

1 MINUTES OF THE
2 BOARD OF DIRECTORS REGULAR MEETING
3 OTAY WATER DISTRICT
4 FEBRUARY 18, 1998

5 1. The meeting was called to order by President Poveda at 1:30 p.m.
6
7 in the District Boardroom, 2554 Sweetwater Springs Boulevard, Spring Valley,
8 California.

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

11 DIRECTORS ABSENT: None

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

17 2. After the Pledge of Allegiance, Director Price requested Item 9 be
18 moved in front of Item 4.

19 General Manager Lewinger stated Agenda Item 8b should be pulled at the
20 landowner's request and that Item 8c should be continued to the April 15 Board
21 meeting.
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23 A motion was made by Director Price, seconded by Director Inocentes,
24 and unanimously carried, to approve the agenda as amended.
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26 3. Ms. Tina Williams, representing the YMCA, submitted their proposal
27 for a water conservation program in partnership with the District to utilize a grant of
28 \$20,000. The proposal included the installation of low flow fixtures, development
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1 of a Xeriscape landscape with appropriate signage to identify plant materials
2 incorporating the seven steps of Xeriscape, providing Otay with a display area for
3 informational and educational literature on water conservation, and coordinating
4 with the District to implement a water conservation educational program for YMCA
5 child care programs and provide in-service training for staff. She stated they have
6 been working with Pam Rega on sample curriculum for the education program.
7 She requested the Board approve a grant in the amount of \$20,000.
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9 Director Laudner stated he thought Staff was to come back with a grant
10 program that everyone could apply for before granting funds to the YMCA.
11

12 General Manager Lewinger stated the Board requested two things at the August
13 20, 1997 meeting where the YMCA originally had requested a waiver of capacity
14 fees. One was that the YMCA prepare a water conservation related program that
15 would warrant a grant of \$20,000 instead of waiving capacity fees. The second
16 item was that Staff would establish a grant fund in the next budget year that any
17 non-profit agency could compete for. He stated it would be helpful if he had an ad
18 hoc committee of Board members to give him guidance. Directors Laudner and
19 Price volunteered. Director Price requested Mr. Lewinger check with neighboring
20 agencies to see if they have similar policies. A policy will be brought back when
21 completed for Board consideration.
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24 A motion was made by Director Price, seconded by Director Inocentes,
25 and carried, with Director Laudner voting no, to authorize a grant of \$20,000 to the
26 South Bay Family YMCA.
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1 4. A motion was made by Director Laudner, seconded by Director
2 Inocentes, and unanimously carried, to approve the Minutes of the Regular
3 Meeting of February 4, 1998.

4 5. After discussion, a motion was made by Director Price, seconded
5 by Director Poveda, and unanimously carried, to approve the Demands as listed.
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7 6. President Poveda inquired if anyone in the audience desired to
8 address the Board on any item not on the agenda. No one wished to be heard.
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10 7. Director Price pulled Items 7c and 7e from the Consent Calendar.
11 Director Laudner pulled Item 7d from the Consent Calendar.

12 A motion was made by Director Laudner, seconded by Director Watton,
13 and unanimously carried, to adopt the following items on the Consent Calendar:
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15 a) RESOLUTION NO. 3716

16 A RESOLUTION OF THE BOARD OF DIRECTORS OF
17 OTAY WATER DISTRICT AUTHORIZING THE EXECUTION
18 OF AN AGREEMENT WITH EASTLAKE DEVELOPMENT
19 CO., A CALIFORNIA GENERAL PARTNERSHIP, FOR
20 CONSTRUCTION OF A WATER SYSTEM FOR
21 "EASTLAKE SOUTH GREENS – UNIT 16" (WO 8726 – ID
22 22/27 – DIV 1)

23 b) RESOLUTION NO. 3720

24 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY
25 WATER DISTRICT CONCURRING IN NOMINATION OF BOB G.
26 KUHN TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION
27 OF CALIFORNIA WATER AGENCIES JOINT POWERS
28 INSURANCE AUTHORITY ("ACWA/JPIA")

29 f) REQUEST FOR APPROVAL TO REIMBURSE PACIFIC
 BELL FOR RELOCATING DUCT BANK - OTAY MESA
 ROAD 24" TRANSMISSION MAIN

1 8. Director Price stated she pulled Item 7c, the purchase of the Use
2 Area by ID 22 from ID 18, because there was one-half million dollars labeled
3 miscellaneous. She inquired what that money represented.

