

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
August 13, 2015**

1. The meeting was called to order by President Lopez at 3:37 p.m.

2. ROLL CALL

Directors Present: Lopez, Croucher (arrived at 3:47 p.m. as he was attending a meeting at the SDCWA), Robak, Smith and Thompson

Staff Present: General Manager Mark Watton, General Counsel Dan Shinoff, Asst. General Manager 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, 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 Thompson, and seconded by Director Smith 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 SPECIAL BOARD MEETING OF MAY 19, 2015

A motion was made by Director Lopez, seconded by Director Robak 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 special board meeting of May 19, 2015.

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

No one wished to be heard.

PUBLIC HEARING

7. PUBLIC HEARING ON THE CERTIFICATION OF THE FINAL ENVIRONMENTAL IMPACT REPORT (FEIR) FOR THE DISTRICT'S NORTH-SOUTH DISTRICT INTERCONNECTION SYSTEM PROJECT

THE BOARD WILL BE HOLDING A PUBLIC HEARING TO CONSIDER CERTIFYING THE FEIR FOR THE DISTRICT'S NORTH-SOUTH INTERCONNECTION SYSTEM PROJECT. THE BOARD INVITES THE PUBLIC TO PROVIDE COMMENTS ON THE FEIR.

Environmental Compliance Specialist Lisa Coburn-Boyd indicated that staff is requesting that the Board certify that the FEIR for the District's North-South Interconnection System Project has been completed in compliance with the California Environmental Quality Act, the current State Guidelines and the District's Local Guidelines, and that it reflects the independent judgement of the District. Additionally, staff requests the approval of the Mitigation, Monitoring and Reporting Program and the findings for the project. She stated that the North-South Interconnection System Project consists of a 30-inch pipeline and associated booster pump station that would enable the District to move potable water between the District's north and south districts. The project would increase the District potable water supply flexibility and reliability. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Ms. Coburn-Boyd's report.

Director Robak indicated that he had heard approximately six (6) months ago that the District was developing the North-South Interconnection System Project because of a large housing development which will be built in the Proctor Valley area. General Manager Watton indicated that there is an interconnection that potentially could occur there, but it is much smaller and would not take the place of this proposed project. He stated the discussion concerning this project has been more on the timing of the project. This project is planned for beyond the District's six (6) year CIP planning. However, because there is an optional parcel from CalTrans that the District wishes to pursue, staff wishes to get the FEIR and the project certified so the District could purchase the CalTrans parcel for the proposed Pump Station for the project. The parcel is located near the Spring Valley Swap Meet and staff wishes to purchase the parcel before it is bought by another party.

General Manager Watton indicated that Supervisor Cox and his office have no issues with the proposed pipeline alignment and it is felt that the District has satisfied the community's concerns.

In response to an inquiry from Director Thompson, Senior Civil Engineer Jeff Marchioro indicated that the Purdue Treatment Plant is located at the tail end of the Sweetwater Reservoir. The treatment plant has a 42-inch main that comes within 1200 feet of the District's Ralph Chapman Water Reclamation Plant and Pump Station. The pipe is, thus, very convenient for the District to tie into for this project. Director Smith added that this project would also provide for the ability to have 10-days of storage in the North District. This is certainly a benefit for water reliability for the District's customers.

President Lopez opened the public hearing at 3:55 p.m. to receive the public's comments on the Final Environmental Impact Report for the District's North-South District Interconnection System Project. It was indicated that the District received 10 comment letters from the State, local agencies, organizations and individuals. The letters from the community groups in Bonita opposed the project. Particularly the pipeline going through Corral Canyon Road. The community groups were concerned about noise, dust, equipment/construction blocking their driveway, etc. Staff met with the community groups several times to explain the construction sequence and address their concerns. They are not completely satisfied, but they understand.

As no one from the public wished to be heard, President Lopez closed the public hearing at 4:00 p.m.

