

**MINUTES OF THE  
BOARD OF DIRECTORS MEETING OF THE  
OTAY WATER DISTRICT  
May 4, 2011**

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

2. ROLL CALL

Directors Present: Bonilla, Croucher, Gonzalez, Lopez and Robak

Staff Present: General Manager Mark Watton, Asst. General Manager of Administration and Finance German Alvarez, Asst. General Manager of Engineering and Water Operations Manny Magana, Attorney Richard Romero, 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. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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

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

to approve the agenda.

5. PRESENTATION OF THE 2011 OTAY PHOTO CONTEST AWARD

Water Conservation Manager William Granger presented awards to the winners of the 2011 Otay Photo Contest on the theme, "Water." The District received 78 entries from Eastlake, Monte Vista, Steele Canyon and Valhalla High Schools. He noted that past photo contest winners have had their photos published in the District's Budget Document, Consumer Confidence Report (Water Quality Report) and on bookmarks that are distributed at community outreach events. He introduced second place winner, Ms. Olivia Thomas, a junior at Monte Vista High School, for her photo titled, "The Future of Water." He also introduced first place winner, Ms. Natalie Hunt, also a junior at Monte Vista High School and presented her a check for \$200 for her photo titled, "Beside the Moving Waters." Mr. Rhett McGinty, a junior at Eastlake High School, received third place and a \$50 check for

his photo titled, "Time is Money and the Meter is Running." Mr. McGinty was unable to attend the meeting, but was presented his award following the meeting.

Ms. Olivia Thomas was also presented the Regional Award for *Best in Show* and received a \$500 check for receiving both second place and *Best in Show* awards . Her photo was selected among entries received from high schools located within the service areas of Otay WD, Helix WD and Sweetwater Authority.

Water Conservation Manager Granger also introduced the teachers from Ms. Karen Breedlove from Monte Vista High School and Mr. Hinkle from Eastlake High School.

6. APPROVE THE MINUTES OF THE REGULAR MEETINGS OF JULY 7, 2010 AND OCTOBER 6, 2010

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

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

to approve the minutes of the regular meetings of July 7, 2010 and October 6, 2010.

7. 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

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 Robak, seconded by Director Gonzalez and carried with the following vote:

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

to approve the following consent calendar items:

- a) APPROVE AN AMENDMENT TO THE COOPERATIVE AGREEMENT CREATING THE INTERAGENCY WATER TASK FORCE WITH REFERENCE TO WHEN THE TASK FORCE WILL MEET
  
- b) AUTHORIZE THE INCREASE OF THE BUDGET FOR CIP P2502 FROM \$200,000 TO \$525,000; APPROVE THE ISSUANCE OF A PURCHASE ORDER TO SLOAN ELECTROMECHANICAL SERVICE & SALES IN THE AMOUNT OF \$246,885 FOR THE PURCHASE OF VARIABLE FREQUENCY DRIVES (VFDs); AND ISSUE A SEPARATE PURCHASE ORDER TO ONESOURCE DISTRIBUTORS IN THE AMOUNT OF \$134,252 FOR THE PURCHASE OF ACTIVE LINE CONDITIONERS FOR THE 803-1 AND 850-2 PUMP STATIONS
  
- c) AWARD A PROFESSIONAL ENGINEERING SERVICES AGREEMENT TO V&A CONSULTING ENGINEERS, INC. FOR FISCAL YEARS 2011, 2012, AND 2013 (ENDING JUNE 30, 2013) FOR THE CATHODIC PROTECTION PROGRAM AND FOR AS-NEEDED SERVICES IN AN AMOUNT NOT-TO-EXCEED \$392,729

ACTION ITEMS

9. BOARD

- a) DISCUSSION OF 2011 BOARD MEETING CALENDAR

It was discussed that as several Directors will be out-of-town during the week of the August board meeting, that the August 3 meeting be moved to the following week. The members of the board each confirmed their availability on the following Wednesday, August 10, and President Bonilla gave direction to District Secretary Cruz to formally move the meeting to August 10.

