

OTAY WATER DISTRICT  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD  
SPRING VALLEY, CALIFORNIA

**MONDAY**  
**April 17, 2017**  
**3:00 P.M.**

**AGENDA**

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. ADOPT RESOLUTION NO. 4333 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT TO CENSURE DIRECTOR HECTOR GASTELUM FOR OFFICIAL MISCONDUCT (Presented by Directors Smith and Thompson)
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

**ACTION ITEMS**

6. ENGINEERING AND WATER OPERATIONS
  - a) APPROVE A CONSTRUCTION CONTRACT WITH ACE ELECTRIC, INC. FOR THE OWD ADMINISTRATION AND OPERATIONS PARKING LOT IMPROVEMENTS AND PH. I-LIGHTING & ELECTRIC VEHICLE CHARGING STATION PROJECT IN AN AMOUNT NOT-TO-EXCEED \$369,495 (MARTIN)

**WORKSHOP**

7. WORKSHOP ON THE RESULTS OF THE 2017 WATER COST OF SERVICE STUDY (BEACHEM/KOEPPEN)
8. ADJOURNMENT

All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

The Agenda, and any attachments containing written information, are available at the District's website at [www.otaywater.gov](http://www.otaywater.gov). Written changes to any items to be considered at the open meeting, or to any attachments, will be posted on the District's website. Copies of the Agenda and all attachments are also available through the District Secretary by contacting her at (619) 670-2280.

If you have any disability which would require accommodation in order to enable you to participate in this meeting, please call the District Secretary at 670-2280 at least 24 hours prior to the meeting.

#### Certification of Posting

I certify that on April 14, 2017, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the special meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on April 14, 2017.

/s/ Susan Cruz, District Secretary

# AGENDA ITEM 4

## RESOLUTION NO. 4333

### RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT TO CENSURE DIRECTOR HECTOR GASTELUM FOR OFFICIAL MISCONDUCT

WHEREAS, the Otay Water District endeavors to foster public respect, confidence, and trust between its elected officials and the constituents whom it represents pursuant to Code of Ordinances, Board of Directors Policy, No. 40, Ethics, and;

WHEREAS, the Otay Water District's elected officials are required to be independent, impartial and responsible to the people and to conduct themselves in a manner above reproach, and;

WHEREAS, the Otay Water District's elected officials are expected to set an example which always demonstrates respect, confidence, and trust between themselves and the community they serve; and

WHEREAS, it is the Otay Water District's expectation that its elected officials will consistently behave in an ethical manner, show deference to those who disagree, and encourage public respect, confidence, and trust to all segments of the community they endeavor to serve, and;

WHEREAS, in February 2017, Director Hector Gastelum posted a series of comments on social media, which comments were considered to be derogatory and offensive in nature, and which violated the Otay Water District's ethical values of mutual respect and inclusion, and;

WHEREAS, during the March 1, 2017 meeting of the Otay Water District's Board of Directors, Director Gastelum failed to acknowledge the disparaging impact of his words and made further incendiary comments, and;

WHEREAS, the Otay Water District's Board of Directors reaffirmed its intolerance for discrimination, bias, or prejudice by adopting Resolution 4329 during the meeting of the Board of Directors on March 1, 2017 condemning discrimination on the basis of any legally protected status recognized by federal, state, or local laws, and;

WHEREAS, by this Resolution the Board of Directors finds it necessary and prudent to publically acknowledge that Director Gastelum's public behavior is reprehensible and intolerable, and;

WHEREAS, by this Resolution the Board of Directors desires again to reinforce its commitment to mutual respect and inclusivity of all constituents of its diverse community;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Otay Water District that the above stated recitals are incorporated herein by reference;

IT IS RESOLVED FURTHER that Director Gastelum's comments to the media, on social media, and at the Board meeting on March 1, 2017, have demonstrated that he is not impartial and responsible to the people he represents and he has not conducted himself in a manner above reproach; and

IT IS RESOLVED FURTHER that the Board of Directors hereby reaffirms its commitment to insuring that all constituents of the Otay Water District be treated with respect and integrity, and;

