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MINUTES OF THE
BOARD OF DIRECTORS REGULAR MEETING
OTAY WATER DISTRICT
December 16, 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, Laudner, Price, Poveda and Inocentes

DIRECTORS ABSENT: Director Watton

STAFF PRESENT: General Manager Lewinger
Admin Services Dept Head Alvarez
Engineering Dept Head Stanton
Finance Dept Head Chambers
Attorney Harron
District Secretary Bartlett-May
Public Affairs Administrator Cassens
Others as per attached list

2. After the Pledge of Allegiance, President Poveda stated he would like to amend the agenda to move Item 19a to after the Demands.

General Manager Lewinger stated Resolution No. 3781 should be removed from the agenda.

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

3. A motion was made by Director Inocentes, seconded by Director Laudner, and unanimously carried, to adopt the Minutes of the Regular Meeting of November 18, 1998.

1 4. A motion was made by Director Price, seconded by Director
2 Laudner, and unanimously carried, to approve the Demands as listed.

3 5. President Poveda thanked his fellow Directors and Staff for their
4 support and patience during the year and stated being chairman of the Board has
5 been an honor. He recapped some of the District's accomplishments during 1998
6 including the partnership with the Chula Vista YMCA, the awarding of the
7 Interconnect Pipeline, the groundbreaking of the Water Conservation Garden, and
8 the lease agreements with the golf course and KURS radio station. He stated he
9 was looking forward to the Board continuing to work together into the 21st century.

10 Directors Price, Laudner and Inocentes thanked Director Poveda for his
11 outstanding job as chairman and also thanked Staff for their support.

12 6. President Poveda inquired if anyone in the audience desired to
13 address the Board on any item not on the agenda.

14 Mr. Bill Ayers, representing veterans in San Diego County, stated he is
15 concerned about the water connection cost of \$500,000 for the Veterans' Home in
16 Chula Vista. The veterans feel that each jurisdiction should share in the obligation
17 to the veterans and give them a hand in their older years. He requested the Board
18 consider whatever they can do to reduce these fees because it was the veterans
19 who made it possible for everyone to live in a wonderful country. He stated he
20 understood that General Manager Lewinger had had some fruitful discussions with
21 the City of Chula Vista already.

22 Director Poveda stated the Board would be taking this into consideration
23 when they consider their commitment to the community as a whole. The District
24 has been looking at ways to mitigate these fees.

1 Director Price stated the veterans home is in her division and since her
2 family is involved in the Navy, should would hope that an agreement could be
3 reached that would help the veterans.
4

5 Director Inocentes stated part of his division is also in Chula Vista and he
6 commended Mr. Ayres for the hard work he has done. He stated he has had
7 several conversations with the Mayor of Chula Vista regarding the veterans' home
8 and the District will be looking for ways to help.
9

10 7. A motion was made by Director Price, seconded by Director
11 Laudner, and unanimously carried, to adopt the following resolutions commending
12 the members of the Confined Space Rescue Team:
13

14 a) RESOLUTION NO. 3772

15 A RESOLUTION OF THE BOARD OF DIRECTORS OF
16 OTAY WATER DISTRICT COMMENDING JIM
17 GUNSTINSON FOR VOLUNTEERING FOR THE
18 CONFINED SPACE RESCUE TEAM

19 b) RESOLUTION NO. 3773

20 A RESOLUTION OF THE BOARD OF DIRECTORS OF
21 OTAY WATER DISTRICT COMMENDING STEVE KOBLER
22 FOR VOLUNTEERING FOR THE CONFINED SPACE
23 RESCUE TEAM

24 c) RESOLUTION NO. 3774

25 A RESOLUTION OF THE BOARD OF DIRECTORS OF
26 OTAY WATER DISTRICT COMMENDING TADEO
27 VASQUEZ FOR VOLUNTEERING FOR THE CONFINED
28 SPACE RESCUE TEAM

29 d) RESOLUTION NO. 3775

A RESOLUTION OF THE BOARD OF DIRECTORS OF
OTAY WATER DISTRICT COMMENDING JASON

1 CAVENDER FOR VOLUNTEERING FOR THE CONFINED
2 SPACE RESCUE TEAM

3 e) RESOLUTION NO. 3776

4 A RESOLUTION OF THE BOARD OF DIRECTORS OF
5 OTAY WATER DISTRICT COMMENDING GERARDO
6 CHAVARELA FOR VOLUNTEERING FOR THE CONFINED
7 SPACE RESCUE TEAM

