

OTAY WATER DISTRICT
FINANCE, ADMINISTRATION AND COMMUNICATIONS
COMMITTEE MEETING
and
SPECIAL MEETING OF THE BOARD OF DIRECTORS

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA
BOARDROOM

WEDNESDAY
May 18, 2016
12:00 P.M.

This is a District Committee meeting. This meeting is being posted as a special meeting in order to comply with the Brown Act (Government Code Section §54954.2) in the event that a quorum of the Board is present. Items will be deliberated, however, no formal board actions will be taken at this meeting. The committee makes recommendations to the full board for its consideration and formal action.

AGENDA

1. ROLL CALL
2. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

DISCUSSION ITEMS

3. ADOPT RESOLUTION NO. 4303 TO ESTABLISH THE TAX RATE FOR IMPROVEMENT DISTRICT NO. 27 AT \$0.004 FOR FISCAL YEAR 2016-2017 (ZIOMEK) [5 minutes]
4. ADOPT RESOLUTION NO. 4304 TO CONTINUE WATER AND SEWER AVAILABILITY CHARGES FOR DISTRICT CUSTOMERS FOR FISCAL YEAR 2016-2017 TO BE COLLECTED THROUGH PROPERTY TAX BILLS (CAREY) [5 minutes]
5. ADOPT RESOLUTION NO. 4305 TO REPEAL BOARD POLICY NO. 39, DISCLOSURE OF INFORMATION AND USE OF COMPUTER, ELECTRONIC AND VOICE MAIL, AND INTERNET POLICY, OF THE DISTRICT'S CODE OF ORDINANCE (WILLIAMSON) [5 minutes]
6. APPROVE AN AGREEMENT WITH WESTERN PUMP, INC. IN AN AMOUNT NOT-TO-EXCEED \$103,623 TO RETROFIT THE FUEL ISLAND DISPENSING UNITS, UNDER DISPENSER CONTAINMENT UNITS AND UNDERGROUND FUEL PIPING (PAYNE) [5 minutes]
7. ADJOURNMENT

BOARD MEMBERS ATTENDING:
Jose Lopez, Chair
Mitch Thompson

All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

The Agenda, and any attachments containing written information, are available at the District's website at www.otaywater.gov. Written changes to any items to be considered at the open meeting, or to any attachments, will be posted on the District's website. Copies of the Agenda and all attachments are also available through the District Secretary by contacting her at (619) 670-2280.

If you have any disability which would require accommodation in order to enable you to participate in this meeting, please call the District Secretary at 670-2280 at least 24 hours prior to the meeting.

Certification of Posting

I certify that on May 13, 2016 I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on May 13, 2016.

_____/s/ Susan Cruz, District Secretary_____

AGENDA ITEM 3



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 1, 2016
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Jeanette Ziomek, Senior Accountant		
	Kevin Koeppen, Finance Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Joseph R. Beachem, Chief Financial Officer		
	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager		
	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Adopt Resolution No. 4303 to Establish the Tax Rate for Improvement District No. 27 (ID 27) for Fiscal Year 2016-2017		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution No. 4303 to establish the tax rate for Improvement District No. 27 (ID 27) at \$0.004 for Fiscal Year 2016-2017.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

Improvement District No. 27 (ID 27) has outstanding general obligation bonds which mature in Fiscal Year 2023 and is the only improvement district with general obligation debt service. As of July 1, 2017, the outstanding debt will be \$4.6 million with interest rates from 3% to 4%. The bonds are non-callable.

At the beginning of each fiscal year staff must provide the County of San Diego, Property Tax Services, with the tax rate to be charged upon all property within ID 27 to ensure the amount of tax

collections will support the annual debt service requirement. Staff recommends that the Board adopt Resolution No. 4303 to establish the tax rate for ID 27 at \$0.004 for Fiscal Year 2016-2017.

BACKGROUND:

In December 1992, the District sold \$11,500,000 of general obligation bonds in ID 27 for the construction of the 30mg reservoir. At the time of the formation of ID 27, the District intended to have a maximum tax rate of \$0.10 per \$100 of assessed valuation. The tax rate has remained well below the intended maximum rate.

The District refinanced the bonds in fiscal year 1998 and again in fiscal year 2010 which resulted in a reduction in the annual debt schedule. Property valuations continued to increase and reached its peak in fiscal year 2008 at \$12.5 billion. With the recession, the assessed values dropped below \$10 billion in fiscal year 2011 and is now valued at more than \$11 billion. The combination of the reduced debt service requirement and the increased assessed values resulted in the District's reserve levels exceeding the target.

From 2009 to 2015, the tax rate has been \$0.005 and the District has covered the tax collection shortfall from the ID 27 reserves.

With new residential development in East Chula Vista and the recovery of the housing market, staff anticipates that the assessed values will continue to grow. In Fiscal Year 2015-2016, the District decreased the tax rate to \$0.004 and continued to cover the tax collection shortfall from the ID 27 reserves.

For Fiscal Year 2016-2017, staff proposes to maintain the tax rate at \$0.004 and continue to cover the tax collection shortfall from the ID 27 reserves. Staff projects that a \$0.004 tax rate will maintain reserve levels above the target until it is time to wind down the reserve for the expiration of the debt.

FISCAL IMPACT: Joseph R. Beachem, Chief Financial Officer

The tax proceeds are legally restricted for the sole purpose of the repayment of this debt. These proceeds will be collected until the debt obligation is fully paid, at which time the fund will have a zero balance. The \$0.004 tax rate is projected to generate \$640,400 in revenue in fiscal year 2017. The projected revenue, given the recommended tax rate combined with the current fund balance, will meet the annual ID 27 debt service payment of \$747,969.

STRATEGIC GOAL:

Through well-established financial policies and wise management of funds, the District will continue to guarantee fiscal responsibility to its ratepayers and the community at large.

LEGAL IMPACT:

None.

Attachments:

- A) Committee Action Form
- B) Resolution No. 4303
- C) ID 27 Tables



ATTACHMENT A

SUBJECT/PROJECT:	Adopt Resolution No. 4303 to Establish the Tax Rate for Improvement District No. 27 (ID 27) for Fiscal Year 2016-2017
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COMMITTEE ACTION:

That the Finance, Administration and Communications Committee recommend that the Board adopt Resolution No. 4303 to establish the tax rate for Improvement District No. 27 (ID 27) at \$0.004 for Fiscal Year 2016-2017.

NOTE:

The "Committee Action" is written in anticipation of the Committee moving the item forward for board approval. This report will be sent to the Board as a committee approved item, or modified to reflect any discussion or changes as directed from the committee prior to presentation to the full board.

