

**MINUTES OF THE  
BOARD OF DIRECTORS MEETING OF THE  
OTAY WATER DISTRICT  
February 4, 2015**

1. The meeting was called to order by President Lopez at 3:34 p.m.

2. ROLL CALL

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

Staff Present: General Manager Mark Watton, Asst. General Counsel Richard Romero, Chief of Engineering Rod Posada, Chief Financial Officer Joe Beachem, Chief of Information Technology Geoff Stevens, Chief of Operations Pedro Porras, Asst. Chief of Administration and Information Technology Adolfo Segura, Asst. Chief of Operations Jose Martinez, 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, Lopez, Robak, Smith and Thompson  
Noes: None  
Abstain: None  
Absent: None

to approve the agenda.

5. APPROVE THE MINUTES OF THE REGULAR BOARD MEETING OF JANUARY 7, 2015

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

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

to approve the minutes of the regular board meeting of October 1, 2014 and special board meeting of December 5, 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

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 Croucher, seconded by Director Thompson and carried with the following vote:

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

to approve the following consent calendar items:

- a) AWARD A PROFESSIONAL SERVICES CONTRACT TO AEGIS ENGINEERING MANAGEMENT (AEGIS) FOR AS-NEEDED PLAN REVIEW, INSPECTION, AND PROJECT MANAGEMENT SERVICES FOR DEVELOPER POTABLE AND RECYCLED WATER PROJECTS IN AN AMOUNT NOT-TO-EXCEED \$400,000, FOR A PERIOD OF TWO (2) FISCAL YEARS (FYs 2015 AND 2016) WITH THE CONTRACTUAL END DATE OF JUNE 30, 2017
- b) APPROVE AN ENGAGEMENT LETTER WITH THE AUDITING FIRM OF TEAMAN, RAMIREZ AND SMITH, INC., TO PROVIDE AUDIT SERVICES TO THE DISTRICT FOR THE FISCAL YEAR ENDING JUNE 30, 2015
- c) APPROVE AN ADJUSTMENT TO THE WHEELING RATE FOR THE DELIVERY OF TREATY WATERS TO MEXICO TO \$70.37 FOR CALENDAR YEAR 2015 AND SET MEXICO'S PLANNED PROJECT AND EMERGENCY REPAIR RESERVE FUND REQUIREMENT AT \$70,000
- d) ADOPT ORDINANCE NO. 549 AMENDING SECTION 1.03.A, DATE OF ELECTION, OF THE DISTRICT'S CODE OF ORDINANCES

## ACTION ITEMS

### 8. BOARD

#### a) DISCUSSION OF THE 2015 BOARD MEETING CALENDAR

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) DEMONSTRATION OF THE DISTRICT'S DASHBOARD

Asst. Chief of Administration and Information Technology Segura presented an informational report on the District's new web based "Dashboard" which is proposed to be available to the public on the District's website in the following month after receiving the board's feedback. The Dashboard is similar to the San Diego County Water Authority's (CWA) Dashboard which they launched in early 2014. The Dashboard will provide information on the District's water supply reliability, water distribution and facilities, and financials. It will provide a customer centric layout that facilitates user friendly navigation. Mr. Segura provided a demonstration of each of the panels in the Dashboard. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Mr. Segura's report.

In response to an inquiry from Director Thompson, it was indicated that the number of person's visiting the Dashboard can be tracked along with the time the visitor spent reviewing information on the Dashboard. Staff can also develop analytics into the tracking mechanism to provide statistical data.

Mr. Segura indicated, in response to an inquiry from Director Thompson, that updating the Dashboard data monthly is the best option at this time. He noted that some of the Dashboard data will be updated quarterly, but the majority of the information will be updated monthly. Staff will also have a disclaimer window which will display when the Dashboard is launched by a visitor, similar to CWA's, indicating that the information presented in the Dashboard is updated on a monthly basis. Director Croucher commended staff on their work on the Dashboard. He stated that it provides a lot of good information that is requested by the public.

