

**MINUTES OF THE  
BOARD OF DIRECTORS MEETING OF THE  
OTAY WATER DISTRICT  
September 7, 2016**

1. The meeting was called to order by President Thompson at 3:34 p.m.

2. ROLL CALL

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

Staff Present: General Manager Mark Watton, General Counsel Daniel Shinoff, Asst. General Manager German Alvarez, Chief of Engineering Rod Posada, Chief Financial Officer Joe Beachem, Chief of Administration Adolfo Segura, Chief of Operations Pedro Porras, 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 President 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 JULY 6, 2016

A motion was made by President Thompson, seconded by Director Croucher to approve the minutes of the July 6, 2016 board meeting. District Secretary Susan Cruz indicated that she wished to note that on page four (4) of the minutes there were a couple of corrections to the minutes which Director Smith had brought to her attention. The corrections are indicated in a strike-thru copy of the minutes which has been placed on the dias for each director.

Director Smith indicated that he also wished to clarify his comments in the last paragraph of page three (3) of the minutes. He indicated that the intent of his comment was for the District to look if there was any possibility of using the potable water meter to cover the capacity fee for both the potable and recycled meters, thus, reducing the cost to the District of the \$1.3 million in potable

capacity fees the District would be required to pay to the San Diego County Water Authority (CWA). He stated that he believes that Engineering Manager Dan Martin had indicated that the capacity of the meters are generally very close to the need of the property (so there would likely not be extra capacity on the existing potable meter). However, it is something he would like staff to research should there be a possibility that the District could find some savings in the capacity fees that would have to be paid to CWA.

Director Thompson amended his motion to approve the minutes of July 6, 2016 to include the underline and strike-thru copy of page 4 of the proposed minutes which were provided to the board. Director Croucher accepted the amendment and seconded the motion. The motion carried with the following vote:

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

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

Mr. Larry Olds of El Cajon indicated that he retired from the Otay Water District with 20 years of service. He stated that he resides within division five (5) and is represented by Director Robak on the Board of Directors. He indicated that before he made his remarks, he wished to note that September is *National Childhood Cancer Awareness Month* and the month is dedicated to assisting children with cancer. He then shared his concern that Director Robak did not serve on any of the District's committees with the exception of the District's Ad Hoc Optimization Committee. He inquired why his board representative did not serve on any District standing committees and felt that he was not being well represented with his representative not being on a committee.

Director Croucher indicated that he wished to donate his per diem for today's meeting to the cancer foundation named in memory of Mr. Olds' granddaughter, the Kylie Rowand Foundation.

Director Robak noted that Mr. Olds lost his two (2) year old granddaughter, Kylie Rowand, to cancer and Grossmont High School student, Bryan Wilcox recently lost his battle to cancer as well.

PUBLIC HEARING

7. PUBLIC HEARING ON THE FINAL ENVIRONMENTAL IMPACT REPORT/FINAL ENVIRONMENTAL IMPACT STATEMENT FOR THE DISTRICT'S OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM PROJECT

THE BOARD WILL BE HOLDING A PUBLIC HEARING TO CONSIDER CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT/FINAL ENVIRONMENTAL IMPACT STATEMENT (FINAL EIR/EIS) FOR THE DISTRICT'S OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM PROJECT. THE BOARD INVITES THE PUBLIC TO PROVIDE COMMENTS ON THE REPORT.

- a) CERTIFY THAT THE FINAL EIR/EIS FOR THE DISTRICT'S OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM PROJECT HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, THE CURRENT STATE GUIDELINES, AND THE DISTRICT'S LOCAL GUIDELINES, AND THAT IT REFLECTS THE INDEPENDENT JUDGMENT OF THE DISTRICT; FIND THAT THE POTENTIALLY SIGNIFICANT EFFECTS OF THE PROJECT WILL BE AVOIDED THROUGH THE ADOPTION OF FEASIBLE MITIGATION MEASURES, AS SHOWN IN THE FINAL EIR/EIS AND THE MITIGATION, MONITORING AND REPORTING PROGRAM FOR THE FINAL EIR/EIS; AND APPROVE THE FINDINGS AND THE STATEMENT OF OVERRIDING CONSIDERATIONS FOR THE PROJECT

Environmental Compliance Specialist Lisa Coburn-Boyd indicated that staff is requesting that the Board certify that the Final Environmental Impact Report/Final Environmental Impact Statement (Final EIR/EIS) for the District's Otay Mesa Conveyance and Disinfection System Project (Project) has been completed in compliance with the California Environmental Quality Act, the current State guidelines, and the District's Local Guidelines, and that it reflects the independent judgement of the District. Additionally, staff requests the approval of the Mitigation, Monitoring and Reporting Program, and the Findings and the Statement of Overriding Considerations for the Project. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Ms. Coburn-Boyd's report.

