

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

MONDAY
December 8, 2014
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. IMPOSE A \$1,000 FINE FOR METER TAMPERING AT 1785 TRESEDER CIRCLE IN EL CAJON (MENDEZ-SCHOMER) [5 minutes]
4. APPROVE A REIMBURSEMENT AGREEMENT BETWEEN THE SAN DIEGO ASSOCIATION OF GOVERNMENTS AND THE OTAY WATER DISTRICT FOR CONSTRUCTION COSTS ASSOCIATED WITH THE SOUTH BAY BUS RAPID TRANSIT PROJECT; INCREASE THE CIP BUDGET FOR P2539 BY \$525,000 (INCREASE THE OVERALL CIP BUDGET FROM \$375,000 TO \$900,000) (CAMERON) [5 minutes]
5. ADOPT THE 2015 OTAY WATER DISTRICT LEGISLATIVE PROGRAM GUIDELINES (BUELNA) [5 minutes]
6. ADOPT RESOLUTION NO. 4246 SUPPORTING THE PADRE DAM MUNICIPAL WATER DISTRICT'S ADVANCED WATER PURIFICATION DEMONSTRATION PROJECT (WATTON) [5 minutes]
7. ADJOURNMENT

AGENDA ITEM 3



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 7, 2015
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Alicia Mendez-Schomer, Customer Service 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:	Impose a \$1,000 Fine for Meter Tampering		

GENERAL MANAGER'S RECOMMENDATION:

That the Board uphold staff's recommendation to impose a \$1,000 fine for meter tampering at 1785 Treseder Circle in El Cajon.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To ensure the District continues to protect the water supply and applies violations consistent with the Code of Ordinances.

ANALYSIS:

The District began installing AMR Master Meters in 2004. In early 2013 an upgrade to the reading software, Master Links, gave meter readers the ability to detect tamper alerts. By Master Meter's definition, a tamper alert "will appear on your screen when a meter is tampered with a magnet."

On October 16th a staff member responded to a tamper alert at 1785 Treseder Circle in El Cajon. During the course of the investigation

the meter box was opened and revealed a magnet attached to the water meter. The magnet caused the volume of water going through it to be inaccurately measured, which resulted in the customer being under billed. The magnet also disabled the meter to the point that it cannot be repaired or reused.

A review of the data from the Master Links system shows prior tamper alerts at this property from March 6, 2013 to present. Staff investigated the property a total of 4 times prior to this latest incident. These prior investigations did not yield any additional evidence of meter tampering, such as a magnetic device. Not until the latest tamper alert and investigation did District staff find an actual magnetic device attached to the meter.

Meter tampering is a Type II violation of the District's Code of Ordinances and carries a maximum fine of \$5,000 per occurrence as outlined in Section 72.06. "Additionally, tampering may be prosecuted as a crime under Section 498 of the California Penal Code, as set forth in Section 73.01 of this Code."

Staff is recommending that the owners of the property, Kornelia and Arkaguiz Kopec, be fined \$1,000 with this charge to be put on their next water bill, which then becomes an inseparable part of that bill. If the charges remain unpaid, the District may disconnect water service, lien the delinquent real property, and may access damages and penalties established by the District or otherwise authorized by law. Applying the fine to the property owners, Kornelia and Arkaquiz Kopec, is consistent with the Code of Ordinances Section 72.01 which states "Each person receiving service, or that owns a property that receives service, agrees to pay the District any applicable fees and charges. Such persons are also responsible for all costs and damages in connection with any violation of this Code relating to their service."

The District has had one other incident where a magnet was discovered inside a meter box in close proximity to the water meter. In that case the customer was fined \$1,000.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

The fiscal impact is limited to the amount of the fine assessed.

STRATEGIC GOAL:

Enforce the District's Code of Ordinances and protect the public water supply.

LEGAL IMPACT:

None.

Attachments:

Attachment A - Committee Action

Attachment B - Letter to Property Owner with 3 Pictures

Attachment C - Code of Ordinances Section 72



ATTACHMENT A

SUBJECT/PROJECT:	Impose a \$1,000 Fine for Meter Tampering
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COMMITTEE ACTION:

That the Board approve the Finance, Administration, and Communications Committee recommendation to uphold staff's recommendation to impose a \$1,000 fine for meter tampering at 1785 Treseder Circle in El Cajon.

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.



...Dedicated to Community Service

2554 SWEETWATER SPRINGS BOULEVARD, SPRING VALLEY, CALIFORNIA 91978-2004

TELEPHONE: 670-2222, AREA CODE 619

www.otaywater.gov

October 27, 2014

Kornelia and Arkaguiz Kopec
1785 Treseder Circle
El Cajon, CA 92019-3828

***Re: Real Property Located at 1785 Treseder Circle El Cajon, California - Notice of Meter Tampering, Water Theft and assessment of fine.
Account # 231-6410-11***

Dear Kornelia and Arkaguiz Kopec:

It has come to the attention of the Otay Water District (District) that (1) the meter servicing the property at 1785 Treseder Circle, El Cajon, California, was tampered with by attaching a magnet to the meter so it would not measure the true water use and (2) the customer benefited from reduced billings and did not pay the true cost of water service. Each of these actions constitutes a separate violation of the District's Code of Ordinances that must be corrected as further described below. If you are not the owner or account holder for 1785 Treseder Circle El Cajon, California, please contact the District immediately.

Our investigation on October 16th indicated that you deliberately attached a magnet to the water meter with the purpose of receiving water service that was not registered. Meter tampering may be prosecuted as a crime under Section 497 the California Penal Code, as defined and set forth in Sections 71 D, 72.06 and 73.01 of Otay Water District's Code of Ordinances.

You are hereby notified that the District is assessing the damages listed below on your account and that failure to pay such damages, at the District offices, by the due date on your water bill will result in suspension of water service to your property. If these fines and charges remain unpaid, the District will place a lien on the property to recoup these and any other costs and damages.

Summary of Damages	Amount
Costs incurred by District in connection with the investigation of the meter tampering, water theft, and related matters (including staff time, attorney's fees and other related administrative costs)	\$ 533.47
Fine as per Section 72 of District's Code of Ordinances	\$1,000.00
Meter Replacement Fee	\$ 156.85
Total Due	\$1,690.32

You have the right to appeal the fine of \$1,000.00 to the Board of Directors. If you would like to take advantage of this, please call Susan Cruz at 619-670-2280 within ten (10) days to notify the District in writing of your intent to appeal this charge. Your appeal would then be placed on the next available board agenda.

You may contact me at 619-670-2223 with any questions concerning this notice.

Sincerely,

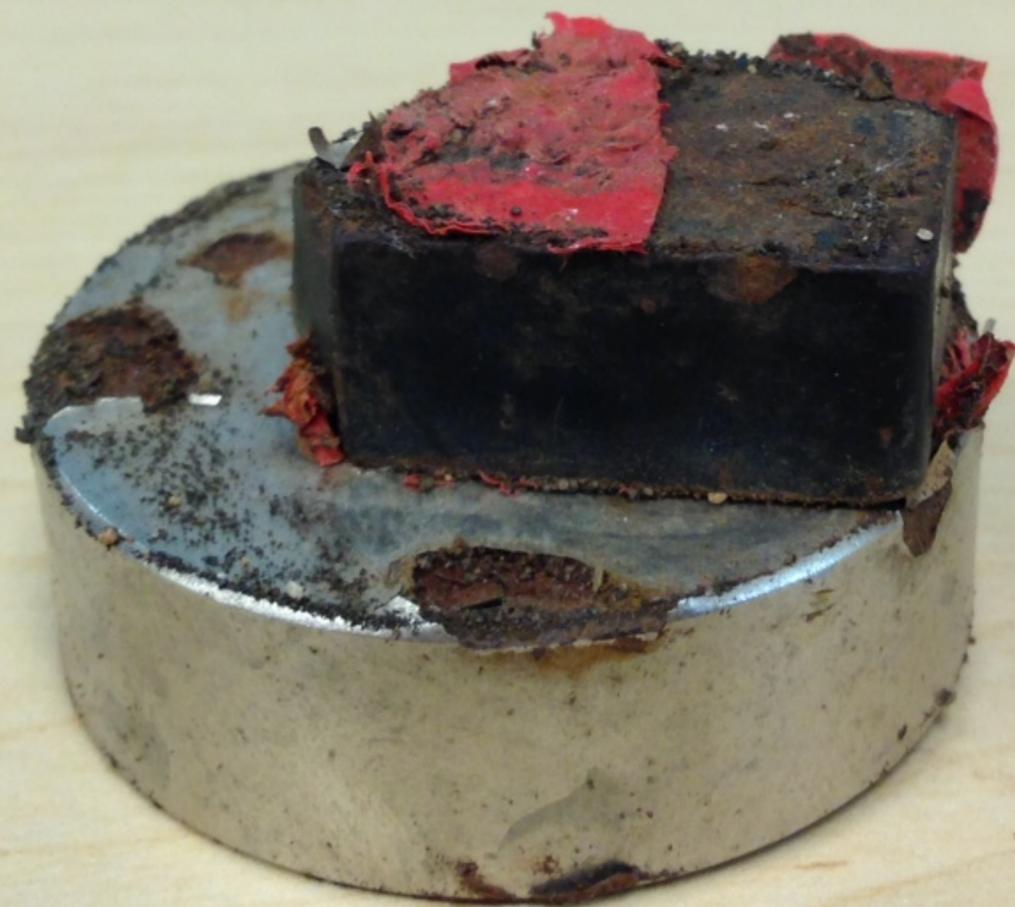
A handwritten signature in cursive script that reads "Alice Schomer".

Alice Schomer
Customer Service Manager

Attachments: Photos (3)
Code of Ordinances Section 72







SECTION 72 PENALTIES AND DAMAGES

72.01 GENERAL

A. User and Owner Responsibility. Each person receiving service, or that owns a property that receives service, agrees to pay the District any applicable fees and charges. Such persons are also responsible for all costs and damages in connection with any violation of this Code relating to their service.

B. District Not Liable. The District shall bear no liability for any cost, damage, claim or expense incurred by District or any responsible party or third party on behalf of the District arising from or related to any violation, including, but not limited to, costs, damages, claims or expenses arising from any corrective action of the District. Such corrective actions include, but are not limited to, the removal, confiscation, disposition or use of any device, equipment, improvement or material encroaching on any District property or used in connection with any other violation.

C. District Obligation to Collect Damages. Pursuant to Government Code Section 53069.6, the District shall take all practical and reasonable steps, including appropriate legal action, if necessary, to recover civil damages for the negligent, willful, or unlawful damaging or taking of property of the District.

D. Assessment of Damages. Actual damages resulting from any violation, including late payment or failure or refusal to pay for service and any interest thereon, may be assessed and collected as part of a customer's monthly bill to the extent allowed by law. The District will separately invoice any actual damages not assessed on a monthly bill, including any damages assessed against any responsible person who is not a customer.

E. Unpaid or Partially Paid Bills. Bills issued by the District are due in full as provided in such bills. Failure to timely pay bills in full may lead to a reduction, suspension, or termination of service, as provided in Section 72.02(B), below, in Section 34 of this Code, or pursuant to other provisions of this Code or applicable law. In addition, if bills remain unpaid, in full or in part, the District may lien the delinquent real property and may assess damages and penalties established by District or otherwise authorized by law.

72.02 VIOLATIONS AND GENERAL PENALTIES FOR VIOLATIONS

A. Notice of Violation. Notice and a reasonable period of time to correct a violation will be given prior to the termination, reduction or suspension of service or the imposition of any administrative fine. However, the District may, without notice, correct any condition or violation that endangers the health or safety or impairs any District service, facility or property or is otherwise determined by the District to require immediate action.

1. Investigative Procedures. If a possible violation is identified, observed or reported, the District will contact the allegedly responsible party to investigate. If the violation is in fact occurring, District staff will issue a notice of violation or otherwise inform the responsible party that corrective actions must be taken within a period of time deemed reasonable by the District, taking into consideration the nature of the violation and the potential damage that can arise if the violation continues.

2. Content of Notice of Violation. The notice will describe the violation, indicate the actions that must be taken, and indicate the date by which those actions must be taken. Unless immediate action is required, the notice will provide a reasonable time for the violation to be corrected. The notice will also specify the amount of any delinquency, actual damages or other amounts due the District, if any, and the telephone number of a representative of the District who can provide additional information.

3. No Notice Required; District Action. If the District determines that immediate or prompt correction of the violation is necessary to prevent waste or to maintain the integrity of the water supply, systems or facilities of the District, or for the immediate protection of the health, safety or welfare of persons or property, or for any other compelling reason, the District will take any action deemed necessary (including suspension, reduction or termination of service; locking or removal of meters; or repairs of any improvements) and a notice will be left at the affected parcel specifying any further corrective actions required. Any costs incurred by District and any applicable fines will be the responsibility of the responsible party.

4. Notice; Failure to Comply. The responsible party will be given an opportunity to correct the violation and to provide verbal, written and pictorial exculpatory evidence. If such evidence does not exonerate the responsible parties and if the violation(s) are not corrected to the satisfaction of the District within the time provided, the District may assess cost and penalties, administrative fines and may take any other action or pursue any other remedy available. Furthermore, if the violation concerns any service requirement or facility, or to prevent waste or protect the integrity of the system or the health and safety of the public, the District may suspend, reduce or terminate service to the extent permitted by law.

B. Service Termination, Suspension or Reduction; Removing or Locking Meters. Service may be reduced, suspended or terminated for failure to pay for service or in connection with a violation of this Code or applicable law. Termination, suspension or reduction of service will proceed as follows:

1. Notice Prior to Termination, Suspension or Reduction of Service. Except as provided in Paragraph A, above, or in other provisions of this Code or applicable law, not less than ten (10) days notice will be given prior to the date service is reduced, suspended or terminated; provided that, where service is terminated due to failure to comply with the terms of an amortization agreement, under Section 34 of this Code, only forty-eight (48) hours prior notice is required. The notice will be delivered to

the affected parcel and, if the owner of record does not reside in the affected parcel, a copy of the notice will be forwarded to the owner's address on record with the assessor's office via any available means, such as personal delivery, certified mail return receipt requested, email, fax or fed-ex.

