

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

**TUESDAY**  
**June 16, 2015**  
**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. 4292 TO ESTABLISH THE TAX RATE FOR IMPROVEMENT DISTRICT NO. 27 (ID 27) AT \$0.004 FOR FISCAL YEAR 2015-2016 (ZIOMEK) [5 mins]
4. ADOPT RESOLUTION NO. 4293 TO CONTINUE WATER AND SEWER AVAILABILITY CHARGES FOR DISTRICT CUSTOMERS FOR FISCAL YEAR 2015-2016 TO BE COLLECTED THROUGH PROPERTY TAX BILLS (MENDEZ-SCHOMER) [5 minutes]
5. AUTHORIZE AN AGREEMENT WITH BROWNSTEIN HYATT FARBER SCHRECK (BHFS) FOR STATE AND FEDERAL LEGISLATIVE ADVOCACY SERVICES FOR FISCAL YEARS 2015 THROUGH 2017 IN AN AMOUNT NOT-TO-EXCEED \$50,000 ANNUALLY (\$100,000 TOTAL ENDING JUNE 30, 2017) (BUELNA) [5 minutes]
6. CONSIDER CASTING THE DISTRICT'S VOTE TO ELECT A REPRESENTATIVE TO THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION'S BOARD OF DIRECTORS, REGION 6, SEAT A (WATTON) [5 minutes]

7. CONSIDER THE CANDIDATES FOR THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S BOARD OF DIRECTORS ELECTION AND CAST THE DISTRICT'S VOTE BY ELECTING UP TO THREE (3) CANDIDATES AND ADOPTING RESOLUTION NO. 4291 (SEGURA) [5 minutes]
8. ADJOURNMENT

BOARD MEMBERS ATTENDING:  
Mitch Thompson, Chair  
Jose Lopez

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](http://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 June 12, 2015 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 June 12, 2015.

\_\_\_\_\_  
/s/ Susan Cruz, District Secretary

# AGENDA ITEM 3



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 24, 2015
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Jeanette Ziomek, Senior Accountant		
	Rita Bell, 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. 4292 to Establish the Tax Rate for Improvement District No. 27 (ID 27) for Fiscal Year 2015-2016		

### **GENERAL MANAGER'S RECOMMENDATION:**

That the Board adopt Resolution No. 4292 to establish the tax rate for Improvement District No. 27 (ID 27) at \$0.004 for fiscal year 2015-2016.

### **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, 2015, the outstanding debt will be \$5.2 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. 4292 to establish the tax rate for ID 27 at \$0.004 for fiscal year 2015-2016.

**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 to exceed the target.

Since 2009, the tax rate has been \$.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, it is anticipated that the assessed values will continue to grow. Therefore, staff proposes to decrease the fiscal year 2015-2016 tax rate to \$.004 and to continue to cover the tax collection shortfall from the ID 27 reserves. Staff projects that a \$.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:**

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 \$609,623 in revenue in fiscal year 2016. The projected revenue, given the recommended tax rate combined with the current fund balance, will meet the annual ID 27 debt service payment of \$751,663. Lowering the tax rate to \$.004 reduces the fund balance and brings it closer to the target level of six months of bond payments while maintaining a positive cash balance for the foreseeable future.

**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. 4292
- C) ID 27 Tables



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Adopt Resolution No. 4212 to Establish the Tax Rate for Improvement District No. 27 (ID 27) for Fiscal Year 2015-2016
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### **COMMITTEE ACTION:**

That the Finance, Administration and Communications Committee recommend that the Board adopt Resolution No. 4292 to establish the tax rate for Improvement District No. 27 (ID 27) at \$0.004 for fiscal year 2015-2016.

### **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. 4292

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT FIXING TAX RATES FOR  
FISCAL YEAR 2015-2016 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 2015-2016 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 2015-2016 for the principal and interest on the bonded debt of Improvement District No. 27 is as follows:

Improvement District No. 27                      \$609,623

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 2015-2016 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 24th day of June, 2015.

Ayes:  
Noes:  
Abstain:  
Absent:

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President

ATTEST:

