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MINUTES OF THE
BOARD OF DIRECTORS REGULAR MEETING
OTAY WATER DISTRICT
April 4, 2001

1. The meeting was called to order by Acting General Manager Camarillo at 6:00 p.m. in the District Boardroom, 2554 Sweetwater Springs Boulevard, Spring Valley, CA.

DIRECTORS PRESENT: Bonilla, Inocentes and Lopez

DIRECTORS ABSENT: Cardenas

STAFF PRESENT: Acting General Manager Camarillo
Chief of Engineering and Water Ops.
Gunstinson
Chief of Admin. Svcs Conde
District Secretary Cruz
Others per attached list

2. Upon conclusion of the Pledge of Allegiance, Acting General Manager Camarillo presented the agenda for approval.

Approval
of
Agenda

A motion was made by Director Inocentes, seconded by Director Lopez and carried with the following vote:

Ayes: Directors Bonilla, Inocentes and Lopez

Absent: Director Cardenas

to approve the agenda.

3. Acting General Manager Camarillo presented the minutes for the March 21, 2001 regular Board meetings for approval.

Approval
of
Minutes

A motion was made by Director Inocentes, seconded by Director Lopez and carried with the following vote:

Ayes: Directors Bonilla, Inocentes and Lopez

Absent: Director Cardenas

to approve the minutes of the regular meeting of March 21, 2001 with minor modifications on page 21; changing the date in the first paragraph to 1998 from

1 1995 and the next to the last sentence in the same paragraph to read, "The
2 District also received letters of support from different organizations."

3 4. The demands list was submitted for Board approval.

4 A motion was made by President Bonilla, seconded by Director
5 Inocentes and carried with the following vote:
6

7 Ayes: Directors Bonilla, Inocentes and Lopez
8 Absent: Director Cardenas

9 to approve the demands as listed.

10 5. Acting General Manager Camarillo asked if anyone in the
11 audience wished to be heard on any item. No one wished to be heard.

12 6. The Board recessed at 6:05 p.m. and reconvened at 6:06 p.m.

13 7. Acting General Manager Camarillo indicated the next item on the
14 agenda is the presentation of the Employee of the Quarter Award. He turned
15 the floor over to Mr. Jim Gunstinson for the presentation of the award to Mr.
16 Michael Phillips. Mr. Gunstinson indicated that Mr. Phillips is a Sr. Systems
17 Operator and an excellent employee. He indicated some of the comments from
18 his co-workers are that Mr. Phillips is a consistent, professional and dedicated
19 employee. He does whatever it takes to get the job done at 150%. One of his
20 greatest talents is his excellent customer service skills and his ability to
21 communicate with his co-workers. He thanked Mr. Phillips for the good work
22 and congratulated him on the award.
23
24
25

26 Mr. Phillips indicated that it was an honor and pleasure to be working
27 with a great group of hardworking and dedicated individuals. He thanked the
28 District for allowing him to pursue his education and other goals. He stated that
29 he appreciated the honor and thanked the District.

Approval
of
Demands

Public
Partici-
pation

1 8. Acting General Manager Camarillo presented the following items
2 on the consent calendar for approval:

- 3 a) ADOPTION OF RESOLUTION NO. 3904 ESTABLISHING
4 A BANK ACCOUNT FOR THE 2001 REBATE AND
5 DESIGNATING AN AUTHORIZED
6 FACSIMILE/COMPUTER GENERATED SIGNATURE

7 RESOLUTION NO. 3904

8 A RESOLUTION OF THE BOARD OF DIRECTORS
9 OF OTAY WATER DISTRICT ESTABLISHING A
10 BANK ACCOUNT WITH UNION BANK FOR
11 PAYMENT OF THE 2001 REBATE AND
12 DESIGNATING AN AUTHORIZED
13 FACSIMILE/COMPUTER GENERATED SIGNATURE

- 14 b) ADOPTION OF RESOLUTION NO. 3905 DESIGNATING
15 AUTHORIZED SIGNATURES AND FACSIMILE
16 SIGNATURES FOR DISTRICT CHECKING ACCOUNTS
17 WITH CALIFORNIA BANK AND TRUST AND UNION
18 BANK OF CALIFORNIA

19 RESOLUTION NO. 3905

20 A RESOLUTION OF THE BOARD OF DIRECTORS
21 OF OTAY WATER DISTRICT DESIGNATING
22 AUTHORIZED SIGNATURES AND FACSIMILE
23 SIGNATURES FOR DISTRICT CHECKING
24 ACCOUNTS WITH CALIFORNIA BANK AND TRUST
25 AND UNION BANK OF CALIFORNIA

26 A motion was made by Director Inocentes, seconded by Director Lopez
27 and carried with the following vote:

28 Ayes: Directors Bonilla, Inocentes and Lopez
29 Absent: Director Cardenas

to approve the consent calendar as listed.