2. Termination for failure to pay for service. The District may discontinue any or all service due to failure to pay the whole or any part of a bill issued by the District. In connection with termination of water service, the provisions of Section 60373 of the Government Code, or any other appropriate provision of law, or as set forth in Section 34 of this Code of Ordinance, will be followed. In connection with sewer, Section 71672 of the California Water Code or other applicable requirements will be followed.

C. Reconnection or Reinstatement of Service, Unlocking or Reinstalling Meters. If service is reduced, suspended or terminated for any reason, each of the following conditions applicable to the situation must be satisfied or arrangements satisfactory to the General Manager or a designee must be made *before* service is reinstated:

1. Outstanding amounts for service bills, including any service charges for benefits derived from the violation, must be paid;

2. All required deposits (including any security deposits), actual damages, fines, costs, charges and penalties must be paid;

3. Any amounts due for the removal, locking, servicing, repair or replacement of meters or other facilities required for service must be paid at the rates in effect at the time of reinstatement, as set forth on **Appendix A** to this Code or other schedule of fees then in effect;

4. All violations and related damages or conditions must have been corrected and/or repaired and evidence satisfactory to the District to that effect and demonstrating that it is safe to reinstate service, must have been provided to and approved by the District; and

5. If the service was originally in the name of a tenant, the District may require the owner of the parcel to request the service account under his or her name and responsibility.

D. Owner Responsibility for Account. In addition to owners' obligations under subsection (A) of section 72.01 and subsection (C)(5) of Section 72.02, above, and any other remedies provided by this Code or by applicable law, Owners may be required to deliver to the District a form of acknowledgement or authorization for service to a tenant. In addition, if (i) a tenant engages in any violation, (ii) if the District has reduced, suspended or terminated any service to a tenant three (3) times within any twenty-four (24) month period or (iii) the tenant has failed or refuses to comply with the terms of payment arrangements with the District four (4) times, the District reserves the right to demand that the property owner take responsibility for services to the tenant-

occupied parcel. The General Manager or a designee shall develop procedures to implement these requirements.

E. Right of Access to Customer's Premises; Interference. If any person refuses to consent to an investigation of a possible violation, or prevents or refuses to allow access to District staff or authorized representatives to any premises or facility during an investigation or in connection with any termination, reduction or suspension of service, the District may seek an injunction or a warrant, as provided in Section 71601 of the Water Code.

F. Other Remedies. In addition to the actions contemplated in this Section, the District may seek other remedies authorized or required by any applicable law, including imposing an administrative fine, pursuant to Section 72.06, or pursuing other available civil or criminal remedies.

72.03 CERTAIN SPECIFIC OPERATIONAL VIOLATIONS

A. Unauthorized Connections. The District shall bear no cost or liability for any unauthorized connection. In addition to other remedies, any unauthorized connection is subject to a Type II fine, pursuant to Section 72.06 depending upon the severity, duration and reoccurrence of the violation and any other factors the District may reasonably take into consideration.., Further, the District may demand that the unauthorized connection be immediately disconnected. In the alternative, if the customer refuses to take immediate action, or if immediate actions is necessary as set forth in Section 72.02(A)(3), above, the District may immediately disconnect, remove, confiscate, destroy or dispose of any parts installed or used for the unauthorized connection, all at the expense of the customer and any other responsible party. To the extent allowed by law, the District may also, immediately or as otherwise deemed advisable by the District, terminate service to any parcel and any person that allows, uses or benefits from such unauthorized connection.

B. Water waste. No customer shall knowingly permit leaks or other wastes of water, including, but not limited to, allowing runoff on any portion of his or her property, engaging in non-permitted uses of water, or failing to take corrective action after notice of any leaks or water waste is given. If the District determines that water waste is occurring, the District will:

1. Notify the customer that they are in violation of the District's Code of Ordinances.

2. Notwithstanding the foregoing, the District may, without prior notice, repair or replace any District controlled facilities at the cost of the person identified as the responsible party, if any.

3. If the water waste is due to a condition within the customer's property or facilities, the District may (i) require the customer to repair or replace the affected facilities, immediately or within a reasonable time, depending on the situation; or (ii) if necessary to prevent further waste, adjust, lock or remove the meter. If any repair

or replacement required is not completed in a timely manner, the District may perform the repair or replacement at the cost of the customer or may terminate service without further notice.

C. Meter Tampering. In addition to other remedies, tampering is subject to a Type II fine pursuant to Section 72.06 depending upon the severity, duration and reoccurrence of the violation and any other factors the District may reasonably take into consideration. Additionally, tampering may be prosecuted as a crime under Section 498 of the California Penal Code, as set forth in Section 73.01 of this Code.

D. Fire Service Violation. Fire service is subject to compliance with all provisions of this Code and the law concerning water service, and failure to comply with such provisions may result in the reduction, suspension, termination or disconnection of water service for fire protection, without any liability to District. Furthermore, illegal connections or other violations relating to fire service are subject to either a Type I or Type II fine, at the option of the District, and may be prosecuted as crimes.

E. Backflow prevention, screens and other safety devices. If service requirements include the installation, testing and maintenance of backflow prevention devices (Section 23.04 of this Code), screens or other safety operational items, in addition to, or in lieu of, other remedies provided herein, the District may apply any of the remedies under Section VI and VII of the District's Ordinance No. 386, as amended or renumbered. Furthermore, violations relating to backflow testing may be prosecuted as set forth in Section 73.01 of this Code. Violations of backflow requirements or knowingly filing a false statement or report required by a local health officer are subject to either a Type I or Type II fine, at the option of the District, pursuant to Section 72.06, below.

F. Violation Concerning Recycled Water Service. In addition to any fine, revocation, suspension or penalty imposed under Section 26 in connection with any violation of said Section, including permit suspension or revocation under Section 26.07.C, the District may (i) suspend or terminate water and or sewer service to the property, the owner and/or the operator; (ii) require payment by the owner for any damage to the District facilities, reimbursement to District of costs and expenses, or fines imposed on the District in connection with such violation; or (iii) prosecute the responsible party under any applicable provision of this Code, the Water Code or the Penal Code. Additionally, any violation concerning recycled water service is subject to either a Type I or Type II fine, at the option of the District, pursuant to Section 72.06, below.

G. Violation Concerning Sewer Service. In addition to any other remedy, fine or penalty provided by this Code or applicable law, failure to comply with any requirements of sewer service, including requirements for the preservation of public health, safety and welfare and including, but not limited to, the requirements established under Article II, Chapter 2, Sections 50 to 56.04 of this Code, as hereafter amended or as supplemented by other District Rules and Regulations for Sewer Service, the California Health and Safety Code, the California Code of Regulations, Titles 17 and 22, and Water

Agency Standards. Furthermore, may be prosecuted as set forth in Section 73.01 of this Code. Additionally, any violation concerning sewer service is subject to a Type I or Type II fine, at the option of the District, pursuant to Section 72.06, below.

H. Theft, Fraud, or Misappropriation. In addition to any other remedy, fine or penalty provided by this Code or applicable law, any violation involving theft, fraud or misappropriation of District water, services, or property is subject to a Type I or Type II fine, at the option of the District, pursuant to Section 72.06, below.

72.04 VIOLATIONS OF CONSERVATION OR OTHER WATER USE RESTRICTION PROVISIONS

The District has established and published conservation measures set forth in Section 39 of the Code. Commencing with declared Level 2 conditions, the District may assess water shortage rates and charges previously adopted. In addition, after notice of the declared water shortage level is given as required by law, any person who uses, causes to be used, or permits the use of water in violation of such requirements (other than a person who qualifies for an applicable exemption, if any) may be assessed damages, penalties and fines.

A. Additional provisions concerning use restriction violations. In addition to payment of actual damages, the following may apply to a violation of any water conservation or water use restriction measure:

1. A change on the account holder shall not cause the account to revert to pre-violation status unless the new account holder provides evidence that it is not related to the violator and had no responsibility for the prior account.
2. The District may reduce, suspend or terminate service to any parcel immediately and without further notice if the violation involves or results in water waste, as set for in Section 72.03(B), above.
3. Willful violations of mandatory conservation measures described in Section 39 of this Code may be enforced by terminating service to the property at which the violation occurs, as provided by Section 356 of the California Water Code.

B. Prosecution for violations of conservation measures. Pursuant to Section 377 and 71644 of the California Water Code, each violation of the District's Conservation Ordinance, set fort in Section 39 of this Code, may be prosecuted as a misdemeanor, punishable by imprisonment in the County jail for no more than thirty (30) days or by a fine, as set forth in subsection (C), below.

C. Assessment of fines for violations of conservation or water use restriction provisions. Any responsible party who fails to comply with any conservation or use restriction measure is subject to the assessment of an administrative Type I fine, added to account, pursuant to Section 72.06, below.

72.05 VIOLATIONS INVOLVING DISTRICT REAL PROPERTY

A. Removal, Disposition and Costs. The District has absolute discretion to determine the corrective action required in connection with any violation involving District real property, including requiring the owner of any unauthorized encroachment or improvement to remove it or taking action to remove it immediately and without notice. Any improvements or uses placed within or on any District property or right of way are subject to the following:

1. Costs and Damages. All costs and damages shall be the responsibility of the customer and any other responsible party. Furthermore, the District shall not be liable for costs to repair or replace any unauthorized encroachment or improvement, or any property, improvement or thing used in connection with, supported by or attached thereto.

2. Burden of proof. The burden shall be on the user to prove to the District's satisfaction, the authority, scope and extent of any right to access, improve or use the District's property. Only written evidence in the form of an agreement, deed, statute, recorded or official map or plat, governmental regulation or other right may be used to establish such claim of right.

B. Notice. In connection with any improvement or use that does not constitute a health hazard and does not interfere with the District's use of its property, the District will give written notice of up to sixty (60) days, at the discretion of the General Manager, to cease, terminate, eliminate or remove the offending improvement, structure or use. Any written notice will be given to the responsible party or posted at the property where the trespass or encroachment occurs. If the responsible party is not the owner of any real property affected by the violation, the District will also give notice to the owner of record at the address on record with the assessor's office via personal delivery, certified mail return receipt requested or via Fed-Ex.

C. Immediate action. In connection with any improvement that constitutes a health hazard or interferes with the District's use of any District property, the District will take any immediate action deemed necessary by the General Manager.

D. Fines. In addition to all other remedies provided under this Article or under applicable law, the District may impose a fine as provided in Section 72.06. Additionally, the District may impose a fine up to either the amount specified on any sign, or a Type I or Type II fine, at the option of the District, in connection with any trespass on District property in violation of a sign prohibiting trespassing, pursuant to Section 72.06, below.

E. Separate violation. A separate violation will accrue for each day after the deadline to cease, terminate, eliminate or remove the trespass or encroachment, as set forth in the notice.

72.06 ADMINISTRATIVE FINES

Any administrative fines established herein shall be in the nature of civil penalties and shall be additional and cumulative to any other fines, damages or any other charges established by the District and are also separate from and cumulative to any other civil or criminal penalty, fine or remedy. In connection with each violation, the District may assess a fine up to the amount specified in the schedule of fines for the type of fine being imposed.

Each day during which a violation is in effect constitutes a separate violation and violations are cumulative while the account is in the name of the original violator or any person that participated in or benefited from the violation. Except where the violation creates an immediate danger to health or safety, the person responsible for the continuing violation will be provided a reasonable period of time to correct or otherwise remedy the violation(s) prior to the imposition of administrative fines.

A. Assessment of Fines for Technical Violations of Other Code Provisions. Any person who engages in a violation of any provision of this Code is subject to the assessment of a separate administrative Type I Fine, unless subject to a more severe fine as set forth in this Code.

B. Assessment of Separate Fines.

Nothing in this code or the limits specified per violation shall prevent the imposition of separate fines for each separate violation committed during a single act. For example, in connection with a violation concerning sewer service that involves a trespass on any portion of the District's real property, separate fines may be assessed for the trespass, the damage to District personal property, the damage to District real property; the damage to the sewer system and the activity resulting on all the damages.

C. Types of Fines. The amount for each type of fine specified below may increase automatically to reflect any higher amount authorized by law or regulation. The District has determined to establish two types of fines based on the nature of the violation, as follows:

1. Type I Fine. Any violation that does not have the potential to endanger the health or safety of the public. The fine will not exceed the amount specified in the Section 36900(b) of the California Government Code or Appendix A for a first, second, third or each additional violation of that same ordinance or requirement within a twelve-month period.

2. Type II Fine. Any violation that has the potential to endanger the health or safety, including, but not limited to, unauthorized or illegal connections, meter tampering, water theft, or knowingly filing a false statement or report required by a local health officer. The fine will not exceed the amount specified on Appendix A per each day the violation is identified or continues.

D. Collection of Fines. Any fines assessed by the District are payable directly to the District, are due upon issuance or as otherwise indicated on the notice or bill, and are delinquent 30 calendar days from the due date.

E. Notice of Administrative Fine; Content. Notice of an administrative fine pursuant to this section will contain the following information: (i) a brief description of the violation(s); (ii) the date and location of the violation(s); (iii) a brief description of corrective action(s) required, as appropriate; (iv) a statement explaining that each day the violation continues constitutes a new violation; (v) in the case of violations creating an immediate danger to health or safety, the amount of civil penalty assessed or, in all other cases, the amount of civil penalty to be assessed if the violation(s) are not corrected within the time provided by the notice; (vi) a statement of the procedure for payment and the consequences of failure to pay; (vii) contact information for the District employee that should be contacted to discuss the notice and provide evidence of compliance; and (viii) a brief statement describing the responsible party's right to request further review, pursuant to subsection (F), below.

