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MINUTES OF THE  
BOARD OF DIRECTORS REGULAR MEETING  
OTAY WATER DISTRICT  
January 5, 2000

1. The meeting was called to order by President Poveda at 1:40 p.m. in the District Boardroom, 2554 Sweetwater Springs Boulevard, Spring Valley, California.

DIRECTORS PRESENT: Directors, Laudner, Poveda, Price, Inocentes and Watton

DIRECTORS ABSENT: None

STAFF PRESENT: General Manager Cardenas  
Attorney Harron  
Operations Dept Head Mahanke  
Admin Services Dept Head Alvarez  
Finance Department Head Chambers  
Assistant District Secretary Smith  
Others as per attached list

2. After the Pledge of Allegiance, President Poveda turned the meeting over to General Manager Cardenas who announced that the next item of business was the election of officers. He requested nominations for the Office of President. Director Watton nominated Director Price for President and Director Poveda seconded the nomination. There being no other nominations, the nominations were closed and Director Price was elected unanimously to the Office of President.

President Price assumed the chairmanship of the meeting and requested nominations for Vice President. Director Poveda nominated Director Inocentes for Vice President and Director Watton seconded the nomination. There being no

1 other nominations, the nominations were closed and Director Inocentes was  
2 elected unanimously to the Office of Vice President.

3           President Price requested nominations for Treasurer. Director Watton  
4 nominated Director Laudner for Treasurer and Director Poveda seconded the  
5 nomination. There being no other nominations, the nominations were closed and  
6 nomination. There being no other nominations, the nominations were closed and  
7 Director Laudner was elected unanimously to the Office of Treasurer.

8           3.       A motion was made by Director Poveda, seconded by Director Ino-  
9 centes, and unanimously carried, to approve the agenda.

10           4.       A motion was made by Director Laudner, seconded by Director Ino-  
11 centes, and unanimously carried, to adopt the Minutes of the Regular Meeting of  
12 December 8, 1999.

13           5.       Director Laudner asked why a check had been issued to a retiree  
14 for reimbursement of boots, Check No. 088957. General Manager Cardenas  
15 stated that Staff would investigate and return to the Board with an answer. A mo-  
16 tion was made by Director Watton, seconded by Director Inocentes, and unani-  
17 mously carried, to approve the Demands as listed, with the exception of Check  
18 No. 088957.

19           6.       General Manager Cardenas presented the Tom Buhl Employee of  
20 the Quarter award to Wendy Harris. He stated that Wendy had been with the Dis-  
21 trict over 22 years and presently works as the Computer Systems Administrator.  
22 President Price congratulated Ms. Harris on behalf of the Board.

23           7.       President Price inquired if anyone in the audience desired to ad-  
24 dress the Board on any item not on the agenda. Lisa Renner or 3140 Jamul High-  
25 lands Road, Jamul, CA 91935, stated she had two clients that had made offers on  
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1 vacant property owned by the District on Highway 94 in Jamul. She said one client  
2 had made an offer for three lots and that client now wished to purchase only one lot  
3 to build a home upon and the other client was interested in however much acreage  
4 the District could spare. Attorney Harron explained that the property in question  
5 was the Jamul surplus property that was discussed at a previous meeting. He  
6 said the Board had rejected the offer but the Board would entertain future offers.  
7  
8 Ms. Renner asked if the Board would entertain another offer. President Price  
9 stated the Board would be open to receiving future offers on the property.  
10

11 8. Director Laudner asked that Items 9-d and 9-e be pulled from the  
12 consent calendar. A motion was made by Director Inocentes, and seconded by  
13 Director Poveda, and unanimously carried, that the following items on the consent  
14 calendar be approved.  
15

16 a) RESOLUTION NO. 3835

17 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
18 OTAY WATER DISTRICT COMMENDING JOANNE  
19 CLAYTON THE OUTGOING PRESIDENT OF THE CHULA  
20 VISTA CHAMBER OF COMMERCE