9. Acting General Manager Camarillo indicated the next item on the
agenda is the discussion of the procedures for filling the vacancy for Division 3
of the Board of Directors. Special Counsel Bonifacio Garcia indicated that the
report submitted by staff contains an outline of the procedures for filling the

1 Division 3 vacancy. He indicated that May 18, 2001 is the deadline for making
2 the appointment. He noted that the District must make an appointment or
3 decide to conduct a special election by May 18, otherwise, the County of
4 Supervisors will have the right to make the appointment. Special Counsel
5 Garcia indicated that staff is recommending that the Board not conduct a
6 special election—one reason being, that such an election would be very
7 expensive. He noted the procedures detailed in the staff report which includes:
8 1) notice of opening to the public; 2) advertising of the position in different
9 publications; and 3) soliciting applications; and stated that these procedures are
10 commonly used by other districts. He stated that staff proposes that the Ad Hoc
11 Executive Committee of the Board would handle the screening of the
12 applications, interviews of the candidates and present their selections to the
13 Board. He stated that it is recommended that the Board plan to make its
14 appointment at the Regular meeting of the Board on May 2. He indicated that
15 this would give the Board time (16 more days before the deadline of May 18)
16 should it be needed.

20 President Bonilla asked how much it would cost if the District held a
21 special election. Special Counsel Garcia indicated it would cost anywhere
22 between \$30,000 and \$60,000.

24 A motion was made by President Bonilla, seconded by Director
25 Inocentes and carried with the following vote:

26 Ayes: Directors Bonilla, Lopez and Inocentes
27 Absent: Director Cardenas

28 to direct staff to implement the recommended schedule/process and determine
29 deadline dates in order to appoint a Division 3 Director by May 3, 2001.

1 A motion was made by President Bonilla, seconded by Director
2 Inocentes and carried with the following vote:
3 Ayes: Directors Bonilla, Lopez and Inocentes
4 Absent: Director Cardenas
5 to direct staff to publish an ad in various publications and that staff work with
6 Marston & Marston on a press release.

7 10. Acting General Manager Camarillo indicated the next item on the
8 agenda is the approval of the Sunset Review Policy and Procedures (attached).
9

10 Mr. Rom Sarno presented the policy and indicated that it would set forth the
11 procedures for the District staff to review all policies within the District every
12 three years. The Board is asked to adopt the policy and the procedures. The
13 procedure provides for a review committee to facilitate the procedures and,
14 when appropriate, that the committee would consult citizen groups for particular
15 policy and procedures. The “reviewed” policies would then be presented to
16 each department Chief for their review and approval of recommended changes.
17 Recommended changes would then be presented to the Board for approval.
18 He indicated that the committee will recommend a schedule for each policies’
19 review and present the schedule to the Board for approval.
20
21

22 There was a discussion on the need for the Sunset Review Policy.
23 Special Counsel Garcia indicated that through the “audit” of the Districts policies
24 and procedures it was identified outdated policies—those which had not been
25 updated for a number of years. The purpose of the Sunset Review Policy is to
26 avoid from such situations from happening again. He indicates that if the
27 District reviewed its policies every three years, then policies would never be
28 more than three years out of date.
29

Sunset
Review
Policy

1 President Bonilla indicated that he did not recall that the Board had
2 provided direction on a Sunset Review Policy, however, he does not have a
3 problem with implementing one. He asked Special Counsel Garcia to clarify
4 how such a procedure would affect the District.