REPORTS

10. GENERAL MANAGER'S REPORT

SAN DIEGO COUNTY WATER AUTHORITY UPDATE

General Manager Watton indicated that CWA will be hosting an open house where they will discuss key water issues and supply challenges. The open house is directed towards the public, directors and others who may have an interest. He also indicated that the directors will be hearing more about CWA's lawsuit against MWD regarding their rates and its impact to CWA over the long term. He stated that CWA will be proposing a rate increase again this year and staff will be reviewing the proposed budget for Fiscal Year 2012 at a Special Board meeting scheduled on May 16, 2011. Staff will discuss how the increase in the wholesale water rate will impact the budget.

## GENERAL MANAGER'S REPORT

General Manager Watton presented to the board awards the District received from the California Society of Municipal Finance Officers for Excellence in Operating Budgeting for Fiscal Year 2010-2011 and for Excellence in Capital Budgeting for Fiscal Year 2010-2011. President Bonilla congratulated staff for their great work in achieving the awards.

General Manager Watton presented his report which included an update on the District's Asset Management Program, an assessment of possibly video streaming board meetings, an upcoming return visit by a Dutch Water Company to view the District's GIS Systems, the presentation of an economic outlook report prepared by Mr. Alan Nevin, the Rancho del Rey Well Project, the Del Rio Road and Gillespie Drive emergency interconnections, that the vehicle shop received a satisfactory safety rating (top rating) from the California Highway Patrol, and that water deliveries to Mexico for May and June 2011 have been canceled (please see attached copy of the General Manager's report for details).

### 11. DIRECTORS' REPORTS/REQUESTS

Director Croucher indicated that the State has declared the drought over, however, there are still very serious issues with regard to water shortage. He stated that while the state reservoir levels are up, the Bay Delta environmental issues are still continuing. He indicated that snow pack levels are higher than they have been in the past few years, but Lake Meade is still below the 200 foot mark. He also shared that MWD is planning on increasing the funding for their lawsuit with CWA from \$500,000 to \$800,000. He noted that 23% or \$300,000 of that funding comes from CWA. He stated that MWD is thinking of ending some incentives for those items that are already required by law. Some of the incentives will end now and some in 2012. It is felt that if they end some of these incentives now, that MWD should have some cost savings. However, MWD indicates that they will be leaving their budget as is, which is a concern at CWA. He stated that CWA is the largest user and yet they have the least impact on the process where voting is concerned.

Director Robak thanked staff for revising the accounts payables/demands list which has helped better clarify the information. He also reported that there are some issues at the Water Conservation Garden. At this time, it is very preliminary and that he would keep the board updated.

### 12. PRESIDENT'S REPORT

President Bonilla reported on meetings he attended during the month of April 2011 and indicated that on April 4 he attended the Ad Hoc Legal Matters Committee where issues related to the Fenton Business Center matter were discussed. He met with Cruz Bustamante, former State Lieutenant Governor, and General Manager Watton on April 11 to garner Mr. Bustamante's opinion and advice on the desalination project. On April 28 he met with General Manager Watton to discuss

the May Board agenda and on the same day he also attended an Ad Hoc Legal Matters Committee where matters related to the Fenton Business Center was discussed. He also attended an Ad Hoc Redistricting Committee meeting on May 3 where the committee reviewed various division boundary change options, as required following a census, presented by the district's consultant. The committee will present alternatives to the full board at a future meeting.

13. CLOSED SESSION

The board recessed to closed session at 4:03 p.m. to discuss the following matter:

- a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
[GOVERNMENT CODE §54956.9(a)]
  - (I) MULTIPLE CASES RELATED TO THE FENTON BUSINESS CENTER AND FILED WITH THE SUPERIOR COURT OF THE COUNTY OF SAN DIEGO CONSOLIDATED UNDER CASE NO. 37-2007-00077024-CU-BC-SC

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

The board reconvened from closed session at 4:55 p.m. Attorney Richard Romero reported that there were no reportable actions taken in closed session.

15. ADJOURNMENT

With no further business to come before the Board, President Bonilla adjourned the meeting at 4:55 p.m.

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President

ATTEST:

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District Secretary