

**MINUTES OF THE  
BOARD OF DIRECTORS MEETING OF THE  
OTAY WATER DISTRICT  
June 4, 2014**

1. The meeting was called to order by President Lopez at 3:35 p.m.

2. ROLL CALL

Directors Present: Croucher, Gonzalez, Lopez, Robak and Thompson

Directors Absent: None

Staff Present: General Manager Mark Watton, General Counsel Daniel Shinoff, Asst. GM German Alvarez, Chief of Engineering Rod Posada, Chief Financial Officer Joe Beachem, Chief of Information Technology Geoff Stevens, Chief of Administration Rom Sarno, Chief of Operations Pedro Porras and District Secretary Susan Cruz and others per attached list.

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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

Ayes: Directors Croucher, Gonzalez, Lopez, Robak and Thompson  
Noes: None  
Abstain: None  
Absent: None

to approve the agenda.

5. APPROVE THE MINUTES OF THE REGULAR MEETING OF APRIL 8, 2014

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

Ayes: Directors Croucher, Gonzalez, Lopez and Robak  
Noes: None  
Abstain: Director Thompson  
Absent: None

to approve the minutes of the regular meeting of April 8, 2014.

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. Gary Breton, a Chula Vista resident, addressed the board to share his thoughts with regard to preparing for the future. He stated that as water rationing begins in greater depth, he believes that customers will conserve water by not watering their lawns which will result in neighborhoods looking bad. He recommended that the board consider a rebate incentive for artificial turf/grass for yards to help customers conserve water and improve the image of their yards. He would like the board to come up with a strategy that would help customers save money while prices continue to increase, not only with water, but also with gas and oil.

General Manager Mark Watton referred Mr. Breton to the District's Senior Water Conservation Specialist, Mr. Richard Namba, to discuss the different incentives that are available through the District's water conservation programs for conserving water in the garden.

Mr. Namba stated that the Metropolitan Water District (MWD) currently has a \$1 square-foot rebate for artificial turf and indicated that Otay Water District's customers are eligible for this rebate program which is retroactive on a fiscal year basis.

Director Gonzalez indicated that the San Diego County Water Authority (CWA) provides a rebate program for drought-tolerant plants and hardscapes.

Director Croucher stated that as rebate programs evolve, the key is to provide accurate information to customers so they can take advantage of the programs and the monies the District invests in the programs. He indicated that the District's newsletter is a good tool to reach out to our customers to provide information on the incentives and rebate programs, conservation classes, etc. and that it is important to continue reaching out to customers to let them know about the programs.

PUBLIC HEARING

7. PUBLIC HEARING ON IMPROVEMENT DISTRICT CONSOLIDATIONS

THE BOARD WILL BE HOLDING A PUBLIC HEARING TO CONSIDER THE PROPOSED EXCLUSION OF PARCELS WITHIN IMPROVEMENT DISTRICTS (IDs) 19 AND 25 AND THE ANNEXATION OF THESE EXCLUDED PARCELS INTO IDs 22 AND 20, RESPECTIVELY. THE BOARD INVITES THE PUBLIC TO PROVIDE COMMENTS ON THE PROPOSED EXCLUSIONS AND ANNEXATIONS

- a) ADOPT RESOLUTION NOs. 4224 AND 4225, TO COMPLETE THE EXCLUSION OF PARCELS WITHIN IMPROVEMENT DISTRICTS (IDs)

19 AND 25; AND ADOPT RESOLUTION NOS. 4226 AND 4227 TO COMPLETE THE PROCESS FOR THE ANNEXATION OF THE EXCLUDED PARCELS IN IDs 19 AND 25 INTO IDs 22 AND 20, RESPECTIVELY

Chief Financial Officer Joe Beachem stated that the District is looking to implement simplifications by excluding parcels in Improvement Districts (IDs) 19 and 25 and annexing the excluded parcels into IDs 22 and 20, respectively. He indicated that this action will eliminate the complexity of tracking funds in the excluded IDs and noted that the fees and rates are unchanged; this would be a neutral action. Mr. Beachem explained the public hearing requirements which included publishing public hearing notices and holding a hearing at the board meeting to receive the public's comments. He stated that upon approval of the resolutions by the board, the District would send them to the County of San Diego and the State Board of Equalization to finalize this action.

General Counsel Daniel Shinoff stated that the board will open a public hearing to consider adopting Resolutions Nos. 4224 and 4225, to complete the exclusion of parcels within Improvement Districts (IDs) 19 and 25; and adopt Resolution Nos. 4226 and 4227 to complete the process for the annexation of the excluded parcels in IDs 19 and 25 into IDs 22 and 20, respectively.

President Lopez opened the public hearing at 3:47 pm.

