

1
2
3
4
5
6

MINUTES OF THE
BOARD OF DIRECTORS REGULAR MEETING
OTAY WATER DISTRICT

July 21, 1999

7
8
9
10

1. The meeting was called to order by Vice President Price at 1:50 p.m. in the District Boardroom, 2554 Sweetwater Springs Boulevard, Spring Valley, California.

11
12

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

13
14

DIRECTORS ABSENT: Director Poveda

15
16
17
18
19

STAFF PRESENT: Acting General Manager Harron
Principal Human Resources Analyst Sarno
Engineering Dept Head Stanton
Finance Dept Head Chambers
Operations Dept Head Mahanke
Assistant District Secretary Smith
Public Affairs Assistant Favorite-Hill
Others as per attached list

20
21
22
23

2. After the Pledge of Allegiance, a motion was made by Director Laudner, seconded by Director Inocentes, and unanimously carried, to approve the agenda.

24
25
26
27
28
29

3. A motion was made by Director Inocentes, seconded by Director Watton, and unanimously carried, to approve the Minutes of the Regular Meeting of July 7, 1999 and the Minutes of the Special Meetings of July 9, 1999 and July 10, 1999.

1 A motion was made by Director Watton, seconded by Director Laudner,
2 and unanimously carried, to continue the Reclassification of the Pump/Electri-
3 cal/Instrumentation Crew Leader Position to Facilities Maintenance Supervisor to
4 the next meeting.
5

6 Director Inocentes stated he had pulled Item 8c because he wanted to in-
7 quire about the location of the project. Engineering Department Head Stanton
8 stated it was a pipeline that will connect and provide recycled water into the Ran-
9 cho Del Rey area and that there were two additional lines needed for Telegraph
10 Canyon before the recycled water would be available. Mr. Stanton said if the
11 Board agreed to reject all bids, Staff wanted to incorporate this project into the
12 Telegraph Canyon Road project, which is a larger project, and possibly receive
13 more reasonable bids. Director Inocentes asked why the District was having to
14 rebid this considering the contractor's expense involved in bidding the jobs. Mr.
15 Stanton stated the District had historically received very competitive bids, even on
16 smaller projects, but on this particular project, with the lowest bid being over 45%
17 above the engineer's estimate, Staff felt it was necessary to rebid.
18
19
20

21 A motion was made by Director Inocentes, seconded by Vice President
22 Price, and unanimously carried, to reject all bids and authorize Staff to rebid the
23 Paseo Ranchero Recycled Water Main project.
24

25 8. Vice President Price presented

26 RESOLUTION NO. 3810

27 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
28 OTAY WATER DISTRICT FIXING WATER AND SEWER
29 AVAILABILITY CHARGES FOR FISCAL YEAR 1999-2000
(FN 2851)

1 The public hearing was opened at 1:56 p.m. There being no com-
2 ments, the public hearing was immediately closed.

3 A motion was made by Director Watton, seconded by Director
4 Laudner, and unanimously carried, to adopt Resolution No. 3810.

5
6 9. Principal Human Resources Analyst Sarno, presented the
7 Administrative Services Department's monthly report. He stated that there
8 is a tentative agreement with ACWA to hold a tour of the Water Conserva-
9 tion Garden during the winter conference.

10
11 Principal Human Resources Analyst Sarno said that Item 5 ad-
12 dressed the question that Vice President Price had regarding the tempo-
13 rary agencies and student interns on staff as of June, 1999. Vice President
14 Price requested that this report be presented on a monthly basis and that a
15 column be added stating when the position began. She also requested that
16 the vacancy report, recruitment/appointment chart and temporary and stu-
17 dent intern staffing chart all use corresponding job titles.

