

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
November 2, 2016**

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

2. ROLL CALL

Directors Present: Croucher, Lopez, Robak and Smith

Directors Absent: Thompson (out-of-town on vacation)

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 Croucher and carried with the following vote:

Ayes: Directors Croucher, Lopez, Robak and Smith

Noes: None

Abstain: None

Absent: Director Thompson

to approve the agenda.

5. 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

6. PUBLIC HEARING ON THE ACQUISITION BY EMINENT DOMAIN OF CERTAIN REAL PROPERTY INTERESTS ON ASSESSOR PARCEL NUMBERS 506-130-02, 03, AND 04 IN CONNECTION WITH THE CAMPO ROAD SEWER REPLACEMENT PROJECT

THE BOARD WILL BE HOLDING A PUBLIC HEARING TO CONSIDER ADOPTING A RESOLUTION OF PUBLIC NECESSITY FOR THE ACQUISITION BY EMINENT DOMAIN OF CERTAIN REAL PROPERTY INTERESTS ON ASSESSOR PARCEL NUMBERS 506-130-02, 03, AND 04 IN CONNECTION WITH THE CAMPO ROAD SEWER REPLACEMENT PROJECT. THE BOARD INVITES THE PUBLIC TO PROVIDE COMMENTS ON THE REPORT.

- a) ADOPT RESOLUTION NO. 4316, A RESOLUTION OF PUBLIC NECESSITY, AUTHORIZING THE COMMENCEMENT OF EMINENT DOMAIN PROCEEDINGS BY OUTSIDE COUNSEL TO ACQUIRE THE NECESSARY INTERESTS IN REAL PROPERTY FOR THE CAMPO ROAD SEWER REPLACEMENT PROJECT

Senior Civil Engineer Steve Beppler indicated that the purpose of this item is to request that the board hold a public hearing and consider adopting a Resolution of Public Necessity for the acquisition by eminent domain of certain real property interests on Assessor Parcel Numbers 506-130-02, 03 and 04 in connection with the Campo Road Sewer Replacement Project. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Mr. Beppler's report.

In response to an inquiry from Director Croucher, staff indicated that the property owner was made aware of the Public Hearing via a certified letter which was signed by the property owner as received on October 12, 2016. Staff also spoke to the property owner by phone.

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

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

to approve staff recommendation.

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:

Director Robak pulled items 6a, AWARD A FIVE-YEAR CONTRACT TO GREENRIDGE LANDSCAPE, INC. FOR LANDSCAPE MAINTENANCE SERVICES IN AN AMOUNT NOT-TO-EXCEED \$554,380, for discussion.

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

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

to approve the following consent calendar items:

- b) ADOPT ORDINANCE NO. 559 AMENDING SECTION 60, UTILITY FACILITIES FOR SUBDIVISIONS AND PARCEL MAP DEVELOPMENTS, OF THE DISTRICT'S CODE OF ORDINANCES
- c) APPROVE THE RENEWAL OF THE MEXICO AGREEMENT TO TRANSFER WATER AND SET THE WHEELING RATE FOR THE DELIVERY OF TREATY WATERS TO MEXICO

Vice President Lopez presented item 6a for discussion:

- a) AWARD A FIVE-YEAR CONTRACT TO GREENRIDGE LANDSCAPE, INC. FOR LANDSCAPE MAINTENANCE SERVICES IN AN AMOUNT NOT-TO-EXCEED \$554,380

In response to an inquiry from Director Robak, staff indicated that Greenridge Landscape, Inc. is the District's current contractor. They have been providing the service for the last five (5) years and have provided excellent services.

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

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

to approve staffs' recommendation.

ACTION ITEMS

- 8. FINANCE, ADMINISTRATION AND INFORMATION TECHNOLOGY
 - a) APPROVE THE DISTRICT'S AUDITED FINANCIAL STATEMENTS INCLUDING THE INDEPENDENT AUDITOR'S UNQUALIFIED OPINION FOR FISCAL YEAR ENDED JUNE 30, 2016

Senior Accountant Marissa Dychitan indicated that staff is recommending that the board approve the District's audited financial statements, including the

Independent Auditors' unqualified opinion for the fiscal year ended June 30, 2016. She stated that Teaman, Ramirez & Smith, Inc. performed the audit and found that, in all material respects, the financial statements correctly represent the financial position of the District. Please reference the Committee Action notes (Attachment A) attached to the staff report for further details of Ms. Dichitan's and the Auditor's (Mr. Rich Teaman's) report.

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

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

to approve staff's recommendation.

