

OTAY WATER DISTRICT

BOARD OF DIRECTORS MEETING
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

WEDNESDAY

May 5, 2010

3:30 P.M.

AGENDA

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF MAY 21, 2009
5. 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

CONSENT CALENDAR

6. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:
 - a) AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT, IN SUBSTANTIALLY THE FORM ON FILE WITH THE DISTRICT SECRETARY, WITH ELECTRONIC PAYMENT EXCHANGE TO PROVIDE WEB PAYMENT TRANSACTION PROCESSING SERVICES FOR APPROXIMATELY \$30,000 ANNUALLY
 - b) APPROVE AN AGREEMENT WITH NEW CINGULAR WIRELESS PCS, LLC, A DELAWARE LIMITED LIABILITY COMPANY FOR THE INSTALLATION OF A COMMUNICATIONS FACILITY AT THE 850-3 RESERVOIR SITE
 - c) APPROVE AN AS NEEDED SCHEDULING SERVICES CONTRACT TO CPM PARTNERS IN AN AMOUNT NOT-TO-EXCEED \$175,000 FOR FISCAL YEARS 2011 AND 2012, ENDING JUNE 30, 2012
 - d) APPROVE CREDIT CHANGE ORDER NO. 3 TO THE ORIGINAL CONTRACT WITH NATGUN CORPORATION FOR THE CONSTRUCTION OF

THE 1296-3 RESERVOIR PROJECT FOR A DEDUCTIVE AMOUNT NOT-
TO-EXCEED <\$200,453.10>

ACTION ITEMS

7. FINANCE, ADMINISTRATION AND INFORMATION TECHNOLOGY
 - a) ADOPT ORDINANCE NO. 524 AMENDING THE CODE OF ORDINANCES SECTIONS 9.04, 9.04.B, 28.01.B, AND APPENDIX A; AND DELETING SECTION 28.04; WHICH WILL INCORPORATE THE FOLLOWING CHANGES EFFECTIVE JULY 1, 2010 (BEACHEM)
 - i. MODIFY THE CAPACITY FEE TO SHOW A NEW "COMBINED" METHODOLOGY OF CHARGING CAPACITY FEES REFLECTING THE VALUE OF THE DISTRICT'S CURRENT AND FUTURE ASSETS;
 - ii. UPDATE THE TRIAD CAPACITY FEE BASED ON THE NEW "COMBINED" METHOD DESCRIBED ABOVE AND THE TRIAD AGREEMENT;
 - iii. MODIFY THE ANNEXATION FEE TO REFLECT A NEW "BUY-IN" METHODOLOGY WHICH WILL ONLY BE CHARGED TO NEW CUSTOMERS ANNEXING INTO THE OTAY WATER DISTRICT BOUNDARIES;
 - iv. CREATE A NEW WATER SUPPLY FEE TO FUND THE EXPANSION PORTION OF NEW WATER SUPPLY PROJECTS; AND
 - v. ELIMINATE ID 9, RANCHO JAMUL ZONE 1655 FEE.
8. BOARD
 - a) DISCUSSION OF 2010 BOARD MEETING CALENDAR

REPORTS

9. GENERAL MANAGER'S REPORT
 - a) SAN DIEGO COUNTY WATER AUTHORITY UPDATE
10. DIRECTORS' REPORTS/REQUESTS
11. PRESIDENT'S REPORT

RECESS TO CLOSED SESSION

12. CLOSED SESSION

- a) CONFERENCE WITH REAL PROPERTY NEGOTIATORS [GOVERNMENT CODE §54956.8]

PROPERTY: INTENT TO PURCHASE WATER FROM A NEW SOURCE

AGENCY NEGOTIATORS: MARK WATTON, YURI CALDERON & BONIFACIO GARCIA

NEGOTIATING PARTIES: GOUGH THOMPSON, NS AGUA, AND OTHER POTENTIAL SOURCES OF POTABLE WATER AND/OR THEIR DESIGNATED REPRESENTATIVES, SUCCESSORS OR OTHER AUTHORIZED ENTITIES

UNDER NEGOTIATION: PRICE AND TERMS OF ACQUISITION, INCLUDING BUT NOT LIMITED TO TIMING AND AMOUNT OF ACQUISITION

RETURN TO OPEN SESSION

13. REPORT ON ANY ACTIONS TAKEN IN CLOSED SESSION. THE BOARD MAY ALSO TAKE ACTION ON ANY ITEMS POSTED IN CLOSED SESSION
14. ADJOURNMENT

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

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

If you have any disability which would require accommodation in order to enable you to participate in this meeting, please call the District Secretary at (619) 670-2280 at least 24 hours prior to the meeting.

Certification of Posting

I certify that on April 30, 2010, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 72 hours in advance of the regular meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on April 30, 2010.



Susan Cruz, District Secretary

AGENDA ITEM 4

MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING OF THE OTAY WATER DISTRICT May 21, 2009

1. The meeting was called to order by President Croucher at 10:02 a.m.
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL

Directors Present: Bonilla, Breitfelder, Croucher, Lopez and Robak

Directors Absent: None

Staff Present: General Manager Mark Watton, Asst. GM Administration and Finance German Alvarez, Asst. GM Engineering and Water Operations Manny Magana, General Counsel Yuri Calderon, Chief of Information Technology Geoff Stevens, Chief Financial Officer Joe Beachem, Chief of Engineering Rod Posada, Chief of Operations Pedro Porras, Chief of Administrative Services Rom Sarno, Communications Officer Armando Buelna, District Secretary Susan Cruz and others per attached list.

4. APPROVAL OF AGENDA

A motion was made by Director Breitfelder, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Croucher, Lopez, and Robak
Noes:	None
Abstain:	None
Absent:	None

to approve the agenda.

5. 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

No one wished to be heard.

WORKSHOP

6. ADOPT RESOLUTION NO. 4136, APPROVING THE FISCAL YEAR 2009-2010 OPERATING AND CAPITAL BUDGETS; APPROVE FUND TRANSFERS FOR POTABLE, RECYCLED, AND SEWER; AND OBTAIN APPROVAL OF THE PROPOSITION 218 NOTICES AND DIRECT STAFF TO PROCEED WITH THE

PROPOSITION 218 HEARING FOR THE RECOMMENDED RATE INCREASES (BEACHEM)

Chief Financial Officer Joe Beachem indicated that staff would be providing a presentation discussing and recommending approval of the Fiscal Year 2010 Operating Budget of \$75.7 million, the Capital Improvement Program Budget (CIP) of \$37.2 million, and approval of fund transfers to keep the District's reserves at or above target levels. In addition, staff is recommending approval of the Proposition 218 Notice process along with any minor modifications that the General Manager may see fit. These recommendations are supported by a 19.9% rate increase proposal for recycled customers, and a 7.2% rate increase for sewer customers. For clarification, Chief Financial Officer Beachem indicated that staff is recommending approval of the District's budget, not the proposed rate increases. Staff will present for the board's consideration in August 2009 approval of the rate increases following the Proposition 218 process. Chief Financial Officer Beachem indicated if the Board approves the rate increase in August, implementation of the new rates will occur on September 1, 2009. In addition, he indicated that the sewer rate increase will be implemented on January 1, 2010.

Chief Financial Officer Beachem indicated that MWD and CWA have both raised their rates substantially because of the state water shortage and the cost of the infrastructure that they are implementing. He reported that approximately 49% of the District's budget goes towards purchasing water. A chart that categorized the distribution of District funds was provided to the Board. Chief Financial Officer Beachem indicated that the chart displays a two-year view and includes the two large rate increases that CWA is expected to implement in the next two years. He stated that the District also has a debt issuance that staff is looking into. He indicated that over the next two years, approximately 61% of revenues from the rate increase will be going straight to CWA to pay for the higher cost of water.

Chief Financial Officer Beachem discussed debt coverage for the District. He indicated in 2007, the District was able to obtain a rating upgrade from an A+ to an AA-. He stated that the District's goal was to maintain its debt coverage ratio (excluding growth money) above 125 with a target of 150. In 2008, with the goal of keep rates low, in consultation with the District's financial consultant Ms. Suzanne Harrell, the District moved its debt coverage ratio down to the minimum of what we considered a strong level and subsequent to this change, in September 2008, S&P gave the District a rating upgrade.

Ms. Harrell further indicated that as growth declines, conservation increases, and water sales are less certain, the rating agencies look for districts to achieve more than the minimum 125 debt coverage ratio from net operating income. She indicated that growth revenues are no longer being considered to support the difference between the Districts' debt payment and its minimum coverage ratio.

Chief Financial Officer Beachem indicated that if the District had an additional 4.1% drop in water sales above what has been projected, it would still allow the

District to maintain a debt coverage ratio of 125%, but the District feels that 140 debt coverage ratio would be a strong financial position to start with.

Director Breitfelder inquired about the consequences of maintaining a debt coverage ratio at 100%. Chief Financial Officer Beachem indicated that the District would expect to see a rating down-grade. He noted that the District will need to issue debt this year and another \$52 million in three years. If the District does not maintain an appropriate debt ratio, there would be a much higher cost to its customers for financing infrastructure. He indicated that it is in the customers' best interest for the District to maintain its debt coverage at an appropriate level. In addition, there would be significant impacts if the District does not meet its bond convenience. He indicated if the District starts strong in 2010 with a 19.9% rate increase, the debt coverage ratio would increase to 208%. In 2011, when the District's debt payments for the debt issue would be in full effect, the District's ratio would drop to 140%. He indicated that the District knows its goals and has good planning tools to project its debt coverage ratio to maintain a strong financial position. He stated that staff has conducted a variance analysis in order to react to challenges to the plan. The District would be able to review the District's financial status during the 2011 budget cycle and may also implement drought pricing if necessary. Staff presented a slide showing the debt coverage ratio starting at 208% in 2010, dropping to 140.9% in 2011 and moving back up to the District target ratio of 150% in 2013.

Chief Financial Officer Beachem reviewed the financing requirements for the District's capital improvement projects. He stated that the District would need to issue \$41 million in debt later in the year with most of the issuance going toward the betterment of the District's potable systems, a portion towards replacement of potable systems, and a smaller portion towards the expansion of reclaimed water systems. He noted that three years from now, the District estimates that it will need to issue another \$54.4 million in debt. He stated that maintaining the District's debt coverage ratio and credit rating is very key for Otay.

He also discussed the District's reserve policy. He indicated that another aspect of budgeting is assuring that the District meets its target reserve levels. He presented a chart showing the total reserves at the end of 2010 of \$89.9 million following the debt issuance. In addition, he indicated that reserve funds will be drawn down during fiscal years 2010 to 2012 as they are used to fund CIP projects.

