

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
August 5, 2009**

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

2. ROLL CALL

Directors Present: Breitfelder, Croucher, Lopez and Robak
Directors Absent: Bonilla (out-of-town on vacation)

Staff Present: General Manager Mark Watton, Asst. GM Administration and Finance German Alvarez, Asst. GM Engineering and Water Operations Manny Magana, General Counsel Yuri Calderon, Chief of Information Technology Geoff Stevens, Chief Financial Officer Joe Beachem, Chief of Engineering Rod Posada, Chief of Operations Pedro Porras, Chief of Administration Rom Sarno, District Secretary Susan Cruz and others per attached list.

3. APPROVAL OF AGENDA

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

Ayes: Directors Breitfelder, Croucher, Lopez and Robak
Noes: None
Abstain: None
Absent: Director Bonilla

to approve the agenda.

4. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF MAY 13, 2009

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

Ayes: Directors Breitfelder, Croucher, Lopez and Robak
Noes: None
Abstain: None
Absent: Director Bonilla

to approve the minutes of the regular board meeting of May 13, 2009.

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.

CONSENT CALENDAR

6. 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 Breitfelder pulled item 6d, APPROVE THE 2009 DISTRICT ORGANIZATIONAL MEMBERSHIP LIST, for discussion. Director Robak pulled item 6g, AUTHORIZATION TO ACQUIRE AN EASEMENT FROM THE GROSSMONT CUYAMACA COMMUNITY COLLEGE DISTRICT FOR THE JAMACHA ROAD 36-INCH POTABLE WATER PIPELINE PROJECT IN AN AMOUNT NOT-TO-EXCEED \$229,800, for discussion.

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

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve the following consent calendar items:

- a) APPROVE THE ISSUANCE OF SEVEN (7) PURCHASE ORDERS TO VARIOUS VENDORS FOR EDEN SYSTEMS SOFTWARE MAINTENANCE AGREEMENT, ANNUAL SUPPORT, AND CONSULTING SERVICES; GIS SOFTWARE LICENSES AND SOFTWARE INTEGRATION SERVICES; INFRASTRUCTURE MANAGEMENT SYSTEMS SOFTWARE LICENSES AND INTEGRATION CONSULTING WORK; TELEPHONE AND INTERNET SERVICES; CELL PHONE AND WIRELESS SERVICES; MICROSOFT DESKTOP AND SERVER SOFTWARE LICENSING; AND FOR THE PURCHASE OF ESRI GIS SOFTWARE AND SERVER LICENSES; FOR A TOTAL COST OF \$705,712
- b) ADOPT RESOLUTION NO. 4144 TO CAST THE DISTRICT'S VOTE TO ELECT FOUR REPRESENTATIVES TO THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S BOARD OF DIRECTORS
- c) CONSIDER TAKING A POSITION OF "SUPPORT" ON ASSEMBLY BILL 1506 (ANDERSON) RELATING TO THE ISSUANCE OF STATE OF CALIFORNIA REGISTERED WARRANTS
- e) AWARD A CONTRACT TO PACIFIC METER SERVICES, INC. IN AN AMOUNT NOT-TO-EXCEED \$148,410 FOR RETROFITTING UP TO

4,500 EXISTING MANUAL READ METERS WITH NEW AUTOMATED
METER READ METERS

- f) AUTHORIZE THE ISSUANCE OF A BLANKET PURCHASE ORDER TO KIRK PAVING IN AN AMOUNT NOT-TO-EXCEED \$200,000 FOR AS-NEEDED ASPHALT PAVING SERVICES FROM AUGUST 6, 2009 THROUGH JUNE 30, 2010

President Croucher presented item 6d and 6g for discussion:

1. APPROVE THE 2009 DISTRICT ORGANIZATIONAL MEMBERSHIP LIST

Director Breitfelder indicated that he felt that the South County Economic Commission is the foremost planning entity for economic development as it relates to the South Bay. He stated that the District should consider becoming a member. He indicated that the cost is \$750 annually and that this was a fairly small sum for the potential membership benefits. President Croucher indicated that he supported adding the South County Economic Commission to the District's membership list.

Director Robak indicated that he felt it was a dramatic move for the District to pull its ACWA membership. He stated that he felt the District should provide ACWA an opportunity to address the District's concerns. He suggested that the District invite ACWA Executive Director Tim Quinn to discuss the value of the ACWA membership and address some of the District's concerns.

It was discussed that it is felt that ACWA is a good organization, however, it seems the real issue is the lack of unique benefit from membership combined with a large increase in the membership fee. It was suggested that the board approve committee recommendation (approve the membership list as presented with the addition of the South County Economic Commission) and invite Mr. Quinn to provide a presentation at the September board meeting.

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

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve the District's membership list as presented with the addition of the South County Economic Commission.