F. Option for Board Review. Persons receiving a Notice of Administrative Fine may request Board review. The request for Board consideration must be in writing, must be received by the District Secretary within ten (10) calendar days from the date of the notice and must include contact information, an explanation of the basis for the request, and any supporting documentation said person(s) wish to provide to the Board for review and consideration. District staff will review the petitioner's request and will make a recommendation to the Board in light of its investigation. The District will provide notice of the date, time and place for Board consideration by electronic means, facsimile or first class mail sent to the return addressee indicated on the written request.

G. *Any fines assessed pursuant to the Notice of Administrative Fines must be timely paid notwithstanding the filing of a request for Board review.*

At the time of Board review, the petitioner may, address the Board and respond to the charges to show good cause why the fine should not be imposed; however, the customer is not entitled to a full judicial-type hearing with cross examination, sworn testimony, etc. In accordance with the provisions of Government Code Section 53069.4, the Board's determination shall be final and conclusive, and shall be deemed confirmed, if not appealed within 20 calendar days to the Superior Court of the County of San Diego.

AGENDA ITEM 4



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 7, 2015	
SUBMITTED BY:	Kevin Cameron Assistant Engineer II	PROJECT:	P2539- 001102	DIV. NOS. 4 & 1
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief, Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager			
SUBJECT:	Authorization to Execute a Reimbursement Agreement Between the San Diego Association of Governments and the Otay Water District for the South Bay Bus Rapid Transit Project			

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board):

1. Authorize the General Manager to execute an Agreement between the San Diego Association of Governments (SANDAG) and the District for reimbursement to SANDAG for construction costs associated with the South Bay Bus Rapid Transit Project (see Exhibit A for Project location).
2. Increase the CIP budget for P2539 by \$525,000 (increase the overall CIP budget from \$375,000 to \$900,000).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to execute an Agreement (Exhibit B) with SANDAG for costs associated with construction of the South Bay Bus Rapid Transit (BRT) Project. The Agreement provides that the District will deposit an amount to SANDAG within thirty (30) calendar days of SANDAG awarding a Construction Agreement for the BRT Project for the cost to relocate District facilities. The deposit amount must be equal to one hundred (100)

percent of the bid amount attributable to the relocation of District facilities, ten (10) percent contingency, and eighteen (18) percent for construction management services. It is expected the project will be bid in January and by May 2015 SANDAG will request a deposit amount estimated to be \$736,000.

ANALYSIS:

The South Bay BRT project will include stations along a 21-mile BRT route, connecting residents to employment and activity centers in downtown and the South Bay. The South Bay BRT will serve offices, shopping centers, recreational facilities, transit-oriented residential communities, schools, and Park & Ride lots, as well as the U.S.-Mexico port of entry at Otay Mesa, California.

The Franchise Agreement between the District and the City of Chula Vista (City) requires the District to relocate and adjust its facilities within the City's right-of-way at the District's cost. For purposes of the SANDAG BRT Improvements only, the City has delegated said authority to SANDAG, who is exercising such rights on behalf of City with the understanding that City will not further exercise such rights against the District or require further relocation or adjustments related to the SANDAG Improvements. The correspondence from the City to District, dated September 25, 2014, describing such requirements, is attached to the Agreement (Exhibit B) as Exhibit A.

In order to minimize impacts to the Chula Vista community, District staff and SANDAG are coordinating their efforts to combine the contract documents for the utility relocations and the BRT Project work into one bid package. SANDAG will pay for the utility relocation design and incorporate the District's utility relocations into their bid package and bid their project and the District's as one project. SANDAG anticipates they will advertise the "Project" in January and provide bid support during the bid period. District staff will assist SANDAG where needed. SANDAG anticipates awarding the Project in May 2015. SANDAG needs to have a reimbursement agreement in place with the District prior to awarding the Project for construction.

The Project consists of constructing the BRT in the median of East Palomar Street (between Oleander and Magdalena Avenues) and from Magdalena Avenue easterly across SR-125 and Town Center Drive and then southerly to Birch Road (adjacent to Otay Ranch Town Center Mall). These improvements include, but are not limited to, roadway widening, new guideway pavement, construction of curb, gutter, sidewalk, and median islands, construction of retaining walls,

relocation of utilities, and new traffic signals and street lighting. The water infrastructure work consists of relocating existing recycled and potable water facilities including meters and appurtenances to support the BRT Project work. The construction cost associated with the utility relocations is estimated at \$575,000 with a ten (10) percent contingency of \$57,500. SANDAG's Construction Management Cost estimate is \$103,500 for a total engineer's construction estimate of \$736,000. The attached agreement (Exhibit B) provides for reimbursement to SANDAG to cover the actual "as-bid" construction costs, the 10% contingency for unforeseen issues confronted during construction, and 18% for construction management. With the exception of emergencies, prior to the approval of any construction change or change order affecting the District, SANDAG will obtain the written consent of the District.

Originally, the District was planning to solicit proposals from engineering consultants for the design of the utility relocations. The selected consultant would be presented to the Board for an award of an engineering consultant agreement. This process typically takes 4-5 months. Once designed, the project would go out to bid, and subsequently, the Board would award a construction contract to the lowest responsible bidder. Staff estimates that this process would have taken 18-21 months to coordinate the design with SANDAG and other utilities along with the bidding process. SANDAG needed the design completed sooner, and worked with the District to come up with a solution that was amicable to both parties.

To accelerate the project schedule, on November 13, 2013, SANDAG and the City agreed to pay Kimley-Horn Engineering to perform the design work for the District's utility relocations. The City/SANDAG design was put on hold for a few weeks and on March 31, 2014 Kimley-Horn notified the District they have initiated the design. An engineer's cost estimate was submitted to the District in July 2014, about the same time a draft of the reimbursement agreement was provided to the District for review and comment. The reimbursement agreement requires the District to deposit with SANDAG one hundred (100) percent of the bid amount attributable to the relocation and adjustment of District facilities. Until the project has been bid, the exact amount of this deposit amount will not be known.

The \$525,000 budget increase is needed to account for the following:

- SANDAG accelerated the design to meet their funding deadline, but an estimate of the cost for the relocation wasn't known until July 2014.
- SANDAG is requiring a ten (10) percent contingency which was not expected.

- SANDAG is requiring an eighteen (18) percent deposit for Construction Management which was not expected.
- Because the ultimate amount of the bid is unknown, a sufficient contingency is needed in order to meet the reimbursement requirement to provide a deposit to SANDAG within 30 calendar days of awarding the bid.

FISCAL IMPACT: Joseph Beachem, Chief Financial Officer

The FY 2015 budget for CIP P2539 is \$375,000. Total expenditures, plus outstanding commitments and forecast, including this agreement, are \$883,488. See Attachment B for budget detail.

Based on a review of the financial budget, the Project Manager anticipates that with a budget increase of \$525,000, the Project will be completed within the new budget amount of \$900,000.

The Finance Department has determined that 100% of the funding is available from the Replacement Fund for CIP P2539.

As a part of the 2015 budget process, the reserve where this CIP is funded from will be assessed and will be allocated the necessary funds at that time. It is anticipated that the actual overall CIP expenditures will be approximately 70 percent of the overall CIP budget making sufficient reserves available to fund this budget increase.

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional, effective, and efficient manner" and the General Manager's Vision, "A District that is at the forefront in innovations to provide water services at affordable rates, with a reputation for outstanding customer service."

LEGAL IMPACT:

The District's General Counsel, SANDAG, and the City's City Attorney have reviewed and accepted the agreement as to form and legality.

KC:jf

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Attachments: Attachment A - Committee Action
 Attachment B - P2539 Budget Detail
 Exhibit A - Location Map

Exhibit B - Agreement



ATTACHMENT A

SUBJECT/PROJECT: P2539-001102	Authorization to Execute a Reimbursement Agreement Between the San Diego Association of Governments and the Otay Water District for the South Bay Bus Rapid Transit Project
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COMMITTEE ACTION:

The Finance, Administration, & Communications Committee (Committee) reviewed this item at a meeting held on December 8, 2014. The Committee supported Staff's recommendation.

NOTE:

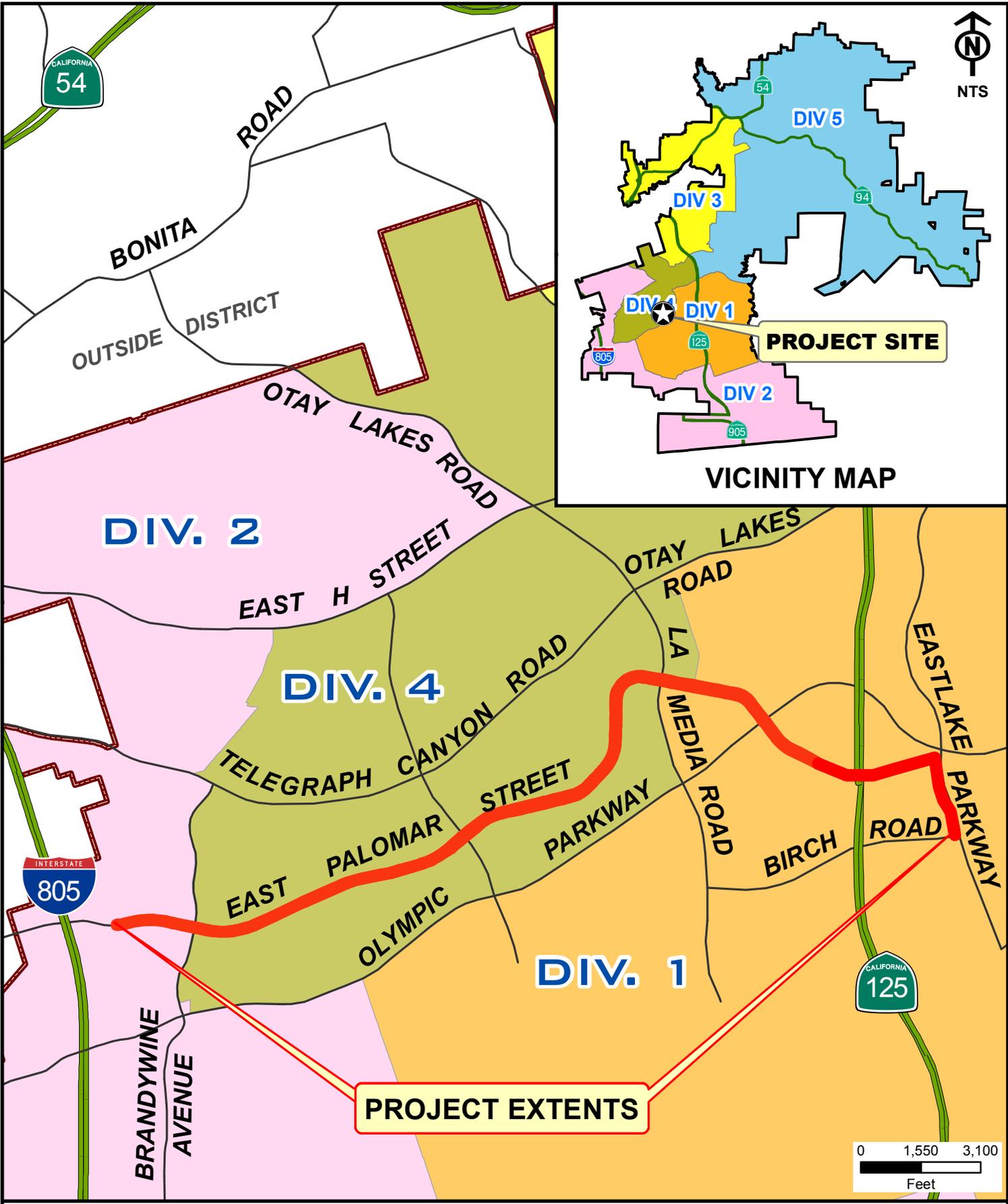
The "Committee Action" is written in anticipation of the Committee moving the item forward for Board approval. This report will be sent to the Board as a Committee approved item, or modified to reflect any discussion or changes as directed from the Committee prior to presentation to the full Board.



ATTACHMENT B – Budget Detail

SUBJECT/PROJECT:	Authorization to Execute a Reimbursement Agreement Between the San Diego Association of Governments and the Otay Water District for the South Bay Bus Rapid Transit Project
P2539-001102	

Otay Water District					Date Updated: 11/19/14
P2539 - South Bay Bus Rapid Transit (BRT)					
Budget	Committed	Expenditures	Outstanding Commitment &	Projected Final Cost	Vendor/Comments
375,000					
Planning					
Standard Salaries	-	-	-	-	
Total Planning	-	-	-	-	
Design					
Standard Salaries	54,938	50,938	4,000	54,938	
Equipment Charge	50	50	-	50	
	-	-	-	-	
	-	-	-	-	
	-	-	-	-	
	-	-	-	-	
	-	-	-	-	
Total Design	54,988	50,988	4,000	54,988	
Construction					
Standard Salaries	80,000	-	80,000	80,000	
Construction Contract	575,000	-	575,000	575,000	CONSTRUCTION CONTRACTOR (ESTIMATE)
	103,500	-	103,500	103,500	CONSTRUCTION MANAGEMENT (18%)
Professional Legal Fees	2,500	-	2,500	2,500	STUTZ ARTIANO SHINOFF
Project Closeout	10,000	-	10,000	10,000	CLOSEOUT
Project Contingency	57,500	-	57,500	57,500	10% CONTINGENCY
Total Construction	828,500	-	828,500	828,500	
Grand Total	883,488	50,988	832,500	883,488	



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OTAY WATER DISTRICT

South Bay Bus Rapid Transit (BRT) Project
Location Map

CIP P2539

EXHIBIT A

EXHIBIT B

REIMBURSEMENT AGREEMENT FOR PAYMENT OF COSTS OF RELOCATION AND ADJUSTMENT OF CERTAIN WATER FACILITIES BY AND BETWEEN THE OTAY WATER DISTRICT AND SANDAG IN CHULA VISTA, CALIFORNIA (SOUTH BAY BRT PROJECT SEGMENTS #1 & #2)

THIS REIMBURSEMENT AGREEMENT FOR THE PAYMENT OF COSTS FOR RELOCATION AND ADJUSTMENT OF OTAY WATER DISTRICT FACILITIES (the "Reimbursement Agreement" or "Agreement"), dated _____, 2014, is entered into by and between the Otay Water District ("District") and the San Diego Association of Governments ("SANDAG") to establish terms and conditions pursuant to which SANDAG will design, bid and cause to be constructed certain District Facilities, defined herein below, and District will reimburse SANDAG for all expenses related thereto, with the exception of design costs. District and SANDAG may be referred to herein individually as "Party" and collectively as the "Parties."