21 b) DENIAL OF STENSTADVOLD CLAIM

22 c) REQUEST FOR CALIFORNIA PUBLIC EMPLOYEES  
23 RETIREMENT SYSTEM (PERS) PENSION CONTRACT  
24 AMENDMENT

25 RESOLUTION NO. 3836

26 RESOLUTION OF INTENTION TO APPROVE AN  
27 AMENDMENT TO CONTRACT BETWEEN THE BOARD  
28 OF ADMINISTRATION CALIFORNIA PUBLIC EMPLOYEES'  
29 RETIREMENT SYSTEM AND THE BOARD OF  
DIRECTORS OTAY WATER DISTRICT

f) CONTINUANCE OF ANNEXATION PROCEEDINGS FOR  
EASTLAKE BUSINESS CENTER III TO JANUARY 19, 2000

1  
2 Director Laudner said he objected to an amendment being made to the  
3 Recruitment and Selection Policy No. 24 because there was too much room for  
4 abuse. He said it gives one person the right to appoint any person to any job in  
5 the District. Administrative Services Department Head Alvarez stated this was an  
6 item that was addressed during the rewrite of the Recruitment and Selection Pol-  
7 icy. He stated the specific discretion in being able to waive competition was for  
8 temporary appointments and for certain appointments that resulted from the re-  
9 classification of a position. Mr. Alvarez said Staff was trying to insure that the pol-  
10 icy memorializes the practice and that it is clear where Staff could waive competi-  
11 tion. He stated that the policy was very restrictive in that before competition could  
12 be waived it would need to meet the criteria that there would not be a vacancy in  
13 the class, an incumbent would have to meet the qualifications for the position and  
14 there would be a serious impact on the incumbent if the incumbent wasn't ap-  
15 pointed, as in a layoff or demotion. Mr. Alvarez said the present Policy is not clear  
16 and Staff wanted to clarify it.  
17  
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21 Director Poveda stated that the change is for very limited circumstances,  
22 as in the case of a reorganization a position is reclassified and there is no other  
23 vacancy, this would provide management with flexibility in terms of limiting compe-  
24 tition for that position. He stated there have been very few cases where this situa-  
25 tion has occurred and management needs that flexibility.  
26

27 President Price asked if any of the employee representatives present  
28 would like to share their sentiments. Director Laudner asked if the Employee As-  
29 sociations had reviewed it and agreed with the amendment.

1 Ron Ripperger, representative of the Administrative Employees Associa-  
2 tion, stated that the Employee Representatives were in agreement and that the in-  
3 tent was to not complicate the situation but make it easier for the General Manager  
4 to make a selection right away. Jerry Munoz stated that the Employee Association  
5 was also in agreement and that none of the employees in Operations had raised  
6 any questions regarding this change.  
7

8 A motion was made by Director Poveda, seconded by Director Inocentes,  
9 and carried, with Director Laudner voting no, to approve the Amendment to Re-  
10 cruitment and Selection Policy No. 24.  
11

12 9. Director Laudner asked for a clarification regarding the amendment  
13 to the Human Resources Discipline Policy and Procedures. Administrative Ser-  
14 vices Department Head Alvarez said this item went to the Personnel Committee  
15 also and that the previous draft of the discipline policies and procedures had been  
16 in effect since 1994. He stated that some changes were made to reflect the recent  
17 agreement Management had with the employees dealing with the probationary pe-  
18 riod being increased to 12 months. Mr. Alvarez said it was necessary to change  
19 the policy to memorialize a change that occurred in the MOU and the other  
20 changes were made primarily to be consistent with terminology and titles. He  
21 stated the policy is one that requires certain procedures to be followed before dis-  
22 cipline is imposed and Staff is trying to bring the policy up-to-date in terms of ver-  
23 biage and the MOU agreement.  
24

25 President Price said that the Personnel Committee had been working with  
26 the General Manager, Mr. Alvarez and Mr. Harron to be more succinct in the poli-  
27 cies.  
28  
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1 A motion was made by Director Poveda, seconded by Director Watton,  
2 and unanimously carried to amend the Human Resources Discipline Policy and  
3 Procedures.

4  
5 10. President Price presented

6 RESOLUTION NO. 3834

7 A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY  
8 WATER DISTRICT FIXING TERMS AND CONDITIONS FOR THE  
9 ANNEXATION TO OTAY WATER DISTRICT SEWER  
10 IMPROVEMENT THOSE LANDS DESCRIBED AS "GOODWIN  
11 ANNEXATION" AND ANNEXING SAID PROPERTY TO OTAY  
12 WATER DISTRICT SEWER IMPROVEMENT DISTRICT (WO 0210-  
13 20.221/DIV. 5)

14 and opened the public hearing at 2:02 p.m. No one wished to address the  
15 Board on this resolution and the public hearing was closed.

