

1 MINUTES OF THE
2 BOARD OF DIRECTORS REGULAR MEETING
3 OTAY WATER DISTRICT
4 AUGUST 19, 1998

5
6 1. The meeting was called to order by President Poveda at 1:33 p.m.
7 in the District Boardroom, 2554 Sweetwater Springs Boulevard, Spring Valley,
8 California.

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

11 DIRECTORS ABSENT: Director Inocentes (arrived at 1:43 p.m.)

12 STAFF PRESENT: General Manager Lewinger
13 Operations Dept Head Mahanke
14 Engineering Depart Head Stanton
15 Finance Dept Head Chambers
16 Admin Dept Head Alvarez
17 Attorney Harron
18 Assistant District Secretary Smith
19 Public Affairs Administrator Cassens
20 Others as per attached list

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

24 3. A motion was made by Director Watton, seconded by Director Pov-
25 eda, and unanimously carried, to approve the Minutes of the Special Meeting of
26 July 22, 1998 and the Minutes of the Regular Meeting of July 15, 1998.

27 4. After discussion, a motion was made by Director Poveda, seconded
28 by Director Price, and unanimously carried, to approve the Demands as listed.
29

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

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

6. Director Laudner requested that Items 7b, 7d and 7e be pulled from the Consent Calendar.

A motion was made by Director Price, seconded by Director Watton, and unanimously carried, to adopt the following items on the Consent Calendar:

- a) RESOLUTION NO. 3758

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TERMS AND CONDITIONS FOR THE ANNEXATION TO OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT OF THOSE LANDS DESCRIBED AS "APN 502-022-36, RIGGS" AND ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT (WO 8686/DIV 3)

- c) AUTHORIZATION FOR STAFF TO ISSUE A PURCHASE ORDER/CONTRACT TO CASA VERDE LANDSCAPE FOR A ONE YEAR PERIOD FOR \$780 PER MONTH WITH AN OPTION FOR TWO ADDITIONAL YEARS

- f) DEFERRAL OF SARAGUSA ANNEXATION TO SEPTEMBER 2, 1998

7. President Poveda presented
- ORDINANCE NO. 470
- AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT AMENDING SECTION 2.01 C OF THE CODE OF ORDINANCES PERTAINING TO AUTHORITY OF THE GENERAL MANAGER

1 Director Laudner stated he pulled Item 7b because he was opposed to it.
2 Director Price asked if Staff had checked with any other Districts to see
3 what their authorization amounts were for the General Manager. Purchas-
4 ing Manager Dobrawa stated he had contacted Sweetwater Authority and
5 Helix and that their General Managers' authorizations were \$7,500 for
6 Sweetwater and \$8,000 for Helix. Mr. Harron stated that the Board had
7 previously given the General Manager more authority with regard to change
8 orders and the Purchasing Department recently requested that a change in
9 authorization be made for purchases. Director Laudner stated he felt this
10 was removing authority from the Board.
11
12

13 A motion was made by Director Watton, seconded by Director Price
14 and unanimously carried, that the ordinance be amended to increase the
15 General Manager's authority to \$15,000 for purchases.
16

17 8. Director Laudner stated he was curious about depreciation
18 being included in the Agreement between the District and CalTrans for
19 pipeline relocation when the District had prior rights. Engineering Depart-
20 ment Head Stanton stated that, as long as he has been at the District, in-
21 cluding depreciation as part of a credit has been the practice. He stated
22 CalTran's standard agreements with all utilities requires that depreciation of
23 the pipe be accounted for so that CalTrans wouldn't be paying for replace-
24 ment of a pipe that was ready to be abandoned. Mr. Stanton stated that
25 Staff had tried to negotiate to remove the depreciation terms in the Cal-
26
27
28
29

1 Trans agreement but that CalTrans was not agreeable. He also stated that
2 some of the developer contracts also contained depreciation terms.