RECITALS

WHEREAS, District has approved, within its Capital Improvement Program ("CIP"), the relocation and adjustment of certain existing, reclaimed and potable water facilities (referred to herein as "Existing District Facilities", and further defined below) within the City of Chula Vista ("City"); and

WHEREAS, District is authorized, pursuant to applicable laws, to contract and to pay for all or part of the cost of the installation, relocation, adjustment, and construction of any building, facility, structure or other improvements required by District in connection with a District service; and

WHEREAS, SANDAG is constructing a new Bus Rapid Transit (BRT) Guideway in the median of East Palomar Street (between Oleander and Magdalena Avenues) and from Magdalena Avenue easterly across SR-125 and Town Center Drive and then southerly to Birch Road (adjacent to Otay Ranch Town Center Mall). These improvements include, but are not limited to, roadway widening, new guideway pavement, construction of curb, gutter, sidewalk, and median islands, construction of retaining walls, relocation of utilities, and new traffic signals and street lighting (referred to herein as "SANDAG Improvements", and further defined below); and

WHEREAS, pursuant to the franchise agreement between the District and City, City may require District to relocate and adjust its facilities at the District's cost and, for purposes of the SANDAG Improvements only, has delegated said authority to SANDAG, who is exercising such rights on behalf of City with the understanding that City will not further exercise such rights against the District or require further relocation or adjustments related to the SANDAG Improvements, to the extent set forth in correspondence from the City to District, dated September 25, 2014, attached hereto as Exhibit "A"; and

WHEREAS, the relocation and adjustment of Existing District Facilities (referred to herein as the "District Project", and further defined below) concurrently with SANDAG Improvements would constitute a substantial benefit to District and the City, which benefits

Reimbursement Agreement for Relocation & Adjustment of Certain Water Facilities by and between the Otay Water District and SANDAG in Chula Vista for South Bay BRT Project Segments #1 & #2

include, but are not limited to, reductions or savings in terms of time, money, construction hazards, and traffic impacts; and

WHEREAS, in order to achieve such benefits, District desires that SANDAG incorporate the relocation and adjustment of Existing District Facilities into the construction documents and contract for the SANDAG Improvements; and

WHEREAS, SANDAG is willing to incorporate the District Project into the contract for SANDAG Improvements, provided District agrees to reimburse SANDAG for all associated costs; and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the Parties hereto, as follows:

ARTICLE I. DEFINITIONS

1.1 Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of this Reimbursement Agreement and of any amendment hereto, and of any certificate, opinion, estimate or other document herein mentioned, have the meanings herein specified.

“District” means the Otay Water District, a municipal water district duly organized and existing under the Municipal Water District Law of 1911, as set forth in the California Water Code.

“SANDAG” means the San Diego Association of Governments, a regional government agency in the State of California.

“City” means the City of Chula Vista, California, a chartered municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of California.

“SANDAG Improvements” means, collectively, the new BRT Guideway and associated improvements to East Palomar Street (between Oleander and Magdalena Avenues) and the new BRT Guideway from Magdalena Avenue to Birch Road (South Bay BRT Segments #1 & #2 – SANDAG CIP 1280504).

“District Costs” means the total dollar amount of costs associated with the District Project, including, but not limited to, costs of materials, labor, oversight, bidding, permits, change orders, and the fair share of Joint Costs.

“District Project” means the relocation and adjustment of District’s potable and recycled water facilities within the limits of the SANDAG Improvements.

“Existing District Facilities” means the following potable and recycled water facilities to be relocated or adjusted:

Reimbursement Agreement for Relocation & Adjustment of Certain Water Facilities by and between the Otay Water District and SANDAG in Chula Vista for South Bay BRT Project Segments #1 & #2

Potable & Recycled Water Improvements	Total Quantity
Furnish & install new 1" air release valve	9
Furnish & install new 2" air release valve	11
Furnish & install new 4" air release valve	4
Furnish & install new 2" blowoff valve	15
Furnish & install new 4" blowoff valve	3
Furnish & install new 6" blowoff valve	3
Relocate existing 2" lateral (LF)	106
Relocate existing 4" lateral (LF)	36
Relocate existing 6" lateral (LF)	37
Construct Thrust Block Per W.A.S. (All types)	15
Construct Anchor Block Per W.A.S. (All types)	30
Relocate existing water meter	17
Furnish and install new water meter box	17
Furnish and install new water test station	3
Furnish and install new water valve	1
Furnish and install new fire hydrant and extend lateral	4
Furnish and install new fire hydrant assembly	1
Construct new water vault Per W.A.S.	1

“Joint Costs” means those costs of relocations and adjustment of the Project, which, due to their nature, cannot be attributed solely to District Project or SANDAG Improvements, yet from which both derive benefit or those costs that both Parties would have incurred had their respective facilities been constructed independently of each other (e.g. slurry seal would have been necessary to cover the District’s trench and would also have been required for the City street).

“Project” means, collectively, District Facilities and SANDAG Improvements.

ARTICLE II. PRECONSTRUCTION

2.1 Design and Specifications - Generally. Prior to advertisement of a Request for Proposals (“RFP”) for the construction and installation of Project, District shall submit designs and all associated plans and specifications (collectively “Construction Documents”) for the District Project to SANDAG.

2.1.1 Approval. Prior to submission, an authorized representative of District shall approve the Construction Documents, submittal of which shall indicate such approval and grant to SANDAG permission to include the Construction Documents in the RFP.

2.1.2 Design and Preparation Costs. All costs associated with design and the preparation of Construction Documents shall be borne solely by SANDAG.

- 2.1.3 Bidding and Award – SANDAG shall be responsible for all aspects of bidding and award of a contract for the construction and installation of the Project (“Construction Agreement”).
 - 2.1.3.1 Bid Package. SANDAG shall be responsible for preparing and circulating the bid package.
 - 2.1.3.2 Meetings. SANDAG shall organize all pre-bid meetings and shall inform the District of the time and date of such meeting, so that a representative of the District may be present to clarify any issues related to and prepare addenda for the construction of the District Facilities.
 - a. Additional Costs. Any additional costs associated with the failure of District to attend meetings, clarify issues, or submit addenda to SANDAG for distribution shall be the obligation of the District.
 - 2.1.3.3 Selection of Lowest Responsible Bidder. SANDAG, at its sole discretion, shall determine the lowest responsible bidder, which determination shall be binding on the District. Accordingly, SANDAG shall be solely responsible for handling and responding to any bid protests or other bid-related disputes
 - 2.1.3.4 Execution of Construction Agreement. SANDAG shall be responsible for executing the Construction Agreement on behalf of itself and the District and for ensuring that the District is identified as a third-party beneficiary of such agreement with the same rights and remedies as SANDAG.

ARTICLE III. CONSTRUCTION

- 3.1 Compliance with Specifications. SANDAG will include provisions in the Construction Agreement that require that the relocations and adjustments associated with the District Project by SANDAG’s contractor shall be in strict compliance with the approved plans and specifications provided by District, that all materials furnished by SANDAG’s contractor shall conform to District’s approved material list, and that any and all deviations from said plans and specifications must be approved by District, in writing, prior to being incorporated into the work.
 - 3.1.1 Right to Enforce. District shall have the right to enforce the terms of Section 3.1 against SANDAG’s contractor in the same manner as SANDAG, and pursuant to Section 11.17 such rights shall be written into the Construction Agreement.
- 3.2 Project Completion and Warranty. District and SANDAG anticipate that Project will be completed on or about July 31, 2016. Project, however, will not be deemed completed or accepted until both SANDAG and District have accepted their respective facilities or improvements. SANDAG’s contractor shall warrant all work for a period of no less than

one year from the date of acceptance, which shall be deemed to be the latter of the dates District and SANDAG accept their work performed and facilities constructed pursuant to the Construction Agreement. Acceptance will be evidenced by the filing of a Relief of Maintenance by SANDAG. The Construction Agreement shall include this definition of project completion and acceptance.

ARTICLE IV. REIMBURSEMENT OF COSTS

- 4.1 **Deposit Account.** Within thirty (30) calendar days of the Construction Agreement award, District shall deposit with SANDAG an amount equal to one hundred (100) percent of the bid amount attributable to the relocation and adjustment of District Facilities, plus a ten (10) percent contingency (“District Deposit”) for the purpose of reimbursing SANDAG for progress payments made by SANDAG to SANDAG’s contractor associated with the District Project.
- 4.2 **Invoice.** SANDAG shall invoice the District for District Costs (“SANDAG Invoice”) following the receipt of an invoice from SANDAG’s contractor on which such District Costs appear. The SANDAG Invoice shall:
- 4.2.1 Include a copy of the contractor’s invoice.
 - 4.2.2 Identify those costs attributable to the District’s Project.
 - 4.2.3 Show calculations apportioning the District’s fair share of Joint Costs.
 - 4.2.3.1 **Apportionment of Joint Costs.** Joint Costs may be apportioned as follows:
 - a. When a percentage of use can be determined, Joint Costs shall be apportioned based on the respective percentages of use.
 - b. When work is equally necessary for both the installation and construction of SANDAG Improvements and the District Project, Joint Costs shall be divided equally.
 - c. Based on the respective percentages of Total Project Costs.
 - d. Other methods to which the Parties mutually agree.
 - 4.2.4 Provide a net total charge payable by District.
- 4.3 **District Approval.** District shall review and approve the SANDAG Invoice within thirty (30) calendar days of its receipt (“Review Period”). If District determines that all relevant documents have not been submitted, District shall inform SANDAG of the need for additional information and specify the documents/information necessary to permit review and approval.
- 4.3.1 **Failure to Approve.** If District fails to approve the SANDAG Invoice or requests additional information within the Review Period, the charges on the SANDAG Invoice shall be deemed approved.

- 4.4 Reimbursement. Following District approval of a SANDAG Invoice, SANDAG shall deduct the invoice amount from the District Deposit for the purpose of reimbursing SANDAG for District Costs invoiced by and paid to SANDAG's contractor. District approval of a SANDAG Invoice shall be deemed District's authorization for such reimbursement in the amount of the SANDAG Invoice.
- 4.5 Use of Project Contingency. The Project Contingency may be used for unforeseen changes in work; however, it shall not be used for: (i) work required due to contractor's failure to perform work or services according to the terms of the Construction Agreement and/or in compliance with the Construction Documents; or (ii) uninsured losses resulting from the negligence of contractor.

ARTICLE V. CHANGE ORDERS

- 5.1 Written Approval of Construction Changes and Change Orders. With the exception of Emergencies, defined below, prior to the approval of a construction change or change order concerning or affecting District Project, including any changes to SANDAG Improvements that might affect District Project in any way, SANDAG shall obtain the written consent of District.
- 5.1.1 Approval of Change Orders. District shall respond to a change order request within five (5) working days of the date it is received by District.
- 5.1.2 Additional Costs. District will bear any increased costs due to a delay in approving a properly submitted construction change and/or change order request.
- 5.2 Changes in Emergencies. SANDAG may authorize contractor to proceed with any proposed construction changes and/or change orders, without consulting with District or obtaining the District's written approval, if failure to act immediately would pose a danger to the public, as determined in the sole discretion of SANDAG, or result in delays and cost overruns (collectively "Emergency" or "Emergencies"); however, SANDAG shall use best efforts to immediately, or as soon as reasonably possible, inform the District of the changes. The District shall be responsible for any increased costs of construction of their portion of Project due to an Emergency.
- 5.3 Errors and Omissions. SANDAG shall not make payment to contractor or charge District for any costs or expenses of a Change Order resulting from an error or omission for which the contractor is solely responsible.

ARTICLE VI. INSPECTION

- 6.1 Inspection Team. District shall appoint an individual or team responsible for inspections and approving installation of District Facilities.
- 6.2 Inspection Stages and Obligations. District shall have the right to conduct inspections of the District Project and construction methods pertaining thereto as deemed necessary by District. District shall provide copies of all District inspections to SANDAG within five (5) working days of an inspection. District shall be responsible for verifying that all work on District Project is completed in accordance with the approved plans and

specifications. It is specifically understood that District's inspectors shall have the authority to enforce District's plans and specifications for District Project, which authority shall include the authority to require that any and all unacceptable materials, workmanship, and/or installation be replaced, repaired, or corrected by SANDAG's contractor without cost to District and/or City.

6.3 Inspection Costs. All inspection costs incurred by District will be borne by District.

6.4 Notification. The Parties agree to develop mutually acceptable procedures for notification of inspections required or deemed necessary by either Party.

ARTICLE VII. INSURANCE

7.1 Contractor's Insurance. SANDAG shall ensure that its contractor provides evidence of insurance coverage, as required by SANDAG, for the entire construction and, if applicable, warranty period. Such insurance shall, at a minimum, include a comprehensive general liability policy in an amount sufficient to cover all contractual obligations of the contractor under the construction contract, and no less than \$2,000,000. The policy of insurance shall name District and SANDAG, and their respective employees, officers, governing body members, and agents as additional insureds, require a waiver of subrogation, and be primary insurance. Furthermore, SANDAG shall obtain evidence that the contractor maintains worker's compensation insurance in accordance with applicable requirements of law.

7.2 Parties' Insurance. District and SANDAG shall maintain insurance as customary in connection with their respective facilities.

