

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
August 6, 2014**

1. The meeting was called to order by President Lopez at 3:40 p.m.

2. ROLL CALL

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

Directors Absent: None

Staff Present: General Manager Mark Watton, General Counsel Daniel Shinoff, Asst. GM German Alvarez, Chief of Engineering Rod Posada, Chief Financial Officer Joe Beachem, Chief of Information Technology Geoff Stevens, Chief of Operations Pedro Porras, Asst. Chief of Administration and Information Technology Adolfo Segura, 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 Director Robak and carried with the following vote:

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

to approve the agenda.

5. APPROVE THE MINUTES OF THE REGULAR BOARD MEETINGS OF MAY 7, 2014 AND JUNE 4, 2014

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

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

to approve the minutes of the regular board meetings of May 7, 2014 and June 4, 2014.

6. PRESENTATION OF RESOLUTION RECOGNIZING THE OTAY WATER DISTRICT'S DESIGNATION AS A DISTRICT OF DISTINCTION

Ms. Gail Ramer from Assemblymember Shirley Weber's office and Mr. Wayne Brown from Assemblymember Brian Jones' office presented, on behalf of the Assemblymembers, a Resolution from the California Assembly recognizing the Otay Water District as a District of Distinction through the Special District Leadership Foundation. They congratulated the District on receiving such a significant honor.

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:

Director Robak pulled item 7a, APPROVE THE ISSUANCE OF A PURCHASE ORDER TO TEGILE INC. IN THE AMOUNT OF \$155,479.60 FOR THE PURCHASE OF TWO (2) ENTERPRISE STORAGE AREA NETWORK (SAN) DEVICES AND SERVICES, for discussion.

Director Robak inquired if staff had evaluated offsite storage capability versus purchasing hardware. It was indicated that the SAN equipment is the day-to-day electronic storage (hard drive) for the entire District. Staff had done a thorough evaluation and had assessed *Cloud* based solutions as well. The District is using a solution for disaster recovery as a second tier for onsite storage. It is utilizing a service called "Zetta." Zetta allows the District to replicate local data onto a cloud service to meet the District's disaster recovery objectives. The District is doing both, but each has a specific objective.

In response to another inquiry from Director Robak, Asst. Chief of Information Technology and Administration Adolfo Segura indicated that the District is consolidating the entire equipment that is in place now. The new equipment is more consolidated allowing staff to remove racks from the data center and, thus, reduce costs. The current storage provides for 20 terabytes and the new system will provide storage for over 60 terabytes. It was noted that the District will get 60 raw terabytes of data. Staff noted, however, that within the system itself, there is built in redundancies which consumes about one third of the space. It was indicated that if any one of the drives fail, the entire system will not go down. The system is a combination of solid state and traditional fast local disk.

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

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

to approve staffs' recommendation.

ACTION ITEMS

9. ADMINISTRATION, FINANCE AND INFORMATION TECHNOLOGY

- a) ADOPT RESOLUTION NO. 4239 TO DECLARE A WATER SHORTAGE RESPONSE LEVEL 2 – SUPPLY ALERT CONDITION THAT CALLS FOR MANDATORY CONSERVATION MEASURES; AND ADOPT ORDINANCE NO. 546 AMENDING SECTION 39, WATER SHORTAGE RESPONSE PROGRAM, OF THE DISTRICT'S CODE OF ORDINANCES AND AUTHORIZE THE GENERAL MANAGER TO APPOINT A DESIGNEE TO ADMINISTER THE REQUIREMENTS OF THE PROGRAM

Customer Service Manager Andrea Carey indicated that staff is requesting that the board adopt Resolution No. 4239 to declare a Water Shortage Response Level 2 – Supply Alert Condition and adopt Ordinance No. 546 amending Section 39, Water Shortage Response Program, of the District's Code of Ordinances. Please reference the Committee Action notes (Attachment A) attached to staffs' report for the details of Ms. Carey's report.

Ms. Carey indicated that the amendment to Section 39 of the District's Code of Ordinances allows the General Manager to appoint a designee to administer different parts of the program and to also provide flexibility to the District with regard to new services should a Water Shortage Response Level 3 be declared.

General Manager Watton commented that the San Diego County Water Authority's (CWA) Board voted to declare a drought alert and in sensitivity to the City of San Diego, they did not declare a level, but essentially their action was the same as declaring a Level 2 Water Shortage Alert. The City did not wish to declare a Level 2 as they felt that their existing Level 1 Alert had sufficient mandatory water restrictions to comply with the Governor's and State Board's requirements. The Otay WD's ordinance is modeled after CWA's which originally had a Level 2 and staff is recommending that the board declare a Level 2 with mandatory restrictions.

In response to an inquiry from Director Robak, Communications Officer Armando Buelna indicated that the District has added quite a bit of information on the front page of the District's website regarding the drought level alert, the State's

actions, frequently asked questions, rebates, etc. Staff is also working with the Information Technology Department to make it easier to change video content on the front page of the website. Staff is also producing new videos for the front page and will add back the waste tracking feature which will allow customers to report water waste within the District's service area. He stated that these are changes that are occurring with the existing website. Staff is also working on redesigning and launching a new website and appreciates any comments from the board that would make communications with the District's customers more effective.