18
19
20 Vice President Price asked if there was a vacancy or were there not
21 enough inspectors to perform the work since the Field Inspector has been
22 in place since 1997. Engineering Department Head Stanton stated it was
23 not a vacancy but was due to workload and that person will probably be in
24 place three to four years before the workload drops off. Vice President
25 Price asked if this position had come to the Board for approval and Mr.
26 Stanton stated it had not. She said that was where she had a problem re-
27 garding the temporary staffing and had been questioning the payments to
28 the temporary agencies in the demands. She felt that it was something that
29

1 needed to be closely monitored and that perhaps when the new General
2 Manager was hired it could be a subject of discussion whether the people
3 are needed and, if so, maybe someone should be hired on staff. Acting
4 General Manager Harron stated that years ago the District faced the ques-
5 tion of what to do with the spikes in labor that go with boom times. The
6 thought was to contract out for high spikes in work so that employees
7 wouldn't have to be laid off during slow periods and to Staff to a sustaining
8 level. The direction Staff received from the Board was that they agreed with
9 that policy.
10
11

12 Vice President Price concurred that was the present policy but felt
13 what had been lacking was tracking and reporting to the Board what posi-
14 tions are being filled and length of time positions are held. Acting General
15 Manager Harron said as far as growth in the District, Finance and Opera-
16 tions would need to be adding permanent positions to serve the added cus-
17 tomers. The Engineering Department is not expecting to add permanent
18 positions due to growth and expect to use temporary positions for the boom
19 times. Vice President Price requested that this item be referred to the
20 Personnel Committee for review, if Director Poveda felt it was necessary,
21 and then brought back to the full Board in order to give Staff direction re-
22 garding temporary staffing.
23
24
25

26 Vice President Price wanted to commend Steve Dobra and Mary
27 Saxton for their work on the Shared Services-Business Community Out-
28 reach program. She also mentioned that there was a new elementary
29 school, Thurgood Marshall Elementary School, in the Chula Vista Elemen-

1 tary School District that would need to be included in the District's partner-
2 ing program.

3 10. Dr. Joe Parker, Chairman of the San Diego County Water
4 Authority, thanked the Board for permitting the briefing on the legislation for
5 wheeling, SB 506, and the Water Authority's Rate Study. He stated that
6 both items were critical for most of the member agencies and they hope to
7 get resolution of the issues involved by the end of the year. Mr. Parker in-
8 troduced Dan Hentschke, General Counsel for the San Diego County Wa-
9 ter Authority.
10
11

12 Mr. Hentschke stated that CWA's mission was to provide a safe and
13 reliable water supply to the member agencies serving the San Diego re-
14 gion and SB 506 is intended to provide a high quality, safe and reliable
15 supply of water by enhancing the opportunity to get water from other areas
16 of California through the utilization of wheeling through existing facilities.
17 He stated the water transfers are an important component of the Resource
18 Plans for the Water Authority, member agencies, Bay Delta and California's
19 Colorado River 4.4 Plan.
20
21

22 He said an impediment for the wheeling of water had been found in
23 the current law, which is ambiguous and led to restrictions and manipula-
24 tions of price and requirements. Mr. Hentschke stated that the proposed
25 SB 506, authored by Senator Peace, would amend the existing law and
26 clarify the process and requirements for transfer of water through existing
27 facilities. He said there was a general consensus on quite a few items but
28
29

1 there were still two unresolved areas regarding fair compensation and re-
2 sponsibility for displaced sales.

3 Mr. Hentschke said that SB 506 was amended on July 8th to include
4 the consensus language (see attached report). There will be an informa-
5 tional hearing on August 9th, the Legislature reconvenes on August 16th and
6 it is hoped that SB 506 will be adopted by September 10th when the Legis-
7 lature adjourns.
8

9
10 Mr. Hentschke then discussed the Water Authority's rate study stat-
11 ing the project overview, the elements involved in the rate structure evalua-
12 tion criteria and the timeframe for completion of the study. He stated one of
13 the issues that has come up has been the Economic Study Group Report
14 by the north county agencies and how it will be handled within the Water Au-
15 thority's rate study. He said the Board will do a full, fair and complete
16 evaluation of a variety of different options and have a full discussion and
17 deliberation on these options. He stated also that CWA had held a number
18 of workshop sessions with the Managers of member agencies inviting input
19 and dialogue with regard to the rate structure.
20
21

22 Vice President Price thanked Mr. Hentschke for his presentation.
23

24 11. Vice President Price called a recess at 3:00 p.m. The meeting was
25 reconvened at 3:15 p.m.

26 12. Operations Department Head Mahanke presented his Department's
27 monthly report. He stated that for fiscal year 1998-99 the District sold 2,000 acre
28 feet more water, which is a nine percent increase over the previous year. Mr.
29

1 Mahanke stated they had installed over 1,900 meters, which is 1,000 more meters
2 over last year.

3 Department Head Mahanke stated that they had completed conversion of
4 all the sites from gas to liquid chlorine and that other than the Treatment Plant there
5 is no longer any gas chlorine out in the system. Director Inocentes asked if a tour
6 could be set up to look at the sites now that they are completed. Department
7 Head Mahanke said the 30 MG Reservoir would be a good site to tour.
8
9

10 13. Engineering Department Head Stanton presented his monthly Engi-
11 neering and Planning Department Report and the monthly status report for CIP
12 projects. He stated that Helix and CWA did elect to oversize the future Helix flume
13 to 48" versus 42" so that we will be able to get all the capacity we want without
14 having invested any additional money. He also said that the City of San Diego
15 negotiations are starting again where they would like to consolidate all of the
16 agreements for our six interconnection points into one agreement.
17
18

19 14. Acting General Manager Harron stated that he had attended the
20 CWA General Managers meeting and raised the question about Otay's investment
21 in the system based upon a postage stamp rate and to change it after so many
22 decisions had been made in reliance upon that would be unfair. The consultant
23 did say that they would take it into consideration as one of their criteria.
24

25 Acting General Manager Harron said the City of Chula Vista is proposing
26 all of the facilities in Olympic Parkway be paid for by placing an assessment on the
27 homeowners. He stated that knowing how controversial this has been in the past,
28 he wanted to bring it to the attention of the Board and asked if the Board had any
29 direction they wanted to give Staff regarding this proposal. Acting General Man-

1 ager Harron stated if the Board wished, the District could refuse to be part of the
2 assessment financing and require that the water facilities be put in by the devel-
3 oper or the District could go along with the assessment and bond financing but
4 then when the developer came in to get the meters, they would have to pay it off as
5 part of their meter charge so that the homeowner wouldn't be paying for the water
6 improvements through assessments.
7

8 After discussion, there was consensus that the District shouldn't become
9 involved in the assessment and have the developer pay for the improvements.
10

11 Acting General Manager Harron mentioned the outreach forum that would
12 be held at the Garden on August 20th and if any of the Directors were interested in
13 participating to please contact Staff. Directors Inocentes and Price both plan on
14 attending.
15

16 Director Inocentes stated he had read an Otay ad in La Prensa for a bid so-
17 licitation and asked why there had been a change in the language regarding solici-
18 tation of the EBEs. He said the ad encouraged the use of EBEs but there was no
19 positive or negative consideration given awarding the project to EBEs. He stated
20 that with the way it was stated, it took away the impact that we encouraged EBEs.
21

22 Mr. Dobrawa stated that he would correct any future ads.
23

24 15. Director Inocentes reported on his attendance at the Metropolitan
25 Water District meetings in Los Angeles and stated he had met with Mr. Ortega
26 and Mr. Gastelum.

27 Director Laudner stated he had attended a WARAC meeting where they
28 had a report on the Tampa Bay Desalinization Project.
29

1 Director Watton stated there had been an interesting development across
2 the border. He said the federal government will fund a project but the state has to
3 be responsible for the operations and maintenance cost. The state is taking the
4 position that they would like a pipeline but the federal government wanted to do
5 desalinization at Rosarito because the state would be stuck with the operations
6 and maintenance cost. He said now it looked like both the state and federal gov-
7 ernments were looking at the pipeline.
8
9

10 Vice President Price stated she had attended Tom Buhl's retirement party
11 and wanted to commend the employees who worked so hard to make it such a
12 nice event. She also congratulated Rebecca Patton for receiving a \$500 scholar-
13 ship from San Diego County Water Works.
14

15 Vice President Price stated she had attended the Council of Water Utilities
16 Breakfast where Ron Gastelum, the new General Manager at Met, was the guest
17 speaker.
18

19 16. The Board went into Closed Session at 3:45 p.m. to discuss a real
20 property transaction. The meeting was reconvened at 4:09 p.m.

21 17. With no further business to come before the Board, the meeting was
22 adjourned at 4:10 p.m.
23
24
25

26 _____
President

27 ATTEST:

28 _____
29 District Secretary