ARTICLE VIII. INDEMNITY

8.1 Indemnity. Each Party hereto agrees to defend, indemnify, protect, and hold harmless ("Indemnitor") the other Party, its agents, officers, and employees ("Indemnitees") from and against any and all claims asserted or liability established for damages or injuries to any property or person, including death or dismemberment, which arise from or are caused by the negligent acts or omissions or willful misconduct of the Indemnitor's agents, officers or employees, in performing the work or services herein and all expenses of investigation and defending against same; provided, however, that each Party's duty to defend, indemnify and hold harmless the other shall not include any claims or liability arising from the sole negligence or willful misconduct of the other Indemnitee, its agents, officers or employees. District and SANDAG agree that in the event of any joint or concurrent negligence, they will apportion any established or agreed upon liability proportionate to their respective degree of fault. For the purposes of this provision, SANDAG's contractor shall not be considered an agent of SANDAG or District. Claims related to the actions or omissions of SANDAG's contractor shall be addressed through provisions in the Construction Agreement, which provisions shall include indemnity, defense, and hold harmless provisions from SANDAG's contractor in favor of both SANDAG and District.

8.2 Enforcement Costs. Indemnitor agrees to pay any and all costs SANDAG incurs enforcing the indemnity and defense provisions set forth in Article V.

8.3. Survival. Indemnitor's obligations under Article V shall survive the termination of this Agreement.

ARTICLE IX. RECORDS

9.1 Retention of Records. SANDAG shall require contractor to maintain data and records related to this Construction Agreement for a period as defined in the SANDAG contract.

9.2 Audit of Records. SANDAG shall make available and shall require that its contractor make available to District for examination at reasonable locations within the County of San Diego and at any time during normal business hours and as often as the District deems necessary, all of the data and records with respect to all matters covered by this Agreement and the Construction Agreement. SANDAG and contractor will permit the District to make audits of all invoices, materials, payrolls, records of personnel, and other data and media relating to all matters covered by this Agreement and the Construction Agreement.

ARTICLE X. NOTICES

10.1 Writing. Any demand upon or notice required or permitted to be given by one Party to the other Party shall be in writing.

10.2 Effective Date. Except as otherwise provided by law, any demand upon or notice required or permitted to be given by one Party to the other Party shall be effective: (i) on personal delivery, (ii) on the second business day after mailing by certified or registered U.S. Mail, return receipt requested, (iii) on the succeeding business day after mailing by Express Mail or after deposit with a private delivery service of general use (e.g., Federal Express) postage or fee prepaid as appropriate, or (iv) upon successful transmission of facsimile.

10.3 Recipients. All demands or notices required or permitted to be given shall be sent to all of the following:

10.3.1 District:

Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, California 91978
Fax: 619-670-8920
Attention: District Project Manager

10.3.2 SANDAG:

SANDAG
401 B Street, Suite 800
San Diego, California 92101
Fax: (619) 699-1905
Attention: South Bay BRT Project Manager

10.4 Change of Address(es). Notice of change of address shall be given in the manner set forth in this Article.

ARTICLE XI. MISCELLANEOUS

11.1 Headings. All article headings are for convenience only and shall not affect the interpretation of this Agreement.

11.2 Gender & Number. Whenever the context requires, the use herein of (i) the neuter gender includes the masculine and the feminine genders and (ii) the singular number includes the plural number.

11.3 Reference to Paragraphs. Each reference in this Agreement to a section refers, unless otherwise stated, to a section of this Agreement.

11.4 Incorporation of Recitals. All recitals herein are incorporated into this Agreement and are made a part hereof.

11.5 Covenants and Conditions. All provisions of this Agreement expressed as either covenants or conditions on the part of SANDAG or the District, shall be deemed to be both covenants and conditions.

11.6 Integration. This Agreement and the exhibits and references incorporated into this Agreement fully express all understandings of the Parties concerning the matters covered in this Agreement. No change, alteration, or modification of the terms or conditions of this Agreement, and no verbal understanding of the Parties, their officers, agents, or employees shall be valid unless made in the form of a written change agreed to in writing by both Parties or an amendment to this Agreement agreed to by both Parties. All prior negotiations and agreements are merged into this Agreement.

11.7 Severability. The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render any other provision of this Agreement unenforceable, invalid, or illegal.

11.8 Drafting Ambiguities. The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether or not to seek advice of counsel with respect to this Agreement is a decision that is the sole responsibility of each Party. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the Agreement.

11.9 Conflicts Between Terms. If an apparent conflict or inconsistency exists between the main body of this Agreement and the exhibits, the main body of this Agreement shall control. If a conflict exists between an applicable federal, state, or local law, rule, regulation, order, or code and this Agreement, the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this Agreement, the exhibits, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement shall control. Each Party shall notify the other

immediately upon the identification of any apparent conflict or inconsistency concerning this Agreement.

- 11.10 Prompt Performance. Time is of the essence of each covenant and condition set forth in this Agreement.
- 11.11 Good Faith Performance. The parties shall cooperate with each other in good faith, and assist each other in the performance of the provisions of this Agreement.
- 11.12 Further Assurances. SANDAG and District each agrees to execute and deliver such additional documents as may be required to effectuate the purposes of this Agreement.
- 11.13 Exhibits. Each of the following Exhibits is attached hereto and incorporated herein by this reference:
- Exhibit "A": correspondence from David E. Miller to Dan Martin, dated September 25, 2014, confirming limited delegation of franchise rights to SANDAG.
- 11.14 Controlling Law. The laws of the State of California shall govern and control the terms and conditions of this Agreement.
- 11.15 Jurisdiction and Venue. The venue for any suit or proceeding concerning this Agreement, the interpretation or application of any of its terms, or any related disputes shall be in the County of San Diego, State of California.
- 11.16 Agency/Municipal Powers. Nothing contained in this Agreement shall be construed as a limitation upon the powers of the District as a municipal water district or SANDAG as a regional government agency in the State of California.
- 11.17 Third Party Relationships. Nothing in this Agreement shall create a contractual relationship between SANDAG or District and any third party; however, SANDAG shall ensure that the District is an intended third party beneficiary of the Construction Agreement and shall share all of the rights and benefits of SANDAG with respect to the contractor.
- 11.18 Limitation on District Remedies and Waiver of Claims. District understands that the sole purpose of this Agreement is to establish a method to reimburse SANDAG for obligations of the District for payment of the costs of the installation and construction of District Facilities, which costs would otherwise be due directly to SANDAG contractor. In accordance with such purpose, the District agrees that its sole remedy for construction defects, breach by SANDAG contractor, damage to property or persons, including death, to District personnel or any third parties, or other claims arising out of or related to the work performed to install and/or construct District Facilities shall be against SANDAG's contractor or its subcontractors and agents, and, hereby, waives any and all claims it may hereafter have against SANDAG, arising out of the same, except for those claims arising out of the sole negligence or sole willful misconduct of SANDAG or covered by the indemnity provisions of Section 8.1.
- 11.19 Non-Assignment. Except as relates to the Construction Agreement, SANDAG shall not assign the obligations under this Agreement.

- 11.20 Successors in Interest. This Agreement and all rights and obligations created by this Agreement shall be in force and effect whether or not any Parties to the Agreement have been succeeded by another entity, and all rights and obligations created by this Agreement shall be vested and binding on any Party's successor in interest.
- 11.21 No Waiver. No failure of either SANDAG or the District to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement, shall constitute a waiver of any such breach of such covenant, term or condition. No waiver of any breach shall affect or alter this Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect to any existing or subsequent breach.
- 11.22 Administrative Claims Requirements and Procedures. No suit or arbitration arising out of this Agreement shall be brought against SANDAG, unless a claim has first been presented in writing and filed with SANDAG and acted upon by SANDAG. Upon request by SANDAG, District shall meet and confer in good faith with SANDAG for the purpose of resolving any dispute over the terms of this Agreement. Similarly, no suit or arbitration arising out of this Agreement shall be brought against the District unless a claim has first been presented in writing and filed with the District and acted upon by the District in accordance with the procedures set forth in the California Government Code and Otay Water District Policy No. 29, as same may from time to time be amended, the provisions of which are incorporated by this reference as if fully set forth herein, and such policies and procedures used by the District in the implementation of same. Upon request by District, SANDAG shall meet and confer in good faith with District for the purpose of resolving any dispute over the terms of this Agreement.
- 11.23 Dispute Resolution. If a dispute arises out of or relates to this Agreement, or the breach thereof, the Parties agree to engage in good faith negotiations to attempt to resolve the dispute. In the event of any action at law or in equity, including an action for declaratory relief, between the Parties arising out of or relating to this Agreement, then the prevailing party in such action will be entitled to recover from the other party a reasonable sum as attorneys' fees and costs. The prevailing party will be determined in accordance with Civil Code Section 1717(b)(1) or any successor statute. The prevailing party will also be entitled to its reasonable attorneys' fees and costs in any post-judgment proceedings to collect or enforce the judgment. This provision is separate and will survive the merger of this Agreement into any judgment on this Agreement.
- 11.24 Administration of Contract. SANDAG hereby designates Bruce Schmith, Principal Civil Engineer, as SANDAG Project Manager for the construction of Project and as the primary contact for all matters relating to this Agreement, including the submittal of SANDAG invoices for reimbursement.

District hereby designates _____ as District Project Manager for District Facilities and as the primary contact for all matters relating to this Agreement, including the processing, documenting, and approval of SANDAG invoices.

Reimbursement Agreement for Relocation & Adjustment of Certain Water Facilities by and between the Otay Water District and SANDAG in Chula Vista for South Bay BRT Project Segments #1 & #2

11.25 Signing Authority. The representative for each Party signing on behalf of such Party hereby declares that authority has been obtained to sign on behalf of SANDAG and/or District, as applicable and agrees to hold the other Party or Parties hereto harmless if it is later determined that such authority does not exist.

Reimbursement Agreement for Relocation & Adjustment of Certain Water Facilities by and between the Otay Water District and SANDAG in Chula Vista for South Bay BRT Project Segments #1 & #2

IN WITNESS WHEREOF, SANDAG and District have executed this Agreement thereby indicating that they have read and understood same, and indicate their full and complete consent to its terms:

SANDAG

Otay Water District

Dated: _____

Dated: _____

By: _____

By: _____

Gary L. Gallegos, Executive Director

Approved as to form:

Approved as to form:

Office of General Counsel

District Counsel

Dated: _____

Dated: _____



EXHIBIT A

Office of the City Attorney

David E. Miller
Office of the City Attorney
276 Fourth Avenue
Chula Vista, CA 91910
dmiller@chulavistaca.gov

Dan Martin, P.E.
Engineering Manager
Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, CA 91978

September 25, 2014

RE: BRT and Relocation of Facilities

Dear Mr. Martin:

As you are aware, SANDAG is designing and constructing, in cooperation with the City of Chula Vista, a Bus Rapid Transit System (“BRT”) to relieve crowding on our streets, reduce commuting times, and reduce carbon emissions for the benefit, health, safety and welfare of the people of the City of Chula Vista. Though the design and construction of the BRT will ultimately be funded by SANDAG, the City will be contributing funds and taking on responsibilities for the maintenance of many of the BRT facilities constructed. Additionally, the project has been part of the City’s General Plan, several Specific Plans, the City’s Growth Management Strategy and Plan, and will be located within the City’s right of way. Many of the developments on the eastern side of Chula Vista (east of the I-805) have had their traffic impacts analyzed with the BRT as an available source of transportation. Absent the BRT, the City will have to undertake significant alternative construction projects or fund the BRT improvements ourselves, since monies have not been collected from developers for this project.

During the project development, you indicated that there are some questions related to the obligations for your agency to cover the costs of relocation of your facilities and have requested a letter or other document from the City that grants SANDAG the authority under the City’s Franchise Agreement with your agency to request relocation of your facilities at your sole cost. This letter is intended to do that as well as to indicate that we believe, as does SANDAG, that not only does our City Charter and Franchise Agreement require the relocations at your cost, but State law also provides the same. Notwithstanding the foregoing, following the construction and installation of OWD facilities and during the initial construction of the BRT for those segments identified in the plans and specifications, City will not require OWD to remove and relocate facilities

OTAY WATER DISTRICT
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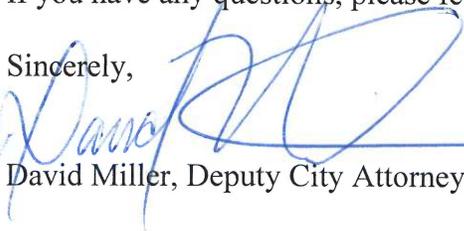
Dan Martin, P.E.,
Engineering Manager
September 25, 2014
Page 2

again, at its sole cost. This, however, shall not limit, in any way, the City's authority to exercise its right to require relocation for future phases or the BRT or other projects under the Charter and Franchise Agreement.

In this vein, this letter shall, hereby, serve as the grant of authority to SANDAG to construct the BRT under our Charter and Franchise Agreement.

If you have any questions, please feel free to contact me at the above address or email.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Miller", is written over a horizontal line. The signature is stylized and extends across the line.

David Miller, Deputy City Attorney

AGENDA ITEM 5



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 7, 2015
SUBMITTED BY:	Armando Buelna, Communications Officer	PROJECT:	Various DIV.NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	2015 Legislative Program Guidelines		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors adopt the 2015 Otay Water District Legislative Program Guidelines.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To provide direction to staff and the District's Legislative Advocates in the formulation of the District's response to legislative initiatives on issues affecting the District during the 2015 legislative session.

ANALYSIS:

Otay Water District maintains a set of legislative policy guidelines to direct staff and legislative advocates on issues important to the District. The legislative guidelines are updated annually with the proposed updates presented to the Otay Water District's Board of Directors for review, comment and adoption. The attached 2015 Legislative Program represents policy positions on legislation for the Board's consideration.

Each legislative session, representatives to the California Legislature sponsor some 2,000 or more bills or significant resolutions. While many bills fail to make it out of their house of origin, many others go on to be signed by the governor and become law. These new laws can affect special districts in substantive ways. The same is true with each session of the House of Representatives and the U.S. Senate.

