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MINUTES OF THE  
BOARD OF DIRECTORS REGULAR MEETING  
OTAY WATER DISTRICT  
AUGUST 5, 1998

1. The meeting was called to order by President Poveda at 1:35 p.m. in the District Boardroom, 2554 Sweetwater Springs Boulevard, Spring Valley, California.

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

DIRECTORS ABSENT: None

STAFF PRESENT: General Manager Lewinger  
Operations Dept Head Mahanke  
Engineering Manager Mumford  
Finance Dept Head Chambers  
Attorney Harron  
District Secretary Bartlett-May  
Public Affairs Assistant Favorite-Hill  
Others as per attached list

2. After the pledge of allegiance, a motion was made by Director Price, seconded by Director Inocentes, and unanimously carried, to approve the agenda.

3. Director Inocentes requested that more of his questions to Mr. Caulder, Mr. Bickler, and Mr. Asaro be included in the minutes of July 22, 1998. These minutes will come back to the next Board meeting for approval.

A motion was made by Director Price, seconded by Director Inocentes, and unanimously carried, to approve the Minutes of the Regular Meeting of July 15, 1998.



1           Operations Department Head Mahanke stated Mr. Cass had started as a  
2 Water Systems Operator I and progressed to an Systems Operator III. Mr. Cass  
3 has also obtained his Distribution Operator certification from the State.  
4

5           President Poveda thanked Mr. Cass for his years of service to the District  
6 and stated it speaks well of the District that employees stay so long.

7           7.       Director Poveda stated there has been a request to pull Con-  
8 sent Calendar Item 8d; Director Laudner pulled Item 8n; and Director Price  
9 pulled Items 8h, 8i, 8k, and 8m.  
10

11           A motion was made by Director Poveda, seconded by Director Ino-  
12 centes, and unanimously carried, to adopt the remaining Consent Calen-  
13 dar.  
14

15           8.       Attorney Harron stated Mr. Dawson has requested relief from  
16 the sewer annexation charges based on his prior grant of a sewer ease-  
17 ment in which Vista Grande Highlands constructed a sewer main. As a re-  
18 sult of the conveyance of the easement, Mr. Dawson was excluded from the  
19 reimbursement agreement and can connect to that sewer without reim-  
20 bursement to the contractor. Mr. Harron recommended the request be de-  
21 nied because there is no basis for relief. Everyone pays their fair share of  
22 the costs of the facilities through the annexation charge and if the District  
23 were to excuse Mr. Dawson from paying the fee, other customers would  
24 have to pay a higher charge. Mr. Harron stated Mr. Dawson has already  
25 been compensated for the sewer easement by getting a connection without  
26 reimbursement.  
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29

1 Attorney Kenneth Lange, representing Mr. Dawson, stated Mr. Dawson  
2 granted an easement in 1990 or 1991 to enable the developer of the  
3 adjacent property to install a sewer main that eliminated the need for a  
4 sewer pump station. Mr. Dawson also granted an easement to the District  
5 at no cost in 1964. Mr. Dawson did not have plans to build on his property  
6 at the time he granted these easements. He has now completed develop-  
7 ment plans and will be required to move the sewer main to accommodate  
8 his plans as well as annex to an improvement district. Mr. Dawson is not  
9 asking for a total waiver of the annexation fees, but some consideration  
10 from the Board for a reduction of those fees. Mr. Lange stated he was not  
11 indicating that there was ever any communication from the District that  
12 these fees would be waived or reduced but there were some assumptions  
13 made.  
14

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16  
17 Director Watton stated he did not see anything in the correspon-  
18 dence provided by Mr. Lange that would give anyone the idea that the an-  
19 nexation fees would be waived or reduced.  
20

21 Attorney Lange stated Mr. Dawson gave the easement voluntarily,  
22 not knowing what his development plans would be, and now the sewer line  
23 is of no value to him and he is just asking for at least some consideration.  
24

25 Director Watton stated he could not see any nexus between the an-  
26 nexation fees and the easement Mr. Dawson granted for the neighboring  
27 developer.  
28  
29

1 Director Poveda stated all ratepayers must pay their share and if Mr.  
2 Dawson does not pay his share, other ratepayers must assume that bur-  
3 den. Mr. Dawson did benefit by having the reimbursement fees waived.  
4

5 Director Inocentes stated Mr. Dawson should have negotiated this  
6 when he granted the easement. He cannot support this considering the ab-  
7 sence of documentation.  
8

9 A motion was made by Director Poveda, seconded by Director Ino-  
10 centes, and unanimously carried, to deny Mr. Dawson's request.