3 Director Inocentes arrived at 1:43 p.m.

4 Director Watton asked if the District had a prior right how CalTrans
5 could force the District into moving their pipeline at CalTrans' terms. Attor-
6 ney Harron stated that CalTrans could seek to acquire through condemna-
7 tion in which case they would have to pay fair market value, which would
8 have a depreciation component to it.
9

10
11 Director Watton asked that Staff present at the next Board Meeting
12 a summary of the agreements that the District has entered into with devel-
13 opers where depreciation has been an element of the agreement.

14
15 A motion was made by Director Poveda, seconded by Director Wat-
16 ton and unanimously carried, to authorize the General Manager to execute
17 a utility agreement between the District and CalTrans for utility relocation
18 along the SR 125 Stage II Road Construction Project.

19
20 9. Director Laudner stated that he would withdraw his request to
21 have Item 7e pulled.

22 A motion was made by Director Watton, seconded by Director
23 Laudner and unanimously carried, to authorize the General Manager to
24 execute a contract with the City of San Diego to receive grant funds avail-
25 able from the United States Department of the Interior, Bureau of Reclama-
26 tion for Telegraph Canyon Recycled Water Main Project, Pond No. 4 Cover
27
28
29

1 And Lining Project and the 16" Recycled Water Line in Otay Mesa Road
2 from Heritage to La Media.

3 10. Engineering Manager Mumford stated that Staff was asking
4 the Board to approve an increase in the as-needed environmental services
5 from \$100,000 to \$200,000 per firm for the current year. He stated that due
6 to the number of CIP projects being moved through the environmental proc-
7 ess, as well as the work required for the golf course, the District's use of the
8 annual consultants has increased. Mr. Mumford made a brief presentation
9 which showed the projects being worked on by the four environmental con-
10 sulting firms. He stated that the Engineering Department did receive ap-
11 proval for a new staff position this year but that position has not yet been
12 filled. Until that position is filled, the work will be handled by the annual con-
13 sultants.
14

15
16
17 Mr. Mumford said the contracts are currently under \$100,000 but
18 there are upcoming projects that will take the amount over \$100,000 and
19 therefore Staff is requesting the limit be increased to \$200,000 for the cur-
20 rent year. He stated that Staff feels next year the \$100,000 limit per con-
21 sultant will be sufficient. General Manager Lewinger stated that this year
22 the groundwater study and the golf course projects are in excess of
23 \$250,000 in environmental work.
24

25
26 A motion was made by Director Watton, seconded by Director Ino-
27 centes and unanimously carried, to authorize the General Manager to in-
28 crease the as-needed environmental services contract limits to \$200,000
29

1 per firm for the current year for Recon, Helix Environmental Planning, P&D
2 Environmental Services and Environmine.

3 11. Engineering Manager Mumford made a brief presentation
4 regarding the history of the Daley Ranch and the Daley Ranch Phase IIA
5 Groundwater Study. He stated that in April, 1998, the Board directed Staff
6 to proceed with Phase II of the Daley Ranch groundwater exploration. He
7 said the area was composed of two groundwater basins, Dulzura and
8 Jamul. The Dulzura Basin is a deep alluvial aquifer, the larger of the two
9 basins and the City of San Diego transports their water through the Dulzura
10 Basin. He stated that the Jamul Basin is more shallow but there is potential
11 for some shallow and deep aquifers.
12
13

14 Mr. Mumford stated that the Trust for Public Lands has purchased
15 about 4,100 acres of the ranch and are in the process of transferring the
16 ownership of it to Fish and Game. A management plan is currently being
17 developed by Fish and Game for this property and Otay has the potential of
18 becoming part of that plan by using that area as part of the District's
19 groundwater program. He stated that Phase 1 was a small study to look at
20 existing records, sample the water and field visits which concluded that
21 there is potential there and worth pursuing further. He said that one of the
22 potential returns is that over a 10 year-period the District could see a return
23 of \$3,000,000 to \$6,000,000. Staff met with Fish and Game which was re-
24 ceptive in including Otay in their management plan.
25
26
27
28
29

