

**MINUTES OF THE
BOARD OF DIRECTORS MEETINGS OF THE
OTAY WATER DISTRICT
AND
OTAY WATER DISTRICT FINANCING AUTHORITY
September 2, 2020**

1. The meeting was called to order by General Manager Martinez at 3:33 p.m.

2. ROLL CALL

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

Staff Present: General Manager Jose Martinez, General Counsel Dan Shinoff, General Counsel Jeanne Blumenfeld, Chief of Engineering Rod Posada, Chief Financial Officer Joe Beachem, Chief of Administration Adolfo Segura, Chief of Operations Pedro Porrás, Asst. Chief of Finance Kevin Koeppen, District Secretary Susan Cruz and others per attached list.

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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

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

to approve the agenda.

5. PRESENTATION OF AWARDS FOR THE 2020 "WATER IS LIFE" STUDENT POSTER CONTEST (GRADES K-12)

Communications Assistant Eileen Salmeron presented the awards to the winners of the District's 2020 *Water is Life* poster contest. The following students were awarded first, second and third place:

1st Place:

Sofia Perez Valles, 12th Grader from Olympian High School
Zahraa Alzayadi, 5th Grader from Jamacha Elementary School

2nd Place:

Stephenie Pace, 12th Grader from Olympian High School
Amy Coghill, 3rd Grader from Tiffany Elementary School

3rd Place:

Lucia Perez Valles, 10th Grader from Olympian High School
Sofie Coghill, Kindergartener from Tiffany Elementary School

Each of the students explained their inspiration for creating their poster artwork. The District congratulated each of the winners and thanked them for participating in the poster contest. Ms. Salmeron shared with them that their artwork will be submitted to the Metropolitan Water District's (MWD) annual calendar contest. The District had one poster contest winner featured in the 2020 MWD calendar. The District will contact the students if their artwork is selected for the 2021 calendar.

6. PRESENTATION OF CALIFORNIA ASSOCIATION OF PUBLIC INFORMATION OFFICERS' AWARD OF DISTINCTION FOR MOST INNOVATIVE COMMUNICATIONS FOR THE HYDRO STATION PARTNERSHIP

Communications Officer Tenille Otero shared that the District was awarded the California Association of Public Information Officers' 2020 Excellence in Public Information and Communications for the Hydro Station Partnership that provides for educational experiences in the water industry for the 5th grade students of the Chula Vista Elementary School District. The award is a result of a symbiotic partnership between Otay WD, Sweetwater Authority and the Chula Vista Elementary School District and recognizes the partners with an Award of Distinction in Most Innovative Communications (Large Population Category).

Dr. Matthew Tessier, Assistant Superintendent, and Mr. Michael Bruder, Instructional Services Coordinator, for the Chula Vista Elementary School District, the visionaries for the Hydro Station program, attended the District's meeting to provide an update on the program and what they have, thus far, accomplished. They shared that the program will be expanded to all grades in the Chula Vista Elementary School District and the public (please reference the attached copy of the Hydro Station PowerPoint presentation). They thanked the District for their support and partnership in the program.

President Croucher indicated that he wished to explore ways in which the District could get more involved in the program by possibly providing incentives to the schools to encourage participation. For instance, the District may provide a hydration station for the school, if they do not already have one, if they have a certain number of students participate in the program. This would also help reduce the use/purchase of disposable bottled water, which is something the District has been a strong proponent of. He congratulated the team for the recognition.

In response to an inquiry from Director Gastelum, Mr. Bruder indicated that having the program available to private and parochial schools is something that they have contemplated. They are currently reviewing what the cost would be for a "field trip" to the Hydro Station program which they can then work with schools to develop funding. It is certainly something that can be accomplished. Director Gastelum indicated that he would like to work with them in expanding the program to private and parochial schools.

Dr. Tessier shared, in response to any inquiry from Director Robak, that they were unsuccessful in acquiring a grant to expand the program to middle and high school students and to provide extended educational opportunities for the students at Cuyamaca College's Water Studies Program. President Croucher asked Dr. Tessier and Mr. Bruder to continue to work with Ms. Otero as the District's board and staff may be able to work with its sister agencies for additional funding as the program is beneficial to the water industry.

Staff, Dr. Tessier and Mr. Bruder responded to additional comments and questions from the board.

