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MINUTES OF THE
BOARD OF DIRECTORS REGULAR MEETING
OTAY WATER DISTRICT
JULY 19, 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, Laudner, Poveda and Watton

DIRECTORS ABSENT: None

STAFF PRESENT: General Manager Griego
General Counsel Harron
Operations Department Head Mahanke
Admin. Services Department Head Alvarez
Finance Department Head Chambers
Engineering Manager Mumford
Government Affairs Admin. Bartlett-May
District Secretary Smith
Others per attached list (5 public members)

2. Upon conclusion of the Pledge of Allegiance, a motion was made by Director Laudner, seconded by Director Watton and unanimously carried to approve the Agenda. President Price stated a corrected handout on Item 7-c had been distributed.

3. A motion was made by Director Watton and seconded by Director Poveda and carried, with Director Laudner abstaining, to approve the Minutes of July 5, 2000.

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

5. President Price asked if anyone in the audience wished to be heard on an item not on today's Agenda. Mr. Ruben Rodriguez stated that there were concerns by the Ratepayers' Association regarding the Consumer

1 Confidence Report. He stated that it highlights Director Laudner which is in
2 violation of the Fair Political Practices Code. Director Watton requested that
3 Attorney Harron return with a Staff Report regarding Mr. Rodriguez's concerns.

4 Mr. Steve Bilson, CEO of Rewater Systems of Chula Vista, stated his
5 company makes legal gray water systems. He said he needed a commitment
6 from the Board to proceed with the City of Chula Vista pilot program. General
7 Manager Griego will meet with Mr. Bilson regarding the system.
8

9 Director Inocentes said that he had seen Mr. Bilson's presentation to the
10 Interagency Task Force but had concerns regarding the cost effectiveness of
11 the system and would be interested in any updated information.
12

13 6. President Price presented the Consent Calendar. A motion was
14 made by Director Laudner, seconded by Director Watton and unanimously car-
15 ried to approve the following items on the Consent Calendar:
16

- 17 a) AUTHORIZATION FOR GENERAL MANAGER TO SIGN A CON-
18 STRUCTION CONTRACT WITH ALCEM FENCE COMPANY IN
19 THE AMOUNT OF \$34,950 FOR INSTALLATION OF FENCING
20 AT THE RANCHO DEL REY WELL SITE
- 21 b) AUTHORIZATION TO ISSUE A PURCHASE ORDER IN THE
22 AMOUNT OF \$44,378.82 TO CHLORCO, INC. FOR THE PUR-
23 CHASE OF A SODIUM HYPOCHLORITE INJECTION SYSTEM
24 FOR THE COPPS LANE/HILLSDALE PUMP STATION UPGRADE
- 25 c) DIRECTORS' EXPENSES FOR FISCAL YEAR 1999-2000
- 26 d) ADOPTION OF RESOLUTION OF ANNEXATION

27 RESOLUTION NO. 3866

28 A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY
29 WATER DISTRICT FIXING TERMS AND CONDITIONS FOR THE
ANNEXATION TO OTAY WATER DISTRICT SEWER IMPROVE-
MENT DISTRICT OF THOSE LANDS DESCRIBED AS "WILLOW
GLEN RANCH SEWER ANNEXATION" (APN 517-020-12) AND
ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT
SEWER IMPROVEMENT DISTRICT (WO 0210-2.231/DIV. 5)

REGULARLY-SCHEDULED MEETINGS TO 3:30 P.M.
THROUGH OCTOBER 31, 2000

1
2 10. General Manager Griego said Helix General Manager Kuhl had
3
4 been keeping in close contact with him regarding the issues with respect to
5 Helix fluoridating their water. Once Helix finishes their treatment plant, it looks
6 inevitable that they will start fluoridating. He asked if the Board wanted to send
7 a letter to the State Department of Health regarding Otay's concerns about no
8 control over the amount of fluoride in the water we receive.
9

10 There was discussion regarding the fact that when the water is fluori-
11 dated, healthcare professionals need to be notified so that customers don't
12 receive too much fluoride. Also discussed was the fact that there isn't enough
13 money available to have Met treat the water so that everyone would get the
14 correct amount of fluoride. The largest concern that Otay needs to address is
15 how do we operationally handle the situation where some of the water we
16 receive is fluoridated and some is not. It was also mentioned that Padre faces
17 the same circumstances.
18

19 General Manager Griego stated that Staff would present a report to the
20 Board on the impacts Staff perceives and then the Board could direct Staff as to
21 the policy they wished followed.
22

23 11. President Price presented Directors Travel. General Manager
24 Griego stated the Urban Water Institute was holding their annual conference in
25 San Diego in August. Director Price had requested attending the conference.
26

27 A motion was made by Director Laudner, seconded by Director Price and
28 failed with Directors Laudner and Price voting yes and Directors Inocentes,
29 Poveda and Watton voting no.