He reported that the District's 2009 water sales have reduced by approximately 5.8% due to customers conserving water. In 2010, staff is projecting a 4.8% decrease and another 2% in 2011 and 2012. He indicated that although water sales have reduced, customers conserving water helps the District avoid the County Water Authority's (CWA) penalty for exceeding its water allocation. He indicated that the District's water reclamation system have also helped the District avoid CWA penalty fees. He stated that the District's investment in reclamation systems has been beneficial as it has very little risk of incurring CWA penalty fees.

Chief Financial Officer Beachem indicated that the District hired a firm (Rea & Parker) to conduct a survey of the District's single-family residential customers to determine the conservation level that is expected to be achieved in 2009. He stated that the information gathered from the survey (take shorter showers, reduce landscape watering, etc.) was a significant factor which helped determine the 19.9% rate increase. He stated that the rate increase will cover the District's ability to issue a \$41 million debt and strengthen the District's debt coverage ratio to the 140% level in 2011. He reported that the District will be the 7th lowest water cost/provider agency in San Diego County.

He indicated that the District engaged PBS&J to update the District's rate study with regard to the tiers and rates. He indicated that the study monitored changes in water usage and water consumption habits by customers, and how these changes might affect the District's tiers. It was noted that historically residential customers' average high summer usage was 26 units. Today, that usage has dropped to 22 units. To be consistent with the methodology of the rate structure, staff is recommending that the District adjust the residential tiers based on this new usage.

Chief Financial Officer Beachem reported that there is a significant increase in sewer rates due to regulatory requirements that District's prepare a Sewer System Management Plan that involves inspecting sewer pipes by way of CCTV to ensure that they are well maintained. This requirement has added a significant cost (16.6% increase) to the District's sewer expenses each year. Chief Financial Officer Beachem discussed options to cover the 16.6% increase and indicated that staff is proposing that sewer rates be increased 7.2% over the next six years. He indicated that revenues and expenses would balance out at the end of the six-year period. Staff is also recommending a draw on the sewer general fund reserves, which will equal over \$1.3 million dollars over the six-year time period. At the proposed 7.2% rate increase, the District is placed in 7th lowest cost sewer service provider throughout the region compared to 8th last year.

Chief of Information Technology Geoff Stevens indicated that the District's daily operating expenses were not a factor to the proposed rate increases. He stated that the District had approximately 166 employees in FY 2000, and continues to remain at 166 employees in FY 2009. A graph was presented to the Board that compared Otay's staffing history and projections. He indicated that in the early 80's and 90's an engineering study was prepared that looked at a progressive rate of employees per customer. He stated that in 2002, the Otay Information System was presented to the Board with the intention to increase efficiency. He reported that the District's customer rate of growth increased from 23,000 accounts to approximately 46,000 accounts as of FY 2009. He indicated that the increased amount of work is being performed with the same level of staffing.

Geoff Stevens stated that there are three factors that have helped the District perform more efficiently: 1) Strategic Planning; 2) Advanced Technology; and 3) Best Management Practices. He indicated that the District will hold a workshop in September to provide a progress report on the strategic plan and

performance measures. He stated that the transparency of the strategic plan is the major factor in improving efficiency because it helps significantly with the communication and understanding of the District's goals and how important it is to execute the strategic plan. He reported that In FY 2000, there were about 230 accounts per employee. As of FY 2009, the District has approximately 295 accounts per employee. That is a 15%-20% increase in the District's objective measure of efficiency. Mr. Stevens stated that the collaboration between Board members and District staff has allowed the District to establish a set of policies, practices and procedures that drives towards efficiency.

Chief of Engineering Rod Posada provided a presentation on the District's Capital Improvement Program for FY 2010. He indicated that due to the economy, the District projects its EDU sales at 263 for the next year and in FY 2011 it will decrease to 236. A recovery is expected in FY 2012 with EDU sales at 413. He indicated that the District's CIP Budget was based on the anticipation that growth projections will remain flat and that the budget includes expansion, betterment, and replacement projects. The budget also includes increases in the price of materials and labor based on the regional as well as national standards of ENR and CWA. Several graphs were provided that displayed the costs of materials which concluded that prices will remain flat or will increase for lumber, steel, paving asphalt, etc. Also, included in the District's CIP budget were the Integrated Resources Master Plan, Water Resources Master Plan, Sewer System Management Plan, Sub-Area Master Plan, Urban Water Management Plan, and the District's Strategic Plan. It was discussed that in FY 2010, staff expected to request approximately \$27 million dollars for the CIP budget. The budget was revised to request up to \$37.3 million dollars because of unspent monies in FY 2009 for the 36-Inch Pipeline project. Staff will be requesting that the unspent monies be transferred to FY 2010. It was indicated that the six year CIP increased from \$170.4 million to \$222.4 million and includes \$158.1 million for supply projects identified in the 2006 Integrated Water Resources Plan, \$10.4 million for Renewal & Replacement Projects, \$1.2 million for the development of the Multiple Species Conservation Plan and Management of the San Miguel Habitat, \$21.1 million for Strategic Plan elements, and \$31.6 million for other initiatives that include capital purchases, reservoirs, pipelines, etc. Of the \$37.3 million proposed for FY 2010, 40% of the monies will be expended on the 36-inch pipeline project. A slide was presented which indicated the projects that the remaining FY 2010 CIP budget will be expended.

Since it is projected that growth will remain at zero for several years, Director Breitfelder asked District staff to justify their request for additional money for the CIP budget.

Chief of Engineering Posada stated that growth will come back at some point and that the District must still prepare for that growth by working on its CIP projects that are identified in the District's Water Resources Master Plan. He indicated that when developers start building again, the District should have facilities in place to provide services to these new customers. He stated that the District will need to build these facilities and it is best to build facilities now rather than later when labor and materials will be more expensive. In addition, the District is

seeking new water resources/supplies and it would be a problem if the District did not build the infrastructure for the new water supplies.

In response to a question from Director Breitfelder, Chief of Engineering Posada stated that the District currently has the opportunity to build the necessary facilities because the cost of materials is down. It was indicated that in 2 or 3 years when the economy picks up, the price of materials will pick up too. Director Breitfelder thanked District staff and expressed his appreciation for the investments they've recommended for future supply. He stated that it would be a great benefit for the public in the future.

Accounting Manager Rita Bell provided a presentation of the District's Operating Budget, which included the process and the highlights of the budget. It was indicated that the District's budget process is aligned with the rate model where items similar to growth and projections are considered and the budgeting methodology may be updated. She stated that the challenges in FY 2010 are the increase of water costs and the uncertainty of sales. The District is focusing on new water supplies, its financial strength, reserve levels, debt that will need to be issued, and maintaining the District's rates in line with other agencies. It was indicated that the District does have some unprecedented changes such as reduction and the set values for property taxes in FY 2010, and the potential State Tax Grab under the Prop 1A law. It was discussed that the District's actual growth for FY 08 and projection for FY 09 indicates that potable sales growth has been low at approximately 1% or ½ %, and is projecting about 2% for FY 2010. She stated that the District's recycled sales have increased in FY 09, which helped the District stay above its pay limit with its contract with the City of San Diego. She indicated that charges from the MWD and CWA were included in the District's budget as a 100% pass-thru of fixed costs to rate payers. Fixed fees are set to not exceed 28% to meet the requirements of BMP 11. To off-set the pass-thru charges is the decrease of the District's system fee. Accounting Manager Bell also indicated that the District's controlled cost actually went down by \$793,100. A chart was provided to show changes in the District's expenditures, which displayed the CIP funding and potable water cost increasing along with fixed cost. She indicated that there was a decrease in expenditures for materials, maintenance, power, recycled water purchases, and a major decrease in the District's administrative expenses. It was indicated that the District's average rate increase for two years (FY 09 and proposed for FY 10) is estimated to be an approximately 16.3%. The District has not been notified of the official price increase from the City of San Diego, but it is felt that it is reasonable to estimate a price increase using the District's 2003 contract with the City and inflating that by the CPI from 2003 to present day and that figure would be approximately \$445 an AF (or a \$95 increase). She indicated that staff is presenting a balanced budget that meets the needs of its customers. She indicated that the proposed budget is supported by a 19.9% rate increase for potable and recycled to be implemented on September 1, 2009 and a 7.2% sewer rate increase to be effective January 1, 2010. Both are subject to Proposition 218 hearings prior to approval.

Chief Financial Officer Beachem stated that staffs' recommendation is that the Board adopt the resolution and approve the CIP and Operating Budget, approve the transfers, and also direct staff to proceed with the Proposition 218 hearing notices in order to move forward with public hearings on rates.

Director Jamie Bonilla thanked staff for their detailed presentation. He indicated that Director Lopez and he believe that the District's proposed budget is one of the most detailed budgets that staff has presented. He indicated that many factors were considered to develop the budget, such as the financial situation, drought issues, penalties, over projections, etc. Director Bonilla stated that the District's Strategic Plan was also very instrumental in developing the proposed budget because it provided a transparency of everything that was going on with the District over the years. It allows the District to make more intelligent decisions because they can be made based on facts from historical information. Director Bonilla indicated that the District could only do so much with improving efficiency and that the proposed rate increase was due to external factors, such as, the rate increase from MWD and CWA. Director Bonilla stated that he believes that the detailed presentation would provide an answer to any questions regarding the proposed budget. He congratulated District staff, including all Board members who have always worked together from early 2000 to present for the benefit of the District and its customers. He stated that the District and its Board members had the foresight and ability to prepare ahead for the future, and he believes that is the reason why the Otay Water District is in a much better position than most local agencies.

Director Lopez agreed with Director Bonilla's statements and indicated that the District's Strategic Planning was the highlight because it put into perspective the District's goals and achievements. He indicated that the pass-thru of MWD and CWA fees to ratepayers was a major factor in the District's proposed rate increase, which was unavoidable. He stated that District staff and Board members worked hard to develop a reasonable rate increase while at the same time working within the District's Strategic Plan.

Director Mark Robak agreed that the proposed budget was very detailed and thanked District staff and the Committee members involved with the development of the budget. He believes that the District's budget workshop also assisted in the development of the proposed budget. He inquired about the District's zero-based budget process, and asked if that is how the District's budget is constructed. Chief Financial Officer Beachem indicated that that was correct.

Director Mark Robak inquired if adjustments to the proposed budget were made based on a process that involved thoroughly reviewing and justifying the budget. Chief Financial Officer Beachem indicated that that was also correct.