7. APPROVE THE MINUTES OF THE REGULAR MEETING OF JUNE 3, 2020 AND SPECIAL BOARD MEETING OF JULY 22, 2020

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

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

to approve the minutes of the regular board meeting of June 3, 2020 and special board meeting of July 22, 2020.

8. 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

9. 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 Robak, seconded by Director Smith and carried with the following vote:

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

to approve the following consent calendar items:

- a) APPROVE THE ISSUANCE OF A PURCHASE ORDER TO DELLEMC IN AN AMOUNT NOT-TO-EXCEED \$140,421.61 FOR NEW ENTERPRISE DATA STORAGE, BUSINESS SERVER HARDWARE, AND SERVICES TO REPLACE EXISTING LEGACY EQUIPMENT
- b) AWARD A PROFESSIONAL ENGINEERING SERVICES AGREEMENT TO MURRAYSMITH, INC. FOR DESIGN AND CONSTRUCTION SUPPORT OF THE VISTA DIEGO HYDROPNEUMATIC PUMP STATION REPLACEMENT PROJECT IN AN AMOUNT NOT-TO-EXCEED \$331,794
- c) AWARD A CONSTRUCTION CONTRACT TO UNIFIED FIELD SERVICE CORPORATION FOR THE RECYCLED WATER TANK COATING PROJECT IN AN AMOUNT NOT-TO-EXCEED \$506,252
- d) AWARD A CONSTRUCTION CONTRACT TO CAPITAL INDUSTRIAL COATINGS, LLC, FOR THE 850-1 & 1200-1 RESERVOIRS INTERIOR/EXTERIOR COATINGS & UPGRADES PROJECT IN AN AMOUNT NOT-TO-EXCEED \$1,443,000
- e) AWARD A PROFESSIONAL AS-NEEDED UTILITY LOCATING SERVICES AGREEMENT TO CALBURTON, INC., IN AN AMOUNT NOT-TO-EXCEED \$600,000 FOR A PERIOD OF THREE (3) FISCAL YEARS (FY), FY 2021 THROUGH FY 2023 (ENDING JUNE 30, 2023)

ACTION ITEMS

10. FINANCE AND ADMINISTRATION

- a) APPROVE A ONE-YEAR EXTENSION WITH TEAMAN, RAMIREZ, AND SMITH, INC., FOR AUDIT SERVICES FOR FISCAL YEAR 2021

Accounting Manager Eid Fakhouri requested that the Board approve a one-year extension for audit services for Fiscal Year 2021 with Teaman, Ramirez and Smith, Inc. Please reference Attachment A (Committee Action) to the staff report for the details of Mr. Fakhouri's presentation. Staff and the Board Finance and Administration Committee members responded to questions and comments from the board.

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

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

to approve staff's recommendation.

11. BOARD

- a) AUTHORIZE THE BOARD PRESIDENT TO RESPOND NO LATER THAN SEPTEMBER 18, 2020, TO THE SAN DIEGO LOCAL AGENCY FORMATION COMMISSION'S (LAFCO) INVITATION FOR ALL INTERESTED AGENCIES AND RELATED STAKEHOLDERS TO REVIEW AND SUBMIT COMMENTS TO THE PROPOSALS FROM FALLBROOK PUBLIC UTILITY DISTRICT AND RAINBOW MUNICIPAL WATER DISTRICT TO ANNEX TO EASTERN MUNICIPAL WATER DISTRICT FOR WHOLESALE WATER SERVICE WITH CONCURRENT DETACHMENT FROM SAN DIEGO COUNTY WATER AUTHORITY (CWA)

General Manager Martinez indicated this item is to request that the Board delegate to the Board President the submission of the District's comments to LAFCO concerning Fallbrook PUD and Rainbow MWD proposal to annex to Eastern Municipal WD for wholesale water service with a concurrent detachment from CWA. He noted the proposed letter is included in the board documents for the Board's reference. The letter indicates that Otay WD is not necessarily against their detaching from CWA, but the District wishes, for the benefit of its ratepayers, that LAFCO evaluate some areas (which is outlined in the letter) when reviewing the proposal to ensure there are no adverse impacts to the member agency ratepayers.

Director Thompson indicated that he would like bullet point number "1" in the letter state, "That the proposed detachments will not adversely affect the *ratepayers of the* Otay Water District, and other...". Director Gastelum suggested that the District request within LAFCO's review, if they could evaluate if Fallbrook PUD and Rainbow MWD were to merge if it would benefit their ratepayers. President Croucher indicated that is something that will be suggested in documents CWA is preparing to submit to LAFCO. The members of the board made additional comments and indicated they supported the letter.

