

**MINUTES OF THE
BOARD OF DIRECTORS MEETINGS OF THE
OTAY WATER DISTRICT
AND
OTAY WATER DISTRICT FINANCING AUTHORITY
February 6, 2019**

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

2. ROLL CALL

Directors Present: Gastelum, Robak, Smith and Thompson

Directors Absent: Croucher (handling matter on behalf of CalFire)

Staff Present: General Manager Mark Watton, General Counsel Dan Shinoff, Chief of Engineering Rod Posada, Chief Financial Officer Joe Beachem, Chief of Administration Adolfo Segura, Chief of Operations Pedro Porras, Asst. Chief of Engineering, Dan Martin, Asst. Chief of Finance Kevin Koeppen, 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 Robak, and seconded by Director Smith and carried with the following vote:

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

to approve the agenda.

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

Ms. Charissa Farley of Farley Interlocking Paving indicated that her company is female owned and over the last 20 years it has had the support of several public utility companies who have approved, educated, and assisted her company to gain access to better construction work and jobs. Because of this assistance, her company now has 50 employees. She stated her crews are young men in their late twenties and early thirties who are trained and groomed from the bottom up. She stated that her company is working on a Millenia project in Chula Vista for Whiting and Turner where one of her construction crews hooked up to a meter (hydrant) and

was admonished. Because he was embarrassed, he did not share this mistake with the company. Unfortunately, the second crew who came in after them did the same thing and the contracting company, Whiting Turner, received a \$5,000 penalty which was passed along to her firm. She stated that a \$5,000 fine is something her firm cannot weather as they are struggling to expand and fund their own growth without investors. She stated the fine would be a huge burden on her company and could make or break the company. She stated she is in attendance to appeal the fine and share that their mistake was not willful negligence. She stated her crews deeply care and every mistake is a teaching opportunity and they have shared the mistake at their weekly company meetings to assure that the mistake does not occur again.

President Thompson indicated because Ms. Farley's matter is not on the agenda for today's meeting, the board will be unable to discuss the matter. He stated that the board acknowledges the issue and explained that there is a process for bringing such matters to the board. The matter will first go to a board committee and then agendaized as a board item. Ms. Farley then would have the ability to plead her case before the board. It was indicated that staff would be in contact with her and thanked her for attending today's board meeting.

General Manager Watton introduced former City of La Mesa Mayor, Art Madrid, who is in attendance at today's meeting. The board welcomed him.

6. APPROVE THE MINUTES OF THE REGULAR BOARD MEETING OF SEPTEMBER 5, 2018

A motion was made by Director Smith, and seconded by Director Gastelum and carried with the following vote:

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

to approve the minutes of the regular meeting of September 5, 2018.

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 Smith, and seconded by Director Gastelum and carried with the following vote:

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

to approve the following consent calendar item:

- a) AWARD A PROFESSIONAL ENGINEERING SERVICES AGREEMENT TO HAZEN AND SAWYER, INC. FOR THE DESIGN AND CONSTRUCTION SUPPORT OF FIVE (5) POTABLE WATER PIPELINE REPLACEMENT PROJECTS IN AN AMOUNT NOT-TO-EXCEED \$335,110

ACTION ITEMS

8. ENGINEERING

- a) ADOPT RESOLUTION NO. 4354 DECLARING A PORTION OF THE SALT CREEK GOLF COURSE PARCELS COMPRISED OF APPROXIMATELY 164-ACRES OF LAND AS SURPLUS TO THE DISTRICT'S NEEDS

Engineering Manager Bob Kennedy indicated that staff is requesting that the board adopt Resolution No. 4354 declaring a portion of the Salt Creek Golf Course parcel, comprised of approximately 164-acres of land, as surplus and to dispose of the surplus property in accordance with applicable statutes and laws, and in the best interest of the District. Please reference the Committee Action notes (Attachment A) attached to the staff report for the details of Mr. Kennedy's presentation.

It was discussed that staff is recommending that the District retain approximately 20% of the land area which is utilized for current facilities and approximately 12% for the District's mitigation land bank. It was noted on a map of the Salt Creek Property attached to the staff report, that an additional 30 acres is identified as mitigation land for wetlands. The District required mitigation wetlands for the 870-2 pump station and available wetlands for purchase at the time it was needed cost \$500,000 an acre. Retaining the thirty acres and the buffer area along the acreage to maintain it as a wetlands will satisfy the District's needs for mitigation wetlands for some time.

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

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

to approve staff's recommendation.

9. GENERAL MANAGER

- a) ADOPT THE 2019 OTAY WATER DISTRICT LEGISLATIVE PROGRAM GUIDELINES AND PRIORITIES

Communications Officer Tenille Otero presented the 2019 Otay Water District Legislative Program Guidelines and Priorities for consideration and adoption by the board. Please reference the Committee Action notes (Attachment A) attached to the staff report for the details of Ms. Otero's presentation.