Director Mark Robak further inquired about slide 21 of the presentation, which notes that public and commercial customers indicated that they did not expect to make any cuts in their consumption, if the information was a result of the District's survey of public and commercial customers. Chief Financial Officer Beachem indicated that, yes, businesses had indicated that much of their use is

internal business consumption and they have already made changes to their use. They have limited ability to change their business water needs and did not expect to make further cuts in their usage.

Director Mark Robak inquired if some of those businesses included Southwestern College, Cuyamaca College, or also landscaping businesses that do not plan to make cuts. Chief Financial Officer Beachem indicated that the District separates irrigation water from potable water. He stated that there may be some minor potable irrigation, but for the most part irrigation is on irrigation meters. He indicated that for clarification, Rea and Parker conducted a survey of the District's residential customers and District staff conducted the commercial surveys.

Director Mark Robak inquired about the source of the information on slide 22 concerning the breakdown of where water is utilized in Single-Family homes. Accounting Manager Bell indicated the District's consultant, Mr. Carl Nettleton, works with homeowners associations and landscape companies had provided the information and the chart, according to the District's Conservation Manager William Granger, is pretty universal.

Director Mark Robak inquired if the tier changes on Page 28 of the presentation were strictly tiers, not including drought pricing. Chief Financial Officer Beachem stated that was correct; it is strictly tiers.

Director Mark Robak inquired how much of the proposed increase for sewer (7.2%) is attributed to the Metro Commission rate increase and what is causing the majority of the increase. Accounting Manager Bell indicated that much of the increase can be attributed to the development of the Sewer System Management Plan (SSMP) required by the state and the televising (CCTV) of the sewer facilities. The CCTV cost of \$260,000 is included in the operating budget. The increase will also include the additional labor costs associated with this project.

Chief of Engineering Posada indicated that the District has a five-year program and every year the District has to comply with a specific guidance. He stated that the District has monies allocated for the next five years to complete all required activities such as the CCTV program. He indicated that the CCTV program will take up to five years to complete the entire system. In addition, there is also reporting requirements and fixing of District facilities.

General Manager Watton indicated that a continuing reporting requirement enforced by the Regional Board was implemented due to sewer spills. He stated that the District's SSMP will help maintain its sewer systems and avoid penalty fines from sewer spills.

Director Mark Robak inquired about the significant increase in the District's budget in the next several years. Chief of Engineering Posada indicated that in FY 2012-2013, the District will have a large expenditures related to a desalination project. In addition, the District has a project that involves the intertie between the northern and southern districts. He indicated that the intertie project is

important because it would enable the District to provide services to the southern area in case of an emergency. Assistant General Manager Magana indicated that detailed back-up data for the projects are available for review.

Director Breitfelder indicated that the District is continuing with its preventative maintenance program and researching new water resources. He stated that without the public's long-term investment in recycled water, the District's rate-payers would experience even more inconvenience and expense than what they are today with the water shortage situation. He stated that technology and strategic planning along with astute guidance and disciplined facilities maintenance is providing dividends. Director Breitfelder stated that he has a lot of confidence in the proposed budget.

President Croucher stated that he is very impressed with the fact that the District's preventative maintenance program has decreased its cost of repairs. It shows the savings and the reliability of the District's systems and he is happy to see that the District is continuing its focus in this direction. He stated that the District's investment in its waste facility and the generation of electric power from methane gas from the adjacent landfill is important as it shows that Otay is contributing regionally. President Croucher also stated that he is glad to see that the District's increased rates are aligned with CWA. He inquired with regard to the reduction in personnel that the District is utilizing contractors and he was interested in seeing the personnel count if contractors were included in the count. He asked if staff can provide a report to one of the District committee's regarding this information.

A motion was made by Director Bonilla, seconded by Director Breitfelder and carried unanimously with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Croucher, Lopez, and Robak
Noes:	None
Abstain:	None
Absent:	None

to adopt Resolution No. 4136, approving the Fiscal Year 2009-2010 Operating and Capital Budgets, approve fund transfers for potable, recycled, and sewer; and approve the Proposition 218 Notices and direct staff to proceed with the Proposition 218 hearing for the proposed rate increases.

7. APPROVE A FIVE-YEAR RATE INCREASE AND FIVE-YEAR PASS-THROUGH OF WHOLESALER COST INCREASES

Chief Financial Officer Beachem indicated that the Board had directed staff to develop a plan for a 5-year pass-thru of wholesaler costs and a 5-year plan to increase District cost that would not require an annual Proposition 218 process. He indicated that staff worked closely with General Counsel to create the 5-year plan, and that it is presently being refined and updated before notices are mailed. He stated that the 5-year plan would allow the District to respond quickly to

wholesaler costs due to changes in the economy. He indicated that the plan includes a pass-thru from wholesalers and a 10% annual increase by the District. He indicated that the 5-year plan would protect the District from being challenged annually. Chief Financial Officer Beachem indicated that the wholesalers for water are MWD, CWA, and City of San Diego and that the wholesalers for sewer are the County and City of San Diego.

General Counsel Yuri Calderon indicated that a legal opinion letter on the 5-year pass-thru plan was provided to board members. He commended Attorney Aerobel Banuelos who assisted in the revisions of the Proposition 218 notices due to amendments to legislation. He indicated that the revised notice allow the District to build in inflation factors and pass through the District's actual wholesaler costs.

Director Mark Robak inquired if the 5-year plan would allow board members to request, at any time, updates on the pass-thru and rate increases. General Counsel Calderon stated yes, that it would.

Director Larry Breitfelder inquired if the 5-year plan precludes ratepayers from protesting increases in rates and just allow pass-thrus. General Manager Watton indicated that District customers would be notified of increases prior to implementation so that they may have an opportunity to communicate any concerns they have with the District.

Chief Financial Officer Beachem indicated that a number of agencies have implemented a similar plan, and have indicated that state law clearly authorizes pass-thrus.

Director Mark Robak inquired if the 5-year plan would allow the District to implement rate increases quicker. Director Jamie Bonilla inquired if the District could raise rates as early as 30 days after notifying customers. Staff indicated that a public hearing must be held, per state law, to inform the public of the District's rate increases. The District is required to notify its customers 45 days prior to holding the public hearing. Staff stated that the 5-year plan does not allow customers to protest once the Board has adopted the rate increase, unless 25,000 customers register a protest against the rate increase.

General Counsel Yuri Calderon stated that the 5-year plan does not preclude customer protest from occurring as long as the majority of customers weigh in. He indicated state law gives the District more flexibility in identifying what the rate increase is for and by disclosing the exact rate increase amount. The District can pass through inflation cost to customers, as well as pass-thrus.

Chief Financial Officer Beachem indicated that the 5-year plan will change the way the District notifies customers of rate increases, but that the Board will continue to consider implementation of the increases.

A motion was made by Director Bonilla, seconded by Director Breitfelder and carried with the following vote:

Ayes: Directors Bonilla, Breitfelder, Croucher, Lopez and Robak
Noes: None
Abstain: None
Absent: None

to approve staffs' recommendation.

8. ADJOURNMENT

With no further business to come before the Board, President Croucher adjourned the meeting at 11:52 p.m.

President

ATTEST:

District Secretary



AGENDA ITEM 6a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 5, 2010
SUBMITTED BY:	Andrea Carey, <i>AK</i> Customer Service Supervisor	W.O./G.F. NO:	DIV. NO. A11
APPROVED BY: (Chief)	Joseph R. Beachem, Chief Financial Officer		
APPROVED BY: (Asst. GM):	German Alvarez, <i>GA</i> Assistant General Manager, Administration and Finance		
SUBJECT:	Execute a Contract with Electronic Payment Exchange to Provide Web Payment Transaction Processing Services		

GENERAL MANAGER'S RECOMMENDATION:

Staff recommends that the Board authorize the General Manager to execute a contract, in substantially the form on file with the District Secretary, with Electronic Payment Exchange (EPX), to provide web payment transaction processing.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To authorize the General Manager to purchase services from Electronic Payment Exchange for approximately \$30,000 per year to provide web payment transaction processing services.

ANALYSIS:

In an effort to provide Electronic Bill Presentation and increased payment options that enhance security, ease of use, and customer satisfaction, staff is working directly with our bill print vendor, InfoSend, to implement their electronic bill print and payment solutions. InfoSend partners with payment processor EPX to verify and transmit all customer payments to the District. EPX verifies the credit card and banking information for each transaction and then wires funds daily to Otay's account with Union Bank. The finalized contract with EPX may include revisions to the terms and provisions as approved by the General Manager.

The District contracted with InfoSend in July of 2008 to provide bill print services. Additional services were also available but were not implemented at the time of the contract. Our customers will have options to select an electronic bill versus a paper bill, set up recurring credit or debit card payments, and view 12 months of billing statements on line. The site will be hosted by InfoSend, but will be seamless to the customer as they enter via Otay's web portal.

Based on the number of customers who have requested e-bill presentation and recurring credit card payment options, staff estimates that 10% of our customers will immediately use these features. Neighboring agencies who are currently using InfoSend's solution have achieved a rate of 25%. The table below shows the expected savings based on various percentages of customer use.

Percentage of Customers	Number of Customers	Bill Print Savings	Utility Discount Savings**	Monthly Savings	Annual Savings
10%	5,000	\$1,300	\$4,600	\$5,900	\$70,800
15%	7,500	\$2,050	\$6,900	\$8,950	\$107,400
20%	10,000	\$2,800	\$9,200	\$12,000	\$144,000
25%	12,500	\$3,550	\$11,500	\$15,050	\$180,600
30%	15,000	\$4,300	\$13,800	\$18,100	\$217,200

**Based on an average bill payment of \$120.00

Expanding our relationship with InfoSend allows the District to offer additional services to our customers while decreasing printing and postage costs along with bank fees. On Otay's behalf, EPX will facilitate an agreement with Visa and MasterCard to charge a flat Utility Discount Rate which will result in savings to the District on credit card fees.

FISCAL IMPACT:



Currently, about 5,500 customers use our website one-time payment option. The fees associated with this are 1.6% of the credit card charges or approximately \$10,000 per month. By using the InfoSend/EPX solution, which offers a utility discount rate of a flat \$0.75 plus an EPX fee of \$0.25, we estimate the monthly savings to be \$4,000 for the same number of transactions.

STRATEGIC GOAL:

Evaluate the most cost effective and efficient processes and tools to communicate service related issues to customers.

LEGAL IMPACT: _____

None.

A handwritten signature in blue ink, appearing to read "Mark White", is written over a light blue rectangular background.

