

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
May 3, 2017**

1. The meeting was called to order by President Robak at 3:36 p.m.

2. ROLL CALL

Directors Present: Croucher, Gastelum, Robak and Smith

Directors Absent: Director Thompson

Staff Present: General Manager Mark Watton, General Counsel Daniel Shinoff, 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

President Robak noted that item 8a, ADOPT ORDINANCE NO. 563 AMENDING SECTION 9, ANNEXATIONS AND DETACHMENTS; SECTION 28 CONNECTION FEES AND CHARGES FOR PORTABLE OR RECYCLED WATER SERVICE; SECTION 53, CONDITIONS FOR SEWER SERVICE; AND APPENDIX A OF THE CODE OF ORDINANCES TO ADJUST THE DISTRICT'S WATER CAPACITY FEE, NEW WATER SUPPLY FEE, AND ANNEXATION FEE; CREATE A SEWER CAPACITY FEE AND MODIFY THE SEWER ANNEXATION FEE, WITH ALL CHANGES TO BE EFFECTIVE MAY 3, 2017, is being pulled from the agenda as the items requires additional staff work.

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

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

to approve the agenda as amended (removing item 8a).

5. APPROVAL OF THE MINUTES OF THE REGULAR MEETINGS OF JANUARY 4, 2017 AND FEBRUARY 1, 2017

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

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

to approve the minutes of the regular meetings of January 4, 2017 and February 1, 2017.

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

Mr. Humbert Cabrera of El Cajon indicated that he wished to urge the President of the Board to consider having letters written in by those who wish to address the board during the public participation portion of the meeting. There are other avenues available to the community to address the recalling of a member of the board and he urged the public to use those avenues. He indicate that this would allow the District to focus on business during board meetings.

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:

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

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

to approve the following consent calendar items:

- a) APPROVE AN AGREEMENT WITH PROSPECTRA CONTRACT FLOORING FOR FLOOR COVERING REPLACEMENT FOR THE ADMINISTRATION BUILDING AT AN AMOUNT NOT-TO-EXCEED \$183,415
- b) AMEND THE DISTRICT'S PURCHASING MANUAL TO REFLECT THE RECOMMENDED UPDATES TO STREAMLINE THE PROCUREMENT OF GOODS AND SERVICES FOR THE DISTRICT

- c) ADOPT RESOLUTION NO. 4330 DESIGNATING SPECIFIC STAFF POSITIONS AS AUTHORIZED AGENTS TO DEAL WITH THE STATE OF CALIFORNIA, OFFICE OF EMERGENCY SERVICES, ON THE DISTRICT'S BEHALF IN ALL MATTERS PERTAINING TO DISASTER ASSISTANCE
- d) ADOPT RESOLUTION NO. 4331 AMENDING POLICY NO. 27, THE INVESTMENT POLICY, OF THE DISTRICT'S CODE OF ORDINANCES AND RE-DELEGATE AUTHORITY FOR ALL INVESTMENT RELATED ACTIVITIES TO THE CHIEF FINANCIAL OFFICER, IN ACCORDANCE WITH GOVERNMENT CODE SECTION 53607
- e) ADOPT RESOLUTION NO. 4332 TO EXTEND THE LETTER OF CREDIT WITH UNION BANK FOR THE OUTSTANDING VARIABLE RATE DEBT AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE APPLICATION FOR AMENDMENT TO IRREVOCABLE STANDBY LETTER OF CREDIT
- f) AWARD A CONTRACT TO KIRK PAVING IN AN AMOUNT NOT-TO-EXCEED \$200,000 FOR AS-NEEDED ASPHALT PAVING SERVICES FROM JULY 1, 2017 THROUGH JUNE 30, 2018, WITH AN OPTION TO EXTEND IT TO JUNE 30, 2019
- g) AWARD TWO (2) PROFESSIONAL AS-NEEDED CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES CONTRACTS TO ALYSON CONSULTING AND VALLEY CONSTRUCTION MANAGEMENT, EACH IN AN AMOUNT NOT-TO-EXCEED \$500,000. THE TOTAL AMOUNT FOR THE TWO (2) CONTRACTS WILL NOT EXCEED \$500,000 DURING FISCAL YEARS 2018 AND 2019 (ENDING JUNE 30, 2019)
- h) AWARD TWO (2) PROFESSIONAL AS-NEEDED WATER RECLAMATION ENGINEERING DESIGN SERVICES CONTRACTS TO ARCADIS U.S., INC. AND KEH & ASSOCIATES, EACH IN AN AMOUNT NOT-TO-EXCEED \$175,000. THE TOTAL AMOUNT FOR THE TWO CONTRACTS WILL NOT EXCEED \$175,000 DURING FISCAL YEARS 2018 AND 2019 (ENDING JUNE 30, 2019)
- i) APPROVE AN INCREASE TO THE CIP S2024 BUDGET IN THE AMOUNT OF \$1,600,000 AND AWARD A CONSTRUCTION CONTRACT TO WIER CONSTRUCTION CORPORATION FOR THE CAMPO ROAD SEWER REPLACEMENT PROJECT IN AN AMOUNT NOT-TO-EXCEED \$7,816,645.95