5 Special Counsel Garcia indicated that the District does not have a review
6 policy at this time and this policy would establish procedures to review policies.
7 It would be more of a default mechanism and that the Board would still have the
8 ability to review any policy whenever it is required. He noted that such a policy
9 is fairly standard in other organizations. He stated that a "Sunset" Review
10 Policy indicates that if policies are not reviewed every three years, then the
11 policy would terminate.
12
13

14 A motion was made by President Bonilla, seconded by Director
15 Inocentes and carried with the following vote:

16 Ayes: Directors Bonilla, Inocentes and Lopez
17 Absent: Director Cardenas

18 to adopt the Sunset Review Policy as recommended by staff.
19

20 11. Acting General Manager Camarillo indicated the next item on the
21 agenda is an update on the Water Conservation Garden business plan. Ms.
22 Terry McComas indicated that this report is for informational purposes only to
23 update the Board on the progress on the business plan. She stated that her
24 emphasis has been to review the activities of the Garden, specifically, those
25 which present opportunities for income producing activities. She noted that
26 although plans were put into place as early as 1997 (per a business plan written
27 in 1997) that the Garden would become income producing, for whatever
28 reason, those plan have not been successfully executed. She stated that her
29

Garden
Business
Plan

1 report (attached) reviews several categories of the Garden activities and shows
2 that the Garden has had little or no income. She also noted that the Garden
3 has received one grant in the last year. The grant was from the Metropolitan
4 Water District (MWD) in the amount of \$10,000. She indicated that they are
5 hopeful that there would be more grants available to offset the Garden's
6 expenses and that they are exploring these opportunities. Ms. McComas stated
7 that they are still looking at adding partners to the Joint Powers Authority and
8 reviewing other comparable water garden projects. She indicated that the
9 Water Conservation Garden started with a mission of educating the public on
10 Xeriscape gardening techniques and based on the attendance figures, it
11 appears the Garden may not even be meeting that mission in terms of getting
12 the message out. She indicated that this report was presented to the Water
13 Conservation Garden Board and the issues would be addressed again to the
14 Garden Board with regard to creating a plan to make the Garden income
15 producing or self-sustaining within a very short period of time.
16
17
18

19 Director Inocentes also indicated that he restated the intentions of the
20 Otay Board to the Garden Board with regard to the Garden becoming self-
21 sustaining. He shared with them a couple of copies of business plans that had
22 been done in past years for the Garden. There was documentation from former
23 Otay General Counsel Harron in 1999 indicating that the original budget of the
24 Garden was \$140,000 (shared by both Helix Water District and Otay at \$70,000
25 each). He stated last years' budget was \$303,000. He also noted that a flat
26 line budget was presented to the Garden Board requesting the same funding as
27 the previous year (\$303,000). He stated the budget was not approved as their
28 were items which needed to be re-visited (ie. garden tools, literature, etc.). He
29

1 indicated that the numbers would be reworked and would be presented at a
2 future Garden Board meeting. He also indicated that there was discussion of
3 the job duties of the current vacancy for the Garden Program Representative
4 position. The job description would be revised to include duties to promote
5 income (ie. marketing, grant writing responsibilities, etc.) and would be
6 presented at the June 17, 2001 Garden Board meeting.
7

8 It was noted that it was understood that Otay's Board direction is to move
9 the Garden towards self-sufficiency.

10 12. Acting General Manager Camarillo indicated the next item was the
11 award of contracts to Geoscience and General Pump Company to assess the
12 Otay Mesa lot 7 well (CIP 129). Mr. Porras indicated that staff is asking the
13 Board to approve two contracts: 1) to Geoscience in the amount of \$51,420;
14 and 2) to General Pump in the amount of \$20,500. These contracts would
15 assist the District in assessing the lot 7 Otay Mesa well. General Pump will
16 provide the equipment and Geoscience would be responsible for the evaluation
17 of the water. Geoscience will also evaluate and assess the entire Otay Mesa
18 area where we might find ground water.
19

20
21 President Bonilla asked the procedure in awarding the contracts. Mr.
22 Porras indicated that staff has been working with the Board committee. He
23 added that at the last Board meeting, the Board had approved the hiring of
24 Geoscience as the consultant on the well project. President Bonilla also asked
25 how close staff was to completing the first phase of the project. Mr. Porras
26 indicated that if the contract awards are approved, then staff would proceed
27 with the testing of the well water on the following Monday. He stated that we
28 would have an answer in approximately a week following the testing.
29

Award of
Contracts
to Geo-
scienc
and
General
Pump
Co.