RESOLUTION NO. 4303

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TAX RATES FOR FISCAL YEAR 2016-2017 FOR PAYMENT OF PRINCIPAL AND INTEREST ON GENERAL OBLIGATION BONDS OF IMPROVEMENT DISTRICTS (GF 1600)

WHEREAS, California Water Code Section 72091 authorizes the Otay Water District, as a municipal water district, to levy an ad valorem property tax which is equal to the amount required to make annual payments for principal and interest on general obligation bonds approved by the voters prior to July 1, 1978.

NOW, THEREFORE, the Board of Directors of the Otay Water District resolves, determines and orders as follows:

1. Findings. It is necessary that this Board of Directors cause taxes to be levied in fiscal year 2016-2017 for Improvement District No. 27 of the Otay Water District to pay the amount of the principal and interest on the bonded debt of such improvement district.

2. Amounts to be Raised by Taxes. The amount required to be raised by taxation during fiscal year 2016-2017 for the principal and interest on the bonded debt of Improvement District No. 27 is as follows:

Improvement District No. 27 \$640,400

3. Tax Rates. The tax rates per one hundred dollars (\$100) of the full value of all taxable property within said improvement district necessary to pay the aforesaid amounts of principal and interest on the bonded debt of said improvement district for fiscal year 2016-2017 is hereby determined and fixed as follows:

Improvement District No. 27 \$0.004

4. Certification of Tax Rates. Pursuant to Water Code Section 72094, this Board of Directors hereby certifies to the Board of Supervisors and the County Auditor of the County of San Diego the tax rates hereinbefore fixed, and said County Auditor shall, pursuant to Section 72095 of said Code, compute and enter in the County assessment roll the respective sums to be paid as tax on the property in Improvement District No. 27, using the rate of levy hereinabove fixed for such improvement district and the full value as found on the assessment roll for the property therein, and the Secretary of this Board of Directors is hereby authorized and directed to transmit certified copies of this resolution, Attachment B, and made a part hereof, to said Board of Supervisors and said Auditor.

PASSED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 1st day of June, 2016.

Ayes:
Noes:
Abstain:
Absent:

President

ATTEST:

Secretary

IMPROVEMENT DISTRICT 27

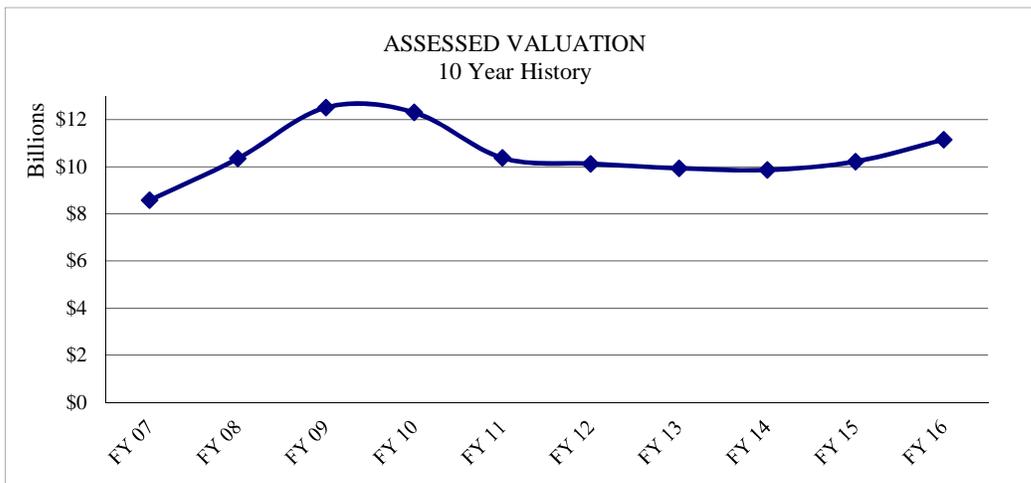
History

- 1989** Improvement District 27 was formed with \$100,000,000 bonding authorized.
- 1992** District issued \$11,500,000 in General Obligation Bonds primarily for the construction of a 30 million gallon storage reservoir.
- 1998** District refinanced outstanding debt of \$10,900,000.
- 2009** District refinanced again outstanding debt of \$7,780,000.

Historical Data						
	TAXES COLLECTED	DEBT SERVICE	NET	TAX RATE	ASSESSED VALUATION	INC%
FY03	\$725,085	\$848,600	(\$123,515)	\$0.01500	\$3,837,693,353	37%
FY04	\$829,036	\$848,700	(\$19,664)	\$0.01400	\$5,047,625,296	32%
FY05	\$994,501	\$840,800	\$153,701	\$0.01200	\$6,454,909,846	28%
FY06	\$1,081,991	\$840,385	\$241,606	\$0.01000	\$8,579,576,581	33%
FY 07	\$862,795	\$837,936	\$24,859	\$0.00700	\$10,348,663,242	21%
FY 08	\$917,168	\$835,017	\$82,151	\$0.00600	\$12,518,643,676	21%
FY 09	\$747,175	\$830,823	(\$83,648)	\$0.00500	\$12,308,043,285	-2%
FY 10	\$605,405	\$934,674	(\$329,269)	\$0.00500	\$10,378,404,507	-16%
FY 11	\$606,966	\$781,144	(\$174,178)	\$0.00500	\$10,131,397,697	-2.4%
FY 12	\$597,799	\$752,976	(\$155,177)	\$0.00500	\$9,941,622,812	-1.9%
FY 13	\$650,587	\$773,863	(\$123,276)	\$0.00500	\$9,869,377,173	-0.7%
FY 14	\$664,270	\$750,088	(\$85,818)	\$0.00500	\$10,226,148,004	3.6%
FY 15	\$726,878	\$748,663	(\$21,784)	\$0.00500	\$11,157,255,925	9.1%
FY 16 ⁽¹⁾	\$633,083	\$751,663	(\$118,579)	\$0.00400	\$11,904,159,221	6.7%

⁽¹⁾ Due to timing of the report, taxes collected is an estimate.

Change in Fund Balance						
	TAXES COLLECTED	DEBT SERVICE	NET	TAX RATE	ASSESSED VALUATION	INC%
	Est Fund Balance 6/30/16		\$678,210			
FY17	\$640,400	\$747,969	(\$107,569)	\$0.00400	\$12,261,283,998	9.9%
	Interest		\$3,139			
	Est Fund Balance 6/30/17		\$573,780			





AGENDA ITEM 4

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 1, 2016
	Andrea Carey, Customer Service Manager	PROJECT:	DIV. NO. All
SUBMITTED BY:			
APPROVED BY:	<input checked="" type="checkbox"/> Joseph R. Beachem, Chief Financial Officer <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Adopt Resolution No. 4304 to Continue Water and Sewer Availability Charges for District Customers for Fiscal Year 2016-2017 to be Collected through Property Tax Bills		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution No. 4304 to continue water and sewer availability charges for District customers for fiscal year 2016-2017 to be collected through property tax bills.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

That the Board consider the adoption of Resolution No. 4304 to continue water and sewer availability charges for District customers for fiscal year 2016-2017 to be collected through property tax bills.