### PUBLIC HEARING

President Thompson opened the public hearing at 3:55 p.m. Ms. Fay Crevoshay representing Wildcoast requested to speak. Ms. Crevoshay indicated that her organization is a binational conservation organization that works in both the United States and Mexico. She stated that her organization opposes the District's Project and is puzzled that the Otay WD is considering importing water from a desalination plant that will take its water from the most polluted beach in Baja California. Her organization feels that all would be in a better position if the sewer water being released to the ocean was treated and reused first. If additional water was needed then the desalination plant could be considered.

President Thompson thanked Ms. Crevoshay for her comments. There were no other requests to speak. The public hearing was closed at 4:03 p.m.

## DISCUSSION

General Manager Watton observed that none of Ms. Crevoshay's comments relate to the District's Final EIR/EIS or the Project and stated that this was also addressed in the letter responding to the San Diego Chapter of the Surfrider Foundation's and Wildcoast's concerns. He offered to meet with Ms. Crevoshay to discuss some of the items she spoke of today.

Ms. Coburn-Boyd indicated that the District understands that Wildcoast and Surfrider would like to see the wastewater released from Mexico's treatment plant reused, but the reuse of that water is not related to the District's project. Ms. Coburn-Boyd also noted that the District is complying with all the requirements of the California Environmental Quality Act (CEQA).

The board discussed the concerns expressed by Ms. Crevoshay and it was indicated that there would be ridged water quality standards, as required by the State of California, on the water purchased from the Rosarito Desalination Plant and the plant would also be included in the District's Water Quality Report (Consumer Confidence Report) published yearly. The report lists the District's water resources and the results of the water testing on those supplies. It was also discussed that the Desalination Project is an important potential project for the region as we work to diversify our water supply resources.

A motion was made by President 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 staff's 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:

President Thompson pulled items 7f, ADOPT ORDINANCE NO. 558 AMENDING SUBDIVISION "E" OF SECTION 2.01 OF THE DISTRICT'S CODE OF ORDINANCES TO ESTABLISH THE GENERAL MANAGER'S SIGNATORY AUTHORITY AT \$125,000, for discussion.

A motion was made by Director Smith, 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 items:

- a) ADOPT RESOLUTION NO. 4313 AMENDING POLICY NO. 21 OF THE DISTRICT'S CODE OF ORDINANCES TO REDEFINE THE FEE LIMITS FOR MINOR PROJECTS OF LESS THAN \$50,000 AND ADD CLARIFYING LANGUAGE FOR EXISTING PRACTICES WITH RESPECT TO PROFESSIONAL CONSULTING SERVICES
- b) ADOPT RESOLUTION NO. 4315 ELECTING THAT THE DISTRICT BE SUBJECT TO THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (CUPCCAA) PROCEDURES AND ADOPTING BOARD OF DIRECTORS POLICY NO. 53, INFORMAL BIDDING PROCEDURES UNDER THE CUPCCAA; AND AMEND SECTION 7 PRICING/BIDDING REQUIREMENTS OF THE OTAY WATER DISTRICT PURCHASING MANUAL
- c) ADOPT ORDINANCE NO. 557 AMENDING THE APPENDIX OF SECTION 6, CONFLICT OF INTEREST CODE (COIC), CONTAINED WITHIN THE DISTRICT'S CODE OF ORDINANCES TO UPDATE THE POSITION TITLES REQUIRED TO FILE A FORM 700 AND TO INCLUDE LANGUAGE IN SECTION 6.02 WHICH WILL ALLOW THE GENERAL MANAGER OR HIS DESIGNEE TO DESIGNATE POSITIONS TO BE INCLUDED IN THE COIC'S APPENDIX AT ANY TIME BETWEEN THE BIENNIAL REVIEW PERIODS
- d) ADOPT RESOLUTION NO. 4311 TO UPDATE BOARD POLICY NO. 19, SMOKING, TOBACCO, AND NICOTINE FREE CAMPUS, DUE TO RECENT LEGISLATION EXPANDING THE WORKPLACE PROHIBITION AGAINST SMOKING INCLUDING ELECTRONIC CIGARETTES
- e) RATIFY THE EMERGENCY CONTRACTED WORK PERFORMED BY KIRK PAVING FOR THE GREENSVIEW DRIVE MAIN BREAK REPAIR