11 9. Director Price stated she pulled the item regarding the Nextel  
12 lease because she could not tell from the map where the antennae would  
13 be located on East H Street.  
14

15 Staff explained that it would be located at the 22-2 Reservoir site.

16 A motion was made by Director Price, seconded by Director Inocen-  
17 tes, and unanimously carried, to authorize the General Manager to enter  
18 into two leases with Nextel for the installation of communications antennae  
19 upon review and approval of the plans by Staff.  
20

21 10. Director Price stated she pulled the item regarding the rebate  
22 because she was not aware that the irrigation penalties were being placed  
23 in the rate stabilization fund.  
24

25 Finance Department Head Chambers stated the irrigation penalties  
26 up to 1997 were going into the rate stabilization fund but since then they  
27 have been used for operating costs.  
28

29 Director Inocentes inquired if the interest was also going into the  
rate stabilization fund.

1 General Manager Lewinger stated it was.

2 A motion was made by Director Price, seconded by Director Inocen-  
3 tes, and unanimously carried, to direct Staff to rebate approximately \$1.5  
4 million to eligible water customers as a credit on their water bill beginning  
5 September 1, 1998.  
6

7 11. Director Price stated she pulled Item 8k regarding the Daley Ranch  
8 Ground Water Study Funding to ask if there was any further information on the  
9 item.  
10

11 General Manager Lewinger stated the District has been working with the  
12 Fish and Game to identify whether or not there are adequate groundwater re-  
13 serves. The first phase of the study indicated there could be cost-effective wells.  
14

15 Engineer Mumford stated a contract will be brought back to the next meet-  
16 ing for the Phase II study.

17 A motion was made by Director Price, seconded by Director Laudner, and  
18 unanimously carried, to authorize Staff to execute a Joint Participation Agreement  
19 for Financial Assistance Program Funding with the San Diego County Water Au-  
20 thority for Phase II of the Daley Ranch Groundwater Feasibility study for \$50,000.  
21

22 12. Director Price stated she pulled Item 8m because the consultant is  
23 here and she would like to hear their presentation.  
24

25 Mr. Craig Benedetto and Mr. Marc Wolfsheimer of Stoorza, Ziegaus &  
26 Metzger, presented the public relations and community outreach program that they  
27 will use to inform and educate the pipeline route residents, minimize public incon-  
28 venience, and gain positive recognition and media coverage for the District during  
29 construction and through completion of the project.

1 Director Inocentes inquired if they would be contacting the new prison facil-  
2 ity being constructed with private contractors.

3 Mr. Benedetto stated he would find out what their plans are.  
4

5 Director Price stated she is glad their offices are in San Diego because the  
6 District likes to work with local firms. She asked if the target audience would in-  
7 cluded the Chambers of Commerce.

8 Mr. Benedetto stated they are included in the list.  
9

10 Director Price inquired about the signage for the program.

11 Mr. Benedetto stated there would be signs including a hot line number for  
12 the public to call.

13 A motion was made by Director Poveda, seconded by Director Laudner,  
14 and unanimously carried, to accept the informational report.  
15

16 13. Director Laudner stated he pulled Item 8n because the Staff Report  
17 indicated there was a minor irregularity in the bid but he is concerned because the  
18 low bidder does not have the correct license for the job.  
19

20 Engineer Bart Mumford stated the contract documents call for the contrac-  
21 tor to have a Class C-33 license for painting the reservoir but Leos, Inc., the low  
22 bidder has a Class B license. Leos, however, does have a subcontractor who  
23 holds a Class C-33 license, but they did not list them in the bid documents.  
24

25 Ms. Marisela Gianoussopoulos, with Leos, Inc., stated they did not feel list-  
26 ing the subcontractor was necessary because the Code states that for any job  
27 where there are multiple trades, a contractor with a Class B license can bid. She  
28 stated she had provided documentation to show that they did have a price quote  
29

1 from the painting subcontractor before the bid was submitted. She stated it was  
2 the painting subcontractor who brought the bid to the District.

3 Directors Price and Laudner expressed concern that waiving this irregular-  
4 ity would set a precedent.

5  
6 Director Inocentes asked if the District had checked the references of the  
7 painting subcontractor.

