

**MINUTES OF THE
SPECIAL MEETING OF THE BOARD OF DIRECTORS
OTAY WATER DISTRICT
July 10, 2002**

1. The meeting was called to order at 3:34 p.m. by President Lopez.

2. **ROLL CALL:**

Directors Present: Inocentes, Lopez, Croucher and Lewis

Directors Absent: Bonilla

Staff Present: General Manager Griego, Chief of Administrative Services and Finance Alvarez, General Counsel Garcia, Assistant Chief of Administrative Services Sarno, Assistant Chief of Finance Beachem, Assistant Chief of Engineering Arbabian, Assistant Chief of Water Operations Porras, Assistant District Secretary Rathbone, and others per attached list.

3. **PLEDGE OF ALLEGIANCE / MOMENT OF SILENCE**

The pledge of allegiance was followed by a moment of silence, which was observed in memory of the families and victims of the September 11, 2001.

4. **APPROVAL OF AGENDA**

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

Ayes:	Directors Inocentes, Lopez, Croucher and Lewis
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve the agenda.

5. **APPROVAL OF MINUTES OF THE REGULAR MEETING OF JUNE 5, 2002
AND SPECIAL MEETING OF JUNE 22, 2002**

A motion was made by Director Lewis, seconded by Director Croucher and carried with the following vote:

Ayes:	Directors Inocentes, Lopez, Croucher and Lewis
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve the minutes of the regular meeting of June 5, 2002.

A motion was made by Director Lewis, seconded by Director Croucher and carried with the following vote:

Ayes:	Directors Lopez, Croucher and Lewis
Noes:	None
Abstain:	Director Inocentes
Absent:	Director Bonilla

to approve the minutes of the special meeting of June 22, 2002.

6. APPROVAL OF DEMANDS

Director Croucher requested that the demands include information regarding which CIP project the consultants worked on. He inquired as to check number 103301 to the City of Chula Vista for City Staff Costs/Resurfacing on page 25 of the demands list. Assistant Chief of Operations Porrás indicated he would follow-up and gather more information and report back to the Board on this expense. Director Croucher requested that this check be pulled and staff report back to the Board.

Director Inocentes objected to check number 103440 in the amount of \$76,315.84, check number 103441 in the amount of \$8,096.15 and check number 103442 in the amount of \$20,399.18 to Burke, Williams & Sorensen on pages 33 and 34. He stated he would not be voting on those checks.

A motion was made by Director Lewis, seconded by Director Croucher and carried with the following vote:

Ayes:	Directors Inocentes, Lopez, Croucher and Lewis
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve the demands as listed. Director Inocentes voted “yes” with the exception to check numbers 103440, 103441 and 103442 to Burke, Williams and Sorensen totaling approximately \$100,000. Directors Inocentes, Croucher and Lopez voted “yes” with the exception to check number 103301 to the City of Chula Vista for City Staff Costs/Resurfacing for \$100,000.

7. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

No one wished to be heard.

8. **ADOPTION OF SERVICE RESOLUTIONS**

- a) ADOPT RESOLUTION NO. 3956 OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT EXPRESSING APPRECIATION TO WAYNE H. SCHOEN FOR TWENTY-FIVE YEARS OF SERVICE TO THE DISTRICT

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

Ayes: Directors Inocentes, Lopez, Croucher and Lewis
Noes: None
Abstain: None
Absent: Director Bonilla

to adopt the service Resolution No. 3956 expressing appreciation to Wayne H. Schoen for 25 years of service to the District.

- b) ADOPT RESOLUTION NO. 3957 OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT EXPRESSING APPRECIATION TO DOUGLAS W. MARPLE FOR TWENTY YEARS OF SERVICE TO THE DISTRICT

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

Ayes: Directors Inocentes, Lopez, Croucher and Lewis
Noes: None
Abstain: None
Absent: Director Bonilla

to adopt the service Resolution No. 3957 expressing appreciation to Douglas W. Marple for 20 years of service to the District.