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

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

to authorize the Board President to submit the District's comments to LAFCO related to stakeholders review of the proposal from Fallbrook PUD and Rainbow MWD to annex to Eastern Municipal WD for wholesale water service with a concurrent detachment from CWA.

- b) DISCUSS THE 2020 BOARD MEETING CALENDAR

President Croucher stated, as December approaches, he would like to suggest that staff evaluate items requiring board action prior to the end of the year, if they could be acted on at the November board meeting to allow for the cancellation of the

December board meeting as has been the District's practice. He noted that depending on the outcome of the elections, we may need a meeting, but he would like to be able to cancel the December meeting if it is not necessary. Staff indicated that they would start reviewing the District's needs and plan accordingly.

INFORMATIONAL ITEMS

12. FOURTH QUARTER OF FISCAL YEAR 2020 CAPITAL IMPROVEMENT PROGRAM REPORT

Engineering Manager Michael Long provided an update on the District's fourth quarter of Fiscal Year 2020 Capital Improvement Program (CIP). Please reference Attachment A (Committee Action) to the staff report for the details of Mr. Long's presentation. Staff responded to questions and comments from the board.

REPORTS

13. GENERAL MANAGER'S REPORT

General Manager Martinez presented information from his report that included the District's response to the COVID-19 pandemic, facility LED lighting upgrades, collections and bad debt exposure, the 1090-1 pump station renovations, and Mexico's request for treaty water deliveries. Chief of Operations Pedro Porras also shared with the Board the District's recognition of Mr. Brandon Perry, Sr. Utility Worker/Equipment Operator for his heroic efforts in rescuing a family who was trapped in their vehicle after they were involved in a traffic accident on July 22, 2020. Mr. Perry, along with another witness, pulled the driver and his family from their car which had overturned in the accident and caused the doors to jam. Mr. Perry was recognized by the District with a High Five Award for his quick response, selfless actions, and his true dedication to community service. Mr. Perry thanked the District for the recognition.

Staff responded to questions and comments from the board.

14. SAN DIEGO COUNTY WATER AUTHORITY UPDATE

Director Smith reported that CWA has nominated its officers for the upcoming year and President Croucher will be CWA's new Chair starting September following their board's vote at the meeting. He noted that Director Christy Guerin from Olivenhain WD was nominated Vice Chair, and Directors Jerry Butkiewicz and Chris Cate, both from the City of San Diego, were nominated for Secretary. He indicated that CWA discussed the Regional Conveyance System (RCS) Study and their Board decided that CWA would be reaching out to the community to share information about the RCS Study and will provide additional time (through November) for stakeholders to review the report. He lastly shared with regard to his role at MWD that he had asked MWD if they would review the impacts from the COVID-19 pandemic and determine if there are areas where they could cut their budget to provide rate relief to its member agencies. He noted that CWA and Otay WD were able to identify cuts in their budget to drop their rate increases to assist its ratepayers. There have

been many requests from the member agencies for that same review at MWD. MWD had presented their budget which was adopted in April 2020 and, at that time, MWD also presented an alternate *Option 1* which lowered the effective rate increase. However, it did not lower the budget expenditures. MWD is scheduled to discuss this issue at its September board meeting and they have released a preliminary staff report that still presents the same budget without any expenditure reductions. CWA will be sending a letter to MWD, and they are encouraging their member agencies to also send letters requesting MWD to reduce their rate increase through budget expenditure cuts.

President Croucher additionally shared that there is strong support to finish Phase B of the RCS Study to explore funding opportunities for the project. He stated that CWA is working to gather additional data so they can determine if it would be a viable long-term project or if there are other options. CWA has set aside \$200,000 from the budget authorized for the project to complete Phase B. He noted that although outside influences have been working to divide CWA's Board on this project, CWA's board has been unanimous in its decision and is working to focus the study on what would be best for our region. He also shared that CWA was awarded approximately \$44 million in the MWD lawsuit. As part of the litigation process and in good faith, CWA dropped some cases in the lawsuit and is rewriting the lawsuit to exclude those items. He also stated that the lawsuits filed in 2014 to 2016 that were placed on hold, will be moving forward as the hold on the cases have been lifted. He shared that CWA is expecting another \$40 million to be awarded for these cases which will bring the approximate award total in the lawsuits against MWD to just short of \$80 million. He stated that, at some point, he would like to see the Otay WD Board have a workshop to discuss the District's position concerning CWA matters, ensure CWA is hearing its messages and how the District can support CWA. President Croucher also commended Director Smith for his work at MWD and with the MWD members.