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Secretary

# IMPROVEMENT DISTRICT 27

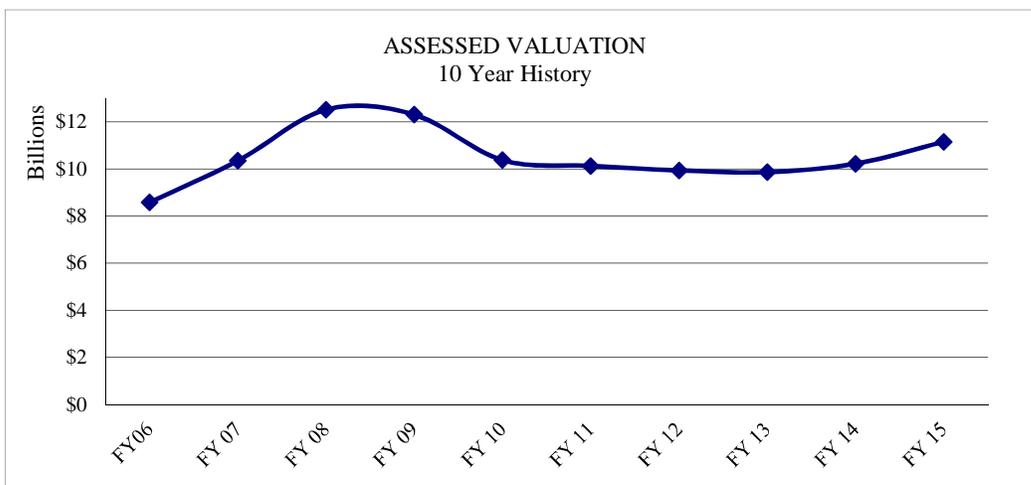
## History

- 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%
<b>FY03</b>	\$725,085	\$848,600	(\$123,515)	\$0.01500	\$3,837,693,353	37%
<b>FY04</b>	\$829,036	\$848,700	(\$19,664)	\$0.01400	\$5,047,625,296	32%
<b>FY05</b>	\$994,501	\$840,800	\$153,701	\$0.01200	\$6,454,909,846	28%
<b>FY06</b>	\$1,081,991	\$840,385	\$241,606	\$0.01000	\$8,579,576,581	33%
<b>FY 07</b>	\$862,795	\$837,936	\$24,859	\$0.00700	\$10,348,663,242	21%
<b>FY 08</b>	\$917,168	\$835,017	\$82,151	\$0.00600	\$12,518,643,676	21%
<b>FY 09</b>	\$747,175	\$830,823	(\$83,648)	\$0.00500	\$12,308,043,285	-2%
<b>FY 10</b>	\$605,405	\$934,674	(\$329,269)	\$0.00500	\$10,378,404,507	-16%
<b>FY 11</b>	\$606,966	\$781,144	(\$174,178)	\$0.00500	\$10,131,397,697	-2.4%
<b>FY 12</b>	\$597,799	\$752,976	(\$155,177)	\$0.00500	\$9,941,622,812	-1.9%
<b>FY 13</b>	\$650,587	\$773,863	(\$123,276)	\$0.00500	\$9,869,377,173	-0.7%
<b>FY 14</b>	\$664,270	\$750,088	(\$85,818)	\$0.00500	\$10,226,148,004	3.6%
<b>FY 15 <sup>(1)</sup></b>	\$727,506	\$748,663	(\$21,157)	\$0.00500	\$11,157,255,925	9.1%

<sup>(1)</sup> 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 6/30/15		\$793,925			
<b>FY16</b>	\$609,623	\$751,663	(\$142,040)	\$0.00500	\$11,157,255,925	9.1%
	Interest		\$3,562			
	Est Fund Balance 6/30/16		\$655,447			



# AGENDA ITEM 4



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 24, 2015
	Alicia Mendez-Schomer, 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. 4293 to Continue Water and Sewer Availability Charges for District Customers for Fiscal Year 2015-2016 to be Collected through Property Tax Bills		

### **GENERAL MANAGER'S RECOMMENDATION:**

That the Board adopt Resolution No. 4293 to continue water and sewer availability charges for District customers for fiscal year 2015-2016 to be collected through property tax bills.

### **COMMITTEE ACTION:**

See Attachment A.

### **PURPOSE:**

That the Board consider the adoption of Resolution No. 4293 to continue water and sewer availability charges for District customers for fiscal year 2015-2016 to be collected through property tax bills.

### **ANALYSIS:**

State Water Code Section 71630-71637 authorizes the District to access such availability charges. The District levies availability charges each year on property in both developed and undeveloped

areas. 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. 4293



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Adopt Resolution No. 4293 to Continue Water and Sewer Availability Charges for District Customers for Fiscal Year 2015-2016 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. 4293 to continue water and sewer availability charges for District customers for fiscal year 2015-2016 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. 4293

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT CONTINUING PREVIOUSLY ESTABLISHED WATER AND SEWER AVAILABILITY CHARGES FOR FISCAL YEAR 2015-2016; REQUESTING THE COUNTY TO COLLECT SUCH AVAILABILITY CHARGES ON THE 2015-2016 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 Districts 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 2015-2016 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 2015-2016 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, 2015.

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, 2015, 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 2015-2016 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 24th day of June, 2015.

Ayes:  
Noes:  
Abstain:  
Absent:

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President

ATTEST:

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Secretary

I HEREBY CERTIFY that the foregoing Resolution No. 4293 was duly adopted by the BOARD OF DIRECTORS of the OTAY WATER DISTRICT at a regular meeting thereof held on the 24th day of June, 2015 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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District Secretary

# AGENDA ITEM 5



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 24, 2015		
SUBMITTED BY:	Armando Buelna Communications Officer	PROJECT:	Various	DIV. NO.	ALL
APPROVED BY:	<input checked="" type="checkbox"/> Mark Watton, General Manager				
SUBJECT:	Authorize Agreement with Brownstein Hyatt Farber Schreck (BHFS) for State and Federal Legislative Advocacy				

### **GENERAL MANAGER'S RECOMMENDATION:**

That the Otay Water District (District) Board of Directors authorize the General Manager to execute a two-year agreement with Brownstein Hyatt Farber Schreck (BHFS) in an amount not-to-exceed \$50,000 annually (\$100,000 total ending June 30, 2017) for state and federal legislative advocacy.

### **COMMITTEE ACTION:**

See "Attachment A".

### **PURPOSE:**

To obtain Board authorization for the General Manager to enter into a consulting services agreement with Brownstein Hyatt Farber Schreck for an amount not-to-exceed \$50,000 annually commencing July 1, 2015 for two years (\$100,000 total ending June 30, 2017) for professional and consulting services for District related state and federal legislative advocacy.

### **ANALYSIS:**

Procedures governing the selection of general consultants in the performance of District work are outlined in the District's Purchasing Procedures Manual.

The District has a time and service consulting agreement with BHFS for legislative advocacy services. This action will replace the consultant's Legislative Issues and Service Agreement that expires on June 30, 2015 and authorizes the General Manager to execute a two-year agreement with BHFS in an amount not-to exceed \$50,000 annually (\$100,000 total) through June 30, 2017 for state and federal legislative issues advocacy. This action would provide for a continuation of services with BHFS acting as the government relations advocate and counsel in Sacramento and Washington DC.

