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

1. The meeting was called to order by President Price at 1:35 p.m. in the District Boardroom, 2554 Sweetwater Springs Boulevard, Spring Valley, California.

DIRECTORS PRESENT: Directors Price, Inocentes, Poveda and Watton

DIRECTORS ABSENT: Director Laudner

STAFF PRESENT: General Manager Griego  
General Counsel Harron  
Operations Department Head Mahanke  
Human Resources Manager Sarno  
Finance Department Head Chambers  
Engineering Manager Mumford  
Government Affairs Admin. Bartlett-May  
District Secretary Smith  
Others as per attached list

2. Upon conclusion of the Pledge of Allegiance, President Price asked for approval of the Agenda. Director Inocentes stated that he had requested information as a ratepayer, not as a Director Therefore Item 15, Authorization to Expend Funds to retrieve Data for Information Requested by a Director, should be removed. General Manager Griego stated the District had a policy regarding Directors requesting information that required extra work and Staff time but, as a public information request, it will be handled as such.

A motion was made by Director Poveda, seconded by Director Inocentes and unanimously carried, to approve the Agenda with Item 15 being removed.

3. A motion was made by Director Watton, seconded by Director Poveda and unanimously carried to approve the Minutes of June 21, 2000.

1           4.       A motion was made by Director Inocentes, seconded by Director  
2 Poveda and unanimously carried to approve the demands as listed.

3           5.       President Price asked if anyone in the audience wished to be  
4 heard on an item not on today's Agenda. Mr. Gustavo Ortiz said he wished to  
5 submit a letter requesting use of District land for the placement of beehives.  
6

7           6.       General Manager Griego presented the Thomas R. Buhl  
8 Employee of the Quarter Award to Terry Kreuter. He stated Mr. Kreuter had  
9 been an employee for 13 years and is the Construction Services Supervisor in  
10 the Engineering and Planning Department. Mr. Griego stated that Mr. Kreuter's  
11 nominations noted his initiative, people skills and work performance.  
12

13           Mr. Kreuter said he enjoyed working at the District and appreciated  
14 receiving the award.

15           7.       President Price presented the Consent Calendar. A motion was  
16 made by Director Watton, seconded by Director Inocentes and unanimously  
17 carried to approve the following items on the Consent Calendar:  
18

19           a)       REQUEST TO APPROVE AGREEMENTS WITH SPRINT PCS  
20           FOR THE INSTALLATION OF PCS COMMUNICATIONS  
21           FACILITIES AT THREE OF THE DISTRICT'S RESERVOIR  
22           SITES

23           b)       APPROVAL OF REVISIONS TO SALARY RANGES FOR  
24           CLASSIFICATIONS IMPACTED BY THE RESULTS OF THE  
25           SALARY SURVEY FOR THREE FROZEN CLASSIFICATIONS

26           8.       Mr. Peter Wenner of Atlas Homes gave a brief summary of the  
27 history of the Pointe Residential Project. He stated that the hydro pneumatic  
28 pump is required to properly serve the residences in the project. He also stated  
29 that Atlas Homes felt that Options c in the Staff Report was the only option  
acceptable. Mr. Wenner stated Atlas Homes had gone to the Department of

1 Real Estate to have a budget item included in its "white paper" for the  
2 maintenance and replacement of the pump station payable through HOA fees.

3         Engineering Manager Mumford explained due to the high cost of  
4 maintenance, Staff prefers that hydro pneumatic pump systems not be used but  
5 because of the placement of the reservoir, it is not practical to serve 150 homes  
6 without it. Mr. Mumford stated earlier construction agreements with Atlas  
7 allowed the development to go ahead with the funding of the hydro pneumatic  
8 station to be agreed to later. Atlas Homes has always requested the they not  
9 fund the money up front to pay for the ongoing operation, maintenance and  
10 replacement of the system.  
11  
12