General Manager

Attachments:

- A) Committee Action Form



ATTACHMENT A

SUBJECT/PROJECT:	Execute a Contract with Electronic Payment Exchange to Provide Web Payment Transaction Processing Services
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting on April 20, 2010 and the following comments were made:

- Staff is requesting that the Board authorize the General Manager to execute a contract with Electronic Payment Exchange (EPX) to provide web payment transaction processing.
- In July 2008 the District signed a contract with InfoSend to provide bill printing services. During the evaluation process for this service, staff looked at InfoSend's ability to offer electronic bill services anticipating that the District would be offering the service in the future. Recently, due to decreased reliability with the District's Eden Webpage application and increased interest from customers in paperless billing, staff decided to contract with InfoSend to provide on-line electronic billing and payment services.
- Currently, InfoSend manages web service for over 30 utility clients, including Padre Dam. InfoSend partners with EPX to verify, process and transmit customer payments.
- EPX has been in business for 30 years and is recognized as a leader in the payment processing business. EPX has the ability to negotiate a *Utility* discount with Visa and MasterCard for credit card transactions which will result in a large savings to the District. Based on 5,000 users with an average bill of \$120 per month, the District anticipates savings of over \$4,000 per month for credit card payments. This is in addition to savings associated with customers who choose to receive their monthly billing electronically.
- When Padre Dam MWD implemented electronic billing, they had anticipated an adoption rate of approximately 20% over three to four years. They, however, received a 20% adoption rate within 6 months.

- It was discussed that as staff is proposing a 3-year contract with a cost above the General Manager's authority of \$50,000, the contract is being presented to the board for approval.

Following the discussion, the committee supported staffs recommendation and presentation to the full board on the consent calendar.

AGENDA ITEM 6b



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 5, 2010
SUBMITTED BY:	David Charles <i>DC</i> Public Services Manager	PROJECT/ SUBPROJECT:	as001- DIV.NO. 5 cs0013
APPROVED BY: (Chief)	Rod Posada <i>Rod Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>M Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Request to Approve Agreement with New Cingular Wireless PCS, LLC, a Delaware Limited Liability Company, for the Installation of a Communications Facility at the 850-3 Reservoir Site		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) authorizes the General Manager to execute an agreement with New Cingular Wireless PCS, LLC, a Delaware Limited Liability Company (New Cingular) for the installation of a communications facility at the 850-3 Reservoir Site (see Exhibit A for project location).

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To obtain Board approval authorizing the General Manager to execute an agreement (see Attachment B) with New Cingular that allows the installation of a communications facility at the 850-3 Reservoir Site. The agreement will grant New Cingular the right to use approximately 257 square feet of leased area.

ANALYSIS:

New Cingular will be the third cellular provider locating its facilities on the 850-3 Reservoir Site. Currently, T-Mobile and

Sprint are the other cellular providers at this location. New Cingular is proposing to construct, operate, and maintain an unmanned wireless communications facility consisting of twelve (12) panel antennas façade mounted to the side of the existing 54-foot high water tank. Four (4) ground-mounted BTS radio equipment cabinets shall be enclosed in a 38'-8" (L) x 4'-0" (W) x 9' (H) dark-tan concrete block enclosure to screen the equipment. The overall lease area shall be comprised of approximately 257 square feet. The facility shall have its own SDG&E electrical service/meter and connection to land-line telephone service.

The District will receive copies of construction drawings, all permits, and approvals by local regulatory agencies prior to granting permission to start construction. Staff agrees with the design concept for the proposed facility construction.

FISCAL IMPACT:



The District will receive \$3,175 per month in rent effective upon execution of the lease agreement for a period of five years, subject to an annual inflation adjustment of 4 percent. The tenant will have the option to extend the term for three additional five-year periods. Two additional five-year extensions may be granted at the District's discretion. At the beginning of each extension term, the District may choose to adjust the annual rent, effective the first year of each extension term by 4 percent or the preceding five year average of the San Diego Metropolitan CPI, whichever is higher.

An initial \$2,500 payment toward the District's non-refundable administrative fee of \$6,500 was paid on 7/20/05 to reimburse the District for staff time to supervise and assist in conducting an investigation of the proposed premises, site selection, planning, and design, including legal expenses; this fee is separate from rent. A separate payment of \$4,500, in addition to the total \$6,500 administrative fee, was required due to redesign of the project was paid on 8/5/08. The remaining balance of \$4,000 will be due and payable upon execution of this agreement by both parties to reimburse the District for administrative expenses and costs related to District's supervision and assistance with construction phases of the project.

LEGAL IMPACT:

The agreement has been reviewed and approved by District General Counsel for content and form.

STRATEGIC GOAL:

The District ensures its continued financial health through long-term financial planning, formalized financial policies, enhanced budget controls, fair pricing, debt planning, and improved financial reporting.



General Manager

P:\WORKING\CELLULAR LEASE FILE\AT&T (CINGULAR)\850-3\Staff Report\BD 5-5-10, Staff Report, New Cingular @ 850-3 Res doc

DTC/RP:jf

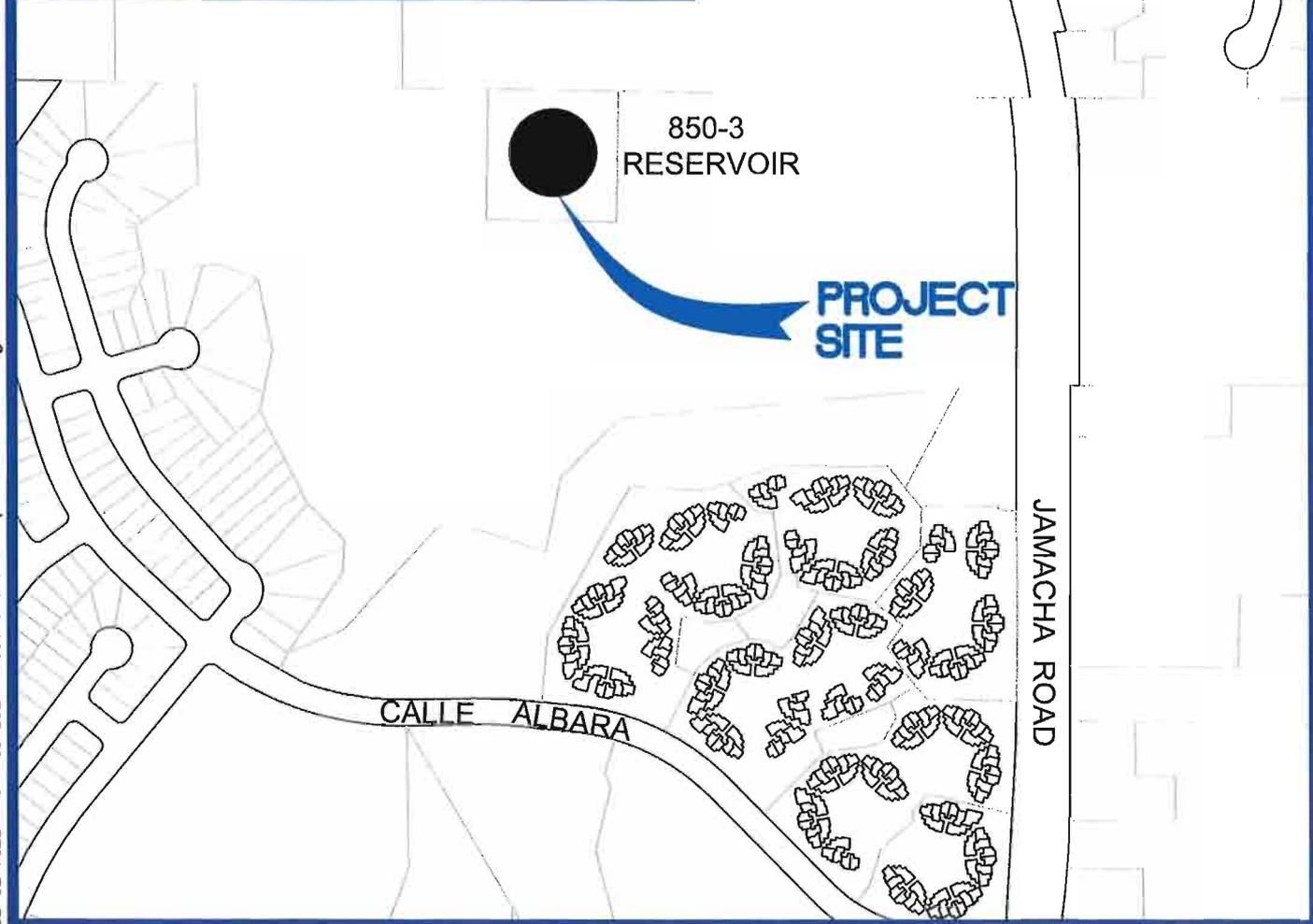
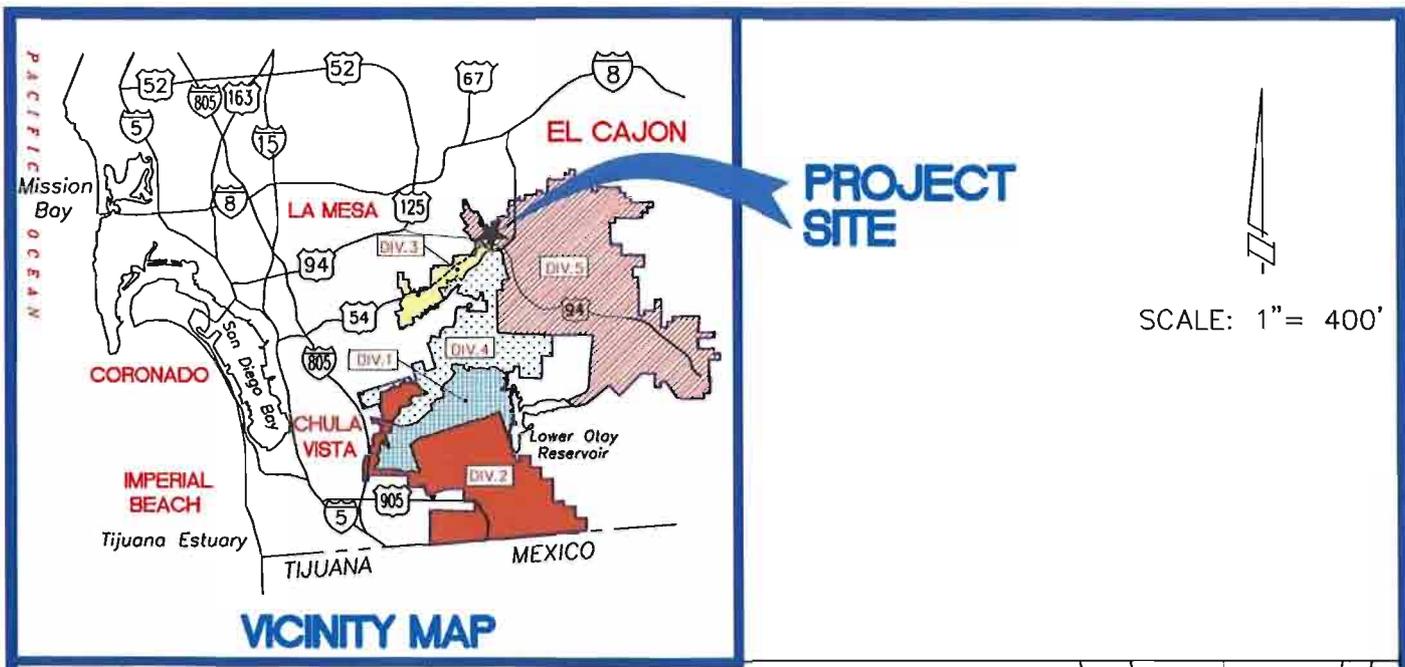
Attachments: Exhibit A
Attachment A
Attachment B