1 Mr. Mumford said the issues to be addressed in Phase II would be
2 developing the actual physical data, looking at the wells, doing draw-down
3 tests, and developing data to come up with a cost-benefit analysis to see if
4 the project is worthwhile. He stated that Fish and Game is very interested
5 in the project not having any impact on the land and habitat and what miti-
6 gation measures would be needed, if any. He stated the Phase II objec-
7 tives are: where does the groundwater exist in the basin, what is the extent
8 of the basin, determining if there is more than one aquifer within the basins,
9 determining what the safe yields and draw-downs are, evaluating whether it
10 can be used only for emergency storage or on a regular basis, developing
11 the cost-benefit analysis to decide whether the project is viable, identifying
12 and addressing community issues, and pilot well drilling to check existing
13 wells. He stated that Phase IIB would include drilling of additional wells. He
14 stated the District is using a consultant to do the study because Fish and
15 Game is very anxious to get this information completed for inclusion in their
16 plan.

21 A motion was made by Director Inocentes, seconded by Director
22 Poveda and unanimously carried, to authorize the General Manager to exe-
23 cuted a Task Order with EnviroMine in the amount of \$67,851 to prepare
24 the Daley Ranch Phase IIA Groundwater Study.

26 12. The Board went into Closed Session at 2:45 p.m. to discuss real
27 property transactions. The meeting was reconvened at 3:15 p.m.

1 13. President Poveda stated there was discussion regarding the Golf
2 Course at the Use Area during closed session.

3 Director Inocentes stated he was going to abstain because he had not had
4 sufficient time to thoroughly review the agreement.

5 A motion was made by Director Price, seconded by Director Watton and
6 carried, with Director Inocentes abstaining, to authorize execution of the Golf
7 Course Lease for the Use Area.
8

9 Mr. Mike Strode stated the last two weeks involved a lot of work by Staff
10 and he appreciated the effort involved.
11

12 14. Administrative Services Department Head Alvarez presented his
13 Department's monthly report. He stated that each of the Board Members had re-
14 ceived a copy of the new Teacher Resource Packet prepared by Staff. Director
15 Poveda complimented Staff on the educational program and Director Price com-
16 mended Pam Rega for her work on the program.
17

18 Director Poveda mentioned that he had an opportunity this past summer to
19 have staff development and leadership training with staff and students from
20 Southwestern College at the District facilities. He stated that while they were here,
21 he gave them a tour of the District and that everyone was quite impressed. Direc-
22 tor Poveda stated that he felt the District needed to explore the possibility of get-
23 ting the public here on a regular basis to tour the Operations and Administrative
24 Buildings.
25

26 Director Poveda mentioned that he noticed on the Recruitment/Promotion
27 Table that there was a wide-range in the number of applicants for positions and he
28
29

1 was wondering why there was such a discrepancy in the number of applicants. He
2 said that he feels competition is good and gets the District the best people. He
3 believes the discrepancy is because of the present hiring practice.

4 General Manager Lewinger said that if the District had two fully-qualified
5 candidates then external candidates are not considered.
6

7 Director Poveda stated he wanted to revisit the present hiring and promo-
8 tion practice and convene a Personnel Committee Meeting for reconsideration of
9 this policy.
10

11 15. Operations Department Head Mahanke presented his Department's
12 monthly report. Mr. Mahanke stated that Staff assisted Sweetwater Authority with
13 disinfection of one of their reservoirs. He said earlier this month the District sup-
14 plied a water truck at the soccer fields for the Special Olympics at the Arco Olym-
15 pic Training Center.
16

17 16. Finance Department Head Chambers presented the monthly finance
18 reports. She stated that the District projection of water sales was within 1.5% for
19 the year and the Administrative Expenses were under budget by \$5,000 or .4%.
20 She updated the Board on the payments made by credit card and stated the pro-
21 gram was running very well. Ms. Chambers said the average rate for the COP is-
22 sue was 3.3%. The RFP for the investment advisor was mailed on August 18th
23 and Ms. Chambers gave the Board a list of the names that received RFPs. She
24 stated the information is available on the District Web site and the deadline for
25 proposals is September 25, 1998. General Manager Lewinger told the Board
26
27
28
29

1 that, if they knew of any other investment firm that would be interested in submitting
2 a proposal, they should encourage them to do so.

