each urban water supplier in the State to prepare an UWMP. These plans must be updated at least once every five (5) years. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Ms. Coburn-Boyd's report.

The public hearing was opened by President Thompson at 3:40 p.m. No one wished to be heard. The public hearing was closed at 3:40 p.m.

In response to an inquiry from Director Lopez, Customer Service Manager Andrea Carey indicated that going forward, any customer who purchases a water meter for a parcel of land greater than an acre must purchase a separate meter for irrigation. Many years ago, the purchase of a separate meter was not required, thus, the District has customers with larger than one acre parcels with multi-use meters that provide service for both irrigation and potable water. She indicated that a study performed several years ago to determine if the services could be separated. The study found that it would be extremely costly to do so and it was determined that it did not make sense to separate the services. Ms. Carey indicated, in response to another inquiry from Director Lopez, that this would not impact the District.

Director Thompson commented that page 4-2 of the UMWP discusses new development and he wondered if the District reflected in the water demand estimates in the plan that single-family lots would be smaller than in the past and, thus, would use less water for irrigation purposes. Engineering Manager Bob Kennedy indicated that, yes, they did factor in that the land plan is changing and single-home foot prints are changing. In response to another inquiry from Director Thompson, Ms. Coburn-Boyd indicated that passive conservation is

basically a proactive approach to conservation where development policies are including mandates to reduce water use, such as, building codes that require the use of water efficient devices.

Director Thompson inquired with regard to chart number 6-4, on page 6-5, of the UWMP, what the reason was for the large jump in recycled irrigation water use from 2015 (4,070 AF) to 2020 (5,385 AF). Environmental Compliance Specialist Coburn-Boyd indicated that recycled water demand projections presented in the UWMP are aligned with the Water Facilities Master Plan projections for recycled water supplies which are based on projected growth and the conversion of more landscapes to utilize recycled water. She indicated that there will be an increase in development during that time, including Village 3, Village 8 and the Millenia development. Staff noted that the developments could be delayed, but this is the best estimate based on the information we have now. Staff also shared that development in the far eastern portion of the County of San Diego, such as Village 13 and 14, cannot utilize recycled water because these developments are upstream from the Otay Reservoir.

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

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

to approve staffs' recommendation.

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 Croucher, seconded by Director Lopez and carried with the following vote:

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

to approve the following consent calendar items:

- a) AWARD TWO (2) PROFESSIONAL AS-NEEDED ENGINEERING DESIGN SERVICES CONTRACTS TO PSOMAS AND RICK ENGINEERING, EACH IN AN AMOUNT NOT-TO-EXCEED \$500,000. THE TOTAL AMOUNT OF THE TWO CONTRACTS WILL NOT EXCEED

\$500,000 DURING FISCAL YEARS 2017 AND 2018 (ENDING JUNE 30, 2018)

- b) ADOPT ORDINANCE NO. 554 AMENDING SECTION 0, DEFINITIONS AND MISCELLANEOUS PROVISIONS OF THE DISTRICT'S CODE OF ORDINANCES; AND ADOPT RESOLUTION NO. 4307 AMENDING POLICY NO. 26, DISTRICT ADMINISTRATION OF REIMBURSEMENT AGREEMENTS, OF THE DISTRICT'S CODE OF ORDINANCES
- c) ADOPT RESOLUTION NO. 4303 TO ESTABLISH THE TAX RATE FOR IMPROVEMENT DISTRICT NO. 27 AT \$0.004 FOR FISCAL YEAR 2016-2017
- d) ADOPT RESOLUTION NO. 4304 TO CONTINUE WATER AND SEWER AVAILABILITY CHARGES FOR DISTRICT CUSTOMERS FOR FISCAL YEAR 2016-2017 TO BE COLLECTED THROUGH PROPERTY TAX BILLS
- e) ADOPT RESOLUTION NO. 4305 TO REPEAL BOARD POLICY NO. 39, DISCLOSURE OF INFORMATION AND USE OF COMPUTER, ELECTRONIC AND VOICE MAIL, AND INTERNET POLICY, OF THE DISTRICT'S CODE OF ORDINANCES
- f) APPROVE AN AGREEMENT WITH WESTERN PUMP, INC. IN AN AMOUNT NOT-TO-EXCEED \$103,623 TO RETROFIT THE FUEL ISLAND DISPENSING UNITS, UNDER DISPENSER CONTAINMENT UNITS AND UNDERGROUND FUEL PIPING

ACTION ITEMS

9. BOARD

- a) DISCUSSION OF THE 2016 BOARD MEETING CALENDAR

Director Croucher indicated that he would be out-of-town on July 6, 2016 and would not be available to attend the board meeting on that day. President Thompson indicated that he would be out-of-town and would be unable to attend the July and October 2016 committee meetings.

There were no changes to the board meeting calendar.

