

**MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT
July 10, 2007**

1. The meeting was called to order by President Croucher at 3:32 p.m.

2. ROLL CALL

Directors Present: Breitfelder, Croucher, Lopez and Robak

Directors Absent: Bonilla

Staff Present: General Manager Mark Watton, Asst. GM Administration and Finance German Alvarez, Asst. GM Engineering and Water Operations Manny Magana, General Counsel Yuri Calderon, Engineering Manager, Ron Ripperger, Chief of Information Technology Geoff Stevens, Chief Financial Officer Joe Beachem, Chief of Engineering Rod Posada, Chief of Operations Pedro Porrás, Chief of Administration Rom Sarno, Payroll/AP Supervisor Sean Prendergast, District Secretary Susan Cruz and others per attached list.

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve the agenda.

5. APPROVAL OF MINUTES

A motion was made by Director Breitfelder, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve the minutes of the regular board meetings of December 6, 2006 and April 4, 2007; and special meeting of April 4, 2007.

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.

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 Breitfelder, seconded by Director Bonilla and carried with the following vote:

Ayes: Directors Breitfelder, Bonilla, Lopez and Robak
Noes: None
Abstain: None
Absent: Director Croucher

to approve the following consent calendar items and pulling agenda items 6(j) and 6(n) for discussion:

a) APPROVE A TWO-YEAR LANDSCAPE MAINTENANCE CONTRACT WITH AN OPTION TO RENEW THE CONTRACT FOR TWO ADDITIONAL YEARS TO GREENSCAPE IN THE FOLLOWING AMOUNTS:

i.	YEAR 1	\$69,600
ii.	YEAR 2	\$73,080
iii.	OPTION YEAR 3	\$76,800
iv.	OPTION YEAR 4	\$80,580

b) APPROVE A THREE-YEAR JANITORIAL SERVICES CONTACT FOR THE DISTRICT'S ADMINISTRATIVE AND OPERATION FACILITIES TO PACIFIC BUILDING MAINTENANCE WITH AN OPTION TO NEGOTIATE TO CONTINUE THE CONTRACT FOR AN ADDITIONAL TWO YEARS AT THE GENERAL MANAGER'S DISCRETION IN THE FOLLOWING AMOUNTS:

v.	YEAR 1	\$33,540
vi.	YEAR 2	\$33,540
vii.	YEAR 3	\$33,540
viii.	OPTION YEAR 4	TO BE NEGOTIATED
ix.	OPTION YEAR 5	TO BE NEGOTIATED

- c) ADOPT RESOLUTION NO. 4103 APPROVING AMENDMENTS TO THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY JOINT POWERS AGREEMENT AS IT RELATES TO CALIFORNIA SPECIAL DISTRICTS ASSOCIATION
- d) ADOPT RESOLUTION NO. 4099 TO ESTABLISH THE TAX RATE FOR IMPROVEMENT DISTRICT NO. 27 AT \$.006 FOR FISCAL YEAR 2007-2008
- e) ADOPT RESOLUTION NO. 4100 OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TERMS AND CONDITIONS FOR THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT OF THOSE LANDS DESCRIBED AS "ESHO ANNEXATION" (APN 517-112-49-00) AND ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 18 (WO 0210-20.289)
- f) ADOPT RESOLUTION NO. 4102 OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TERMS AND CONDITIONS FOR THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT OF THOSE LANDS DESCRIBED AS "ROBERT AND CYNTHIA TAYLOR (APNs 519-283-05 and 519-283-06) AND MICHAEL AND MARION SOLOWAY (APN 519-283-04)," AND ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 18 (WO 0210-20.288)
- g) APPROVE THE REQUEST TO REIMBURSE MCMILLIN OTAY RANCH, LLC FOR THE COMPLETED CAPITAL IMPROVEMENT PROJECT, MCMILLIN OTAY RANCH VILLAGE 7, ROCK MOUNTAIN ROAD, 8-INCH RECYCLED PIPELINE (CIP R2043) IN THE AMOUNT OF \$53,146.80
- h) APPROVE THE REQUEST TO REIMBURSE MCMILLIN ROLLING HILLS RANCH, LLC AS THE SUCCESSOR IN INTEREST TO THE REIMBURSEMENT AGREEMENT BETWEEN OTAY WATER DISTRICT AND PACIFIC BAY HOMES DATED JANUARY 20, 1998, FOR THE 16" POTABLE WATER PIPELINE FROM PROCTOR VALLEY ROAD TO THE 1296 PUMP STATION (CIP P2070) IN THE AMOUNT OF \$392,637
- i) APPROVE THE REQUEST TO REIMBURSE BROOKFIELD SHEA OTAY, LLC FOR THE COMPLETED CAPITAL IMPROVEMENT PROJECTS (CIP NOS. P2169, P2397) IN THE AMOUNT OF \$436,525.95
- k) AWARD OF A CONSTRUCTION CONTRACT TO ORTIZ CORPORATION IN THE AMOUNT OF \$831,000 FOR THE INSTALLATION OF A 12-INCH PVC WATER LINE AND REMOVAL OF A 10-INCH ACP WATER LINE ALONG OLIVE VISTA DRIVE (CIP P2459)