4 Engineering Department Head Stanton stated the money was associated
5 with the work done on ponds at the Use Area including cut off walls, sprinkler
6 systems and a variety of projects that occurred over a five year period. He stated
7 this was an attempt to show that it was reasonable to base the number on either
8 the value of the land as a golf course or the value of what had been invested in the
9 property.
10

11 Director Watton inquired what financial position ID 18 will be in after this
12 transfer of funds.
13

14 Mr. Stanton stated ID 18 has a \$5 million dollar deficit currently so it would
15 have \$1 million after the transfer. This could be used for betterment projects in the
16 ID.
17

18 A motion was made by Director Price, seconded by Director Watton, and
19 unanimously carried, to direct Staff to transfer \$6,240,640 from ID 22 expansion
20 funds to ID 18 betterment funds and complete the transfer of any remaining Use
21 Area land and recycled water facilities to ID 22.
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23 9. Director Laudner stated he pulled Item 7d, award of contract for as-
24 needed contractor services, because he objects to this method of awarding
25 contracts.
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1 Director Price inquired if Staff had obtained written confirmation from
2 Dietrich and Ortiz that they agree not to protest awarding only one contract to Cass
3 Construction.

4 Mr. Stanton stated Staff did not have this in writing.

5
6 Director Watton stated the Board has previously discussed encouraging
7 small business to bid on District projects. He stated this list appears to be an
8 aggregation of small contracts.

9
10 Mr. Stanton stated Staff was striving to get three firms on board to perform
11 this work but there was limited response. The numbers given are not projects but
12 are meant to establish unit prices for certain elements of work. Typically an
13 element of work would involve more than one or two of these items. Staff would be
14 looking for contracts for around \$30,000 to perform potholing, relocate some fire
15 hydrants and other miscellaneous jobs associated with a project. These firms were
16 not really bidding on a project. It's possible they would get no work out of this or
17 they could get \$10,000 to \$20,000 here and there. Engineering checks with
18 Operations to see if they have the time and the manpower to perform the work first.
19
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21 Director Watton stated the nature of a response required for this scope of
22 work is probably more than a small contractor could do. He does not feel a small
23 contractor could do a universal unit pricing, and investigate where the District is
24 and what the possibilities could be. He is not sure this really advances the
25 District's efforts to get small contractors involved. Once small contractors have
26 performed some of these jobs they would have the experience to do a universal
27 bid.
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1 Mr. Stanton stated if the jobs are broken down into smaller amounts, it
2 involves more Staff time to go through the public bid process. Another approach
3 would be for the Board to allow Staff to negotiate up to \$25,000 with a contractor
4 and that would give Staff the flexibility to go to small firms.

5
6 Director Watton stated if that is within existing law, that could be an option.

7 General Manager Lewinger stated that would be within existing law, but the
8 District policy would have to be modified. He stated Staff could modify the policy
9 to allow for informal bidding for projects under \$25,000.

10
11 Director Inocentes stated he would support bringing this policy back to
12 increase the threshold to \$25,000.

13 Director Laudner inquired how it is determined whether the District would
14 perform a job or the contractor.

15
16 Operations Department Head Mahanke stated this is overflow work caused
17 mostly by the CIP projects.

18 Director Price stated ACWA is seeking to change the legislation to
19 increase the \$25,000 amount.

20
21 General Manager Lewinger stated he would have an agenda item on the
22 next agenda supporting that legislation.

