

1 MINUTES OF THE  
2 BOARD OF DIRECTORS REGULAR ADJOURNED MEETING  
3 OTAY WATER DISTRICT  
4 JANUARY 20, 1998

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6 1. The meeting was called to order by President Poveda at 7:01 p.m.  
7 in the District Boardroom, 2554 Sweetwater Springs Boulevard, Spring Valley,  
8 California.

9 DIRECTORS PRESENT: Directors, Price, Laudner, Poveda  
10 and Inocentes

11 DIRECTORS ABSENT: Director Watton

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

17 2. President Poveda requested everyone stand and join him in saying  
18 the pledge of allegiance.

19 3. President Poveda inquired if anyone in the audience desired to  
20 address the Board on any item not on the agenda. Director Laudner stated he  
21 had received a call from John Lamp who requested that Staff investigate whether  
22 the District had an easement on the McGrath property. He stated that Mr. Lamp  
23 also wanted to know if the District had paid for the easement. General Manager  
24 Lewinger stated Staff would have a response to the questions at the February 4<sup>th</sup>  
25 Board Meeting.  
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1           4.       President Poveda stated he had received a response from Ms.  
2 Brant on Via Sefton who had called and that she and her husband wanted to  
3 express their opposition to this project.

4           General Manager Lewinger stated that this meeting was a second infor-  
5 mational meeting in which Staff hoped to provide more information to the public  
6 about the site, as well as discussing the removal of decomposed granite.  
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8           Mr. Lewinger stated at the previous informational meeting on January 12,  
9 1998, Mr. Jack Phillips and he had disagreed about the 1992 EIR. He said Mr.  
10 Phillips contended that the EIR talked about Otay importing material and that he  
11 had disagreed and that Mr. Phillips was correct, the EIR in 1992 did talk about a  
12 net import of material. He said one of the primary differences between the 1992  
13 EIR and the Master Plan for the site now is the 1992 EIR was done with respect to  
14 building a 200 MG buried concrete reservoir and including Skyline Church  
15 property. The current Master Plan uses only Otay Water District property and calls  
16 for only 90 MG of above ground tanks.  
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18           Public Affairs Administrator Cassens discussed the size and population of  
19 the District and described where Otay receives its water from.  
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21           Mr. Cassens presented a brief history of the Regulatory Site, and stated it  
22 was for emergency water storage for the North District. He said that Regulatory  
23 did not have residential customers of its own; it was strictly used for terminal  
24 storage for all of the reservoirs in the North District.  
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26           He explained that the District was divided into three operational areas, the  
27 North District, the Central Area and the South District and that each of the areas  
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1 has its own operating and distribution system and connections to the County  
2 Water Authority aqueducts as well as its own emergency storage plan. He said  
3 that the South District and Central Area were in pretty good shape for emergency  
4 storage and that the North District was in good shape for now but in the future the  
5 District would need to build additional storage at Regulatory Site and excavation  
6 would be needed to prepare for the reservoirs. He stated that presently on the site  
7 were three reservoirs, two pump stations and a disinfection facility.  
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9           Mr. Cassens introduced Jim Peasley, Planning Engineer and Project  
10 Manager in charge of the District's Master Plan. Mr. Peasley presented an  
11 overview from a master planning perspective of the purpose of the Regulatory  
12 Site. He stated in 1995 Montgomery Watson prepared a Water Resources  
13 Master Plan which is the basis upon which plans are made for facilities in the  
14 District. In June, 1996 the Board of Directors adopted the Water Resources  
15 Master Plan and the Master Plan EIR was certified.  
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18           Mr. Peasley explained that a Water Resources Master Plan is a compre-  
19 hensive program for orderly and planned phased development of potable and  
20 recycled water storage, transmission, distribution and supply systems.  
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22           He stated that the North District is served primarily by two sources; the  
23 pipeline that runs down Jamacha Boulevard, called the La Mesa-Sweetwater  
24 Extension, and Pipeline 4 of the San Diego County Water Authority aqueduct.  
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26           Mr. Peasley described the existing facilities at Regulatory and stated that  
27 there is planned an additional 47 MG of storage estimated to be built in 10 MG  
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1 increments in the future and that this supply is to withstand a 10-day CWA water  
2 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 emer-  
7 gency outage would last only 10 days, and 3) during the outage a 50% reduction of  
8 demand by conservation.  
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10 Mr. Peasley stated that the storage that was originally planned would be  
11 less due to Los Montañas, Daley Ranch and possibly Hidden Valley Estates being  
12 sold to a habitat management agency. He stated the maximum amount of storage  
13 needed would be 47 MG and felt that number would be dropping in the future.  
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15 He stated that if the rate of growth in the North District was 6% the next tank  
16 would be needed in 2005. If the District grows at 3%, the next 10 MG tank would  
17 be needed in 2018. Mr. Peasley mentioned that it takes four to five years from  
18 when it is decided that a tank is needed and it comes on line.  
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20 In conclusion Mr. Peasley stated that additional emergency storage at  
21 Regulatory will be needed to sustain the economic well being of the District's  
22 customers.  
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24 Mr. Peasley introduced Mike Coleman, the Environmental Specialist with  
25 the District. He stated that Mr. Coleman would focus on the Regulatory Site and  
26 the planned utilization of the materials located at the site.  
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1 Mr. Coleman stated that he was in charge of all environmental compliance  
2 on the capital improvement projects. He said if Otay is to build facilities at the  
3 Regulatory Site there is long lead times involved in the planning, engineering,  
4 permitting and public involvement for District projects. The existing Regulatory  
5 Site EIR and the Master EIR require mitigation monitoring, preparation and follow  
6 through.  
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8 He stated when the District undertook the grading at the Regulatory Site  
9 they impacted some biological resources due to grading. He said this damage  
10 was mitigated through the District's habitat preserve.  
11