Director Robak indicated that he felt the Dashboard provided good data for the public and it responds to the goals of the District being more customer focused.

He stated he understands that this is developing technology, but he would like to see, real time, where customers can see their water use today versus their use in past years so they may be aware of their usage. He indicated that he felt the *WordPress* platform displays better on a cell phone, however, when you click on the bill pay page, it is not mobile friendly. He suggested that the District focus on areas the customer can really benefit from and felt that bill pay would be the highest priority, second is providing customers' their water use data from year to year, then information on what the District/Region is doing. Mr. Segura indicated that that would be part of Phase II of this project. Currently, the District is in Phase I where the goal was to redesign the website and Phase II of the project will be to implement an app that would allow customers to view data associated with their account. Mr. Segura indicated that the app would be introduced by the end of the summer.

Mr. Segura confirmed, in response to an inquiry from Director Smith, that the District's *Consumer Confidence Report* (Water Quality Report) is available on the District's website. The District's financial audit report is also available on the District's website. He stated that there are many things that can be added to the website, however, the District must be careful that the site doesn't get too crowded or busy as that causes visitors to lose interest in the website.

## REPORTS

### 10. GENERAL MANAGER'S REPORT

General Manager Watton presented information from his report that included an update on Tyler Technologies selecting Mr. Bill Poulin, Database Administrator, to present at the 2015 Tyler Technologies Conference in May 2015; GIS Manager, Ms. Ming Zhao, will be presenting the District's paper on, "Integrate CCTV Data in GIS Work Flow," at an upcoming ESRI Regional Water Conference; the California Friendly Landscape Contest; the kick-off of FY 2016 Budget process; the District receiving the Distinguished Budget Presentation Award for FY 2014-2015 from the Government Finance Officers Association for the eleventh year in a row; the North-South District Interconnect Pipeline Project; the Rosarito Desalination Project; and the Integrated Resource Plan.

In response to an inquiry from Director Robak regarding the handout, "Water Desalination Report," that was placed on the dias, General Manager Watton indicated that the State of Baja would like to entertain some discussions with the States of Arizona, California and Nevada regarding Colorado River water trades. At this time, discussions have not occurred. He stated that CONAGUA has a public project that they have been working on, which is not feasible due to number of reasons, including issues with the land. He stated that he did not wish to review the issues in detail at this time. However, CNA feels that the private project is more preferable as it places the project at the Federal Level and opens

the talk with the United States. Now there is some competition and confusion around the issue of a public versus private project.

### SAN DIEGO COUNTY WATER AUTHORITY UPDATE

Director Croucher indicated that next month he will bring back a two (2) page document listing the current rebates that are available from CWA, MWD and SDG&E. He stated that he will continue to bring these lists to the board. He shared with regard to the artificial turf discount program that he has brought back to CWA some of the comments and questions from the Otay WD board members. He also shared that he will be traveling to Sacramento next month with CWA's Legislative, Conservation and Outreach Committee to visit with some of the legislators. He indicated that if there is opportunity for the District's board members to have access to meet with some of our local legislators, he will let the District's board members know and that he would include the District's members who have interest in those meetings. He indicated that he will also be bringing back a list of all the outside organizations that CWA is a member. He lastly shared that CWA will be performing another public outreach/opinion survey and if there are questions the board would like to have included in the survey, to please let staff know.

