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MINUTES OF THE  
BOARD OF DIRECTORS REGULAR MEETING  
OTAY WATER DISTRICT

July 7, 1999

1. The meeting was called to order by President Poveda at 1:36 p.m. in the District Boardroom, 2554 Sweetwater Springs Boulevard, Spring Valley, California.

DIRECTORS PRESENT: Directors Poveda, Laudner, Price, Inocentes and Watton (arrived at 1:47)

DIRECTORS ABSENT: None

STAFF PRESENT: Acting General Manager Harron  
Operations Dept Head Mahanke  
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 Inocentes, seconded by Director Laudner, and unanimously carried, to approve the agenda.

3. A motion was made by Director Inocentes, seconded by Director Poveda, and unanimously carried, to adopt the Minutes of the Regular Meeting of June 16, 1999, the Minutes of the Special Meeting of June 18, 1999, and the Minutes of the Special Meeting of June 22, 1999.

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

1           5.       President Poveda inquired if anyone in the audience desired to ad-  
2 dress the Board on any item not on the agenda. No one wished to be heard.

3           6.       Acting General Manager Harron presented the Employee of the  
4 Quarter award to Tom Buhl and stated that Mr. Buhl is the first employee to receive  
5 the award three times. Mr. Harron stated the Employee of the Quarter award will  
6 be known as the Tom Buhl Employee of the Quarter award from now on in recogni-  
7 tion of the type of work ethic Mr. Buhl has practiced during his 23 years at the Dis-  
8 trict. Each of the Directors expressed their thanks to Mr. Buhl for his dedication  
9 and hard work. They also stated that Mr. Buhl will be missed since he has officially  
10 retired from the District and they wished him the best.

11           7.       A motion was made by Director Inocentes, seconded by Di-  
12 rector Laudner, and unanimously carried, to adopt the following items on  
13 the Consent Calendar:

- 14           a)       AUTHORIZATION FOR ACTING GENERAL MANAGER TO  
15           AWARD A CONTRACT TO BENOLD CONSTRUCTION  
16           COMPANY, INC., FOR THE CONSTRUCTION OF EQUIPMENT  
17           COVERS IN THE AMOUNT OF \$113,405
- 18           b)       AUTHORIZATION FOR THE ACTING GENERAL MANAGER TO  
19           EXECUTE A CONTRACT WITH WINZLER & KELLY TO PROVIDE  
20           PROFESSIONAL ENGINEERING AND BIDDING SERVICES FOR  
21           A NOT-TO-EXCEED AMOUNT OF \$132,350 FOR THE 1004-2  
22           RESERVOIR PROJECT
- 23           c)       AUTHORIZATION FOR THE ACTING GENERAL MANAGER TO  
24           COMMENCE WORK ON PHASE I AND PHASE II OF THE  
25           PROPOSED AIR QUALITY COMPLIANCE PROGRAM AND  
26           INCREASE THE ON-CALL CONTRACT LIMIT FOR HELIX  
27           ENVIRONMENTAL PLANNING, INC. BY \$60,000 TO \$360,000, TO  
28           ALLOW THEM TO COMPLETE PHASE I AND II OF THE APCD  
29           WORK
- d)       AUTHORIZATION FOR ISSUANCE OF PURCHASE  
          ORDER/CONTRACT TO BELLWETHER SOFTWARE

1 CORPORATION IN THE AMOUNT OF \$33,043 FOR THE  
2 PURCHASE OF PMX SOFTWARE

- 3 e) INFORMATIONAL REPORT REGARDING ACTING GENERAL  
4 MANAGER'S EXECUTION OF AN AGREEMENT WITH THE CITY  
5 OF SAN DIEGO FOR SERVICE TO THE U.S. NAVAL SPACE  
6 SURVEILLANCE FACILITY AT BROWN FIELD
- 7 f) AUTHORIZATION FOR THE ACTING GENERAL MANAGER TO  
8 EXECUTE A REIMBURSEMENT AGREEMENT WITH  
9 ROBINHOOD III TO DESIGN AND INSTALL APPROXIMATELY  
10 1,300 FEET OF 24-INCH RECYCLED WATER PIPELINE IN LA  
11 MEDIA ROAD

12 8. President Poveda tabled Item 9, Approval of Staffing Re-  
13 quests for FY 99/00 Budget, until Director Watton arrived.