3 17. Engineering Department Head Stanton presented his monthly Engi-
4 neering and Planning Department Report and the monthly status report for CIP
5 projects. Mr. Stanton stated that development is increasing at an aggressive pace
6 and the District sold 141 meters last month. He stated the projection graph in the
7 Staff Report needed to be corrected to show a projection of 120 meters for the
8 month and that they are projecting 1,400 to 1,800 meters to be sold this year.
9

10
11 18. Attorney Harron presented the monthly General Counsel report. He
12 stated that with regard to the Montion claim the County has agreed to assume li-
13 ability. Mr. Mahanke is preparing a statement showing the District's costs to be
14 submitted to the County and requested Mrs. Montion pursue this claim with the
15 County. Attorney Harron stated that the District had received \$90,000 from New
16 Millenium as compensation for their easement.
17

18 19. General Manager Lewinger reported that he had a meeting with
19 Dave Rowlands, the new City Manager in Chula Vista, and discussed different is-
20 sues including the golf course and use of reclaimed water, both of which he sup-
21 ported. General Manager Lewinger stated that the City is pursuing putting in a
22 gray water system in one of the subdivisions in Chula Vista and is working on
23 ways to finance it.
24
25

26 General Manager Lewinger reminded the Board of the Special County Wa-
27 ter Authority Board Meeting on Thursday, August 20th, and that one of the primary
28 issues to be discussed would be bi-national water supply issues.
29

1 Mr. Lewinger gave a brief update on the status of the antennas with the ra-
2 dio station stating they are working on preliminary layouts for the parcel by Patzig
3 Reservoir. He said Staff was still trying to find someone to value the property.

4 General Manager Lewinger stated that there would be a meeting with local
5 developers the next morning pertaining to the Water Conservation Garden, and a
6 Board Meeting at noon tomorrow. On Friday proposals from two additional com-
7 panies for signage for the garden will be reviewed. He stated that Shirley Massie,
8 Brad Monroe, Glenn Wilhite and he would be interviewing candidates for the Gar-
9 den Coordinator on Wednesday, August 26th.

10
11
12 General Manager Lewinger said he received a letter from the County Public
13 Works Department asking the District to reconfirm that we were still not interested
14 in supplying wastewater collection and treatment on the Otay Mesa. Director Wat-
15 ton requested that this item be placed on the next Agenda.

16
17 20. Director Watton stated that Otay is starting to take a leading role in
18 the bi-national water supply issues. The project that will probably kick-off that rela-
19 tionship is the emergency supply between Otay and Tijuana. This project may be
20 the first grant funding from the Border Environmental Cooperation Commission.
21 He reported that the MWD/CWA agreement was signed. He stated it was very
22 satisfying not only to have the agreement signed but to see the bi-partisan support
23 in both the Senate and Assembly. The difficult part will now be getting the water
24 bond through.
25
26
27
28
29

1 Director Watton stated that since the agreement has been signed CWA is
2 working with Imperial Irrigation District to satisfy the environmental problems and
3 working on signing up the farmers for conservation.

4 General Manager Lewinger commented that CWA's Finance Department
5 had announced they would recommend a \$5 rate increase in January. He stated
6 that this increase coupled with the infrastructure access charge will be analyzed
7 and brought to the Board at a future meeting.

9 Director Watton also reported that seven north county agencies wanted to
10 do a study on CWA rates which will take approximately 90 days. The seven agen-
11 cies believe that Otay, Helix and Sweetwater should be paying more, but after in-
12 cluding their agricultural discounts, Director Watton doesn't believe that anything
13 will be found.

14
15
16 21. Director Inocentes reported on his attendance at the County Water
17 Authority meeting when they voted on the Met/CWA agreement.

18 22. With no further business to come before the Board, the meeting was
19 adjourned at 4:15 p.m.

20
21 _____
22 President

23
24 ATTEST:

25
26 _____
27 District Secretary