

**MINUTES OF THE  
BOARD OF DIRECTORS MEETING OF THE  
OTAY WATER DISTRICT  
June 2, 2010**

1. The meeting was called to order by President Bonilla at 3:30 p.m.

2. ROLL CALL

Directors Present: Bonilla, Breitfelder, Croucher and Robak

Director Absent: Director Lopez

Staff Present: General Manager Mark Watton, Asst. General Manager of Administration and Finance German Alvarez, Asst. General Manager of Engineering and Water Operations Manny Magana, General Counsel Yuri Calderon, 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, 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 Croucher and carried with the following vote:

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

to approve the agenda.

5. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JANUARY 6, 2010

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

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

to approve the agenda.

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. Parks Pemberton of Chula Vista indicated he felt that the District had some pressure problems in its water system. He stated that he has owned his home for 22 years and has replaced approximately five pressure regulators. He stated that he believes he has had as much as 150 pounds in his home line and requested the board's assistance with this issue.

President Bonilla asked General Manager Watton to research Mr. Pemberton's issue. General Manager Watton indicated to Mr. Pemberton that the District would be in contact with him the following day.

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 Breitfelder and carried with the following vote:

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

to approve the agenda.

- a) ADOPT RESOLUTION NO. 4157 AND NO. 4158 IDENTIFYING THE GENERAL MANAGER AS THE AUTHORIZED OFFICIAL TO COMMIT THE OTAY WATER DISTRICT TO FINANCIAL AND LEGAL OBLIGATIONS ASSOCIATED WITH THE POTENTIAL RECEIPT OF GRANTS UNDER THE U.S. BUREAU OF RECLAMATION WATERSMART GRANT PROGRAM
- b) REPORT ON DIRECTOR'S EXPENSES FOR THE 3<sup>rd</sup> QUARTER OF FISCAL YEAR 2010
- c) APPROVE AN AGREEMENT FOR PROFESSIONAL SERVICES FOR AS-NEEDED ENGINEERING DESIGN SERVICES WITH LEE & RO, INC. FOR AN AMOUNT NOT-TO-EXCEED \$175,000 DURING FISCAL YEARS 2011 AND 2012 (ENDING JUNE 30, 2012)
- d) APPROVE AN AGREEMENT FOR PROFESSIONAL SERVICES FOR AS-NEEDED GEOTECHNICAL CONSULTING SERVICES WITH MTGL, INC.

FOR AN AMOUNT NOT-TO-EXCEED \$175,000 DURING FISCAL YEARS 2011 AND 2012 (ENDING JUNE 30, 2012)

- e) APPROVE AN AGREEMENT FOR PROFESSIONAL SERVICES FOR AS-NEEDED ENVIRONMENTAL CONSULTING SERVICES WITH ICF INTERNATIONAL FOR AN AMOUNT NOT-TO-EXCEED \$375,000 DURING FISCAL YEARS 2011, 2012, AND 2013 (ENDING JUNE 30, 2013)

## ACTION ITEMS

### 8. FINANCE AND ADMINISTRATION

- a) AWARD A CONTRACT TO SAGE DESIGN, INC. IN THE AMOUNT OF \$161,119 PLUS APPLICABLE TAXES AND SHIPPING CHARGES FOR FIRETIDE RADIOS AND RELATED HARDWARE TO COMPLETE THE FY2010 OTAY WATER WIRELESS NETWORK PROJECT AND AWARD A CONTRACT TO PRIME ELECTRIC IN AN AMOUNT NOT-TO-EXCEED \$55,620 FOR INSTALLATION OF ELECTRICAL AND WIRELESS HARDWARE AT MULTIPLE SITES THROUGHOUT THE NORTH DISTRICT

Chief of Information Technology Geoff Stevens indicated that this project is for the District's wireless communications backbone infrastructure. The wireless system will provide services for the SCADA System which is the telemetry system that runs and monitors the District's water/sewer systems and will also provide enhanced security communications which includes video surveillance at the District's facilities.

The wireless communications network will have up to 80 MB capacity and will be designed with power back-up (gen sets, solar or battery). The system is expected to have at least a six (6) to seven (7) year lifecycle and upgrades will be handled through firmware (and will not require site visits to upgrade systems at the facilities). Staff also investigated alternative services such as satellite and cable and determined that the proposed service is the most cost effective.

