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MINUTES OF THE
BOARD OF DIRECTORS REGULAR MEETING
OTAY WATER DISTRICT
February 3, 1999

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
Admin Services Dept Head Alvarez
Engineering Dept Head Stanton
Attorney Harron
District Secretary Bartlett-May
Public Affairs Administrator Cassens
Others as per attached list

2. After the Pledge of Allegiance, President Poveda pulled Item 9 because the customer was not present, moved Item 12 to Item 9, and moved Item 8 to Item 7.

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

3. Director Inocentes requested the minutes of the January 20 meeting be modified to include his discussion with Director Watton regarding the County Water Authority's budget.

President Poveda requested the minutes be brought back to the next meeting for approval.

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

6 6. Water Conservation Coordinator Jan Tubiolo stated that as part of
7 the observance of Water Awareness month, the District sponsors a poster contest
8 in the elementary schools within the District's service area. In 1998 over 1200
9 posters were received and a winner was selected by Otay employees. Ten
10 winning posters met the criteria for Metropolitan Water District's Water Awareness
11 Calendar Contest and were sent to Metropolitan for judging. Metropolitan
12 received 150 posters and selected 33 for the calendar. These contests help
13 reinforce the importance of water conservation and recognize the classroom work
14 by teachers using water education materials and programs.
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17 School Education Representative Pam Rega stated this is the second year
18 the District has sponsored a poster contest and the response has been
19 overwhelming. She stated the ten winning posters were on display at the District
20 during the entire month of May. The winning poster submitted to Metropolitan by
21 Otay was created by Amanda Martinez, a fourth grader last year at Rancho San
22 Diego Elementary School. The poster was submitted by her teach, Kim Igartua.
23 Amanda's poster has been framed and will hang in the District's gallery of Otay
24 Water Awareness Month poster contest winners.
25
26

27 President Poveda congratulated Amanda Martinez for her winning entry in
28 the Metropolitan Water District's poster calendar contest. He also congratulated
29

1 her fourth grade teacher, Kim Igartua, for her work in raising the level of awareness
2 in saving water. He presented Amanda with a framed copy of her winning poster.

3 A motion was made by Director Laudner, seconded by Director Inocentes,
4 and unanimously carried, to award Amanda Martinez a \$100 savings bond.

5 Director Price suggested all future poster contest winners be given a \$100
6 savings bond.

7
8 7. President Poveda stated there was a request to go back to public
9 participation.

10 Ms. Lin Riggs of 11131 New Morning Road addressed the Board
11 regarding the refund of a cash deposit she made in lieu of a bond for a sewer
12 main installation. She stated she was told by an Otay employee in Engineering
13 that upon completion of the project she would receive 75% of her money back with
14 interest. She stated the sewer main was completed on January 5, 1999 and was
15 inspected by the District on January 6, 1999. She stated the District sent its letter
16 to the County transmitting the Notice of Completion on January 21, 1999. She
17 spoke with Attorney Harron who informed her that there is a statutory time period
18 of 35 days following the recordation of the Notice of Completion. She stated she
19 did not see anything in the agreement about a 35 day lien period.

20 Attorney Harron stated there is a 30 statutory time period during which
21 contractors can file liens and the District adds 5 days for mailing.

22 Director Poveda stated it was not clear in the paperwork when acceptance
23 actually occurs.

24 Director Inocentes agreed that the word completion would be confusing to
25 the customer.

1 Director Watton stated he would be in favor of returning the 75% if Dixieline
2 Fund Control has paid the contractors. There will be paperwork indicating the
3 contractors have been paid and if Ms. Riggs can produce that paperwork he would
4 be satisfied. He suggested a better fact sheet be used in Engineering.
5

6 Director Price suggested the letters and agreement be modified and a
7 worksheet be created, maybe an estimate both parties sign.
8

9 Director Inocentes stated a flowchart could be made showing when a
10 customer could expect to get their money back.
11