ACTION ITEMS

8. ENGINEERING AND WATER OPERATIONS

a) APPROVE A PERMANENT MORATORIUM ON THE INSTALLATION OF NEW RECYCLED WATER FACILITIES ON OTAY MESA

Engineering Manager Dan Martin indicated that staff is requesting that the Board place a permanent moratorium on the installation of new recycled water facilities on the Otay Mesa effective July 1, 2017. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Mr. Martin's report.

Director Smith indicated that he is supportive of the recommendation, but wished to share a few thoughts. He stated that he would like staff to look at this from a regional perspective and felt in California we should find ways to use potable water more than once. He indicated that possibly there is a way to obtain water from the South Bay Water Reclamation Plant and treat it to potable water instead of continuing to build purple pipe. He encouraged staff to look for new customers for recycled water. He also reminded the board that this decision will cost the District grant monies and the repayment of CWA capacity fees.

Director Croucher noted that the District needs to also look at the big picture. If we are able to capture the water and recycle it to potable, it impacts the discharge to the Metro as the discharge becomes more dense. He stated that we need to look at all the different options (groundwater recharge, pure water/toilet to tap, etc.) and their impacts, while being as efficient as possible.

After further discussion, a motion was made by President Robak, and seconded by Director Gastelum and carried with the following vote:

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

to approve staffs' recommendation.

9. BOARD

a) DISCUSSION OF 2017 BOARD MEETING CALENDAR

There were no changes to the board meeting calendar.

REPORTS

10. GENERAL MANAGER'S REPORT

General Manager's Report

General Manager Watton presented information from his report which included an update on safety and security, the upcoming annual employee picnic, the GIS regional imagery project, the CAFR (Comprehensive Annual Financial Report) Award, the fiscal year 2018 budget, the Campo Road sewer replacement project, City of San Diego Pure Water project, Sweetwater Authority emergency interconnect on E. Naples, and water purchases. The board had comments and questions concerning a few items in the General Manager's report and staff responded to the questions and comments.

CWA Report

Director Smith reported that CWA was awarded the American Society of Civil Engineers OPAL Award (Outstanding Projects and Leaders) for their emergency storage project. He noted that this is a prestigious worldwide award. He also shared that the Water Smart website (watersmartsd.org) is providing template designs for water smart landscapes. This is a really good resource for single family home customers throughout the State. He also indicated that there was discussion on the Salton Sea as to whether the water transfers will stop or if it will become the responsibility of the State. He reported on CWA's use of fiber optic sensors to monitor their pipelines and assist them in determining where they need preventative maintenance. He stated that he felt this was a great use of money as for a small cost, CWA can determine the actual condition of pipelines and where repairs are required, which allows the pipelines to be kept in place longer. He lastly shared that CWA will be purchasing a lower flow water meter which would allow them to take less water from MWD. The payback period for purchasing the meter was 1.6 years, which is a good investment as CWA has been taking less water from MWD.