ANALYSIS:

The District levies availability charges each year on property in both developed and undeveloped areas. State Water Code Section 71630-71637 authorizes the District to access such availability charges. In order to place these charges on the tax roll, the County of San Diego requires the District to provide a resolution authorizing the charges. Each year, the District provides a resolution along with the listing of charges by parcel. Current legislation provides that any amount up to \$10 per parcel (one acre

or less) is for general use and any amount over \$10 per parcel (\$30 per acre for parcels over one acre) is restricted, to be expended in and for that Improvement District. The District uses amounts over \$10 per parcel to develop water and sewer systems within the Improvement Districts where the funds are collected. In accordance with legislation, the District places amounts up to \$10 per parcel in the General Fund.

FISCAL IMPACT:

The availability charges, as budgeted, will generate approximately \$1.2 million in revenue.

STRATEGIC GOAL:

This revenue source will help the District meet its fiscal responsibility to its ratepayers.

LEGAL IMPACT:

None.

Attachments: Attachment A - Committee Action Form
Attachment B - Resolution No. 4304



ATTACHMENT A

SUBJECT/PROJECT:	Adopt Resolution No. 4304 to Continue Water and Sewer Availability Charges for District Customers for Fiscal Year 2016-20176 to be Collected through Property Tax Bills
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COMMITTEE ACTION:

That the Finance, Administration, and Communications Committee recommend that the Board adopt Resolution No. 4304 to continue water and sewer availability charges for District customers for fiscal year 2016-2017 to be collected through property tax bills.

NOTE:

The "Committee Action" is written in anticipation of the Committee moving the item forward for board approval. This report will be sent to the Board as a committee approved item, or modified to reflect any discussion or changes as directed from the committee prior to presentation to the full board.

RESOLUTION NO. 4304

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT CONTINUING PREVIOUSLY ESTABLISHED WATER AND SEWER AVAILABILITY CHARGES FOR FISCAL YEAR 2016-2017; REQUESTING THE COUNTY TO COLLECT SUCH AVAILABILITY CHARGES ON THE 2016-2017 SECURED TAX ROLL AND TAKING OTHER RELATED ACTIONS

WHEREAS, the Otay Water District (herein "District") is a member of the San Diego County Water Authority and the Metropolitan Water District of Southern California and, as a member, the District is entitled to purchase water for distribution within the District and water so purchased is available to property in the District that is also within the San Diego County Water Authority and the Metropolitan Water District of Southern California, without further need for annexation to any agency; and

WHEREAS, Improvement District No. 18 has been formed within the Otay Water District (herein "District") and sanitary sewers have been constructed and sewer service is available to land within the said District; and

WHEREAS, in consideration of the benefit that water availability confers upon property within the District, and in further consideration of the need for revenue to pay the cost of water storage and transmission facilities which directly and specifically benefit property within the District, the District has previously determined that water availability charges be fixed and established under applicable provisions of law; and

WHEREAS, in consideration of the benefit which sewer availability confers upon property within Improvement District No. 18, and in further consideration of the need to pay the cost of

sanitary sewers which directly and specifically benefit those properties, the District has previously determined that sewer availability charges be fixed and established for Improvement District No. 18 as provided under applicable provisions of law; and

WHEREAS, the District desires to continue the collection of such water and sewer availability charges without increases or revisions in methodology or application.

NOW, THEREFORE, the Board of Directors of the Otay Water District resolves, determines and orders as follows:

1. SCHEDULE OF WATER CHARGES

(A) The water availability charges previously fixed and established are hereby continued for Fiscal Year 2016-2017 at the existing rates, as follows:

- (1) In Improvement District No. 22 the charge shall be \$30.00 per acre of land and \$10.00 per parcel of land less than one acre.
- (2) For land located outside an improvement district and within one mile of a District water line, the charge shall be \$10.00 per acre of land and \$10.00 for each parcel less than one acre.
- (3) For land located outside an improvement district and greater than one mile from District facilities, the charge shall be \$3.00 per acre of land and \$3.00 for each parcel less than one acre.

(B) Modifications The charges provided for in subparagraphs (1) through (3) in (A) above shall be modified upon petition by the

property owner where the property does not receive water from the District as follows:

- (1) where a parcel of land or a portion thereof is within an open space easement approved by San Diego County, the charge for such parcel or portion thereof shall be fifty percent (50%) of the charge determined pursuant to paragraph (A), provided the owner files with the District proof, satisfactory to the District, that said parcel of land or portion thereof is within such a designated permanent open space area;
- (2) where a parcel of land or portion thereof is in an agricultural reserve under a Land Conservation Contract with the County of San Diego, pursuant to the Land Conservation Act of 1965 as amended, the charge for such parcel shall be \$3.00 per acre, provided the owner files with the District proof, satisfactory to the District, that said parcel of land or portion thereof is within such an agricultural preserve;
- (3) where a parcel of land or a portion thereof is within an area designated as a floodplain by the County of San Diego, the charge for such a parcel or portion thereof shall be \$3.00 per acre, provided the owner files with the District proof, satisfactory to the District, that said parcel of land or portion thereof is within such designated floodplain; and

- (4) where a parcel of land or portion thereof exceeds a 30% slope, and where such is not within a legal subdivision, lot-split or planned residential development, the charge for the slope portion shall be \$3.00 per acre, or if such a parcel is less than one acre and more than one-half of the area exceeds 30% slope, \$3.00 for the parcel, provided the owner files with the District proof, satisfactory to the District, that said parcel of land or portion thereof meets or exceeds the slope.

(C) Exceptions The charges provided for in (A) and (B) above shall not apply, upon petition by the property owner, to the following:

- (1) land located within an area designated as a floodway by the County of San Diego;
- (2) land designated as a vernal pool area by a governmental agency authorized to make such a designation and which designation prohibits use of such area for any purpose;
- (3) land owned by non-profit, tax-exempt conservation organizations specializing in identifying and protecting the natural habitat of rare species; or
- (4) land that is located within the boundaries of the Otay Water District but not within the boundaries of the Metropolitan Water District of Southern California and the San Diego County Water Authority.

2. SCHEDULE OF SEWER CHARGES

(A) Sewer standby assessment or availability charges are hereby fixed and established for Fiscal Year 2016-2017 as follows:

(1) In Improvement District No. 18 the charges shall be \$30.00 per acre of land and \$10.00 per parcel of land less than one acre. The preceding charges shall not apply, upon petition by the property owner, to the following:

- (a) any portion of a parcel which is undeveloped and maintained in its natural state within an Open Space Area as a requirement under the San Diego County General Plan, provided the owner of such parcel files proof, satisfactory to the District, of such designed Open Space Area;
- (b) any portion of a parcel located within an area designated by the County of San Diego as a floodway or floodplain; or
- (c) any portion of a parcel of land which exceeds a slope of 30% and which is not within a legal subdivision, lot split or planned lot split or planned residential development.