12 Director Laudner stated Staff followed the procedures and he would not
13 want to set a precedent by releasing funds prior to the completion of the lien
14 period.
15

16 A motion was made by Director Watton, seconded by Director Inocentes,
17 and unanimously carried, to add this item to the agenda as an emergency item.
18

19 A motion was made by Director Watton, seconded by Director Price, and
20 unanimously carried, to return 75% of Ms. Riggs deposit with interest upon her
21 submittal of proof from the Fund Control that the work has been paid for and
22 releases have been signed by the contractors.
23

24 Director Watton requested a sample package of the documents used in
25 this process and how they will be improved.
26

27 8. Director Inocentes pulled Item 7e from the Consent Calendar.
28

29 Director Price stated she just wanted to comment on Item 7b that
were she to be elected to the ACWA/JPIA Executive Committee, the
expenses would be paid by ACWA/JPIA.

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Director Inocentes questioned the low mileage on the flat bed truck being declared surplus in Item 7d.

Operations Department Head Mahanke stated the flat bed has had a lot of heavy use and they usually suffer from cracked frames and other damage before they reach higher mileage.

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

- a) RESOLUTION NO. 3787

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT CONCURRING IN NOMINATION TO THE OFFICE OF PRESIDENT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY ("ACWA/JPIA")

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b) RESOLUTION NO. 3788

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT NOMINATING ITS ACWA/JPIA BOARD MEMBER TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY ("ACWA/JPIA")

c) MASTER ENVIRONMENTAL IMPACT REPORT FINDINGS FOR 1485-2 RESERVOIR AND ASSOCIATED ACCESS ROAD AND PIPELINE

d) DECLARATION OF SURPLUS EQUIPMENT

9. Director Inocentes stated he was concerned about Item 7e

because he did not believe the statement in the Staff Report that a change in consultants at this point would cause the project to lose momentum and potentially extend the contract completion date.

Engineering Department Head Stanton stated it would cost more and he would prefer to use the same firm and close out the contract at the end of this project.

A motion was made by Director Inocentes, seconded by Director Poveda, and unanimously carried, to authorize the General Manager to execute Task Order Change No. 1 in the amount of \$26,799 with Kleinfelder to complete inspection of the Patzig Reservoir Project and increase Kleinfelder's contract limit from \$270,000 to \$296,799.

10. Mr. Glenn Vita of Montgomery Watson updated the Board on the status of the Central Area and Otay Mesa Inter-Connection Project for January, 1999. He stated a trip was made to the Northwest Pipe manufacturing plant in Riverside to make sure the pipe for the project was being made. He described

1 the Emerging Business Enterprise outreach program and stated the EBE
2 contracts issued to date total \$334,609.

3 Director Inocentes inquired if the pipe manufacturer uses EBE suppliers.

4 Mr. Vita stated this is a basic pipe manufacturing process.

5 Director Inocentes stated he would prefer to do business with companies
6 that use EBE suppliers.

7 Mr. Vita stated he would ask Northwest about their suppliers.

8 Director Price stated she would like to tour the pipe manufacturing plant.
9 She also inquired about the attendance at the January 28 community meeting with
10 EastLake residents. She was told three residents of the area attended.

11 Director Poveda stated the notices for the outreach meeting with the black
12 contractors were sent out too late and he inquired how the coordination was being
13 done.

14 Mr. Vita stated that would not happen again. There will be at least 30 days
15 notice given for meetings.

16 Director Poveda stated 4.5% participation by EBEs is not that great and he
17 would hope that number could be increased.

18 Director Inocentes stated he would also like to see greater participation
19 and maybe that will happen during other phases of the project such as the building
20 of pump stations.

