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MINUTES OF THE  
BOARD OF DIRECTORS REGULAR MEETING  
OTAY WATER DISTRICT  
SEPTEMBER 6, 2000

1. The meeting was called to order by President Price at 3:36 p.m. in the District Boardroom, 2554 Sweetwater Springs Boulevard, Spring Valley, California.

DIRECTORS PRESENT: Directors Price, Inocentes, Watton and Poveda

DIRECTORS ABSENT: Director Laudner

STAFF PRESENT: General Manager Griego  
General Counsel Harron  
Operations Department Head Mahanke  
Admin. Services Manager Alvarez  
Finance Department Head Chambers  
Engineering Manager Mumford  
Government Affairs Admin. Bartlett-May  
District Secretary Smith  
Others as per attached list (6 public members)

2. Upon conclusion of the Pledge of Allegiance, President Price asked for approval of the Agenda. She stated that Item 10 would be pulled and a request had been made to move Item 12 to follow the Consent Calendar.

A motion was made by Director Watton, seconded by Director Inocentes and unanimously carried to approve the Agenda.

3. A motion was made by Director Poveda, seconded by Director Watton and unanimously carried to approve the Minutes of August 16, 2000.

4. A motion was made by Director Watton, seconded by Director Poveda 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. Fred Cardenas stated he was a resident of Rancho San Diego, had received the letter of acknowledgement

1 from Mr. Griego and was waiting for the information to be forwarded to him. He  
2 stated he wished to add an item to his request. A copy of the invoice to Mr.  
3 Richard Wright for the information he requested on or about August 1, 2000.  
4 General Manager Griego said the documents requested by Mr. Wright were  
5 included in all of the candidates packages at no cost.  
6

7 Mr. Cardenas stated that he had a copy of both of Director Poveda's  
8 candidate statements, the one in 1996 when he ran for the Otay Board and the  
9 2000 candidate statement for the Chula Vista Elementary School and ques-  
10 tioned Director Poveda regarding his degrees. Director Poveda thanked him for  
11 his comment and stated he had two degrees, an MA and a BA.  
12

13 6. President Price stated the next item was three service awards. A  
14 motion was made by Director Inocentes, seconded by Director Poveda and  
15 unanimously carried to approve the following resolutions:  
16

17 a) RESOLUTION NO. 3872

18 A RESOLUTION OF THE BOARD OF DIRECTORS  
19 OF OTAY WATER DISTRICT EXPRESSING  
20 APPRECIATION TO DOUGLAS H. CLARKE FOR  
THIRTY YEARS OF SERVICE TO THE DISTRICT

21 b) RESOLUTION NO. 3873

22 A RESOLUTION OF THE BOARD OF DIRECTORS  
23 OF OTAY WATER DISTRICT EXPRESSING  
24 APPRECIATION TO JAMES E. GUNSTINSON FOR  
THIRTY YEARS OF SERVICE TO THE DISTRICT

25 c) RESOLUTION NO. 3874

26 A RESOLUTION OF THE BOARD OF DIRECTORS  
27 OF OTAY WATER DISTRICT EXPRESSING  
28 APPRECIATION TO THOMAS S. BOHNSACK FOR  
29 THIRTY YEARS OF SERVICE TO THE DISTRICT

1 Operations Department Head Mahanke presented the resolutions to  
2 Messrs. Clarke, Gunstinson and Bohnsack, gave a brief work history of each  
3 employee and thanked them for their years of service to the District.

4 Director Watton stated that these individuals had also done a tremen-  
5 dous job in mentoring the staff around them and thanked them for their service.  
6

7 7. President Price presented the Consent Calendar. A motion was  
8 made by Director Watton, seconded by Director Poveda and unanimously car-  
9 ried to approve the remaining items on the Consent Calendar::