3. DEFERRALS

(A) Deferral of Charge, Purpose Situations may arise when an owner of a parcel of land does not use and has no present intention of using water and/or sewer provided by the District on a parcel of land, as defined in Section 4. The purpose of this section is to permit an evaluation by the District, on a case-by-case basis, of

the circumstances which pertain to such situations to determine whether a deferral of charges should be approved according to the terms and conditions herein provided.

Any owner of a parcel of land who believes that the amount of the water and/or sewer availability charges fixed against such parcel should be deferred may file an application with the District for deferral of the charge, as follows:

(a) Application The application shall include a statement describing the circumstances and factual elements which support the request for deferral.

(b) The General Manager shall consider the request within sixty (60) days after the filing of a completed application. If the application for deferral meets the established criteria, the General Manager may decide whether to approve the request and order the charge deferred accordingly. If the request is denied, the applicant shall be notified in writing stating the reasons for the denial.

(B) Appeal to Board of Directors If the General Manager denies a request, the owner may file an appeal with the Board of Directors within sixty (60) days after such denial. No new application for deferral need be considered by the General Manager until expiration of twelve (12) months from the date of a denial, unless differently directed by the Board of Directors.

(C) Deferred Charges on Restricted Parcels, Criteria The levy of the charge may be deferred annually as to any parcel of land which meets each of the following criteria:

- (a) The owner of such parcel makes a timely application requesting deferral of the charge.
- (b) The parcel, which is the subject of the request, will become subject to enforceable restrictions which prohibits the connection to the District sewer system or use of water on the parcel, except by means of natural precipitation or runoff; provided, however, if considered appropriate by the General Manager, local water may be used for limited domestic stock watering and irrigation uses.
- (c) The owner executed a recordable agreement which includes provisions that:
 - (1) set forth the enforceable restrictions pertinent to the subject parcel;
 - (2) the agreement may be terminated upon written request by the owner and payment of all deferred water and/or sewer availability charges, plus interest thereon, compounded annually, and accruing at the legal rate from the date such charges would have been otherwise due and payable;
 - (3) no water and/or sewer service from the District shall be provided to such parcel for a period of ten (10) years after the total amount due for the charges deferred, plus annually compounded interest, is paid in full to the District, unless a surcharge penalty as

described below is paid to the District prior to connection of any water and/or sewer service;

- (4) if the surcharge is not paid, during the ten (10) year period, while water and/or sewer service is not available to the subject land, the owner shall pay all annual water or availability charges as fixed; and
- (5) contains such other provisions considered by the General Manager to be appropriate.

(D) Surcharge Upon termination of the deferral agreement, an owner may elect to receive water and/or sewer service prior to the expiration of the ten (10) year penalty period upon payment of a surcharge. The surcharge shall be equal to the amount of the annual water and/or sewer availability charges fixed for the parcel(s) of land in the year of election to receive water and/or sewer service multiplied by the number of years remaining of the ten (10) year penalty period. This surcharge shall also apply if a property owner develops a parcel that is subject to a deferral agreement without termination of said agreement.

(E) Enforcement Procedures In order to insure that terms and conditions of the recordable agreement are being met, the General Manager shall:

- (1) Maintain a record of all parcels approved for deferral of the water assessments or availability charges.

(2) Report to the Board of Directors any instances where the terms of the agreement are being violated.

(3) Take such other actions or procedures considered appropriate.

4. DEFINITION OF PARCEL The term "parcel" as used herein shall mean a parcel of land as shown on the assessment rolls of the County Assessor of San Diego County as of March, 2016.

5. NOTICE AND REQUEST TO THE BOARD OF SUPERVISORS AND AUDITOR As provided in Sections 71634 to 71637, on or before the third Monday in August, 2016, the Secretary of this District shall furnish, in writing to the Board of Supervisors of San Diego County and to the County Auditor, a description of the land within the District upon which availability charges are to be levied and collected for Fiscal Year 2016-2017 together with the amount of the assessments or charges. At the time and in the manner required by law for the levying of taxes for county purposes, the Board of Supervisors of San Diego County shall levy, in addition to taxes it levies, water and/or sewer availability charges in the amounts fixed by this Resolution for the respective parcels of land described in Section 1 of this Resolution. All County officers charged with the duty of collecting taxes shall collect the charges with the regular property tax payments in the same form and manner as County taxes are collected. Such availability charges are a lien on the property with respect to which they are fixed. Collection of the charges may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

6. CERTIFICATION TO COUNTY BOARD OF SUPERVISORS The District certifies that this Resolution complies with the provisions of Article XIIIID of the California Constitution in that the availability charges are existing charges first set by the Board of Directors of the District prior to November 6, 1996. At the time the availability charges were initially established, the District followed the applicable provisions of law then in effect, and the District has continued to comply with such provisions, including any requirements for notices or hearings, as from time to time in effect. Therefore, pursuant to Section 71632 and Section 71638 of the California Water Code, as currently in effect, the District may continue the availability charges in successive years at the same rate. The District further certifies that the charge is not increased hereby and the methodology for the rate is the same as in previous years. The charge is imposed exclusively to finance the capital costs, maintenance and operating expenses of the water or sewer system of the District, as applicable.

7. CERTIFIED COPIES The Secretary of this District shall deliver certified copies of this Resolution to the Board of Supervisors and to the Auditor of San Diego County with the list of charges described in Section 4 above.

8. CORRECTIONS; OTHER ACTIONS The General Manager of the District is hereby authorized to correct any clerical error made in any assessment or charge pursuant to this Resolution and to make an appropriate adjustment in any assessment or charge made in error. Furthermore, the General Manager and the Secretary of this District are hereby directed to take any further actions and deliver such

documents and certificates as necessary to carry out the purpose of this Resolution.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting duly held this 1st day of June, 2016.

Ayes:
Noes:
Abstain:
Absent:

President

ATTEST:

Secretary

I HEREBY CERTIFY that the foregoing Resolution No. 4304 was duly adopted by the BOARD OF DIRECTORS of the OTAY WATER DISTRICT at a regular meeting thereof held on the 1st day of June, 2016 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

District Secretary



AGENDA ITEM 5

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 1, 2016
		PROJECT:	DIV. NO. ALL
SUBMITTED BY:	Kelli Williamson Human Resources Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Adolfo Segura, Chief, Administrative Services <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	ADOPT RESOLUTION #4305 TO REPEAL BOARD POLICY #39, DISCLOSURE OF INFORMATION AND USE OF COMPUTER, ELECTRONIC & VOICEMAIL, AND INTERNET POLICY		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution #4305 to repeal Board Policy #39, Disclosure of Information and Use of Computer, Electronic & Voicemail, and Internet Policy.