14 9. Acting General Manager Harron reported that the City of San  
15 Diego has postponed its action on the Western Water agreement until Au-  
16 gust but they do expect to be entering into an agreement then. Mr.  
17 McReynolds, of Western Water, would like the District to proceed but he  
18 stated he would understand the District's reluctance at this time. He also  
19 stated that there is another CWA member about to enter into an agreement  
20 with Western Water. Mr. Harron stated he would recommend the Board  
21 authorize Staff to enter into this agreement contingent upon another CWA  
22 member entering into this agreement with Western Water. Mr. Harron  
23 stated there is an advantage to acting now because Western Water has  
24 170,000 acre feet of water in negotiation now and plans to treat these con-  
25 tracts on a "first come, first serve" basis. There is a potential for a shortage  
26 of surplus capacity in the State Water Project which could preclude those  
27 agencies which enter into later contracts from being able to purchase the  
28 water.  
29

1 Director Watton arrived at 1:47 p.m.

2 Director Watton stated he is ready to give up on this because he  
3 feels SB 506 and Western Water are out of sync with the rest of the water  
4 world. Western Water is asking for something that is not helpful to CWA  
5 and others. He feels the City of San Diego is doing the same thing the Dis-  
6 trict is doing by looking at the savings and not the long term issues. He  
7 would be more comfortable if the District tied this to the City of San Diego  
8 but he is concerned about some of the elements of the contract. He feels  
9 the District is giving Western Water a lot of discretion. He is concerned  
10 about the indemnity clause getting the District into law suits. He requested  
11 Mr. Harron take a look at the contract with this in mind. The other District  
12 about to consider this contract is Vallecitos and he feels they are walking  
13 into this as blindly as the District is. The City of San Diego is taking more  
14 time to look into this. It's all about the issues tied to SB 506. He just wants  
15 to make sure this contract does not make the District vulnerable to a posi-  
16 tion that is not in its best interests.  
17  
18  
19  
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21 Mr. Harron stated he sees this as a one or two year phenomenon  
22 and would like the District to be in a position where it can take advantage of  
23 the savings.  
24

25 Director Watton stated not a drop of water will be seen from West-  
26 ern Water anyway.  
27

28 Director Price stated SB 506 is evolving and no one knows what to  
29 expect. She would not have a problem linking it to the City if that makes the  
Board more comfortable but she is not sure about linking it to Vallecitos.

1 Director Inocentes stated he has been supportive of this and he  
2 doesn't care if the District links this to the City but he would like to make this  
3 a two year contract if possible.  
4

5 Mr. Harron stated Western Water is willing to give the District more  
6 water but he did not discuss a two year contract. Western Water won't be  
7 around if the wheeling rate is too high.  
8

9 Director Inocentes stated the contract should provide relief for the  
10 time and effort of Staff and a penalty if Western Water doesn't perform.  
11

12 Mr. Harron stated the District could request that but it has not been  
13 discussed so far. If the District is sticking its neck out and this is just an ex-  
14 ercise, then the District should get something out of it. This could be dis-  
15 cussed during negotiations.  
16

17 Director Laudner asked what the down side would be.  
18

19 Mr. Harron stated CWA would have to implement this and put up a  
20 wheeling rate that they could defend. Western Water could use this as lev-  
21 erage in negotiations for a wheeling rate and could ultimately end up with a  
22 wheeling rate that is too low.  
23

24 Director Watton stated he is concerned with Section 12.1 of the con-  
25 tract because it says Western Water and Otay will agree to jointly support  
26 each other in getting permits. He feels if the District takes a political posi-  
27 tion Western Water doesn't like, there could be a problem. He also is con-  
28 cerned with Section 17.1 regarding indemnity, holding Western Water  
29 harmless, and defending them with counsel acceptable to them.

1 Mr. Harron stated these are standard clauses and it would be diffi-  
2 cult for Western Water to enter into an agreement without them.

3 Director Inocentes stated he did not realize that the District was go-  
4 ing to be a lobbyist for Western Water. He suggested a sub-committee be  
5 formed to hammer out the problems Director Watton has with the contract.  
6

7 Director Poveda stated he would prefer to tie the contract to the City.

8 Director Watton stated he agrees that the District should follow the  
9 lead of the City. He stated another section of the contract stated there are  
10 no proceedings going on.  
11

12 Mr. Harron stated that just means no one is going after the District.

13 Director Watton stated not now but there are pending bills in the leg-  
14 islature.  
15

16 Director Watton made a motion that the District move ahead with  
17 some review of those sections of the contract he had mentioned, follow and  
18 be in concert with the City of San Diego transfer agreement with one con-  
19 tingent upon the other. There was no second.  
20

21 A motion was made by Susan Price, seconded by Director Watton,  
22 and unanimously carried, to table this item until the next meeting to allow  
23 Director Watton to meet with Mr. Harron and review the contract and leave  
24 it up to President Poveda to form an ad hoc committee if needed.  
25

26 10. President Poveda stated he would like to go back to Item 9  
27 now that Director Watton is here. He stated he had requested this item be  
28 brought back to the Board because when the Board took action on the  
29 budget, he was not clear on the staffing request. Staff had brought the staff-

1 ing requests to the Personnel Committee and there was a recommendation  
2 to bring some of the positions to the full Board for consideration, some  
3 were supported, and one was denied. When the budget was adopted, he  
4 understood that the Board was accepting the Personnel Committee's rec-  
5 ommendations. He was not sure how the other Board members saw this.  
6

7 Director Watton stated the Personnel Committee only recom-  
8 mended two positions and he has confidence in the committee to recom-  
9 mend the positions. He did not understand why no one said anything about  
10 the positions that were being referred to the entire Board.  
11