12 Mr. Coleman said that as part of any future reservoir construction, dirt would  
13 need to be removed from the site and the District has to determine whether they  
14 want to pay for the removal of the material at that time or if it would be more  
15 prudent to gradually remove the material and use the decomposed granite on  
16 other District projects. He said Staff has completed initial research and believes  
17 the material there is valuable. He stated that any DG extraction could be done on  
18 a small scale focusing only on District projects, as well as in concert with the  
19 Master Planning that Mr. Peasley discussed.  
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22 Mr. Coleman stated the District had previously removed 10,000 cubic yards  
23 for use on an adjacent waterline project known as Hillsdale pipeline. He said in  
24 order to excavate more than the 10,000 cubic yards already removed, the County  
25 requires special permits. He mentioned that during the removal of the 10,000  
26 cubic yards for the Hillsdale pipeline, the District did not receive any complaints.  
27 He discussed some of the benefits of extracting the DG, including use on District  
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1 projects resulting in saving ratepayer expenses and possible conservative revenue  
2 generation.

3 Mr. Coleman briefly outlined the process for the DG extraction. He stated  
4 that if the Board directed, Staff would work on a Preliminary Reclamation Plan,  
5 which would be part of a Major Use Permit, and prepare CEQA documentation.  
6 He said at the completion of each step, Staff would go back to the Board and  
7 report the progress made. Staff would focus on environmental documentation,  
8 compliance and public outreach. He stated the final effort would involve permitting,  
9 environmental compliance and ongoing environmental monitoring, as well as  
10 proposing semi-annual public workshops to keep the public informed on progress.  
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13 Mr. Cassens stated the District in the future will need to build new reser-  
14 voirs somewhere between 2005 and 2018 and that the Regulatory Site will need to  
15 be excavated to build the reservoirs. He said if the District waited until the site  
16 was needed, it would be necessary to pay to have the material excavated and  
17 removed from the site. If the District excavates over a period of time, there is the  
18 possibility of saving money on other District projects. He stated if the material was  
19 removed in a small-scale manner as it was needed on other projects, Staff feels  
20 there would be a lesser impact on the community then doing all the excavation at  
21 one time in preparation for building a reservoir.  
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24 Mr. Lewinger stated that many people might remember the Hillsdale  
25 pipeline project, a pipeline from the Regulatory Site up Willow Glen towards  
26 Hillsdale Road. He said in 1996 the District used approximately 10,000 cubic  
27 yards of DG from the Regulatory Site on that pipeline project and that the District  
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1 did not receive any complaints or inquiries from the public. He stated that Staff felt  
2 the removal of DG didn't create a problem at that low level of extraction and could  
3 save some money for the ratepayers by continuing the same low level of extraction  
4 without blasting or crushing. He reiterated that the reason for the two meetings and  
5 requesting Board approval to proceed further is the District has removed the  
6 10,000 cubic yards and the District is not allowed to remove more than 10,000  
7 cubic yards from a site without a mining permit from the County. He stated that  
8 Staff wanted only to be allowed to extract the available DG for use on District  
9 projects to save money for the ratepayers and have the material already removed  
10 when the next reservoir site would needed.  
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13 Mr. Lewinger stated that the Board had two alternatives to give direction to  