INFORMATIONAL ITEM

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

b) THIRD QUARTER OF FISCAL YEAR 2016 CAPITAL IMPROVEMENT PROGRAM UPDATE REPORT

Engineering Manager Dan Martin provided an update on the District's third quarter of FY 2016 Capital Improvement Program. He indicated that the FY 2016 budget is divided into 80 projects totaling \$11.8 million. The overall expenditures through the third quarter are \$7.4 million which is approximately 62% of the FY 2016 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 an inquiry from Director Croucher, Mr. Martin indicated that the District has not deployed any energy capturing devices at the 624 Zone Pressure Reducing Station. General Manager Watton added that staff has looked in the past at installing small generators, however, they have not proven to be a cost benefit for a station of this size. Director Croucher indicated that he just wanted to assure that the District is investigating technological improvements every two (2) years to take advantage of any new technologies.

REPORTS

11. GENERAL MANAGER'S REPORT

CWA Report

General Manager Watton noted that there are two handouts regarding CWA and MWD that were placed on the dias for each member of the board and indicated that CWA is continuing to discuss their Urban Water Management Plan (UWMP).

Director Croucher added that he has just returned from a trip to Sacramento with the San Diego Chamber of Commerce. They met with a few of the legislators and, specifically, with Governor Brown's Chief of Staff to discuss the State Mandates on conservation and to request that restrictions be implemented on a regional basis. He stated that the snowpack is looking good for this year, however, Lake Meade is at its lowest point ever. He indicated with regard to the Colorado River Agreements, there is discussions on what the State of California has a right to versus the states of Arizona and Nevada in terms of restrictions and who has the authority to represent California at the Colorado River discussions. These are issues that they will continue to monitor.

Director Croucher also indicated that he has brought a copy of the videos that CWA had produced from the book, "To Quench a Thirst." He stated that it is a three part video series and he would like to present one or all the parts at today's meeting. They are approximately five (5) minutes each and he indicated that after viewing the videos, he would like to get a copy of the book as it discusses the history of water in San Diego County and California. He indicated that he felt it would be worthwhile for each of the Directors to read the book.

General Manager's Report

General Manager Watton also presented information from his report. He reported on the District's physical security and access control standardization program, recruitments and new hires, the State conservation mandate, the change in insurance procedures for emergency repairs, the Rosarito Beach desalination project, and the main break at Greensview Drive.

In response to an inquiry from President Thompson, Mr. Watton indicated that the District's insurer has not covered the cost of staff time for construction management to coordinate the repair. Staff is looking at possibly retaining a construction consultant to manage the repairs which would then be reimbursable.

Director Lopez indicated that he appreciated all the work Communications Officer Armando Buelna has done for the District and for himself. He stated that he will certainly be missed and wished him well in retirement. President Thompson also indicated his appreciation for the good work Mr. Buelna had done related to the City of San Diego recycled matter.

12. DIRECTORS' REPORTS/REQUESTS

Director Lopez indicated that he wanted to thank Director Robak for attending the Metro Commission meeting on his behalf. The Commission is scheduled to meet again tomorrow. He also indicated that Mr. Gary London's report was very well done and informative. He indicated it is a very important document for planning purposes for the District. He also indicated that he attended the District's board and committee meetings.

13. PRESIDENT'S REPORT

President Thompson presented his report on meetings he attended during the month of May 2016. His report is attached.

14. CLOSED SESSION

The board recessed to closed session at 4:30 p.m. to discuss the following matter:

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

BLALOCK vs. OTAY WATER DISTRICT; CASE NO. 37-2016-00013542-CU-OR-CTL

The board reconvened at 4:55 p.m. and Attorney Jeanne Blumenfeld reported that the board met in closed session and took no reportable actions.

15. PRESENTATION OF "TO QUENCH A THIRST" VIDEOS

The "To Quench a Thirst" videos (three [3] parts) were viewed. The videos reviewed the history of the development of reliable water supply services for drinking and irrigation purposes in San Diego County from 1769 to the present.

16. ADJOURNMENT

With no further business to come before the Board, President Thompson adjourned the meeting at 5:17 p.m.

President

ATTEST:

District Secretary

President's Report
June 1, 2016 Board Meeting

A) Meetings attended during the Month of May 2016:

- 1) **May 2: Attended a meeting of the District's Ad Hoc Salt Creek Golf Course Development Committee.** Attendees: Director Lopez, General Manager Watton, Asst. General Manager Alvarez, Chief Financial Officer Beachem, Chief of Administration and Information Technology Segura, Accounting Manager Koeppen and Mr. Gary London, The London Group Realty Advisors.
- 2) **May 3: Attended Mayor Salas' State of the City Address.** Attendees: Director Lopez and General Manager Watton
- 3) **May 4: OWD Regular Board Meeting**
- 4) **May 6: Attended the Chicano Federation Annual Unity Luncheon.** Attendees: Director Lopez and General Manager Watton
- 5) **May 12: Committee Agenda Briefing.** Met with General Manager Watton to review items that will be presented at the May committee meetings. Director Lopez also attended.
- 6) **May 18: Attended the District's Finance, Administration and Communications Committee.** Reviewed, discussed, and made recommendation on items that will be presented at the June board meeting.
- 7) **May 19: Attended the CSDA Quarterly Dinner Meeting.** Christine DiDonato, Career Revolution, presented on **New Workforce IQ: 5 Trends Shaping the Future of Your Workforce.** Attendees: General Manager Watton
- 8) **May 28: Board Agenda Briefing.** Met with General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the June 1 Board Meeting. Director Lopez also attended.