

1 MINUTES OF THE
2 BOARD OF DIRECTORS REGULAR ADJOURNED MEETING
3 OTAY WATER DISTRICT
4 JANUARY 12, 1998

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6 1. The meeting was called to order by President Poveda at 1:04 p.m.
7 at the Regulatory Reservoir, 11880 Campo Road, Spring Valley, California.

8 DIRECTORS PRESENT: Directors, Price, Laudner, Poveda
9 and Watton,

10 DIRECTORS ABSENT: Director Inocentes

11 STAFF PRESENT: General Manager Lewinger
12 Operations Dept Head Mahanke
13 Engineering Dept Head Stanton
14 Attorney Harron
15 Assistant District Secretary Smith
16 Others as per attached list

17 2. President Poveda inquired if anyone in the audience desired to
18 address the Board on any item not on the agenda. No one wished to be heard.

19 3. General Manager Lewinger thanked the members of the community
20 for attending. He stated that several Staff Members would be giving a
21 presentation on why the site is here, what it now accomplishes and what it will be
22 accomplishing in the future, as well as to tour the site. He said that on Tuesday,
23 January 20th there would be a follow-up meeting where Staff would go into more
24 details about the site and options for the site.
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26 Public Affairs Administrator Cassens gave a brief overview of where Otay
27 receives its water and explained the importance of elevation for the water tanks.
28 He also explained that the District was divided into three operational areas, the
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1 North District, the Central Area and the South District and that each of the areas
2 has its own operating and distribution system and connections to the County
3 Water Authority Aqueducts.

4 Mr. Cassens presented a brief history of the Regulatory Site, which con-
5 sists of 74.14 acres, and stated it was for emergency water storage for the North
6 District. He said that Regulatory did not have residential customers of its own; it
7 was strictly used for terminal storage for all of the reservoirs in the North District.
8 He stated that on the site were three reservoirs, two pump stations and a
9 chlorination facility.
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12 Mr. Cassens introduced Jim Peasley, Planning Engineer and Project
13 Manager in charge of the District's Master Plan. Mr. Peasley presented an
14 overview from a master planning perspective of the purpose of the Regulatory
15 Site. He stated in 1995 Montgomery Watson prepared a Water Resources
16 Master Plan which is the basis upon which plans are made for facilities in the
17 District. In June, 1996 the Board of Directors adopted the Water Resources
18 Master Plan and the Master Plan EIR was certified.
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21 He stated that the North District is served primarily by two sources; the
22 pipeline that runs down Jamacha Boulevard, called the La Mesa-Sweetwater
23 Extension, and Pipeline 4 of the San Diego County Water Authority aqueduct.
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25 Mr. Peasley explained that a Water Resources Master Plan is a compre-
26 hensive plan for orderly and phased development of pipelines, pump stations and
27 reservoirs for the potable water supply system. He reviewed the District's
28 emergency storage throughout the District. He stated that in the North District the
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1 Master Plan calls for emergency storage of 47 MG and that this supply is to
2 withstand a 10-day CWA water outage.