Based on past work, experience, knowledge, contacts and access to key legislators both in Sacramento and Washington DC, the District feels BHFS is uniquely qualified to best meet the District's needs for state and federal legislative advocacy.

**FISCAL IMPACT:**             Joe Beachem, Chief Financial Officer

Legislative advocacy is included in the General Manager's Outside Services budget. The total Fiscal Year 2015 budget for Legislative Advocacy is \$35,000. Due to the increased use of legislative advocacy, total expenditures to date are \$37,672. Recognizing the increased need for legislative advocacy in coming fiscal year, staff increased the budget request to \$45,000 in FY 2016. Based on a review of the General Manager's budget, the Communications Officer has determined that the FY 2016 budget is sufficient to support the revised legislative advocacy services agreement through the end of the 2016 fiscal year at the \$50,000 level. A funding request at this level will be included in the FY 2017 proposed budget. Funds will be expended in FY 2016 and FY 2017.

**STRATEGIC GOAL:**

This action supports the District's goal for providing the best quality water service to the customers of the Otay Water District.

**LEGAL IMPACT:**

None.

Attachments:    Attachment A - Committee Action  
                  Attachment B - Contract



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Authorize Agreement with Brownstein Hyatt Farber Schreck (BHYF) for State and Federal Legislative Issues Advocacy
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### COMMITTEE ACTION:

This item was reviewed by the Finance, Administrative and Communications Committee at a meeting held on June 16, 2015. The Committee supported staff's recommendation and presentation to the full board for consideration.

**Brownstein Hyatt  
Farber Schreck**

June 10, 2015

Peter Brown  
Attorney at Law  
805.882.1401  
805.965.4333 fax  
PBrown@bhfs.comMark Watton  
General Manager  
Otay Water District  
2554 Sweetwater Springs Road  
Spring Valley, CA 91978-2096RE: Fee Agreement for Representation  
Client-Matter No. 041018.12

Dear Mr. Watton:

You have asked us, and we have agreed to continue to act as government relations counsel for Otay Water District ("District"). The purpose of this letter is to confirm the terms and conditions of Brownstein Hyatt Farber Schreck's ("BHFS") representation.

The scope of BHFS representation shall be as described on Exhibit A ("Services"). Chris Frahm will be the principal representative for the provision of services in California with support from Rosanna Carvacho, Don Perata and any other lobbyists as assigned in our Sacramento office. In the performance of Services, BHFS shall report to and receive instructions from you as General Manager on behalf of the District, or, as otherwise directed by you.

The term of this Agreement shall commence on July 1, 2015 and shall end on June 30, 2017, with the understanding that the agreement shall be subject to review from time to time to determine if the monthly retainer for state advocacy services should be adjusted upward, downward or the agreement terminated. BHFS shall be paid in accordance with the terms described on Exhibit B. We will bill you for services rendered and disbursements and charges on a monthly basis in accordance with our Standard Terms and Conditions and billing rates, a copy of which is attached. You agree to pay these statements within 30 (thirty) days of your receipt of the billing statement.

BHFS provides a wide array of legal and advocacy services to many clients around the world. These services include legislative and administrative representation on policy matters which you believe may affect your interests, directly or indirectly. Therefore, as a condition of our undertaking to represent any client on a particular matter as described in the engagement letter, we hereby ask you, as we do each of our clients, to waive objection to any conflict of interest that might be deemed to be created by our representation of other clients in legislative or administrative policy matters that are unrelated to the specific representation we have been asked to undertake on your behalf. Your waiver will permit us to represent another client in advocating a change in law or policy areas such as, but not limited to business regulation, international trade, telecommunications or taxation, even if the policy we advocate would or might have a direct or indirect adverse impact upon your interests.

You also agree that the work product of our attorneys, public policy professionals, and staff, including notes, research, and documents which we prepare, is the property of the District. It is our policy to destroy all client files (including all documents and materials therein), eight years after we close such files upon

1020 State Street  
Santa Barbara, CA 93101-2706  
main 805.963.7000

Mark Watton  
June 10, 2015  
Page 2

completion of each matter. This file destruction procedure is automatic and you will not receive further notice prior to the destruction of these files.

We are very pleased and privileged to continue to work with you and the District. Occasionally, we may provide lists of representative clients to various publications and may use your company name in marketing materials. Unless you instruct us to the contrary, you hereby consent that such use is acceptable.

Please indicate your agreement to the terms of this letter by executing the enclosed copy and returning it to me. We appreciate the opportunity to represent you.

Very truly yours,

Peter Brown  
California Managing Shareholder  
BROWNSTEIN HYATT FARBER SCHRECK, LLP

Enclosures:    Exhibit A: Scope of Work  
                  Exhibit B: Rate Schedule  
                  Standard Terms and Conditions

ACCEPTED AND AGREED TO:

OTAY WATER DISTRICT

By: \_\_\_\_\_  
      Mark Watton  
      General Manager

Date: \_\_\_\_\_

By: \_\_\_\_\_  
      Richard Romero  
      General Counsel

Date: \_\_\_\_\_

ACCEPTED AND AGREED TO:

BROWNSTEIN HYATT FARBER SCHRECK, LLP

By: \_\_\_\_\_  
      Peter Brown  
      Managing Shareholder, California

Date: \_\_\_\_\_

**Exhibit A**  
**Scope of Work**

1. Track all pending and introduced legislation including bill amendments and report to the General Manager on legislation of interest to the District.
2. Monitor and attend Senate and Assembly Water Committee agendas and hearings as requested by the General Manager.
3. Monitor ACWA and other water agencies and other special district lobbying group activities and report to the General Manager on matters of interest to the District.
4. Schedule meetings and communications with legislators and the Administration as requested by the client.
5. Prepare and distribute support and opposition letters to proposed legislation.
6. Draft and distribute advocacy positions as requested.
7. Ongoing consulting with Ms. Frahm regarding pending and introduced legislation and bill amendments, hearings and agendas, and other matters of interest to the District in Sacramento.
8. Report quarterly, or as requested, on the progress of legislative activities.