12 Director Poveda stated the staffing issue should have been a sepa-  
13 rate item on the agenda and it just got lost in the budget discussion. He  
14 thought the Board was authorizing the two positions recommended by the  
15 Personnel Committee.  
16

17 Director Inocentes stated his vote was to approve the Personnel  
18 Committee's recommendation.  
19

20 Mr. Harron stated all the positions were listed in the Staff report be-  
21 cause the Personnel Committee had requested it be done that way.  
22

23 Director Poveda stated that was correct. He remembers that but it  
24 was not clear in the presentation which is why he brought this back. It was  
25 his recollection that the Personnel Committee supported more than the two  
26 positions shown in the Staff Report.  
27

28 Director Price inquired if the reclassifications were title changes  
29 only. She recalled that the Personnel Committee had approved those.

1 Administrative Department Head Alvarez stated they could fall into a  
2 higher salary grade and could have their FLSA status changed.

3 Director Poveda requested that Staff bring this item back after doing  
4 some research on the other four reclassified positions that he recalls the  
5 Personnel Committee supported.  
6

7 Mr. Alvarez stated he would do more research.

8 Director Poveda asked if the Board was prepared to discuss this  
9 today.  
10

11 Director Price inquired if Staff was jumping ahead of the consultant's  
12 reclassification study.  
13

14 Mr. Alvarez said no, they were looking at current duties and their  
15 recommendation was to change these positions to full supervisory posi-  
16 tions.

17 Director Inocentes stated he would prefer to bring this item back.

18 Director Watton stated he would rely on the Personnel Committee  
19 so if there is a need for more time to get better prepared, he would support  
20 that.  
21

22 Mr. Harron inquired if Staff could move forward with the two posi-  
23 tions the Personnel Committee had supported. The Board agreed. The  
24 tour assistant position will not be brought back.  
25

26 A motion was made by Director Watton, seconded by Director Ino-  
27 centes, and unanimously carried, that the Board would affirm the Commit-  
28 tee's support of the two finance positions and the denial of the tour assis-  
29 tant position and bring back the remainder.



1           13.     President Poveda called for a break at 2:40 p.m. The meet-  
2 ing was reconvened at 3:00 p.m.

3           14.     Mitch Young, Project Manager, updated the Board on the In-  
4 terconnect project. He reviewed the accomplishments for June including  
5 completion of the first and fourth segments of Bid Package A of the North  
6 Eastlake Tunnel, completion of Bid Package C Potable and Reclaimed  
7 Water Pipelines, completion of Bid Package C valve vaults, commence-  
8 ment of Bid Package D pipeline construction, and installation of Bid Pack-  
9 age G pipelines through the vernal pool area.

10           Mr. Glen Vita of Montgomery Watson updated the Board on the EBE  
11 outreach program for the Interconnect project. He stated June accom-  
12 plishments include issuing documents and quotation requests to the Latino  
13 Builders and the Black Contractors Association for the Pipeline Appurte-  
14 nances Bid Packages and contacting 21 other water and sewerage agen-  
15 cies for the names of EBE firms that have constructed projects in their Dis-  
16 tricts. It appears that Otay's database of EBE firms is better than the other  
17 agencies because they don't have much of an EBE outreach program.

18           Director Inocentes stated it is good that the District is proactive in  
19 the EBE program but he would like to see some of the other agencies get  
20 involved. He feels even the CWA should do more.

21           Director Price commended Mr. Young on all the work he has done to  
22 keep this project on time and under budget as well as the EBE effort.

1           15.     Finance Department Head Chambers presented the monthly finan-  
2 cial report. She stated excess revenue is currently \$569,909. She also distributed  
3 the cash investments and receivables for June.

4  
5           16.     Acting General Manager Harron reported that the District has won  
6 an award from the American Planning Association in the outstanding planning  
7 category for its Audubon International Signature golf course. He stated this award  
8 is due in large part to the efforts of Mike Coleman.

9  
10          17.     Director Watton reported that discussion at CWA has been about  
11 the wheeling issue and the related legislative activity. He reported that the CWA  
12 rate discussion will be held in the September/October time frame.

13  
14           The Metropolitan Water District governance bills are circulating but it has  
15 been very quiet. The strategic plan is being discussed at Met and it seems to  
16 have three main versions. The first is a contractual relationship. The second is  
17 status quo. The third is a share holder model. He stated most of the work seems  
18 to be revolving around the second version. CWA has told Met they feel equal time  
19 should be spent on each version so the Board has ample material to discuss every  
20 option.

21  
22          18.     Director Price stated she attended the Water Conservation Garden  
23 Board meeting and reported that the Garden is now open to the public. She also  
24 attended the luncheon seminar Engineering sponsored on concrete.

25  
26          19.     The Board went into closed session at 3:50 p.m. to discuss labor  
27 negotiations, a real property transaction and personnel matters. The meeting was  
28 reconvened in open session at 5:15 p.m.

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

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Vice President

ATTEST:

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Assistant District Secretary