- l) AWARD OF A PROFESSIONAL AS-NEEDED ENVIRONMENTAL SERVICES CONTRACT WITH JONES & STOKES IN THE AMOUNT OF \$300,000 OVER A PERIOD OF THREE FISCAL YEARS, NOT TO EXCEED \$100,000 PER FISCAL YEAR

- m) AUTHORIZE THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH THE SAN DIEGO COUNTY WATER AUTHORITY TO CONTINUE PARTICIPATION IN THE RESIDENTIAL WATER CONSERVATION PROGRAMS

The following items 6(j) and 6(n) were pulled from the consent calendar for discussion:

- j. AWARD OF A CONTRACT TO UNDERGROUND UTILITIES, INC. IN THE AMOUNT OF \$208,500 FOR RETROFITTING UP TO 3,500 EXISTING MANUAL-READ METERS WITH NEW AUTOMATED-METER-READ (AMR) METERS

Operations Manager Don Henderson indicated that the proposed contract would provide for the retrofit of 3500 existing manual-read meters, converting these meters to Master 3G meters (Automated Meter Read [AMR]). He stated that there are currently eight AMR routes that need to be completed. This contract will complete these routes through the replacement of approximately 3000 manual-read meters in the areas of Jamul, Chula Vista and Otay Mesa.

Director Robak inquired what criteria staff utilizes to determine which routes are converted to AMR routes. Operations Manager Henderson indicated that the main consideration is safety. Staff will first concentrate in areas where there are steep hills and where it is difficult or took a long time to read meters. Staff then concentrates in areas where there are older meters.

Director Robak inquired when the District expected to move to satellite read meters which allows customers to monitor their water consumption. General Manager Watton indicated that the technology is still evolving, but the 3G meters do have data logging capabilities which are currently being beta tested. The District will not be moving soon to such technology, but staff is keeping abreast of the technology. He stated that he felt that the District in future would use more of a WiFi or cell based (radio) technology.

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

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve staffs' recommendation to award a contract to Underground Utilities, Inc. in the amount of \$208,500:

- n) UPDATE ON AB 1420, WATER DEMAND MANAGEMENT MEASURES, AND AB 1435, WATER CHARGES – CONSERVATION RATE STRUCTURE, LEGISLATION

Director Breitfelder requested that Agenda item 6(n) be pulled for discussion. General Manager Watton indicated that the author, Assemblymember Mary Salas, of AB1435 had pulled the bill last Friday and placed it in a two-year bill status. It was noted that the committee chair from Sacramento was not supportive of the legislation as he felt that it may have impact to the metering of water in Sacramento. He stated that staff is still requesting that the board take a "support if amended" position on AB 1420. He stated that Assemblyman Laird indicated that he is working with Metropolitan Water District, County Water Authority and other agencies to incorporate their feedback into the bill as outlined in the staff report.

Director Breitfelder indicated that the Finance, Administration and Communications Committee discussed the District developing a way to be supportive of local legislators that bring forth legislation. He stated that it was suggested that possibly the District could send a letter of support to the legislator to make them aware of the District's support. President Croucher indicated that he would be supportive of placing a discussion item on the agenda to develop future direction on this issue.

A motion was made by Director Breitfelder, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to support AB 1420 if amended.

