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MINUTES OF THE
BOARD OF DIRECTORS REGULAR MEETING
OTAY WATER DISTRICT

June 2, 1999

1. The meeting was called to order by President Poveda at 1:39 p.m. in the District Boardroom, 2554 Sweetwater Springs Boulevard, Spring Valley, California.

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

DIRECTORS ABSENT: Director Laudner

STAFF PRESENT: Acting General Manager Harron
Admin Services Dept Head Alvarez
Engineering Dept Head Stanton
Finance Department Head Chambers
District Secretary Bartlett-May
Public Affairs Administrator Cassens
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. A motion was made by Director Inocentes, seconded by Director Price, and unanimously carried, to adopt the minutes of the Regular Meeting of May 12, 1999 and the minutes of the Regular Meeting of May 19, 1999.

4. A motion was made by Director Inocentes, seconded by Director Poveda, and unanimously carried, to approve the Demands as listed.

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.

1 6. A motion was made by Director Price, seconded by Director
2 Inocentes, and unanimously carried, to adopt the following items on the
3 Consent Calendar:

4
5 a) AUTHORIZATION FOR ACTING GENERAL MANAGER TO
6 EXECUTE A REVISION TO THE DEFERRAL AGREEMENT WITH
7 GREGORY AND PAMELA BROWN REVISING THE DEFERRED
8 AMOUNT TO \$32,410

9 b) AUTHORIZE STAFF TO WRITE LETTERS OPPOSING AB
10 1420 (MARGETT)

11 7. Acting General Manager Harron stated that the District Water
12 Use Investigator had found that Contreras Construction Company was us-
13 ing water from a direct connection to a lateral without a meter. District Staff
14 contacted Maria Acevedo, the owner of the project, because the agreement
15 had been signed by her. Mrs. Acevedo stated she had not signed the
16 agreement. Staff then contacted Contreras Construction and received the
17 letter attached to the Staff Report.

18
19 Director Inocentes stated he would abstain from discussion on this
20 item because he knows Mr. Contreras.

21 Mr. Manuel Contreras stated his company had made a mistake but
22 they paid the bills every month for the temporary meter that was purchased
23 for this job and it was not intentional water theft. He stated maybe they
24 should be penalized but not \$1,000.

25
26 Director Price inquired what procedure is used by Staff to verify that
27 a signature is valid. She also asked if Mr. Contreras had paid for the water
28 used.
29

1 Mr. Harron stated no water had been paid for. The payments Mr.
2 Contreras made were for system charges only. He stated there is no way
3 for Staff to determine who has signed a document if an owner's agent
4 comes in to buy the meter and brings in the agreement and tells Staff it was
5 signed by the owner.
6

7 Director Price stated Staff should ask for I.D. from whomever comes
8 in to purchase the meter.
9

10 Engineering Department Head Stanton stated Staff could have the
11 agent provide I.D. and sign for the owner instead of requesting they get the
12 owner's signature and bring the document back. He stated he would have
13 Staff look at other methods of tightening this procedure.
14

15 Director Price stated this would give the District a paper trail.

16 Mr. Contreras stated his agent who purchased the meter, never re-
17 ceived a copy of the map that should have been attached to the order and
18 that is why they did not know the meter had been placed on a fire hydrant.
19

20 Director Watton inquired why a temporary meter was not placed in
21 the meter box instead of on the fire hydrant.
22

23 Mr. Stanton stated the code currently does not allow for that. He
24 stated he would look into bringing a code change forward to the Board.

25 Director Watton stated he supports the penalties and if someone is
26 taking a short cut he doesn't want to waive the fine but in this case a meter
27 was paid for and it appears the contractor did not know where it was. It is
28 clear to him that the meter was never used and it was a miscommunication
29 issue.