The 2015 Legislative Program establishes guidelines and policy direction that can be used by staff when monitoring legislative activity to facilitate actions that can be taken quickly in response to proposed bills. The guidelines provide a useful framework for staff when evaluating the potential impact of state or federal legislation on the District. This is particularly helpful when a timely response is necessary to address a last minute amendment to legislation and should calls or letters of support or opposition be needed.

Legislation that does not meet the guidelines as set forth or that has potentially complicated or varied implications will not be acted upon by staff or the legislative advocates, and will instead be presented to the Board directly for guidance in advance of any position being taken.

The 2015 Legislative Guidelines presents staff's initial recommendations for the Board's review, and seeks the Board's recommendations for any additional modifications. Staff will then incorporate feedback into the final document.

In general, the guidelines look to protect the District's interest in a reliable, diverse and affordable water supply. Moreover, they seek to maintain local control over special district actions to protect your Board's discretion and ratepayer interests, and maintain the ability to effectively and efficiently manage District operations. In addition they express the District's ongoing support for water conservation, recycled water, ocean water desalination, capital improvement project development, organization-wide safety and security, binational cooperation, as well as the equitable distribution of water bond proceeds.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

None.

LEGAL IMPACT:

None

Attachments: Attachment A - Committee Action
Attachment B - 2015 Otay Water District Legislative Program
Attachment C - 2015 Otay Water District Legislative Program Redline



ATTACHMENT A

SUBJECT/PROJECT:	2015 Legislative Program Guidelines
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COMMITTEE ACTION:

The Committee supported staff's recommendation and presentation to the full board for 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.

Otay Water District Legislative Program | 2015

Effective Date: 01/07/2015

Legislative Policy Guidelines

The Otay Water Legislative Policy Guidelines for the 2015 Legislative Session includes the following:

Sacramento-San Joaquin Bay Delta (Bay-Delta)

Support efforts to:

- a. Finalize and implement the Bay-Delta Conservation Plan to address Bay-Delta environmental and water quality issues.
- b. Analyze or support a “Portfolio Approach”, “Around-the-Delta”, “right-sized”, or other alternatives that feature smaller conveyance facilities as a way to improve water quality, water transport, and reduce the possibility or impacts of levee failure, lower costs to water users and the public, reduce the level of environmental impacts, while potentially facing fewer legal and political challenges.
- c. Finalize Bay-Delta planning work and ongoing studies of new water storage facilities, and support efforts to promote additional surface and underground water storage infrastructure that are cost effective ensure water availability and quality.
- d. Resolve conflicts between urban and rural water users, water management and the environment in the Bay-Delta.
- e. Provide ongoing federal and state funding for the Bay-Delta, and those which focus attention to Bay-Delta financing, affordability, commitments to pay, and the demand for Bay-Delta water.
- f. Equitably allocate costs of the Bay-Delta solution to all those benefiting from improvements in proportion to the benefits they receive.
- g. Fast-track design, permits and construction for pilot projects in the Bay-Delta to create barriers to keep fish away from Bay-Delta water pumps, improve water quality and supply reliability.
- h. Provide deliberative processes that are designed to ensure meaningful dialogue with all stakeholders in an open and transparent process in order to reduce future conflicts and challenges in implementing a Bay-Delta solution.
- i. Provide a Bay-Delta solution that acknowledges, integrates and supports the development of water resources at the local level.
- j. Improve the ability of water-users to divert water from the Bay-Delta during wet periods when impacts to fish and the ecosystem are lower and water quality is higher.
- k. Improve the existing Bay-Delta water conveyance system to increase flexibility and enhance water supply, water quality, levee stability and environmental protection.
- l. Evaluate long-term threats to the Bay-Delta levees and conveyance system and pursues actions to reduce risks to the state’s water supply and the environment.
- m. Improve coordination of the Central Valley Project and State Water Project Operations.
- n. Provide a Bay-Delta solution and facilities that are cost-effective when compared with other water supply development options for meeting Southern California’s water needs.

- o. Identify the total cost or perform appropriate cost studies to estimate consumer financial impact as well as the expected yield of any Bay-Delta solution before financing and funding decision are made to determine whether the solution is worth the expense.
- p. Provide the State Water Project (SWP) with more flexibility to operate their systems to maximize water deliveries while avoiding unacceptable impacts to third parties, habitat or the environment.
- q. Require a firm commitment and funding stream by all parties to pay for the proportional benefits they will receive from a Bay-Delta solution through take-or-pay contracts or the legal equivalent, and identify the impact to the remaining contractors if one or more contractors default or back out.
- r. Provide “right-sized” facilities to match firm commitments to pay for the Bay-Delta solution.
- s. Provide SWP contractors and their member agencies access to all SWP facilities to facilitate water transfers.
- t. Continue state ownership and operation of SWP as a public resource.
- u. Improve efficiency and transparency of all SWP operations.
- v. Focus on statewide priorities, including construction of an approved method of conveyance of water through or around the Delta that provides water supply reliability to the Delta water uses, promotion of greater regional and local self sufficiency, surface storage and promotion of water use efficiency.
- w. Provides for the state’s share of funding for Bay-Delta conveyance projects.
- x. Consider complementary investments in local water supply sources, regional coordination, and south of Delta storage as part of an overall comprehensive Bay-Delta solution.

Oppose efforts that:

- a. Require additional reviews or approvals of Delta conveyance options beyond those provided by SBX7-1 (2009).

Recycled Water

Support efforts to:

- a. Reduce restrictions on recycled water usage or promote consistent regulation of recycled water projects to reduce impediments to the increased use of recycled water.
- b. Reduce restrictions on injecting recycled water into basins where there is no direct potable use.
- c. Provide financial incentives for recharge of groundwater aquifers using recycled water.
- d. Make recycled water regulations clear, consolidated, and understandable to expedite related project permitting.
- e. Promote recycled water as a sustainable supplemental source of water.
- f. Allow the safe use of recycled water.
- g. Facilitate development of technology aimed at improving water recycling.
- h. Increasing funding for water recycling projects.
- i. Increase awareness of the ways recycled water can help address the region's water supply challenges.
- j. Create federal incentives to promote recycled water use and production.
- k. Establish federal tax incentives to support U.S. companies in the development of new water technologies that can lower productions costs, address by products such as concentrates, and enhance public acceptance of recycled water.
- l. Establish a comprehensive national research and development, and technology demonstration, program to advance the public and scientific understanding of water recycling technologies to encourage reuse as an alternative source of water supply.

Oppose efforts that:

- a. Restrict use of recycled water for groundwater recharge.
- b. Establish new water or recycled water fees solely to recover State costs without also providing some benefit.
- c. Create regulatory schemes that alter or limit the existing authority to reuse and recycle water.

Water Services*Support efforts to:*

- a. Provide funding to implement actions identified in the California Water Action Plan to lay a solid fiscal foundation for implementing near-term actions, including funding for water efficiency projects, wetland and watershed restoration, groundwater programs, conservation, flood control, and integrated water management and result in a reliable supply of high-quality water for the San Diego region.
- b. Provide financial support to projects designed to mitigate the potential negative impacts of Global Climate Change on water supply reliability.
- c. Promote the coordination and integration of local, state and federal climate change policies and practices to the greatest extent feasible.
- d. Support ongoing implementation of the Quantitative Settlement Agreement.
- e. Provide reliable water supplies to meet California's short and long-term needs.
- f. Support legislation that reduces impediments for willing sellers and buyers to engage in water transfer agreements.
- g. Promote desalination pilot studies and projects.
- h. Encourage feasibility studies of water resource initiatives.
- i. Increase funds for infrastructure and grant programs for construction, modernization or expansion of water, wastewater treatment, reclamation facilities and sewer systems including water recycling, groundwater recovery and recharge, surface water development projects and seawater desalination.
- j. Mandate uniform or similar regulations and procedures by state agencies in the processing and administering of grants and programs.
- k. Streamline grant application procedures.
- l. Promote or assist voluntary water transfers between willing buyers and willing sellers and move those transactions through without delay.
- m. Streamline the permitting and approval process for implementing water transfers.
- n. Establish reasonable statewide approaches to sewer reporting standards.
- o. Generate greater efficiencies, better coordinate program delivery, and eliminate duplication in programs for source water protection without lessening the focus on public health of the state's Drinking Water Program.
- m. Target efforts to fix specific issues with water supplies within the state's Drinking Water Program.
- n. Establish federal tax incentives to support U.S. companies in the development of new desalination technologies that can lower productions costs, eliminate or reduce impingement or entrainment, reduce energy use, and enhance public acceptance of desalinated water.
- p. Establish a comprehensive national research and development, and technology demonstration program to advance the scientific understanding of desalination to expand its use as an alternative source of water supply.
- q. Require the State Water Resources Control Board to exercise its authority to fund and implement the Salton Sea mitigation and restoration plan, meet state obligations, and work with QSA stakeholders to find workable solutions to ensure the continuation of IID water transfers.

Oppose efforts that:

- a. Make urban water supplies less reliable or substantially increase the cost of imported water without also improving the reliability and/or quality of the water.
- b. Create unrealistic or costly water testing or reporting protocol.
- c. Disproportionately apportion the cost of water.
- d. Create undo hurtles for seawater desalination projects.
- e. Create unreasonable or confusing sewer reporting standards.
- f. Create administrative or other barriers to sales between willing buyers and willing sellers that delay water transfers.
- g. Create a broad-based user fee that does not support a specific program activity; any fee must provide a clear nexus to the benefit the fee would provide.
- h. Create unrealistic or costly to obtain water quality standards for potable water, recycled water or storm water runoff.
- i. Change the focus of the state's Drinking Water Program or weaken the parts of the program that work well.
- j. Lessen the focus on public health of the state's Drinking Water Program.

Financial

Support efforts to:

- a. Require the federal government and State of California to reimburse special districts for all mandated costs or regulatory actions.
- b. Give special districts the discretion to cease performance of unfunded mandates.
- c. Provide for fiscal reform to enhance the equity, reliability, and certainty of special district funding.
- d. Provide incentives for local agencies to work cooperatively, share costs or resources.
- e. Provide for the stable, equitable and reliable allocation of property taxes.
- f. Continue to reform workers compensation.
- g. Authorize financing of water quality, water security, and water supply infrastructure improvement programs.
- h. Promote competition in insurance underwriting for public agencies.
- i. Establish spending caps on State of California overhead when administering voter approved grant and disbursement programs.
- j. Require disbursement decisions in a manner appropriate to the service in question.
- k. Encourage funding infrastructure programs that are currently in place and that have been proven effective.
- l. Produce tangible results, such as water supply reliability or water quality improvement.
- m. Provide financial incentives for energy projects that increase reliability, diversity, and reduce green house gasses.
- n. Continue energy rate incentives for the utilization of electricity during low-peak periods.
- o. Provide loan or grant programs that encourage water conservation for water users who are least able to pay for capital projects.

Oppose efforts that:

- a. Impose new, unfunded state mandates on local agencies and their customers.
- b. Undermine Proposition 1A - Protection of Local Government Revenues – and the comprehensive reform approved by voters in 2004.
- c. Reallocate special district reserves in an effort to balance the state budget.
- d. Reallocate special district revenues or reserves to fund infrastructure improvements or other activities in cities or counties.
- e. Usurp special district funds, reserves, or other state actions that force special districts to raise rates, fees or charges.
- f. Complicate or deter conservation-based rate structures.
- g. Establish funding mechanisms that put undue burdens on local agencies or make local agencies *de facto* tax collectors for the state.
- h. Complicate compliance with SB 610 and SB 221.
- i. Adversely affect the cost of gas and electricity or reduce an organization’s flexibility to take advantage of low peak cost periods.
- j. Add new reporting criteria, burdensome, unnecessary or costly reporting mandates to Urban Water Management Plans.
- k. Add new mandates to the Department of Water Resources (DWR) to review and approve Urban Water Management Plans beyond those already addressed in DWR guidelines.

- l. Mandate that water agencies include an embedded energy calculation for their water supply sources in Urban Water Management Plans or any other water resources planning or master planning document.
- m. Weaken existing project retention and withholding provisions that limit the ability of public agencies to drive contractor performance.
- n. Establish change order requirements that place an unreasonable burden on local agencies, or raise financial risk associated with public works contracts.

Governance/Local Autonomy

Support efforts to:

- a. Expand local autonomy in governing special district affairs.
- b. Promote comprehensive long-range planning.
- c. Assist local agencies in the logical and efficient extension of services and facilities to promote efficiency and avoid duplication of services.
- d. Streamline the Municipal Service Review Process or set limits on how long services reviews can take or cost.
- e. Establish clear and reasonable guidelines for appropriate community sponsorship activities.
- f. Reaffirm the existing “all-in” financial structure, or protect the San Diego County Water Authority voting structure based on population.

Oppose efforts that:

- a. Assume the state legislature is better able to make local decisions that affect special district governance.
- b. Create one-size-fits-all approaches to special district reform.
- c. Unfairly target one group of local elected officials.
- d. Usurp local control from special districts regarding decisions involving local special district finance, operations or governance.
- e. Limit the board of directors’ ability to govern the district.
- f. Create unfunded local government mandates.
- g. Create costly, unnecessary or duplicative oversight roles for the state government of special district affairs.
- h. Create new oversight roles or responsibility for monitoring special district affairs.
- i. Change the San Diego County Water Authority Act regarding voting structure, unless it is based on population.
- j. Shift the liability to the public entity and relieve private entities of reasonable due diligence in their review of plans and specifications for errors, omissions and other issues.
- k. Place a significant and unreasonable burden on public agencies, resulting in increased cost for public works construction or their operation.
- l. Impair the ability of water districts to acquire property or property interests required for essential capital improvement projects.
- m. Increase the cost of property and right-of-way acquisition, or restricts the use of right-of-ways.
- n. Work to silence the voices of special districts and other local government associations on statewide ballot measures impacting local government policies and practices, including actions that could prohibit special districts and associations from advocating for positions on ballot measures by severely restricting the private resources used to fund those activities.