- 10 a) AUTHORIZATION FOR THE GENERAL MANAGER TO  
11 EXECUTE CHANGE ORDER NO. 4 TO AULD GOFF  
12 COURSE SAN DIEGO FOR A REVISED AMOUNT OF  
13 \$70,314 (711-3 RESERVOIR, PHASE I (CIP NO. W192))
- 14 b) AUTHORIZATION FOR THE GENERAL MANAGER TO  
15 COMPLETE THE BALLOT ELECTING HARRY EHRlich OF  
16 OLIVENHAIN MUNICIPAL WATER DISTRICT AS THE  
17 REPRESENTATIVE TO REGION 6, SEAT A OF THE  
18 CALIFORNIA SPECIAL DISTRICT ASSOCIATION
- 19 c) INFORMATIONAL REPORT ON PROPOSITION 35
- 20 d) AUTHORIZATION FOR THE GENERAL MANAGER TO  
21 EXECUTE AN AGREEMENT WITH VERIZON WIRELESS  
22 FOR THE INSTALLATION OF COMMUNICATION FACILITIES  
23 AT THE DISTRICT'S HEADQUARTERS AND AT THE 1200-1  
24 RESERVOIR SITE
- 25 e) AUTHORIZATION FOR THE GENERAL MANAGER TO  
26 EXECUTE THE MEMORANDUM OF UNDERSTANDING  
27 WITH THE SAN DIEGO COUNTY WATER AUTHORITY FOR  
28 THE EMERGENCY STORAGE PROJECT
- 29 f) REQUEST TO RESCIND BOARD ACTIONS RELATED TO  
OTAY'S PARTICIPATION IN PERS HEALTH PLAN
- g) DENIAL OF KRAUSS CLAIM

8. Director Price said the next item to be considered was Agenda  
Item 12, request for authorization for a one-time wage payment from the Total

1 Compensation Reserve Fund. General Manager Griego said as in 1995, when  
2 the fund accumulated a balance larger than what was needed to meet any  
3 unexpected future costs, the employees had requested a one-time wage  
4 payment. Because of a decrease in certain costs, the employees are again  
5 asking for a one-time wage payment from the reserve fund. The reserve fund  
6 will be audited prior to any distribution and a portion of the funds will be set  
7 aside for any unanticipated costs. He stated that Staff was also requesting a  
8 one-time wage payment to the unrepresented employees using the same  
9 payment methodology as the represented employees. In December, 1995, the  
10 Board took the position that the unrepresented employees should be treated  
11 equally but that the funds would come out of the budget.  
12

13  
14 Mr. Griego stated there was not a clear policy covering disbursements  
15 from the reserve fund and he was asking the Board to adopt Resolution No.  
16 3875 authorizing the General Manager to periodically disburse funds from the  
17 Total Compensation Reserve Fund. There was an explanation of why excess  
18 funds had accumulated which included the cost of PERS benefits being lowered  
19 and savings from not transferring to the PERS medical plan.  
20

21  
22 Director Watton said with regard to the Resolution, he felt after meeting  
23 and conferring with the employees there should be some Board action regard-  
24 ing any disbursements from the reserve fund. Director Watton doesn't have a  
25 problem with the employees making fund withdrawals but believes if benefit  
26 costs increase, those increases should be covered by the reserve fund.  
27

28 Director Inocentes stated he felt the reserve fund was the employees'  
29 money, they have the right to do with it as they feel proper. He asked what the  
cost would be for the unrepresented employees to be treated equally. General

1 Manager Griego stated it was \$29,000 and would come out of the District  
2 budget. Director Watton stated the unrepresented employees have always  
3 been treated equally as the represented employees in their benefits.

4 Director Poveda questioned the predictions that were made about medi-  
5 cal costs and the fact that the District would be staying self-insured instead of  
6 going to PERS. He was worried that there wouldn't be sufficient money  
7 remaining in the reserves to cover any shortfalls. Attorney Harron stated that  
8 Dawna Nerhus, the District's insurance consultant, had looked at the amount  
9 being held in reserve and, with the District's experience, she felt there would be  
10 sufficient reserves for the near-term future. He also stated that in the meet and  
11 confer session they had informed the employees that should a deficit occur, it  
12 would come out of the Total Compensation Plan.  
13

14  
15 David Charles, an Employee Representative, gave a brief history of the  
16 Total Compensation Package and stated the employees had taken pride in  
17 ownership to maintain benefits and lower costs within the plan.  
18