1 Director Inocentes asked how many companies do this type of work?
2 Mr. Porras indicated that he believes there are several companies locally. It
3 was noted that Geoscience was from Los Angeles. Mr. Inocentes asked if 2000
4 GPM were pumped from the well per day, how many acre feet (AF) of water
5 would it be? Mr. Gunstinson indicated that it would be approximately be 9 AF
6 per day times 365 days a year (3285 AF/year). It would be substantial. Mr.
7 Porras noted that the tests will help identify if we can get 2000 GPM, it is not yet
8 certain.
9

10 A motion was made by Director Inocentes, seconded by Director Lopez
11 and carried with the following vote:
12

13 Ayes: Directors Bonilla, Inocentes and Lopez
14 Absent: Director Cardenas

15 to award the contracts to Geoscience and General Pump Company as
16 recommended by staff.

17 13. Acting General Manager Camarillo indicated the next item is the
18 General Manager's Report. He indicated that Mr. Mehdi Arbabian would
19 provide an update on greywater systems. Mr. Arbabian indicated that the
20 participation in greywater systems requires Board approval. Mr. Arbabian
21 indicated that the cost and liability to the District by far surpasses the benefits
22 that might be realized in saving the small quantity of water through the
23 greywater systems. He stated that the District would be liable if the system fails
24 or someone got sick from water released from the greywater systems. He
25 noted that the District's potential liability depends on its degree of involvement
26 as required by the Department of Health. Mr. Arbabian stated that it is
27 estimated that approximately 96 gallons of water can be saved by each new
28
29

GM Report

1 housing which equates to approximately one AF of water over ten years. The
2 cost for this facility that is proposed is approximately \$4,000 would take
3 approximately 50 years to be paid back. He noted that there would also be
4 additional staff time required (inspect, monitor and report compliance to
5 requirements of the regulatory agencies) at cost of approximately \$270,000
6 annually. Staff's recommendation is that it would not be a good program for the
7 District to participate in.
8

9 Director Inocentes indicated that his concern with the program is the
10 length of time it takes a home owner to recoup the cost of investing in the
11 greywater system of 50 years and thanked Mr. Arbabian for the report.
12

13 President Bonilla asked Mr. Arbabian to meet with Mr. Stephen Bilson of
14 ReWater, Inc. and review the District's and Mr. Bilson's positions/issues.
15

16 Special Counsel Bonifacio Garcia updated the Board on the status of the
17 Otay Water District Foundation. He stated that the foundation was being
18 established this week and Acting General Manager Camarillo is scheduled to
19 sign the paperwork by tomorrow. He indicated that the foundation would be
20 organized along the following lines: 1) the Directors of the Board would be
21 members of the non-profit foundation; 2) the Acting General Manager is the
22 Chief Operating Officer of the foundation and would operate the foundation on
23 behalf of the Board members; and 3) the contributions would initially be the
24 commitments made by the Board members and any members of the
25 public/community. Special Counsel Garcia stated that the purpose of the
26 foundation would be largely in support of educational and community service
27 (ie., scholarship activities or other charitable activities, etc.) which the District
28
29

1 would normally not participate in with ratepayer money. He noted that the
2 foundation would be independent of the District operations.

3 President Bonilla indicated that, as a ratepayer, he would be receiving a
4 rebate. He indicated that he would like to donate his rebate to the OWD
5 Foundation.

6
7 Mr. Arbabian updated the Board on the negotiations between Otay and
8 the City of San Diego on recycled water. He indicated that staff had met with
9 the Director of the Water Department of the City of San Diego, Mr. Larry
10 Gardner. He indicated that Mr. Camarillo was very clear and persuasive with
11 Mr. Larry Gardner and offered \$160/AF of recycled water from their South Bay
12 Water Reclamation Plant. He also noted that the District would only pay for the
13 water required from the plant (as opposed to paying for all water produced by
14 the plant).

15
16 Acting General Manager Camarillo shared that staff will be meeting with
17 the supervisor of Mr. Larry Gardner next week. He indicated that he wished to
18 give credit to staff, Mr. Jim Gunstinson, Mr. Mehdi Arbabian, Mr. Leopoldo
19 Valencia and Ms. Helen Anton-Stohrel who participated and did an excellent job
20 in the negotiation/discussion with the City. He indicated that the City Council
21 Committee on Natural Resources and Culture would be meeting in the fourth
22 week of this month and staff would also present to the committee and,
23 hopefully, will then have a deal which is in the best interest of the District
24 ratepayers. President Bonilla asked that staff have Special Counsel Garcia
25 review the contract with the city prior to executing the agreement.