INFORMATION / ACTION ITEMS

8. ADMINISTRATION AND FINANCE

- a) PUBLIC HEARING TO CONTINUE WATER AND SEWER AVAILABILITY CHARGES FOR FISCAL YEAR 2007-2008
 - 1) ADOPT RESOLUTION NO. 4096 TO CONTINUE WATER AND SEWER AVAILABILITY CHARGES FOR DISTRICT CUSTOMERS FOR FISCAL YEAR 2007-2008 TO BE COLLECTED THROUGH PROPERTY TAXES (HENDERSON)

President Croucher opened the public hearing at 3:50 p.m. to hear the public's comments on continuing water and sewer availability charges for District customers for Fiscal Year 2007-2008.

Chief Financial Officer Beachem indicated that the District forwards notices to the new District customers each year to inform them of this public hearing and how the availability fee will be utilized by the District. He indicated that a notice has been forwarded to customers on this item for years under the advice of counsel and it also falls within the requirements of Proposition 218. He stated that the fees are strictly for water and sewer and they have not been increased or decreased (they will remain the same). General Counsel Calderon indicated that the legislature requires that the District readopt this fee each year.

No one wished to be heard from the public. President Croucher closed the public hearing at 3:53 p.m.

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

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to adopt Resolution No. 4096 to continue water and sewer availability charges for District customers for Fiscal Year 2007-2008 to be collected through property taxes.

- b) PUBLIC HEARING TO RECEIVE THE PUBLIC'S COMMENTS ON THE 2005 UPDATED URBAN WATER MANAGEMENT PLAN
 - 1) ADOPT RESOLUTION NO. 4098 ADOPTING AMENDMENTS TO THE DISTRICT'S UPDATED 2005 URBAN WATER MANAGEMENT PLAN (GRANGER)

President Croucher opened the public hearing at 3:53 p.m. to hear the public's comments on the Updated 2005 Urban Water Management Plan.

Water Conservation Manager William Granger indicated that all water agencies that have at least 3000 connections or deliver at least 3000 acre feet (AF) of water per year are required to have an Urban Water Management Plan. He stated that the Urban Water Management Plan is the document that is referenced in water supply verification requests through SB 221 and 610. He stated that the District's plan goes through 2030 and the plan highlights water supply and reliability, the District's water shortage contingency plan, and conservation and water recycling efforts. He indicated that the District's plan was submitted to the Department of Water Resources in December 2005 and it generally take a year to receive feedback on their review of the plan. He stated

that the District received notice about three (3) months ago that the District needed to make several clarifying edits to its plan.

- The District was asked to include a statement from its wholesaler regarding the reliability of its water supply.
- The Department of Water Resources requires that the District list the amount and level of treatment for wastewater that is discharged into the ocean.
- The District's UWMP should include information regarding water demand in normal and drought years.

The District received additional communication from the Department of Water Resources, following the review of this item by the District's Engineering, Operations and Water Resources Committee, suggesting that the District specifically reference section 6.2 of CWA's plan that indicates that they can meet the District's demand in normal, single dry and multiple-dry years through 2030. Water Conservation Manager Granger reviewed the changes to the plan in detail.

No one from the public wished to be heard.

The Public Hearing was closed at 5:58 p.m.

Director Robak noted that the state mandates that the District review its UWMP every five years. He inquired if staff would be reviewing its plan annually or just on an as needed basis. Water Conservation Manager Granger indicated that the plan would be updated only every five years. Today's update is being presented as the Department of Water Resources has requested that the plan be updated with their suggested changes. He stated that staff did not plan to review the UMWP until 2010.

Director Robak noted that the UWMP indicates that the South Bay Treatment Plant and the Point Loma Wastewater Treatment Plant treat water to the advanced primary level (Section 5 on page 31) which is not a correct statement. It was noted that the water sold to Otay goes through **tertiary** treatment. The water that is not sold to Otay goes through secondary treatment and is then disposed through an ocean outfall. Staff indicated that they would make this edit.

A motion was made by Director Breitfelder, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to adopt Resolution No. 4098, updating the 2005 Urban Water Management Plan with the edit as discussed above in Section 5 (page 31)

The public hearing was closed at 3:58 p.m.