**Exhibit B**  
**Rate Schedule**

1. BHFS shall be compensated for actual services performed in accordance with this Agreement.
2. All state advocacy services shall be billed at the firm's standard hourly rates in an amount not to exceed \$50,000 annually for all state advocacy services under this Agreement.

BHFS will be reimbursed for all reasonable out of pocket expenses incurred in performance of Services under this Agreement. BHFS shall request written pre-approval of any single expense in excess of \$250 or any monthly sum of expenses in excess of \$500. BHFS shall submit to the District detailed receipts and a detailed invoice for all out-of-pocket expenses. Any entertainment or meal expenses must be pre-approved by the District. Failure to obtain pre-approval may result in denial of reimbursement.

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## BROWNSTEIN HYATT FARBER SCHRECK, LLP STANDARD TERMS AND CONDITIONS

Scope of Representation: The scope of our representation is set forth in the attached Letter. Our representation of you on any particular matter will end when we have completed our essential work on that matter.

Duties of the Parties: We agree to provide all legal services reasonably required to represent you, consistent with our ethical obligations. It is our intent to provide you with thorough, prompt and cost-efficient legal services, keep you informed of significant developments in the matter, and respond to your inquiries. You agree to fully cooperate with us, be open and truthful and provide us with all information pertaining to the matter, keep us informed of developments, to pay our bills in a timely manner, and keep us advised of your address, telephone number and whereabouts. You also agree to appear at any proceeding we deem necessary and to cooperate fully with us on all matters related to the investigation, preparation and presentation of your matter.

Fees: We review all billing statements before they are issued to ensure that the amount charged is appropriate. The statement for fees is simply the product of the hours worked multiplied by the hourly rates for the attorneys and legal assistants who did the work. The current range of hourly rates for our professional services is:

Partners:	From \$350 to \$1195 per hour
Of Counsels:	From \$300 to \$1065 per hour
Associates:	From \$210 to \$400 per hour
Land Use Planners:	From \$150 to \$285 per hour
Paralegals:	From \$150 to \$265 per hour
Legal Assistants:	From \$100 to \$150 per hour

We adjust our rate structure at the beginning of each calendar year. You agree to pay all fees billed at the then-current rate.

Outside Contract Attorneys and Legal Assistants: You agree that we may utilize specialized contract attorneys and legal assistants as necessary. You agree to pay the reasonable hourly rate for these legal services.

In-House Costs and External Expenses: In addition to charging fees for legal work, we will charge for certain out-of-pocket costs incurred by our firm in representing clients. Charges for long distance telephone calls, facsimile charges, in-office copying, ordinary postage and deliveries made by in-house staff are covered by a 2.5% administrative fee, calculated at 2.5% of fees incurred. This administrative fee is in lieu of itemizing those costs. Other fees, such as computer-assisted legal research and third party vendor fees including document copying, transcript production, overnight delivery service charges, travel, meals and hotel accommodations will be itemized and billed separately.

Other in-house costs and expenses include, but are not limited to, secretarial overtime, extraordinary administrative, technical or accounting support; computer legal research; messenger and other delivery fees; mileage, and the cost of licensing and other installation of special computer programming to manage your case. These are directly billed to you at our cost.

External expenses are also charged at cost. These include, but are not limited to, the following: Notary fees; consultant costs, investigative costs, professional mediator, arbitrator

and/or special master fees; travel costs, including parking, transportation, meals and hotels. External expenses will either be passed through to you for direct payment to the vendor or included on your statement. We may select experts, consultants and investigators who in our judgment are necessary to aid in the preparation of your matter and will inform you of the persons selected and their charges. You authorize us to incur all reasonable costs and to hire such experts, consultants and investigators. We will not incur any major external expenses on your behalf without your prior approval.

Billing Period and Payments: We will bill you for services rendered and disbursements and charges on a monthly, or such other periodic, basis as we may determine. If you require additional statements, you agree to request them at intervals of no less than 30 days and we agree to respond within 10 days.

You agree to inform us of any dispute you may have with respect to a statement within 10 days of the statement date. If you do not object, the statement will be deemed correct. If you do object, we will consider our right to the fees and costs set forth on that statement as "disputed." Absent a dispute, you agree to pay all statements upon receipt, and no later than the last day of the month in which you receive the statement. Even if you dispute a portion of a statement, you agree to pay the undisputed portion not later than the last day of the month in which you receive the statement. If payment is not timely received, we may assess a monthly delinquency charge of 1.25% (15% per year) of the amount not paid until paid in full. Payments will be applied to the longest outstanding charges in the following order: first, costs, then delinquency charges, and then fees.

Retainers: If required, you agree to pay an advance fee retainer upon execution of this agreement and agree that we may, at our discretion, withdraw the undisputed amount of any statement, whether fees or costs, from any retainer you have on deposit. You agree to replenish the retainer monthly to maintain a credit toward fees. That means that, even though you have a retainer on account, you still must pay your statements as they become due. If we expect significant additional expenses, you agree to provide a further retainer within 15 days of our request.

Your retainer will be held on your behalf in our trust account without interest to you, because California law requires all interest earned on such funds to be forwarded to the California State Bar for its Legal Service Trust Fund Program. If you prefer, you may request that we hold your funds in a non-interest bearing account, or in an interest bearing account for your benefit. If you make such a request, you agree to pay administrative costs of a one-time \$75 set-up charge and a \$25 per month service charge. At the conclusion of our representation, we will return any unearned retainer to you.