9. **CONSENT CALENDAR - ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:**

- a) APPROVE IN CONCEPT A DRAFT AGREEMENT BETWEEN OTAY WATER DISTRICT AND THE SAN DIEGO COUNTY WATER AUTHORITY (SDCWA) FOR THE CONSTRUCTION, OPERATION, AND MAINTENANCE OF OTAY 14 FLOW CONTROL FACILITY (FCF) AND APPROVE THE RELEASE OF \$360,000 FROM CIP W389 TO BE DEPOSITED TO SDCWA FOR THE CONSTRUCTION OF OTAY 14 FCF
- b) AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AMENDMENT WITH CROWN CASTLE FOR THE REMOVAL OF AT&T AS A SUBLEASEE AND REPLACE THEM WITH NEXTEL CELLULAR COMMUNICATIONS AT THE 485-1 AND 2 RESERVOIRS

A motion was made by Director Lewis, seconded by Director Croucher and carried with the following vote:

Ayes: Directors Inocentes, Lopez, Croucher and Lewis
Noes: None
Abstain: None
Absent: Director Bonilla

to approve the consent calendar as listed.

INFORMATION/ACTION ITEMS

10. ENGINEERING AND WATER OPERATIONS

Assistant Chief of Engineering Mehdi Arbabian explained that this is a 20-inch steel pipeline to be constructed on Jamacha Boulevard and Highway 94 to Trace Road. It is 2500 linear feet. The purpose of the pipeline is to eliminate the need for the La Presa Pump Station. The project was advertised for bid in May. The District received nine (9) bids ranging from \$455,000 to \$700,000. The lowest bidder was Cass Construction. Cass Construction is a very reputable company. Staff recommends the contract be awarded to Cass Construction.

A motion was made by Director Lewis, seconded by Director Croucher and carried with the following vote:

Ayes: Directors Inocentes, Lopez, Croucher and Lewis
Noes: None
Abstain: None
Absent: Director Bonilla

to authorize the General Manager to award a construction contract to Cass Construction in the amount of \$455,695 for the construction of the 850 zone 20-inch pipeline (Jamacha Boulevard Project).

Assistant Chief of Engineering Arbabian explained that this project is part of City of Chula Vista Salt Creek interceptor sewer line that runs through Otay Valley Road. The District has four locations where water mains cross the alignment at elevations that will conflict with the proposed sewer line. The Engineering Department is requesting that a new CIP be approved in order to charge expenses that might be incurred by staff to relocate District pipelines that might conflict with the sewer lines.

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

Ayes: Directors Inocentes, Lopez, Croucher and Lewis
Noes: None
Abstain: None
Absent: Director Bonilla

to approve a CIP project budget in the amount of \$80,000 to relocate District facilities to avoid conflicts with a sewer interceptor being constructed by the City of Chula Vista on Otay Valley Road.

11. ADMINISTRATION AND FINANCE

Information Technology Manager Geoff Stevens presented to the Board information regarding the selection of Otay Water District by Pat Summerall Productions to be the subject of a documentary entitled "Champions of Industry." The documentary will be aired on the Discovery Channel in November 2002. The series highlights companies that have demonstrated some degree of excellence in their industry. The theme for the Otay video presentation is "Utilizing Technology to Achieve Operational Excellence." Staff will utilize graphic displays from the Geographic Information System (GIS), SCADA System, Automated Meter Reading (AMR) and the Otay Information System (OIS) to illustrate how these computer systems will improve District operations.

Otay's contribution to produce the video is \$23,000. He informed the Board that the District would pay a technical fee on an annual basis of \$1800 for a live stream of the video on the District's web site. The District will be allowed to use the video for educational purposes in the school program and by staff for presentations to the community.

There was discussion regarding how Otay was chosen in the selection process. The Board expressed concern for the cost of the video. Mr. Stevens researched the cost of producing such a video and assured the Board that the cost was very reasonable. District staff will be able to utilize the video in the community and he feels it will assist the District in setting an example in the industry for improving business practices and efficiency.

A motion was made by Director Lewis, seconded by Director Croucher and carried with the following vote:

Ayes:	Directors Lopez, Croucher and Lewis
Noes:	Director Inocentes
Abstain:	None
Absent:	Director Bonilla

to approve the second and final payment of \$11,500 to Pat Summerall Productions for production of the "Champions of Industry" video.

Customer Service Manager Elaine Henderson stated that on January 23, 2002, the Board approved the purchase and implementation for an Automated Meter Reading system. Since that time, staff from Operations, Engineering, Finance and the IT departments have met to develop a comprehensive request for proposal to select an appropriate vendor for this project. Staff has selected a vendor, Northrop Grumman, and requests Board approval to authorize the General Manager to negotiate the contract so that the system can be purchased.