16 A motion was made by Director Inocentes, seconded by Director Laudner,  
17 and unanimously carried, to adopt Resolution No. 3834.

18 11. President Price opened the public hearing regarding the District's  
19 EPA Risk Management Plan at 2:05. No one wished to be heard or presented  
20 any comments on the plan, and the public hearing was closed.

21 12. General Manager Cardenas stated that Staff was continuing in the  
22 reorganization of the District. He stated the positions that he was requesting be  
23 reclassified were the Civil Engineer to Operations Engineering Manager, Water  
24 Use Investigator to Water Use Specialist, adding a Construction Inspector I and  
25 deleting the GIS Analyst and Civil Engineer positions. Mr. Cardenas said one of  
26 the positions is currently filled by a consultant and, if the Board approved these  
27 changes, the District would be looking at a total savings of \$112,500. President  
28 Price asked if the Board had any comments.  
29

1 A motion was made by Director Inocentes, seconded by Director Poveda,  
2 and carried, with Director Laudner voting no, to approve the recommendations for  
3 reclassification, addition and deletion of positions in Administrative Services, En-  
4 gineering and Planning, and Operations and Maintenance Departments.  
5

6 13. President Price asked if the Board desired a closed session on the  
7 request for policy regarding the practice of Y-rating of employees. A closed ses-  
8 sion was not requested.  
9

10 General Manager Cardenas stated this item was for discussion and it has  
11 been the past practice to Y-rate employees without a written policy. He said there  
12 are a lot of practices in the District that are not well documented and rather than  
13 rely on the Board for each situation, he would prefer to have a written policy. He  
14 said there are situations where employees should be Y-rated and others where  
15 they shouldn't but it does cost the District money. He stated the Employees Rep-  
16 resentatives were interested in speaking with the Board.  
17  
18

19 Jake Vaclavic made a statement on behalf of the Employee Reps stating  
20 that this subject had come up rather quickly over the holidays and the Reps had not  
21 had a chance to meet and discuss the issue. He said that since the issue has the  
22 potential to seriously impact every employee, including the three positions on to-  
23 day's Agenda, the Reps were requesting the Board to allow time for the Reps to  
24 research some alternatives. He stated the Reps had heard of several polices  
25 other public agencies are using that might successfully work at Otay while protect-  
26 ing the employees and allowing management to make the changes necessary.  
27  
28

29 Director Poveda said this issue was discussed during the last Personnel  
Committee Meeting. He said there seems to be several different things that are

1 talked about when discussing Y-rating and that there are different reasons for Y-  
2 rating. Class and comp studies might ascertain that certain positions are out of  
3 sync and instances where there may be a demotion, but most of the time Y-rating  
4 occurs due to reorganizations. He stated that in realigning different offices and  
5 functions you may find instances where responsibilities have been removed and  
6 the new position doesn't warrant the former compensation rate, or if it is a demo-  
7 tion in terms of an employee who can't fulfill their responsibilities, that is a specific  
8 thing that needs to be reviewed. He said if it's reorganization of the District, an  
9 employee doesn't have a lot of control over that and the Board needs to look at  
10 what is going to occur. He mentioned that in some programs there is a specific  
11 percentage drop, ceiling or cap on the amount when someone gets reclassified to  
12 a lower level. He stated that in this way the employee would have a way to re-  
13 evaluate their position with the District so that they don't have a free fall in terms of  
14 their salary or benefits.

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19 President Price stated that there is a difference between demotion and  
20 changes to the organizations as a whole. She stated she would be very interested  
21 in finding out what other districts do in regards to both type of scenarios. She said  
22 the Reps are willing to take a look at this challenging situation and work towards  
23 coming up with a program that would be fair to all. President Price said that once  
24 again we have found ourselves in a situation where there has been a practice oc-  
25 ccurring and no policy or guidelines. She stated the District needs to have specific  
26 guidelines in place for protection of the employees.