19 A motion was made by Director Watton to adopt an amended Resolution  
20 stating that after meet and confer any proposed disbursements would be  
21 brought to the Board for approval. The motion was seconded by Director  
22 Inocentes and unanimously carried to adopt the following resolution:  
23

24 RESOLUTION NO. 3875

25 A RESOLUTION OF THE BOARD OF DIRECTORS  
26 OF OTAY WATER DISTRICT AUTHORIZING A ONE-  
27 TIME WAGE PAYMENT TO REPRESENTED AND  
28 UNREPRESENTED EMPLOYEES AND AUTHO-  
29 RIZING THE GENERAL MANAGER TO PERIODI-  
CALLY DISBURSE FUNDS FROM THE TOTAL  
COMPENSATION PROGRAM RESERVE FUND

1           9.       General Manager Griego stated that Staff was requesting  
2 authorization to send a letter to the Department of Health Services placing the  
3 District on record regarding the fluoridation issue. With the City of San Diego  
4 and Helix being required to fluoridate, it has an impact on the District and puts it  
5 in a situation where it isn't able to communicate with its ratepayers as to how  
6 much fluoride they will be receiving. He stated that Staff thought it best to  
7 install devices to test the water to find out the amount of fluoridation in certain  
8 locations and was asking permission to get cost estimates for review at a later  
9 meeting. Director Watton suggested that the cost of testing also be included in  
10 the letter as well as making it clear that our customers will be receiving a vary-  
11 ing dosage of fluoride at all times.  
12

13  
14           There was discussion regarding funds not being available for analyzers,  
15 costs of analyzing the water and how certain areas of the District could be  
16 receiving a full dose of fluoride while others will receive very little. Padre is in  
17 the same situation, purchasing some water that will be fluoridated and blending  
18 it with other non-fluoridated water purchases. There was also discussion that  
19 the best way for everyone to receive the correct dosage of fluoride in their water  
20 is if Met or CWA were required to fluoridate.  
21

22  
23           Following the discussion, General Manager Griego stated Staff would  
24 send the letter including the items that had been discussed.

25           10.       General Manager Greigo said Staff had contacted the City of Vista  
26 regarding the AFFORD/JPA. Chula Vista feels that Metro has responsibility for  
27 70% of the flow and believes that the JPA would just be another cost. Some of  
28 the other agencies want to create a JPA because they want to finance rate  
29

1 increases. Otay is not interested in a JPA for financing, therefore it doesn't  
2 make any sense to take on the liability or to participate in the JPA.

3 A motion was made by Director Watton, seconded by Director Poveda  
4 and unanimously carried to direct Staff to send a letter stating we had evaluated  
5 the JPA and, at this time, Otay isn't interested in participating.  
6

7 11. President Price asked if there were any additions for travel. There  
8 were none. President Price stated the item failed due to lack of a motion.

9 12. Governmental Affairs Administrator Bartlett-May stated the article  
10 concerning the District's safety record would be in the ACWA newsletter on  
11 September 4<sup>th</sup> and that there were several papers that had covered the District  
12 rebate. She distributed to the Board a sample of what would be in the  
13 customers' bills regarding their rebates and also a bill table.  
14

15 13. Director Watton said the most pressing issues with Met and CWA  
16 were rates. He believes the CWA Rate Study will use the shareholder model  
17 for its rates.  
18

19 He stated the big issue at Met was the strategic plan but that rates and  
20 preferential rights were involved in that as well. There is a meeting on Septem-  
21 ber 7th with Met's new General Counsel, Ron Walston, and he hopes to receive  
22 a review of some of the legal aspects regarding the direction of the legal  
23 department and Met as a whole.  
24

25 General Manager Griego asked General Counsel Harron to give an  
26 update on the treated water negotiations. Mr. Harron said that he and Engi-  
27 neering Manager Mumford had met last week with City staff where the City  
28 raised questions they expect to be asked. There is another meeting planned for  
29 September 7th where Staff hopes to reach final agreement.