As an additional retainer and as security for the payment of our fees, costs and expenses, you agree that we have a first priority lien on all claims and causes of action that are the subject of our representation under this Agreement and on all proceeds or property obtained or recovered, whether by agreement, settlement, mediation, arbitration award, court judgment, cost or fee award or otherwise resulting from our representation.

No Guarantee: Our comments about the potential outcome of your matter or any phase thereof are expressions of opinion only. We cannot guarantee the outcome or make any promises in that regard.

Discharge: Our goal is to maintain at all times a constructive and positive relationship with you, to the conclusion of this matter and in future matters. However, you have the right to discharge us as your lawyers at any time, and we have the right to withdraw from your representation at any time, consistent with our ethical obligations. If you discharge us or we elect to withdraw, you agree to immediately secure new counsel. If we are your attorneys of record in any proceeding, you agree to cooperate fully in substituting such new counsel as your attorneys of record. At the time of discharge or withdrawal, you agree to immediately pay us for all services rendered to you and for all costs and expense paid or incurred by us on your behalf.

Files: At the conclusion of our services, your files will be transferred to you upon request. You agree to pay the cost of accessing, copying and delivering the file to you. If you do not request the return of your files within five (5) years from either the completion of our essential work on the matter or the termination of our relationship by discharge or withdrawal, we have the right, but not the obligation, to destroy any files created and maintained by us with respect to the matter.

Disputes: Any controversy or claim arising out of or relating to fees and/or costs incurred under this Agreement shall be resolved pursuant to Business and Professions Code section 6200 *et seq.* All other disputes arising out of or relating to this Agreement or the professional services rendered under this Agreement shall be determined in accordance with the laws of the State of California. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment on the Award may be entered in any court having jurisdiction. Each side shall bear its own costs and attorney fees in said arbitration.

Miscellaneous: Unless you instruct us to the contrary in writing, we will utilize facsimile, e-mail, cellular phone, PDA and similar communication methods, and we disclaim any liability for unauthorized third-party interception of communications. You agree that we may use your name and information generally available to the public in our marketing efforts.

Interpretation and Effective Date: This agreement is our entire and only agreement and is governed by California law. If any provision is found unenforceable, the remainder of the agreement will remain in effect. This agreement will not take effect until you sign and return the enclosed copy of the letter with these terms and conditions attached and until the agreement has been countersigned by the firm's Managing Partner. This agreement will then be retroactive to the date services were first provided. If this agreement does not take effect, you will still be required to pay us the reasonable value of any services we have performed for you.



# AGENDA ITEM 6

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 24, 2015
SUBMITTED BY:	Mark Watton, General Manager	PROJECT:	Various DIV.NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	California Special Districts Association (CSDA) Region 6 Board Election		

### **GENERAL MANAGER'S RECOMMENDATION:**

That the Board consider casting a vote to elect a representative to the California Special Districts Association (CSDA) Board of Directors, Region 6, Seat A.

### **PURPOSE:**

To present for the board's consideration the ballot to elect a representative to Region 6, Seat A, on CSDA's Board of Directors.

### **COMMITTEE ACTION:**

N/A

### **ANALYSIS:**

CSDA is holding an election to fill Seat A of Region 6 on its Board of Directors. Ms. Jo MacKenzie, Vista Irrigation District, is the current incumbent of Seat A and is seeking re-election. The individual elected will serve a three (3) year term. There are a total of six [6] regions with each region having three seats on the Board.

Attached is a copy of the mail-in ballot and the candidates' Statement of Qualifications. The ballot must be mailed and received by CSDA by 5:00 p.m. on Friday, August 7, 2015.

**FISCAL IMPACT:**  Joe Beachem, Chief Financial Officer

None.

**STRATEGIC GOAL:**

Participating would support the strategic goal of maintaining effective communications with other cities, special districts, State and Federal governments, community organizations and Mexico.

**LEGAL IMPACT:**

None.

Attachment A: Committee Action  
Attachment B: Ballot  
Attachment C: Candidates' Statements (2)

## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	California Special Districts Association (CSDA) Region 6 Board Election
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### COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on June 16, 2015 and supported presentation to the full board for consideration.

# CSDA BOARD OF DIRECTORS 2015 ELECTION



**SOUTHERN  
NETWORK**

**Jo MacKenzie\***  
*Vista Irrigation District*

**Gloria Dizmang**  
*Palmdale Water District*

**SEAT A**  
term ends 2018

*Please vote for only one.*

*All fields must be completed for ballot to be counted.*

*\* incumbent running for re-election*

SIGNATURE:	DATE:
MEMBER DISTRICT:	

Must be received by **5pm, August 7, 2015**. CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814



## **Candidate statement Southern network Seat A**

**Jo MacKenzie**

### **PROVEN EXPERIENCE LEADING SPECIAL DISTRICTS**

It would be an honor to continue serving special districts on the CSDA Board of Directors.

I am committed to building on the present foundation of CSDA's educational programs and legislative and public outreach, so that CSDA continues to be recognized as the voice of all special districts. My enthusiasm, commitment, and comprehensive knowledge of special districts and LAFCO, along with my years of experience, will help me to be of service to your district as a member of the CSDA Board of Directors.

Representing the Southern Network, I will bring to the organization years of experience in local government and a strong understanding of how the California Special Districts Association can best serve its members.

I have served as CSDA President, Treasurer and the Chair of Legislative Committee. I know the commitment and time it takes to be an effective board member. A flexible schedule is paramount to being a successful Director. I have attended all board of director and assigned committee meetings, read through a myriad of legislation in order to relate to the Advocacy and Public Affairs Department what impact I think such legislation may have on districts' ability to provide local services

I have completed CSDA's Special District Leadership Academy which is a requirement to serve on the CSDA Board. Under my leadership, my district, Vista Irrigation District, has obtained the Special District Leadership Foundation District of Distinction Designation and the District Transparency Certificate of Excellence.