- g) AUTHORIZATION TO ACQUIRE AN EASEMENT FROM THE GROSSMONT CUYAMACA COMMUNITY COLLEGE DISTRICT FOR THE JAMACHA ROAD 36-INCH POTABLE WATER PIPELINE PROJECT IN AN AMOUNT NOT-TO-EXCEED \$229,800

Director Robak indicated that he believed that the area that is impacting Cuyamaca College is not usable area and is not presently used by the college. Associate Civil Engineer Bob Kennedy indicated that that was correct, however, it is an environmentally sensitive area. There is an area along the Water Conservation Garden which impacts the Garden. It is 10' wide and 400' in length which is essentially their parking area. They will get the area back once it is repaved. The monies will reimburse the college for the loss of the area for future development (the land is "encumbered" with our facilities/easement).

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

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve staffs' recommendation.

ACTION ITEMS

7. BOARD

a) DISCUSSION OF 2009 BOARD MEETING CALENDAR

President Croucher indicated that he will be out-of-town during the board meeting scheduled on August 24, 2009. He stated that Director Lopez will chair the meeting on his behalf.

There were no changes to the board calendar.

INFORMATIONAL ITEMS

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

a) INFORMATIONAL REPORT ON THE USE OF RECYCLED WATER FOR THE IRRIGATION OF SOUTH BAY EXPRESSWAY

Engineering Manager Ron Ripperger indicated that the purpose of his report is to provide an update on the status of existing and planned use of recycled water for the irrigation of South Bay Expressway (SR-125). He stated that staff had previously presented this item to the Finance, Administration and Communication Committee on June 23 and July 22, 2009. Currently, there are three potable meters, twelve recycled meters and one temporary construction meter providing irrigation within the SR-125 right-of-way. He stated the three potable meters are located in the northerly portion of SR-125 near SR-54, the recycled meters are located along SR-125 south past Otay Ranch and the temporary meter is located

near SR-905 in the Otay Mesa area. He noted that 40% of the irrigation water is potable and 60% is recycled. Once the Otay Mesa Recycled Supply Link is constructed and operational, 76% of the irrigation water will be recycled.

He indicated that staff is currently designing the Otay Mesa Recycled Supply Link project which will link the District's central area recycled supply to the Otay Mesa area. He stated the supply link project is primarily three projects: 1) Airway Road Pipeline, 2) Alta Road Pipeline; and 3) Wueste Road Pipeline. He stated that once the three pipelines are operational, then staff will begin work on the Otay Mesa distribution pipelines wherein the existing recycled pipelines at various developments will be connected to the recycled system in phases. When the project is complete it will bring recycled water to the developments within the Otay Mesa area.

It was discussed that potable meters are utilized in the northern area due to the Sweetwater Reservoir watershed.

REPORTS

9. GENERAL MANAGER'S REPORT

General Manager Watton indicated that a couple of handouts were placed on the dias for members of the board that provides an update on the state water project and restrictions impacting the project. The handouts note that the reduced water flow from the Delta Bay is not drought caused, but induced by court cases and environmental issues. More detail is provided in the handouts if the board is interested.

He indicated that staff has had some productive discussions concerning the Rosarito Desalination Project and it seems to be progressing well. He stated that it is hoped that the District will be able to make an announcement soon.

He stated that District staff attended a CESPT ribbon cutting for the latest sewage treatment plant funded by the EPA. He noted that the District was the only United States participant, other than the EPA, and received nice remarks from the Governor of the State and CESPT General Director for the District's friendship and collaborative work with their agencies.

General Manager Watton congratulated and presented Engineering Manager, Jim Peasley, his service award for thirty years of service to the District and indicated that Mr. Peasley is the mastermind behind the planning of the studies and documents regarding water supply and demand. He thanked Mr. Peasley for his service to the District. Engineering Manager Peasley indicated that he has had a good thirty years with the District and is the reason he is still with the District.

He indicated with regard to his General Manager's report that he wished to acknowledge staff involved in the public outreach efforts for the 36-inch Pipeline Project. He stated that it has been quite an effort and staff has been meeting

with planning groups, the Cuyamaca College community, police/sheriff, church communities, at the local library, etc. to share information about the project and feedback has been very positive. He indicated that there will be impacts to the public and issues that will need to be addressed, but the District's efforts to communicate with the community will assist when such issues arise.

It was also discussed that there have been questions concerning the District coordinating with other agencies and utilities so that work within the roadways can all be accomplished at one time. It was discussed that the District does make every effort to communicate with all agencies and utilities to coordinate projects together, however, it does not always work out due to the timing of projects.

General Manager Watton indicated that the District has received approximately 200 calls/emails from customers reporting water waste within the District's service area. He indicated that this is lower than expected and staff is handling each report as it is received.

He noted that there are many programs underway in the Water Conservation Division in 2009. He stated that his report indicates the various programs and the results for fiscal year 2009 and includes irrigation controllers program, High Efficiency Washers, etc.