27  
28  
29 Director Laudner stated that the Y-rating should be up to the Employees'  
Associations and that this is something that comes up all the time.. He stated

1 there were letters in personnel files where the previous General Manager pro-  
2 tected these Y-rated employees. He continued by saying when an employee has a  
3 certain salary and you reduce it, it's a morale issue and he doesn't feel the Board  
4 should do away with the Y-rating, but it is up to the employees.  
5

6 Director Watton stated that he views the Y-rating as a management tool  
7 when we are reorganizing or moving positions but he also realizes that the District  
8 has employee associations and needs to include them in a two-way discussion.  
9

10 Mr. Watton mentioned that he remembers the District going through several  
11 reorganizations or salary reclassifications and over history we have handled them  
12 on a case-by-case basis. He said if the District is looking for a policy, than that's a  
13 large discussion issue. He stated he was not uncomfortable continuing the case-  
14 by-case basis but if the District is looking for a policy then we should take the time  
15 and have a two-way discussion, management to Employee Associations, and de-  
16 cide if there is something better than the ad hoc way it has been handled in the  
17 past. Director Watton said he invites the discussion and asked that the matter be  
18 brought back and thinks it should include the practices of some other organiza-  
19 tions and reiterated if it remained the status quo, on a case-by-case basis, he was  
20 not opposed to that either.  
21  
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23  
24 Director Inocentes stated he was concerned that the employees didn't have  
25 enough time to look at this because it is something that they need to be involved in  
26 and it would be nice to have them behind the decision that is made. He said that  
27 the Y-rating in the past has been a case-by-case thing and he hasn't been com-  
28 fortable with that. He thinks it is time to take a look at this and come up with a set  
29

1 plan of how the District is going to handle it in the future. He said he also felt the  
2 employees should be given some time to take a look at it as well.

3 Administrative Services Department Head Alvarez stated that the Y-rating  
4 policy was when a position is either deleted or shifted to a new job due to organ-  
5 izational change and is not associated with the "Y-rating" related to surveys or re-  
6 classes.  
7

8 President Price said the discussion with regard to a Y-rating policy has an im-  
9 pact on the next item.  
10

11 14. President Price stated the next item pertained to the recommenda-  
12 tions for reclassification and addition of positions where the practice of "Y-rating"  
13 will determine the fiscal impact. General Manager Cardenas said with the previ-  
14 ous discussion on Y-rating, that this Staff Report was informing the Board that  
15 there were three positions that will be Y-rated. He stated the positions to be  
16 downgraded were GIS Manager to senior GIS Analyst, Principal Environmental  
17 Specialist to Senior Environmental Specialist and the addition of the Engineering  
18 Technician III. Mr. Cardenas said on page two of the Staff Report there was a  
19 chart which showed the cost of Y-rating the employees mentioned. He requested  
20 that the Board take action and allow Staff to Y-rate the individuals in those posi-  
21 tions.  
22  
23

24 Director Watton asked that the General Manager be allowed to make the  
25 requested changes and hold the question of Y-rating subject to whatever happens  
26 regarding a policy.  
27

28 Director Poveda asked that they continue to receive their current salary.  
29 General Manager Cardenas stated they would until such time as the policy is set.

1 A motion was made by Director Watton, seconded by Director Laudner  
2 and unanimously carried, that the personnel actions be approved subject to future  
3 discussions with the Employee Associations as to the practice and policy that will  
4 be instituted concerning Y-rating of employees.  
5

6 President Price thanked the Employee Representatives for their input and  
7 also asked if they might meet with the Board Personnel Committee on this item.  
8

9 15. General Manager Cardenas stated the next item had been brought  
10 to the Board at its last meeting. Bart Mumford, Engineering Manager, gave a brief  
11 presentation (copy attached) summarizing the staff report and to address any  
12 questions the Board may have.  
13

14 Mr. Mumford said the purpose behind the groundwater program is to de-  
15 velop 70% of our ultimate demand of 60,000 acre feet to be local water in combi-  
16 nation of local water and local water replenished by imported water periodically.  
17

18 He said we had a goal of 40% that would strictly be local water.  
19

20 He stated that currently what we have to apply to the 40% goal is our reclamation  
21 facility and Staff is actively pursuing the South Bay Treatment Plant with the City of  
22 San Diego for an additional 8,000 to 16,000 acre feet of recycled water. The re-  
23 maining 8,000 to 16,000 acre feet has to be made up from groundwater or desali-  
24 nation.

25 Mr. Mumford stated the program elements currently consist of the Rancho  
26 Del Rey Well, Daley Ranch Groundwater Basin in Jamul and, more recently, pursu-  
27 ing a well in Otay Mesa. He said a fourth element being pursued is a district-wide  
28 groundwater evaluation to identify other opportunities.  
29

1 He gave a brief update on the Rancho Del Rey and Daley Ranch Ground-  
2 water Basin. He said the Rancho Del Rey well is a viable well and the water  
3 pumped should be treatable. Staff has determined there is approximately 500  
4 acre feet of water that could be produced there and need to get the major portion  
5 of the construction done prior to the daycare center on the property opening in four  
6 or five months.  
7

8 He said in the Daley Ranch Groundwater Basin, two basins have been  
9 identified. They are the Jamul Basin and the Dulzura Creek Basin and that they  
10 have sustainable yields of 2,100 acre feet. He stated that the next step would be  
11 to identify a location for a well field, locate about 20 or so production wells and  
12 look at potential for recharge to expand or increase what could be pumped out of  
13 that basin. He said the District needs to bring on a hydro-geologist to confirm that.  
14 After completion of that study, a conceptual design for pipes and facilities will be  
15 completed, in coordination with Fish and Game, and then the District would move  
16 into a design/build approach to construct the facilities.  
17  
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19

20 Mr. Mumford said the most recent project, the Otay Mesa Well, reportedly  
21 produces 3,200 acre feet but that it needs to be confirmed by a hydro-geologist.  
22 Once the hydro-geologist confirms it as a production well, we could either use the  
23 existing developer's well or drill our own, design the optimum pumping conditions,  
24 prepare the EIR and enter into a design/build phase.  
25

26 President Price asked about purchase of the Otay Mesa Well. Mr. Mum-  
27 ford said that once Staff confirms there is something down there we could go for-  
28 ward with an offer.  
29

1 Mr. Mumford stated that a hydro-geologic firm is needed to do a District-  
2 wide investigation to pull together the information out there, map the District and  
3 look at recharge options, particularly in the San Diego Formation. That would be  
4 the fourth element of our current groundwater program.  
5

6 He said that the next step consists of two projects, to get Rancho Del Rey  
7 Well done as quickly as possible using the existing firms that have made propos-  
8 als, and go through the selection process. Also he said the District needs to go  
9 through a selection process to solicit proposals for a hydro-geological firm to per-  
10 form an investigation and the District move forward based on the results of the in-  
11 vestigation.  
12

13 Director Laudner said he didn't have a problem with the two wells that Staff  
14 knows are operational but feels we're moving too fast on the Otay Mesa Well. The  
15 District needs a hydro-geologist to look at it before purchasing. Mr. Mumford said  
16 we are going to hire a hydro-geological firm to evaluate whatever information is  
17 available on Otay Mesa and make a recommendation as to whether it is valid. Mr.  
18 Mumford said that Staff isn't asking for any authorizations at this time except for  
19 the hydro-geologist. Director Laudner stated the District owned land within 200  
20 yards of the Otay Mesa Well and asked if Staff had considered drilling a well on  
21 District property. Mr. Mumford said they had.  
22  
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24

25 President Price thanked Mr. Mumford for the report.

26 16. David Burpeau, the District's Safety Officer, stated that one of  
27 ACWA JPIA's programs was the award of checks to nominated employees who  
28 are actively involved in safety. He stated that a number of our employees had  
29 been selected as recipients of the \$50 award (list attached). President Price and

1 Dave Burepeau presented checks to the recipients. President Price said that the  
2 Board was very proud of the District's safety record.

3 17. President Price called for a recess at 2:52 p.m. The meeting  
4 was reconvened at 3:08 p.m.

