

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
October 5, 2016**

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

2. ROLL CALL

Directors Present: Lopez, Robak, Smith and Thompson

Directors Absent: Croucher (assigned to the Loma Fire in northern CA)

Staff Present: General Manager Mark Watton, General Counsel Daniel Shinoff, Attorney Jeanne Blumenfeld, 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 Smith, and seconded by Director Lopez and carried with the following vote:

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

to approve the agenda.

5. APPROVE THE MINUTES OF THE REGULAR BOARD MEETINGS OF AUGUST 3 AND SEPTEMBER 7, 2016

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

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

to approve the minutes of the regular board meetings of August 3 and September 7, 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

Mr. Victor Geroche of El Cajon indicated that he received a notice that his water would be shut off and that he also received a bill in August 2016 for \$719. He stated that the bill indicates that he used 13,592.15 gallons of water in approximately one day. He indicated that his property is barely an acre and that if he used that much water in a day, he felt his property would likely be flooded along with his neighbors. Mr. Geroche stated that the District did visit his property to investigate and did change out his meter so it could be tested. The meter tested fine and the new meter was left installed at his property. He questioned the shutoff notice he received and where all the water had gone. He stated that he felt that something was not right.

Director Robak inquired if staff had any information that could be shared regarding Mr. Geroche's water bill. Customer Service Manager Andrea Carey indicated she would look into why Mr. Geroche received a shutoff notice as his account has been "flagged" to prevent his water from being shut off while the District investigates his situation. She stated that the District reviewed the data log for his property for the month in question and found a few days where there were long periods of water use. Mr. Geroche indicated that that could not happen as he manually waters his yard. Ms. Carey stated the meter for Mr. Geroche's property was tested and it had passed. She indicated that the District's Water Conservation Specialist Richard Namba also visited Mr. Geroche's property and Mr. Namba found that Mr. Geroche has in excess of 100 fruit trees on his property and that the ground was covered with decomposed granite. Mr. Namba felt that Mr. Geroche could have left the water running and with the decomposed granite ground cover, the water would have easily slipped into the ground. Mr. Namba observed that Mr. Geroche's fruit trees were in impeccable order and the quality of the trees were impressive. He felt that Mr. Geroche was a master gardener. Ms. Carey indicated that based on the District's meter test and Mr. Namba's observations, the District concluded that the water in question did pass through Mr. Geroche's meter. She indicated that she and Mr. Geroche have not spoken since the completion of the test and the visit to his property, but she did have a follow-up call to Mr. Geroche noted on her calendar for next week. Mr. Geroche does have a balance on his account and they would be discussing the best way to handle this balance.

President Thompson indicated that this was not an item on today's agenda and stated to Mr. Geroche that the District's Board has noted his concern and that there will be some follow-up from staff with him. Ms. Carey confirmed that staff would be in contact with Mr. Geroche.

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 Smith, seconded by President Thompson and carried with the following vote:

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

to approve the following consent calendar items:

- a) AWARD A CONSTRUCTION CONTRACT TO UNDERGROUND PIPELINE SOLUTIONS, INC. FOR THE 36-INCH LA PRESA AIR-VACUUM VALVE RELOCATIONS PROJECT IN AN AMOUNT NOT-TO-EXCEED \$157,315
- b) AWARD A CONSTRUCTION CONTRACT TO BLASTCO, INC. FOR THE 978-1 & 850-2 RESERVOIR INTERIOR/EXTERIOR COATINGS AND UPGRADES PROJECT IN AN AMOUNT NOT-TO-EXCEED \$1,106,200
- c) APPROVE AN AGREEMENT WITH ECS IMAGING, INC. FOR ENTERPRISE CONTENT MANAGEMENT SOFTWARE LICENSING, IMPLEMENTATION, AND MIGRATION IN AN AMOUNT NOT-TO-EXCEED \$185,265, AND REASSIGN AN ADDITIONAL \$75,265 TO THIS PROJECT FROM IDENTIFIED CIP SAVINGS

ACTION ITEMS

8. ENGINEERING AND WATER OPERATIONS

- a) APPROVE THE WATER SUPPLY ASSESSMENT AND VERIFICATION REPORT DATED AUGUST 2016 FOR THE CITY OF CHULA VISTA UNIVERSITY INNOVATION DISTRICT PROJECT, AS REQUIRED BY SENATE BILLS 610 AND 221

Environmental Compliance Specialist Lisa Coburn-Boyd indicated that the City of Chula Vista submitted a request to the District for a Water Supply Verification Assessment and Verification Report (WSA&V Report) for their University Innovation District Project pursuant to Senate Bills 610 and 221. She stated the primary intent of these bills is to improve the link between water supply availability and land use decisions. These bills require the water purveyor to prepare a WSA&V Report that will be included in the Project's CEQA documentation. Board approval is required for the submittal of the WSA&V Report to the City of Chula Vista. Please reference the Committee Action notes

attached to staff's report (Attachment A) for the full details of Ms. Coburn-Boyd's report.

It was discussed that if the City of Chula Vista's University Innovation District Project does not come to fruition and, instead, a high density development was proposed for the project area, a new WSA&V Report would be required for the new proposed development as it suggests new land use.

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

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

to approve staff's recommendation.

9. BOARD

a) DISCUSSION OF THE 2016 BOARD MEETING CALENDAR

President Thompson noted that he will not be able to attend the November 2, 2016 board meeting. 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:

a) FISCAL YEAR 2016 BOARD OF DIRECTORS' EXPENSES

Finance Manager Kevin Koeppen presented the Fiscal Year-End 2016 Board of Directors expenses. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Mr. Koeppen's report.