- c) APPROVE THE FORM OF THE PROPOSITION 218 HEARING NOTICES RELATED TO THE PROPOSED WATER AND SEWER RATE INCREASES TO BE EFFECTIVE JANUARY 1, 2008

Chief Financial Officer Beachem indicated that the Board of Directors had approved the budget in May 2007. However, at that time, the board could not approve the rates as the District must comply with Proposition 218 process. He stated that staff must mail notices to the District's customers making them aware of the proposed increase and the scheduling of a public hearing to hear the public comments on the proposed rate increase. He stated that the notices must be mailed to customers at least 45 days prior to the public hearing. He stated that staff plans to hold the public hearing during the October 3, 2007 board meeting and immediately following the hearing, staff plans to request that the board adopt the proposed rate increases. He stated that if the rates are adopted they would become effective January 1, 2008.

He noted that staff developed the notices through direction from the board, customer comments, and staff also reviewed other agencies notices. He noted that staff developed targeted notices which include only the rate information that affects the customer:

- Residential Water Only
- Residential Sewer Only
- Residential Water and Sewer
- Commercial Water Only
- Commercial Sewer Only
- Land Owners without District services
- Tenants

It was noted that legal counsel has reviewed the notices and the Finance, Administration and Communications Committee also reviewed the proposed notices. Staff made some changes advised by committee and legal counsel.

He noted that protests must be made in writing (letter form), signed by the customer and must be received prior to the end of the hearing. Protest can be made by both property owners and tenants.

Accounting Manager Rita Bell reviewed the information that will be made available on the District's website regarding the rate increases which includes:

- The same information that is provided in the notices
- A bill calculator (water and sewer)
- Charts that show how the District's proposed rates compare to other providers

She noted that the bill calculator will note that fees vary by geographic area and individual fees may be different than are shown in the bill calculator to make customers aware that the calculated rate is an estimate and will not be exact. The sewer information will also review the change in methodology that is proposed for the sewer charge. The proposed methodology will base customer sewer charges on their prior year's average consumption during the months of December through March (winter consumption). This new methodology will reduce the bill for low water users and increase the bill for high water users. The new structure will be revenue neutral. Both calculators will show the customer's current bill and their proposed bill.

President Croucher suggested that the comparison charts also include an "as of date."

Director Breitfelder commended staff for going the extra mile and providing a bill calculator on the District's website.

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

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve the form of the Proposition 218 hearing notices related to the proposed water and sewer rate increases to be effective January 1, 2008.

d) UPDATE ON THE 2007 QUALSERVE BENCHMARK RESULTS

Chief Information Officer Geoff Stevens indicated that this is the Board's first in-depth look at the Qualserve Survey. He stated that the survey is designed to answer objectively how the District is doing compared to other water organizations. He stated that the survey is objective data gathered from 191 participants. He indicated that this survey methodology started in 1995 and the District became a participant in 2003.

He reviewed each of the measures and the District's ranking compared to the participants (see attached copy of presentation). The District's overall index score is +8 which indicates that the District is doing better than average compared to the other agencies participating in the survey. He stated that he felt that there were still some issues on cost that the District should understand further. To do so, staff needs to explore the District's cost structure, business processes, determine which business processes are the most expensive, isolate costs within those business processes and try to drive cost down as much as possible. He noted that this process will be a main focus for the District's Strategic Plan. He stated that the District's targets also need further refinement

as generally the District sets its target at the same level as the target for the Western Region Qualserve participants. He stated that he felt that staff could set some more specific targets for Otay and have more sophisticated plans to achieve those targets. He indicated that staffs' next steps are to:

- Develop a staff level committee to review cost data and get a better understanding of the data
- Evaluate the effect of transferring more resources toward the maintenance of facilities
- Utilize today's findings to develop the 2009 – 2011 Strategic Plan and focusing in implementing best practices and processes

It was discussed that the next review of the Strategic Plan by the board would be sometime in August or September 2007. President Croucher suggested that when the report on the Strategic Plan is forwarded to committee for review, that it also include the Qualserve data.

Director Lopez inquired what a +8 score really means. Chief of Information Technology Stevens indicated that the median score is "0" (half as many measures fall in the bottom quartile as in the top quartile). He stated that the District has 8 more measures that fall in the top quartile and is doing better than the average participating utility. He stated that if LAFCO or ratepayers inquire how the District was doing performance wise, the District can indicate that it has compared its performance against an objective standard and is in very good shape.