QA/QC Approved:

Name: Michael O'Ronnell

Date: 4/14/2010

P:\WORKING\CELLULAR LEASE FILE\AT&T (CINGULAR)\850-3\staff report\EXHIBIT Adwg 2/8/2010 8:12:07 AM PST



OTAY WATER DISTRICT
NEW CINGULAR WIRELESS PCS, LLC COMMUNICATIONS SITE
850-3 RESERVOIR SITE

LOCATION MAP

EXHIBIT A



ATTACHMENT A

SUBJECT/PROJECT: aa001-cs0013	Request to Approve Agreement with New Cingular Wireless PCS, LLC, a Delaware Limited Liability Company, for the Installation of a Communications Facility at the 850-3 Reservoir Site
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting on April 20, 2010 and the following comments were made:

- Staff is requesting that the Board authorize the General Manager to execute an agreement with New Cingular Wireless PCS. New Cingular is proposing to construct, operate and maintain an unmanned communications facility at the District's 850-3 Reservoir. The lease area will encompass 257 square feet at the reservoir site. New Cingular will be the third vendor at the site along with T-Mobile and Sprint.
- The District will immediately receive, upon execution of the lease agreement, \$3,175 per month in rent for a period of 5 years subject to an annual inflation adjustment of 4%.
- New Cingular has paid the District an initial deposit of \$7,000 (\$2,500 administrative fee and \$4,500 redesign fee) and will pay the District the remaining \$4,000 in fees upon execution of the agreement.
- It was noted that the monthly lease for non-mounted sites is \$2,406. Because New Cingular is requesting that the antennae be mounted on the reservoir the lease is \$3,175 per month.
- It was discussed that the District has entered into an agreement with Telkin Development for consulting services with regard to the District's cellular leases. Telkin Development will evaluate all of the District's cellular sites, where they are located, the appropriateness of the locations, etc. (the business aspect of leasing) and will also evaluate the agreements. The consultant

team consists of a telecommunications expert and a lawyer with expertise in telecommunications. Telkin Development will provide the District two reports:

- An evaluation of all cellular agreements; and
 - What capacities the District may have at existing cell sites and any potential leasing opportunities at other District facilities (pump stations, etc.) for new cellular technologies.
- The committee indicated that all licensees are required by law to have a public file for their licenses. It was inquired what address the cellular companies are utilizing for the public filing of their licenses for each of the cellular sites at District facilities. Staff verified that they utilize their business address.
 - The committee inquired, for security reasons, what access the cellular vendors have to District facilities to install/maintain their equipment. It was indicated that the District's policies for such vendors is that they must be accompanied by a District staff member for access to any of their telecommunications equipment. This is true for any visitor to the District, FCC etc.

Following the discussion, the committee supported staffs recommendation and presentation to the full board on the consent calendar.



ATTACHMENT B

SUBJECT/PROJECT: aa001-cs0013	Request to Approve Agreement with New Cingular Wireless PCS, LLC, a Delaware Limited Liability Company, for the Installation of a Communications Facility at the 850-3 Reservoir Site
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See attached lease agreement.

AGREEMENT BETWEEN NEW CINGULAR
WIRELESS PCS, LLC, A DELAWARE LIMITED
LIABILITY COMPANY AND OTAY WATER
DISTRICT TO LOCATE A COMMUNICATIONS
FACILITY AT OTAY'S 850-3 RESERVOIR SITE

This Agreement (“Lease”) is entered into and effective on the date specified in the signature page (the “Commencement Date”), by and between the Otay Water District, a municipal water district organized and operated pursuant to the Water Code Section 71000, et seq. (“Otay”), and New Cingular Wireless PCS, LLC, a Delaware limited liability company (“Tenant”). Any special terms or conditions agreed to by Otay and Tenant will be set forth on Exhibit A.

R E C I T A L S

A. Otay owns a site on which it has constructed water facilities known as the “850-3 Reservoir Site,” as depicted on Attachment A to Exhibit B (the “Reservoir Site”).

B. Tenant has requested Otay to allow it to locate a communications facility and transmitting and receiving antennas at the Reservoir Site.

A G R E E M E N T

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Otay and Tenant agree as follows:

1. Premises. Otay owns the real property described in Attachment B to Exhibit B (the “Property”). Otay agrees to lease to Tenant, for the installation of an antenna and related telecommunications equipment, approximately 257 square feet of real property within the Property, as more particularly described on Attachment C to Exhibit B (the “Premises”).

2. Grant of Non-Exclusive Trench Easement(s). Otay has also agreed to grant a temporary non-exclusive easement to Tenant for certain portions of the Property, as legally

described in Attachment D to Exhibit B to this Lease (the "Easement"), for the purpose of trenching and installation of the necessary utilities to operate Tenant's equipment. It is expressly agreed that any such Easement shall run concurrent with this Lease. Tenant agrees and understands that if the Lease is terminated or ceases to exist for any reason, the Easement shall not have any force or effect. Tenant agrees to return and maintain all portions of land subject to the Easement that are disturbed in connection with the installation, connection, maintenance, repair, access or any other Tenant activity, to their original condition at Tenant's sole cost and expense.

This easement shall be non-exclusive. Otay, or any other tenant of Otay may utilize the easement area for similar purposes or for any other purpose which does not interfere with Tenant's uses. Otay shall provide Tenant with advance notice of any intention to use the temporary easement area by Otay or any current or future tenant of Otay.

3. Use of the Premises. The Premises may be used by Tenant only for the purpose of installing, constructing, housing, operating, maintaining and repairing telecommunication equipment, including appurtenant antennae and electronic equipment, as further described and conditioned in this Agreement (collectively, the "Facilities"), for the lawful provision of communication services. Tenant may not sublease or sublicense any use or space of the Premises or the Facilities thereon except as otherwise provided in Paragraph 12, below.

4. Access. Subject to compliance with the conditions set forth below, Otay shall provide access over the Property to the Premises to Tenant, Tenant's employees, agents, contractors and subcontractors, 24 hours a day, seven days a week, at no charge to Tenant. Otay hereby grants to Tenant such rights of ingress and egress over the Property as may be necessary and consistent with the authorized use of the Premises as outlined by Otay Operations. Subject to Otay's reasonable rules, Otay shall permit Tenant's employees, agents, contractors,

subcontractors and invitees to park vehicles on the Property as necessary and consistent with the authorized use of the Premises. Otay shall, at its expense, maintain all access roadways or driveways from the nearest public roadway to the Premises in a manner reasonably sufficient to allow access. Tenant shall obtain such permits, licenses or easements, from the owners of property adjoining the leased premises, as may be necessary for Tenant to have access to and from the Property and also for access to utilities. Tenant shall provide copies of these documents to Otay prior to the start of construction.

5. Term. The term of this Lease shall be five (5) years (the "Initial Term"), commencing on the Commencement Date. Tenant shall have the right to extend the term of the Lease for three (3) additional terms of five (5) years each by giving Otay written notice of its intention to do so at least 120 days prior to the date that the then current term would otherwise end (each, an "Extension Term"). In addition, Tenant may request, in writing, two additional extensions of five (5) years each, which Otay may grant or deny at its sole discretion (each, an "Additional Term" and together with the Initial Term and Extension Term, or individually, as the context requires, the "Term"). Each such request shall be made in writing no less than 120 days prior to the expiration of the then current Extension Term or Additional Term, as applicable.

6. Administrative Fee. Tenant, prior to entering on Otay Property to conduct its investigation of the Premises, shall provide Otay with a non-refundable administrative fee in the amount of TWO THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$2,500.00). This fee will defray Otay's administrative expenses and costs related to the supervision and assistance for entering on Otay Property to conduct investigation of the proposed Premises, site selection, planning, and design, including legal expenses.

Additionally, upon final execution of the Agreement by both parties, Tenant shall provide Otay with a non-refundable administrative fee in the amount of FOUR THOUSAND DOLLARS

AND NO CENTS (\$4,000.00). This second administrative fee shall be used to defray Otay's administrative expenses and costs related to Otay's supervision and assistance with construction phases of the project. These administrative fees shall not be considered rent or part of the rental installment.

Otay may, at its option, charge an administrative fee, as then in effect, and recover all costs and expenses incurred by Otay, including attorneys and consultant's fees, if any, in connection with any and all amendments to this Lease, inspection or investigation of the Premises or the Tenant Facilities, or other action required due to Tenant's activities on the Premises, including without limitation any investigation of a potential default or failure of Tenant to secure or renew any permit, approval, license or easement required in connection with the Premises or the Tenant Facilities.

7. Rent. Beginning on the Commencement Date, Tenant shall pay Otay as rent the sum of \$3,175 per month payable on the first day of each month in advance. If the Commencement Date is other than the first day of the calendar month, the rate shall be prorated for the first month of the Initial Term.

The rent shall be increased on each calendar anniversary of the Commencement Date at a rate of four percent (4%) per annum. However, at the beginning of each Extension Term or Additional Term, if any, Otay may, at its sole and absolute discretion, choose to adjust the annual rent, effective on the first year of said Extension Term or Additional Term, by an amount equal to the greater of: (i) four percent (4%); or (ii) the amount necessary to ensure that the rent equals the amount it would have been if each annual increase during the previous Term had been calculated based on the average percentage increases in the consumer price index published by the United States Department of Labor, Bureau of Labor Statistics (1982-1984 = 100) (the "CPI") for "All Items - All Urban Consumers" for the San Diego Metropolitan

Statistical Area for the immediately preceding 5 year period. If the publication of the Consumer Price Index is discontinued, or if the Consumer Price Index is altered in some material manner, including changing the name of the index, the geographic area covered, the consumers or workers so included, or the base year, the Parties must use their reasonable best efforts to agree on a substitute index or procedure that reasonably reflects and monitors consumer prices. After such an adjustment, the rent shall increase at a rate of four percent (4%) per annum for the rest of the applicable Extension Term or Additional Term, if any. Otay shall also have the discretion to adjust the base rent to then current market rent in the Additional Term if said market rent is greater than the CPI increase provided for in the above formula. The "then current market rent" shall be defined as the most recent rent transaction entered into by Otay with other similar tenants for the same or similar purposes.