COMMITTEE ACTION:

Please see "Attachment A".

PURPOSE:

To request that the Board adopt Resolution #4305 and approve the repealing of Board Policy #39, Disclosure of Information and Use of Computer, Electronic & Voice Mail, and Internet Policy.

ANALYSIS:

Consistent with the District's Strategic Plan and Board Policy #44, Review of Procedures, the District regularly reviews policies and procedures to ensure they are streamlined and are clear and consistent with applicable laws.

District staff is recommending the repealing of Board Policy #39, Disclosure of Information and use of Computer, Electronic & Voice Mail,

and Internet Policy (Attachment B). A strike-through copy is attached (Exhibit 1).

Due to frequent changes in technology, staff recommends that the topics covered in Board Policy #39 are more appropriate to be addressed through a internal Human Resources Policy and has prepared the following internal Policy: Use of Information Technology Resources and Telecommunication Systems (Attachment C). This Policy incorporates key provisions from Board Policy #39 along with updates deemed appropriate to address information security policies, practices, and responsible conduct for District staff and will be effective upon the rescission of Board Policy #39. The Association has agreed to the policy as presented.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

None.

STRATEGIC GOAL:

Optimize the District's Operating Efficiency.

LEGAL IMPACT:

None.

ATTACHMENTS:

Attachment A - Committee Action Report

Attachment B - Resolution #4305

Exhibit 1 - Disclosure of Information and use of Computer,
Electronic & Voice Mail, and Internet Policy

Attachment C - Copy of Internal Human Resources Policy, Use of
Information Technology Resources and Telecommunication
Systems (Informational)



ATTACHMENT A

SUBJECT/PROJECT:	ADOPT RESOLUTION #4305 TO REPEAL BOARD POLICY #39, DISCLOSURE OF INFORMATION AND USE OF COMPUTER, ELECTRONIC & VOICEMAIL, AND INTERNET POLICY
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee met on May 18, 2016, to review this item. The Committee supports presentation to the full Board for their consideration.

NOTE:

The "Committee Action" is written in anticipation of the Committee moving the item forward for Board approval. This report will be sent to the Board as a Committee approved item, or modified to reflect any discussion or changes as directed from the Committee prior to presentation to the full Board.

RESOLUTION NO. 4305

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE OTAY WATER DISTRICT
TO REVISE AND UPDATE VARIOUS DISTRICT BOARD POLICIES

WHEREAS, the Board of Directors of Otay Water District have established policies, procedures, ordinances, and resolutions for the efficient operation of the District; and

WHEREAS, it is the policy of the District to establish procedures to review policies, procedures, ordinances, and resolutions periodically to ensure they are current and relevant; and

WHEREAS, District staff has identified policy number 39, Disclosure of Information and Use of Computer, Electronic & Voice Mail, and Internet Policy, to be rescinded and replaced with Human Resources Policy, Use of Information Technology Resources and Telecommunications Systems;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Otay Water District repeal policy number 39 in the form presented to the Board at this meeting.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 1st of June, 2016.

President

ATTEST:

Secretary

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISCLOSURE OF INFORMATION AND USE OF COMPUTER, ELECTRONIC & VOICE MAIL, AND INTERNET POLICY	39	11/07/01	

Purpose

~~The purpose of this policy is to define rules and guidelines governing access, use and disclosure of confidential records or information as well as on the use of computer and other electronic systems.~~

Policy

UNAUTHORIZED USE OR DISCLOSURE OF CONFIDENTIAL RECORDS

~~Employees are provided access to confidential records and systems in order to conduct District business and efficiently perform their assigned duties and responsibilities. These records (physical and/or electronic) include but are not limited to personnel, payroll, medical, family, legal, financial and customer information. Unauthorized access, use, sale and/or disclosure of confidential information, including disclosure or providing access to non-authorized persons or employees are strictly prohibited.~~

DISTRICT COMPUTER AND TELECOMMUNICATIONS EQUIPMENT: DEFINED

~~District computer and telecommunications equipment consists of all electronic devices, software, and means of electronic communication including, but not limited to, the following Firm equipment: personal computers and work stations; lap-top computers; mini and mainframe computers; computer hardware such as disk drives and tape drives; peripheral equipment such as printers, modems, fax machines, and copiers; computer software applications and associated files and data, including software that enables access to external services, such as the Internet; email; telephones; cellular phones; pagers; and voicemail systems.~~

PERSONAL USE OF COMPUTERIZED AND ELECTRONIC SYSTEMS

~~Because all computer, word processing, electronic and voice mail and Internet systems remain the property of the District and are for official use only, records, files, transmissions, passwords and other products or contents of these systems are not private in that they may be reviewed by District Management or its~~

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISCLOSURE OF INFORMATION AND USE OF COMPUTER, ELECTRONIC & VOICE MAIL, AND INTERNET POLICY	39	11/07/01	

~~designee(s) without prior notice to the employee; therefore, employees can have no expectation of privacy in any documents or other materials they write, receive, store, or send in the use of these systems.~~

~~The District reserves the right to access and disclose all products and contents of these systems for any purpose. The District reserves the right to monitor use of these systems to prevent abuse, enforce other policies, and access information. Access may occur, but is not limited to, situations indicating impropriety, violation of District policy, legal requirements, suspected criminal activities, breach of system security, or to locate substantive information or monitor employee performance and conduct.~~

~~District Management may disclose the contents of these systems within or outside of the District without employee permission.~~

~~The information contained in the Otay information systems is for the sole use of the District and its customers. Employees may not release information, use this information for non-work related tasks, or disclose this information without the permission of his or her supervisor.~~

~~The District has unlimited access to protect the security of these systems or the District's property rights.~~

~~PERSONAL USE~~

~~Incidental and occasional personal use of the electronic systems covered by this Policy is permitted within the District, but such use will be treated no differently from official use. There is no expectation of privacy with respect to such personal use as such use is subject to the same access and review rights of any other use of these systems.~~

~~GUIDELINES FOR THE USE OF THE DISTRICT'S E-MAIL~~

- ~~1. Once implemented, the District's electronic mail system is for official District business and shall not be used for unrelated purposes, including, but not limited to, the following:~~

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISCLOSURE OF INFORMATION AND USE OF COMPUTER, ELECTRONIC & VOICE MAIL, AND INTERNET POLICY	39	11/07/01	