21 11. Mr. Bart Mumford, Project Management/Design Manager, made a
22 presentation to the Board regarding the Cuyamaca Groundwater Project. He
23 reviewed the District's objectives of having 40% to 70% local water and becoming
24 less dependent on imported water. The Board authorized Staff to work with

1 Cuyamaca College and assisted the College District in obtaining a CWA
2 grant/loan of \$17,600. The College was the lead agency and completed a
3 feasibility study that indicated 40 gpm production at 1660 mg/l TDS. A
4 benefit/cost analysis was done indicating the benefit would be the avoidance of
5 purchasing CWA water, avoiding constructing emergency storage and avoiding
6 the MWD surcharge as well as receiving the MWD LRP credit. The costs would
7 include the capital costs for the well, treatment and pipelines and the operation
8 and maintenance costs. The results are a savings of \$10,000 per year for one well
9 and \$100,000 per year for two wells producing 120 gpm. The recommended
10 action is to proceed with a design report for \$50,000. If the report indicates this is
11 a viable project, it is recommended that the District enter into negotiations with the
12 College District to develop and purchase of groundwater.

16 Director Laudner inquired if Staff really thought 120 gpm could be obtained
17 in this valley.

19 Mr. Mumford stated the water table is very shallow and they did a pump test
20 at 40 gpm with one well and there was no problem.

21 Director Price stated she appreciates the optimism but she does not feel
22 the savings of \$106,000 over a ten year period is worth the risk.

24 Engineering Department Head Stanton stated studies have been done with
25 Sweetwater Authority that prove there is water in the basin.

26 Director Watton stated he feels the same about the cost benefit ratio and
27 suggested the District look for a better site where it would not have to deal with
28 another agency or landowner and the District would have more control.

29 General Manager Lewinger suggested drilling wells at the treatment plant.

1 Director Watton stated that would be great and he feels long term, the
2 District would be better off than getting involved in this well site.

3 General Manager Lewinger stated if the District contemplates drilling wells,
4 notices would have to be sent to residents of the valley. With the College site, the
5 College would be sending out the notices.
6

7 Director Price stated she would support continuing exploration in this area.

8 Engineering Department Head Stanton stated there is some good
9 groundwater in the Daley Ranch area.
10

11 General Manager Lewinger stated Staff brought this forward because the
12 College site had a positive cost benefit ratio. There has been research done in
13 the middle Sweetwater basin so it is known that there is water there and
14 Sweetwater Authority has agreed that 800 to 1,000 acre feet is Ota's. The real
15 issue is whether or not the Board wants to get involved with the public outcry that is
16 sure to occur. Also, the District opposed the golf course's development of
17 groundwater in this area.
18
19

20 Director Poveda stated maybe it does not pencil out now but it is the
21 direction the Board needs to begin looking in to stretch existing water supplies.
22 The District will take some hits from the public but the people also want a reliable
23 water supply. The question is does the District want to do this through the College
24 or on its own property where it would have more control.
25

26 A motion was made by Director Watton, seconded by Director Poveda,
27 and unanimously carried, to suspend the effort with the College and continue to
28 look in the middle reach of the Sweetwater Basin for groundwater recovery
29 opportunities beginning with the treatment plant site.

1 Director Laudner stated the District has a good working relationship with
2 Fish and Game who own property at Daley Ranch and there is also the property
3 owned by the conservation people that could be explored.
4

5 Director Poveda asked how the College will feel if the District goes in a
6 different direction.

7 Engineering Department Head Stanton stated there might be an issue of
8 good faith because they are expecting the District to cooperate with them to
9 reduce their water costs.
10

11 Director Price stated she would hope that Staff could smooth any ruffled
12 feathers and make the College understand this is not in our best interest to pursue
13 this at this time.
14

15 Mr. Stanton stated the treatment plant site would be too far downstream.

16 Operations Department Head Mahanke stated the Steele Canyon pump
17 station is a possibility.
18

19 Director Watton stated the District should deploy its assets in a larger
20 return potential like Daley Ranch instead of a lot of little wells. He modified his
21 previous motion based on his understanding that with imported water, the District
22 can take 1,000 acre feet from the Middle Sweetwater basin but that would not
23 preclude the District from going out to other well sites. Director Poveda seconded
24 the amended motion and it was unanimously carried.
25

26 Director Price stated that the committee meetings with Sweetwater
27 Authority should be resurrected to discuss this topic.
28

29 General Manager Lewinger stated Sweetwater's General Manager Dick
Reynolds told him he would be discussing this committee with his Board.