14 Staff, one to proceed with a limited study to find out the impacts of that level of a  
15 project and how to mitigate the community concerns or to stop the project.  
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17 Director Price asked how much total DG Staff was looking at extracting.  
18 Mr. Lewinger stated the absolute number would depend on the Master Plan for the  
19 site and the requested limited study. He said that Staff felt it would be the same  
20 level of operation when the District did the Hillsdale pipeline in 1996, which was  
21 10,000 yards.  
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23 Mr. Lewinger stated that at the meeting on January 12<sup>th</sup> it was brought up  
24 that mining operations exceed the amounts they are suppose to extract during  
25 given periods of time. He said Otay's limit was 10,000 and we stopped, the  
26 District did not exceed the limits of their authority.  
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1 President Poveda explained the District is not talking about a rock quarry,  
2 as stated on the flyer distributed by the school, or a mining operation, or blasting,  
3 or about a first step that would tie the Board into final action, but talking about  
4 funding a limited study that would resolve some of the issues being raised.  
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6 President Poveda asked for audience participation. Mr. Mark Anderson  
7 stated he was a resident of the housing project north of the Regulatory Site. He  
8 said it was apparent that most of the growth in the District was removed from the  
9 area proposed and he didn't understand why the reservoir is being placed at  
10 Regulatory instead of Chula Vista in EastLake where all of the development is. He  
11 also asked if the developers who were reaping all of the profits contributed  
12 anything to the cost of the increased need for water storage. Mr. Anderson also  
13 mentioned the blight from the V.R. Dennis site on Mission Gorge and the hazard to  
14 autos traveling through the area. He stated that to blast in that area for a reservoir  
15 would greatly affect the community, not to mention the dirt and constant flow of  
16 trucks.  
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19 Director Inocentes asked Mr. Anderson if he was opposed to the Staff  
20 doing a study. Mr. Anderson stated he was not opposed to the study but ques-  
21 tioned the reasoning of placing the reservoir at Regulatory when EastLake and  
22 McMillin would be benefiting from it.  
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25 Mr. Lewinger stated the next reservoir that would be needed between 2005  
26 and 2018 was for growth that is planned in the North District. Reservoirs in the  
27 Central Area, eastern Chula Vista, EastLake, McMillin and Baldwin, those projects  
28 are building reservoirs in that area and are paying for them. He stated that every  
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1 developer pays a capacity fee which pays for their share of all the projects that are  
2 needed to serve the new developments. He said that the reservoirs at Regulatory  
3 have absolutely nothing to do with the development that is going on in EastLake  
4 and eastern Chula Vista.

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6 Ms. Sharon Johnson stated that in the EIR it says that construction of  
7 facilities will not be based on projections but on actual land use approvals and she  
8 wanted to know if the District had such approvals. Mr. Lewinger said that the  
9 developers had to get the approvals. He stated that Mr. Peasley showed  
10 projections of need based on a 3% or 6% growth rate. Ms. Johnson reiterated that  
11 according to the EIR that facilities would not be built on projections and wanted to  
12 know why the meeting was being held. Mr. Lewinger said because if the District  
13 wanted to remove any more DG from the site, a permit was needed.

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16 Ms. Johnson stated that she wanted to go on record as being against the  
17 study.