Director Robak inquired how the District has incorporated peer review into its process. Chief of Information Technology indicated that the District has not participated in the peer review process. He stated that there are levels that one can participate and the most cost effective level is to simply share data. He stated that utilities can participate at a higher level where staff members donate their time and visit other utilities and review the utility. He shared that he will be participating in a workshop hosted by the City of San Diego where the local agencies will meet and compare their individual Qualserve data. He also noted that staff did get consultant assistance in developing the District's Strategic Plan and the survey. The process involved industry best practices and, in essence, peer review.

e) STATUS OF SECURITY AND EMERGENCY PREPAREDNESS

Safety and Security Administrator Dave Burbeau updated the board on the District's physical security, emergency preparedness programs and how these programs are operating, and issues of cyber security (see attached copy of presentation). He indicated that the District adopted the EPA security model of, "Detect-Delay-Respond," following the completion of a federally mandated Vulnerability Assessment Study in 2002. He stated that the District immediately acted to harden facilities by budgeting for additional funds for security, securing

access to the water supply system, upgrading fencing, installing redundant electronic security devices and perimeter and tank access protection systems. He stated that the District also entered into a contract for alarm response services and fostered relationships with law enforcement. The district data center was also upgraded and a redundant co-located data center is being installed in the Operations Emergency Operations Center. The center will provide back-up services should the Administration Data Center fail. The District also upgraded its telecom equipment and now has redundant dial-tone. That is, if the current telecom provider's system goes down, the District can switch to another provider and not lose phone service.

There was discussion of an emergency scenario and how the District would respond. President Croucher suggested that discussions concerning security scenarios be agendaized for committee closed session discussion under security as he did not wish to have a public discussion on how the District would respond to security breaches.

There was discussion with regard to the District's liability that may result from an individual getting hurt by razor wire or any protective devices at District facilities. General Counsel Calderon indicated that the District posts "No Trespassing" signs and, to a certain extent, individuals are trespassing on District land. As the District is a water utility, it would have some immunity relative to protecting the water system. He indicated that he can do a little research, but he is fairly certain that the District is well protected against liability on this issue.

9. BOARD INFORMATION / ACTION ITEMS

a) DISCUSSION OF 2007 BOARD MEETING CALENDAR

Director Robak noted that he would be out-of-town and would not be able to attend the August board meeting. There were no changes to the Board meeting calendar.

REPORTS

10. GENERAL MANAGER'S REPORT

General Manager Watton indicated that today, July 10, is Otay Water District Day in the City of San Diego. He indicated that Director Lopez accepted the proclamation from the City of San Diego's Council earlier today on behalf of the District.

He noted that water deliveries have commenced from the City of San Diego's South Bay Water Reclamation Plant. He stated that the District has received approximately 80 million gallons from the plant. He indicated that there are a few issues that still need to be worked out regarding water supply, but at the staff level, it is going well.

General Manager Watton indicated that construction is progressing on the 640-1 and 2 reservoir project and if the Directors are interested in a site tour staff would be happy to coordinate a visit.

He stated that the District's Human Resources staff had distributed personalized benefit statements to each of the District's employees. The statements summarize the total value of each employee's compensation from the District. He stated that it includes not only salary, but the value of their benefits (pension, health care, etc.). He indicated that the statements provide an understanding of what the District actually spends on personnel and he felt that they were well received by the District's staff.

He shared that the District was invited to provide a presentation at the ESRI International Users Conference on June 20. GIS Supervisor Ming Zhao provided a presentation entitled "Foundation and Access Strategy to Enterprise Integration." Feedback on the presentation from the conference attendees was positive.

General Manager Watton indicated that staff is updating the District's Water Resources Master Plan and has sent a Request for Proposal's to engage a consultant to assist the District in the update effort. Staff expects to present recommendations at the August board meeting.