With no one from the public wishing to make comments, President Lopez closed the public hearing at 3:48 pm.

In response to a question from Director Robak, Chief of Operations Pedro Porras stated that the excluded parcels are in the central area of the District and indicated that ID 19 was previously an old connection near Bonita.

Upon a motion by Director Croucher, seconded by Director Robak and carried with the following vote:

Ayes: Directors Croucher, Gonzalez, Lopez, Robak and Thompson  
Noes: None  
Abstain: None  
Absent: None

to approve staffs' recommendation.

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:

Director Robak pulled item 7b, APPROVE INFORMATION TECHNOLOGY CONTRACTS FOR PHONE SERVICES AND SOFTWARE AND SUPPORT AGREEMENTS FOR FISCAL YEAR 2015, for discussion.

Upon a motion by Director Croucher, seconded by Director Gonzalez and carried with the following vote:

Ayes: Directors Croucher, Gonzalez, Lopez, Robak and Thompson  
Noes: None  
Abstain: None  
Absent: None

to approve the following consent calendar item:

- a) ADOPT RESOLUTION NO. 4234 TO AMEND POLICY NO. 6, THE ANNUAL CAPITAL IMPROVEMENT PROGRAM DEVELOPMENT, OF THE DISTRICT'S CODE OF ORDINANCES

President Lopez presented item 7b for discussion:

- b) APPROVE INFORMATION TECHNOLOGY CONTRACTS FOR PHONE SERVICES AND SOFTWARE AND SUPPORT AGREEMENTS FOR FISCAL YEAR 2015

The board waived staff presentation.

In response to an inquiry from Director Robak, Acting Assistant Chief of Administration and Information Technology Adolfo Segura stated that the pricing for the Eden Tyler Technologies and the ESRI agreements will remain the same. He indicated that the District is still in the process of auditing the AT&T agreement and will be renegotiating the contract. Staff anticipates that the pricing will go down and indicated that the agreements have a provision that allows termination with 30 days' notice if necessary

Upon a motion by Director Croucher, seconded by Director Robak and carried with the following vote:

Ayes: Directors Croucher, Gonzalez, Lopez, Robak and Thompson  
Noes: None  
Abstain: None  
Absent: None

to approve staffs' recommendation.

## ACTION ITEMS

### 9. BOARD

a) DISCUSSION OF THE 2014 BOARD MEETING CALENDAR

President Lopez indicated that he will not be able to attend the July 2, 2014 board meeting and stated that Vice President Gonzalez will preside during the meeting.

REPORTS

10. GENERAL MANAGER'S REPORT

General Manager Watton presented information from his report which included AB 218 Legislation which prohibits employers from inquiring about criminal conviction information until it is established the candidate meets minimum qualifications, multi-agency purchase of US Geological Survey (USGS) Ortho Photos which Otay will take the lead role and coordinate this year's joint agreement efforts with other agencies, Agreement with Mexico for Emergency Deliveries to Tijuana, MWD ramping up its call for conservation, and the Rosarito Desalination Project. Mr. Watton stated that District staff met with officials from the California Department of Public Health (CDPH) on May 7<sup>th</sup> to discuss the regulations they will require for the desalinated water from the Rosarito project. He indicated that a Desalination Project Committee meeting is scheduled on June 24<sup>th</sup> where staff will provide an update on the Rosarito Project for the committee members. He noted that NSC Agua closed escrow on May 15<sup>th</sup> on a 50-acre parcel of land for the project. Mr. Watton stated that he believes this is an important milestone as it shows the firm's commitment to the desalination project. He also noted that CESPT had a change in their administration and that District staff is having reciprocal meetings to get an update and establish new relationships. Mr. Watton also discussed Water Operations and indicated that total water sales increased about 6%.

Director Robak discussed MWD Turfgrass Removal Incentive and indicated that it increased to \$3.50/sq.ft., retroactive to May 14, 2014. The rebate is available to District and County Water Authority (CWA) customers.

SAN DIEGO COUNTY WATER AUTHORITY UPDATE

Director Croucher indicated that the snow pack and Colorado River are doing much better this year, which is good news as it helps with drought conditions though it will not suspend the drought. He discussed the Delta Pulse Flows to the Colorado River to determine the environmental impacts to the Colorado River. He also discussed the Carlsbad Desalination Project and indicated that it was ahead of schedule and on budget. He stated that the MWD lawsuit continues to be a large issue and CWA is prevailing in regard to establishing that MWD's rates are inappropriate and illegal. CWA is anticipating that there will be additional challenges and appeals and is prepared to respond. They also recognize the need to educate the public on the issues of the lawsuit and have set aside \$650,000 for public outreach. To assist with the outreach, CWA plans to fill a new and a vacant position and obtain contract help. CWA will handle all

public outreach regarding the lawsuit to assure the message is consistent to the public. He lastly noted that he will be attending the Legislative event in Sacramento on June 18, 2014.