8 f) RESOLUTION NO. 3777

9 A RESOLUTION OF THE BOARD OF DIRECTORS OF
10 OTAY WATER DISTRICT COMMENDING GILBERT
11 RUBALCAVA FOR VOLUNTEERING FOR THE CONFINED
12 SPACE RESCUE TEAM

13 g) RESOLUTION NO. 3778

14 A RESOLUTION OF THE BOARD OF DIRECTORS OF
15 OTAY WATER DISTRICT COMMENDING JAKE
16 VACLAVEK FOR VOLUNTEERING FOR THE CONFINED
17 SPACE RESCUE TEAM

18 h) RESOLUTION NO. 3779

19 A RESOLUTION OF THE BOARD OF DIRECTORS OF
20 OTAY WATER DISTRICT COMMENDING WAYNE
21 SCHOEN FOR VOLUNTEERING FOR THE CONFINED
22 SPACE RESCUE TEAM

23 i) RESOLUTION NO. 3780

24 A RESOLUTION OF THE BOARD OF DIRECTORS OF
25 OTAY WATER DISTRICT COMMENDING BRIAN CHISNELL
26 FOR VOLUNTEERING FOR THE CONFINED SPACE
27 RESCUE TEAM

28 Each member of the team was given their resolution and thanked for
29 their volunteerism.

Director Laudner proposed that each volunteer be given a monthly
bonus for their service.

1 Director Poveda referred this back to staff to explore that possibility.
2 He stated perhaps this should be discussed as part of negotiations.

3 Director Price requested that Staff pursue ACWA JPIA recognition
4 for the team.
5

6 General Manager Lewinger stated Staff is currently looking into that
7 type of recognition.

8 8. Director Poveda stated that he has received a request from Mr.
9 Greg Brown to remove Item 8i from the Consent Calendar.
10

11 Director Price requested that Items 8e and 8g be removed from the
12 Consent Calendar.

13 A motion was made by DirectorLaudner, seconded by Director
14 Inocentes, and unanimously carried, to adopt the remaining items on the
15 Consent Calendar:
16

17 a) RESOLUTION NO. 3782
18

19 A RESOLUTION OF THE BOARD OF DIRECTORS OF
20 OTAY WATER DISTRICT FIXING TERMS AND CON-
21 DITIONS FOR THE ANNEXATION TO OTAY WATER
22 DISTRICT IMPROVEMENT DISTRICT NO. 22 AND NO. 27
23 OF THOSE LANDS DESCRIBED AS "SAN DIEGO GAS &
24 ELECTRIC PROCTOR VALLEY SUBSTATION" AND
ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT
IMPROVEMENT DISTRICT NO. 22 AND NO. 27 (WO
8952/DIV. 4)

25 b) RESOLUTION NO. 3783
26

27 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
28 OTAY WATER DISTRICT COMMENDING BRAD WILSON
THE OUTGOING PRESIDENT OF THE CHULA VISTA
CHAMBER OF COMMERCE

29 c) RESOLUTION NO. 3784

1 A RESOLUTION OF THE BOARD OF DIRECTORS OF
2 OTAY WATER DISTRICT COMMENDING ROBERT D.
3 FRIEDGEN UPON HIS RETIREMENT AS GENERAL
4 MANAGER OF HELIX WATER DISTRICT

4 d) AUTHORIZATION FOR THE GENERAL MANAGER TO
5 EXECUTE A JOINT USE AGREEMENT WITH THE SAN DIEGO
6 GAS & ELECTRIC COMPANY FOR THE INSTALLATION OF A
7 PORTION OF THE PIPELINE 2000 ACROSS THE DISTRICT
8 EASEMENT WITHOUT MONETARY COMPENSATION TO THE
9 DISTRICT

9 f) APPROVAL OF PAYMENT OF \$20,525 TO THE SAN
10 DIEGO REGIONAL TRAINING CENTER FOR THE CONSULTING
11 SERVICES OF LARRY MARION AND PATTY LYNN AND
12 \$6,504.02 FOR THE SERVICES OF JENNIFER DREYER

