

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
September 6, 2017**

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

2. ROLL CALL

Directors Present: Croucher, Gastelum, Robak, Smith and Thompson

Staff Present: General Manager Mark Watton, Attorney Jeanne Blumenfield, Chief Financial Officer Joe Beachem, Chief of Administration Adolfo Segura, Chief of Operations Pedro Porras, Asst. Chief of Operations Jose Martinez, Assistant Chief of Finance Kevin Koeppen, 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 Smith and carried with the following vote:

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

to approve the agenda.

5. APPROVAL OF THE MINUTES OF THE REGULAR MEETINGS OF MAY 3, 2017 AND JUNE 7, 2017; AND SPECIAL BOARD MEETING OF MAY 24, 2017

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

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

to approve the minutes of the regular meetings of May 3, 2017 and June 7, 2017, and special board meeting of May 24, 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. Larry Olds of El Cajon indicated that September is Childhood Cancer Awareness month. He stated that only a small percentage of Federal research dollars is allocated to childhood cancers and, thus, it is important to get the word out to encourage more people to get involved to help our children.

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 Gastelum and carried with the following vote:

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

to approve the following consent calendar items:

- a) AWARD A CONSTRUCTION CONTRACT TO ORTIZ CORPORATION FOR THE FUERTE DRIVE SEWER RELOCATION PROJECT (CIP S2045) IN AN AMOUNT NOT-TO-EXCEED \$147,650.00
- b) AWARD A CONSTRUCTION CONTRACT TO T.C. CONSTRUCTION COMPANY, INC. FOR THE HILLSDALE ROAD 12-INCH WATERLINE REPLACEMENT (CIP P2573) AND SEWER REPAIRS (CIP S2048) PROJECT IN AN AMOUNT NOT-TO-EXCEED \$2,396,060.00

ACTION ITEMS

8. BOARD

- a) DISCUSSION OF 2017 BOARD MEETING CALENDAR

Director Croucher indicated that he would be out-of-town on vacation from November 1 to November 20, 2017.

There were no changes to the board meeting calendar.

INFORMATIONAL ITEM

9. THE FOLLOWING ITEM IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEM:
 - a) FOURTH QUARTER UPDATE ON THE FISCAL YEAR 2017 CAPITAL IMPROVEMENT PROGRAM

Engineering Manager Dan Martin provided an update on the District's fourth quarter of FY 2017 Capital Improvement Program. He indicated that the FY 2017 budget consists of 90 projects totaling \$11.9 million. The overall expenditures through the fourth quarter is \$13 million which is approximately 109% of the FY 2017 budget. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Mr. Martin's report.

The board asked questions and staff responded to the board's inquiries.

REPORTS

10. GENERAL MANAGER'S REPORT

General Manager Watton presented information from his report which included an update on the upcoming employee recognition luncheon, the renewal of the District's health plan, the outsourcing of the payroll function, the Vista Vereda pipeline replacement project, water conservation, and potable and recycled water sales and purchases. The board had a comment concerning the Vista Vereda pipeline replacement project in the General Manager's report and staff responded to the comments.

11. CWA REPORT

Director Croucher indicated at the last board meeting of the San Diego County Water Authority (CWA) there were many questions raised regarding a presentation on the financing of the Delta twin tunnels for the California water fix. CWA, the City of Los Angeles and the City of Santa Monica is requesting that the Metropolitan Water District (MWD) delay their vote on the twin tunnels project until all questions concerning the project can be answered. There was also discussion and questions concerning the agricultural rates and if the twin tunnels project cost is based on the dollar value today or in the future as it is going to be sometime before the project is constructed. He also shared that CWA should know around September 26, 2017 if the California Supreme Court will hear their lawsuit with MWD. Director Croucher lastly announced that CWA will be hosting a tour of the Carlsbad Desalination Plant operations center and MWD will be hosting tours of the State Water Project/Bay Delta (October 28-29, 2017 and

March 3-4, 2018) and Colorado River Aqueduct/Hoover Dam (February 2-3, March 17-18 and 24-25, 2018).

Director Smith added that CWA's Water Planning Group has approved a consultant to perform seismic evaluations on CWA's older structures which may not have been built to seismic standards. He suggested that the Otay WD might consider a seismic study on its critical and older facilities. He also indicated that the Carlsbad Desalination Plant is having production problems due to algae blooms which are clogging filters.