#### 11. DIRECTORS' REPORTS/REQUESTS

Director Robak commented that though the Colorado snowpack is doing well, the Sierra snowpack is at 97% below average. He also shared that the Local Agency Formation Commission (LAFCO) has posted an update on their website regarding the Consolidation of Fallbrook and Rainbow Municipal Water Districts and indicated that LAFCO is currently seeking public comments. Director Robak also shared information about a video called "Drinkable Book." The book's pages are impregnated with filters that can remove 99.9% of bacteria in water and make it drinkable.

Director Croucher indicated that for the past two months, in lieu of having hard copies, the District's board members have been using iPads to view their committee and board packet agendas (paperless). He noted that utilizing this technology has increased efficiency and saved the District money.

Director Thompson added, with regard to Director Croucher's comments, the iPads made financial sense and was driven by functionality, time savings of staff (enhanced efficiency), and keeping overall costs down. He also shared, as the District's alternate representative to the Water Conservation Garden (WCG) board and on behalf of Director Croucher, he presented the District's Water Conservation Landscape Award to the winner from the Otay WD service area. The winner resides in Director Croucher's division.

Director Gonzalez shared that he installed artificial grass in his front yard a couple years ago and plans to install more in his backyard in the future.

#### 12. PRESIDENT'S REPORT

President Lopez reported on meetings he attended during the month of May 2014 (a list of meetings he attended is attached). He thanked staff for their efforts on the Budget Workshop that was held on May 19, 2014.

Director Gonzalez commented that as he was driving up to Calexico, he noticed that many farmers are converting their land to solar sites. He stated that this indicates that it is likely much of the land will no longer be farmed due to the drought and farmers are moving to producing solar energy now.

#### 13. CLOSED SESSION

The board recessed to closed session at 4:20 p.m. to discuss the following matter:

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

PATRICIA MOSS v. OTAY WATER DISTRICT, et. al.; CASE NO. 37-  
2014-00005818-CU-OE-CTL

- b) CONFERENCE WITH LABOR NEGOTIATORS [GOVERNMENT CODE  
§54957.6]

AGENCY DESIGNATED REPRESENTATIVES: PRESIDENT  
LOPEZ AND DIRECTOR THOMPSON

EMPLOYEE ORGANIZATION: OTAY WATER DISTRICT  
EMPLOYEES' ASSOCIATION

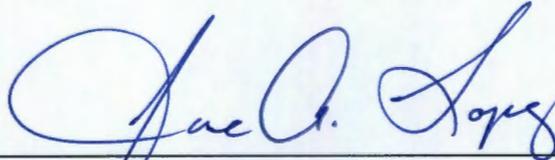
AND

ALL REPRESENTED AND UNREPRESENTED PERSONNEL  
INCLUDING MANAGEMENT AND CONFIDENTIAL EMPLOYEES

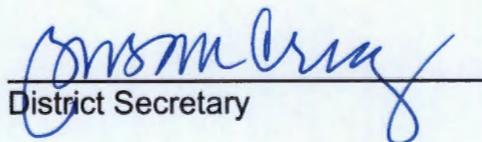
The board reconvened at 6:55 p.m. and General Counsel Shinoff reported that  
the board met in closed session and took no reportable actions.

14. ADJOURNMENT

With no further business to come before the Board, President Lopez adjourned  
the meeting at 6:55 p.m.

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
District Secretary

**President's Report**  
**June 4, 2014 Board Meeting**

**A) Meetings attended during the Month of May 2014:**

- 1) **May 1: Attended a meeting of the Metro Commission** (see attached agenda)
- 2) **May 4: Board Agenda Briefing.** Met with General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the May Board Meeting.
- 3) **May 7: Attended the District's Regular Board Meeting**
- 4) **May 15:**
  - a. **Committee Agenda Briefing.** Met with General Manager Watton to review items that will be presented at the May FA&C Committee meeting.
  - b. **Attended the Legal Closing Event for the Rosarito Desalination Project.** The event celebrated the acquisition of the property for the desalination project.
- 5) **May 19: Special Board Meeting.** The board reviewed and approved the FY 2015 Budget.
- 6) **May 21: Attended the District's Finance, Administration and Communications Committee.** Reviewed, discussed, and made recommendation on items that will be presented at the June board meeting.
- 7) **May 29: Attended the District's Ad Hoc Employee Negotiations Committee.** Reviewed, discussed, and made recommendation on negotiation matters that will be presented at the June board meeting closed session.
- 8) **May 30: 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.