8. Environmental. Otay represents that to the best of its knowledge the Premises have not been used for the generation, storage, treatment or disposal of hazardous materials other than those materials normally used by Otay for the treatment of water and that there is no hazardous waste on the Premises. Notwithstanding any other provision of this Lease, Tenant relies upon the representations stated herein as a material inducement for entering into this Lease. Tenant shall not bring any hazardous materials onto the Premises except for those contained in its back-up power facilities (e.g. lead-acid batteries and diesel fuel) and properly stored, reasonable quantities of common materials used in telecommunications operations (e.g. cleaning solvents). Tenant shall handle, store and dispose of all hazardous materials it brings onto the Premises in accordance with all federal, state and local laws and regulations ("Laws"). "Hazardous materials" means any substance, chemical, pollutant or waste that is identified, at the time it is brought on the Premises or at the time any contamination or spill occurs, as hazardous, toxic or dangerous under any applicable federal, state or local law or regulation and specifically

includes, but is not limited to asbestos and asbestos containing materials, polychlorinated biphenyl's (PCBs) and petroleum or other fuels (including crude oil or any fraction or derivative thereof).

9. Installation and Maintenance of Facilities. Tenant is authorized to install, maintain and operate on the Premises only the Facilities described and depicted on Attachment A to Exhibit D; provided that all permits and zoning approvals shall have been obtained by Tenant.

a. *Installation of the Facilities.* Tenant's design and installation of all portions of the Facilities shall be done according to plans approved by Otay, and such approval shall not be unreasonably withheld. The Tenant shall be responsible for painting its antennae and/or equipment to match Otay's facility. Otay will provide Tenant with specifications regarding paint type, color and application method to accomplish this requirement. Painting/coating submittals shall be provided to Otay by the Tenant prior to receiving permission to begin painting. Otay may specify a camouflage design if appropriate. These camouflage designs may include but are not limited to palm trees, pine trees and flag poles.

b. *Record Drawings.* Within thirty (30) days after completion of the Facilities, Tenant shall provide Otay with "record" drawings of Facilities showing and identifying all the equipment and improvements installed on the Premises. Said drawings shall be accompanied by a complete and detailed inventory of all equipment, personal property and antennae located on the Premises and any such property of Tenant located in the Easement. No property of Tenant other than such identified property shall be located on the Premises or the Property at any time.

c. *Alterations.* Tenant shall not alter or change its facilities in a material manner without the prior approval of Otay, such approval not to be unreasonably withheld. "Material" refers to any physical change that could affect the building or its appearance or any

change that requires access to the Premises for installation of new equipment, removal of old equipment, trenching or digging or that could disrupt Otay's workplace or communications in any way or any change that requires a renewed or amended easement, permit or approval. All of Tenant's construction and installation work shall be performed at Tenant's sole cost and expense in a good and workmanlike manner. Tenant shall have the right to remove all facilities it installs at its sole expense on or before the expiration or termination of this Lease.

d. *Improvements to Facilities / Additional Space.* If, at any time during the Term, Tenant requests permission from Otay to add improvements requiring construction to its then existing Facilities, the then current Administrative Fees shall be paid to Otay before any such changes are implemented. In addition, if the requested Tenant improvements include additional lease space, a new lease agreement or, at Otay's discretion, an amendment for the additional lease space must be executed prior to start of construction and Tenant shall pay the Administrative Fees then in effect, and shall comply with Otay's requirements then in effect. The administrative fees for the additional lease space shall be in addition to, and shall not replace the administrative fees for improvements requiring construction to the Facilities.

e. *Permits and Compliance with Applicable Laws.* Prior to commencing any construction or improvements, and from time to time, as applicable, Tenant agrees to obtain all necessary approvals for its communications operations and for the Facilities and to operate and maintain the same, at all times in accordance with all applicable laws, rules and regulations.

i. Prior to commencing construction, Tenant shall deliver to Otay copies of all executed licenses, approvals and permits required by local, state or federal agency in connection with the Facilities, which permits shall be attached hereto as Attachment B to Exhibit C.

ii. From time to time, as required by law or regulation in connection with the normal operation of the Facilities or as needed due to improvements or alterations to the same, Tenant shall provide Otay with copies of updated permits, licenses and/or approvals. Tenant shall provide written evidence, satisfactory to Otay of all FCC approvals and other governmental permits and approvals, including but not limited to compliance with FCC Electromagnetic Radiation Guidelines.

iii. Otay agrees, at no expense to Otay, to cooperate with Tenant in making application for and obtaining all licenses, permits and any and all necessary approvals that may be required for Tenant's intended use of the Premises.

f. *Utilities.* Tenant shall be authorized to install utilities for the Premises and the Facilities at Tenant's expense and to improve the present utilities on or near the Premises (including, but not limited to the installation of an emergency back-up power) subject to Otay's approval of the location, which approval shall not be unreasonably withheld. Tenant shall fully and promptly pay for all utilities furnished to the Premises for the use, operation and maintenance of Tenant's facilities.

g. *Repair of Otay's Improvements.* Any damage done to Otay's improvement on the property during installation and/or during operations caused by Tenant or in connection with installation operation shall be repaired or replaced immediately at Tenant's expense and to Otay's reasonable satisfaction. In connection with the installation and operation of the antennae facilities, Tenant shall not locate or attach any antennae or other equipment to Otay's facilities without the prior written approval of Otay. Tenant shall pay all costs and

expenses in relation to maintaining the integrity of Otay's facilities in connection with Tenant's installation and operation of the antennae facilities.

h. *Maintenance and Repair.* At all time during the Term, Tenant shall maintain the Premises and the Facilities in a manner acceptable to Otay. Tenants use of its facilities shall not interfere with Otay's operation of its improvements.

i. *Liens.* Tenant shall not encumber or allow the Premises or the Property to be encumbered in any manner other than as expressly authorized herein.

j. *Security.* Tenant recognizes and agrees that the Premises and the Reservoir Site are a sensitive area. Tenant agrees to provide for the proper supervision of all Tenant personnel assigned to enter and do work at the Premises. Tenant also agrees to, at its own cost and expense, comply with any and all security measures instituted by Otay from time to time.

10. Maintenance and Repair of Otay's Improvements. At any time during the Term, or while this Lease remains in effect, Otay may, at its option and upon written notice to Tenant, remove or cause Tenant to remove all or any portion of its Facilities at Tenant's expense, in order for Otay to paint, repair, or make replacements to its improvements on the Premises (the "Maintenance Work"), as deemed necessary by Otay in its sole discretion. Tenant agrees to fully cooperate with Otay's efforts in connection with any Maintenance Work, including removing and re-installing any portion of the Facilities identified by Otay to be removed.

a. *Temporary Facilities.* During the course of the Maintenance Work, Tenant may install temporary antennae, at Tenant's expense, on the leased Premises subject to Otay's approval of the location. Once the Maintenance Work is completed by Otay, Tenant agrees to promptly dismantle any temporary facilities and to relocate the facilities to their original location or to any other location approved by Otay, as appropriate. All work related to

the removal of any portion of the Facilities, installation of temporary facilities, dismantling, relocation to their original location and any related work, shall be done at Tenant's sole cost and expense and in good and workmanlike manner.

b. *Repair of damage.* Tenant shall repair any damage caused by Tenant in connection with the installation, maintenance, operation or removal of any temporary facilities or the Facilities.

c. *Otay's option to remove temporary facilities.* If any temporary antennae is not removed within thirty (30) days from the date the Maintenance Work is completed, Otay will have the right to remove the temporary antennae and charge Tenant for such costs.

d. *Painting of the Facilities.* If the Maintenance Work includes the painting of Otay's improvements, the Tenant shall be responsible for repainting its antennas and/or equipment to match Otay's facility. Otay will provide specifications regarding paint type, color and application method to the Tenant to accomplish this requirement. The Tenant will be required to provide painting/coating submittals to Otay prior to receiving permission to begin painting.

11. Co-Location. Tenant agrees that Otay may enter into leases with other communication carriers, wireless communications carriers and other utilities for use of any portion of the "Reservoir Site" as long as said leases do not result in unreasonable interference with Tenant's use of the Premises. Tenant will reasonably cooperate with Otay's efforts in this regard including, at Otay's request, the relocation of, or changes to, the Facilities; provided that any alterations or relocation needed, at Otay's sole discretion, to accommodate the new lessee shall be performed at the expense of Otay or the new lessee.

12. Subleasing/Encumbrance. Tenant may not sub-lease or sub-license or otherwise encumber the Premises or any portion of the Facilities without Otay's prior written consent,

which may be granted or denied at Otay's sole discretion. Any sub-lease or other encumbrance will require an amendment to this Lease and shall specify the terms and conditions for the sub-lease or other encumbrance.

13. Condition of the Property at Expiration or Termination. Upon the expiration or termination of this Lease as herein provided, Tenant shall surrender the Premises, and any Easements granted by Otay in connection with this Lease, to Otay in good and broom-clean condition, with all portions of the Facilities, including but not limited to equipment, supplies, buried conduits, and structures removed along with subterranean foundations to a depth of three feet below grade; or as otherwise agreed to by Otay in writing.

14. Interference. Tenant shall not use, nor shall Tenant permit its agents or invitees to use any portion of the Premises in a manner which interferes with Otay's use of the Reservoir Site for its intended purpose including communications facilities relating to Otay's operation such as telemetry/radio communications or any other pre-existing communications facilities. This would not apply to interference with a tenant of Otay whose use did not "pre-exist" this lease; except as agreed to by Tenant in connection with the co-location of any subsequent tenant's facilities. If Tenant's operation in any way interferes with Otay's telemetry/radio facilities, Tenant will have five (5) business days to correct the problem after notice from Otay. Tenant acknowledges that continuing interference will cause irreparable injury to Otay and, therefore, Otay will have the right to terminate the Lease immediately upon notice to Tenant.

15. Taxes. During the term of this Lease, Tenant shall pay before delinquency all taxes, assessments, license fees, and any other charge of any type whatsoever that are levied, assessed, charged, or imposed on or against Tenant's personal property installed or located in or on the leased premises and that become payable during the term of this Lease.