IT IS RESOLVED FURTHER that Director Gastelum's comments to the media, on social media, and at the Board meeting on March 1, 2017, do not set an example or the tone for demonstrating respect, confidence, and trust between the District, and the community it serves, and;

IT IS RESOLVED FURTHER that Director Gastelum's comments to the media, on social media, and at the Board meeting on March 1, 2017, have demonstrated that he has not conducted himself in a professional manner, or shown deference to those who disagree with him, and he has failed to encourage public respect, confidence, and trust, and;

IT IS RESOLVED FURTHER that Director Gastelum's comments to the media, on social media, and at the Board meeting on March 1, 2017, were reprehensible and intolerable, and they violated the Otay Water District's ethical values of mutual respect and inclusion, and;

IT IS RESOLVED FURTHER that Director Gastelum's comments to the media, on social media, and at the Board meeting on March 1, 2017, violate Board of Directors Policy No. 40, Ethics Policy, and they constitute official misconduct, and;

IT IS RESOLVED FURTHER that Director Gastelum's comments to the media, on social media, and at the Board meeting on March 1, 2017, constitute cause for censure, and;

IT IS RESOLVED FURTHER that Director Gastelum is hereby censured for his reprehensible and intolerable comments to the media, on social media, and his further incendiary comments during the March 1, 2017 Board meeting, and;

IT IS RESOLVED FURTHER that the Board of Directors intends to monitor the future conduct of Director Gastelum and will consider further future actions should such future actions be deemed warranted, and;

IT IS RESOLVED FURTHER that the Board of Directors, pursuant to § 5.03 of the Code of Ordinances, requests that the Board President under the powers granted to him, conduct a review of the current Committee assignments for Director Gastelum and determine whether a temporary or permanent removal of some or all said committee assignments might be appropriate at the present time.

FINALLY BE IT RESOLVED that this resolution shall be in full force and effect immediately after its passage and approval.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 17<sup>th</sup> day of April, 2017.

Ayes:  
Noes:  
Abstain:  
Absent:

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President

ATTEST:

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District Secretary

# AGENDA ITEM 6



## STAFF REPORT

TYPE MEETING:	Special Board	MEETING DATE:	April 17, 2017
SUBMITTED BY:	Dan Martin Engineering Manager	PROJECT:	P2555-001103    DIV. NO. 3 P2547-001103
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief, Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Award of a Construction Contract to Ace Electric, Inc. for the OWD Administration & Operations Parking Lot Improvements, PH. I - Lighting & Electric Vehicle Charging Station		

**GENERAL MANAGER'S RECOMMENDATION:**

That the Otay Water District (District) Board of Directors (Board) award a construction contract to Ace Electric, Inc. (Ace Electric) and to authorize the General Manager to execute a construction contract with Ace Electric for the OWD Administration & Operations Parking Lot Improvements, PH. I - Lighting & Electric Vehicle Charging Station Project in an amount not-to-exceed \$369,495.00 (see Exhibit A for Project location).

**COMMITTEE ACTION:**

Please see Attachment A.

**PURPOSE:**

To obtain Board authorization for the General Manager to enter into a construction contract with Ace Electric for the OWD Administration & Operations Parking Lot Improvements, PH. I - Lighting & Electric Vehicle Charging Station Project in an amount not-to-exceed \$369,495.00.

**ANALYSIS:**

The District's Administration and Operations parking lots are in need of new area lighting. The existing lighting is antiquated and inefficient. The Project will involve improvements and upgrading of the parking lot lighting through the replacement of existing pole fixtures, wall mounted sconces, and canopy fluorescent lights with the appropriate LED specifications to provide illumination to meet Title 24 Lighting Compliance. The Project will also provide new lighting for the customer driveway. The lights will be programmed by a photocell to automatically turn on at dusk and off at sunrise. The lighting will also have the ability to dim and return to full intensity with a motion sensor.

Another part of the Project will install an electric vehicle charging station. This will be located in the employee parking lot. The pedestal will also have the multifunctional ability to connect and power a temporary trailer which may be needed as part of an emergency response.