1 Director Price stated the Board has never excused anyone from a
2 water use penalty but it is evident in this case that there are extenuating cir-
3 cumstances. She asked Mr. Contreras if he had a dollar amount in mind
4 that he would be willing to pay.
5

6 Mr. Contreras stated he feels he should pay at least \$500.

7 A motion was made by Director Watton, seconded by Director
8 Price, and carried, with Director Inocentes abstaining, to reduce the penalty
9 for Contreras Construction Company to \$500.
10

11 8. Engineer Jim Peasley stated Otay has been noticed that the Board
12 of Supervisors of the County of San Diego will conduct a public hearing to con-
13 sider the formation of a sewer maintenance district on Otay Mesa within the Dis-
14 trict's jurisdiction outside the City of San Diego limits. Since the Otay Board of Di-
15 rectors has never declared its intent not to provide sewer service on Otay Mesa,
16 Staff is making this presentation today and recommending entering into negotia-
17 tions with the County regarding which agency should be the preferred provider. He
18 reviewed the history of sewer service on Otay Mesa including the formation of ID
19 15 in 1968 with a bond authorization of \$2,750,000, the preparation of an Otay
20 Mesa Master Plan including a trunk system and treatment facility, the purchase of
21 1.2 MGD in the City's Metropolitan Sewer System, and the dissolution of ID 15 in
22 1985. He reviewed the items that would be required for the District to provide
23 sewer service on Otay Mesa including the preparation of a sewer system master
24 plan, acquisition of Metro capacity, incorporation of sewer system capital facilities
25 in the CIP, establishment of a sewer system capital facilities funding mechanism,
26 construction of the necessary sewer trunk system and increasing the operating
27
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1 budget for O&M funded by sewer rates. The County has been pursuing divestiture
2 of their current sewer maintenance districts and approached Otay to consider ac-
3 quiring the Spring Valley Sanitation District several years ago. The District
4 agreed upon certain financial conditions which they were not willing to meet at the
5 time. There would be no net additional cost to Otay Mesa sewer customers as to
6 who provides sewer service. It is estimated that the necessary trunk sewer system
7 will cost \$20 million. Metro capacity acquisition may be provided by the County.
8
9 Staff's recommendation is to establish Otay as the preferred provider of sewer
10 service in the unincorporated areas on Otay Mesa within the District's jurisdiction
11 and authorize Staff to negotiate with the County to offer Otay as the preferred pro-
12 vider.
13
14

15 Director Inocentes asked Director Watton what went on back then
16 because he understood that the District was not interested in getting into
17 the sewer business.
18

19 Mr. Stanton stated this was just a recommendation because Staff
20 did not feel it had clear direction from the Board regarding this issue.
21

22 Director Watton stated at the time the District had \$40,000 and a
23 multi-million dollar system that would have to be installed. It was decided
24 that it was not something the Board wanted to pursue. The County and the
25 City were traditionally the providers of that kind of service.
26

27 Director Price stated she had the same reaction but felt maybe the
28 Board should hold this over until the new general manager is hired.
29

Mr. Stanton stated there is some urgency because the County is
making a decision on June 16th that if there is no choice, they will serve the

1 area. He just wanted to bring this to the Board to see if they wanted to deal
2 with this.

3 Director Watton stated the Board does not have to say no, it can just
4 let the County take its action on the 16th.

5 Mr. Stanton stated similar questions will be coming forward regard-
6 ing Hidden Valley Estates and whether the District wants to provide sewer
7 service.
8

9 A motion was made by Director Watton, seconded by Director Pov-
10 eda, and unanimously carried, to not approve Staff's recommendation and
11 defer any discussion with the County.
12

13 9. Acting General Manager Harron stated a letter was received
14 from Vallecitos Water District requesting a letter endorsing the application
15 of Paul A. Davy for the County Government vacancy on the Regional Water
16 Quality Control Board.
17

18 Director Inocentes stated he was approached by Mr. Davy about this
19 appointment and he knows him well and considers him qualified for the po-
20 sition. He made a motion to endorse Mr. Davy. The motion failed for lack
21 of a second.
22

23 Director Watton stated he would argue against the endorsement be-
24 cause not only is Vallecitos being a little irrational with some of the items at
25 the CWA, he has spoken to Mr. Davy about the emergency storage project
26 and other issues and he is not taking an approach that is in Otay's best in-
27 terest and he doesn't feel Mr. Davy has the temperament to sit on the
28
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1 Board. On paper he has good qualifications but his personal exposure to
2 Mr. Davy is the opposite of Director Inocentes'.