8  
9 Mr. Mumford stated the references of Leos, Inc., the prime contractor had  
10 been checked but not those of the subcontractor.

11 Director Inocentes inquired if Leos, Inc. is a disadvantaged business enter-  
12 prise.

13  
14 Ms. Gianoussopoulos stated they were not. She added that they had not  
15 received the minutes from the pre-bid meeting until after they had submitted the  
16 bid to the District and that is where the question about listing the subcontractors  
17 was answered.

18  
19 Director Watton stated, from time to time, the District gets requests to  
20 waive irregularities and has done so in the past.

21 Director Inocentes inquired if the District could reject all bids.

22  
23 Attorney Harron stated the District can reject all bids, award the bid to the  
24 next lowest bid, or waive the irregularity. He stated the facts are different in each  
25 case and the Board makes its decisions based on the situation which does not set  
26 a precedent for the next case.

27  
28 Director Laudner stated the District should be careful and make sure it gets  
29 responsible contractors or it will end up with another situation like it experienced  
with Kay Construction.

1 Director Poveda stated since the District would not be setting precedent,  
2 and it is the Board's desire to help small businesses, he could support waiving this  
3 irregularity today.

4  
5 A motion was made by Director Poveda, seconded by Director Watton,  
6 and carried, with Director Laudner voting no, to authorize the General Manager to  
7 execute a construction contract with Leos Inc. for a contract amount not-to-exceed  
8 \$84,400 for the 520-1-2 Reservoir Painting Project.

9  
10 14. President Poveda called for a recess at 3:00 p.m. The meeting was  
11 reconvened at 3:15 p.m.

12  
13 15. General Manager Lewinger stated that Staff met with Mr. Bonilla last  
14 week to update him on the situation at the Use Area and see if there was any other  
15 property he could use for his radio station's antennae. Two sites were identified  
16 but only one was feasible. This site is the 50 acres near Patzig Reservoir. Part of  
17 this property is restricted because of the proposed lined and covered reservoir but  
18 there are 13 acres to the east and 12 acres to the west of that proposed reservoir  
19 location that would be available. An operations yard is proposed for this property  
20 as well but there could probably be a joint use. Staff is checking but it is believed  
21 that a portion of the parcel has a right of first refusal to Otay Ranch if the District  
22 does not use the parcel for District purposes. The parcels surrounding the Patzig  
23 Reservoir are encumbered with District and CWA pipelines. The I-125 freeway  
24 will be to the east and there will be residential property to the north and west.

25  
26  
27 Mr. Augie Bereño stated they visited the sites and found the Patzig site to  
28 be feasible with respect to the FCC requirements and the engineers' analysis. He  
29 stated Mr. Bonilla would urge the Board to move forward to the next step and

1 driven by fair market value, they can come to lease arrangements that will be re-  
2 spectful, useful and economically rewarding to both parties. He added that they  
3 want this mono-pole area to be consistent with the development of the District. He  
4 proposed that if it is the District's intent to move forward with development of the  
5 property, in order to remain consistent, they will incorporate their effort with the  
6 District's effort. He requested the Board direct Staff to commence preparing a  
7 lease, to allow them to incorporate their permit processing effort into the District's  
8 permit processing with the City of Chula Vista. They are ready to do design work  
9 and they have performed some preliminary environmental analysis. They are at a  
10 point where they can move to the next step in a cooperative and fair market fash-  
11 ion. He stated Mr. Bonilla is here today if the Board has any questions.  
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15 Director Watton asked if the District was ready to begin processing any-  
16 thing with the City of Chula Vista.

17 General Manager Lewinger stated the District has identified necessary  
18 storage on this property but the District is not ready to proceed with the City.  
19

20 Director Inocentes asked if the District decides to build parking lots or lay  
21 asphalt, would that be a problem?  
22

23 Mr. Bereño stated that would not be a problem.

24 Director Laudner asked if Mr. Bonilla was prepared to purchase the prop-  
25 erty or lease it?

26 Mr. Bereño stated Mr. Bonilla would be willing to look at both options.  
27

28 Director Watton stated he felt Staff could proceed with a letter of intent. He  
29 would support the Board hiring consultants to calculate the real estate uses and  
value of such a lease.