1 12. President Poveda recessed the meeting at 3:12 p.m. The meeting
2 reconvened at 3:27 p.m. Director Inocentes left the meeting during the recess.

3 13. President Poveda stated Mr. Herbert Lewis is in the audience and
4 he would like to address the Board regarding agenda item 9.

5 Mr. Lewis of 503 Kempton Street in Spring Valley, stated he applied for
6 water service and was told he would have to pay \$1992 for a lateral from the street
7 to the meter. He requested the Board grant him a waiver because he feels the
8 facilities on the District's side of the meter should be paid for by the District. He
9 stated the District would get its money back through the water rates.
10

11 General Manager Lewinger explained that the District does not use water
12 rates to pay for these facilities.
13

14 Director Price asked if there was any precedent for waiving these fees.
15

16 General Manager Lewinger stated no one has ever asked to have the
17 lateral cost waived before.
18

19 Director Poveda stated he would not be in favor of setting this precedent
20 but inquired if a installment agreement could be offered to Mr. Lewis.

21 Attorney Harron stated an installment agreement could be arranged.
22

23 A motion was made by Director Poveda, seconded by Director Laudner,
24 and unanimously carried, to deny the request for the waiver of the lateral fee with
25 the stipulation that Mr. Lewis may enter into an installment agreement with the
26 District for the payment of the cost of the lateral.
27

28 Director Price suggested Mr. Lewis meet with Staff so that he might clearly
29 understand this concept and why the Board cannot set a precedent and grant a
waiver.

1 14. Mr. Jim Peasley, Principal Engineer, stated that the Board had
2 previously authorized the General Manager to execute a reimbursement
3 agreement with Helix Water District for consultant fees paid on Otay's behalf as
4 part of the Helix Flume Replacement Project. The purpose of Otay's part of the
5 study was to evaluate various options for increasing delivery from the Helix Levy
6 Treatment Plant to Otay beyond the 8 MGD provided by CWA. The scope of work
7 was to identify system improvements and the associated costs needed to bring an
8 additional 4 to 8 MGD to Otay. The results from the Helix Flume Study indicate
9 Otay would be able to receive at least 4 MGD in addition to the CWA 8 MGD by
10 enlarging the new flume pipeline from 42 inches to 48 inches. A combination of
11 the La Mesa Sweetwater Extension Pipeline (LMSEP) and the Replacement
12 Flume Pipeline could be used to deliver at least 12 MGD to Otay. Four options
13 were evaluated including receiving 8 MGD from the LMSEP and nothing from the
14 Flume; receiving 8 MGD from the LMSEP and 4 MGD from the Flume, receiving 4
15 MGD from the LMSEP and 8 MGD from the flume or receiving 12 MGD from the
16 flume. Staff evaluated funding the enlarged flume and is not recommending this for
17 the following reasons: 1) Helix's peak water demand is in the summer and Otay's
18 ten day planned outage is in the winter, which means Helix will be able to deliver
19 the additional 4 MGD 100% of the time in the winter without enlarging the 42 inch
20 pipe, 2) only in a summer peak week situation would there not be excess capacity
21 available, even if Helix's ultimate demand does occur, which means Helix will be
22 able to deliver the additional 4 MGD over 90% of the time without enlarging the 42
23 inch pipeline, 3) Helix will have 80 MGD of capacity in its pipelines and treatment
24 plant, but its historical peak demand is 56 MGD and it is 95% built out which

