

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
July 5, 2017**

1. The meeting was called to order by President Robak at 3:44 p.m.

2. ROLL CALL

Directors Present: Gastelum, Robak Smith and Thompson

Directors Absent: Director Croucher (called to respond to a fire emergency)

Staff Present: General Manager Mark Watton, Attorney Jeanne Blumenfeld, 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

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

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

to approve the agenda.

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

Mr. Dan Teague of Chula Vista indicated that the District owns a four (4) to five (5) acre parcel of land adjacent to his neighborhood which is filled with dry brush and weeds. He requested that the District clear the land of the brush as he is concerned that a fire could start on the District's land and threaten the homes close by. He asked if the District could address this issue now.

President Robak noted that District staff will be addressing this issue and the outcome will be reported back to the board. He thanked Mr. Teague for attending the District's meeting.

6. LEGISLATIVE UPDATE

Ms. Rosanna Carvacho of Brownstein, Hyatt, Farber and Schreck (BHFS) provided an update on legislative matters of interest to the District. She reviewed the bills that the District has taken support and oppose positions on, additional bills that her firm is monitoring on the District's behalf, and the new water/park bond that was filed on July 3, 2017 titled the "Safe Drinking Water/Water Quality and Supply Natural Resources Protection and Park Improvement Act 2018."

In response to an inquiry from Director Gastelum, Ms. Carvacho indicated that the District could work with Senators Hueso and Anderson to sponsor a bill, similar to the proposed bill for the Santa Clara Valley Water District concerning their design-build procurement process (SB 851). The District would just need to indicate why it would need the authority. She stated that bill would need to go to both the Assembly and Senate houses.

Director Smith inquired about bills for dams and reservoirs and Ms. Carvacho indicated that she would do some research and provide the information to the District.

President Robak inquired what the cost savings would be from SB 851. Ms. Carvacho indicated that she did not have that information, but would provide the information following the meeting. Director Robak also requested a spreadsheet with an update on the bills that BHFS is tracking on behalf of the District on a bimonthly basis.

7. APPROVE THE MINUTES OF THE REGULAR BOARD MEETING OF MARCH 1, 2017 AND SPECIAL BOARD MEETING OF APRIL 17, 2017

District Secretary Susan Cruz indicated that she wished to note a correction on page 8 of the March 1, 2017 minutes. She stated that at the bottom of the page, the motion to approve the consent calendar was seconded by President Robak as opposed to Director Croucher. She stated she wished to present the minutes for adoption with this change.

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

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

to approve the minutes of the regular meeting of March 1, 2017 with the proposed change as noted above and the special board meeting of April 17, 2017.

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 Smith, seconded by Director Thompson and carried with the following vote:

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

to approve the following consent calendar items:

- a) APPROVE A FOURTH AMENDMENT WITH CAROLLO ENGINEERS, INC. FOR DESIGN AND CONSTRUCTION SUPPORT OF THE 870-2 PUMP STATION PROJECT IN AN AMOUNT NOT-TO-EXCEED \$209,418
- b) AWARD TWO (2) PROFESSIONAL AS-NEEDED ENVIRONMENTAL SERVICES CONTRACTS TO HELIX ENVIRONMENTAL AND ICF, EACH IN AN AMOUNT NOT-TO-EXCEED \$400,000. THE TOTAL AMOUNT OF THE TWO CONTRACTS WILL NOT EXCEED \$400,000 DURING FISCAL YEARS 2018, 2019, AND 2020 (ENDING JUNE 30, 2020)

ACTION ITEMS

9. ENGINEERING AND WATER OPERATIONS

- c) AWARD A CONSTRUCTION CONTRACT TO PACIFIC HYDROTECH CORPORATION FOR THE 870-2 PUMP STATION REPLACEMENT PROJECT AND THE FLOATING COVER AND LINER REPLACEMENT AT THE 571-1 RESERVOIR IN AN AMOUNT NOT-TO-EXCEED \$16,925,900

Engineering Manager Dan Martin indicated that staff is requesting the Board's authorization for the General Manager to enter into a construction contract with Pacific Hydrotech Corporation for the 870-2 Pump Station Replacement Project and the floating cover and liner replacement at the 571-1 Reservoir in an amount not-to-exceed \$16,925,900. 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 the Engineering, Operations and Water Resources Committee supported staffs' recommendation. He stated because of the size and cost of the project and the 3-D imaging model of the pump station's design,

the committee felt it would be appropriate to bring this project to full the board as an action item.

Mr. Martin responded to additional questions from the board. Following the discussion, a motion was made by Director Smith, seconded by Director Gastelum and carried with the following vote:

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

to approve staffs' recommendation.