3 Mr. Peasley stated that a study was prepared last year, the Emergency
4 Water Supply Study, to determine when emergency storage would be needed.
5 The primary study assumptions were 1) objective of a maximum of a five day
6 supply in covered storage and five days from alternative sources, 2) the
7 emergency outage would last only 10 days, and 3) during the outage a 50%
8 reduction of demand by conservation.
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11 Mr. Peasley discussed that the storage that would be needed would be less
12 due to Los Montañas, Daley Ranch and possibly Hidden Valley Estates being sold
13 to a habitat management agency. He stated that if the rate of growth in the North
14 District was 3%, the next 10 MG tank would be needed in 2018, if the rate of
15 growth is 6% the next tank would be needed in 2005. Mr. Peasley mentioned that it
16 takes four to five years from when it is decided that a tank is needed and it comes
17 on line.
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20 Mr. Jack Phillips asked if the current rate of growth was for the entire
21 District or North District only. Mr. Peasley stated it was the entire District. Mr.
22 Phillips asked if they were using 3% for the North District. Mr. Peasley responded
23 they were.
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25 Mr. Peasley introduced Mike Coleman, the Environmental Specialist with
26 the District. He stated that Mr. Coleman would focus on the Regulatory Site and
27 the impact of the reservoirs and the material needed to be removed to construct
28 the projects.
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1 Mr. Phillips asked if Otay is planning on serving Otay Ranch and stated that
2 there would be tremendous growth when Otay Ranch is built leading to a
3 corresponding decline in growth rate in the North District. Mr. Peasley stated that
4 in the Central Area Otay owns 100 acres for future emergency water supply for that
5 particular area.
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7 Mr. Coleman stated that his position was to insure that the Capital
8 Improvement Projects meet all of the state, federal and local environmental
9 regulations. He stated if Otay is to build facilities at the Regulatory Site there is
10 long lead times involved in the planning, engineering, permitting and public
11 involvement for District projects. In 1992 there was a Regulatory Site EIR for future
12 facility development. In 1995 the Master EIR, which covers the entire District, was
13 completed.
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15 He stated when the District undertook the grading at the Regulatory Site
16 they impacted some biological resources due to grading. He said this damage
17 was mitigated through the District's habitat preserve.
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19 Mr. Coleman said that as part of any future reservoir construction, dirt would
20 need to be removed from the site and the District has to determine whether they
21 want to pay for the removal of the material at that time or if it would be more
22 prudent to gradually remove the material and use the decomposed granite on
23 other District projects. He said Staff has checked with several decomposed
24 granite companies and they have said there is a viable product at Regulatory. He
25 stated that any DG extraction would be done in concert with the Master Planning
26 that Mr. Peasley discussed.
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1 Mr. Coleman discussed some of the benefits of extracting the DG, including
2 use on District projects resulting in saving ratepayer expenses and possible
3 revenue generation.

4 Mr. Coleman briefly outlined the process for the DG extraction. He stated
5 that if the Board directed, Staff would work on a Preliminary Reclamation Plan,
6 which would be part of a Major Use Permit, and prepare CEQA documentation.
7 He said at the completion of each step, Staff would go back to the Board and
8 report the progress made. Staff would focus on environmental documentation,
9 compliance and public outreach. He stated the final effort would involve permitting,
10 environmental compliance and ongoing environmental monitoring, as well as
11 proposing semi-annual public workshops to keep the public informed on progress.
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14 Mr. Coleman stated that the District would continue brushing the hillsides at
15 the site in accordance with the permits with the U.S. Fish and Wildlife Agency.
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17 Mr. Cassens recapped the emergency storage that is planned by Metro-
18 politan Water District, San Diego County Water Authority and Otay. He stated the
19 District in the future will need to build new reservoirs and that the Regulatory Site
20 will need to be excavated to build the reservoirs. He said if the District waited until
21 the site was needed, it would be necessary to pay to have the material excavated
22 and removed from the site. If the District excavates over a period of time, there is
23 the possibility of saving money on other District projects. He stressed that it is not
24 something that the District is going to do at this time but it is something Staff wants
25 to investigate further.
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1 Mr. Cassens stated that there would be another meeting on Tuesday,
2 January 20th for those who were unable to attend this meeting and Staff would be
3 asking the Board for permission to investigate the extraction alternative further.

4 Teresa Greenhalgh asked if the reservoirs would be above ground or
5 underground.
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7 Mr. Peasley stated the reservoirs would be above ground steel reservoirs.