- ~~a. To send "chain" or similar type "letters."~~
 - ~~b. To send documents in violation of copyright or other laws.~~
 - ~~c. To knowingly open mail not directed to you.~~
 - ~~d. To use for personal or social purposes other than occasional, incidental use.~~
 - ~~e. To send messages in violation of District safety and security policiesprocedures.~~
 - ~~f. To forward electronic messages without a legitimate business purpose under circumstances likely to lead to embarrassment of the sender or to violate the clearly expressed desire of the sender to restrict additional dissemination.~~
 - ~~g. To send messages that are false, inaccurate, abusive, obscene, pornographic, profane, sexually oriented, threatening, offensive, discriminatory or illegal.~~
- ~~2. Avoid "carbon copying" individuals who have NO direct involvement or "need to know." Likewise, "e-mail" to all users should only be used on very rare occasions when every person on the system has a direct need to know. E-mail communications should only be disclosed to authorized employees.~~
 - ~~3. Avoid "forwarding" e-mail to a third party unless necessary (see "carbon copying"). When forwarding, explain the reason for the forwarding action and edit out any potentially inappropriate contents. If in doubt about the appropriateness of forwarding a given piece of mail, check with the originator for guidance.~~
 - ~~4. When sending an e-mail requiring "action," be sure to indicate which "TO" addressee(s) is/are to take the action.~~

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISCLOSURE OF INFORMATION AND USE OF COMPUTER, ELECTRONIC & VOICE MAIL, AND INTERNET POLICY	39	11/07/01	

- ~~5. Do not "say" anything in an e-mail message that could prove embarrassing or compromising to you or others. Despite what you think, e-mail is not a "private" system.~~
- ~~6. Avoid potentially contentious exchanges through e-mail.~~
- ~~7. Remember that you are solely responsible for the management of your mailbox and its associated folders. E-mail documents will remain in a folder until you "delete" or "trash" them. Even then they still exist in your "wastebasket." E-mail that you wish to maintain should remain in their specified folders and/or be converted to hard copy.~~
- ~~8. Use your common sense in determining when to use e-mail, in what is said, and to whom.~~

~~GUIDELINES FOR USE OF INTERNET~~

~~The District reserves the right to monitor and/or log all network activity with or without notice, including e-mail and all web site communications, and therefore, users should have no expectation of privacy in the use of these resources.~~

~~Uses that are acceptable and encouraged:~~

- ~~• Communications and information exchanges directly relating to the mission, charter and work tasks of the District;~~
- ~~• Announcements of District procedures, meetings, policies, services or activities;~~
- ~~• Use for advisory, standards, research, analysis and professional society or development activities related to the user's District duties; and~~
- ~~• Use in applying for or administering grants or contracts for District research programs.~~

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISCLOSURE OF INFORMATION AND USE OF COMPUTER, ELECTRONIC & VOICE MAIL, AND INTERNET POLICY	39	11/07/01	

~~Uses that are unacceptable:~~

~~It is unacceptable for a user to use, submit, publish, display or transmit on the network or on any computer system any information which:~~

- ~~•Violates or infringes on the rights of any other person, including the right to privacy;~~
- ~~•Contains defamatory, false, inaccurate, abusive, obscene, pornographic, profane, sexually oriented, threatening, racially offensive or otherwise biased, discriminatory, or illegal material;~~
- ~~•Violates District regulations prohibiting sexual harassment;~~
- ~~•Restricts or inhibits other users from using the system or the efficiency of the computer systems;~~
- ~~•Encourages the use of controlled substances or uses the system for the purpose of criminal intent; or~~
- ~~•Uses the system for any other illegal purpose.~~

~~It is also unacceptable for a user to use the facilities and capabilities of the system to:~~

- ~~•Conduct any non-approved business;~~
- ~~•Solicit the performance of any activity that is prohibited by law;~~
- ~~•Transmit material, information or software in violation of any local, state or federal law;~~
- ~~•Conduct any political activity;~~
- ~~•Conduct any non-District-related fund raising or public relations activities;~~

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISCLOSURE OF INFORMATION AND USE OF COMPUTER, ELECTRONIC & VOICE MAIL, AND INTERNET POLICY	39	11/07/01	

~~•Engage in any activity for personal gain or personal business transactions; or~~

~~•Make any unauthorized District purchases.~~

~~COPYRIGHTED MATERIAL~~

~~Users may download copyrighted material, but its use must be strictly within the agreement as posted by the author or current copyright law. The federal Copyright Act at 17 U.S.C. 101 et seq. (1988) protects and prohibits misuse of all original works of authorship in any tangible medium of expression. This includes a prohibition on plagiarism (using someone else's ideas or writing and passing it on as one's own).~~

~~PUBLIC DOMAIN MATERIAL~~

~~Any user may download public domain programs for his/her own business-related use, or may redistribute a public domain program non-commercially but does so with the knowledge that by doing so, he/she also assumes all of the risks regarding the determination of whether or not a program is in the public domain. Users are not permitted to install software that interferes with District supplied programs.~~

~~ELECTRONIC MAIL (E-MAIL)~~

~~Internet e-mail is considered network activity, thus, it is subject to all policies regarding acceptable/ unacceptable uses of the Internet as well as the District's e-mail policy (Section 4.). Users should not consider Internet e-mail to be either private or secure.~~

~~PASSWORDS~~

~~Authorized employees are prohibited from giving their password to any other person. The password remains the property of the District.~~

~~SOFTWARE USE ON DISTRICT COMPUTER AND TELECOMMUNICATIONS EQUIPMENT~~

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISCLOSURE OF INFORMATION AND USE OF COMPUTER, ELECTRONIC & VOICE MAIL, AND INTERNET POLICY	39	11/07/01	

~~No software is to be installed, downloaded or used in District computer and telecommunications equipment that has not been paid for and licensed appropriately for the use to which it is to be put. No employee may load any software on the District's computers, by any means, unless authorized in writing in advance by the District's _____, _____, or _____ Information Technology Manager, Senior Systems Analyst, or Network Support Analyst. Authorization to load software onto the District's computers will not be given until the software to be loaded has been scanned thoroughly for viruses.~~

SECURITY

~~The District has installed programs and devices to ensure the safety and security of the District's computer and telecommunications equipment. Any employee found tampering with or disabling any of the District's security devices will be subject to discipline up to and including termination of employment.~~

REGULATIONS AND ENFORCEMENT

~~The District's General Manager is responsible for compliance with provisions of this policy and for investigating suspected non-compliance. These duties include, but are not limited to:~~

- ~~•Investigation of alleged or suspected non-compliance with the provisions of the policy; and~~
- ~~•Suspension of service to users or of user access with or without notice when deemed necessary for the operation and/or integrity of District communications infrastructure or connected networks.~~

VIOLATIONS

~~Violation of this Policy will lead to discipline, up to and including, termination of employment. The District reserves the~~

~~OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY~~

Subject	Policy Number	Date Adopted	Date Revised
DISCLOSURE OF INFORMATION AND USE OF COMPUTER, ELECTRONIC & VOICE MAIL, AND INTERNET POLICY	39	11/07/01	

~~right to advise appropriate legal authorities of any violation of law by any employee.~~