He noted that the District could operate on the public safety 4.9 GHz frequency, but will most likely operate on the 5.6 to 5.8 GHz frequency which will provide more capacity. The wireless traffic will be encrypted and the infrastructure will be fenced in within the District facilities with alarms in place. The proposed wireless technology was pilot tested and reviewed, and was determined to provide high bandwidth and reliability.

The funds requested today (\$216,739) are to complete Phase II which is to complete wireless communications for the North District. Chief of Information Technology Stevens presented a map (see attached copy of presentation) indicating where facilities will be installed within the North District (red dots on map) and where facilities already exist (yellow dots on map). He noted Phase III of the wireless communications network project is to install wireless communications in the South District which is scheduled to commence in FY2012. He stated at the completion of the project, there will be approximately 60 facilities with visual video

surveillance security. He demonstrated how the video surveillance system will be integrated into the GIS System. He stated that zones can be identified at the facility sites and if something should come into the zone, it would provide an alert. Staff will then be able to view the facility from their computer. In the future, staff will be able to view the facility from their blackberries as well. The technology is proven and is advanced while being cost effective.

He introduced the District's staff who worked on the project, Mr. Bruce Trites from the Information Technology Department and Mr. Gene Palop from the Operations Department. He stated that the District is lucky to have very talented technical staff and that Mssrs. Trites and Palop worked together to develop the wireless communications project. He congratulated them on their good work. He indicated that this is a critical project and also provides a foundation for growth and efficiency.

Director Robak inquired how the SCADA System has changed from the past and today. Senior SCADA/Instrumentation Technician Palop indicated that in the current communications system, if one facility site goes down, then all sites that feed off of that site's radio signal would go down as well. The new system will provide a multi-path format and will not have this issue. It was noted that if the radio signal does go down, the system today does have programmable logic that will continue to operate the system on an automatic mode while staff researches what caused the signal to go down and/or can get to the facility.

In response to a question from Director Croucher, Information Technology Chief Stevens indicated that the proposed wireless communications system will enable staff to run the SCADA and surveillance systems from a mobile platform.

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

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

to approve staffs' recommendation.

## 9. ENGINEERING AND WATER OPERATIONS

- a) CERTIFY THAT THE FINAL ENVIRONMENTAL IMPACT REPORT (FEIR) FOR THE DISTRICT'S OTAY MESA RECYCLED WATER SYSTEM CAPITAL IMPROVEMENT PROGRAM R2087, R2077, R2058 PROJECT HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, THE CURRENT STATE GUIDELINES AND THE DISTRICT'S LOCAL GUIDELINES, AND THAT IT REFLECTS THE INDEPENDENT JUDGEMENT OF THE DISTRICT; FINDS THAT THE POTENTIALLY SIGNIFICANT EFFECTS OF THE PROJECT WILL BE AVOIDED THROUGH THE ADOPTION OF FEASIBLE MITIGATION

MEASURES, AS SHOWN IN THE FEIR, AND THE MITIGATION,  
MONITORING AND REPORTING PROGRAM FOR THE FEIR; AND  
APPROVE THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS  
OF FACT IN SUPPORT OF THE FEIR FOR THE PROJECT (COBURN-  
BOYD)

Environmental Compliance Specialist Lisa Coburn-Boyd indicated that in May 2009 the board awarded a professional environmental services agreement to ICF International for the preparation of the Environmental Impact Report (EIR) for the District's Otay Mesa Recycled Water System Project. She introduced Mr. Jim Harry and Ms. Erin Schorr from ICF International who are in attendance to answer any questions that the board might have.

She indicated that the project consists of three pipelines and a pressure reducing station. She presented a slide showing (see attached copy of presentation) the location of the three pipelines. The Wueste Road Pipeline would start in Chula Vista at the east end of Olympic Parkway and go south along the Otay Reservoir. The Alta Road Pipeline is in the Otay Mesa area and connects to the AirwayRoad/La Media Pipeline.

She stated that the Environmental Analysis included technical studies and identified the following environmental impacts that will need to be mitigated:

- Air Quality
- Biological Resources
- Cultural Resources
- Geology & Soils
- Hydrology and Water Quality
- Noise
- Traffic

She indicated that the full EIR process consisted of:

- Notice of Preparation (distributed on October 8, 2009)
- Public Scoping Meeting held of Oct 19, 2009
- Draft EIR was prepared and distributed for a 45-day public review period
  - Six comment letters were received from the public
- Responses were prepared to the comments and the responses were incorporated into the Final EIR.
  - The California Department of Fish and Game responded to the District's response to their comments on the Draft EIR reiterating their initial concerns and asked that the District include specific measures to protect Burrowing Owls in Otay Mesa. There are plans within the EIR and the Construction Specifications to protect their habitat.
  - Staff will be including the mitigation measures in the District's Construction Specifications which will include:
    - Biological Monitoring

- Covering and Capping of All Stored Pipes
- Flagging and Fencing of Sensitive Vegetation

This presentation is the Public Hearing to certify the EIR.