President Thompson presented item 7f for discussion:

- f) ADOPT ORDINANCE NO. 558 AMENDING SUBDIVISION "E" OF SECTION 2.01 OF THE DISTRICT'S CODE OF ORDINANCES TO ESTABLISH THE GENERAL MANAGER'S SIGNATORY AUTHORITY AT \$125,000

Director Smith indicated that he was interested in understanding what items would not be forwarded for the board's consideration if the General Manager's signatory authority was increased to \$125,000 and commented that this would be a long term decision for the board and if General Manager Watton were to retire,

he felt concerned in providing this level signatory authority to the new General Manager. He made a motion to adopt Ordinance No. 558 amending subdivision "E" of section 2.01 of the District's Code of Ordinances to establish the General Manager's signatory authority at \$75,000. The motion was seconded by Director Croucher.

There was discussion that the delegated authority was for efficiency purposes and the board has the discretion to withdraw or adjust the authority at any time. It was suggested that contracts the General Manager approves under his authority could be reported in the General Manager's monthly report to the board.

Director Smith's motion, seconded by Director Croucher was carried with the following vote:

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

to adopt Ordinance No. 558 amending subdivision "E" of section 2.01 of the District's Code of Ordinances to establish the general manager's signatory authority at \$75,000:

## ACTION ITEMS

### 9. ENGINEERING AND WATER OPERATIONS

- a) APPROVE THE CONTINUANCE OF THE TEMPORARY MORATORIUM ON THE INSTALLATION OF NEW RECYCLED WATER FACILITIES ON OTAY MESA FOR A PERIOD OF ONE YEAR TO JULY 2017

Engineering Manager Martin indicated that this item provides a recommendation to continue the temporary moratorium on the installation of new recycled water facilities in the Otay Mesa area for a period of one (1) year to July 2017. He indicated that this item was last heard at the July 6, 2016 board meeting where staff presented an update of the factors, including the Otay Mesa recycled water financial analysis, which supported staff's recommendation at that meeting to place a permanent moratorium on the installation of new recycled water facilities in the Otay Mesa area. The factors included the cost of supply, infrastructure costs, recycled water demand and the expiration of recycled water incentives. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Mr. Martin's report.

Mr. Martin noted that on the dias for each member of the board is a letter from the East Otay Mesa Property Owners' Association voicing support and the reasons for their support of staff's recommendation to extend the temporary moratorium for an additional year.

A motion was made by President 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 staff's recommendation.

10. BOARD

a) DISCUSSION OF THE 2016 BOARD MEETING CALENDAR

There were no changes to the board meeting calendar.

INFORMATIONAL ITEM

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

a) FISCAL YEAR 2016 YEAR-END REPORT FOR THE DISTRICT'S FISCAL YEAR 2015-2018 STRATEGIC PLAN

Chief of Administrative Services Adolfo Segura presented the Fiscal Year-End 2016 Strategic Plan Report. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Mr. Segura's report.

There was discussion concerning the target for the measure, water use per capita per day, that staff will be researching what would be an appropriate target and would have a recommendation by the mid-year update report which is scheduled to occur in March 2017. Director Croucher requested that staff include the board in the process of determining the District's target for per capita water use per day as it could have an impact on water rates.

b) FOURTH QUARTER OF FISCAL YEAR 2016 CAPITAL IMPROVEMENT PROGRAM UPDATE

Engineering Manager Dan Martin provided an update on the District's fourth 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 fourth quarter are \$10.6 million which is approximately 90% 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 Robak, Mr. Martin indicated with regard to the reservoir coatings, they have a projected life of between 15 and 20 years.

Staff closely monitors and inspects the tanks and, in general, the projected life of the coatings have been close to the actuals.

## REPORTS

### 12. GENERAL MANAGER'S REPORT

#### General Manager's Report

General Manager Watton presented information from his report which included the Cal-Card oversight system, the annual employee recognition luncheon scheduled on October 12, changes to the health care benefit premium rates, potable and recycled water sales, an update on the City of San Diego's Pure Water Project cost allocation, the Air Pollution Control District inspections, and water testing for lead and copper.