1 12. Administrative Services Department Head Alvarez presented his
2 monthly report (Staff Report attached). He stated that Human Resources had
3 placed 33 people, 21 new hires and 12 promotions into positions in Fiscal Year
4 2000. He stated that the Computer Loan Program had lent \$218,000 with
5 \$48,000 still outstanding and that 21 employees were currently participating in
6 the educational reimbursement program. Mr. Alvarez introduce the new Human
7 Resources Analyst, Rosemary Dries.
8

9 Director Price said she wanted to congratulate publicly Jan and Paul
10 Tubiolo and Shirley and Wayne Massie for their work on the kiosk for the Del
11 Mar Fair. It won best new exhibitor award. She recommended the Water Con-
12 servation Garden send a letter thanking them for their efforts.
13

14 13. Operations Department Head Mahanke presented his report (Staff
15 Report attached). He stated there had been almost 30,000 acre feet of water
16 used for the fiscal year which was an increase of 5,000 acre feet over last year.
17 He mentioned that the Interconnect potable water lines were in service from the
18 624 Reservoir in Central Area to the Upper Reservoir and the pipelines from
19 Upper Reservoir to the Otay Mesa should be tied in next week.
20

21 There was discussion regarding energy charges and the impact they will
22 have on the District, including the District generating their own power. He
23 stated that ACWA-USA is still trying to negotiate new contracts, but doubts that
24 we'll see the savings experienced in the past.
25

26 Director Watton asked with the Interconnect Pipeline being tied into the
27 system if the District was in a better position regarding CWA's required 10-day
28 emergency storage. After discussion the Board requested that Staff present a
29 report regarding the 10-day emergency storage and reviewing our policy.

1 14. Engineering Manager Mumford said a record 372 meters were
2 sold in June for a total of 2,556 meters sold during the year. He stated the Dis-
3 trict had spent \$29,000,000 for Capital Improvement Projects this year.

4 The San Diego City Council approved a cost of service study on Monday
5 regarding recycled water. Their Staff is to negotiate with Otay for an agreement
6 for recycled water from the South Bay Treatment Plant.
7

8 Mr. Mumford also reported on the discussions regarding the emergency
9 connection with Tijuana. He stated Staff will have an Agreement for the Board's
10 review and consideration at the next meeting.
11

12 15. Finance Department Head Chambers presented the monthly
13 report (Staff Report attached). She stated for the rebate Staff was looking at the
14 option of preparing checks for customers as opposed to giving credits on the
15 statements. The cost would be approximately \$1 to \$1.50 per check issued.
16 When Staff has a final number they will present it to the Board for their decision.
17

18 There was discussion whether the budget needed to be reviewed in light
19 of the increased energy costs. Ms. Chambers said at this time she didn't feel it
20 was necessary and that continued growth and the rate stabilization fund would
21 help counteract increased energy costs. If the increased energy costs continue
22 for a long period of time, than possibly a review would be needed.
23

24 17. Mr. Harron presented the General Counsel Report (Staff Report
25 attached). He stated that the insurance company had agreed to defend the
26 District in the Stanton v. Otay Water District case. He stated that in the Stull v.
27 Bank of America case the District invested \$5,000 for attorneys' fees, which
28 were reimbursed, and received \$68,000 in premiums that were never claimed.
29

1 He stated that he was looking at the preliminary agreement regarding
2 facilities for the connection to Tijuana. There was a discussion regarding
3 amount of water Mexico is requesting, wheeling costs, existing facilities in
4 Mexico, impact on the District's system, possible use of recycled water by
5 Mexico and the opportunity for alliances with Mexico.
6

7 17. General Manager Griego said that there had been a meeting with
8 Malcolm Pirnie, the consultant firm doing the review of the District. They will be
9 focusing on the issues brought up by the City of Chula Vista, primarily reserves,
10 the Interconnect, our Capital Improvement Programs and our water rate poli-
11 cies. The study should take approximately 60 to 90 days and will probably start
12 in August. They will meet with some of our Staff to orient them on what the
13 study will entail and follow-up with interviews regarding review areas.
14

15 General Manager Griego believes that the study can be beneficial giving
16 the District an opportunity to make some improvements and build on the good
17 things being done. He will keep the Board apprised of the study progress.
18

19 General Manager Griego stated that he was being strongly encouraged
20 to seek re-election to the Sweetwater High School Board of Trustees. He said
21 that he wished to do that unless the Board had some concerns. After discus-
22 sion the Board concurred that Mr. Griego should seek re-election to the Sweet-
23 water High School Board of Trustees.
24

25 18. Director Watton said there was a meeting scheduled at Met Friday
26 for CWA delegates to discuss Met's strategic and business plans. He stated
27 there were statements made about Los Angeles' preferential rights and being
28 able to peak on the system without sharing any of the fixed costs.
29

1 Director Watton stated that Met has a surplus of \$75,000,000, this year
2 and an anticipated surplus of \$100,000,000 next year. San Diego delegates
3 wanted to discuss how the money would be used, including possible rebates.
4 He stated the majority of the Met Board is intent on doing a bond buy back
5 which takes money collected disproportionately from San Diego. He discussed
6 the issues involved with Met's proposed bond buy back.
7

8 Director Watton said that the comments were coming back on the policy
9 principles of the CWA Emergency Storage Project and that the contractual
10 issue will probably resolve itself.
11

12 19. Director Inocentes stated that he hoped the District would give
13 credit on the bills rather than issue checks because he felt checks would be
14 burdensome on Staff. The District already had a program for issuing the credit
15 on the statements and the \$1.50 would be better spent as a credit rather than
16 the cost of a check. Director Laudner concurred.
17

18 Director Price congratulated Director Laudner on his re-election to
19 LAFCO. She attended the Water Education Foundation conference where
20 there was a presentation about the "4.4 Plan."
21

22 20. The Board adjourned into closed session at 3:15 p.m.

23 21. With no further business to come before the Board, the meeting
24 was adjourned at 4:15 p.m.
25
26

27 _____
President

28 ATTEST:

29 _____
District Secretary