23
24 A motion was made by Director Watton, seconded by Director Price, and
25 unanimously carried, to continue this item to the next meeting, and direct Staff to
26 bring back the District bidding policy to discuss increasing the dollar limit to
27 \$25,000 with some controlling guidelines similar to the method used for the
28 headquarters building.
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1 10. Director Price stated she pulled Item 7e because she would like to
2 hear the presentation on the 803-2-3 pipeline mitigated negative declaration.

3 Mr. Mike Coleman, stated this project involves construction of 900 feet of
4 16-inch pipeline that is environmentally complex due to the sensitive habitat. He
5 stated Staff has worked with the wildlife agencies to arrange for needed
6 easements across habitat and worked out complicated environmental permitting,
7 easement and mitigation measures. A mitigated negative declaration has been
8 prepared and public review concluded on February 5, 1998. He stated he has
9 determined that, with the inclusion of specified mitigation measures and
10 attainment of appropriate permits, the proposed project would not have a
11 significant effect on the environment. The proposed project will directly impact .77
12 acres of coastal sage that will be offset via mitigation in the District's mitigation
13 bank with 1.77 acres. He showed photos of the area and, with the aid of Mr. Keith
14 Merkel, of Merkel & Associates, an environmental consultant, described the area
15 and the environmental concerns.
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19 A motion was made by Director Inocentes, seconded by Director Poveda,
20 and unanimously carried, to consider the Mitigated Negative Declaration for the
21 803-2-3 Pipeline, find that the project as proposed will not have a significant effect
22 on the environment because appropriate mitigation measures have been
23 incorporated into the project, and approve the mitigated negative declaration
24 prepared for this project and direct staff to file a Notice of Determination with the
25 County Clerk.
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28 11. President Poveda presented
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RESOLUTION NO. 3717

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TERMS AND CONDITIONS FOR THE ANNEXATION TO OTAY WATER DISTRICT AND IMPROVEMENT DISTRICT NO. 18 OF THOSE LANDS DESCRIBED AS "COTTONWOOD SPRINGS LAND, LOT 15 (VILLARD)" AND ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT AND IMPROVEMENT DISTRICT NO. 18 (WO 8626/DIV 5)

He opened the public hearing at 2:26 p.m. No one wished to be heard regarding this annexation. The public hearing was closed.

Attorney Harron stated this is the procedure Staff is using to comply with Proposition 218 since it is not clear at this point if the application of the availability charge is a new charge or an existing charge.

A motion was made by Director Price, seconded by Director Poveda, and unanimously carried, to adopt Resolution No. 3717.

12. President Poveda requested nominations for the Special Districts Advisory Committee.

A motion was made by Director Price, seconded by Director Inocentes, and unanimously carried, to nominate Director Laudner to the Special Districts Advisory Committee.

13. President Poveda stated he had provided a list of the committee assignments and inquired if there were any modifications.

Director Laudner made a motion to nominate Director Inocentes as the District's representative to the County Water Authority. The motion died for lack of a second.

1 A motion was made by Director Poveda, seconded by Director Price, and
2 unanimously carried, to approve the Committee assignments as listed.

3 14. Attorney Harron reported that it is time to consider the purchase of
4 insurance for the next fiscal year. Jim Swanson, of Swanson Insurance, the
5 District's current insurance provider, has stated that he expects the premium to
6 remain the same or be reduced a small amount for the coming year. If the District
7 stays with Swanson, he would act as our "broker of record" and obtain bids from
8 other companies in order to make sure that the coverage is competitive. Mr.
9 Harron recommended opening up the competition between brokers on a three to
10 four year cycle to make it worthwhile for the brokers to compete. He also
11 recommended that the District test the market with regard to workers'
12 compensation coverage. JPIA has reduced the premiums significantly but the
13 District has never checked the market for workers' compensation coverage and
14 Mr. Harron felt this should be done to make sure this is competitive. He stated the
15 District has been very happy with the level of service provided by the JPIA
16 including the training that has been provided and he feels it will be very hard for
17 another company to compete with the JPIA.

18 General Manager Lewinger stated the value of the training provided by the
19 JPIA is approximately \$17,000 and that will be taken into account.