12. DIRECTORS' REPORTS/REQUESTS

Director Thompson reported that he had attended a meeting with staff and the Building Industry Association (BIA) to discuss capacity fees. He stated that they have been discussing with the BIA capacity fees and the large cost difference between a ¾" and 1" meter. Staff will be reviewing this issue to see if there are some options that can be suggested to respond to the cost difference. He also shared that he attended, along with Director Gastelum, an ACWA Region 8 meeting in Los Angeles on Water Reliability. At the meeting, MWD presented on the twin water tunnels/California Water Fix and they indicated the cost per unit of the water would not be very expensive. He stated that he feels they based their estimate on the difference between not doing anything (less reliability and water available) versus constructing the twin tunnels and enhancing water reliability, which they indicate makes the water cheaper. He stated he wished to get clarification on this position. Director Croucher indicated that he would forward a link to a site that provides facts and information on the twin water tunnels project to District Secretary Susan Cruz to share with all directors. He stated that the twin tunnels do not create new water. It is just a conveyance system and the concern is that there is no additional storage planned. Director Thompson also shared that the South County Economic Council (SCEDC) board voted against the proposed tax on water.

Director Smith reported that he attended the following District meetings in August: District's Engineering, Operations and Water Resources Committee, the Ad Hoc General Manager's Evaluation Committee and the Ad Hoc City of San Diego Matters Committee.

Director Gastelum indicated he attended a Chula Vista Chamber of Commerce event where they presented on the plans for the Chula Vista Bayfront development.

13. PRESIDENT'S REPORT

President Robak reported on the meetings he attended during the month of August 2017 (his report is attached). He shared that he attended a meeting of the Water Conservation Garden (WCG) JPA Board where they have been

discussing governance issues. It was noted that they need to work more on communicating that the WCG is a demonstration garden for water conservation. This is different from the demonstration garden in the North County which is a tropical garden with a gardening section.

President Robak also inquired about receiving a phone call from a caller who had used a telephone number belonging to the District. He asked if the District's system could be compromised. It was discussed the caller was using equipment that could send any telephone number as their calling ID which is called "spoofing." It was indicated that spoofing is legal if the caller's intent is to make a legitimate living. It becomes a crime if the caller is attempting to steal personal or financial data from the person they are calling. The board asked that this issue be forwarded to legal counsel for review.

14. CLOSED SESSION

The board recessed to closed session at 4:45 p.m. to discuss the following matter:

- a) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
[GOVERNMENT CODE §54956.9]

OTAY WATER DISTRICT v. CITY OF SAN DIEGO; CASE NO. 37-2017-00019348-CU-WM-CTL

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

SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO PARAGRAPH (2) OR (3) OF SUBDIVISION (D) OF SECTION 54956.9 AND INITIATION OF LITIGATION PURSUANT TO PARAGRAPH (4) OF SUBDIVISION (D) OF SECTION 54956.9: SAN DIEGO COUNTY WATER AUTHORITY v. METROPOLITAN WATER DISTRICT, CASE NO. S243500

- c) PUBLIC EMPLOYEE PERFORMANCE EVALUATION [GOVERNMENT CODE §54957.6]

TITLE: GENERAL MANAGER

The board reconvened from closed session at 7:12 p.m. Attorney Jeanne Blumenfeld reported that the board unanimously voted in closed session to file an Amicus Letter with the Supreme Court of California supporting CWA's petition for review of their lawsuit with the MWD. She stated the board made no other reportable actions in closed session.

15. ADJOURNMENT

With no further business to come before the Board, President Robak adjourned the meeting at 7:13 p.m.

President

ATTEST:

District Secretary

**President's Report
Mark Robak
September 6, 2017
Board Meeting**

#	Date	Meeting	Purpose
1	1-Aug	Ad Hoc Salt Creek Development Committee	Discussed terms for the purchase, sale and/or lease of the golf course property.
2	1-Aug	National Night Out	Otay participated in at RSD Towne Center
3	2-Aug	Water Conservation JPA Board Meeting	Discussed proposed agreement for the operation of the Garden
4	2-Aug	OWD Regular Board Meeting	Monthly board meeting
5	7-Aug	San Diego County Water Authority	Legislative Roundtable with Assemblywoman Lorena Gonzalez
6	12-Aug	OWD Employee Picnic	Annual Employee Picnic
7	16-Aug	Ad Hoc Salt Creek Development Committee	Discussed terms for the purchase, sale and/or lease of the golf course property.
8	17-Aug	Urban Water Institute will host its Annual Water Conference,	Panel discussion, Delta at the Precipice
9	18-Aug	Committee Agenda Briefing	Reviewed items that will be presented at the August committee meetings.
10	21-Aug	Water Conservation Garden Governance Committee	Discussed and made recommendation on new governance structure for Garden JPA Board
11	22-Aug	San Diego East County Chamber	Government Affairs & Infrastructure Land Use

12	23-Aug	Ad Hoc GM Evaluation Committee	Performance review of GM
13	24-Aug	San Diego County Water Authority	Delta Water Fix Discussion
14	31-Aug	SDCWA Pipeline 3 Relining Project	Discussed Pipeline 3 Relining Project