13         Mr. Mumford explained the only policy the District had similar to this  
14 situation was Policy 23. This policy states where a sewer pump station can't be  
15 fed by gravity, the funding for the operation and maintenance would be either 1)  
16 a lump-sum annuity; 2) increase in the connection fees; or 3) monthly billings  
17 for the residences served. Staff believes the developer should pay the ongoing  
18 operation, maintenance and one-time replacement cost for the hydro pneumatic  
19 facility as opposed to future residents paying for it for 20 years.  
20

21         Mr. Mumford stated a lump-sum annuity in this situation would be  
22 approximately \$480,000. Staff has recommended that Atlas Homes pay it off  
23 by increased connections fees, approximately \$3,000 more per connection, with  
24 the balance paid within four years.  
25

26         Engineering Manager Mumford said Staff was looking for two things from  
27 the Board: 1) affirm that Policy 23 applies to hydro pneumatic stations as well  
28 as sewer lift stations; and 2) direct Staff regarding whether the Board wishes to  
29 require the costs to be paid up front through increased connection fees over the

1 next four years or allow Atlas Homes to fund the costs through a homeowners'  
2 association fee.

3           There was a discussion regarding the time that build out might occur and  
4 that homeowners associations dues would be approximately \$76 a month. Mr.  
5 Wenner reiterated Atlas wanted Option c in the Staff Report and mentioned  
6 several draft agreements that had been reviewed by Staff.  
7

8           General Manager Griego said the Board needed to consider the  
9 possibility of triggering a Proposition 218 issue. Mr. Griego requested Mr.  
10 Wenner submit the last draft agreement from Atlas Homes for his review. He  
11 also requested that the Board table the item and allow Staff to bring it back,  
12 after review, with a solid recommendation.  
13

14           Director Watton asked for a complete history of the project. He also  
15 requested a refresher on how developer facilities are put into agreements and a  
16 review of district-wide connection fees. He said the District has other hydro  
17 pneumatic stations and it would be beneficial to see the history on those  
18 systems. Director Watton felt Policy 23 might not be appropriate to apply to  
19 hydro pneumatic stations.  
20

21           Directors Inocentes and Poveda requested the item be brought back with  
22 a more specific recommendation.  
23

24           President Price thanked Mr. Wenner for attending and directed the item  
25 be brought back with additional historic information. General Manager Griego  
26 requested that Mr. Wenner contact him.  
27

28           9.       President Price presented Review of Policy 22--Drug Free  
29 Workplace Policy and Procedure.

1 A motion was made by Director Inocentes that the District does not  
2 condone the consumption of alcohol or drugs while a Director is acting on the  
3 District's behalf.

4 Director Poveda said he felt it was a moot point, the policy is in place.

5 President Price said there was a motion with no second therefore it dies  
6 for lack of a second.  
7

8 10. President Price presented approval of a design concept for a  
9 Sprint PCS Communications facility. Engineering Manager Mumford stated the  
10 Board had received photos showing the designs and asked if the y had any  
11 questions. General Manager Griego said there was a concern that the facilities  
12 not detract from the Administration Building.  
13

14 A motion was made by Director Poveda, seconded by Director Watton  
15 and unanimously carried to approve the design concept for a Spring PCS  
16 Communications facility adjacent to the District's Administration Building.  
17

18 11. Operations Department Head Mahanke stated that he had  
19 distributed some additional information regarding the request for vehicles (copy  
20 attached). He stated that seven of the 12 vehicles requested are "super cabs"  
21 which allow all-weather access to map books, equipment and plans.  
22

23 A motion was made by Director Watton, seconded by Director Poveda  
24 and unanimously carried to issue a purchase order to Pearson Ford, San Diego  
25 in an amount of \$268,564.  
26

27 12. Operations Engineering Manager Porrás stated the District had  
28 entered into an Agreement with Skyline Wesleyan Church in 1999 to oversize a  
29 pipeline from 12" to 20" with the District paying the incremental cost. Included  
in the contract was a piece to cross Jamacha Boulevard. Because that area is