He stated that the City of Chula Vista is applying for an EPA Climate Showcase Communities Grant and the District supported their application by writing a letter of support to the EPA (copy included with his report). He indicated that there is a water savings component in the program, however, it is mainly focused on reducing carbon footprints. It was indicated that if the City of Chula Vista is successful in acquiring the grant, 50 homes will be selected to participate in the program which will be administered by the City. The District would support the program as the water utility provider.

He noted that the Water Conservation Garden attendance has increased significantly probably due to the drought and the need to conserve.

He indicated that in response to Senate Bill 1258, the California Department of Housing and Community Development was required to update the State's Graywater Guidelines. The guidelines were certified by the California Secretary of State on August 4th. The District did submit a letter of concern that if a property owner has a graywater system that there should be some record of the system, not a permit, but a record that the system exists so that the District can adequately protect its system from possible cross connections.

In meeting a goal of the Strategic Plan, staff participated in the QualServe Industry Best Practices Self-Assessment survey on July 22. The information was submitted to AWWA and the results should be available in a few weeks. Staff will analyze the results and determine the next steps in the QualServe assessment.

He stated that the 1296-3 Reservoir being constructed by Natgun (the first concrete reservoir in San Diego and the first built on the West Coast in 20 years) is receiving a lot of attention. A photo of the construction of the reservoir was published in the Brown Caldwell's newsletter as the "photo of the week." The reservoir will be featured by Natgun very prominently in a lot of advertising. He indicated that the construction is moving along very well and staff will verify when the reservoir will be tension wrapped so a tour date can be confirmed for a site visit.

He stated that the Tijuana Connection to Mexico was closed on June 29 at Mexico's request. The connection will re-open depending on various factors such as demand, how much they are taking out of the Rodriguez Reservoir, etc. It is expected that the connection will reopen in approximately 60 days. It was discussed that Mexico requests so many acre feet a month of water through the connection and a continuous flow to Mexico is set to meet the amount that they order. General Manager Watton noted that the water is Mexican water from the Colorado River that is being delivered/wheeled to Mexico. Mexico prepays the amount of water that they order for the year into their border group funding and the District is paid for its service to wheel the water to Mexico from this account.

General Manager Watton indicated with regard to potable water purchases that the District is 9.9% below budget and 13.1% below its allocation. He stated that sales being below budget may be problematic, but staff will continue to monitor water purchase and sales closely.

SAN DIEGO COUNTY WATER AUTHORITY UPDATE:

General Manager Watton indicated that the CWA and Olivenhain matter may be moving toward a settlement which is good news.

President Croucher indicated that CWA has been working with MWD to assure that they were still planning on funding items, such as rebates, etc. for the Conservation Programs.

Gregory Canyon was discussed with regard to concerns of the landfill affecting the aqueduct which runs close to the landfill and CWA also discussed the various desalination projects (Carlsbad, Camp Pendleton and south of the border).

He noted that CWA also provided performance reviews to its General Manager and General Counsel and their contracts have been extended.

10. DIRECTORS' REPORTS/REQUESTS

Director Robak indicated that he had attended the employee picnic and it was nice to go back and visit Santee Lakes as he was a resident of Santee for sixteen years and had also served on Padre Dam's board.

Director Lopez indicated that he also attended and enjoyed the employee picnic. He shared that the Water Conservation Garden will be holding two workshops to finalize input from the member agencies concerning the funding of the garden.

11. PRESIDENT'S REPORT

President Croucher apologized that he missed the employee appreciation event and the picnic due to family functions which conflicted with the events. He indicated that he attended the 1296-3 Reservoir tour and it was nice as they were able to solve some customer. He also noted that Santee Lakes was named the best camping ground in San Diego County.

RECESS TO CLOSED SESSION

12. CLOSED SESSION

The board recessed to closed session at 4:14 p.m. to discuss the following item:

- i) PUBLIC EMPLOYEE PERFORMANCE EVALUATION [GOVERNMENT CODE §54957(b)(1)]

TITLE: GENERAL MANAGER

RETURN TO OPEN SESSION

13. REPORT ON ANY ACTIONS TAKEN IN CLOSED SESSION. THE BOARD MAY ALSO TAKE ACTION ON ANY ITEMS POSTED IN CLOSED SESSION

The board reconvened at 4:32 p.m. General Counsel Calderon indicated that the board took no reportable actions in closed session.

Director Breitfelder indicated that the board conducted an annual evaluation of the performance of General Manager Watton in closed session. He stated that the board is very pleased with General Manager Watton's performance. Director Breitfelder made a motion, seconded by Director Robak and carried with the following vote:

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to extend General Manager Watton's contract an additional year (for a four year contract).

14. ADJOURNMENT

With no further business to come before the Board, President Croucher adjourned the meeting at 4:34 p.m.

President

ATTEST:

District Secretary