#### CWA Report

Director Croucher reported that the CWA board closed nominations for the officers of the board. He indicated that Mr. Mark Muir from the City of Encinitas was nominated Chair, Mr. Jim Madaffer from the City of San Diego was nominated Vice Chair, and he was nominated Secretary. He stated that his nomination to the office of Secretary would provide Otay WD input into the leadership which will start with the board member appointments to Committees. He stated that there is concern on CWA's board with the project on energy and CWA's ability to opt out. They want to assure that this issue is addressed. Another issue that is being discussed at CWA is the Carlsbad desalination plant's intake and the newly implemented regulations that focus not only on saving fish, but also saving fish eggs and larvae. This will require additional funding to address this intake issue. He also shared that CWA has linked to their website the, "Live Water Smart," website. He lastly reported on the lawsuit with MWD that there was a motion to move the proceedings out of San Francisco and move the proceedings to another location. The motion was denied.

### 13. DIRECTORS' REPORTS/REQUESTS

Director Croucher reported on the Pointe Fire that occurred in Spring Valley on August 18, 2016. He indicated that he spoke with General Manager Watton during the fire and was able to provide him an update. He stated that the neighboring homes benefited from the District's access road to the reservoir because it created a barrier. He stated that the good things that Otay WD does goes beyond delivering water sometimes.

Director Smith reported that besides the regular committee and board meetings that he attends, he attended with President Thompson the initial meeting of the Ad Hoc City of San Diego Matters Committee on August 1, 2016.

Director Robak indicated that he attended the Albondigas South County meeting on September 2, 2016 where Assemblywoman Lorena Gonzalez was speaking. He also shared that he met Mr. José Cerda, a new director at Sweetwater Authority.

Director Lopez indicated that along with the regular committee and board meetings that he attends, he attended a meeting of the Desalination Project Committee on August 29, 2016. He also shared that he attended Casa Familiar's Abrazo where a farewell was bid to Ms. Andrea Skorepa the organization's Executive Director who would be retiring. He stated that she was a strong supporter of the District's opposition to the City of San Diego's proposed recycled water rate increase and she brought together community members to voice their opposition as well. He indicated that the District has also been meeting with elected officials and community members to answer their questions and concerns regarding the District's Otay Mesa Conveyance and Disinfection System Project.

14. PRESIDENT'S REPORT

President Thompson presented his report on meetings he attended during the month of August 2016 (his report is attached).

15. CLOSED SESSION

The board recessed to closed session at 5:38 p.m. to discuss the following matters:

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

1 CASE

- b) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
[GOVERNMENT CODE §54956.9]

THE AFFORDABLE HOUSING COALITION OF SAN DIEGO v. SANDOVAL;  
CASE NO. 34-2012-80001158-CU-WM-GDS

The board reconvened at 6:12 p.m. and General Counsel Shinoff reported that the board met in closed session and took no reportable actions.

16. ADJOURNMENT

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

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President

ATTEST:

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District Secretary

**President's Report**  
**September 7, 2016 Board Meeting**

**A) Meetings attended during the Month of August 2016:**

- 1) **August 1: Attended a meeting of the District's Ad Hoc City of San Diego Matters Committee.** Attendees: Director Smith, General Manager Watton, Attorney Jeanne Blumenfeld.
- 2) **August 3: OWD Regular Board Meeting**
- 3) **August 11: Attended the East Otay Mesa Property Owners Association and Otay Mesa Property Owners Association Meeting.** Discussed the Recycled Water Temporary Moratorium in Otay Mesa. Attendees: General Manager Watton and Communications Officer Otero
- 4) **August 12: Committee Agenda Briefing.** Met with General Manager Watton to review items that will be presented at the August committee meetings.
- 5) **August 18: Attended the CSDA Quarterly Dinner Meeting.** Dr. Steve Albrecht presented on **Lessons Learned: 25 Years in Workplace Violence Prevention.** Attendees: General Manager Watton, Communications Officer Otero, District Secretary Cruz and Sr. Confidential Executive Secretary Ramos-Krogman.
- 6) **August 23: Attended the District's Finance, Administration and Communications Committee.** Reviewed, discussed, and made recommendation on items that will be presented at the September board meeting.
- 7) **August 29: Attended the District's Desalination Project Committee.** Reviewed, discussed, and made recommendation on items that will be presented at the September board meeting.
- 8) **September 2: Board Agenda Briefing.** Met with General Manager Watton and Attorney Jeanne Blumenfeld to review items that will be presented at the September 7 Board Meeting.