Director Robak inquired what the context of the concerns were of the comment letters. Environmental Compliance Specialists indicated that all other comments received were very minor and that letters were not received from the City of Chula Vista, County of San Diego or the City of San Diego.

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

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

to approve staffs' recommendation.

10. PRESENTATION OF THE 2010 OTAY PHOTO CONTEST AWARDS

Water Conservation Manager William Granger presented the awards to the District's high school photo contest winners. A couple years ago the District joined forces with Helix WD and Sweetwater Authority to recognize high school students for photos taken that depict a water theme. This is the third year of the contest and the District's winner last year also won the regional contest award of \$500 and their photo was used on a bookmark. This year the District received 62 entries (a record high) in two categories: black & white and color. Water Conservation Manager Granger presented the awards to:

- 1<sup>st</sup> Place and winner of \$200 to Ms. Maureen Argo from Eastlake HS with her photo entitled, "Bring the Rain"; and
- 2<sup>nd</sup> Place and winner of \$100 to Brandon Perez from Eastlake HS with his photo entitled, "One Last Drop"

He introduced Mr. Hinkle, the students' teacher, who was also in attendance of the meeting. He noted that previous winners' photographs have been published in the District's Consumer Confidence Report (CCR) and it is planned that the winners of this year's photo contest will again be published in this year's CCR.

11. BOARD

a) DISCUSSION OF 2010 BOARD MEETING CALENDAR

There were no changes to the meeting calendar.

## INFORMATIONAL ITEMS

12. THESE ITEMS ARE PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEM:

- a) PRESENTATION ON STATUS OF 3<sup>RD</sup> QUARTER OF FISCAL YEAR 2010 CAPITAL IMPROVEMENT PROGRAM [RIPPERGER]

As there were no questions with regard to this report a presentation was not provided.

## REPORTS

13. GENERAL MANAGER'S REPORT

General Manager Watton indicated that the 36-inch pipeline project within Jamacha Road is moving along well and the City of El Cajon has been happy with the progress.

He indicated with regard to the *Cash-for-Appliances Rebate Program* that the State of California has extended its rebate. He also noted that the City of Chula Vista has a rebate.

He noted that staff has been reviewing the telephone system and Voice Over Internet Protocol (VoIP) system. The assessment has been completed and staff will be proposing that the District upgrade the phone system with current technology.

He announced that Chief Information Officer Stevens was recognized by the San Diego Business Journal as a finalist for the *Information Technology Executive of the Year Award* for 2010. He indicated that it was nice to have him recognized for the work he does for the District.

General Manager Watton stated that water sales are below budget by approximately 15%. It is felt that much of the reduced sales are attributable to the tiered pricing based on usage (customers will pay more if they utilize more water than average). He stated that he wished to keep the board apprised that sales are continuing to stay below budget and that the lower sales will also impact the District's wholesale suppliers; CWA and MWD. There is a concern that MWD has not fully budgeted the reduced sales and that it will impact their budget in the next year or two. The increase from MWD this fiscal year and next year is stated at 7.5%, but it is uncertain if they can hold the rate increase in the next fiscal year at 7.5% based on the water low sales.

He noted that the audit of the District's Financial Statements for FY 2010 is underway. This is the second year that the District's audit will be performed by Diehl, Evans & Company, LLP.

He stated with regard to the Otay Mesa Recycled Water Supply Link, that the board had approved the EIR for the project today. He indicated that this supply link will bring recycled water to the Otay Mesa area which has been planned for years. He noted that there are concerns with the City of San Diego's pricing and willingness to provide recycled water which may delay the construction of this project. Staff has been working with the City and other groups (Metro Commission, Environmental Groups, etc.) to work out a resolution. This will be an evolving situation.