12 h) AUTHORIZATION FOR THE GENERAL MANAGER TO
13 EXECUTE A LETTER AGREEMENT BETWEEN THE DISTRICT,
14 PACIFIC BAY HOMES AND THE GOLF COURSE STATING THAT
15 EACH WILL FUND ONE-THIRD OF THE BURROWING OWL
16 MITIGATION PROGRAM COST, NOT TO EXCEED \$25,000

16 j) APPROVAL OF REVISIONS TO THE DISTRICT'S
17 INVESTMENT POLICY NO. 27

17 k) REVISION TO POLICY 25, DISTRICT FINANCIAL
18 POLICIES, FOR DEPRECIATION ALLOWANCES FOR FACILITY
19 RELOCATION

20
21 9. Director Price stated she pulled the information report on improving
22 response time on locking services because she wanted to commend Mr. Shackley
23 for the suggestion. She inquired how the 1000 hours the interns would work would
24 be divided.

25
26 General Manager Lewinger stated that would vary depending on the intern.
27 Some might work 20 hours a week for a year and some might work 40 hours a
28 week for six months.
29

1 A motion was made by Director Price, seconded by Director Poveda, and
2 unanimously carried, to accept the informational report.

3 10.

4
5 11. Engineer Jim Peasley stated he would be making a presentation
6 today regarding the elimination of sewer capacity fees and the establishment of a
7 per EDU sewer annexation fee. He stated the goal is to make the method of
8 determining the fee easy to understand, easy to administer, equitable and non-
9 discriminating, have a continuity in philosophy, conform to accepted practices and
10 provide revenue stability. He explained how sewer annexation fees are currently
11 calculated based on acreage and then the \$2,500 sewer capacity fee must be
12 paid on top of that. Staff feels the computation method should be changed
13 because there are no more capital improvement projects for expansion required,
14 therefore, there is no need for a capacity fee. There is excess system capacity
15 sufficient to meet the ultimate demands, excess capacity is purchased through
16 annexation fees and demand is driven by EDUs not acres. The new methodology
17 will include no capacity fees, and will be based on annexation fees based on EDU
18 demand, excess treatment capacity shared equally by all future customers, trunk
19 sewer collection system benefits 100% of existing and future ID customers, and
20 existing system excess capacity is valued at replacement costs and purchased by
21 paying the annexation fee. He then explained how the EDU annexation fee of
22 \$3,819 was derived using the estimated current value of the Chapman Recycling
23 Water Facility, the Metro Wastewater and Spring Valley Sanitation District
24 capacity and the trunk collection system capacity and estimating the number of
25 EDUs which would benefit. By dividing the value by the number of benefiting
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1 EDUs a per EDU fee is derived that totals \$3,819. In most cases this new
2 methodology will result in a lower fee to the developer. In cases where there is a
3 larger number of EDUs on a smaller acreage, the fee could be higher.
4

5 Mr. Peasley stated Staff is recommending that the annexation fee per EDU
6 be established at \$3,819 to be collected when the request for the sewer
7 connection is made, that the tax portion and availability portion of the annexation
8 fee be discontinued, that the annexation fee per EDU be indexed to the ENR CCI,
9 sewer capacity fees be eliminated, all future sewer annexations to be into ID 18
10 and that Staff revise all appropriate code sections and bring this back at the
11 December 16, 1998 Board meeting.
12

13 Director Laudner inquired what would happen to those who just paid higher
14 annexation fees.
15

16 Mr. Peasley stated the only annexations Staff is aware of that would have
17 been affected are the Chaldean Church and Vista Pacifica and they are holding off
18 until the new policy is in effect.
19

20 Director Laudner inquired if Staff had considered changing the availability
21 charge to an EDU basis.
22

23 Mr. Stanton stated Staff had not considered that.

24 Director Poveda stated it appears the issue of having someone come in
25 who just paid more won't happen. He stated there has to be a cut off date
26 sometime.
27

28 A motion was made by Director Poveda, seconded by Director Laudner,
29 and unanimously carried, to direct Staff to come back with an ordinance to

1 eliminate the sewer capacity fee and establish the sewer annexation fee at \$3,819
2 per EDU indexed to the ENR CCI.