Director Croucher added that the current system in place with MWD could not track the smaller amount of water that CWA is currently taking. The small meter resolves this issue and is a good approach for both agencies. He stated that CWA will be discussing moving to Drought Level 1 and noted that ACWA's annual conference is coming up in May 2017. He indicated that he, along with other officers of CWA, will meet with MWD representative while at the conference. He also shared that he attended the San Diego Chamber Congressional Luncheon and the Economic Council Development Council meeting along with Director Smith.

11. DIRECTORS' REPORTS/REQUESTS

Director Smith reported that he attended the District's regular board meeting and the WaterReuse Conference in March and in April he attended the Special Board meeting and the Engineering, Operations and Water Resources Committee. He also presented an idea he had for an Otay WD project called the Otay River Groundwater Recharge Project. This project would be similar to Orange County's project. Rain water could be captured and, along with treated recycled water, could be injected into the Otay River. He stated it is just an idea and he is waiting to hear staffs' feedback on the idea.

12. PRESIDENT'S REPORT

President Robak reported on the meetings he attended during the months of March and April 2017 (his report is attached). He shared that Cuyamaca College received a million dollar grant and will start providing a four-year degree for *Management in Water Utilities* in their new "Institute for Water Studies". This will be the first bachelor degree program at Cuyamaca College. He also discussed the Water Conservation Garden and its partners and interest in focusing the Garden back to its core mission. He also presented a video of his visit to the Grand Canyon and the Colorado River.

13. ADJOURNMENT

With no further business to come before the Board, President Robak adjourned the meeting at 4:50 p.m.

President

ATTEST:

District Secretary

**President's Report
Mark Robak
May 3, 2017
Board Meeting**

#	Date	Meeting	Purpose
1	1-Mar	OWD Regular Board Meeting	Monthly board meeting
2	2-Mar	Metro JPA	Monthly commission meeting
3	3-Mar	Albondigas South County	Presented on Local Water issues with Director Mitch Thompson
4	17-Mar	Gary Croucher & Dennis Cushman	Discussed CWA/MWD Issues
5	19 to 21- Mar	WaterReuse Annual Conference	Received updates on recycled water technologies and presentations on expanding the use of recycled water
6	23-Mar	San Diego East County Chamber Meeting	Heard presentation from Treasurer/Tax Assessor Dan McAllister
7	29-Mar	Water Conservation Garden Workshop	Presentation and brainstorming of ideas to improve Garden
8	3-Apr	MWD Briefing	Meeting at SDCWA with Maureen Stapleton & Amy Chen
9	4-Apr	Tour of Otay Regional Trail	Toured the trail with General Manager Watton and Environmental Specialists Boyd-Coburn
10	6-Apr	Chula Vista Development Forum	Received an update from the City Mayor and Developers on developments planned within the City of Chula Vista.
11	6 to 7-Apr	CA Water Policy Conference	Received presentations on CA water issues
12	17-Apr	Committee Agenda Briefing	Met with General Manager Watton to review items that will be presented at the April committee meetings.
13	17-Apr	Otay WD Special Board Meeting	Workshop on the District's Cost of Service Study
14	19-Apr	Finance, Administration and Communications Committee	Reviewed and discussed finance, admin and communications items
15	20-Apr	Institute for Water Studies	Toured Cuyamaca College's facilities and future plans with Don Jones and Joe Young
16	20-Apr	Water Conservation Garden Board Meeting	Discussed the proposed Water Conservation Garden Operating Agreement.
17	20-Apr	Water Reliability Coalition Reception	Annual Award ceremony and mixer

18	22-Apr	San Diego Water for People Jazz 88 Event	Mixer at Quartyard to raise money for organization projects
19	26-Apr	Met with Supervisor Dianne Jacob	Met with Supervisor Jacob to discuss potential sewer services cooperation Met with General Manager Watton and Attorney Jeanne Blumenfeld to review items that will be presented at the May Board Meeting.
20	28-Apr	Board Agenda Briefing	
21	29-Apr	Spring Garden Festival	Yearly event at Water Conservation Garden