Conservation

Support efforts to:

- a. Provide funding for water conservation programs.
- b. Encourage the installation of water conserving fixtures in new and existing buildings.
- c. Promote the environmental benefits of water conservation.
- d. Enhance efforts to promote water awareness and conservation.
- e. Offer incentives for landscape water efficiency devices such as ET controllers and soil moisture sensors.
- f. Develop landscape retrofit incentive programs and/or irrigation retrofit incentive programs.
- g. Permit or require local agencies to adopt ordinances that require or promote water wise landscape for commercial and residential developments.
- h. Create tax incentives for citizens or developers who install water wise landscapes.
- i. Create tax incentives for citizens who purchase high efficiency clothes washers, dual flush and high-efficiency toilets and irrigation controllers above the state standards.
- j. Expand community-based conservation and education programs.
- k. Develop incentives for developers and existing customers to install water wise landscape in existing developments or new construction.
- l. Encourage large state users to conserve water by implementing water efficient technologies in all facilities both new and retrofit.
- m. Create higher incentives for solar power.
- n. Encourage large state water users to conserve water outdoors.
- o. Educate all Californians on the importance of water, and the need to conserve, manage, and plan for the future needs.
- p. Encourage technological research targeted to more efficient water use.
- q. Give local agencies maximum discretion in selecting conservation programs that work for their customers and the communities they serve.

Oppose efforts that:

- a. Weaken federal or state water efficiency standards.
- b. Introduce additional analytical and reporting requirements that are time-consuming for local agencies to perform and result in additional costs to consumers, yet yield no water savings.

Safety, Security and Information Technology

Support efforts to:

- a. Provide funding for information security upgrades to include integrated alarms, access/egress, and surveillance technology.
- b. Provide incentives for utilities and other local agencies to work cooperatively, share costs or resources.
- c. Provide funding for communication enhancements, wireless communications, GIS or other technological enhancements.
- d. Encourage or promote compatible software systems.
- e. Fund infrastructure and facility security improvements that include facility roadway access, remote gate access and physical security upgrades.
- f. Protect state, local and regional drinking water systems from terrorist attack or deliberate acts of destruction, contamination or degradation.
- g. Provide funds to support training or joint training exercises to include contingency funding for emergencies and emergency preparedness.
- h. Equitably allocate security funding based on need, threats and/or population.
- i. Encourage or promote compatible communication systems.
- j. Encourage and promote funding of Department of Homeland Security Risk Mitigation programs.
- k. Recognizes water agencies as emergency responders to damage and challenges caused by wildfires, earthquakes, and other natural disasters, as well as terrorist and other criminal activities that threaten water operations, facilities and supplies.

Oppose efforts that:

- a. Create unnecessary, costly, or duplicative security mandates.
- b. Require expanded water system descriptions or additional public disclosure of public water systems details for large water suppliers in Urban Water Management Planning documents, potentially compromising public water systems and creating a conflict with the Department of Homeland Security's recommendation to avoid reference to water system details in plans available to the general public.

Optimize District Effectiveness

Support efforts to:

- a. Give utilities the ability to avoid critical peak energy pricing or negotiate energy contracts that save ratepayers money.
- b. Develop reasonable Air Pollution Control District engine permitting requirements.
- c. Reimburse or reduce local government mandates.
- d. Allow public agencies to continue offering defined benefit plans.
- e. Result in predictable costs and benefits for employees and taxpayers.
- f. Eliminate abuses.
- g. Retain local control of pension systems.
- h. Be constitutional, federally legal and technically possible.

Oppose efforts that:

- a. Restrict the use of, or reallocate, district property tax revenues to the detriment of special districts.
- b. Create unrealistic ergonomic protocol.
- c. Micromanage special district operations.
- d. Balance the state budget by allowing regulatory agencies to increase permitting fees.
- e. Tax dependent benefits.
- f. Require new reporting criteria on emergency intensity involved in water supply.

Bi-National Initiatives

Support efforts to:

- a. Promote and finance cross-border infrastructure development such as water pipelines, desalination plants or water treatment facilities to serve the border region.
- b. Develop cooperative and collaborative solutions to cross-border issues.
- c. Develop and enhance communications and understanding of the interdependence of communities on both sides of the border with the goal of improved cross-border cooperation.

Oppose efforts that:

- a. Usurp local control over the financing and construction of water supply and infrastructure projects in the San Diego/Baja California region.

Water Bonds

Support efforts to:

- a. Ensure San Diego County receives an equitable share of funding from Proposition 1 (2014) with major funding categories being divided by county and funded on a per-capita basis to ensure bond proceeds are distributed throughout the state in proportion to taxpayers' payments on the bonds.
- b. Ensure funding for water infrastructure projects help to resolve conflicts in the state's water system and provide long-term benefits to statewide issues including water supply, reliability, water quality, and ecosystem restoration.
- c. Ensure primary consideration is given to funding priorities established by local and regional entities through their IRWM planning process.
- d. Ensure that the application process for funding is not unnecessarily burdensome and costly, with an emphasis on streamlining the process.
- e. Fund emergency and carryover storage projects including those in San Diego County.
- f. Consolidate administration of all voter-approved water-related bond funding in one place, preserves existing expertise within the state bureaucracy to manage bond funding processes, and provide consistent application and evaluation of bond funding applications.
- g. Expedite the funding for projects that advance the achievement of the co-equal goals of water supply reliability and Delta ecosystem restoration.

Oppose efforts that:

- a. Change the share of funding to make San Diego County's share less equitable, not based on the San Diego County taxpayers' proportional contribution to repayment of the bonds, or change the understanding that all beneficiaries pay an equitable share.
- b. Do not provide funding for infrastructure that resolves statewide or regional conflicts of water supplies.
- c. Do not provide funding that result in net increases in real water supply and water supply reliability.
- d. Commit a significant portion of bond funding to projects that do not result in net increases in real water supply or water supply reliability.

Otay Water District Legislative Program | 2015

Effective Date: 01/07/2015

Legislative Policy Guidelines

The Otay Water Legislative Policy Guidelines for the 2015 Legislative Session includes the following:

Sacramento-San Joaquin Bay Delta (Bay-Delta)

Support efforts to:

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- c. Finalize Bay-Delta planning work and ongoing studies of new water storage facilities, and support efforts to promote additional surface and underground water storage infrastructure that are cost effective ensure water availability and quality.
- d. Resolve conflicts between urban and rural water users, water management and the environment in the Bay-Delta.
- e. Provide ongoing federal and state funding for the Bay-Delta, and those which focus attention to Bay-Delta financing, affordability, commitments to pay, and the demand for Bay-Delta ~~W~~water.
- f. Equitably allocates costs of the Bay-Delta solution to all those benefiting from improvements in proportion to the benefits they receive.
- g. Fast-track design, permits and construction for pilot projects in the Bay-Delta to create barriers to keep fish away from Bay-Delta water pumps, improve water quality and supply reliability.
- h. Provide deliberative processes that are designed to ensure meaningful dialogue with all stakeholders in an open and transparent process in order to reduce future conflicts and challenges in implementing a Bay-Delta solution.
- i. Provide a Bay-Delta solution that acknowledges, integrates and supports the development of water resources at the local level.
- j. Improve the ability of water-users to divert water from the Bay-Delta during wet periods when impacts to fish and the ecosystem are lower and water quality is higher.
- k. Improve the existing Bay-Delta water conveyance system to increase flexibility and enhance water supply, water quality, levee stability and environmental protection.
- l. Evaluate long-term threats to the Bay-Delta levees and conveyance system and pursues actions to reduce risks to the state’s water supply and the environment.
- m. Improve coordination of the Central Valley Project and State Water Project Operations.
- ~~n.~~ Provide a Bay-Delta solution and facilities that are cost-effective when compared with other water supply development options for meeting ~~South~~ ~~o.n.ern~~ Southern California’s water needs.

- ~~p.o.~~ Identify the total cost or perform appropriate cost studies to estimate consumer financial impact as well as the expected yield of any Bay-Delta solution before financing and funding decision are made to determine whether the solution is worth the expense.
- ~~q.p.~~ Provide the State Water Project (SWP) with more flexibility to operate their systems to maximize water deliveries while avoiding unacceptable impacts to third parties, habitat or the environment.
- ~~r.q.~~ Require a firm commitment and funding stream by all parties to pay for the proportional benefits they will receive from a Bay-Delta solution through take-or-pay contracts or the legal equivalent, and identify the impact to the remaining contractors if one or more contractors default or back out.
- ~~s.r.~~ Provide “right-sized” facilities to match firm commitments to pay for the Bay-Delta solution.
- ~~t.s.~~ Provide SWP contractors and their member agencies access to all SWP facilities to facilitate water transfers.
- ~~u.t.~~ Continue state ownership and operation of SWP as a public resource.
- ~~v.u.~~ Improve efficiency and transparency of all SWP operations.
- ~~w.v.~~ _____ Focus on statewide priorities, including construction of an approved method of conveyance of water through or around the Delta that provides water supply reliability to the Delta water uses, promotion of greater regional and local self sufficiency, surface storage and promotion of water use efficiency.
- ~~x.w.~~ _____ Provides for the state’s share of funding for Bay-Delta conveyance projects.
- ~~y.x.~~ Consider complementary investments in local water supply sources, regional coordination, and south of Delta storage as part of an overall comprehensive Bay-Delta solution.

Oppose efforts that:

- a. Require additional reviews or approvals of Delta conveyance options beyond those provided by SBX7-1 (2009).

Recycled Water

Support efforts to:

- a. Reduce restrictions on recycled water usage or promote consistent regulation of recycled water projects to reduce impediments to the increased use of recycled water.
- b. Reduce restrictions on injecting recycled water into basins where there is no direct potable use.
- c. Provide financial incentives for recharge of groundwater aquifers using recycled water.
- d. Make recycled water regulations clear, consolidated, and understandable to expedite related project permitting.
- e. Promote recycled water as a sustainable supplemental source of water.
- f. Allow the safe use of recycled water.
- g. Facilitate development of technology aimed at improving water recycling.
- h. Increasing funding for water recycling projects.
- i. Increase awareness of the ways recycled water can help address the region's water supply challenges.
- j. Create federal incentives to promote recycled water use and production.
- k. Establish federal tax incentives to support U.S. companies in the development of new water technologies that can lower productions costs, address by products such as concentrates, and enhance public acceptance of recycled water.
- l. Establish a comprehensive national research and development, and technology demonstration, program to advance the public and scientific understanding of water recycling technologies to encourage reuse as an alternative source of water supply.
- i. _____

Oppose efforts that:

- a. Restrict use of recycled water for groundwater recharge.
- b. Establish new water or recycled water fees solely to recover State costs without also providing some benefit.
- c. Create regulatory schemes that alter or limit the existing authority to reuse and recycle water.

6-

Water Services

Support efforts to:

- a. Provide ~~funding to implement actions identified in the for a comprehensive state water~~ California Water Action Plan to lay a solid fiscal foundation for implementing near-term actions, including funding for water efficiency projects, wetland and watershed restoration, groundwater programs, conservation, flood control, and integrated water management and that balances California's competing water needs, achieves the co-equal goals of water supply reliability and environmental restoration, and results in a ~~result in a~~ reliable supply of high-quality water for the San Diego region.
- b. Provide financial support to projects designed to mitigate the potential negative impacts of Global Climate Change on water supply reliability.
- c. Promote the coordination and integration of local, state and federal climate change policies and practices to the greatest extent feasible.
- d. Support ongoing implementation of the Quantitative Settlement Agreement.
- e. Provide reliable water supplies to meet California's short and long-term needs.
- f. Support legislation that reduces impediments for willing sellers and buyers to engage in water transfer agreements.
- g. Promote desalination pilot studies and projects.
- h. Encourage feasibility studies of water resource initiatives.
- i. Increase funds for infrastructure and grant programs for construction, modernization or expansion of water, wastewater treatment, reclamation facilities and sewer systems including water recycling, groundwater recovery and recharge, surface water development projects and seawater desalination.
- j. Mandate uniform or similar regulations and procedures by state agencies in the processing and administering of grants and programs.
- k. Streamline grant application procedures.
- l. Promote or assist voluntary water transfers between willing buyers and willing sellers and move those transactions through without delay.
- m. Streamline the permitting and approval process for implementing water transfers.
- n. Establish reasonable statewide approaches to sewer reporting standards.
- o. Generate greater efficiencies, better coordinate program delivery, and eliminate duplication in programs for source water protection without lessening the focus on public health of the state's Drinking Water Program.
- ~~j-m.~~ Target efforts to fix specific issues with water supplies within the state's Drinking Water Program.
- n. Establish federal tax incentives to support U.S. companies in the development of new desalination technologies that can lower productions costs, eliminate or reduce impingement or entrainment, reduce energy use, and enhance public acceptance of desalinated water.
- p. Establish a comprehensive national research and development, and technology demonstration program to advance the scientific understanding of desalination to expand its use as an alternative source of water supply.
- ~~p-q.~~ Require the State Water Resources Control Board to exercise its authority to fund and implement the Salton Sea mitigation and restoration plan, meet state obligations, and work with QSA stakeholders to find workable solutions to ensure the continuation of IID water transfers.

Oppose efforts that:

- a. Make urban water supplies less reliable or substantially increase the cost of imported water without also improving the reliability and/or quality of the water.
- b. Create unrealistic or costly water testing or reporting protocol.
- c. Disproportionately apportion the cost of water.
- d. Create undo hurtles for seawater desalination projects.
- e. Create unreasonable or confusing sewer reporting standards.
- f. Create administrative or other barriers to sales between willing buyers and willing sellers that delay water transfers.
- g. Create a broad-based user fee that does not support a specific program activity; any fee must provide a clear nexus to the benefit the fee would provide.
- h. Create unrealistic or costly to obtain water quality standards for potable water, recycled water or storm water runoff.
- i. Change the focus of the state's Drinking Water Program or weaken the parts of the program that work well.
- j. Lessen the focus on public health of the state's Drinking Water Program.