I believe it is important to the continued success and growth of CSDA that the Board of Directors remain committed to its mission: to provide legislative advocacy education and member services for all special districts.

**Your District's vote will be greatly appreciated!**

## **CANDIDATE STATEMENT FOR GLORIA A. DIZMANG**

In December of 2011, I was sworn in as a Director of the Palmdale Water District Board. I knew little about water but I had agreed to serve an agency that was fairly beaten up—legally, economically, and in the area of morale. PWD was engaged in three lawsuits with the City of Palmdale. We had dropped in our credit rating and could no longer receive loans/grants. The employees were split into two warring camps.

Today, we are on our way to a stable and professional future, due to the actions of the new Board, on which I serve. This is what we have achieved:

- Low and consistent rate increases improved our credit to the point that we issued an \$8.5 million revenue bond for infrastructure.
- Provided a legal water rate assistance program for seniors.
- Settled all lawsuits with the City of Palmdale.
- Developed a Customer Care program to assist our rate-payers.
- Replaced 80% of our infrastructure from the 1950s.
- Reordered the organizational chart, without lay-offs, for more efficiency.
- Developed and implemented educational programs for our rate-payers. (top contender in ACWA's Best in Blue)
- Developed and continue to offer an intern program to train young people in the basic facets of the water industry.

As part of our Board, I was a leading member to move in these directions.

I believe my background in education can be of assistance in the CSDA. My experience in the area looks small in comparison to others who have served on many boards and in many organizations. Nevertheless, I can see things with a different perspective and am not afraid to speak up and to actively support change.

I would be honored to receive your vote. Thank you.

# AGENDA ITEM 7



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 1, 2015
		PROJECT:	Various DIV. NO. ALL
SUBMITTED BY:	Adolfo Segura Assistant Chief, Admin & IT Services		
APPROVED BY:	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	ADOPT RESOLUTION NO. 4291 TO ELECT UP TO THREE (3) CANDIDATES FOR SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S (SDRMA) BOARD OF DIRECTORS		

### **GENERAL MANAGER'S RECOMMENDATION:**

That the Otay Board consider the candidates for Special District Risk Management Authority's (SDRMA) Board of Directors election and cast the District's vote by adopting Resolution No. 4291.

### **COMMITTEE ACTION:**

See "Attachment A".

### **PURPOSE:**

To present for the Otay Board's consideration, the ballot to elect up to three (3) candidates for the Special District Risk Management Authority's (SDRMA) Board of Directors.

### **ANALYSIS:**

SDRMA is holding an election to fill up to three (3) seats on its Board of Directors. Presented to the Otay Board in this staff report is each candidate's qualifications, background, experience and expertise for their review (Attachment B).

In an effort to provide a good balance of representation (based on agencies represented) on SDRMA's Board, staff recommends that the Board consider the following candidates:

Robert Swan  
Director/President, Groveland Community Services District

Ed Gray (Incumbent)  
Director/President, Chino Valley Independent Fire District

R. Michael Wright  
Director/President, Los Osos Community Services District

Sandy Seifert-Raffelson (Incumbent)  
District Clerk, Herlong Public Utility District

Attached are statements of qualifications (Attachment B) as submitted by each candidate, along with the official election resolution (Attachment C) and ballot (Attachment D), which SDRMA requires to ensure the integrity of the balloting process. The ballot requests that the District select up to three (3) candidates when placing its vote.

The ballot must be sealed and received by 5:00 pm on Tuesday, August 25, 2015.

**FISCAL IMPACT:**             Joe Beachem, Chief Financial Officer

None.

**STRATEGIC GOAL:**

Maintaining effective communications with other cities, special districts, State and Federal governments, community organizations, and Mexico.

**LEGAL IMPACT:**

None.

Attachments:    Attachment A - Committee Action Report  
                  Attachment B - Candidates' Statement of Qualifications  
                  Attachment C - Resolution No. 4291  
                  Attachment D - Election Ballot



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	ADOPT RESOLUTION NO. 4291 TO ELECT UP TO THREE (3) CANDIDATES FOR SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S (SDRMA) BOARD OF DIRECTORS
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### **COMMITTEE ACTION:**

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on June 16, 2015. 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.

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate	<u>Robert Swan</u>
District/Agency	<u>Groveland Community Services District</u>
Work Address	<u>P.O. Box 350, Groveland, CA 95321</u>
Work Phone	<u>209-962-7161</u> Home Phone <u>209-962-6535</u>

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

SDRMA's services are particularly important to the successful operation of smaller special districts, such as the one I serve. I would like to contribute what I can to ensuring that SDRMA continues to provide its vital services to its member agencies, prudently and cost-effectively.

Board oversight can be time-consuming. Due to my personal circumstances (retired, single, two hours from Sacramento). I will be able to participate regularly in Board activities.

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**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

I have been a member of the governing Board of the Groveland Community Services District (water, sewer, fire and parks district) since June 2013. I've served as Board President since January 2014.

Since February of 2010, member of the Board of Pine Cone Performers, a community choral and drama organization.

During 1995 to 2001, I was a delegate to the Institute of Electrical and Electronics Engineers (IEEE) committees working on standards development in the area of wireless communications.

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**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?  
(Response Required)**

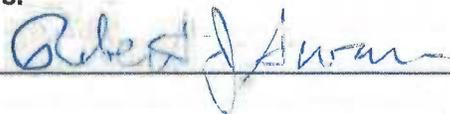
In my work career in the semiconductor industry, I managed business operations and organizations with annual budgets in the range of ten to twenty million dollars, so I have a good working knowledge of budgeting and accounting principles. My academic background (BS in Physics, MS in Computer Science) and work experience have given me a solid understanding of statistical modeling and economic cost-benefit analysis.