1 also Highway 94, Cal Trans does not allow open trenching in a major highway  
2 and therefore it is necessary to drill a tunnel under the road. After 80 feet the  
3 contractor encountered rock, which was not anticipated in the original proposal.  
4 Due to encountering the granite, a micro-tunneling machine is needed in order  
5 to drill through the solid rock.  
6

7 A motion was made by Director Watton, seconded by Director Inocentes  
8 and unanimously carried to issue Change Order No. 2 for an amount of  
9 \$129,526 to Skyline Wesleyan Church.  
10

11 13. General Manager Griego stated that Director Poveda had  
12 requested the Board consider changing the Board Meeting time. He stated we  
13 have a previously-noticed meeting in July and the change could not occur until  
14 August.  
15

16 Director Poveda stated that Mr. Rodriquez of the Ratepayers'  
17 Association had expressed a concern that the public isn't able to participate and  
18 a later meeting time would provide for greater public participation.  
19

20 Director Price stated that she had spoke with Director Laudner and he  
21 said in the past the Board had changed the meeting time to as late as 7:30 p.m.  
22 and there was little public participation. There was discussion regarding Valle  
23 de Oro Planning meeting in the Board Room on the same day and conflicts with  
24 other evening meetings.  
25

26 A motion was made by Director Poveda, seconded by Director Watton  
27 and unanimously carried to change the regularly-scheduled Board Meeting time  
28 to 3:30 for the months of August, September and October. President Price  
29 stated a Resolution will be brought to the next meeting changing the meeting  
time.

1           14.     General Manager Griego said he wanted to meet with some of the  
2 officials at Metropolitan Water District, ACWA and Sacramento legislative staff.  
3 He said he asked the President to accompany him on the trip in August.

4           A motion was made by Director Poveda, seconded by Director Watton  
5 and unanimously carried to approve the Directors' Travel Requests as listed.  
6

7           15.     General Manager Griego said the first meeting of the Oversight  
8 Committee for review by the City of Chula Vista is scheduled for July 10<sup>th</sup>. He  
9 said that Director Laudner is requesting the meeting date be changed until after  
10 his return on the 15<sup>th</sup>.

11           After discussion there was a consensus to have the Chula Vista City  
12 Manager and the General Manager continue reviewing and editing the scope of  
13 work with the consultant for faxing to the Oversight Committee. There was also  
14 consensus to attempt to move the meeting to July 17<sup>th</sup>.  
15

16           16.     Government Affairs Administrator Bartlett-May stated the  
17 Legislature recesses Friday and the bills are changing rapidly. She said SB  
18 506, Senator Peace's bill had changed. The Department of Water Resources is  
19 prohibited from increasing MWD's water supplies beyond their maximum  
20 demand year prior to 2000. MWD has 10 years to become self-sufficient.  
21

22           17.     Director Watton stated he had nothing to report regarding MWD or  
23 CWA, their meetings were later in the month.  
24

25           18.     Director Inocentes said he went to the CWA meeting and  
26 Employee Safety Awards Dinner.  
27

28           Director Poveda said he attended the Safety Dinner. He had a chance to  
29 speak with Mayor Horton, Patty Davis and Mary Salas and emphasized that the

1 study needs to get underway. He is looking forward to the outcome of the study  
2 and feels it will be very positive.

3 Director Price said she was looking forward to the study and felt it would  
4 be a win/win situation. She received a fax over the weekend regarding a CSDA  
5 legislative update, a proposed initiative that would require the legislature to  
6 return all of the local property taxes to local government and revise the tax  
7 allocation system within three years.  
8

9 The Board went into Closed Session at 3:10 p.m. The meeting was  
10 reconvened at 3:25 p.m.  
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12 19. With no further business to come before the Board, the meeting  
13 was adjourned at 3:25 p.m.  
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15 \_\_\_\_\_  
President

16 ATTEST:

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District Secretary  
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