5 18. General Manager Cardenas stated there was an answer regarding  
6 the safety boots question on the Demands. The individual that was reimbursed for  
7 the shoes was fully qualified to purchase the shoes but he agreed with Director  
8 Laudner that the procedure needs to be tightened up. President Price asked if the  
9 check for the safety shoes should now be approved. The Board concurred.  
10

11 19. Administrative Services Department Head Alvarez said there were  
12 several updates regarding interviews. He said the Engineering Manager inter-  
13 views will be held January 12th and 14<sup>th</sup>, the Civil Engineer interviews will be held  
14 January 18<sup>th</sup>, the Lab Analyst interviews were held January 4<sup>th</sup>, and the Building  
15 Tech & Maintenance interview will be held January 10<sup>th</sup>. He stated that he be-  
16 lieves February will be just as busy. President Price stated that the position of  
17 District Secretary was posted but not listed as a vacancy-in his report. Mr. Alvarez  
18 stated it was not included because the report was for December.  
19

20 20. Operations Department Head Mahanke said we had sold 2,200  
21 acre fee of water due to no rain. He stated on the energy update, NEV notified  
22 ACWA USA that they will not be renewing their contract. Director Inocentes said  
23 ACWA will be putting it out to bid. Mr. Mahanke said there may be some impact  
24 to us in the future.  
25

26 21. Engineering Manager Peasley said the Telegraph Canyon Road  
27 from Medical Center to EastLake reclaimed water pipeline is out to bid and he  
28

1 hopes to award it the first or second meeting in February. This project will take  
2 nine months to a year, will begin in March and will convert a tremendous number of  
3 meters that are receiving potable water to reclaimed. He stated that the 10" pipe-  
4 line in Hunte Parkway is coming out of the ground today and will be reconstructed  
5 in the near future. Mr. Peasley said there is no resolution on who will be paying but  
6 Staff is moving forward with the repair and the completion date is in two to three  
7 months.  
8

9  
10 Director Poveda asked what the status of the golf course is. General Man-  
11 ager Cardenas said he went on a tour with Mike Strobe several weeks ago and  
12 will bring it back to the next meeting. Mr. Peasley said the mass grading is com-  
13 pleted and the 7/11 reservoir is a large hole. He said in a month or so it will be  
14 fine graded and they will be installing the irrigation.  
15

16 22. General Counsel Harron stated that he had met with Walt Miller  
17 regarding his reimbursement agreement-met with the District. He said the  
18 property that is supposed to reimburse Mr. Miller has now turned into mitigation  
19 land and open space that will not need to use our facilities. He reported that Staff  
20 had met with APCD Staff prior to the hearing, withdrew our variance request due  
21 to the District meeting their emission standards and we received the permit  
22 without a variance.  
23

24  
25 Mr. Harron said that Central Basin has set up a split insurance program  
26 similar to PERS. When he first contacted them they were unaware of the Govern-  
27 ment Code Section that said this was not allowable but they went ahead and pur-  
28 chased the insurance. He reported that Central Basin said that the Government  
29 Code Section didn't amend the Water Code Act so it didn't apply to them.

1 Director Laudner mentioned that the City has taken a lot of flack for non  
2 payment of water bills and he doesn't think we should let the Border Patrol slide for  
3 not paying their statements. Director Inocentes said he had a question as well.  
4 Attorney Harron said he just wanted to inform the Board prior to taking such a  
5 drastic action. Director Laudner stated the District had an obligation to their cus-  
6 tomers. Director Inocentes asked about a response. Attorney Harron said their  
7 response was to send Ms. Henderson to another person and then another person.  
8 Director Inocentes stated he didn't think they should be receiving water if they are  
9 not paying the bill. Director Watton said he felt we should follow normal policy on  
10 unpaid bills.

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12  
13 23. General Managers Cardenas said he met with Larry Gardner and  
14 Dave Schlesinger of the City of San Diego regarding South Bay water coming in  
15 2001. He mentioned that Mr. Harron, Mr. Mumford and he will be working on an  
16 agreement to present to the Board.  
17

18  
19 General Manager Cardenas stated that Mitch Young has submitted a letter  
20 of resignation to the District and he has approximately eight months of accumu-  
21 lated time that he wants to add to the end of his tenure. His actual retirement date  
22 is October 10<sup>th</sup> but he will be leaving February 8<sup>th</sup>.  
23

24 President Price said that they had discussed the issue of employees using  
25 built-up time prior to actual retirement at the Personnel Committee and there was  
26 an issue about accrual. General Manager Cardenas said it had been discussed  
27 at the Personnel Committee and chose not to bring it to the Board at this time in  
28 order to do further research. He stated Management is working with the employ-  
29 ees to come up with language for an alternative policy to address this issue and