He indicated that the Rancho del Rey Groundwater Development project is halfway through its pilot. Under the pilot program they are currently drilling and it is expected that the drilling will go for another day. The District's inspectors have been monitoring the project and he noted that the construction site is being kept clean and the noise level is being controlled by sound shields. Staff also has been in contact with the neighbors and the day care center close by the project site and no issues have been received. The project is moving along well. It is planned that the main well will be drilled in about two weeks and it is anticipated that the study of the pilot will be completed in August or September.

President Bonilla indicated that he has received concerns from his neighbors regarding the project. They are interested in how the project will look once it is completed and have asked if it will be noisy; if there will be a risk to the kids of the neighboring childcare center; etc. He indicated that it would be helpful if the District could provide informational flyers to the residents with a contact telephone number for those who live within close proximity to the project. Staff indicated that they will develop a flyer for distribution to the community.

#### SAN DIEGO COUNTY WATER AUTHORITY UPDATE

Director Croucher indicated that CWA is opposing AB 216 which revises the pre-litigation dispute resolution process for local government public works contracts entered into after January 1, 2010. He stated that CWA is also continuing to review desalination projects and it was determined by CWA's attorney with regard to the Poseidon Project that the agencies, other than the City of Oceanside, will not be able to vote on what parameters will or will not be included in the Poseidon contract as they all have individual contracts with Poseidon.

#### 14. DIRECTORS' REPORTS/REQUESTS

Director Beifelder indicated that there has been ongoing interest in the City of San Diego's recycled water rate study. He stated with regard to the Conservation Action Committee that they have been focused on research results concerning conservation from a psychological perspective. The research indicates that there seems to be a desire for individuals to conform to a community norm. He also shared that he attended the Binational Desalination Conference and it was discussed that the feasibility study of possibly developing a desalination plant in Mexico is essentially complete and it seems that the Rosarito Beach option is feasible though the concept is not yet at an advanced stage. He lastly shared that discussions at the Water Conservation Garden Board meetings have been centered

on the new governing board and ideas on how to make the garden self-sustaining. It is expected that the Water Conservation Garden staff will be presenting recommendations to the Water Conservation Garden board soon.

Director Robak indicated that he attend the Spring Garden Festival during which the new awning in the Amphitheatre of the Garden was being dedicated. He stated that the new awning will be a great benefit to the theatre, especially during summer events. He also thanked Ms. Karyn Keese of PBS&J for her successful work on a acquiring a grant of \$2500 for the Garden. He lastly shared that he toured the District's 1485 Pump Station and 1296-2 Reservoir to see the progress of the projects. He stated that the projects seem to be going along well and it was nice to see the reservoir almost completed.

#### 15. PRESIDENT'S REPORT

President Bonilla indicated that on May 5 he met with the General Manager Watton, General Counsel Calderon and the District's attorneys who are working on the negotiations for the desalination project. He stated that on May 6 he attended the San Diego Business Journal Technology Executive of the Year Award where Chief of Information Technology Stevens received recognition as a finalist. He thanked Director Breitfelder and staff for their attendance of the event and congratulated Chief of Information Technology Stevens on being named a finalist. He also shared that he met with General Manager Watton on May 14 to discuss items for presentation at the May committee meetings. He stated on May 17 the District held a Budget Workshop where the board approved the FY 2011 Operating and Capital Improvement Budgets. He lastly shared that on May 19 he attended the District's Finance, Administration and Communications Committee where the committee reviewed and made recommendations on items for presentation at the June board meeting. President Bonilla also wished Director Breitfelder well in the upcoming primaries for his candidacy for a seat on the City of Chula Vista's Council.

#### RECESS TO CLOSED SESSION

#### 16. CLOSED SESSION

The board recessed to closed session at 4:34 p.m. to discuss the following item:

- f) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION  
[GOVERNMENT CODE §54956.9(a)]
  - (I) MULTIPLE CASES RELATED TO THE FENTON BUSINESS CENTER AND FILED WITH THE SUPERIOR COURT OF THE COUNTY OF SAN DIEGO CONSOLIDATED UNDER CASE NO. 37-2007-00077024-CU-BC-SC

#### RETURN TO OPEN SESSION

17. REPORT ON ANY ACTIONS TAKEN IN CLOSED SESSION. THE BOARD MAY ALSO TAKE ACTION ON ANY ITEMS POSTED IN CLOSED SESSION

The board reconvened at 5:02 p.m. and General Counsel Yuri Calderon indicated that the board took no reportable action in closed session.

18. ADJOURNMENT

With no further business to come before the Board, President Bonilla adjourned the meeting at 5:02 p.m.

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President

ATTEST:

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District Secretary