- a) CERTIFY THAT THE FEIR FOR THE DISTRICT'S NORTH-SOUTH DISTRICT INTERCONNECTION SYSTEM PROJECT HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, THE CURRENT STATE GUIDELINES AND THE DISTRICT'S LOCAL GUIDELINES, AND THAT IT REFLECTS THE INDEPENDENT JUDGMENT OF THE DISTRICT; FIND THAT THE POTENTIALLY SIGNIFICANT EFFECTS OF THE PROJECT WILL BE AVOIDED THROUGH THE ADOPTION OF FEASIBLE MITIGATION MEASURES, AS SHOWN IN THE FEIR, AND THE MITIGATION, MONITORING AND REPORTING PROGRAM FOR THE FEIR; AND APPROVE THE FINDINGS FOR THE PROJECT (COBURN-BOYD)

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

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

to approve staffs' recommendation.

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 7b, APPROVE THE ISSUANCE OF A PURCHASE ORDER TO HAAKER EQUIPMENT COMPANY IN THE AMOUNT OF \$402,830.28 FOR THE PURCHASE OF ONE (1) NEW MODEL 2115P-16 VACTOR TRUCK, for discussion.

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

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

to approve the following consent calendar items:

- a) ADOPT RESOLUTION NO. 4294 DESIGNATING A CHANGE OF AUTHORIZED SIGNATORIES FOR THE DISTRICT'S OPERATING AND PAYROLL ACCOUNTS WITH UNION BANK, N.A.
- c) APPROVE THE ISSUANCE OF A PURCHASE ORDER TO TRACE3 IN THE AMOUNT OF \$174,725.29 FOR NEW NETWORK EQUIPMENT AND SOFTWARE TO REPLACE THE EXISTING SERVER ENVIRONMENT
- d) APPROVE CHANGE ORDER NO. 2 TO THE EXISTING CONTRACT WITH ARRIETA CONSTRUCTION, INC. FOR A CREDIT IN THE AMOUNT OF <\$54,410.29> FOR THE CALAVO BASIN SEWER REHABILITATION, PHASE 1 PROJECT
- e) AWARD A CONSTRUCTION CONTRACT TO CCL CONTRACTING, INC. FOR THE 624 PRESSURE ZONE PRESSURE REDUCING STATIONS (PRSs) AND 944-1R PRS NO. 3 IMPROVEMENTS PROJECT IN AN AMOUNT NOT-TO-EXCEED \$455,209
- f) AWARD A CONSTRUCTION CONTRACT TO FORDYCE CONSTRUCTION, INC. FOR THE SWEETWATER RIVER TRESTLE IMPROVEMENT PROJECT IN AN AMOUNT NOT-TO-EXCEED \$173,740.00

- g) AWARD A PROFESSIONAL SERVICES CONTRACT TO CH2M FOR THE 2015 URBAN WATER MANAGEMENT PLAN UPDATE (2015 UWMP UPDATE) IN AN AMOUNT NOT-TO-EXCEED \$49,839

President Lopez presented item 7b for discussion:

- b) APPROVE THE ISSUANCE OF A PURCHASE ORDER TO HAAKER EQUIPMENT COMPANY IN THE AMOUNT OF \$402,830.28 FOR THE PURCHASE OF ONE (1) NEW MODEL 2115P-16 VACTOR TRUCK

In response to any inquiry from Director Robak, Assistant Chief of Operations Jose Martinez confirmed that the Vactor trucks are part of the shared resources agreement with sister agencies. He stated the shared services agreement is not for daily operations, it is for emergency services or if an agency's Vactor truck is out-of-service. The agencies do reimburse the District for the use of the District's assets. The proposed Vactor truck is similar to the District's existing truck that will be replaced. Staff is recommending the purchase of the largest capacity truck as it is utilized for excavation purposes as well.

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

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

to approve staffs' recommendation.

ACTION ITEMS

9. BOARD

- a) ADOPT RESOLUTION NO. 4295 OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT APPROVING FUNDING OF THE WATER CONSERVATION AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY, IN THE AMOUNT OF \$97,622 ANNUALLY FOR FISCAL YEARS 2016 – 2017, FOR A TOTAL OF \$195,244

General Manager Watton indicated that traditionally the Water Conservation Garden (WCG) funding is included in the budget and approved with the adoption of the budget. Because the WCG JPA is having discussions on the length of the funding and commitments by the member agencies, the District's representative to the WCG JPA, Director Thompson, requested that this item be agendaized for discussion and direction by the board.

Director Thompson indicated that the board has had discussions on the WCG funding in past meetings. One of the items he has requested of the WCG is data

showing how many of the agencies' customers use the garden. He stated that the agencies should have data which they can review next year which will help the member agencies evaluate what benefits they are receiving from the WCG. Because there currently are no quantifiable data to measure, the agencies felt that it would be appropriate to commit to a two year funding cycle.

Director Robak felt, especially because of the drought, that the WCG is the most likely vehicle to advocate water tolerant landscapes and conservation. He stated he supports the WCG and asked members of the board to support the WCG as well.

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

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

to adopt Resolution No. 4295 approving funding of the WCG in the amount of \$97,622 annually for fiscal years 2016 to 2017 for a total of \$195,244.

b) DISCUSSION OF THE 2015 BOARD MEETING CALENDAR

There were no changes to the 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) DROUGHT AND WATER CONSERVATION UPDATE (CAREY)

Customer Service Manager Andrea Carey provided an update on the District's water conservation activities, conservation targets, and what actions neighboring agencies are proposing to comply with the State Water Board's emergency conservation regulations and the State's mandatory conservation of potable urban water use. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Ms. Carey's report.

Information Technology Manager Michael Kerr provided a demonstration of the District's new Water Waste Mobile App. The new app will allow customers to report water waste, find information on water savings tips, connect directly to the District's Facebook and Twitter accounts, and link directly to the District's mobile web pay site. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Mr. Kerr's report.

In response to an inquiry from Director Croucher, Mr. Kerr indicated that customers using the app will not be able to link to their water use information. Staff indicated, however, that there is an application on the District's website where customers could get that information.

Director Robak suggested with regard to emails forwarded to customers/persons who send in a water waste reports, that they be able to reply to the District's email that confirms receipt of their water waste report. Mr. Kerr indicated in response to an inquiry from Director Robak that the app is not available on the App Store and it can be found by typing, "make every drop count." Customer Service Manager Carey indicated that the initial thought is to roll out the app to the District's social media followers, which would allow the District to receive some feedback on the app before it is rolled out to the public.

Director Thompson commented that he would like to have a full discussion on the possibility of defaming someone's character and the implications of the water waste reporting app before rolling it out.

Director Thompson indicated that the Finance Administration and Communications Committee discussed adding to each monthly report for the board a "to date" savings summary indicating that the District's customers have used XX% less or more than 2013 water use and customers need use no more than YY% through the end of February 2016 to achieve the District's target of 20% water savings.

REPORTS

11. GENERAL MANAGER'S REPORT

General Manager Watton indicated that Governor Brown had a meeting with the City of San Diego in June and the Governor mentioned that when his Executive Order expires in February, he intends to impose a follow-up Order to continue to mandate conservation. He stated that the Governor is aware of our region's concerns with the mandate and that the region is requesting amendments to his drought order to allow the use of the water supplies that San Diego County has been developing.

Mr. Watton also presented information from his report that included an update on the District's implementation of backflow prevention software, the mobile water app that was presented at today's board meeting, GIS staff's presentation at the ESRI Annual International Conference, the rebate programs for turf replacement, the Rosarito Desalination Project, installation of fire hydrants that will utilize recycled water, and Southwestern College's Irrigation/Landscape and Infrastructure Master Plans.

In response to an inquiry from Director Smith, staff indicated that funds from the sale of surplus property is placed in the general fund and would be applied against capital projects.

Director Thompson indicated that he would like to see the turf replacement rebates going to those who do not have the funds to replace their landscapes rather than to golf course or those with plenty of resources. He stated that those receiving the rebates are those that can afford to replace their landscapes on their own. He indicated that he feels if we cannot get changes to the program guidelines that the program should be terminated. General Manager Watton indicated that the agencies agree with Director Thompson and CWA had voted against the program at MWD. However, the majority of the members at MWD supported the program as is.