10. BOARD

- a) ADOPT RESOLUTION NO. 4338 OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT SUPPORTING SAN DIEGO COUNTY WATER AUTHORITY'S LONG-TERM SUPPLY PLAN AND LITIGATION AGAINST THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Director Thompson made a motion to approve Resolution No. 4338 and include the following additional language:

“Be it further resolved that the Board of Directors of the Otay Water District encourage members of our State Legislature to work with the San Diego County Water Authority (CWA) to review possible State Legislation that would better protect the CWA and its member agencies from possible future unfair practices by Metropolitan Water District (MWD) similar to its past historic pattern of behavior.”

Director Smith seconded the motion and it failed with the following vote:

Ayes: Directors Smith and Thompson
Noes: Director Gastelum,
Abstain: Director Robak
Absent: Director Croucher

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

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

to approve Resolution No. 4338 as it is presented.

b) DISCUSSION OF 2017 BOARD MEETING CALENDAR

Director Smith noted that he will be out-of-town and will be unable to attend the District's August 2, 2017 board meeting.

There were no changes to the board meeting calendar.

REPORTS

11. GENERAL MANAGER'S REPORT

General Manager Watton presented information from his report which included an update on the fuel island annual inspection, the status of the Proposition 218 water and sewer rate notices, implementation of "text messaging" to contact customers, the 36-inch main pumpouts and air/vacuum ventilation installations, the administration and operations buildings parking lot improvements and charging station, the regional training facility, and potable and recycled water sales and 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.

Director Gastelum requested that staff review adding guard rails along the right hand side of the driveway to the District's administration building. General Manager Watton indicated that staff would access the need to add the guard rail.

12. CWA Report

Director Smith reported that CWA approved a two (2) year budget of \$1.6 billion. He noted that many of their capital projects have been reduced now that many of the emergency storage projects have been completed. He stated the capital budget is approximately \$80 million this upcoming fiscal year versus \$300-\$350 million in past fiscal years. He noted that CWA has also been reducing staff, similar to Otay WD, and indicated that their water rate increase for FY 2018 is 3.7% (the first year of the budget). CWA did not identify the proposed second year budget rate increase, but estimated that it will be between 3 and 5%. With an increase of 3.7%, the District's cost to purchase water next fiscal year from CWA will be approximately \$1600/acre foot (AF) for treated water and \$1300/AF for raw water. He also noted that he attended committee meetings at CWA and shared information on CWA's Aqueduct Operations Plan (facility shutdowns) and the CWA vs. MWD Lawsuit. He noted that the details of the lawsuit can be found on CWA's website.

13. DIRECTORS' REPORTS/REQUESTS

Director Thompson reported that he attended the June Council of Water Utilities meeting and the chair of MWD's board, Mr. Randy Record, was the guest presenter.

Director Smith reported that he attended the District's regular board meeting and Engineering, Operations and Water Resources Committee this past month.

14. PRESIDENT'S REPORT

President Robak reported on the meetings he attended during the month of June 2017 (his report is attached). He shared with regard to the Water Conservation Garden (WCG) that Helix Water District has voted to continue to support the WCG and they also will not file a one year notice to withdraw from the Garden. He lastly indicated that he had booked two meetings on May 12, 2017 inadvertently (Southwestern College luncheon and with the lessees of the Salt Creek Golf Course). He stated that he is working with the District's Information Technology Department to find solutions to his calendar issues. He requested that the board excuse him from the Southwestern College luncheon and waive the reimbursement of the \$40 registration fee as, per District policy, he cannot excuse himself.

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

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

to excuse President Robak from the Southwestern College luncheon and waive the registration fee of \$40.

15. ADJOURNMENT

With no further business to come before the Board, President Robak adjourned the meeting at 5:36 p.m.

President

ATTEST:

District Secretary

**President's Report
Mark Robak
July 5, 2017
Board Meeting**

#	Date	Meeting	Purpose
1	1-Jun	Metro JPA Meeting	Monthly commission meeting
2	2-Jun	Board Agenda Briefing	Met with General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the June Board Meeting.
3	5-Jun	WCG Ad Hoc Committee	Discussed WCG Operating Agreement
4	6-Jun	Met with Fred Grande and Bill McWethy	Discussed the Salt Creek Golf Course.
5	7-Jun	OWD Regular Board Meeting	Monthly board meeting
6	9-Jun	Interview with Televisa	Interview regarding Presidential Permit and the Rosarito Desalination Project
7	14-Jun	Chula Vista Chamber of Commerce Meeting	Presented on the Presidential Permit and the Rosarito Desalination Project
8	16-Jun	Committee Agenda Briefing	Conference call with General Manager Watton to review items that will be presented at the June committee meetings.
9	21-Jun	Ad Hoc Salt Creek Golf Course Development Committee	Discussed terms for the purchase, sale and/or lease of the golf course property.
10	27-Jun	Lunch with Star News Reporter	Discussion with reporter, Robert Moreno
11	28-Jun	WCG Ad Hoc Committee	Discussed WCG Operating Agreement