~~**CONSENT FORM**~~

~~All District employees must consent that all computer and electronic systems, including but not limited to, word processing, electronic and voice mail and Internet network activity are the property of the District, and therefore, they should not consider any activity to be private. By signing the consent form, employees acknowledge their understanding of the Disclosure of Information and Use of Computer, Electronic & Voice Mail, and Internet Policy and their understanding of the potential penalties for non-compliance.~~

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISCLOSURE OF INFORMATION AND USE OF COMPUTER, ELECTRONIC & VOICE MAIL, AND INTERNET POLICY	39	11/07/01	

~~I _____ have read the District's Disclosure Of Information And Use Of Computer, Electronic & Voice Mail, and Internet Policy and agree to comply with all of its terms and conditions. I agree that all computer and electronic activity, including but not limited to, word processing, electronic and voice mail and Internet network activity, conducted while doing District business and being conducted with resources is the property of the District.~~

~~The District reserves the right to monitor and log all such activity, with or without notice, and therefore, users should have no expectations of privacy in the use of these resources.~~

~~Finally, I understand that violation of this Policy may subject me to discipline, up to and including, termination of employment.~~

Employee Signature _____ Date _____

	OTAY WATER DISTRICT HUMAN RESOURCES POLICY		
Subject:	USE OF INFORMATION TECHNOLOGY RESOURCES AND TELECOMMUNICATION SYSTEMS	Effective Date	Date Revised
		June 1, 2016	

PURPOSE

The purpose of this policy is to define rules and guidelines governing access and use of all District Information Technology Resources and Telecommunication Systems.

POLICY

A. UNAUTHORIZED USE OR DISCLOSURE OF CONFIDENTIAL RECORDS

Employees are provided access to confidential records and systems in order to conduct District business and efficiently perform their assigned duties and responsibilities. These records (physical and/or electronic) include but are not limited to personnel, payroll, medical, family, legal, financial and customer information. Unauthorized access, use, sale and/or disclosure of confidential information, including disclosure or providing access to non-authorized persons or employees are strictly prohibited.

B. DISTRICT INFORMATION TECHNOLOGY RESOURCES AND TELECOMMUNICATION SYSTEMS DEFINED

District Information Technology Resources and Telecommunication Systems consist of all electronic devices, software, and means of electronic communication including, but not limited to the following equipment: desktop and mobile computers; network servers; computer hardware storage such as disk, tape and USB drives; peripheral equipment such as printers, modems, fax machines, and copiers; computer software applications and associated files and data, including services that enable access to external Internet messaging and storage; email; telephones; cellular phones; pagers; voicemail systems; GPS; and cameras.

C. NO EXPECTATION OF PRIVACY

Because all District Information Technology Resources and Telecommunication Systems remain the property of the District, records, files, transmissions, e-mail, passwords and other products or contents of these systems are not private in that they may be reviewed by District Management or its designee(s) without notification to the employee; therefore, employees can have no expectation of privacy in any documents or other materials they write, receive, store, or send in the use of these systems.



OTAY WATER DISTRICT HUMAN RESOURCES POLICY

Subject: USE OF INFORMATION TECHNOLOGY RESOURCES AND TELECOMMUNICATION SYSTEMS	Effective Date	Date Revised
	June 1, 2016	

The District reserves the right to access and disclose all products and contents of these systems for any purpose. The District reserves the right to monitor use of these systems to prevent abuse, enforce other policies, and access information. Access may occur, but is not limited to, situations indicating impropriety, violation of District policy, legal requirements, suspected criminal activities, breach of system security, to locate substantive information, or monitor employee performance, possible inappropriate use or inappropriate conduct.

District Management may disclose the contents of these systems within or outside of the District without employee permission.

D. USE OF DISTRICT INFORMATION TECHNOLOGY RESOURCES AND TELECOMMUNICATION SYSTEMS

The main purpose of the District's Information Technology Resources and Telecommunication Systems is for official District business; however incidental and occasional personal use of the electronic systems covered by this Policy is permitted as long as it does not interfere with District business, is not excessive, does not cause an adverse impact (e.g. extra costs, congestion, viruses, general system performance, integrity, reliability, etc.) on the District's network, and does not violate any other District or department policies and procedures. Employees are prohibited from loaning District equipment to non-District employees. Under no circumstances is a District employee authorized to engage in any activity that is illegal under local, state, federal, or international law while utilizing District-owned resources.

District materials (software, internal memoranda, etc.) may not be posted on any external Internet web-site, file-sharing site, instant messaging site or any similar computer or network, unless approved by the General Manager or designee. Once approved, the transmission and storage of confidential or proprietary District information shall be encrypted and secured by password and/or networking filtering methods.

For defined business purposes, the District may use social media tools such as Facebook, YouTube, Twitter, LinkedIn and other media outlets. Personal use of these social media tools on District computers is prohibited. The social media Internet based tools mentioned in this section are not meant to be an exhaustive list. If employees have specific questions about which programs the District deems to be social media, they should consult with their supervisor or Human Resources.



OTAY WATER DISTRICT HUMAN RESOURCES POLICY

Subject: USE OF INFORMATION TECHNOLOGY RESOURCES AND TELECOMMUNICATION SYSTEMS	Effective Date	Date Revised
	June 1, 2016	

The occasional local, toll-free call, and fax to conduct personal business such as scheduling doctor appointments or child care are acceptable as long as they do not disrupt work or result in any fee to the District (e.g., long distance calls, using directory assistance, or a long distance fax). Employees who are issued District cell phones must remain within the usage parameters of the District's approved monthly cell phone plan. Reasonable precaution should be made to prevent theft and vandalism of any District cellular phone. In the event that a cellular phone is lost, stolen, or vandalized due to an employee's failure to use reasonable precautions, the District may require the responsible employee to reimburse the District for the replacement cost of the equipment and any inappropriate charges. It is also expected that the employee will file a theft report with local authorities and notify District management of the cell phone loss.

E. PUBLIC DOMAIN MATERIAL

It is prohibited to download public domain programs. Public domain programs or software refers to software that has no ownership or trademark, i.e., free software. If there is a business case for the use of a public domain program, the user will have to seek District management and Information Technology Department approval prior to download. Public domain programs that are downloaded without management and Information Technology approval, will be removed upon identification.

F. INTERNET AND E-EMAIL USE

The District is not responsible for non-business related material viewed or received by users on or from the Internet. Users are only to access or download materials from appropriate Internet sites in accordance with standards set forth in this document.

The District's e-mail system is primarily intended for business use. Incidental and occasional personal use is permitted as long as it does not interfere with normal business activities, must not involve solicitation, must not be associated with any for-profit outside business activity, and must not be potentially embarrassing to the District. In addition, employees must keep in mind that there shall be no expectation of privacy when using the District's e-mail system. All messages sent and received via the District's e-mail system is an established public record and can be requested for public viewing at any time. The intent of District e-mail is to provide an effective and efficient means of official communication.