Director Smith requested that General Manager Martinez send a letter to MWD requesting that they review their budget to identify areas where they can reduce expenditures in response to the COVID-19 pandemic. He asked that the letter be forwarded prior to MWD's next board meeting which is scheduled in approximately one (1) week.

15. DIRECTORS' REPORTS/REQUESTS

Director Smith reported that he attended his normal meetings and that he has submitted a written report to District Secretary Cruz, which will be attached to the minutes for today's meeting.

Director Thompson indicated that he attended the District's board meetings, the South County EDC (SCEDC) board and Binational Committee meetings and the Chula Vista Chamber of Commerce Public Policy Committee meeting.

Director Gastelum reported that he has submitted a written report to District Secretary Cruz, which will be attached to the minutes for today's meeting.

Director Robak indicated that because of teleconferenced meetings, he has been able to attend more meetings as he does not have to go anywhere. He has been attending CWA's board meetings and has learned more about the RCS Study. He inquired if his understanding that the RCS Project is on hold for three (3) months is correct. President Croucher confirmed that CWA would not be expending funds on the RCS Project, but will be moving forward with outreach to the community to share what *Phase B* will encompass and to receive the community's feedback. For example, an environmental group opposed the project without hearing CWA's presentation and CWA will reach out to such groups and the community to provide information/a presentation similar to the presentation the Otay WD board received in August. He noted that *Phase B* of the project is not about approving the RCS project and funding for the project, it is about completing and finalizing information/findings to determine if CWA should move forward with the project.

Director Thompson additionally reported that he and Director Robak are members of the Board of Directors Ad Hoc Policy 8 Committee and they have been meeting and will be presenting proposed amendments to Policy 8 at an upcoming board meeting for board consideration.

16. PRESIDENT'S REPORT

President Croucher indicated that COVID-19 has produced some unique challenges for everyone, and the District is continuing to work together for the best interest of its ratepayers. He commended General Manager Martinez and indicated that he has received complimentary feedback from other agencies in the County and praised him for the good job he is doing.

RECESS TO CLOSED SESSION

17. CLOSED SESSION

General Manager Martinez indicated that he did not have anything to report on COVID-19 in closed session. The board recessed to closed session at 5:32 p.m. to discuss the following matters:

- a) LIABILITY CLAIMS [GOVERNMENT CODE §54956.95]

CLAIMANT: LUIS ESPINOZA DAVALOS

AGENCY CLAIMED AGAINST: OTAY WATER DISTRICT

- b) CONFERENCE WITH REAL PROPERTY NEGOTIATORS pursuant to California Government Code section 54956.8

Property: SALT CREEK GOLF COURSE
525 HUNTE PARKWAY
CHULA VISTA, CA 91914

Agency negotiator: General Counsel

Under negotiation: Disposition of Property

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

KESSNER, ET AL. vs. CITY OF SANTA CLARA, ET AL.; CASE NO.
20CV364054, SANTA CLARA COUNTY SUPERIOR COURT

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

OTAY WATER DISTRICT vs. CITY OF SAN DIEGO; CASE NO. 37-2017-
00019348-CU-WM-CTL

RETURN TO OPEN SESSION

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

The board reconvened from closed session at 7:10 p.m. and General Counsel Dan Shinoff reported that the board took action to reject the liability claim filed by Mr. Luis Espinoza Davalos on a motion by President Croucher, seconded by Director Thompson and carried with the following vote:

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

Mr. Shinoff stated that the board took no other reportable actions in closed session.

OTAY WATER DISTRICT FINANCING AUTHORITY

19. NO MATTERS TO DISCUSS

There were no items scheduled for discussion for the Otay Water District Financing Authority board.

20. ADJOURNMENT

With no further business to come before the Board, President Croucher adjourned the meeting at 7:11 p.m.

