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MINUTES OF THE  
BOARD OF DIRECTORS REGULAR MEETING  
OTAY WATER DISTRICT  
FEBRUARY 4, 1998

1. The meeting was called to order by President Poveda at 1:30 p.m. in the District Boardroom, 2554 Sweetwater Springs Boulevard, Spring Valley, California.

DIRECTORS PRESENT: Directors Watton, Poveda, Laudner, Price and Inocentes

DIRECTORS ABSENT: None

STAFF PRESENT: General Manager Lewinger  
Operations Dept Head Mahanke  
Engineering Dept Head Stanton  
Finance Dept Head Chambers  
Attorney Harron  
District Secretary Bartlett-May  
Others as per attached list

2. After the pledge of allegiance, a motion was made by Director Poveda, seconded by Director Inocentes, and unanimously carried, to pull Item 11, the discussion of the method of sale for the proposed refunding of outstanding debt of ID 27, from the agenda. The Board requested this item be referred back to the existing Finance Committee. The meeting will be held at 8:30 a.m. on March 5 and will be noticed as a special board meeting.

A motion was made by Director Watton, seconded by Director Price, and unanimously carried, to approve the agenda, as amended.



1 Ms. Marzett thanked the Associated Student Body and the Key Club of  
2 Monte Vista High School for the marketing and implementation of the program and  
3 showed slides from the three week-end event. She presented a certificate to each  
4 of the students in the audience and stated many other students had participated  
5 who were unable to attend today.  
6

7 Director Watton presented the check to Principal Barbara Nowak and ASB  
8 Advisor Richard Carlson. He pointed out that the issuance of these toilets will  
9 provide continuous saving of water in the region and the students played an  
10 important part in that.  
11

12 Director Poveda stated the students were responsible for filling out the  
13 forms for the customers, loading the new toilets, and unloading the old toilets so  
14 there was a considerable amount of work put into the event.  
15

16 8. Director Price requested Items 9c and 9d be pulled from the  
17 Consent Calendar. A motion was made by Director Poveda, seconded by  
18 Director Watton, and unanimously carried, to adopt the following items on the  
19 Consent Calendar:  
20

21 a) RESOLUTION NO. 3709

22 A RESOLUTION OF THE BOARD OF DIRECTORS OF  
23 OTAY WATER DISTRICT ACCEPTING WORK  
24 COMPLETED UNDER AN AGREEMENT WITH RANCHO  
25 DEL REY INVESTORS, L.P. FOR CONSTRUCTION OF  
26 WATER FACILITIES FOR "RANCHO DEL REY SPA III,  
27 PHASE 3, UNIT 2, PHASE C, SHEET 7, VIA MONADA,  
28 AND SHEET 10, PLAZA AMPARADO" (WO 8378 – ID 22  
29 AND 27 – DIV 2)

RESOLUTION NO. 3710

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A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT ACCEPTING WORK COMPLETED UNDER AN AGREEMENT WITH RANCHO DEL REY INVESTORS, L.P. FOR CONSTRUCTION OF WATER FACILITIES FOR "RANCHO DEL REY SPA II, PHASE 2, UNIT 1, PHASE A, SHEETS 9 AND 10, HUERTO PLACE, AND SHEETS 12 AND 13, CALLE LAGASCA" (WO 8379 – ID 22 AND 27 – DIV 2)

RESOLUTION NO. 3711

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT ACCEPTING WORK COMPLETED UNDER AN AGREEMENT WITH RANCHO DEL REY INVESTORS, L.P. FOR CONSTRUCTION OF WATER FACILITIES FOR "RANCHO DEL REY SPA II, PHASE 2, UNIT 1, PHASE B, SHEETS 10 AND 11, HUERTO PLACE/PADERA WAY, AND SHEETS 14 AND 15, LAGASCA PLACE" (WO 8380 – ID 22 AND 27 – DIV 2)

RESOLUTION NO. 3712

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT ACCEPTING WORK COMPLETED UNDER AN AGREEMENT WITH RANCHO DEL REY INVESTORS, L.P. FOR CONSTRUCTION OF WATER FACILITIES FOR "RANCHO DEL REY SPA II, PHASE 2, UNIT 1, PHASE C, SHEET 16, PADERA WAY, AND SHEET 17, MOYA PLACE" (WO 8381 – ID 22 AND 27 – DIV 2)