1 means there may be excess capacity available in the flume for the next 20 to 30
2 years and maybe indefinitely, and 4) growth in the northern area of Otay is very
3 slow and most likely will not reach ultimate projected average day demand of
4 21.34 MGD which means 8 MGD will meet the 5 day emergency supply from
5 others for at least 20 to 30 years. Based on these conditions, Staff believes there
6 is a very high probability that Otay will meet its criteria for a maximum of 5 days
7 storage without making expenditures to increase the new flume pipeline capacity.
8 Staff is recommending Otay not finance enlarging the flume.
9
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11 A motion was made by Director Watton, seconded by Director Laudner,
12 and unanimously carried, to not fund increasing the capacity at the Helix Flume
13 Replacement Project pipeline from 42 inches to 48 inches at Otay expense.
14

15 15. General Manager Lewinger reported on his attendance at the
16 Metropolitan Salinity Summit and a meeting with Olympic Training Center
17 representatives regarding purchase of their meters. He also reported that the
18 agreement with the City of San Diego has now been fully executed and
19 discussions are ongoing regarding the possibility of a power plant being built in
20 the South Bay area.
21

22 Administrative Services Department Head Alvarez introduced Mr. Geoffrey
23 Stevens, the District's Information Systems Manager.
24

25 16. Director Watton reported that discussion was held at the CWA
26 Board meeting regarding the new office site and the north county agencies
27 Economic Study Group that has been formed to look at CWA rates and charges.
28 The group has produced a report and hired a public relations firm. He suggested
29 Staff keep an eye on this and agendaize it for the next regular Board meeting for

1 further discussion. He suggested it also be placed on the joint meeting agenda on
2 February 18.

3 Director Watton reported that Metropolitan Water District has endorsed a
4 policy position paper which raises the possibility that they could ultimately seek to
5 fulfill its Colorado River supply objectives by pursuing a federal reallocation of
6 entitlement among the River agencies. Phil Pace, Chairman of MWD got a letter
7 from Bill Paull of the California Farm Bureau Federation and Tom Graff of the
8 Environmental Defense Fund stating their concern that their action will undermine
9 Secretary Babbitt's plan regarding the quantification of rights of Imperial Irrigation
10 District and the Coachella Valley Water District to portions of California's 3.85
11 million acre foot agricultural agency entitlements from the River. He stated he had
12 included documents relating to these issues in the package.

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16 17. Director Price reported on her attendance at the CWA Forum
17 "Water Reliability in the Next Millennium", Senator Peace's local government
18 finance forum, and the Water Conservation Garden Board meeting.

19
20 Director Laudner stated he also attended the CWA forum. He stated a few
21 months ago he was speaking to a consultant about annual engineering consultant
22 contracts which he has been concerned about and the consultant told him that Otay
23 and the County were the only agencies who use this method. At the last Board
24 meeting when the Board approved the increase in one of the consultant contracts,
25 the question was asked about how many other agencies do this and the Board
26 was told everybody uses this method. He had a consultant research this and found
27 that only 7 out of 25 agencies use these annual consultants and they are agencies
28 that don't have engineering departments. He feels the Board deserves an
29

1 explanation as to why they were told everybody does this when they don't. He
2 stated the District has an adequate engineering department that is more than
3 qualified to do this work and he does not see why the District should pay
4 consultants profit and overhead when it can be done in-house. He stated he feels
5 a more detailed study needs to be done. He stated Engineering staff should do
6 the design work but the Board is told that Staff does not have the time when
7 basically the engineering staff manages the jobs anyway. What disturbs him is
8 that the Board was told everybody does it and they don't.
9
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11 Director Watton stated Staff should put together a report and bring it back
12 to the Board for further discussion.
13

14 18. The Board went into closed session at 4:33 p.m. to discuss
15 acquisition of property. The meeting was reconvened in open session at 4:54
16 p.m.
17

18 19. With no further business to come before the Board, the meeting was
19 adjourned at 4:55 p.m.
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21

22 _____
President

23 ATTEST:
24

25 _____
26 District Secretary
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