8 Director Watton asked if Staff was going to request to spend a little money
9 to find out about the project before going any further. Mr. Cassens responded that
10 was it precisely.
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12 Mr. Jack Phillips stated he had a real problem with this plan. He stated
13 after going through his files and reviewing the environmental and project
14 documentation, he felt the District was developing a real creditability gap in the
15 need and elevation of the tanks. He stated in the 1992 EIR published for this
16 project, it was stated over 1,000,000 cubic yards from the Skyline Church project
17 would be needed to build the Regulatory Site Reservoirs and now the District is
18 saying they will have excess material. Mr. Phillips asked why the District doesn't
19 design a balanced site so there won't be excess material generated. He also
20 stated that the EIR does not in any way cover the project that Staff has
21 presented.
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24 Mr. Peasley stated the 1992 EIR preceded the 1995 Master Plan and the
25 District is now operating under the 1995 Master Plan.
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27 Mr. Phillips stated the Master Plan gives no detail about the project. He
28 also stated that the Regulatory Site project is not covered in an environmental
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1 document. He stated that besides looking into how much money would be raised
2 from DG extraction Staff should also look into doing a balanced development of
3 the reservoirs.

4 Mr. Coleman stated that however the project changes or develops, the
5 appropriate environmental documentation will be prepared.

7 Mr. Phillips stated he had been previously informed that this project was
8 covered under an EIR and it's not. Mr. Coleman assured Mr. Phillips that the
9 District would review all the documents and make certain that the proper CEQA
10 documentation is prepared. Mr. Phillips again brought up the subject of the 1992
11 report where the District would have to import material. Mr. Lewinger stated
12 according to the 1992 documentation, the Church would be purchasing 1,000,000
13 cubic yards from the District. Mr. Phillips disagreed. Director Watton asked Staff
14 to get an answer for Mr. Phillips on this issue. Mr. Peasley stated that at that time
15 the layout of the project was also different. Mr. Phillips concluded by stating that
16 the entire EIR was based on no export of material from the site.

19 Sharon Johnson stated that she read the 1995 EIR and it discusses
20 mitigation of noise and there was a note in the EIR which stated any noisy
21 operation, such as blasting, construction trucks, pile drivers and rock crushing
22 machines, would be of short duration so that it would not affect the surrounding
23 residents. She said that the proposal now being presented is going to last until
24 2018, not continuous, but not a short duration. She asked how the District can
25 justify a project lasting that long with the impact it will have on the residents. Mr.
26 Coleman stated that the District would try to develop a level of information to
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1 answer the public's questions. He said the Master EIR is set up in tiered levels
2 which provides a broad overview of environmental issues but does not preclude
3 the District from further studies on specific site design.

4 Ms. Johnson asked if common sense wouldn't tell you that blasting and rock
5 crushing machines are going to violate noise levels. Mr. Coleman responded that
6 there is no rock crushing proposed and it is very unlikely that blasting will occur.
7 She stated that previously there had been blasting which was very disturbing and
8 didn't wish to have it occur again. There was a suggestion made that the public be
9 given notice when blasting might occur so that they would have the option of
10 leaving for the day. Mr. Coleman stated that there would be a high level of public
11 involvement with this project.
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14 Director Watton stated that as a Board Member he did not envision sup-
15 porting a classic mining operation for 18 years. He continued by saying that when
16 the tanks are under construction there is going to be an impact to some of the
17 residents in the area. He stated that as a Board Member he needs further
18 information to make a choice on how the project should proceed.
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21 Mr. Phillips stated that once the District contracted with an aggregate
22 mining firm, everything could change once the operation is started. He mentioned
23 the problems the residents around Willow Glen have been having with the mining
24 operation there.
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26 Mr. Cassens stated if the additional study Staff is requesting revealed the
27 kinds of impacts Mr. Phillips is referring to, the District would probably go no
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4. Mr. Cassens invited everyone present to tour the pump stations and to go to the top of the hill to view the project area.

5. President Poveda thanked everyone for attending and reiterated that the District was not talking about proceeding with a mining operation but moving ahead with a study regarding DG extraction.

6. With no further business to come before the Board, the meeting was adjourned at 2:10 p.m.

President

ATTEST:

District Secretary