RESOLUTION NO. 3713

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT ACCEPTING WORK COMPLETED UNDER AN AGREEMENT WITH RANCHO DEL REY INVESTORS, L.P. FOR CONSTRUCTION OF WATER FACILITIES FOR "RANCHO DEL REY SPA III, PHASE 1, UNIT 1" (WO 8500 – ID 22 AND 27 – DIV 2)

RESOLUTION NO. 3714

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT ACCEPTING WORK COMPLETED UNDER AN AGREEMENT WITH RANCHO

1 DEL REY INVESTORS, L.P. FOR CONSTRUCTION OF  
2 WATER FACILITIES FOR "RANCHO DEL REY SPA III,  
3 PHASE 1, UNIT 2" (WO 8522 – ID 22 AND 27 – DIV 2)

4 b) RESOLUTION NO. 3715

5 A RESOLUTION OF THE BOARD OF DIRECTORS OF  
6 OTAY WATER DISTRICT AUTHORIZING THE EXECUTION  
7 OF AN AMENDMENT TO THE AGREEMENT WITH  
8 EASTLAKE COMPANY, LLC, FOR CONSTRUCTION OF A  
9 WATER SYSTEM FOR "EASTLAKE SOUTH GREENS –  
UNIT 6, PHASE AD-2, SHEET 4, STA. 22+59.20 TO STA.  
30+00 AND SHEET 5, STA. 30+00 TO STA. 35+82.86" (WO  
8395 – ID 22 AND 27)

10 e) INFORMATIONAL REPORT ON EXISTING DISTRICT PIPELINES  
11 ON THE C. W. MCGRATH PROPERTY

12 f) CALTRANS RELOCATION AGREEMENTS

13 7 i) AUTHORIZATION TO EXECUTE CALTRANS 12-INCH  
14 STEEL WATER MAIN RELOCATION UTILITY AND CONSENT  
15 AGREEMENTS

16 ii) AWARD OF CONTRACT TO RELOCATE 12-INCH WATER  
17 MAIN IN VIA DE LA AMISTAD AT THE COMMERCIAL VEHICLE  
INSPECTION STATION (CIP R036)

18 9. Director Price stated she had pulled Item 9c, Classification Request  
19 for Water Systems Supervisor, because she questioned the retroactive pay. She  
20 stated she had heard at the Special District Board Management Institute that  
21 retroactive pay could not be given unless it was part of the employment contract.  
22

23 Attorney Harron stated there was a court case where it was decided that  
24 this was not a gift of public funds because it is meant to pay for good will and give  
25 the employee a sense that they will be treated fairly.  
26

27 Director Laudner requested Attorney Harron bring a report back to the  
28 Board on that case.  
29

1 Director Watton questioned why comparable water agencies outside the  
2 County were used.

3 Operations Department Head Mahanke stated the District is unique  
4 because this supervisor position handles distribution, water quality and  
5 disinfection. The only other agencies with a similar description were outside the  
6 County.  
7

8 A motion was made by Director Price, seconded by Director Poveda, and  
9 unanimously carried, to approve placement of the Water Systems Supervisor at a  
10 salary grade 11 on the Supervisors' and Managers' salary schedule and that this  
11 change be made retro-active to March 31, 1997, when the incumbent assumed the  
12 duties and responsibilities of the position.  
13

14 10. Director Price stated she had pulled Item 9d, approval of two regular  
15 part-time positions to replace one full-time and one part-time temporary position to  
16 ask several questions.  
17

18 Accounting Supervisor Joe Beachem stated he had a presentation that  
19 would hopefully answer all questions. He stated Staff is asking to reclassify one  
20 full-time temporary position and one part-time temporary position with two regular  
21 part-time positions. This will save the District money in training and temporary  
22 agency fees. It will also provide better coverage in the Department by having two  
23 staff members available during the morning rush. He showed a video of the  
24 remittance processing machine that one of the part-time employees will operate  
25 and described how it is operated.  
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1 A motion was made by Director Price, seconded by Director Poveda, and  
2 unanimously carried, to approve the replacement of one full-time temporary  
3 position and one part-time temporary position with two regular part-time positions.