3 Director Poveda inquired how soon this letter would need to be writ-
4 ten.
5

6 Acting General Manager Harron stated they did not provide a dead-
7 line.
8

9 Director Poveda stated he is concerned about what is going on with
10 Vallecitos in terms of the Economic Study Group and he is not sure where
11 Mr. Davy stands so he is not prepared to take action at this time. He stated
12 he would call Mr. Davy and talk to him.
13

14 Director Price stated she has no problem with Mr. Davy's character
15 but she does have concerns with the Economic Study Group issue. She is
16 not prepared to support the recommendation today. She asked if Staff
17 could find out who else is being nominated.
18

19 Director Poveda requested this item be placed on the next agenda.

20 10. Mitch Young, Project Manager, updated the Board on the In-
21 terconnect project. He reviewed the accomplishments in May including
22 completion of the tunneling and casing installations for the South EastLake
23 and North Eastlake tunnels, the completion of the Bid Package C for pota-
24 ble and reclaimed water pipelines, the completion of Bid Package C for the
25 valve vaults, and the approval of contracts for Bid Package E pipeline, F
26 pipeline and F valve vaults. He reviewed the action items for June including
27 continuation of the tunneling of the North EastLake Tunnel; the closing out of
28 Bid Package C pipeline, valve vault and appurtenance contracts; com-
29

1 mencement of field work for the bid Package B tunnels, D and G pipelines,
2 D and G valve vaults; and issuance of Bid Package A, B, E and F appurte-
3 nances contracts. He also reviewed the contract change orders which rep-
4 resent an increase of 1% of the contract amount. He stated the timeline for
5 Pipeline G has been extended because least bell Vireos have been found
6 in that area.
7

8 Mr. Glen Vita of Montgomery Watson updated the Board on the EBE
9 outreach program for the Interconnect project. He stated a meeting was
10 held with the Latino Builders and the Black Contractors Associations for
11 scope clarification of the pipeline appurtenances bid packages. He also
12 contacted other water and sewer agencies for names of EBE firms they
13 have dealt with but since other agencies do not have EBE programs they
14 have not been able to provide any names. In June quotations will be re-
15 ceived from the Latino Builders and Black Contractors Association mem-
16 bers for pipeline appurtenance bid packages. They will also continue talk-
17 ing to other agencies to get additional EBE firm names to add to the pro-
18 ject data base.
19

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22 11. Finance Department Head Chambers presented the monthly
23 finance report. She stated she would provide each Director with a copy of
24 the budget which will be on the next agenda.
25

26 12. Acting General Manager Harron reported that the
27 Otay/Pacific Link Golf Course team will be receiving a 1999 American
28 Planning Association award for the golf course's planning process and as-
29

1 sociated Burrowing Owl program. The award banquet will be held June 10
2 and the Directors are invited.

3 Mr. Harron reported that he had contacted Helix and Sweetwater re-
4 garding a joint subcommittee meeting to coordinate efforts regarding the
5 Economic Study Group.
6

7 Director Price stated she would like to be in on the discussions.

8 13. Director Watton stated he felt the Economic Study Group was trying
9 to keep the study in draft form and that it was not getting much media attention be-
10 cause the cities are not cooperating. The cities want to look at the rates but not
11 through press conferences and limited studies.
12

13 He stated the IID agreement is moving along and there should be closure
14 on some of the issues soon.
15

16 He also reported that CWA staff presented a budget with a 3% increase in
17 the operating budget and an increase of over 100% in the capital budget. They
18 did vote to approve the \$5 increase per acre foot for potable water.
19

20 14. Director Inocentes reported he attended the employee luncheon and
21 the CLE conference on the Law of the Colorado River.
22

23 Director Price stated she attended the CLE conference and the employee
24 luncheon and the CWA Board meeting. She stated a letter had been received
25 from Murphy Development Company thanking Tim Stanton, Terry Kreuiter, Frank
26 Neese, David Charles and Jamie Kerbrow for being helpful and professional in
27 their dealings with Murphy.
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29 Director Poveda stated he also attended the CLE conference.

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Engineering Department Head Stanton introduced Chris MacLeod the new engineering manager for engineering and planning.

15. The Board went into closed session at 3:25 p.m. to discuss personnel matters. The meeting was reconvened in open session at 4:00 p.m.

16. With no further business to come before the Board, the meeting was adjourned at 4:00 p.m.

President

ATTEST:

District Secretary