General Manager Watton indicated that the General Managers of CWA's member agencies have agreed on a recommendation on CWA's rate structure and it is ready to be presented to CWA's board. He stated that it is not Otay WD's first choice, but it is a compromise position and of the compromises, he felt it is the best option for Otay WD. He noted with regard to the conservation incentives, that one of the discussions they are having at CWA, particularly now that MET has provided rebates of \$100 million, is where the money is best directed for the best return in water savings, especially when such a large amount of money is being spent. He stated that there will be more discussions on this this issue. Another issue occurring at CWA is the change in board member representatives. He indicated that many years ago, it would be a notable event to have an agency change a board member representative to CWA, even through elections or retirement. He stated that CWA just had six (6) new representatives appointed, with one being Director Jose Presiado from South Bay Irrigation District/Sweetwater Authority. He indicated that this amount of turnover is unprecedented. He stated that the changes overs present challenges at CWA as it takes time to bring them up to speed on the issues at CWA. He noted that he and Director Croucher are now one of the most senior members on CWA's board.

He lastly shared with regard to a handout, Water Desalination Report, placed on the dias for members of the board that it indicates Poseidon Water has completed its first wet test of the seawater intake pump at the Carlsbad Desalination Plant. He stated that it appears to be working and the plant is still

on target to start production of desalination water by November 2015, which is ahead of schedule.

## 11. DIRECTORS' REPORTS/REQUESTS

Director Robak observed with regard to the turf replacement program that other agencies similar in size to the District, such as Helix WD, have had twice as many customers applying and receiving rebates from the turf replacement program than the District. He asked if the District was promoting the program. General Manager Watton indicated that, yes, the program is promoted in the customer mailers, newsletter, website, etc. He noted that a District's customer, Oak Grove Middle School, received the largest rebate from the program.

Director Robak also shared that the Los Angeles Times published an article three to four weeks ago on the turf replacement program and the article indicated that a Los Angeles golf course had a turf replacement project which cost \$1.12 million, however, they received a rebate check from MWD for \$1.62 million. He commented that he did not feel that that was an appropriate use of the program funds. He also stated that CWA relies on grant funding and inquired why they do not provide money for such programs. General Manager Watton indicated that there is a philosophical discussion regarding that issue. It is felt that the ratepayers from lower income areas would be subsidizing the wealthier ratepayers and golf courses in, for instance, Rancho Santa Fe. A discussion on this and the rebate of \$1.62 million to one customer/golf course is scheduled for discussion at CWA. How do they justify utilizing a large portion of the budget on one ratepayer when that money is coming from ratepayers in low income areas as well. There will also be discussion at CWA if the turf replacement program is really worth the investment as it is quite a lot of money for a very small return on acre feet water savings. It is questioned whether we should be doing other things to provide incentives for water savings. If we can get grant funding that is targeted for the turf replacement program, then it is fine, but utilizing ratepayer money is debatable.

Director Croucher indicated that one of the things that CWA is also working on is getting some of the funding back to San Diego from the rebate funds, State Bond funding, etc. This year, San Diego has gained success with the California State Water Bond. In the past, San Diego residents have paid into the California State bonds and for every \$3 it sends to the State only \$1 comes back to the San Diego region. With the new proposed water bond, San Diego resident will pay 10% of the bond and will receive 11% back to the San Diego region. San Diego is making progress in getting funding back to the local area. He also shared with regard to the rebates from the conservation programs, CWA is trying to streamline the rebate process. Instead of San Diego residents having to go to MWD, or other local agencies for the rebate or other incentives, that they be centralized and maybe all go through CWA.

In response to an inquiry from Director Smith, Director Croucher indicated that CWA's Conservation Action Committee is working with Nora Jaeske's Organization. Her organization works with HOA's to educate them on current laws and conservation. He stated one of the new laws that they are discussing is that HOA's cannot force residents to have green lawns. It was noted that formalized legislation is being worked on to make it a formal State law and not just a directive from the California State Governor, Jerry Brown.