The design was provided by the District's As-needed Electrical Engineer, BSE Engineering. The Project was advertised on February 2, 2017 using BidSync, the District's online bid solicitation website. The Project was also advertised in the Daily Transcript and the District's website. BidSync provided electronic distribution of the Bid Documents, including specifications, plans, and addendum. A non-mandatory Pre-Bid Meeting was held on February 14, 2017, which was attended by eleven (11) contractors, subcontractors, and suppliers. One (1) addendum was sent out to all bidders and plan houses to address questions and clarifications to the contract documents during the bidding period. Bids were publicly opened on February 23, 2017, with the following results:

BID RANK	CONTRACTOR	TOTAL BID AMOUNT
1	Ace Electric, Inc. San Diego, CA	\$369,495.00
2	GA Abell, Inc. DBA Precision Electric Co. Lakeside, CA	\$399,000.00
3	Baker Electric, Inc. Escondido, CA	\$488,953.70
4	Allstate Electric San Diego, CA	\$512,246.00*
5	Falcon Construction Co. San Diego, CA	\$525,250.00**
6	Servitek Solutions, Inc. City of Industry, CA	\$593,046.94
7	CTE, Inc. El Cajon, CA	\$638,593.00**

\* Total Bid Amount corrected due to math error.

\*\* Unit price discrepancy. Bid total based on Unit price per Section 00400 "Bid List Requirements and Understanding"

The Engineer's Estimate is \$385,000.00.

A review of the bids was performed by District staff for conformance with the contract requirements and determined that Ace Electric was the lowest responsive and responsible bidder. Ace Electric holds both a Class A - General Engineering and a Class C10 - Electrical Contractor's License in the State of California, which meets the contract document's requirements. The licenses are valid through March 31, 2018. The reference checks indicated a very good to excellent performance record on similar projects. An internet background search of the company was performed and revealed no outstanding issues with this company.

Staff verified that the bid bond provided by Ace Electric is valid. Staff will also verify that Ace Electric's Performance Bond and Labor and Materials Bond are valid prior to execution of the contract.

Subsequent to the bid opening, GA Abell, Inc. DBA Precision Electric Co. (Precision Electric), the second lowest bidder, provided a request to the District for the complete bid package from Ace Electric (the apparent low bidder). District staff provided the requested information to Precision Electric to ensure a transparent bidding process. Staff followed up with Precision Electric who confirmed receipt of the requested information and also confirmed that they found no issues with Ace Electric's bid package.

**FISCAL IMPACT:**             Joe Beachem, Chief Financial Officer

The total budget for CIP P2555, as approved in the FY 2017 budget, is \$500,000.00. Total expenditures, plus outstanding commitments and forecast, including this contract, are \$498,842. See Attachment B-1 for the budget detail.

The total budget for CIP P2547, as approved in the FY 2017 budget, is \$125,000.00. Total expenditures, plus outstanding commitments and forecast, including this contract, are \$87,770. See Attachment B-2 for the budget detail.

Based on a review of the financial budget, the Project Manager anticipates that the budgets are sufficient to support the Project.

The Finance Department has determined that, under the current rate model, 100% of the funding will be available from the Replacement Fund for CIP P2555, and for CIP P2547, 60% of the funding will be available from the Betterment ID 22 Fund and 40% of the funding will be available from the Expansion Fund.

**STRATEGIC GOAL:**

This Project supports the District's Mission statement, "To provide high quality and reliable water and wastewater services to the



customers of the Otay Water District, in a professional, effective, and efficient manner" and the General Manager's Vision, "A District that is innovative in providing water services at competitive rates, with a reputation for outstanding customer service."

**LEGAL IMPACT:**

None.

DM:jf

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Attachments: Attachment A - Committee Action  
Attachment B1 - P2555 Budget Detail  
Attachment B2 - P2547 Budget Detail  
Exhibit A - Project Location



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b> P2555-001103 P2547-001103	Award of a Construction Contract to Ace Electric, Inc. for the OWD Administration & Operations Parking Lot Improvements, PH. I - Lighting & Electric Vehicle Charging Station
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### COMMITTEE ACTION:

No Committee Meeting.

### NOTE:

The "Committee Action" is written in anticipation of the Committee moving the item forward for Board approval. This report will be sent to the Board as a Committee approved item, or modified to reflect any discussion or changes as directed from the Committee prior to presentation to the full Board.