President

ATTEST:

District Secretary



Board of Directors Meetings Attended Form

Director Name: Gary Croucher

Period Covered:

From: 8/1/20 To: 8/31/20

<u>Item No.</u>	<u>Date</u>	<u>Meeting Attended</u>	<u>Description</u>
1.	8/4/20	Meeting with GM & GC	Meeting with GM Martinez and GC's Shinoff and Blumenfeld to discuss Personnel Issues
2.	8/5/20	OWD Board Meeting	OWD Regular Board Meeting
3.	8/12/20	Meeting with GM & GC	Meeting with GM Martinez and GC's Shinoff and Blumenfeld to discuss Personnel Issues
4.	8/14/20	Committee Agenda Briefing	Met w/ GM Martinez to review items that will be presented at the August committee meetings
5.	8/17/20	Meeting with GM & GC	Meeting with GM Martinez and GC's Shinoff and Blumenfeld to discuss Personnel Issues
6.	8/19/20	EO&WR Committee	Reviewed and made recommendation on items that will be presented at the September board meeting
7.	8/21/20	Special Board Meeting	OWD Special Board Meeting
8.	8/24/20	Special Board Meeting	OWD Special Board Meeting
9.	8/25/20	CWA Matters Mtg	Met with Dir Smith and GM Martinez to discuss CWA matters
10.	8/25/20	Board Agenda Briefing	Met with GM Martinez and GCs Shinoff and Blumenfeld to review the September Board Meeting Agenda



Board of Directors Meetings Attended Form

Director Name: Tim Smith

Period Covered:

From: 8/1/20 To: 8/31/20

<u>Item No.</u>	<u>Date</u>	<u>Meeting Attended</u>	<u>Description</u>
1.	8/5/20	OWD Regular Board Mtg.	Monthly Board Meeting (video conf.)
2.	8/12/20	Quarterly Meeting	Reviewed Quarterly Update with GM (video conf.)
3.	8/19/20	EO&WR Committee	Reviewed items that will be presented at the September Board Meeting (video conf.)
4.	8/24/20	Special OWD Meeting	Special Board Meeting (video conf.)
5.	8/25/20	CWA Matters Meeting	Discuss CWA Matters (video conf.)
6.	8/26/20	East County Caucus Meeting	Discuss East County issues with agencies and CWA (video conf.)
7.			
8.			
9.			
10.			

-Instructions on Reverse -



Board of Directors Meetings Attended Form

Director Name: Mitchell Thompson Period Covered:
From: 8/1/20 To: 8/31/20

<u>Item No.</u>	<u>Date</u>	<u>Meeting Attended</u>	<u>Description</u>
1.	8/5/20	OWD Regular Board Mtg	See agenda
2.	8/4/20	SCEDC Board Meeting	Represent OWD at SCEDC Monthly Board Meeting
3.	8/12/20	Quarterly meeting with General Manager	One on one discussion of Otay business
4.	8/18/20	F&A committee meeting	Agenda
5.	8/21/20	Special Board Meeting	Agenda
6.	8/24/20	Special Board Meeting	Agenda
7.	8/14/20	SCEDC Binational Committee Meeting	Represent OWD at Meeting
8.	8/28/20	CV Chamber Public Policy meeting	Agenda, discussed Regional Conveyance System.
9.	8/31/20	Policy 8 Subcommittee Meeting	Review draft changes to Board Policy 8
10.			



OTAY WATER DISTRICT
BOARD OF DIRECTORS
PER-DIEM AND MILEAGE CLAIM FORM

Pay To: Hector Gastelum

Period Covered: _____

Employee Number: 1860

From: 7/1/2020 **To:** 8/30/2020

ITEM	DATE	MEETING	PURPOSE / ISSUES <u>DISCUSSED</u>	MILEAGE	
				HOME to OWD OWD to HOME	OTHER LOCATIONS
1	7/1	OWD BOARD MEETING			
2	7/9	SPECIAL BOARD MEETING			
3	7/22	SPECIAL BOARD MEETING			
4	8/5	OWD BOARD MEETING			
5	8/13	QUARTERLY GM MEETING			
6	8/14	BIA SOUTHERN CALIFORNIA WATER CONFERENCE	TELECONFERENCE		
7	8/21	OWD SPECIAL BOARD MEETING			
8	8/24	OWD SPECIAL BOARD MEETING			
9					
10					
11					
12					
13					

Total Meeting Per Diem: \$1216
(\$152 per meeting)

Total Mileage Claimed: 0 miles

(Director's Signature)

GM Approval: _____ **Date:** _____

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