Director Thompson indicated that the HERO (Home Energy Renovation Opportunity) program can provide financing through deferred property taxes to fund residents' home projects, such as, the installation of solar energy systems and water conserving landscapes. He suggested that the District utilize its website to educate the District's customers on the availability of the program. Director Thompson also requested that if there is an opportunity, he would like to go on a site tour. He also reported on the Water Conservation Garden (Garden) and indicated that they are discussing the renewal of the contract with the non-profit organization that is running the operations of the Garden. He stated they have been a good partner and are requesting a five (5) year contract renewal at the same rate of \$500,000 per year. He indicated that there was quite a bit of discussions at the Garden board meeting and some of the partners had discussed reducing their contributions to the Garden. The original contribution of the partners was based on their proximity to the Garden. Director Thompson indicated that he did not feel that this was an appropriate criteria in determining each partners' contribution and felt that the partners needed data on how many customers from their respective agencies were utilizing the Garden and its programs. He stated that the District should receive in the next three months some form of contract for the operations of the Garden for approximately \$500,000 for the board's consideration. General Manager Watton indicated that subsequent to that Garden Board meeting, staff met with the Garden's Executive Director, Mr. John Bolthouse, and discussed with him that the District needed information on what additional value the District would receive by increasing its funding support. Director Thompson lastly reported that he would be attending the City of Chula Vista Redevelopment Oversight Committee meeting next week.

Director Smith indicated that he attended the District's Engineering, Operations and Water Resources Committee meeting in December 9, 2014. He also met with the Chiefs of each of the District's Departments on December 18. He stated that he noted during his discussion with the Chiefs that through the implementation of technology and the opportunity for cross train staff, it has allowed the District to reduce its fulltime staff positions. He thanked staff for the introduction to each of their respective departments. He also reported that he attended in January the District's Engineering, Operations and Water Resources Committee (January 20) the Special Board meeting (January 27). He lastly requested that he be added to the list to tour the Poseidon Desalination Plant whenever the next tour occurs.

12. PRESIDENT'S REPORT

President Lopez reported on meetings he attended during the month of January 2015 (a list of meetings he attended is attached). He thanked the members of the board for their attendance of the Special Board meeting to discuss the District's Strategic Plan and SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis. He stated that he felt that the Strategic Plan is one of the most important things that they accomplish as members of the board.

13. CLOSED SESSION

The board recessed to closed session at 4:39 p.m. to discuss the following matter:

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

ALVA ROBERSON v. OTAY WATER DISTRICT; CASE NO. 37-2014-00084219-CI-PO-CT

The board reconvened at 5:07 p.m. and Asst. General Counsel, Mr. Richard Romero, 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 5:07 p.m.

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President

ATTEST:

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District Secretary

**President's Report  
February 4, 2015 Board Meeting**

**A) Meetings attended during the Month of January 2015:**

- 1) **January 3:**
  - a. **Attended a meeting of the District's Ad Hoc Salt Creek Golf Course Committee.** Attendees: Director Thompson, General Manager Watton, Chief Financial Officer Beachem, Finance Mgr. Koeppen and General Counsel Shinoff
  - b. **Board Agenda Briefing.** Met with Director Thompson, General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the January Board Meeting.
- 2) **January 7: Attended the District's Regular Board Meeting.**
- 3) **January 8: Attending a meeting of the District's Ad Hoc Salt Creek Golf Course Committee.** Attendees: Director Thompson, General Manager Watton, Chief Financial Officer Beachem and Finance Mgr. Koeppen
- 4) **January 9: Met with Mssrs. Bill McWethy and Fred Grand to discuss the Salt Creek Golf Course.** Attendees: Director Thompson, General Manager Watton, Chief Financial Officer Beachem, Finance Mgr. Koeppen and Asst. General Counsel Romero
- 5) **January 21: Attended the District's Finance, Administration and Communications Committee.** Reviewed, discussed, and made recommendation on items that will be presented at the February board meeting.
- 6) **January 27: Attended the District's Special Board Meeting.** The board discussed the District's FY 2015 to 2018 Strategic Plan and review District Strengths, Weaknesses, Opportunities and Threats (SWOT Analysis)
- 7) **January 30: Board Agenda Briefing.** Met with Director Thompson, General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the February Board Meeting.