OTAY WATER DISTRICT HUMAN RESOURCES POLICY

Subject: USE OF INFORMATION TECHNOLOGY RESOURCES AND TELECOMMUNICATION SYSTEMS	Effective Date	Date Revised
	June 1, 2016	

G. PASSWORDS

Authorized employees are prohibited from giving their password to any other person. Passwords must not be inserted into e-mail messages or other forms of electronic communication. Passwords must not be stored or transmitted in clear (unencrypted) text. The District reserves the right to keep a record of all passwords and codes used and may be able to override any such password systems.

H. SOFTWARE USE ON DISTRICT INFORMATION TECHNOLOGY RESOURCES AND TELECOMMUNICATION SYSTEMS

The District strongly supports strict adherence to software vendors' license agreement. No District employee shall copy or install software in a manner that is not consistent with the vendor's license. No employee may load any software on the District's computers, by any means, unless authorized in advance by the District's Information Technology Department. Authorization to load software onto the District's computers will not be given until the software to be loaded has been scanned thoroughly for viruses.

I. REGULATIONS AND ENFORCEMENT

The District's General Manager or designee, is responsible for compliance with provisions of this policy and for investigating suspected non-compliance. These duties include, but are not limited to:

- Investigation of alleged or suspected non-compliance with the provisions of the policy; and
- Suspension of service to users or of user access with or without notice when deemed necessary for the operation and/or integrity of District communications infrastructure or connected networks.

J. VIOLATIONS

Violation of this Policy may lead to discipline, up to and including, termination of employment. The District reserves the right to advise appropriate legal authorities of any violation of law by any employee.



OTAY WATER DISTRICT HUMAN RESOURCES POLICY

Subject: USE OF INFORMATION TECHNOLOGY RESOURCES AND TELECOMMUNICATION SYSTEMS	Effective Date	Date Revised
	June 1, 2016	

K. CONSENT FORM

All District employees shall consent that all computer and electronic systems, including but not limited to, word processing, telephone systems (including District-issued cell phones), electronic and voice mail and Internet network activity are the property of the District, and therefore, they should not consider any activity to be private. By signing the consent form, employees acknowledge their understanding of the Use of Information Technology Resources and Telecommunication Systems Policy and their understanding of the potential penalties for non-compliance.

POLICY HISTORY

Board Policy, Disclosure of Information and Use of Computer, Electronic & Voicemail, and Internet Policy, adopted November 7, 2001.

Human Resources Policy, effective June 1, 2016



OTAY WATER DISTRICT HUMAN RESOURCES POLICY

Subject: USE OF INFORMATION TECHNOLOGY RESOURCES AND TELECOMMUNICATION SYSTEMS	Effective Date	Date Revised
	June 1, 2016	

OTAY WATER DISTRICT CONSENT FORM

I _____ have read the District's Use of Information Technology Resources and Telecommunications Systems Policy and agree to comply with all of its terms and conditions. I agree that all computer and electronic activity, including but not limited to, word processing, electronic and voice mail, cellular phones, and Internet network activity, conducted while doing District business and being conducted with resources is the property of the District.

The District reserves the right to monitor and log all such activity, with or without notice, and therefore, users should have no expectations of privacy in the use of these resources.

Finally, I understand that violation of this Policy may subject me to discipline, up to and including, termination of employment.

Employee Signature

Date

AGENDA ITEM 6



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 1, 2016
		PROJECT:	Various DIV. NO. ALL
SUBMITTED BY:	Kent Payne, Purchasing and Facilities Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Adolfo Segura, Chief, Administrative Services		
	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager		
	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	AUTHORIZE AGREEMENT WITH WESTERN PUMP, INC. TO RETROFIT THE FUEL ISLAND DISPENSING UNITS, UNDER DISPENSER CONTAINMENT UNITS AND UNDERGROUND FUEL PIPING		

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to enter into an agreement with Western Pump, Inc. in an amount not-to-exceed \$103,623 to retrofit the fuel island dispensing units, under dispenser containment units and underground fuel piping.

COMMITTEE ACTION:

See "Attachment A".

PURPOSE:

To present bid results and request that the Board authorize the General Manager to enter into an agreement with Western Pump, Inc., a San Diego California corporation, to retrofit the fuel island dispensing units, under dispenser containment units and underground fuel piping systems.

ANALYSIS:

Background - Since 1989, the District has operated its own fuel island consisting of one underground 10,000 gallon unleaded gasoline storage tank and one underground 10,000 gallon diesel storage tank. Each tank is connected by underground double wall flex piping to a dual nozzle dispensing unit and under dispenser containment system (UDC) at the fuel island. The UCD's and flex piping are original to the system and will be upgraded during this process to meet current regulatory requirements. The dispensing units are also original equipment and well

past their useful life. Replacement parts are limited and delays in procuring parts can impact day-to-day operations.

The operation of the District's fueling system with its underground infrastructure is highly regulated requiring daily, monthly and yearly inspections including licensure and certification. Many components of the District's system, while grandfathered, are no longer compliant with current standards. By upgrading and modernizing the fuel island and underground piping, the District reduces its exposure to system failures and potentially significant fines and sanctions.

Solicitation - An invitation for bids was advertised through a local newspaper and through the District's online solicitation portal, BidSync. Four companies attended a mandatory pre-bid meeting. Three companies submitted bids, while the fourth declined due to existing workload.

Western Pump, Inc	\$103,623
Jenal engineering Corporation	\$117,616
Jauregui & Culver	\$128,702
Verdugo Testing Co., Inc	No Bid

Western Pump, Inc, a San Diego corporation, is the lowest qualified and responsive bidder at \$103,623.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

Administrative Services Replacement CIP P2550 contains \$112,000 for the 2017 fiscal year. The Facility Manager has projected that this amount is sufficient to successfully complete the project within the fiscal year including the cost of permits and miscellaneous expenses.

STRATEGIC GOAL:

This action supports the District's goals to ensure financial health and reduce risk through safe and efficient operations.

LEGAL IMPACT:

None.

Attachments:

Attachment A - Committee Action Report



ATTACHMENT A

SUBJECT/PROJECT:	AUTHORIZE AGREEMENT WITH WESTERN PUMP, INC. TO RETROFIT THE FUEL ISLAND DISPENSING UNITS, UNDER DISPENSER CONTAINMENT UNITS AND UNDERGROUND FUEL PIPING
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on May 18, 2016. The Committee supports presentation to the full Board for their consideration.

NOTE:

The "Committee Action" is written in anticipation of the Committee moving the item forward for Board approval. This report will be sent to the Board as a Committee approved item, or modified to reflect any discussion or changes as directed from the Committee prior to presentation to the full Board.