Financial

Support efforts to:

- a. Require the federal government and State of California to reimburse special districts for all mandated costs or regulatory actions.
- b. Give special districts the discretion to cease performance of unfunded mandates.
- c. Provide for fiscal reform to enhance the equity, reliability, and certainty of special district funding.
- d. Provide incentives for local agencies to work cooperatively, share costs or resources.
- e. Provide for the stable, equitable and reliable allocation of property taxes.
- f. Continue to reform workers compensation.
- g. Authorize financing of water quality, water security, and water supply infrastructure improvement programs.
- h. Promote competition in insurance underwriting for public agencies.
- i. Establish spending caps on State of California overhead when administering voter approved grant and disbursement programs.
- j. Require disbursement decisions in a manner appropriate to the service in question.
- k. Encourage funding infrastructure programs that are currently in place and that have been proven effective.
- l. Produce tangible results, such as water supply reliability or water quality improvement.
- m. Provide financial incentives for energy projects that increase reliability, diversity, and reduce green house gasses.
- n. Continue energy rate incentives for the utilization of electricity during low-peak periods.
- o. Provide loan or grant programs that encourage water conservation for water users who are least able to pay for capital projects.

Oppose efforts that:

- a. Impose new, unfunded state mandates on local agencies and their customers.
- b. Undermine Proposition 1A - Protection of Local Government Revenues – and the comprehensive reform approved by voters in 2004.
- c. Reallocate special district reserves in an effort to balance the state budget.
- d. Reallocate special district revenues or reserves to fund infrastructure improvements or other activities in cities or counties.
- e. Usurp special district funds, reserves, or other state actions that force special districts to raise rates, fees or charges.
- f. Complicate or deter conservation-based rate structures.
- g. Establish funding mechanisms that put undue burdens on local agencies or make local agencies *de facto* tax collectors for the state.
- h. Complicate compliance with SB 610 and SB 221.
- i. Adversely affect the cost of gas and electricity or reduce an organization’s flexibility to take advantage of low peak cost periods.
- j. Add new reporting criteria, burdensome, unnecessary or costly reporting mandates to Urban Water Management Plans.
- k. Add new mandates to the Department of Water Resources (DWR) to review and approve Urban Water Management Plans beyond those already addressed in DWR guidelines.

- l. Mandate that water agencies include an embedded energy calculation for their water supply sources in Urban Water Management Plans or any other water resources planning or master planning document.
- m. Weaken existing project retention and withholding provisions that limit the ability of public agencies to drive contractor performance.
- ~~n.~~ Establish change order requirements that place an unreasonable burden on local agencies, or raise financial risk associated with public works contracts.

Governance/Local Autonomy

Support efforts to:

- a. Expand local autonomy in governing special district affairs.
- b. Promote comprehensive long-range planning.
- c. Assist local agencies in the logical and efficient extension of services and facilities to promote efficiency and avoid duplication of services.
- d. Streamline the Municipal Service Review Process or set limits on how long services reviews can take or cost.
- e. Establish clear and reasonable guidelines for appropriate community sponsorship activities.
- f. Reaffirm the existing “all-in” financial structure, or protect the San Diego County Water Authority voting structure based on population.

Oppose efforts that:

- a. Assume the state legislature is better able to make local decisions that affect special district governance.
- b. Create one-size-fits-all approaches to special district reform.
- c. Unfairly target one group of local elected officials.
- d. Usurp local control from special districts regarding decisions involving local special district finance, operations or governance.
- e. Limit the board of directors’ ability to govern the district.
- f. Create unfunded local government mandates.
- g. Create costly, unnecessary or duplicative oversight roles for the state government of special district affairs.
- h. Create new oversight roles or responsibility for monitoring special district affairs.
- i. Change the San Diego County Water Authority Act regarding voting structure, unless it is based on population.
- j. Shift the liability to the public entity and relieve private entities of reasonable due diligence in their review of plans and specifications for errors, omissions and other issues.
- k. Place a significant and unreasonable burden on public agencies, resulting in increased cost for public works construction or their operation.
- l. Impair the ability of water districts to acquire property or property interests required for essential capital improvement projects.
- m. Increase the cost of property and right-of-way acquisition, or restricts the use of right-of-ways.
- n. Work to silence the voices of special districts and other local government associations on statewide ballot measures impacting local government policies and practices, including actions that could prohibit special districts and associations from advocating for positions on ballot measures by severely restricting the private resources used to fund those activities.

Conservation

Support efforts to:

- a. Provide funding for water conservation programs.
- b. Encourage the installation of water conserving fixtures in new and existing buildings.
- c. Promote the environmental benefits of water conservation.
- d. Enhance efforts to promote water awareness and conservation.
- e. Offer incentives for landscape water efficiency devices such as ET controllers and soil moisture sensors.
- f. Develop landscape retrofit incentive programs and/or irrigation retrofit incentive programs.
- g. Permit or require local agencies to adopt ordinances that require or promote water wise landscape for commercial and residential developments.
- h. Create tax incentives for citizens or developers who install water wise landscapes.
- i. Create tax incentives for citizens who purchase high efficiency clothes washers, dual flush and high-efficiency toilets and irrigation controllers above the state standards.
- j. Expand community-based conservation and education programs.
- k. Develop incentives for developers and existing customers to install water wise landscape in existing developments or new construction.
- l. Encourage large state users to conserve water by implementing water efficient technologies in all facilities both new and retrofit.
- m. Create higher incentives for solar power.
- n. Encourage large state water users to conserve water outdoors.
- o. Educate all Californians on the importance of water, and the need to conserve, manage, and plan for the future needs.
- p. Encourage technological research targeted to more efficient water use.
- ~~p-q.~~ Give local agencies maximum discretion in selecting conservation programs that work for their customers and the communities they serve.

Oppose efforts that:

- a. Weaken federal or state water efficiency standards.
- b. Introduce additional analytical and reporting requirements that are time-consuming for local agencies to perform and result in additional costs to consumers, yet yield no water savings.

Safety, Security and Information Technology

Support efforts to:

- a. Provide funding for information security upgrades to include integrated alarms, access/egress, and surveillance technology.
- b. Provide incentives for utilities and other local agencies to work cooperatively, share costs or resources.
- c. Provide funding for communication enhancements, wireless communications, GIS or other technological enhancements.
- d. Encourage or promote compatible software systems.
- e. Fund infrastructure and facility security improvements that include facility roadway access, remote gate access and physical security upgrades.
- f. Protect state, local and regional drinking water systems from terrorist attack or deliberate acts of destruction, contamination or degradation.
- g. Provide funds to support training or joint training exercises to include contingency funding for emergencies and emergency preparedness.
- h. Equitably allocate security funding based on need, threats and/or population.
- i. Encourage or promote compatible communication systems.
- j. Encourage and promote funding of Department of Homeland Security Risk Mitigation programs.
- k. Recognizes water agencies as emergency responders to damage and challenges caused by wildfires, earthquakes, and other natural disasters, as well as terrorist and other criminal activities that threaten water operations, facilities and supplies.

Oppose efforts that:

- a. Create unnecessary, costly, or duplicative security mandates.
- b. Require expanded water system descriptions or additional public disclosure of public water systems details for large water suppliers in Urban Water Management Planning documents, potentially compromising public water systems and creating a conflict with the Department of Homeland Security's recommendation to avoid reference to water system details in plans available to the general public.

Optimize District Effectiveness

Support efforts to:

- a. Give utilities the ability to avoid critical peak energy pricing or negotiate energy contracts that save ratepayers money.
- b. Develop reasonable Air Pollution Control District engine permitting requirements.
- c. Reimburse or reduce local government mandates.
- d. Allow public agencies to continue offering defined benefit plans.
- e. Result in predictable costs and benefits for employees and taxpayers.
- f. Eliminate abuses.
- g. Retain local control of pension systems.
- h. Be constitutional, federally legal and technically possible.

Oppose efforts that:

- a. Restrict the use of, or reallocate, district property tax revenues to the detriment of special districts.
- b. Create unrealistic ergonomic protocol.
- c. Micromanage special district operations.
- d. Balance the state budget by allowing regulatory agencies to increase permitting fees.
- e. Tax dependent benefits.
- f. Require new reporting criteria on emergency intensity involved in water supply.

Bi-National Initiatives

Support efforts to:

- a. Promote and finance cross-border infrastructure development such as water pipelines, desalination plants or water treatment facilities to serve the border region.
- b. Develop cooperative and collaborative solutions to cross-border issues.
- c. Develop and enhance communications and understanding of the interdependence of communities on both sides of the border with the goal of improved cross-border cooperation.

Oppose efforts that:

- a. Usurp local control over the financing and construction of water supply and infrastructure projects in the San Diego/Baja California region.

Water Bonds

Support efforts to:

- a. ~~Ensure Provide San Diego County receives~~-an equitable share of funding ~~to San Diego County, from Proposition 1 (2014)~~ with major funding categories being divided by county and funded on a per-capita basis to ensure bond proceeds are distributed throughout the state in proportion to taxpayers' payments on the bonds.
- b. ~~Ensure Provide~~ funding for water infrastructure ~~projects that help to~~ resolves conflicts in the state's water system and provides long-term benefits to statewide issues including water supply, reliability, ~~ww~~water quality, and ecosystem restoration.
- c. ~~Ensure Give~~ primary consideration ~~is given~~ to funding priorities established by local and regional entities through their IRWM planning process.
- d. Ensure that the application process for funding is not unnecessarily burdensome and costly, with an emphasis on streamlining the process.
- e. Fund emergency and carryover storage projects including those in San Diego County.
- f. Consolidate administration of all voter-approved water-related bond funding in one place, preserves existing expertise within the state bureaucracy to manage bond funding processes, and provides consistent application and evaluation of bond funding applications.
- g. ~~Provides the state's share of~~ ~~Expedite the~~ funding for projects that advance the achievement of the co-equal goals of water supply reliability and Delta ecosystem restoration.

Oppose efforts that:

- a. ~~Change the Do not provide an equitable~~ share of funding to ~~make~~ San Diego County's share ~~less equitable,; not~~ based on the San Diego County taxpayers' proportional contribution to repayment of the bonds, ~~or change the understanding that all beneficiaries pay an equitable share.~~
- b. Do not provide funding for infrastructure that resolves statewide or regional conflicts of water supplies.
- c. Do not provide funding that result in net increases in real water supply and water supply reliability.
- d. Commit a significant portion of bond funding to projects that do not result in net increases in real water supply or water supply reliability.



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 7, 2015
SUBMITTED BY:	Mark Watton, General Manager	PROJECT:	Various DIV. NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Joe Beachem, Chief Financial Officer <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Adopt Resolution No. 4246 Supporting Padre Dam Municipal Water District's Advanced Water Purification Demonstration Project		

GENERAL MANAGER'S RECOMMENDATION:

Adopt Resolution No. 4246 supporting Padre Dam Municipal Water District's Advanced Water Purification Demonstration Project.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To present for the Board of Directors' consideration a resolution supporting the Padre Dam Municipal Water District's Advanced Water Purification Demonstration Project.

ANALYSIS:

Padre Dam Municipal Water District is requesting that San Diego County cities and agencies formally provide their support to their Advanced Water Purification Project by taking action to adopt a Resolution of support. The project broke ground in October 2014 and is funded through a three million dollar Proposition 50 grant from the Department of Water Resources. The project is in the testing phase and the grant will fund the planning, design, installation and operation of the demonstration plant.

Work on the project began in the fall of 2013, with construction of the facility breaking ground in October 2014. The project is expected to be completed in the summer of 2016. Should the demonstration project be successful and move forward, it would provide up to 2,000 to 3,000 acre feet per year of drinking water to Padre Dam customers. This is approximately 15 percent of Padre Dam's current drinking water demand.

San Diego relies heavily on imported water and with the State of California now entering its fourth year of extremely dry conditions, this project will provide for a new potable local water resource through recycling. Recycling and reusing water is drought proof and further diversifies our water supplies and, thus, reducing our region's reliance on imported water.

Staff recommends that the board adopt Resolution No. 4246 supporting Padre Dam Municipal Water District's Advanced Water Purification Project.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

None.

STRATEGIC GOAL:

This Resolution supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional, effective, and efficient manner" and the General Manager's Vision, "A District that is innovative in providing water services at affordable rates, with a reputation for outstanding customer service."

LEGAL IMPACT:

None.

Attachments: Attachment A - Committee Action
 Attachment B - Resolution No. 4246



ATTACHMENT A

SUBJECT/PROJECT:	
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COMMITTEE ACTION:

The committee reviewed this item and supported staffs' recommendation and presentation for consideration by to the full board.

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. 4246

**A RESOLUTION OF BOARD OF DIRECTORS OF
THE OTAY WATER DISTRICT
SUPPORTING PADRE DAM MUNICIPAL WATER DISTRICT'S
ADVANCED WATER PURIFICATION DEMONSTRATION PROJECT**

WHEREAS, Padre Dam Municipal Water District is requesting San Diego County cities' and agencies' formal support of their Advanced Water Purification Project; and

WHEREAS, water re-purification is a safe, cost-effective and environmentally responsible source of new water for the region; and

WHEREAS, the State of California is entering its fourth year of extremely dry conditions; and

WHEREAS, San Diego relies heavily on imported water; and

WHEREAS, this project will provide for a new potable local water supply resource through recycling; and

WHEREAS, recycling and reusing water provides for a drought proof resource and will further diversify our water supplies to reduce this regions' dependence on imported water;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Otay Water District that it supports Padre Dam Municipal Water District's commitment to diversify water supplies and increase the region's independence from imported water.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Otay Water District on the 7th day of January, 2015.

AYES:

NOES:

ABSENT:

ABSTAIN:

President

ATTEST:

District Secretary