3
4 12. Mr. Keith Russell, the District's GIS Manager, stated he would be
5 making a presentation to the Board today to obtain Board approval to award a
6 contract for professional engineering services for digital orthophotography
7 services to Excel Engineering for an amount not to exceed \$1.6 million. At a
8 previous Board meeting the Board had requested that Staff address five
9 questions before it would approve this contract.
10

11 He stated the first question was "What was the original budget approval for
12 the GIS project and why is it now at \$9.5 million?" A table was shown illustrating
13 the difference between the PlanGraphics budget and the current budget.
14

15 PlanGraphics is the GIS consulting firm hired by the District in September, 1993 to
16 provide initial information gathering, needs assessment, budgeting, hardware and
17 software specifications and implementation services. The variance between the
18 two budgets is the result of the Plangraphics budget assuming three FTE positions
19 at an average rate of \$51,200 per year over a five year period but this figure did
20 not include the overhead. That adjustment would increase their budget by
21 \$999,700 and the corrected total budget should have been \$2.9 million. The
22 budget was also increased from \$1,944,000 in 1996 to \$9,529,000 to reflect the
23 annual costs associated with facilities mapping and software and hardware
24 upgrades over 25 years.
25
26

27 The second question was "What has been spent to date and what is the
28 resulting product(s)?" Mr. Russell showed a table outlining the activities and the
29 amount spent to date. He stated the project, as scoped by PlanGraphics is 80%

1 completed. The total expenditure to date is \$1,117,038. He explained the three
2 phases of the project from 1995 through 2000.

3 The third question was "How will OWD benefit from investing in GIS and
4 what are the benefits and cost savings?" Another table was shown indicating the
5 GIS benefits and cost savings, summarized and revised to reflect a 25-year time
6 period to match the time period used in the annual CIP 164. It is estimated that
7 there will be a \$9,810,600 in savings as a result of the improved data accuracy.
8

9 The fourth question was "Why pay \$700,000 for accurate facility data and
10 what are the ramifications of not doing so?" Mr. Russell outlined some of the
11 benefits of high accuracy of data including more efficient mapping because CADD
12 drawings can be used to enter data to maps and the creation of tie books will no
13 longer be needed. Public Services will be able to obtain accurate information in
14 minutes and assure properties are in the correct ID, division and pressure zone.
15 Construction is enhanced by the rapid response with highly accurate data for
16 markouts and potholing. Operations benefits include fast, accurate access to
17 location and maintenance information and a tool to assist in directing crews to an
18 exact location. Environmental benefits include accurate locating of mitigation
19 property and endangered species. There will be cost recovery by the sale and/or
20 sharing of data maintenance with both the public and private sector. The cost for
21 GIS location of all above ground facilities to within 2 cm is \$470,000. The cost for
22 GIS scanning and plotting equipment for data construction and maintenance is
23 \$160,000. Training Otay staff will cost \$70,000.
24
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29 The fifth question was "How does our GIS program compare to other
agencies and how will it interface with them?" Mr. Russell described the GIS

1 software and database software used by other local agencies. He stated most of
2 these agencies are very interested in working with OWD in accessing our more
3 accurate data. Some of these agencies started with low accuracy and are now
4 converting to higher accuracy at much higher costs.
5

6 Director Price inquired if Y2K will enter into this.

7 Mr. Russell stated since everything is new that will not be a problem.

8 A motion was made by Director Price, seconded by Director Watton, and
9 unanimously carried to authorize the General Manager to execute a contract with
10 Excel Engineering for a total not-to-exceed amount of \$1.6 million.
11

12 13. Administrative Services Department Head Alvarez presented his
13 Department's monthly report.
14

15 Director Price thanked the Human Resources Staff for the benefits class
16 and the manual that was provided.
17

18 14. Operations Department Head Mahanke presented his Department's
19 monthly report. Mr. Mahanke stated his Staff assisted in four treatment plant tours.
20 He added that there will be two shut downs in March and April, 1999.