Ms. Otero also shared some updates that have occurred since the discussion of the item at committee. She stated that CWA has secured an author and co-author for the Military Veterans Reciprocity Legislative Proposal. Assemblymember Todd Gloria will author the bill with co-author Assemblymember Adam Gray. She also indicated that over the weekend, language for the Safe and Affordable Drinking Water (Water Tax) legislation was released and it is modeled after SB 623, Water Quality: Safe and Affordable Drinking Water Fund.

The board further discussed the California WaterFix and the proposed Water Tax and thanked the Public Relations, Legal and Legislation Committee for their work in reviewing the Legislative Guidelines.

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

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

to approve staff's recommendation.

10. BOARD

a) DISCUSS THE 2019 BOARD MEETING CALENDAR

President Thompson indicated that he would not be available to attend the May 1, 2019 meeting. In response to an inquiry from Director Smith, District Secretary Susan Cruz indicated that the first Budget Workshop was confirmed on Thursday, May 2, 2019.

REPORTS

11. GENERAL MANAGER'S REPORT

General Manager Watton presented information from his report which included an update on asset management data gap analysis, network enterprise security, fleet shop and warehouse LED lighting retrofit, Campo Road sewer replacement, water sales and purchases. Staff responded to questions and comments from the board.

12. SAN DIEGO COUNTY WATER AUTHORITY UPDATE

Director Smith reported on information from CWA's January 2019 board meeting that included a provision in the Imperial Irrigation District Transfer Agreement which

provides for an early transfer of 10,000 acre feet (AF) of water at a cost of \$215/AF, that CWA has not needed to utilize *Pay-as-You-Go Funds* to meet its budget needs, and the *Brought to You by Water* program which is providing good visibility for the water industry and CWA as a water leader.

He also shared information from MWD's last board meeting where they discussed the drought contingency plan and the Colorado River potentially being in a drought situation. He stated that five of the Colorado River basin states are discussing an agreement to add water into Lake Meade. The intent is to prevent the water level in the lake from getting to a point that it triggers a declaration of drought. There was also discussion concerning the *WaterFix* costs and where they will be charged; will it be considered a supply or transportation cost. They have not yet discussed the matter in detail, however, if it is defined as a transportation cost, it would increase the cost by up to \$23 per bill per month for San Diego region customers.

13. DIRECTORS' REPORTS/REQUESTS

Director Gastelum indicated that he was happy to be appointed to committees this year and thanked President Thompson for his consideration.

Director Robak thanked staff for providing a tour of the Salt Creek property. He shared that he read an article regarding municipal water systems that indicated that leaks on systems are not discovered, on average, for 18 months. He also reported that he attended the Chula Vista Elementary School District Energy Station Grand Opening at the Chula Vista Library and the Center for Water Studies Ribbon Cutting Ceremony at Cuyamaca College. He lastly reported on a *Voice of San Diego* article on the City of San Diego's Pure Water Program. He stated the article reported that the City is not clear on what the cost impact of the program would be to San Diego ratepayers.

Director Smith reported on meetings he attended during the month of January which included the District's regular and special board meetings, the Engineering, Operations and Water Resources Committee, and the East County Caucus meeting.

14. PRESIDENT'S REPORT

President Thompson's report is attached. He noted that he also attended the Cuyamaca College Center for Water Studies Ribbon Cutting Ceremony.

15. CLOSED SESSION

The board recessed to closed session at 5:22 p.m. to discuss the following matter:

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

1 CASE

The board reconvened at 5:54 p.m. and General Counsel Dan Shinoff indicated that the board took no reportable actions in closed session.

OTAY WATER DISTRICT FINANCING AUTHORITY

16. NO MATTERS TO DISCUSS

President Thompson noted that there were no items scheduled for discussion for the Otay Water District Financing Authority board.

17. ADJOURNMENT

With no further business to come before the Board, President Thompson adjourned the meeting at 5:54 p.m.

President

ATTEST:

District Secretary

**President's Report
Mitch Thompson
February 6, 2019
Board Meeting**

#	Date	Meeting	Purpose
1	2-Jan	OWD Regular Board Meeting	Monthly Board Meeting
2	10-Jan	Teleconference with General Manager Watton and Communications Officer Otero	Discussed public relations matters.
3	17-Jan	Committee Agenda Briefing	Met w/ General Manager Watton to review items that will be presented at the January committee meetings
4	17-Jan	Cuyamaca College Center for Water Studies Ribbon Cutting	Ribbon cutting ceremony for the opening of the College's Center for Water Studies.
5	25-Jan	Board Agenda Briefing	Met with General Manager Watton and General Counsel Shinoff to review items that will be presented at the February Board Meeting