20 Director Price stated the JPIA is moving in-house and she would want to
21 make sure that all references of competing agencies were checked to see what
22 kind of track record they have.

1 A motion was made by Director Poveda, seconded by Director Inocentes,
2 and unanimously carried, to authorize Staff to renew the typical package of
3 insurance with Swanson Insurance Company and test the market by seeking bids
4 on workers' compensation coverage.

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6 15. General Manager Lewinger presented the Administrative Services
7 Department monthly report. He pointed out that the number of student tours has
8 doubled and next year it will be necessary to hire another person to help Pam
9 Rega.

10
11 Director Inocentes inquired how it was determined which schools would be
12 participating in the toilet program and why the program was limited to high
13 schools. He stated he felt the south bay should be represented.

14
15 General Manager Lewinger stated this is strictly a high school program at
16 this time.

17
18 Jan Tubiolo, Water Conservation Coordinator, stated she had attempted to
19 get Bonita Vista High School involved but they did not wish to participate.

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21 Director Inocentes recommended using other high schools even if they are
22 outside the District. He stated the students could use another location within the
23 District for the program.

24
25 Ms. Tubiolo stated she would have to obtain the approval of the water
26 district the high school is in and some agencies were reluctant to have this
27 program in their District.
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1 16. Operations Department Head Mahanke submitted the monthly
2 Operations report. He reported that the District is still serving a portion of
3 Sweetwater Authority because they are still working on some reservoirs.

4 17. Engineering Department Head Stanton submitted the monthly
5 engineering and planning report and the status report for CIP projects.
6

7 18. Attorney Harron submitted the General Counsel Report for February.
8 Director Laudner inquired why employees were getting retroactive pay for
9 as far back as 1995.
10

11 General Manager Lewinger stated the practice is now 90 days maximum.
12 He stated reclassifications should be made by a deadline and then there would be
13 a window of time for making the reclassification effective.
14

15 Director Poveda stated he does not think there should be any retroactive
16 pay necessary. He suggested a period of time be provided for submittal of
17 reclassification requests and, if approved, they would become effective July 1 so
18 they could be included in the budget.
19

20 General Manager Lewinger stated this would be something for the new
21 department head to work on.

22 19. General Manager Lewinger reported a Board Meeting has been
23 scheduled for next Wednesday, February 25 at 1:00 p.m. with Larry Marion of
24 Human Resource Management Specialists. He also reported that the District has
25 been asked to host a breakfast meeting on March 23 at 7:30 a.m. which will
26 feature Congressman Bob Filner.
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1 20. Director Watton reported the County Water Authority has held a
2 couple meetings on the IID transfer. They also discussed the financial plan to fund
3 emergency storage. At the Metropolitan Water District meeting there was a vote
4 of the Board to appeal the wheeling validation lawsuit. He stated there was a
5 violation of the Brown Act and CWA will be sending a letter requesting they fix that
6 violation and request that Metropolitan conduct the public's business in public.
7

8 21. Director Price reported on her attendance at the Sweetwater
9 Authority open house, the engineering committee where on call environmental
10 service firms were interviewed, the Building Steering Committee, and the ACWA
11 Legislative Committee. She stated there is an ACWA Legislative Workshop on
12 March 17 and 18 and she wondered if the Board would be interested in moving
13 the March 18 Board meeting so they could attend. It was concluded the March 18
14 meeting would not be moved.
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17 Director Poveda reported that he attended the Water Conservation
18 Steering Committee. They are still aiming for a grand opening date of December
19 31, 1998.
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21 22. President Poveda called for a recess at 3:42 p.m. The meeting
22 reconvened in Closed Session at 3:50 p.m. to discuss the performance
23 evaluations for the General Manager and Legal Counsel. The meeting was
24 reconvened in Open Session at 5:10 p.m.
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26 23. With no further business to come before the Board, the meeting was
27 adjourned at 5:10 p.m. to February 23, 1998 at 3:00 p.m. at the Helix Operations
28 Center.
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President

ATTEST:

District Secretary