21 15. Engineering Department Head Stanton presented his monthly
22 Engineering and Planning Department Report and the monthly status report for
23 CIP projects. He stated that 2300 more acres has been annexed into ID 22 which
24 is another indicator of the growth in the District.
25

26 16. Finance Department Head Chambers presented the monthly
27 finance report. She stated current year water sale for the three months ended
28 September 30, 1998 were 3,568,117 units compared to the budget of 3,568,319
29 units. She thanked Directors Price and Inocentes for reviewing the proposals for

1 investment advisory firms at the last Finance Committee meeting. The
2 Committee's recommendation is to have a full Board workshop in December to
3 review the material.
4

5 General Manager Lewinger inquired if the Directors were available
6 December 9 at 1:30 for this workshop. It was agreed to hold the workshop on this
7 date. Mr. Lewinger added that it is the Committee's recommendation not to award
8 a contract to a financial advisor.
9

10 Director Price stated she felt the Finance Committee meeting had been
11 very valuable and Ms. Chambers has been doing the District's financial investing
12 very well.
13

14 Director Inocentes stated that Ms. Chambers is doing an excellent job and
15 she was doing better than most of the financial advisors' proposals.
16

17 17. Attorney Harron presented the monthly General Counsel report. He
18 reported that there was a settlement in Stull v. San Francisco and that Bank of
19 America has agreed to pay \$187,000,000. He feels the District should receive, at
20 a minimum \$30,000, but it could be more.
21

22 18. Public Affairs Administrator Cassens reported the District will be
23 making a presentation to the EastLake II Homeowners' Association regarding the
24 interconnection pipeline project.
25

26 General Manager Lewinger reminded the Board of the Garden Authority
27 meeting tomorrow.
28

29 Director Poveda inquired if the Underwoods would be phased out soon.

General Manager Lewinger stated that will be happening now that Pamela
Homefelt had been hired. He added that the scheduling has slipped and the

1 Garden will probably not be ready until March or April of 1999. The delay was
2 caused by the permitting process, the time it took to get the landscape contractor
3 lined up and the time it is taking to get the landscape material.
4

5 It was reported that the regularly scheduled CWA Board meetings will now
6 be held the fourth Thursday of each month.

7 19. Director Watton reported that the wheeling agreement was
8 approved at CWA and MWD. Also, nominations for officers at CWA will be
9 considered at the December 10 meeting. He added that he has been nominated
10 for a seat at MWD. There is currently at least a \$400 million overrun on the
11 Eastside Reservoir. The strategic plan is on MWD's agenda and they are
12 continuing to debate over the budget and the transition of the general manager.
13
14

15 Director Price inquired if the Board would like to support any of the
16 nominees for the position of secretary since she recently talked to Bud Pocklington
17 of Sweetwater Authority who indicated he was a nominee and he was looking for
18 support.
19

20 Director Inocentes stated it would be better for Otay if the District supported
21 someone from South Bay rather than the City.

22 Director Poveda requested this item be placed on the December 9
23 meeting for further discussion.
24

25 20. Director Inocentes reported he attended the Finance Committee
26 and he again commended Finance Department Head Chambers on the good job
27 she is doing. He also attended the Metropolitan Water District meeting.
28

29 Director Price suggested the District write a letter of clarification in
response to the Tom Davis letter in the Star News where he stated the District

1 would be using potable water on the new golf course. The Board concluded no
2 response should be made to avoid a letter-writing argument with Mr. Davis. He
3 was told before he wrote his letter that reclaimed water would be used on the golf
4 course. Director Price also reported on her attendance at the Eastside Reservoir
5 Tour.
6

7 Director Poveda stated he would like a more personalized tour for South
8 Bay officials at the Eastside Reservoir.
9

10 Director Watton stated he could set this up once he had a date and the
11 number of people attending.
12

13 Director Poveda stated he understands there was a WARAC meeting
14 scheduled but no one is receiving notices. The meeting is scheduled for
15 November 23 at 10 am. There are two committees that will be put together and he
16 feels the District should have representatives at this meeting.
17

18 Director Price stated she would be unable to attend as the alternate.

19 Director Inocentes stated he would attend in her place.

20 Director Laudner stated he would be attending as the District's
21 representative.
22

23 21. The Board went into Closed Session at 4:20 to discuss personnel
24 items. The meeting was reconvened in Open Session at 5:15 p.m.

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

ATTEST:

District Secretary