**What is your overall vision for SDRMA? (Response Required)**

SDRMA has a well-defined role in providing comprehensive insurance coverage to member agencies. Clearly, continuing this function is central to its future operations. I would like to see continued expansion of the educational and loss-prevention aspects of the operation, as these are the keys to improving cost-effectiveness. However, as an insurance entity, prudent financial management is of paramount importance, and functional expansion must be thoughtfully controlled.

**I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.**

Candidate Signature



Date

4-9-15

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.**

Nominee/Candidate Ed Gray  
District/Agency Chino Valley Independent Fire District  
Work Address 14011 City Center Drive, Chino Hills, CA 91709  
Work Phone 909 902-5260 Home Phone 909 9627-4821

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

When appointed to the Board of Directors of SDRMA in November of 2010, and my election to the Board 2012, I made a commitment to be an effective member of the SDRMA team and to work hard to ensure the continued success of the organization. As a Board member, I believe I have shown that I seek to understand issues and use common sense when making decisions. I wish to continue my service to SDRMA, as I can be a positive member of the SDRMA team and an asset to the members, Board and staff.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

I currently serve on the Board of Directors of the SDRMA and serve as Secretary. I have been an elected Director of the Chino Valley Independent Fire District since 2004. During my tenure, I have served multiple terms as President and Vice-President, and as a member of our Finance, Planning, and Personnel Committees. I have served as Liaison to the City Councils of Chino and Chino Hills and to the San Bernardino County Board of Supervisors. I am also the District's representative and current Chairman of the Citizens Advisory Committee for the California Institution for Men in Chino. I am a member of the Chino Valley Lions Club. I also serve on the Governing Board of the Green Valley Lake Mutual Water Company.

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?  
(Response Required)**

After serving in the US Army, I enjoyed a lengthy career in law enforcement retiring in 2004 as a Police Lieutenant. I learned early in my career, that to be an effective individual and leader, it was important to actively listen to people; to seek understanding of all sides of an issue; and make decisions based on common sense and "rightness".

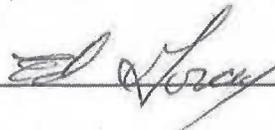
My experience as an elected official has broadened my knowledge and reinforced my belief that decisions must be made based on what is right, and not on what is a personal preference.

**What is your overall vision for SDRMA? (Response Required)**

I see SDRMA as continuing its journey as a successful, effective and efficient service provider through innovation, right thinking and conservative business strategies. I can visualize the organization exploring other avenues of financial endeavors that will benefit our customers.

**I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.**

Candidate Signature



Date

3-30-2015

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – **no attachments will be accepted.** No statements are endorsed by SDRMA.

Nominee/Candidate R MICHAEL WRIGHT  
District/Agency LOS OSOS COMMUNITY SERVICES DISTRICT  
Work Address 2122 9TH STREET, LOS OSOS CA 93402  
Work Phone 805-528-9370 Home Phone 805-234-4513

**Why do you want to serve on the SDRMA Board of Directors? (Response Required)**

WITH 38 YEARS EXPERIENCE IN THE INSURANCE FIELD, I BELIEVE I HOLD THE SKILL SET THAT WILL BENEFIT THE OPERATIONS OF THE SDRMA. I HAVE OWNED AND OPERATED MY OWN INSURANCE AGENCY SUCCESSFULLY AND HAVE SOLD AND SERVICED ALL LINE OF INSURANCE INCLUDING COMMERCIAL AND WORK COMP.

**What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)**

I AM CURRENTLY THE PRESIDENT OF THE LOS OSOS CSD. I WAS VICE PRESIDENT THE YEAR BEFORE. BEFORE I WAS ON THE LOS OSOS BOARD, I WAS A MEMBER OF THE LOS OSOS CSD EMERGENCY SERVICES COMMITTEE FOR SIX YEARS.

**Special District Risk Management Authority  
Board of Directors  
Candidate's Statement of Qualifications**

What special skills, talents, or experience (including volunteer experience) do you have?

(Response Required)

LICENSED PROPERTY CASUALTY INSURANCE AGENT  
SINCE 1977, OVER 730 HOURS OF INSURANCE  
CONTINUING EDUCATION  
I ALSO HOLD A 6 AND 63 SECURITIES LICENSE.

What is your overall vision for SDRMA? (Response Required)

THE OVERALL VISION OF THE SDRMA IS TO  
PROVIDE THE BEST POSSIBLE COVERAGE AND SERVICE  
TO ITS MEMBERS AND TO ALSO EDUCATE THEIR MEMBERS  
TO ALERT THEM TO COST EFFECTIVE SAFETY PROGRAMS  
TO SAFE GUARD THEIR EMPLOYEES HEALTH AND WELFARE.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature R. Michael Wright

Date April 20, 2015

**Special District Risk Management Authority  
Board of Directors  
Candidates' State of Qualifications**

**This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA**

Nominee/Candidate: Sandy Seifert-Raffelson  
District/Agency: Herlong Public Utility District  
Work Address: 447-855 Plumas St, P O Box 515, Herlong CA 96113  
Work Phone: (530) 827-3150 Home Phone: (530) 254-0234

Why do you want to serve on the SDRMA Board of Directors?

I am a current Board member of SDRMA and feel that I have added my financial background to make better informed decisions for our members. As a Board member, I have learned a lot about insurance issues and look forward to representing small District's and Northern California as a voice on the SDRMA Board. I feel I am an asset to the Board with my degree in business and my 29 years' experience in accounting and auditing. I have audited small districts and know what they need and what they can afford.