26
27 Acting General Manager Camarillo updated the Board on the meeting
28 with Marston and Marston, Inc. (the Districts Public Relations firm). He
29

1 indicated that the scope of their contract has been expanded and would include
2 some duties handled by staff. He indicated that they have been proactive on
3 their part in generating press releases on the rebate and other activities of the
4 District. He stated that there has been positive press based on the press
5 releases they have generated. He also indicated that Marston and Marston,
6 Inc. has been working and discussing with staff the various activities of the
7 District requiring their support.
8

9 14. Acting General Manager Camarillo indicated that the next item on
10 the agenda is the Directors reports. Director Inocentes indicated that he had
11 attended the Urban Water Institute Conference in Palm Springs. He stated the
12 main topic of discussion at the conference is the energy cost concerns which all
13 water agencies have been facing. He indicated that all agencies are looking at
14 different solutions to their energy problems and stated that he felt the approach
15 Otay was taking is probably the best answer. The other agencies are mainly
16 bargaining for long term contracts with energy firms. He also shared that in the
17 Bay Area (San Francisco) there is a bill currently being supported for the
18 citizens to take over the private energy company. Director Inocentes stated that
19 he did not see, however, the benefit of the city taking over as the city is similar
20 to San Diego, in that, they only have one transmission line into the city area.
21
22

23 Director Inocentes also indicated that he was asked by the General
24 Manager of MWD, Mr. Ron Gastellum, to consult with their staff on their small
25 business plan (MWD will be an outlet). He stated that he felt very privileged to
26 participate.
27
28

29 President Bonilla thanked Director Inocentes for his time travelling and
attending the various conferences and water agency meetings. He also

Directors
Reports

1 thanked the District staff for their efforts and patience during the District
2 reorganization. He indicated that the District was still in a hiring freeze,
3 however, after the reorganization they would be filling the vacant positions. He
4 also noted that there would still be some changes in the different departments
5 and that we were "almost there." President Bonilla also shared that there was a
6 report generated several days ago which listed the resignations and position
7 deletions versus the staff which had been recently hired. He indicated that he
8 commends the staff as the report indicates that the District would be saving,
9 thus far, for the fiscal year approximately \$1.8 million in salaries.
10

11
12 Director Inocentes asked Acting General Manager Camarillo about the
13 \$500 million cut in the District Capital Improvement Project budget to \$135
14 million and if there would be a press release highlighting this achievement.
15 Acting General Manager Camarillo indicated staff would work on it.
16

17 Acting General Manager Camarillo also added that he would like to
18 commend staff as they have been working very diligently to take on additional
19 responsibilities to cover for vacant positions. He stated that despite the fact that
20 the District is currently at a 10% deficit in vacancies, staff still continues to be
21 productive.
22

23 15. Acting General Manager Camarillo indicated that the Board will be
24 convening into closed session to discuss the following items:

- 25 a) PERSONNEL – PUBLIC EMPLOYEE APPOINTMENT
26 (GOV. CODE §54957.6)
27 POSITION (1) ACTING GENERAL MANAGER
28 b) CONFERENCE WITH LABOR NEGOTIATOR (GOV.
29 CODE §54957.6)
EMPLOYEES' (FIELD) ASSOCIATION

Closed
Session

ADMINISTRATIVE EMPLOYEES' ASSOCIATION
SUPERVISORS' AND MANAGERS' ASSOCIATION
ALL UNREPRESENTED PERSONNEL

- c) LITIGATION – (INOCENTES v. PRICE, ET AL.) (GOV. CODE §54956.9)
- d) LITIGATION – (OTAY WATER DISTRICT vs. TREPTE CONSTRUCTION CO.) (GOV. CODE §54956.9)

The Board convened into closed session at 7:15 p.m.

The Board reconvened at 7:55 p.m. Special Counsel Bonifacio Garcia reported on Items A on the closed session agenda. He indicated that a motion was made by Director Inocentes, seconded by President Bonilla and carried with the following vote:

Ayes: Directors Bonilla, Inocentes and Lopez
Absent: Director Cardenas

to appoint Mr. Mateo Camarillo as Acting General Manager of the District. Mr. Camarillo would be reviewed within three months after the appointment of the new member of the Board of Directors and the Board would reconsider the issue and provide Mr. Camarillo with an evaluation of his performance at that time.

Special Counsel Garcia indicated that no further action was taken by the Board in closed session.

16. With no further business to come before the Board, the meeting was adjourned at 7:59 p.m.

President

ATTEST:

District Secretary