President Thompson indicated that he felt that the board members were doing a good job in setting a tone of being fiscally conservative, especially in comparison to other local agencies.

REPORTS

11. GENERAL MANAGER'S REPORT

CWA Report

General Manager Watton reported that officer elections have occurred at CWA and Director Croucher has been voted Secretary of CWA's Board of Directors; which places him in the board leadership for the next six (6) years. He stated that CWA has scheduled a Board workshop next week to discuss MWD matters and update the Board on the lawsuit. He lastly shared that the State Board's conservation mandate is being fast tracked and the agencies, including ACWA, CSDA, etc., have requested additional time (longer than 10 days) to consider what the State Board is proposing.

General Manager's Report

General Manager Watton presented information from his report which included an update on emergency preparedness, the capacity fee study, the Ralph W. Chapman Water Reclamation Facility Master Plan, the Rosarito Beach Desalination Project, and water sales and purchases.

Staff clarified with regard to the water conservation chart on page 10 of the General Manager's report that the percentages noted on the red line in the chart represents the percentage water savings compared to the same month in 2013. The 19% average water savings represents savings since June 2015 (when the mandate was implemented) to present compared to water use in 2013.

It was indicated with regard to the City of San Diego's Pure Water Program on page five (5) that the City is estimating the cost for treatment, flow, solids and the Pure Water Program. Their estimate for the Metro Wastewater portion of the project is \$405 million over the next six (6) years. The Metro Tac group is scheduled to review the cost allocation proposal (approximately 33.96% of the \$405 million or \$135.7 million) for the Metro Wastewater members on Monday.

12. DIRECTORS' REPORTS/REQUESTS

Director Smith reported that he attended his regular committee and board meetings and stated that he wished to just comment on the temporary road patch on Telegraph Canyon Road due to a leak. He noted that in comparison to the City of San Diego's temporary road patches, the repair on Telegraph Canyon Road was very well done. He recognized the City of Chula Vista for their requirements for road patches which have kept their roads even and in good repair. He commended staff on their work on the repair.

Director Lopez indicated that along with the regular committee and board meetings that he attends, he attended the South County Economic Summit on September 30. He indicated it was good seeing the businesses and agencies that the District works with and provides services to.

Director Robak indicated that he also attended the South County Economic Summit and attended the World Water Day event (world without water) on September 15. He indicated that 20 miles across our border, there are people without water. He stated that we need to look outside our immediate horizon and

do what we can to help. He stated that a few years ago an employee approached him and was interest in doing a water well in Tijuana. He asked if there were staff members interested in participating in the Water for People Program and possibly the program could be led by a group from the District. He also indicated at the last meeting the board had discussed CWA's interest in possibly producing power at the lake behind San Vicente Reservoir. He indicated that there are some doubts about this proposed project and he would hate to see money spent on the project, particularly, with what happened at Lake Hodges. He lastly shared that he attended a meeting at the Water Conservation Garden where they discussed the new operating agreement between the member agencies and the Friends of the Garden organization. The Executive Director Elyssa Robertson presented a proposed agreement that was based on an operating agreement between an electrical power operator and an owner entity (ie. a City, etc.) and they are relying on each member agency to comment and suggest changes. He stated that he and Director Thompson discussed the agreement and they both suggest that the agreement be reviewed by legal thoroughly.

13. PRESIDENT'S REPORT

President Thompson presented his report on meetings he attended during the month of September 2016 (his report is attached). He noted that in follow-up to the Wildcoast and Surfrider Foundation's concerns with the District's Otay Mesa Conveyance and Disinfection System Project, the District has been meeting with the public and elected officials to clarify the concerns raised and share with them information about the project.

He also indicated that he will not be attending the November 2, 2016 board meeting and, thus, this could be the last Otay Water District meeting that he attends as his seat is up for election on November 8. He indicated that he is running to be re-elected to his seat on the board and, of course, the outcome of the election is uncertain. He wished to indicate to staff should this be his last meeting that he appreciated their work and he has been proud to serve on the board.

14. CLOSED SESSION

The board recessed to closed session at 5:54 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

The board reconvened at 5:59 p.m. and General Counsel Shinoff reported that the board met in closed session and took no reportable actions.

15. ADJOURNMENT

With no further business to come before the Board, President Thompson adjourned the meeting at 6:00 p.m.

President

ATTEST:

District Secretary

President's Report
October 5, 2016 Board Meeting

A) Meetings attended during the Month of September 2016:

- 1) **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.
- 2) **September 7: OWD Regular Board Meeting**
- 3) **September 8: Met with Senator Ben Hueso** to update him on the District's Otay Mesa Conveyance and Disinfection System Project. Attendees: Ms. Ana Molina.
- 4) **September 13: Attended the District's Finance, Administration and Communications Committee.** Reviewed, discussed, and made recommendation on items that will be presented at the October board meeting.
- 5) **September 21: Attended the Water Conservation Garden JPA Board Meeting.** Discussed proposed Operating and Maintenance Agreement.
- 6) **September 30: Attended the South County Economic Development Council's Annual Economic Summit.** Attendees: Directors Lopez and Robak, and General Manager Watton.
- 7) **October 1: Board Agenda Briefing.** Met with General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the October 5 Board Meeting. Director Lopez also attended.