Staff is also tracking the District's Facebook and Twitter accounts closely and if there are any "tweets" on waste, that information is being forwarded quickly to the appropriate staff for response.

In response to another inquiry from Director Robak, staff indicated that CWA no longer provides rebates for artificial turf as they were receiving complaints that artificial turf was not aesthetically pleasing. Also, there is concern of the carbon footprint from artificial turf due to some production issues and questions regarding the longevity of the product; it is unproven in outdoor settings. Olay staff has observed with regard to the rebate programs that it is not so much what the rebate covers, but the forms and process that must be completed to procure the actual rebates (completing the application, getting the work inspected, etc.). The process is different at MWD and CWA, which is confusing to customers and is cumbersome. Feedback has been provided to CWA to try and streamline the rebate process.

Director Croucher indicated that it is very important for everyone to understand the seriousness of the drought. Since Governor Brown declared the Drought Alert, water use has actually increased. CWA is investing over \$600,000 towards community outreach programs to get the drought message to the public. Director Croucher indicated that the agencies need to align their message with CWA to assure that the drought message is consistent throughout the region. He shared that he saw a segment on Channel 10 news that discussed a new App for mobile devices that allows people to snap pictures of water waste (www.vizSafe.com). The photos don't get sent to the agencies, but anyone can log onto the site and look at what is getting posted and the location of where the photo was taken. The App is already in use in the Los Angeles area and it is very popular. It is something that the District can consider or place a tag on the District's website with information regarding the App.

Director Gonzalez commented that he felt the Water Conservation Garden (WCG) is effective in communicating the drought message to children. He stated that his daughter had visited the WCG on a school trip and she has been persistent in making family members aware when they are wasting water. He asked if the District had a program to fund such visits to the WCG. Mr. Richard Namba, Water Conservation Specialist, indicated that the District provides 30 bus tours for schools annually. They are provided on a first come, first served basis. He agreed that Ms. Smarty Plants does a very good job in getting children

who visit the Garden very enthusiastic about water conservation. Director Thompson suggested that the program be offered at the school sites themselves. Mr. Namba responded that the Ms. Smarty Plants program had such a positive response throughout Southern California that the WCG Director of Education, Ms. Pam Meisner, hired a second facilitator who is available to go out and provide the presentation at school assemblies. Staff can work on encouraging use of this resource by schools. Director Thompson suggested that staff go out and meet with the schools and possibly create an ongoing educational program for kids that is based in the school. General Manager Watton indicated that staff will put together a report that discusses the conservation and educational programs that the District has in place and present it for discussion at a Finance Administration and Communications Committee (FA&C Committee). Director Thompson requested that staff also present to the FA&C Committee information the impact to the District's budget if sales declined by 5%, 10%, etc.

Director Robak presented from the *Bloomberg* website several pictures of the State of California which shows the progression of the drought from three (3) years ago to present (copy attached to minutes). He noted that the pictures really illustrate that the Drought is getting worse each year.

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

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

to approve staffs' recommendation.

10. BOARD

a) DISCUSSION OF THE 2014 BOARD MEETING CALENDAR

There were no changes to the board meeting calendar.

REPORTS

11. GENERAL MANAGER'S REPORT

General Manager Watton presented information from his report that included Guatay Mutual Benefit Corporation's request for assistance, the redesign of the District's website, the Water Conservation Certification Program, the District's receipt of the Government Finance Officers Association Award for its Comprehensive Annual Financial Report, water purchases, and indicated that a Legislative Update would be provided at the September 3 board meeting. He indicated that Governor Brown is circulating his idea of what the water bond should entail and is requesting a \$6 billion bond. The legislature, at the moment,

has not made any progress on the bill. The legislature must decide on the bill by about August 11. He stated there may be an \$11 billion bond on the ballot in November as it would take a super majority to remove it and they haven't been able to gather the votes as of yet.

SAN DIEGO COUNTY WATER AUTHORITY UPDATE

General Manager Watton indicated that much of the discussion at CWA has been centered on the drought. Director Croucher indicated that the legal issues with MWD continue and the rulings and direction of the suit has been favorable to CWA. The Carlsbad Desalination Project is still on target to be completed in December 2015. He stated the Chair, Vice-Chair and Secretary of CWA's board is up for elections. Otay WD has supported Mark Weston for Chair, Mark Muir for Vice-Chair and Jim Madaffer for Secretary as our agencies have similar interest.

12. DIRECTORS' REPORTS/REQUESTS

Director Robak inquired if the redesign of the District's website will have a "friendly" feel. Staff indicated that it will. He also inquired with regard to the Calavo Basin Sewer System Rehabilitation Project if it would be characterized as Phase II of the sewer rehabilitation project. Engineering Manager Bob Kennedy indicated that it would be characterized as Phase II. Staff had completed a CCTV assessment several weeks ago and identified some key areas of the District that requires spot repairs. There will be a third and fourth phase as well. The goal of the Sewer Rehabilitation Project is to prevent spills by identifying sags and irregular areas of the sewer system and repairing those areas. Much of the repairs have been "spot repairs." Occasionally, the District does need to repair a "sag" in the sewer system which involves a complete replacement of the area with the sag.