1 hope by June we will have something to present to the Board. President Price  
2 also said there was a topic discussed regarding the person's ability to come back  
3 as an employee if that person's situation changed. Mr. Cardenas said that with a  
4 retirement date of October 10<sup>th</sup> Mr. Young could come back on October 8<sup>th</sup> and  
5 say he wants his job back which leaves Management with the predicament of  
6 whether or not to replace him. He continued saying that he is hoping that the em-  
7 ployees and Management can craft language to address these issues because of  
8 their sensitivity and closeness to the employees. Mr. Cardenas thinks if the Dis-  
9 trict has something in writing it will better serve all employees.  
10  
11

12 General Manager Cardenas congratulated the Directors, Price, Inocentes  
13 and Laudner on their appointments.  
14

15 24. Director Watton stated that both the County Water Authority Meet-  
16 ings and the Met meeting are in the future. He said Met was suppose to have a  
17 workshop on the 3<sup>rd</sup> which has been postponed. At the Water Authority and Met  
18 he said they were supposed to be coming down to the final package of options  
19 and, in Met's case, he feels they weren't ready. CWA should be ready in January  
20 to start the preliminary discussions with the Board and at the General Manager's  
21 Meeting in a week or so they should present the first results of the unbundled rates  
22 . He said it is going to be pretty complicated, highly political and whatever we do  
23 at CWA or Met has to be convertible at the other one. He cited as an example, if  
24 the Met starts with contracts as part of the rate structure, obviously the CWA rate  
25 structure would have to allow that. Director Watton stated the other thing is more  
26 specific to some of the North County groups regarding annexation and de-  
27 annexation. He said a couple of the agencies in the North County group had  
28  
29

1 looked at de-annexing from CWA and annexing straight to Met. The de-  
2 annexation procedure is fairly straightforward but annexing to the Met is a lot more  
3 difficult since the Board has a policy of not wanting to annex individual water dis-  
4 tricts plus buy-in calculations could be quite steep. Those agencies looking at that  
5 are not actively pursuing it at this time.  
6

7 Director Watton said the Fallbrook issue was also along those same lines.  
8 The attorney at Fallbrook asked the attorney at CWA to render a legal opinion as  
9 to how CWA has the authority to collect the full postage stamp rate when Fallbrook  
10 is at the Met line. He expects Dan Hentschke to have the response out in the next  
11 week or two.  
12

13 President Price asked when everything is disassembled and reassembled  
14 when will it take effect. Director Watton said the discussion would be on the nor-  
15 mal rate cycle, which would be January of next year. He believes there will be five  
16 to six months of discussion with negotiations this summer and assumes if there is  
17 closure in June or July, it would only be fair to allow a January changeover because  
18 of budgeting. President Price said they would also need to look at litigation that  
19 may arise. Director Watton said they were looking for a consensus so there hope-  
20 fully wouldn't be any litigation.  
21  
22

23  
24 25. Director Poveda stated he wanted to thank his fellow Board Mem-  
25 bers during his tenure as President. It had been an eventful year including the  
26 completion of the Water Conservation Garden which continues to get accolades.  
27 The challenge now will be to insure that people will come and that developers will  
28 get on board to help us promote the garden. He attended a dam tour conducted  
29

1 by Sweetwater Authority and invited others to take advantage of the tour. He also  
2 reported that he got married on November 27<sup>th</sup>.

3           Director Laudner reported that he attended the Colorado River Water Us-  
4 ers Association in Las Vegas.

6           Director Inocentes said he attended Interagency where they held the elec-  
7 tion of new officers. He stated that Director Wolniewicz of Sweetwater Authority  
8 was elected President of Interagency. He reported that he also had attended the  
9 Colorado River Water Users Association. Director Inocentes wished everyone  
10 happy holidays and said he was looking forward to a great year. He thanked his  
11 fellow Board Members for choosing him as Vice President.

13           President Price said she wanted to thank Director Poveda for his work over  
14 the past two years as President of the Board. She thanked the Board for their  
15 support in electing her President. She reminded the Directors about committee  
16 assignments and asked they let her know what committees they would be inter-  
17 ested in serving on. She also wished everyone a happy and healthy new year.

20           26.    The Board concluded a closed session was not necessary.

21           27.    With no further business to come before the Board, the meeting was  
22 adjourned at 3:47 p.m.

25  
26 ATTEST:

27 \_\_\_\_\_  
Assistant District Secretary

\_\_\_\_\_  
President