He lastly shared that the District will be completing the valve replacement project within the Carriage Hills development in Spring Valley on July 19. He indicated that this area is one of the older areas of the District, approximately 50 years old, and the valves are being replaced as part of the pro-active valve replacement program. Staff will provide a presentation to the board on the results of the Carriage Hill project as an example of how the program is working.

a) UPDATE ON THE 30" RECYCLED WATER PIPELINE PROJECT (SEE ATTACHMENT "A")

Chief of Engineering Rod Posada indicated that this project is complete and is currently in the warrantee period.

b) SAN DIEGO COUNTY WATER AUTHORITY (CWA) UPDATE

President Croucher indicated that CWA is still moving forward with desalination and the Carlsbad concept is becoming the center of focus. He stated that the CWA board was provided a presentation on desalination, "Ship to Shore," which seemed to be quite costly. CWA is continuing to work on this issue along with employee negotiations.

General Manager Watton also shared that CWA would be providing an update on the status of the water supply. He noted that the officers group has also been working on CWA's relationship with the Metropolitan Water District (MWD) and discussing water supplies issues with MWD.

President Croucher noted that there is push to increase MWD's board to 51 members (going back to where it was). However, CWA believes the current members are enough and wished to hold it at 37. It was indicated that the push is coming from the Central Basin who will be losing a member. Because the Central Basin was unable to get the special legislation to assist them, they have suggested that MWD go back to a 51 member board.

11. DIRECTORS' REPORTS/REQUESTS

Director Robak noted that the recent coupon book he received for Costco had a printed ad for artificial turf. The ad indicated that members contact their local water agencies for possible rebates for installing artificial turf. He stated that he wished to suggest that Otay take the lead and advertise its incentives directly to its customers rather than relying on CWA.

Director Lopez indicated that it was gratifying to accept the special proclamation on the District's behalf from the City of San Diego's Council designating today, July 10, as Otay Water District Day. He stated that the District has reached a level, following the LAFCO reviews, where it is now being recognized by the City. He stated that he wished to acknowledge General Manager Watton for his work at the District and with the City for this special recognition.

Director Breitfelder indicated that he has been working with the Model Ordinance Committee and it seems that retrofitting might be out of reach for now. The focus has now been to work on the Covenants, Conditions and Restrictions (CCR's) of Homeowner Associations to push for water conscious landscapes through the CCR's. He stated that work also must be done with regard to the language concerning recycled water in the Model Ordinance. He stated that he has been working with staff and counsel to iron out the language. He stated that the Council of Water Utilities discussed the improved relations between San Diego and Los Angeles. He noted that CWA and the Mexican American Business and Professional Association (MABPA) held an event at the Water Conservation Garden. He commended CWA and MABPA for holding their event at the garden and making conservation a high priority. He lastly noted that the City of Chula Vista's Economic Development and Public Policy Committees held a joint meeting and the District's SD17 project was discussed. He stated that the District may get some help from the City of San Diego's Council with this project.

Director Robak inquired with regard to the Model Ordinance Committee's reluctance to support recycled water retrofitting for obvious reasons, however, if recycled water was brought to Rancho San Diego, it will be retrofit. Director Breitfelder clarified that the model ordinance is mainly referencing the retrofitting of residential water efficient landscapes and not the retrofit of recycled water piping.

President Croucher indicated that Otay has been receiving a lot of recognition in the past two months and recently the District received a Golden Orchid Award for

its 36" recycled project. He stated that the Board and General Manager generally get the pleasure of accepting such recognition on behalf of the District, however, the recognition truly belongs to the employees. He stated that it is the employees who make such projects a success and he wished to thank the District's staff. He requested that a letter be drafted to the employees recognizing them for the progress the District has made. He would like the letter signed by the board and general manager. He stated that in a recent meeting with Senator Kehoe she was very complimentary of the District and wished to work with the District on projects. The local governments are also interested in working with the District and it is gratifying to see this change. President Croucher reminded the board of the upcoming employee appreciation luncheon and picnic. He stated that the Joint Agency meeting, hosted by Sweetwater, was also scheduled on July 20 and he encouraged the members of the board to attend. He stated that a Special Board Meeting has been scheduled on October 9 and he encouraged the board to forward their agenda items for this meeting to Board Secretary Cruz. He lastly congratulated Safety and Risk Administrator Dave Burpeau on his retirement and thanked him for his good work at the District. He noted that the fire district also recognizes and respects the work that he has done for the District.

12. ADJOURNMENT

With no further business to come before the Board, President Croucher adjourned the meeting at 5:28 p.m.

President

ATTEST:

District Secretary