9. BOARD

a) DISCUSSION OF THE 2016 BOARD MEETING CALENDAR

There were no changes to the board meeting calendar.

REPORTS

10. GENERAL MANAGER'S REPORT

CWA Report

Director Croucher indicated that officer elections have occurred at CWA and he has been elected Secretary of CWA's Board of Directors. He also shared that he has received a 15-year service award from CWA. He noted that the *Live Water Smart* website has been launched and it has very good information on how to use water as efficiently as possible. He lastly shared that CWA has received several awards and noted they were honored with the top award from the Public Relations Society of America for its public outreach campaign *When in Drought*.

General Manager's Report

General Manager Watton reviewed the handouts provided to members of the board on the dias and presented information from his report which included an update on Certificate of Insurance tracking services, new hires/recruitments, evaluation on mobile devices, meetings with the San Diego County Sanitation District, the Presidential Permit, and water sales and purchases.

11. DIRECTORS' REPORTS/REQUESTS

Director Smith reported that he attended the regular committee and board meetings that he attends and apologized that he was not able to attend the employee appreciation luncheon.

Director Croucher noted that the State Water Resources Control Board is considering making some of the drought restrictions permanent. CWA is providing feedback and is suggesting that the agencies be allowed to sell water rather than releasing/spilling the water from reservoirs that are full. This would help lower the per unit cost of water and allow agencies to recoup their investments in water supply development and ease cost to their ratepayers.

Director Robak indicated that he attended the employee recognition luncheon and enjoyed hearing the accomplishments of the employees. He also shared that he attended the Water Conservation Garden Gala along with Directors Lopez and Thompson and wished them both (Directors Lopez and Thompson) success in next week's election.

12. VICE PRESIDENT'S REPORT

Vice President Lopez presented his report on meetings he attended during the month of October 2016 (his report is attached).

President Thompson's report is attached for his activities during the month of October 2016.

13. CLOSED SESSION

The board recessed to closed session at 4:27 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 – PENDING LITIGATION
[GOVERNMENT CODE §54956.9]

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

The board reconvened at 5:05 p.m. and General Counsel Shinoff reported that the board met in closed session and took no reportable actions.

14. ADJOURNMENT

With no further business to come before the Board, Vice President Lopez adjourned the meeting at 5:05 p.m.

President

ATTEST:

District Secretary

**Vice President Lopez' Report
November 2, 2016 Board Meeting**

A) Meetings attended during the Month of October 2016:

- 1) **Oct 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.
- 2) **Oct 5: Attended the District's Regular Board Meeting**
- 3) **Oct 6:**
 - a. **Attended a meeting of the Metro Commission** (see attached agenda)
 - b. **Attended the South County Economic Development Council's Elected Officials Reception** (Attendees: Directors Robak and Thompson, and General Manager Watton)
- 4) **Oct 12: Attended the District's Employee Recognition Luncheon**
 - a. **Attended the District's Employee Recognition Luncheon**
 - b. **Committee Agenda Briefing.** Met with General Manager Watton to review items that will be presented at the October committee meetings.
- 5) **Oct 15: Attended the Water Conservation Garden's 3rd Annual Enchanted Garden Gala** (Attendees: Directors Croucher and Robak)
- 6) **Oct 18: Attended the District's Finance, Administration and Communications Committee.** Reviewed, discussed, and made recommendation on items that will be presented at the November board meeting.
- 7) **Oct 20: Attended a Special Meeting of the Metro Commission** (see attached agenda)
- 8) **Oct 31: Board Agenda Briefing.** Met with General Manager Watton and Attorney Jeanne Blumenfeld to review items that will be presented at the November 2 Board Meeting.

President's Report
November 2, 2016 Board Meeting

B) Meetings attended during the Month of *October* 2016:

- 9) **Oct 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.

- 10) **Oct 4: Water Conservation Garden JPA Board Meeting**

- 11) **Oct 5: OWD Regular Board Meeting**

- 12) **Oct 6:**
 - a. **Met with Mexico Consul General Marcela Celorio to review the District's Otay Mesa Conveyance and Disinfection System Project** (Attendees: General Manager Watton and District Consultant Susanna Villegas)

 - b. **Attended the South County Economic Development Council's Elected Officials Reception** (Attendees: Directors Lopez and Robak, and General Manager Watton)

- 13) **Oct 12:**
 - a. **Attended the District's Employee Recognition Luncheon**

 - b. **Committee Agenda Briefing.** Met with General Manager Watton to review items that will be presented at the October committee meetings.