1 Attorney Harron stated he spoke to people in this business who told him  
2 they typically look at what other uses they could put the property to and based the  
3 lease on that. He does not think there is a market out there.  
4

5 Mr. Bereño stated Mr. Bonilla could direct Staff to some individuals who  
6 could help with this.

7 A motion was made by Director Price, seconded by Director Inocentes,  
8 and unanimously carried, to proceed with a letter of intent with KURS Radio and to  
9 authorize Staff to hire a consultant as necessary, for an amount not to exceed the  
10 General Manager's authority.  
11

12 16. General Manager Lewinger reported that a meeting was held this  
13 past Monday with representatives from the Mexican State Water Agency respon-  
14 sible for water service in the Tijuana Water area. The result was that BEC will start  
15 to process grant application paperwork through Tijuana to help pay for the Dis-  
16 trict's emergency intertie from the CWA connection at Lower Otay to the Mexican  
17 Border. A follow-up meeting will be scheduled to begin discussing details.  
18  
19

20 He reported that the City of San Diego Natural Resources and Cultural  
21 Committee met last week and approved the agreement between Otay and the  
22 City. There may be some minor word changes to satisfy bond counsel but then it  
23 will go to the full City Council in mid-September with a recommendation for ap-  
24 proval.  
25

26 Mr. Lewinger reported that a meeting has been scheduled on August 20  
27 with developers to discuss the Conservation Garden with them and their possible  
28 donations.  
29

Director Laudner inquired if the County had donated to the Garden.

1 Mr. Lewinger stated they had waived the drainage fees which were ap-  
2 proximately \$9,000.

3 He also reported on his attendance at the Biomed luncheon last Friday on  
4 Otay Mesa and a "get acquainted" meeting scheduled with Dave Rowlands, the  
5 new Chula Vista City Manager.  
6

7 17. Director Watton stated that the Urban Water Institute report for July  
8 indicated that the Colorado River Board had joined the Institute and there would be  
9 a conjunctive August meeting. Wayne Clark, who is the Executive Director of the  
10 Urban Water Institute, and the President of the Partnership which, in Mr. Watton's  
11 opinion, is actively and fully engaged in trying to frustrate the wheeling of IID water  
12 through Metropolitan which has been referred to the Attorney General for some  
13 things the Partnership did under Mr. Clark's direction. In his opinion, the August  
14 workshop is tilted against San Diego despite San Diego's efforts to be repre-  
15 sented there on various panels. He explained that Jerry Zimmerman of the Colo-  
16 rado River Board wanted to go to the workshop and was told it would be cheaper  
17 to pay as if he was a member which he did. Mr. Zimmerman had asked about ho-  
18 tel space to hold a Colorado River Board meeting. Mr. Watton wanted to make it  
19 clear that the Colorado River Board had not joined the Urban Water Institute and it  
20 is not a conjunctive meeting.  
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25 18. Director Inocentes reported on his attendance at the Interagency  
26 meeting last Monday. He and General Manager Lewinger also attended a meet-  
27 ing with former Baja Governor Ruffo to talk about the transfers and they offered  
28 their services to work the Mexican side for us. He also reported he attended the  
29 District's open house and he thought it went very well.

1 Director Price stated she attended the City of San Diego Natural Re-  
2 sources and Cultural Committee also. She congratulated Director Laudner on his  
3 election to the LAFCO Special District's Advisory Committee. She stated she  
4 was sorry to have missed the open house but she understood it to be a great suc-  
5 cess and she congratulated everyone involved.  
6

7 Director Laudner also complimented Staff for the success of the open  
8 house. He reported he received a letter from LAFCO regarding property that  
9 Sweetwater Authority wants to deannex from Otay and annex into their District.  
10

11 General Manager Lewinger stated Sweetwater Authority purchased some  
12 property around Sweetwater Lake and they would like to annex it into their District.  
13 They were told it would not be a problem as long as they paid all the necessary  
14 fees.  
15

16 Director Poveda stated he also attended the Interagency meeting where  
17 the redesignation of the groundwater basin was discussed. He thanked Staff for  
18 the successful open house. He stated he was excited about the Conservation  
19 Garden meetings at the museum and that the President of Southwestern College  
20 has expressed interest in having something similar to the garden at Southwestern.  
21

22  
23 19. The Board went into Closed Session at 4:03 p.m. to discuss real  
24 property transactions and negotiations with the employee organizations. The  
25 meeting was reconvened at 5:04.

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27 20. With no further business to come before the Board, the meeting was  
28 adjourned at 5:05 p.m.  
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President

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2 ATTEST:

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6 Assistant District Secretary  
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