Staff indicated with regard to another inquiry from Director Robak regarding the Rosarito Desalination Project that the Environmental Impact Report has been filed with the Secretaría de Medio Ambiente y Recursos Naturales (SEMARNAT), but they have not yet provided a date when the permit will be approved. The process is similar to the U.S. State Department processing. The process is started and it is estimated that the process will take about two (2) years, but it can be a little shorter or a little longer. It is never certain. It was noted that staff reviewed the report and did not see any fatal flaws.

Director Robak also shared that he attended the San Vicente Dam Raise Dedication. The Dam was raised 170 feet and viewing it was very impressive. He stated that he felt it was money well spent and was a very good investment.

13. PRESIDENT'S REPORT

President Lopez reported on meetings he attended during the month of July 2014 (a list of meetings he attended is attached). He thanked Director Gonzalez for

filling in for Director Thompson at the FA&C Committee in July. He also thanked Director Thompson for making every effort to be present at all the Ad Hoc Employee Negotiations Committee meetings.

14. CLOSED SESSION

The board recessed to closed session at 3:34 p.m. to discuss the following matter:

- a) CONFERENCE WITH LABOR NEGOTIATORS [GOVERNMENT CODE §54957.6]

AGENCY DESIGNATED REPRESENTATIVES: PRESIDENT LOPEZ
AND DIRECTOR
THOMPSON

EMPLOYEE ORGANIZATION: OTAY WATER DISTRICT EMPLOYEES'
ASSOCIATION

AND

ALL REPRESENTED AND UNREPRESENTED PERSONNEL
INCLUDING MANAGEMENT AND CONFIDENTIAL EMPLOYEES

15. RETURN TO OPEN SESSION

The board reconvened from closed session at 5:25 p.m. and General Counsel Dan Shinoff indicated that the board met in closed session and took no reportable actions.

16. ADJOURNMENT

With no further business to come before the Board, President Lopez adjourned the meeting at 5:25 p.m.

President

ATTEST:

District Secretary

President's Report
August 6, 2014 Board Meeting

A) Meetings attended during the Month of July 2014:

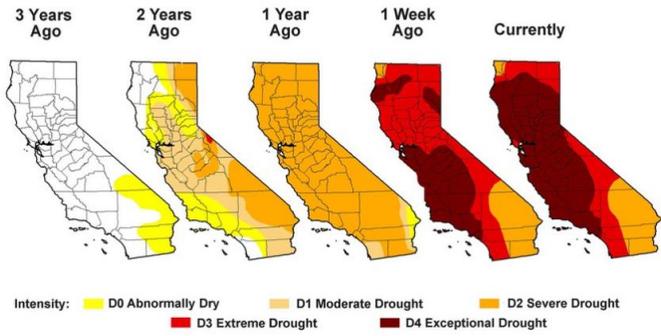
- 1) **July 15: Attended the District's Desalination Project Committee.** Received an update report on the project's progress and status.
- 2) **July 16: Attended the District's Ad Hoc Employee Negotiations Committee.** Reviewed, discussed, and made recommendation on negotiation matters that will be presented at the August board meeting in closed session.
- 3) **July 18: Committee Agenda Briefing.** Met with General Manager Watton to review items that will be presented at the July FA&C Committee meeting.
- 4) **July 22: Attended the District's Finance, Administration and Communications Committee.** Reviewed, discussed, and made recommendation on items that will be presented at the August board meeting.
- 5) **July 28: Attended the District's Ad Hoc Employee Negotiations Committee.** Follow-up regarding negotiation matters and discussed recommendations for presentation at the August board meeting in closed session.
- 6) **July 29: Attended the District's Ad Hoc Employee Negotiations Committee.** Additional follow-up discussion regarding recommendations concerning negotiation matters for presentation at the August board meeting in closed session.
- 7) **August 1: Board Agenda Briefing.** Met with General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the August Board Meeting.



California's Exceptional Drought Just Keeps Getting Worse

By Tom Randall | Jul 31, 2014 1:43 PM PT | 166 Comments | Email | Print

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Source: Brad Rippey/U.S. Drought Monitor

California's three-year drought just went from bad to dreadful. In the course of the last week, the crimson expanse of "exceptional drought" grew to engulf the northern part of the state.

- PREV What's Better Than Kindle Unlimited for \$120 a Year? This Free Alternative
- NEXT Smart Maps Help UPS Meet Carbon Goal Three Years Early

Use keyboard to navigate

ABOUT

Nations and companies face rising competition for strategic resources — energy, food, water, materials — and the technologies that make best use of them. That's sustainability. It's about the 21st-century race for wealth, health and long-term security, across the global grid. Analyses or commentary in this blog are the views of the authors, and do not necessarily reflect the views of Bloomberg News. Eric Roston, Editor eroston@bloomberg.net Tom Randall, Deputy Editor trandall6@bloomberg.net

BLOOMBERG VIEW
ON IDEAS THAT MATTER

VIEW

VIDEO

China Is Charging Towards Electric Cars