16. Termination.

(a) This Lease may be terminated by Tenant without further liability if:

(i) Tenant delivers to Otay 30-day written notice at any time prior to the commencement of construction and prior to the installation of any facilities, for any reason or no reason;

(ii) Tenant gives Otay six months notice when Tenant determines at any time after the Commencement Date that any governmental or non-governmental license, permit, consent, approval, easement or restriction waiver that is necessary to enable Tenant to install or operate Tenant's facility cannot be obtained or renewed at reasonable expense or in reasonable time period.

(iii) Tenant determines at any time after the Commencement Date that the Premises are not appropriate or suitable for its operations for economic, environmental or technological reasons, including without limitation, any ruling or directive of the FCC or other governmental or regulatory agency, or problems with signal strength or interference not encompassed by subsection (iv) below; provided that the right to terminate under this subsection (iii) is exercisable only if Tenant pays Otay, as a termination fee, the lesser of twelve monthly installments of annual rent or the balance of the rent due for the remaining term of this Lease;

(iv) Otay commits a default under this Lease and fails to cure such default within a 30-day notice period, provided that if the period to diligently cure takes longer than 30 days and Otay commences to cure the default within the 30-day notice period, then Otay shall have such additional time as shall be reasonably necessary to diligently effect a complete cure;

(v) The Premises are totally or partially destroyed by fire or other casualty so as to hinder Tenant's normal operations and Otay does not provide to Tenant within ten (10)

days after the casualty occurs a suitable temporary relocation site for Tenant's facility pending repair and restoration of the Premises.

(b) This Lease may be terminated by Otay without further liability if:

(i) Tenant commits a default under this Lease and fails to cure such default as provided under paragraph 17, below; or

(ii) Otay determines that continuing the Lease or continuing to allow the Tenant to construct, install, maintain or operate the Facilities in any way violates a law, rule or regulation.

17. Default.

a. *Event of Default.* The parties covenant and agree that a default or breach of this Lease (an "Event of Default") shall occur and be deemed to exist if, after notice and opportunity to cure as provided below:

(i) Tenant shall default in the payment of rent or other payments hereunder and said default shall continue for ten (10) days after Otay provides written notice of the same; or

(ii) Either party shall default in the performance or observance of any other covenant or condition of this Lease to be performed or observed if such failure persists for a period of thirty (30) days after the non-defaulting party provides written notice of the default to the defaulting party.

b. *Rights upon Default.* Upon the occurrence of an Event of Default, in addition to any other rights or remedies available to the non-defaulting party under any law, the non-defaulting party shall have the right to terminate the Lease.

c. *Cure Rights.* An Event of Default shall not exist unless written notice has been given in accordance with this Lease, and the defaulting party has had the opportunity to cure as provided herein. The defaulting party shall cure the alleged default within the manner

provided herein; provided however, that if the nature of an alleged default is such that it can not reasonably be cured within such thirty (30) day period, the defaulting party shall not be in breach of this Lease if it commences a cure within such period, and thereafter diligently proceeds with the actions necessary to complete such cure.

18. Destruction of Premises. If the Premises or the Facilities are destroyed or damaged, Tenant may elect to terminate this Lease as of the date of the damage or destruction by so notifying Otay no more than thirty (30) days following the date of damage or destruction, provided Otay does not provide to Tenant, within ten (10) days after the casualty occurs, a suitable temporary relocation site for Tenant's facility pending repair and restoration of the Premises.

19. Condemnation. If the condemning authority takes all the Property or a portion which in Tenant's opinion is sufficient to render the Premises unsuitable for Tenant's use, then this Lease shall terminate as of the date when possession is delivered to the condemning authority. In the event of any taking under the power of eminent domain, Tenant shall not be entitled to any portion of the award paid for the taking and Otay shall receive the full amount of such award except as provided herein. Tenant hereby expressly waives any right or claim to any portion of a condemnation award, except for relocation benefits and goodwill. All other damages, whether awarded as compensation for diminution in value of the leasehold or to the fee of the Premises, shall belong to Otay.

20. Insurance. Tenant shall maintain the following insurance:

- a. Commercial general liability with limits of \$5,000,000 per occurrence;
- b. Automobile liability with the combined single limit of \$1,000,000 per accident;
- c. Worker's compensation, as required by law;

d. Employer's liability with limits of \$1,000,000 per occurrence.

Tenant shall name Otay as an additional insured on each of the aforementioned insurance policies and the policies shall state that they are primary and that any policies Otay maintains shall be noncontributory. Tenant shall provide Otay with written certificates of insurance evidencing such coverage. Said policies shall expressly provide that the policies shall not be canceled or altered without at least thirty (30) days prior written notice to Otay. Said policies shall be with insurance companies with an A.M. Best rating of AVII or better.

Otay takes no responsibility for the protection of Tenant's property from acts of vandalism by third parties. The insurance requirements may be changed by Otay upon giving of notice to Tenant; provided that the requirements set forth above shall be the minimum insurance requirements during the Term.

21. Indemnity. Tenant shall hold harmless, indemnify and defend Otay and each of Otay's directors, officers, managers, employees, agents and successors and assigns, from any and all losses, expenses, claims, suits or actions of any kind and description brought forth on account of this Lease or Tenant's activities on the Premises, including without limitation Tenant's failure to obtain maintain or renew any easement, permit or approval required under the Lease or in connection with the Facilities (regardless of whether Tenant notified Otay of such failure) and including any injuries to or death of any person or damage to any property, including damage to the Premises, in any way arising out of or related to this Lease or Tenant's use of the Premises, except to the extent that such claims, suits or actions arise out of the sole negligence or willful misconduct of Otay.

22. Estoppel Certificate. Tenant shall, at any time and from time to time upon not less than thirty (30) days prior request by Otay, deliver to Otay a statement in writing certifying that (a) the Lease is unmodified and in full force (or if there have been modifications, that the

Lease is in full force as modified and identifying the modifications; (b) the dates to which rent and other charges have been paid; (c) as far as the person making the certificate knows, Otay is or is not in default under any provisions of the Lease; and (d) such other matters as Otay may reasonably request.

23. Assignment. Tenant shall not assign this Lease except to an affiliated parent entity, subsidiary, purchaser of assets, or holder of its FCC license, without Otay's prior written consent. If, during the term of this Lease, Tenant requests the written consent of Otay to any assignment, Otay's consent thereto shall not unreasonably be withheld. Consent to one assignment shall not be deemed to be a consent to any subsequent assignment, and any subsequent assignment without Otay's consent shall be void and shall, at Otay's option, terminate this Lease.

24. Memorandum of Lease. If requested by Tenant, Otay agrees to promptly execute and deliver to Tenant a recordable Memorandum of Lease substantially in the form of Exhibit D.

25. Resolution of Disputes. All controversies or claims arising out of or relating to this Lease shall be resolved by submission to final and binding arbitration at the offices of the American Arbitration Association ("AAA") located in San Diego, California. Such arbitration shall be conducted in accordance with the most recent version of the AAA commercial arbitration rules.

26. Choice of Law and Venue. This Lease shall be interpreted in accordance with the laws of the State of California, and any disputes shall be heard in a court of competent jurisdiction in the State of California.

27. Attorney's Fees. In the event that either party commences any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any term, covenant, or condition of this Lease, the party

prevailing in said action or proceeding shall be entitled to recover, in addition to court costs, reasonable attorneys' fees to be fixed by the court, and such recovery shall include court costs and attorneys' fees on appeal.

28. Entire Agreement. This Lease contains all agreements, promises and understandings between Otay and Tenant and no verbal or oral agreements, promises or understandings shall or will be binding upon either Otay or Tenant and any addition, variation or modification to this Lease shall be in effect unless made in writing and signed by the parties hereto.

29. Incorporation of Exhibits and Recitals. All exhibits and attachments attached to this Lease and all Recitals above are incorporated and made a part hereof as if fully set forth herein.

30. Severability. If any term or condition of this Agreement is found unenforceable, the remaining terms and conditions will remain binding upon the parties as though said unenforceable provision were not contained herein. However, if the invalid, illegal or unenforceable provision materially affects this Agreement then the Agreement may be terminated by either party on ten (10) days prior written notice to the other party hereto.

31. Waiver. Waiver of any provision or term of this Agreement, or of any breach or default hereunder, shall not constitute a waiver of any other term, condition, breach or default, or of a subsequent applicability of a term or condition, or a waiver of a subsequent breach or default, nor shall it constitute an amendment to the term, condition or provision that is waived.

32. Notice. All notices, requests, demands and communications hereunder will be given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid, to be effective when properly sent and received,

refused or returned undelivered. Notices may be given by facsimile if proof of transmission is retained. Notices shall be sent to the addresses sent forth below:

OTAY: Otay Water District
Attn: General Manager
2554 Sweetwater Springs Boulevard
Spring Valley, CA 91978-2096
Phone: (619) 670-2210
Fax : (619) 660-0829

TENANT: New Cingular Wireless PCS, LLC
Attn : Network Real Estate Administration
Re: Cell Site #: SS0628
Cell Site Name: Jamacha
Fixed Asset No: 10068659
12555 Cingular Way, Suite 1300
Alpharetta, Georgia 30004

With a copy sent concurrently to Tenant's Legal Department:

If sent via certified or registered mail to:

New Cingular Wireless PCS, LLC
Attn.: Legal Department
Re: Cell Site #: SS0628
Cell Site Name: Jamacha
Fixed Asset No: 10068659
P.O. Box 97061
Redmond, WA 98073-9761

If sent via nationally recognized overnight courier to:

New Cingular Wireless PCS, LLC
Attn.: Legal Department
Re: Cell Site #: SS0628
Cell Site Name: Jamacha
Fixed Asset No: 10068659
16331 NE 72nd Way
Redmond, WA 98052-7827

33. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

IN WITNESS WHEREOF, the parties have executed this Lease as of the ____ day of _____, 20___. This date is referred to as the Commencement Date in the Lease.

NEW CINGULAR WIRELESS PCS, LLC,
a Delaware limited liability company

By: AT&T Mobility Corporation,
Its: Manager

By: _____
Name: _____
Its: _____

OTAY WATER DISTRICT
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91979

By: _____
Name: Mark Watton
Its: General Manager

APPROVED AS TO FORM:

Yuri Calderon, General Counsel

Date

EXHIBIT A
SPECIAL TERMS AND CONDITIONS ADDED TO
AGREEMENT BETWEEN NEW CINGULAR WIRELESS
PCS, LLC AND OTAY TO LOCATE COMMUNICATION
FACILITIES AT OTAY'S 850-3 RESERVOIR SITE, DATED
_____, _____ (THE "LEASE")

If any terms or conditions set forth herein contradict terms or conditions of the Lease to which this Exhibit is attached, as described above, the terms and conditions of this Exhibit shall control.