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

Ayes:	Directors Inocentes, Lopez, Croucher and Lewis
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to accept staff recommendation and authorize the General Manager to execute the contract with Northrop Grumman in the amount of \$424,000 for the purchase of an automated meter reading system.

Human Resources Manager Kelli Williamson explained that staff is requesting the Board ratify the tentative agreement between the District and the Otay Water District Employees Association for a one year successor MOU (Memorandum of Understanding) to be effective July 1, 2002 to June 30, 2003. The association members voted to ratify the tentative agreement almost unanimously on Monday, July 8, 2002. The tentative agreement includes a 2.8 percent across-the-board cost of living increase with the ranges being adjusted accordingly, the District will cover a 16 percent increase to the medical premium, a 20 percent increase to the workers compensation premium as well as cover approximately \$62,000 in merit increases for the represented employees. The agreement eliminates the Total Compensation Fund approach with approximately \$322,000 being moved from the Total Compensation Reserve Fund to the District's general fund.

The staff report also includes the General Manager's recommendation for unrepresented employees. Generally, unrepresented employees do not have the same rights as bargaining unit employees. Typically, executive level managers have shorter tenure and work on an at-will basis. The goal is to provide recognition for the different set of circumstances in which unrepresented employees work at the District.

The recommendations include providing the same 2.8 percent increase across-the-board for unrepresented employees, as both represented and unrepresented follow the same salary schedule and to provide executive physicals for the executive team which includes the Assistant Chiefs, Chiefs and General Manager. Another benefit requested is to provide executive and administrative time off for the executive staff and unrepresented employees. Other cities and water agencies were surveyed and it was discovered that these agencies provide extra benefits such as additional time off from five to 12 days.

The General Manager's recommendation also provides a \$300 automobile allowance for Assistant Chiefs.

By accepting staff's recommendation, the Board will be approving an increase to the operating budget of approximately \$178,000.

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

Ayes: Directors Inocentes, Lopez, Croucher and Lewis
Noes: None
Abstain: None
Absent: Director Bonilla

to accept staff recommendation to ratify the tentative agreement between the District and the Otay Water District Employees' Association for a successor MOU effective July 1, 2002 to June 30, 2003.

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

Ayes: Directors Inocentes, Croucher, Lewis and Lopez
Noes: None
Abstain: None
Absent: Director Bonilla

to table the issues with respect to unrepresented employees and that it be brought back on a future agenda in closed session.

12. **BOARD**

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

Ayes: Directors Inocentes, Croucher, Lewis and Lopez
Noes: None
Abstain: None
Absent: Director Bonilla

to approve Board meeting requests/travel as listed in the staff report with the exception of Director Inocentes' request to attend the Council of Water Utilities breakfast in place of the Water Agencies Association dinner.

REPORT

13. **GENERAL MANAGER'S REPORT**

General Manager Griego stated that each department's monthly report is outlined in the staff report. There were no questions or comments from the Board.

14. **DIRECTORS' REPORTS/REQUESTS**

Director Lewis reported that the Ad Hoc Water Resources and Security Committee met for the first time and he commended staff for preparing the agenda and presentations. Future agenda items for discussion will include water resources availability and alternative sources of potable water including desalination, Otay's strategy for maintaining a consistent and reliable water supply to our ratepayers and working with Sweetwater Authority and other neighboring agencies. Security issues will also be discussed at these committee meetings. President Lopez is

on the Water Resources committee as well. The committee will report to the Board on actions taken by the committee.

He also reported that the Water Garden Board will have a retreat on Friday, July 19, to discuss monetary support of the Garden by Otay and other member agencies. Water conservation issues will also be discussed.

Director Croucher reported that he attended an awards lunch today for Augie Caires, General Manager for Padre Dam, celebrating Mr. Caires' receipt of the American Public Works Association Top Ten Works Leaders of the Year award.

Director Croucher reported that CWA adopted the new rate structure. Some of the North County water agencies are threatening lawsuits because of their disapproval with the rate structure. Staff will be updated as to how the rate structure will affect Otay.

He reported that the Ad Hoc Legal Affairs Committee has met three times. The committee is analyzing the legal bills and how to resolve the cost of the legal bills.

President Lopez stated that the committee will be looking at the legal billings on a monthly basis and will be addressing cost issues.

15. **ADJOURNMENT**

With no further business to come before the Board, President Lopez adjourned the meeting at 4:59 p.m.

President

ATTEST:

District Secretary