## ATTACHMENT B-1 – P2555 Budget Detail

<b>SUBJECT/PROJECT:</b>	Award of a Construction Contract to Ace Electric, Inc. for the OWD Administration & Operations Parking Lot Improvements, PH. I - Lighting & Electric Vehicle Charging Station
P2555-001103	
P2547-001103	

Otay Water District					Date Updated: 2/23/2017
P2555 - Admin & Operations Parking Lot					
<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment &amp;</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
500,000					
<b>Planning</b>					
Standard Salaries	100	87	13	100	
<b>Total Planning</b>	100	87	13	100	
<b>Design</b>					
Standard Salaries	43,000	41,946	1,054	43,000	
Equipment Charges	50	40	10	50	EQUIPMENT CHARGES
Service Contracts	33,760	22,505	11,255	33,760	BSE ENGINEERING INC
	4,850	4,850	-	4,850	INLAND AERIAL SURVEY INC
<b>Total Design</b>	81,660	69,341	12,319	81,660	
<b>Construction</b>					
Standard Salaries	40,000	9,812	30,188	40,000	
Construction Contract	330,565	-	330,565	330,565	CONSTRUCTION CONTRACTOR - ACE ELECTRIC, INC.
	10,000	-	10,000	10,000	ALLOWANCE - UNKNOWN UTILITES
	10,000	-	10,000	10,000	ALLOWANCE - REPLACEMENT HARDWARE OR SIGNAGE
Service Contracts	10,000	-	10,000	10,000	ALYSON CONSULTING-CM
	750	-	750	750	MAYER
	100	-	100	100	DAILY JOURNAL CORP
Standard Materials	1,000	-	1,000	1,000	STANDARD MATERIALS
Equipment Charges	1,000	30	970	1,000	EQUIPMENT CHARGE
Regulatory Agency Fees	150	-	150	150	PETTY CASH CUSTODIAN
Project Closeout	3,000	-	3,000	3,000	CLOSEOUT
Project Contingency	10,517	-	10,517	10,517	3% CONTINGENCY
<b>Total Construction</b>	417,082	9,842	407,240	417,082	
<b>Grand Total</b>	<b>498,842</b>	<b>79,270</b>	<b>419,572</b>	<b>498,842</b>	



## ATTACHMENT B-2 – P2547 Budget Detail

<b>SUBJECT/PROJECT:</b>	Award of a Construction Contract to Ace Electric, Inc. for the OWD Administration & Operations Parking Lot Improvements, PH. I - Lighting & Electric Vehicle Charging Station
P2555-001103	
P2547-001103	

Otay Water District					Date Updated: 2/23/2017
P2547 - Electric Vehicle Charging Station					
<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment &amp;</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
<b>125,000</b>					
<b>Planning</b>					
Standard Salaries	400	365	35	400	
<b>Total Planning</b>	400	365	35	400	
<b>Design</b>					
Standard Salaries	20,000	15,797	4,203	20,000	
Service Contracts	13,600	9,350	4,250	13,600	BSE ENGINEERING INC
<b>Total Design</b>	33,600	25,147	8,453	33,600	
<b>Construction</b>					
Standard Salaries	25,000	-	25,000	25,000	
Construction Contract	13,400	-	13,400	13,400	CONSTRUCTION CONTRACTOR - Ace Electric, Inc.
	5,000	-	5,000	5,000	ALLOWANCE - UNKNOWN UTILITES
Service Contracts	5,000	-	5,000	5,000	ALYSON CONSULTING-CM
	250	-	250	250	MAYER
	50	-	50	50	DAILY JOURNAL CORP
Standard Materials	1,500	-	1,500	1,500	STANDARD MATERIALS
Equipment Charges	500	-	500	500	EQUIPMENT CHARGE
Regulatory Agency Fees	150	-	150	150	PETTY CASH CUSTODIAN
Project Closeout	2,000	-	2,000	2,000	CLOSEOUT
Project Contingency	920	-	920	920	5% CONTINGENCY
<b>Total Construction</b>	53,770	-	53,770	53,770	
<b>Grand Total</b>	<b>87,770</b>	<b>25,512</b>	<b>62,258</b>	<b>87,770</b>	