I understand the challenges that small District face every day when it comes to managing liability insurance and worker's compensation for a few employees with limited revenues and staff. My education and experience gives me an appreciation of the importance of risk management services and programs, especially for smaller district's that lack expertise with insurance issues on a daily basis.

I feel I am an asset to this Board and would love a chance to stay on the Board for 4 more years.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization)

I have worked as the District Clerk for the Herlong PUD for the last 7 years. Before that, I served as the Secretary to the Board of Herlong Utilities, Inc. and Office Administrator. I worked directly with the formation of our District which included working for 2 separate Board's of Directors and the transfer of assets from a public benefit corporation to a special district. As part of the team that worked to form the District I was directly involved with LAFCo, Lassen County Board of Supervisors and County Clerk to establish the District's initial Board of Directors as well as the transfer of multiple permits and closure procedures from multiple agencies for the seamless transition of our District operations. I closed out the Corporation books and established the books for the District transitioning to fund accounting. I have also administered the financial portion of a large capital improvement project with USDA as well as worked on the first ever successful water utility privatization project with the US Army and Department of Defense. I am currently working on HPUD's 2<sup>nd</sup> loan/grant for 4.8 million with USDA to improve the community's sewer system. I also am the primary administrator of a federal contract for utility services with the Federal Bureau of Prison.

While on the SDRMA Board, I have served on the nomination committee and SDLF Board. I have enjoyed learning and completing my duties on both boards and feel I have been an asset to both. I have served on CSDA's Audit and Financial Committee's for the last 2 years. In the last 20 years I have served on several Boards including school, church, 4-H, County and U.C. Davis.

**Special District Risk Management Authority  
Board of Directors  
Candidates' State of Qualifications**

What special skills, talents, or experience (including volunteer experience) do you have?

I have my Bachelors Degree in Business with a minor in Sociology. I have audited Small Districts for 5 years, worked for a Small District for 10 years and have 25 years of accounting experience. I am a good communicator and organizer. I have served on several Boards and feel I work well within groups or special committees. I am willing to go that extra mile to see things get completed.

I believe in recognition for jobs well done. I encourage Incentive programs that get members motivated to participate and strive to do their very best to keep all losses at a minium and reward those with no losses.

I have completed my Certificate for Special District Board Secretary/Clerk Program in both regular and advance coursework through CSDA and co-sponsored by SDRMA. I have completed the CSDA Special District Leadership Academy and Special District Governance Academy. I have helped my small District obtain their District of Transparency and currently we are working on the District of Distinction.

I work for a District in Northeastern California that has under gone major changes from a Cooperative Company to a 501c12 Corporation, to finally a Public Utility District. I have worked with LAFCo to become a District. Also my District is currently working on a consolidation through LAFCo with another small District to better serve our small community. Through past experience I feel I make a great Board member representing the small districts of Northern California and their unique issues and will make decisions that would help all rural/small districts.

What is your overall vision for SDRMA?

For SDRMA to be at the top of the risk management field and have all of the Special Districts in the State utilizing their quality insurance and support at a price all California Special Districts can afford.

**I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.**

Candidate Signature: \_\_\_\_\_

*Jandy Infert-Rappelsen*

Date: \_\_\_\_\_

*4/2/15*

RESOLUTION NO. 4291

A RESOLUTION OF THE GOVERNING BODY OF THE  
OTAY WATER DISTRICT  
FOR THE ELECTION OF DIRECTORS TO THE  
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY  
BOARD OF DIRECTORS

**WHEREAS**, Special District Risk Management Authority (SDRMA) is a Joint Powers Authority formed under California Government Code Section 6500 et seq., for the purpose of providing risk management and risk financing for California special districts and other local government agencies; and

**WHEREAS**, SDRMA'S Sixth Amended and Restated Joint Powers Agreement specifies SDRMA shall be governed by a seven member Board of Directors nominated and elected from the members who have executed the current operative agreement and are participating in a joint protection program; and

**WHEREAS**, SDRMA's Sixth Amended and Restated Joint Powers Agreement Article 7 - Board of Directors specifies that the procedures for director elections shall be established by SDRMA's Board of Directors; and

**WHEREAS**, SDRMA's Board of Directors approved Policy No. 2015-01 Establishing Guidelines for Director Elections specifies director qualifications, terms of office and election requirements; and

**WHEREAS,** Policy No. 2015-01 specifies that member agencies desiring to participate in the balloting and election of candidates to serve on SDRMA's Board of Directors must be made by resolution adopted by the member agency's governing body.

**NOW, THEREFORE, BE IT RESOLVED** that the governing body of the Otay Water District selects the following candidates to serve as Directors on the SDRMA Board of Directors:

(continued)



OFFICIAL 2015 ELECTION BALLOT
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
BOARD OF DIRECTORS

VOTE FOR ONLY THREE (3) CANDIDATES

Mark each selection directly onto the ballot, voting for no more than three (3) candidates. Each candidate may receive only one (1) vote per ballot. A ballot received with more than three (3) candidates selected will be considered invalid and not counted. All ballots must be sealed and received by mail or hand delivery in the enclosed self-addressed, stamped envelope at SDRMA on or before 5:00 p.m., Tuesday, August 25, 2015. Faxes or electronic transmissions are NOT acceptable.

- ROBERT SWAN
Director/President, Groveland Community Services District
ED GRAY (INCUMBENT)
Director/President, Chino Valley Independent Fire District
R. MICHAEL WRIGHT
Director/President, Los Osos Community Services District
SANDY SEIFERT-RAFFELSON (INCUMBENT)
District Clerk, Herlong Public Utility District

ADOPTED this \_\_\_ day of \_\_\_, 2015 by the Otay Water District by the following roll call votes listed by name:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: APPROVED: