

MINUTES OF THE  
BOARD OF DIRECTORS REGULAR MEETING  
OTAY WATER DISTRICT

**August 4, 1999**

1. The meeting was called to order by President Poveda at 1:37 p.m. in the District Boardroom, 2554 Sweetwater Springs Boulevard, Spring Valley, California.

DIRECTORS PRESENT: Directors Poveda, Laudner, Price, Watton and Inocentes (arrived at 1:39)

DIRECTORS ABSENT: None

STAFF PRESENT: Acting General Manager Harron  
Acting Operations Dept Head Gunstinson  
Admin Services Dept Head Alvarez  
Acting Engineering Dept Head Mumford  
Finance Department Head Chambers  
District Secretary Bartlett-May  
Public Affairs Administrator Cassens  
Others as per attached list

2. After the Pledge of Allegiance, President Poveda stated he would be moving Item 8 before the Consent Calendar and Item 15a to after the Consent Calendar as he had to leave the meeting at 3:00 p.m.

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

3. A motion was made by Director Laudner, seconded by Director Watton, and unanimously carried, to adopt the Minutes of the Regular Meeting of July 21, 1999.

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

5. Director Inocentes arrived at 1:39 p.m.

6. 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.

7. Mr. Harold Ball addressed the Board regarding a request for a water meter credit for a 2-inch meter that was downsized to a 3/4-inch meter on his property off Lyons Valley Road in Jamul. The meter was downsized by his son and daughter-in-law and it is Mr. Ball's contention that he owned the water system on the property and they did not have the authority to downsize his meter. He stated he understands that his son and daughter-in-law downsized the meter to avoid paying the higher meter fees because they were having financial problems at the time. Mr. Ball had split the property and his son owned Parcel A at the time the meter was downsized. It is Staff's opinion that since Mr. Mark Ball, the son, was the owner of Parcel A and the meter was serving Parcel A, he had the authority to downsize his meter. Mr. Harold Ball has purchased a 3/4" meter and will be purchasing three other 3/4-inch meters when he splits the remaining property.

Director Laudner stated Staff had made a good case for denial and asked Mr. Ball if he had any proof that would support his request.

Mr. Ball stated he agrees with the statements in the Staff Report with the exception of the ownership of the meter. He stated he never relinquished ownership of the water system on the property.

Director Watton stated to provide fairness and equity where an ordinance doesn't fit exactly and where there has been confusion in a family or business, he would like to find a method to get back to where the situation would have been if the downsizing had not occurred. He suggested the 2-inch meter be reinstalled and Mr. Ball pay the back charges for the difference in monthly meter fees between the 3/4-inch and 2-inch meters. He stated he would be prepared to do this in any similar case.

Acting General Manager Harron stated Engineering Staff had researched how many meters had been downsized that did not get credit and there were approximately ten. He stated he did not know how many of these would fit the same situation as this one.

Director Watton stated he would be prepared to judge these on a case-by-case basis.

Director Price inquired if Mr. Ball would be keeping the 2-inch meter.

Mr. Ball stated he needs three 3/4-inch meters, not a 2-inch meter.

Mr. Terry Kreuter, of the District's Engineering Department, stated the 2-inch meter would be equivalent to seven EDUs which means Mr. Ball would have four additional EDUs to his credit.

Mr. Ball stated he would not be needing those EDUs.

A motion was made by Director Watton, seconded by Director Poveda, and unanimously carried, to exchange the 2-inch meter for three 3/4-inch meters with no other credit to be given and no retroactive fees to be collected.

Director Price thanked Mr. Ball and commended Staff for keeping such good records. She stated she sees this as a singular situation with extenuating circumstances and feels Staff did the right thing.

8. Director Price stated she would like to pull Item 7b from the Consent Calendar.

Director Inocentes stated he would like to pull Item 7c.

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

a) RESOLUTION NO. 3812

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TAX RATES FOR FISCAL YEAR 1999-2000 FOR PAYMENT OF PRINCIPAL AND INTEREST ON GENERAL OBLIGATION BONDS OF IMPROVEMENT DISTRICTS (GF 1600)

d) AUTHORIZATION FOR THE ACTING GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH JSA ENGINEERING FOR A CONTRACT AMOUNT NOT-TO-EXCEED \$3,429,901 FOR THE DICTIONARY HILL IMPROVEMENTS AND APPROVE AN

## INCREASE IN THE CIP 072 BUDGET TO \$4,500,000

e) APPROVAL OF MR. IMPINK'S REQUEST TO REPLACE A DISTRICT LIEN AGREEMENT ON COUNTY OF SAN DIEGO TRACT 5061-1 WITH A BOND IN THE AMOUNT OF \$15,970

f) AUTHORIZATION FOR STAFF TO ISSUE A PURCHASE ORDER/CONTRACT TO ADVANTAGE FORD, IN THE AMOUNT OF \$134,939.36 FOR PURCHASE OF DISTRICT VEHICLES

g) AMENDMENT TO POLICY 14 REGARDING GENERAL MANAGER'S VEHICLE ALLOWANCE

h) AUTHORIZATION FOR STAFF TO ISSUE A PURCHASE ORDER TO FRANK AND SON ASPHALT/PAVING IN THE AMOUNT OF \$17,450

i) AUTHORIZATION FOR ACTING GENERAL MANAGER TO EXECUTE A REVISED REIMBURSEMENT AGREEMENT WITH THE SKYLINE WESLEYAN CHURCH, INC. FOR \$245,425 TO CONSTRUCT A 20-INCH DIAMETER POTABLE WATER PIPELINE

9. Director Price stated she pulled Item 7b because she felt there were nebulous statements made in the Staff Report and she would like more details, specifically regarding how the NEC upgrade to the District's PBX system will lower overall costs.

Mr. Geoff Stevens, the IT Manager, stated Staff is faced with the situation where the current PBX system will not meet future capacity. The choice was buying a new system or upgrading the existing system. The decision was made to upgrade the existing system because it was less expensive than a new system and that pricing was validated. The industry average is \$610-\$620 per seat and the costs for the upgrade were \$465-\$481 per seat.

Director Price inquired if this was basically the difference between the \$110,000 for a new system and the \$74,287 for the upgrade.

Mr. Stevens stated that is correct. The District is lucky to have a good piece of equipment that can be upgraded as opposed to replacing the system.

Director Price inquired why the District needs 512 connections.

Mr. Stevens stated there can be two to three connections per employee when you take into account fax machines and other secondary devices such as printers that require the use of the phone system as the wide area network.

Director Price inquired about the ten years support life and ten year growth expectations.

Mr. Stevens stated he could not say if the life is ten years considering the growth in the telecommunications industry. The industry uses a five year depreciation schedule which means they expect equipment to last five years and maybe the Staff Report should have said five to ten years. The current system has been in for five years.

Director Price stated the Staff Report statement "The upgrade will position the District to provide new phone related services to customers and employees" is not specific enough and she asked for more

details.

Mr. Stevens stated there are two items that will be coming to the Board in the next month or two. One is providing automated information for customers regarding their bills and the other is voice recognition technology.

Director Price stated she will need to know the ongoing status of the upgrade and wants to make sure any other changes are brought back to the Board.

Director Watton inquired how this upgrade compares to Pac Bell's Centrex system.

Mr. Stevens stated he could get that information but usually there is a premium charged for that type of system where they own the equipment and they are doing the management. He stated with the Staff and the equipment the District has, it can save money by doing the management itself. Every time a change is made under a Centrex system a charge is incurred and the District makes frequent changes to its system.

Director Poveda stated he is prepared to support this today but he would like to see some of the specifics on the Centrex system and the longevity issue.

Director Price inquired if the District has a long range technology plan.

Mr. Stevens stated he is working on such a plan that is scheduled to be done by the end of the year.

Director Price stated that plan will be helpful in looking at these types of items because the Board will be able to see that this is part of the overall technology plan rather than a hit and miss approach.

A motion was made Poveda, seconded by Director Inocentes, and unanimously carried, to authorize Staff to issue a purchase order to NEC Business Network Solutions, Inc. in the amount of \$74,287.78 for the upgrade of the District's PBX system.

10. Director Inocentes stated he pulled Item 7c regarding the energy savings because he wanted to ask about the term of the agreements.

Mr. David Duff, Facilities Maintenance Superintendent, stated the agreements are for one year terms with a one year extension at the option of either party.

Director Inocentes inquired if ACWA USA had been providing the necessary reports to demonstrate the savings they claimed they would provide.

Mr. Duff stated they promised they would have a website available but the website had problems and they are rebuilding it now. He is receiving reports that have NEV and SDG&E data that is helpful. He has compared three of the District's accounts and he is confident the District is receiving the savings that were promised.

Director Inocentes inquired if the District had recaptured the cost of the purchase of the meters.

Mr. Duff stated they have paid for themselves.

Director Inocentes inquired if there is an energy services obligation with NEV or Commonwealth where

they provide any auditing or assessments.

Mr. Duff stated they will provide that service but so far the District is on their list to do a site visit.

Director Price stated she would like reports on this from time to time and would like Staff to communicate that the website must be functional if this was part of the package offered.

11. The Board went into closed session at 2:40 p.m. to discuss the selection of the general manager. The meeting was reconvened in open session at 2:55 p.m.

A motion was made by Director Inocentes, seconded by Director Price, and carried, with Director Watton voting no, to hire Alfredo Cardenas as the District's General Manager.

A motion was made by Director Inocentes, seconded by Director Price, and carried, with Directors Laudner and Watton voting no, to accept the contract negotiated with Mr. Cardenas for employment.

Director Poveda stated the Board interviewed a number of highly qualified individuals and it was a difficult task but the Board has come together in support of Mr. Cardenas who will be starting August 16.

Director Inocentes stated he would like to express his thanks to his fellow Board members for keeping this on a fast track and doing such a good job in keeping to the schedule. There were many really good candidates for the position but he feels they selected the best candidate in the pool. He also thanked Dr. Richard Garcia for doing such a fine job in leading the Board through this process. He is hopeful and excited that someone is coming on Board who can bring this District together at all levels.

12. Administrative Services Department Head Alvarez stated the staffing request made in the FY 00 budget is coming back to the Board for clarification. He stated there are two tables in the Staff Report. One indicates those reclassifications that were approved by the Personnel Committee and the second table contains recommendations that the Personnel Committee referred to the entire Board.

Director Poveda stated he had no problem with Table I.

Mr. Alvarez pointed out one error in the report regarding the Engineering Secretarial Intern. He stated the hourly rate should have been \$12.85.

Director Price stated she would like to vote yes on this today so the new general manager can come on board and move forward but she still has reservations about whether some of these positions are necessary and whether there has been adequate justification provided. She stated as an example the lead inspector being reclassified to a principle inspector. She stated this has nothing to do with the individual in the position but the way the information is presented to the Board. The request is to reclassify the position but it is really a change in the job description which she feels is more than a reclassification of title. She inquired how this impacts the Epler study.

Director Poveda stated he and Director Price served on the Personnel Committee and he is curious as to why there were no questions that arose at that time. He understands Director Price's rationale as far as the new general manager coming on board, but after looking at Table I several times, he does not think it is fair to the new general manager to ask him to make a decision regarding these positions when he first arrives. Staff has been waiting for some direction on these positions for quite a while and if Staff must wait for the general manager to come on board it will be at least another three months before the

positions can be filled. He feels Staff has justified that these positions are needed and the Personnel Committee did support these positions. When the general manager has been here awhile he can take a look at any reorganization and whether these positions were justified or not.

Director Inocentes stated he is ready to support the original recommendations of the Personnel Committee. On the reclassifications he is skeptical but he is willing to wait or move forward. He would like to hold off on the Table II recommendations. He inquired if there were changes in the Engineering Department as to the people Bart Mumford currently manages.

Mr. Mumford stated that is correct. On June 1 when Chris MacLeod was hired, there was a change in duties. Chris MacLeod was hired as an Engineering Manager fulfilling some of the duties Mr. Mumford formerly had and Mr. Mumford took over some of the duties Curt McLeod had.

Director Price inquired if Mr. Mumford had been promoted.

Mr. Mumford stated he had not been promoted, he remained an Engineering Manager.

Director Inocentes inquired what Curt McLeod's position had been.

Mr. Mumford stated he was an Engineering Manager.

Director Inocentes stated he understands that the position titles were the same and there was just a change in some responsibilities, not hiring Chris MacLeod as something else and then making him a manager.

Director Poveda stated he supports Table I but is not prepared to take action on Table II at this time. That is something the new general manager can look at.

Director Price stated she wanted to discuss the lead inspector reclassification further. She asked Mr. Alvarez how a change in the lead inspector's job description could be a reclassification.

Mr. Alvarez stated in HR generally a reclassification would be the vehicle that would be used to make an official significant change to a job so this would be a reclassification where the job is going from a lead level to a full supervisory level. There was some question as to whether the old description included supervision or not and so it was decided it would be a reclassification.

Director Price asked how the changes in job descriptions relates to the consultant's work and their job descriptions.

Mr. Alvarez stated the consultant was looking at current duties only so if there were reclassifications, that would be beyond the consultant's scope.

Director Price inquired if this was throwing a monkey wrench into the consultant's study.

Mr. Alvarez stated he felt it was appropriate to bring this back to the Board as a reclassification rather than try to fold it into the classification study. If the Board approves the change in this position, it would be incorporated into the final classification plan. He stated some of the old job descriptions were very vague as to whether a position was supervisory or a lead position. He stated Staff felt these should be brought back to have the Board affirm whether a position is a supervisor level or not. When this is folded into the classification plan, an appropriate salary would be included.

Director Price stated that any reservations she has expressed has nothing to do with the employees as individuals or the job they are doing for the District. Her concern is from an administrative level where she feels there is a lack of information or less than a full explanation to her questions or concerns. She stated in light of the fact that this has been dragging on, she will support the Table I recommendations.

A motion was made by Director Poveda, seconded by Director Inocentes, and carried with Director Laudner voting no, to approve the recommendations in Table I and hold off on Table II in the Staff Report.

13. President Poveda turned the meeting over to Vice-President Price at 3:15 p.m.

14. Vice-President Price inquired if any of the Directors wished to be placed in nomination for the available positions at the NWRA.

Director Inocentes stated he would like to be nominated for the Policy Development Committee Alternate.

Vice-President Price presented

#### RESOLUTION NO. 3813

#### A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT PLACING IN NOMINATION TONY INOCENTES FOR THE POSITION OF NWRA POLICY DEVELOPMENT COMMITTEE ALTERNATE

A motion was made by Director Inocentes, seconded by Director Watton, and unanimously carried, to adopt Resolution No. 3813.

15. Mitch Young, Project Manager, updated the Board on the Interconnect project. He reviewed the accomplishments for July including the installation of piping within the South Eastlake Tunnel and the first segment of the North Eastlake Tunnel, commencement of auger boring of the South Aqueduct Tunnel, completion of the final punch list for C Pipeline, and continuation of construction in Alta Road of D Pipeline. He stated the second project newsletter was issued and a partnering session facilitated by Renee Hoekstra of RH & Associates was held on July 30. He reviewed the action items for August and reported that the contract change orders are 1% of the contract amount.

Mr. Glen Vita of Montgomery Watson updated the Board on the EBE outreach program for the Interconnect project. He stated that site tours for three EBE contractors for the pipeline appurtenance bid packages were provided and two quotations were received from EBE contractors for the pipeline appurtenances bid packages. The EBE contracts issued to date total \$2,496,469.

Director Price stated she thought another tour of the project was to be scheduled for the Helix Water District and any others who might be interested.

Mr. Young stated he would be glad to set up another tour.

16. Acting General Manager Harron reminded the Board of the outreach program entitled Creating Paths to Partnerships.

Director Price stated the new general manager should attend.

17. Director Watton reported that the 4.4 plan is under negotiation and he feels it is still in sad shape from San Diego's viewpoint.

18. Director Price thanked Mr. Harron for being the Acting General Manager. She stated it is appreciated by the Board and the employees. She also commended Nick Pantazoplus and Chad Thompson for their efforts in replacing a fire hydrant head which resulted in a thank you letter from a customer. She also thanked Dave Duff, Larry LeFeuvre, Jerry Munoz, Mitch Atkinson, Gus Gracia and Walt Francis for the assistance they provided to Padre Dam when an SDG&E transfer malfunctioned and they were struggling to meet the water demands.

19. The Board went into closed session at 3:55 p.m. to discuss potential litigation. The meeting was reconvened in open session at 4:15 p.m.

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