18 Mr. Darren Greenhalgh, who lives on Via Escuda, agreed with Staff  
19 regarding the excavation process in 1996 and that it didn't disturb the surrounding  
20 community. He stated there was no line of sight on the project and that the  
21 material being removed was very uniform in nature, but he felt that as the project  
22 moved into the hillside there would be more larger boulders which could lead to  
23 blasting, screens and rock crushers. He said he was concerned about what could  
24 happen if a larger-scale operation started. He asked if Staff would consider  
25 moving any type of larger operation down around the corner, so that it isn't in the  
26 line of sight and would have less noise. Mr. Lewinger said that Staff wasn't  
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1 considering any kind of operation like that at all unless it would be required to  
2 construct a reservoir. He said the District is not anticipating any rock crushing or  
3 any blasting for removal of the DG for use on District projects.

4 Director Inocentes asked Mr. Greenhalgh if he was opposed to a study. Mr.  
5 Greenhalgh replied he was not opposed to the study.  
6

7 Mr. Jack Phillips read from the final EIR for the 20 MG reservoir at  
8 Regulatory regarding the mitigation measures and how there was only to be  
9 clearing on the site of construction, that construction equipment would be kept from  
10 areas not scheduled for clearing and that revegetation of native habitat would  
11 occur after completion of the reservoir. He stated that the clearing went far beyond  
12 the area of construction to Via Escuda and that there were heavy earthmovers in  
13 the canyon changing the contour of the area.  
14

15 Mr. Phillips questioned how the previous plans for the site included a 200  
16 MG reservoir built on fill and that now the District wouldn't build a 10 MG reservoir  
17 on a balanced site. He stated there were many reasons that export of aggregate  
18 materials from the site would not work and that the most compelling problem was  
19 the fact that there is only one haul road in and out of the site. He summarized the  
20 problems involved with truck traffic from the site.  
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22 Mr. Phillips suggested if the District was going to study something it should  
23 be how to best build the next 10 MG reservoir with a balance of cut and fill.  
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25 Director Inocentes asked Mr. Phillips if he was opposed to the study.  
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27 Mr. Phillips stated he was opposed to any study that would lead to mining  
28 aggregate for export from the site.  
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1 Director Inocentes stated that Staff was proposing a study on how to extract  
2 DG in the future. He stated as a director he was undecided and wanted to hear  
3 from the community whether they supported the study.

4 Mr. John Lamp asked what percentage of the site will turn out to be DG  
5 without crushers and other equipment and what the District plans to do with the  
6 tailings. He said he felt it wasn't a good idea and that the District should buy it  
7 from companies in the area, such as C. W. McGrath.

9 Mr. Curtis Sharron asked how the time periods would compare between  
10 the material which was previously removed to the material which would be  
11 removed when the first 10 MG reservoir was built. Mr. Lewinger stated it would  
12 take approximately six months to remove the material for the new reservoir and  
13 that the 10,000 cubic yards which were previously removed was taken out over a  
14 six-month period also. He asked if the District would be talking about  
15 approximately a ten-fold increase. Mr. Lewinger stated it would be from five to 10  
16 fold, if all of the excavation was done at the time of construction.

17 Mr. Sharron asked where the projected growth would occur. Mr. Lewinger  
18 stated it was all over the District. Mr. Sharron concluded that he felt the District  
19 should go ahead and do the study.