4 11. Engineer Ron Ripperger stated Staff needs Board approval for the  
5 General Manager to negotiate with the EastLake Company to design and  
6 construct a reclaimed water pump station and reservoir along with associated  
7 pipelines in the EastLake Greens Neighborhood Park. Staff has been working  
8 with EastLake, the City of Chula Vista, other developers and the community to  
9 coordinate the location of the pump station and the reservoir in the EastLake area.  
10 The park site was agreed to in October, 1997 and EastLake is currently scheduled  
11 to begin turnover of the park to the City of Chula Vista in March of 1999. To meet  
12 this schedule, design and construction of the facilities will have to be accelerated  
13 and coordinated closely with the park design and construction. Staff believes the  
14 best solution to minimize schedule conflicts and costs is to allow EastLake to  
15 perform this work. EastLake would hire a construction manager to coordinate the  
16 project and the District would reimburse EastLake for all costs in accordance with  
17 Policy 26. EastLake has agreed under the following conditions: 1) Otay will  
18 directly reimburse all hard and soft costs incurred by EastLake on a monthly basis,  
19 2) Otay will assist EastLake in the preparation of design and construction  
20 documents, 3) Otay will assist EastLake in the selection of a design engineer and  
21 contractor to be in conformance with Policy 26, 4) EastLake will have a project  
22 manager for the single purpose of the construction of the reservoir and this cost  
23 will be considered a project cost and totally reimbursable by Otay, and 5)  
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1 insurance issues regarding joint use of the park site to be agreed to between  
2 EastLake, Otay, and the City of Chula Vista.

3 Director Price inquired how the District would monitor the bills.

4 Mr. Ripperger stated the agreement will provide for this. EastLake will give  
5 the District estimates before any work is done. Also, there will be an inspector on  
6 the job.  
7

8 Engineering Department Head Stanton stated EastLake will have to  
9 comply with District Policy No. 26 and do a competitive bid with a minimum of  
10 three bids with unit price bid contracts which will give the District a lot of control  
11 and should save the District money. They will use pre-qualified bidders and, unlike  
12 the District, can negotiate further with the low bidder. He stated this contract will  
13 come back to the Board for final Board approval after negotiations are complete.  
14

15 Director Inocentes inquired if there would be a selection committee for the  
16 design engineer including someone from the District.  
17

18 Mr. Stanton stated there would be a committee with an Otay representative.  
19 Staff will also include the District's Policy 31 regarding emerging business  
20 enterprise into the contract.  
21

22 General Manager Lewinger stated this will be a buried reservoir and the top  
23 will be part of the park which will be a first for the City of Chula Vista.  
24

25 Opportunities for joint use of facilities and property was one of the items in the  
26 Chula Vista agreement.  
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1 Director Inocentes stated he is concerned about the amount of work that will  
2 be going on in this area between this project and the interconnection pipeline and  
3 requested that a good community relations effort be made.

4 Director Watton stated he has two concerns. One is how the relationship is  
5 set with EastLake, particularly around the soft costs and what the remedies will be  
6 if they don't perform per the District policies. The second is the funding. The  
7 recycled water capacity fee has been set up but the Board has not really had a  
8 close look at how it will perform to fund these type of projects. He stated he would  
9 like to see some analysis of that and how this will perform financially.  
10  
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12 General Manager Lewinger stated the District does not have a separate  
13 reclaimed water capacity fee. It was combined with the potable capacity fee a few  
14 years ago. This was done because reclaimed water was a source of supply to the  
15 water resources system.  
16

17 Director Watton stated he had forgotten that but he would still like to see a  
18 financial review. He inquired if this reservoir was funded at this level in the CIP.  
19

20 Mr. Stanton stated he would have to check but he thinks it was  
21 approximately the same amount.

22 Director Watton stated he would like to understand that this is what was  
23 planned for the site and have it diagramed financially.  
24

25 Mr. Lewinger stated in the future, it might be helpful when a project is  
26 brought forward, if there is a difference in the total project cost and the budgeted  
27 amount in the CIP, Staff can comment on whether that will have an impact on CIP  
28 total cost.  
29