Director Croucher indicated, as the Chair of CWA's Legislation, Conservation and Outreach Committee, that they do understand what Director Thompson is indicating. San Diego County also is contributing to the rebate programs that are administered by MWD and the County is receiving less than what it is putting into the programs as most of the rebates are going up to MWD. CWA will continue to bring these messages to MWD.

CWA Report

Director Croucher indicated that they met with the State Governor yesterday and the Governor's conservation mandates were discussed. CWA shared with the Governor San Diego County's concerns with the mandates and the Governor agreed that there needs to be some changes to the conservation mandates as it relates to new water that has been created through the regions supply programs (i.e., San Vicente Dam Raise, Carlsbad Desalination Plant, etc.). He also shared that Legislators from Sacramento toured the Carlsbad Desalination Plant and that representative from CWA will be travelling to Sacramento to continue to share our region's concern with State legislators.

12. DIRECTORS' REPORTS/REQUESTS

Director Robak indicated that he was in the southwest, New Mexico and Texas, for the last few weeks. He stated that in northeast New Mexico (Philmont), the residents had indicated that they don't ever remember receiving so much rain in their area. The residents indicated that their area has received so much rain that a six-inch stream turned into a 20-foot wall of water that swept away several children who were camping at Philmont, the National training center for the Boy Scouts. The kids were rescued, with the exception of one sadly, but the incident shows how much rain they are receiving. He indicated that the El Nino is looking promising and noted that the drought has officially ended in Texas due to the large amounts of rain that they have also received this season.

Director Croucher stepped off the dias at 5:20 p.m.

Director Thompson reported that he attended the City of Chula Vista Interagency Task Force meeting and the Task Force had some good discussions and it is felt the Task Force will have more meetings periodically.

Director Smith also indicated that he attended, along with Director Croucher and General Manager Watton, the City of Chula Vista Interagency Task Force meeting on July 27. He stated that Ms. Dana Frieauf, San Diego County Water Authority, and General Manager Watton provided presentations related to the drought. The City of Chula Vista Mayor, Ms. Mary Salas, and Sweetwater Authority staff were also in attendance. The Task Force discussed how the three agencies could assure that they are providing a consistent message to the communities they serve concerning the drought. They also discussed the WCG and the possibility of combining our wastewater, particularly with regard to indirect potable reuse. He stated that he, Director Croucher and General Manager Watton also met with Speaker of the Assembly, Ms. Toni Atkins, to update her on the Rosarito Desalination Project.

13. PRESIDENT'S REPORT

President Lopez reported on meetings he attended during the month of July 2015 (a list of meetings he attended is attached). He commended the employees who coordinated the employee picnic.

14. CLOSED SESSION

The board recessed to closed session at 5:26 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 – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9:

1 CASE

- c) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION
[GOVERNMENT CODE §54956.9]

UNITED STATES, ET AL., EX. REL. JOHN HENDRIX vs. J-M
MANUFACTURING COMPANY, INC., ET AL.; CASE NO. ED CV 06-
00055GW

The board reconvened at 6:35 p.m. and General Counsel Dan Shinoff reported that the board met in closed session and unanimously voted to reject the claim presented in item 13b. He stated that the board took no other reportable actions in closed session.

15. ADJOURNMENT

With no further business to come before the Board, President Lopez adjourned the meeting at 6:35 p.m.

President

ATTEST:

District Secretary

President's Report
August 13, 2015 Board Meeting

A) Meetings attended during the Month of *July* 2015:

- 1) **July 17: Committee Agenda Briefing.** Met with General Manager Watton to review items that will be presented at the July committee meetings.
- 2) **July 18: Employee Picnic at Santee Lakes.**
- 3) **July 21: 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.

B) Meetings attended during the Month of *August* 2015:

- 1) **August 7: Board Agenda Briefing.** Met with General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the August 13 Board Meeting.