20 Ms. Sharon Johnson stated that the members of the Otay Water District are  
21 not to be trusted or believed and that she didn't include the present Board in that  
22 statement. She stated as recently as July, 1997, the District was soliciting  
23 information from engineering firms to determine the price of the DG and that a  
24 price of \$2,400,000 was calculated. She said that now the District is saying the  
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1 DG will not be sold. Ms. Johnson read from a letter from Nelson Sloan describing  
2 what might happen at the Regulatory site if hard rock were encountered. Mr.  
3 Lewinger stated that she was reading a letter from Nelson Sloan saying what they  
4 could do; it was never what the District said they were going to do. She stated she  
5 found a lot of what the District said hard to believe.  
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7 There was a discussion about the former plans for the site with Skyline  
8 Wesleyan Church and where the 200 MG tank was to be located.  
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10 Ms. Jane Alfano stated the flyer the school district distributed raised some  
11 concerns in the community and that the information that is out there is very  
12 confusing. She stated she lives near the McGrath site and it is not very pleasant.  
13 Ms. Alfano said she wasn't clear about the urgency of the study. She asked if the  
14 study was not done what would happen. Mr. Lewinger responded that the District  
15 would not be able to remove any more material from the site. Ms. Alfano asked if  
16 the funding was coming from the ratepayers. Mr. Lewinger stated it was and  
17 summarized how the money in the CIP budget is accrued and used on capital  
18 projects.  
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21 Ms. Alfano stated that she urged the Board not to proceed at this point.  
22 She submitted signed letters from approximately 20 residents who couldn't attend  
23 the meeting asking the Board to reconsider DG extraction.  
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25 Director Price said that Mr. Phillips had indicated that the District, after  
26 completing the 20 MG reservoir at Regulatory, did not revegetate the habitat and  
27 that the area had been cleared beyond the limits noted in the EIR. She asked  
28 Staff to explain the status and asked if the District had violated the EIR for the  
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1 project. General Manager Lewinger stated that Mr. Phillips is correct and that  
2 vegetation was removed from the area beyond the construction project and  
3 equipment was on the property beyond the reservoir site. He stated the District  
4 has attempted to revegetate with a native seed which is growing back and the  
5 areas identified for future reservoirs are being kept cleared so that it doesn't  
6 become habitat. Mr. Coleman stated that as far as the annual clearing that occurs  
7 and the "take" that actually did occur is compensated for under U.S. Fish and  
8 Wildlife Service permit and has been mitigated at the mitigation bank off of  
9 Proctor Valley Road.  
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12 Mr. Mike Clements requested a clarification of what the worst-case sce-  
13 nario would be once the mining permit is received because the District would have  
14 a range of activities that would be open to it. He said the District, after spending  
15 money for the permit, could use it to make money by selling DG commercially and  
16 that is what makes the community nervous. General Manager Lewinger stated the  
17 worst case scenario would be what the Board would allow to happen and the  
18 Board doesn't want to see something that would have a negative impact on the  
19 community.  
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22 Mr. Clements stated the community would be a lot happier if there was  
23 some constraint on the upper level of activity allowed. Mr. Lewinger stated that he  
24 and Mr. Tom Harron, the District's attorney, discussed whether there was some  
25 way the District could give a legal binding assurance to the community. Mr. Harron  
26 said a possibility would be the County could issue conditions on the permit. He  
27 said that the District could agree to the County placing conditions on the permit  
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1 and at the same time enter into an agreement with the community giving the  
2 community the right to enforce the permit and providing attorneys' fees if an  
3 enforcement action is brought and the District is found to be in violation.

4 Ms. Sharon Johnson said that once the permit process is started there are  
5 no constraints because the Directors will not be in office six to eight years down  
6 the road and what assurance does the community have that two years from now a  
7 new Board won't come in and overturn everything that the present Board has  
8 decided. President Poveda stated that the only assurance he could give is that his  
9 constituents will hold him accountable for the way he votes and supports their  
10 interests.  
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13 Director Inocentes asked Staff if the study they were proposing would cost  
14 approximately \$69,000. Engineering Department Head Stanton stated that was  
15 correct. Director Inocentes stated if the District proceeded with the study and  
16 people are still opposed to the DG extraction, the District has wasted \$69,000 and  
17 felt he had a problem doing that. Director Price concurred.  
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20 Mr. Clements stated if the Board could find a way to assure the community  
21 that the District would not turn it into a commercial money-making project, he would  
22 support the study.

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24 Mr. Bob Spiegel asked if not doing the study and DG extraction would  
25 preclude the tanks being built for future storage. General Manager Lewinger  
26 stated it would not. Mr. Spiegel stated that he opposed the study.  
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President Poveda reminded everyone that the DG extraction is not being decided today, that the Board was only deciding on whether or not to do a study regarding the extraction.

General Manager Lewinger stated that Staff would like to recommend that the Board direct Staff to cease work on removing DG from the site.

A motion was made by Director Price, seconded by Director Laudner and unanimously carried to direct Staff to cease work on removing DG from the site.

5. Director Inocentes recommended that the General Manager's Report and the Directors' Report be postponed until the regular meeting on January 21<sup>st</sup>.

6. With no further business to come before the Board, the meeting was adjourned at 9:10 p.m.

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President

ATTEST:

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District Secretary