1 Director Watton stated he would also like to know if there would be a timing  
2 difference.

3 Director Laudner questioned where the water will come from.

4 Mr. Stanton stated this water would either come from the Use Area or the  
5 South Bay.  
6

7 A motion was made by Director Inocentes, seconded by Director Price,  
8 and unanimously carried, to authorize the General Manager to enter into  
9 negotiations with the EastLake Company to reimburse them to design and  
10 construct a pump station and reservoir along with associated pipelines in the  
11 EastLake Greens Neighborhood Park.  
12

13 12. Engineering Department Head Stanton reviewed the progress of the  
14 Headquarters project. He stated the move in to the remodeled building should  
15 occur in April.  
16

17 Director Inocentes inquired why there were fewer small business contracts  
18 than with the Operations building. He stated he thought there would be more  
19 opportunities for small business on the Administration building.  
20

21 Mr. Stanton stated there were more contracts under \$25,000 on the  
22 Operations building and the construction manager had more opportunities to  
23 negotiate contracts. In the Administration building everything was on a bigger  
24 scale and there was less flexibility and opportunity to break work into smaller  
25 contracts.  
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1           13.     Finance Department Head Chambers submitted the monthly  
2 financial reports for December 31, 1997 and the cash investments and  
3 receivables for January 31, 1998.

4           14.     General Manager Lewinger reported a contract has been approved  
5 by the Water Conservation Garden Authority in the amount of \$282,991, with  
6 Highland Partnership for construction manager/constructor services. A purchase  
7 order was also authorized for the design work including construction documents in  
8 the amount of \$374,950. There will be a joint board meeting on February 23 with  
9 Helix, Padre Dam, and Otay to discuss the possibility of Padre Dam becoming a  
10 partner in the Garden.  
11

12           He alerted the Board to the media coverage that is sure to be given to the  
13 issue of bromodichloromethanes in the tap water allegedly causing miscarriages  
14 in the first trimester of pregnancy. This issue has arisen out of a study by the  
15 Department of Health Services that has not been released yet. There will be a  
16 workshop at the County Water Authority on February 13 from 8 to 12 on this issue.  
17

18           He also reported on the progress of recruitment for the Administrative  
19 Services Department Head. The eight candidates selected by Dr. Garcia will be  
20 interviewed next Tuesday and Wednesday.  
21

22           15.     Director Watton distributed the top ten priorities of the County Water  
23 Authority Executive Committee. He distributed a handout that CWA staff will use  
24 to discuss staffing levels and budget with the Board. He stated it is interesting to  
25 see how the CWA has grown since he first became a member of the Board. He  
26 also distributed information on the IID transfer. This information was part of a  
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1 presentation for a financial sensitivity analysis regarding the transfer. It was meant  
2 to answer questions that had arisen regarding what the best and worst case  
3 scenarios would be. He stated the result is that the agreement with IID is a good  
4 bargain given the reliability of the water.

5  
6 16. Director Inocentes reported he and General Manager Lewinger met  
7 with consultants from 1040 am radio a few weeks ago to discuss the possibility of  
8 locating their antenna on District property.

9  
10 Mr. Lewinger stated they were to get back to him with a written proposal,  
11 but he has not heard from them. He stated it was his impression that they needed  
12 a site further north, around Santee.

13  
14 Director Inocentes also reported that he attended the State of the County  
15 address.

16  
17 Director Price stated she had received a request from Three Valleys Water  
18 District to concur in the nomination of Bob Kuhn for ACWA/JPIA Executive  
19 Committee.

20 President Poveda requested this be placed on the next agenda.

21  
22 Director Price reported on her attendance at the ACWA Legislative  
23 Committee, and the Special District Board Management Institute. She has also  
24 been invited to participate in the Principal for a Day program.

25  
26 Director Laudner reported that he also attended the Special District Board  
27 Management Institute. He stated his term will expire on the LAFCO Special  
28 District Advisory Committee and he would like to seek re-election. This item will  
29 be placed on the next agenda.

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Director Poveda reported that there was discussion at the Water Conservation Garden meeting regarding the phasing out of the Underwood's contract as others take over their functions. They are now on a month-to-month contract.

15. The meeting was recessed at 3:37 p.m. and was reconvened in Closed Session at 3:47 to discuss performance evaluations for the General Manager and the Legal Counsel and a real property transaction. The Board reconvened in Open Session at 5:30 p.m.

16. With no further business to come before the Board, the meeting was adjourned at 5:31 p.m.

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President

ATTEST:

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District Secretary