SPECIAL TERMS AND CONDITIONS

1. **Landscaping and Maintenance.** The installation, permitting, maintenance and upkeep, and all expenses or other obligations related thereto, in connection with any and all landscaping and irrigation systems mandated by the permitting agencies will be the sole responsibility of the Tenant. Otay Water District makes no commitment for delivery of water for said landscaping, except if Tenant obtains a water meter for the site and pays for water use.

2. **Rent.** At Tenant's election, subject to prior written notice as set forth in the Lease, Tenant may pay rent annually, in advance during each of the five-years of the Initial Term or during each of the five years in any Extension Term. Once the Initial Term or Extension Term, as applicable, has commenced, Tenant may not alter its election to pay monthly or annually.

3. **Tenant's Financing.** Notwithstanding anything to the contrary contained in this Lease, Tenant may assign, mortgage, pledge, hypothecate or otherwise transfer without prior notice or consent its interest in this Lease to any financing entity, or agent on behalf of any financing entity to whom Tenant (i) has obligations for borrowed money or in respect of guaranties thereof, (ii) has obligations evidenced by bonds, debentures, notes or similar instruments, or (iii) has obligations under or with respect to letters of credit, bankers acceptances and similar facilities or in respect of guaranties thereof; provided that no such assignment shall become binding on Otay until written notification is given by Tenant to Otay as provided in the Lease. A "financing entity" as used herein, does not include any entity which primary business is not that of banking, finance, lending or investing funds and does not include any entity whose primary business is telecommunications.

- a. **Waiver of Otay's Lien.** With respect to any such financing entity, Otay waives any lien rights it may have concerning the Facilities, which is deemed Tenant's personal property and not fixtures attached to the Property and Tenant or, if appropriate, the financing entity has the right to remove the same at any time without Otay's consent. The financing entity shall not have the right to operate the Facilities without Otay's prior written consent, which may be denied if the financing entity does not meet the definition of financing entity above.
- b. **Collateral.** Tenant may enter into a financing arrangement including promissory notes and financial and security agreements for the financing of the Facilities ("Collateral") with a third party financing entity (and may in the future enter into

additional financing arrangements with other financing entities). In connection therewith, Otay (i) consents to the installation of the Collateral; (ii) disclaims any interest in the Collateral, as fixtures or otherwise; and (iii) agrees that the Collateral shall be exempt from execution, foreclosure, sale, levy, attachment, or distress for any Rent due or to become due and that such Collateral may be removed at any time without recourse to legal proceedings.

- c. **Disposition of Collateral.** Notwithstanding paragraphs a. and b., above, if Tenant fails to remove the Collateral, or any component thereof, within five (5) days of the termination of this Lease, said failure shall constitute an abandonment. If thereafter, Tenant or any holder of Collateral, lender or assignee, whether or not notification was provided to Otay, fails to claim and remove the same, within thirty (30) calendar days of the date of termination of this Lease, Otay is hereby specifically authorized to remove and dispose of the Collateral, or any component thereof, so abandoned at Tenant's sole cost and expense and without incurring any liability to Tenant, or any lender with any interest in all or any part of the Collateral, or any assignee of this Lease.
- d. **No privity or obligation.** Otay does not have privity with any financing entity and specifically disclaims any obligation to any such entity, including any obligation to provide copies of any notices of default or right to cure under the Lease.

4. **Remediation.** If Tenant, Tenant activities or Tenant Facilities in any way cause contamination of any portion of the Property, Tenant shall immediately remediate with a contractor, acceptable to Otay and certified by the Contractors State License Board ("HAZ" Certification) pursuant to Business and Professions Code 7058.7 et seq. Proof of the required certification, insurance, and a business license is demanded and required.

- a. **Indemnity.** Without limiting the generality of any other indemnity under the Lease, Tenant shall hold Otay harmless from all costs, expenses, losses, damages, claims or actions arising from or any way related to any contaminants brought onto the Premises or any portion of the Property by Tenant or in connection with Tenant Facilities or activities on the Premises, including defending Otay (with counsel acceptable to Otay) in, form and against any claim, action, litigation or administrative proceeding, arising from or related to the acquisition, transportation, handling, storage, leakage, spill or intentional use of any such contaminants.
- b. Tenant's obligation to remediate and indemnify Otay for any such contamination shall survive the termination of this Lease.

5. **Indemnification Relating to Permits.** Without limiting the generality of any other indemnity under the Lease, Tenant specifically agrees, at no expense to Otay, and without limitation, to hold harmless, defend (with counsel acceptable to Otay) and indemnify Otay, its directors, officers, employees, agents and consultants for and against any and all costs, expenses, losses, liabilities, claims, actions or proceedings relating to the getting, maintaining, renewing or failure to get, maintain or renew any governmental approvals, licenses, or permits, including without limitation any conditional use permit required by any local government with jurisdiction over the Premises.

6. Survival of Indemnities. Tenant's obligation to indemnify Otay, as set forth in the Lease, including Sections 21 of the Lease and Sections 2.a and 3 of this Exhibit shall survive the termination of the Lease for any reason.

EXHIBIT B

**TO AGREEMENT BETWEEN NEW CINGULAR
WIRELESS PCS, LLC AND OTAY TO LOCATE
COMMUNICATION FACILITIES AT OTAY'S 850-3
RESERVOIR SITE, DATED _____, _____ (THE
"LEASE")**

List of Attachments to Exhibit B:

ATTACHMENT A. DEPICTION OF RESERVOIR FACILITIES

ATTACHMENT B. LEGAL DESCRIPTION OF THE PROPERTY

ATTACHMENT C. LEGAL DESCRIPTION OF THE PREMISES

ATTACHMENT D. DEPICTION OF THE PROPERTY AND PREMISES

EXHIBIT C

TO AGREEMENT BETWEEN NEW CINGULAR WIRELESS PCS, LLC AND OTAY TO LOCATE COMMUNICATION FACILITIES AT OTAY'S 850-3 RESERVOIR SITE, DATED _____, _____ (THE "LEASE")

DEPICTION AND LEGAL DESCRIPTION OF TEMPORARY TRENCH EASEMENT

Easement Requested? Yes No
Easement Granted? Yes No

If Easement granted, complete the following information:

For good and valuable consideration, receipt of which is hereby acknowledged, the Otay Water District, as Grantor, hereby grants to New Cingular Wireless PCS, LLC, as Tenant, a temporary Easement to excavate, remove dirt and do any act necessary to install, operate and maintain power lines and connection lines as required in connection with the communications facilities and the antenna to be located on the Premises. The legal description of the land subject to the Easement is as follows:

A drawing depicting the Easement is attached hereto. Tenant may not sell, transfer or assign the Easement herein granted to Tenant. Tenant's rights under the Easement are specifically limited to the installation of such power lines, transmission lines and other communications lines and accessories as required to efficiently operate Tenant's communication facilities on the Premises.

The Easement shall **automatically terminate** on the day that is thirty (30) years from the date of the Lease. However, if the Lease is terminated earlier for any reason, the Easement will become unenforceable and, for all purposes, terminate on the date the Lease is terminated.

Grantor reserves the right to use the lands that are subject to the Easement in a manner such that it will not interfere with Tenant's use thereof.

Grantor retains the right to remove, at Tenant's expense, from the surface of the Easement any item, structure improvement or portion thereof that interferes or conflicts with Otay's use of the Property.

Tenant agrees to indemnify, defend and hold harmless the Grantor for any damage to property or person (including death) and any, claim, suit, action, cost or expense arising in connection with the Easement or Tenant's use or installation of any item, line, facility or other thing in connection therewith.

Tenant agrees to maintain the portion of the Property subject to the Easement in substantially the condition it is on the date the Lease is executed, excepting only such changes as are accepted by Otay in writing.

EXHIBIT D

**TO AGREEMENT BETWEEN NEW CINGULAR
WIRELESS PCS, LLC AND OTAY TO LOCATE
COMMUNICATION FACILITIES AT OTAY'S 850-3
RESERVOIR SITE, DATED _____, _____ (THE
"LEASE")**

List of Attachments to Exhibit D:

Attachment A. Depiction of the Telecommunication Facilities

Attachment B. Permits

EXHIBIT E

**TO AGREEMENT BETWEEN NEW CINGULAR
WIRELESS PCS, LLC AND OTAY TO LOCATE
COMMUNICATION FACILITIES AT OTAY'S 850-3
RESERVOIR SITE, DATED _____, _____ (THE
"LEASE")**

Memorandum of Lease

Check one option.

None.

See Attached.

4837-3044-8389, v. 1



Exhibits such as plans and copies of permits are available at the Public Services Division of the District.

Contact #: 619-670-2241



AGENDA ITEM 6c



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 5, 2010
SUBMITTED BY:	Ron Ripperger <i>[Signature]</i> Engineering Manager	PROJECT/ SUBPROJECT:	N/A DIV. NO. ALL
APPROVED BY: (Chief):	Rod Posada <i>[Signature]</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>[Signature]</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Award of As-Needed Scheduling Services Contract to CPM Partners for Fiscal Years 2011 and 2012		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) awards a professional As-Needed Scheduling Services contract to CPM Partners (CPM) and authorizes the General Manager to execute an agreement with CPM in an amount not-to-exceed \$175,000 for Fiscal Years 2011 and 2012, ending June 30, 2012.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to enter into a professional As-Needed Scheduling Services agreement with CPM in an amount-not-exceed \$175,000 for Fiscal Years 2011 and 2012. The contract ends on June 30, 2012.

ANALYSIS:

The District will require professional scheduling services from a consultant on an as-needed basis to support the Capital Improvement Program (CIP). The scheduling services contract will provide the

District with the ability to obtain consulting services in a timely and efficient manner and on an as-needed basis.

In the past, in order to track projects including milestone dates and costs, staff has used a variety of methods to monitor progress including spreadsheets and in-house scheduling software. However, the time it takes and the level of skill required to maintain and update schedules for the many projects within the Engineering Department makes it difficult to focus on other key tasks associated with projects.

The role of the as-needed scheduling consultant will be to prepare a Master Schedule of all projects in the Fiscal Year 2011 CIP. Once the Master Schedule is prepared, the consultant will maintain the schedule by meeting with staff and providing monthly updates on each CIP project. The monthly updates will allow each project manager to easily obtain critical information on their projects including cost and schedule and allow them to make key changes, if needed. The scheduling software, Primavera P6, will allow the consultant to show not only schedule information on tasks, but show cost expenditure trends and past expenditure history in various formats to enable staff to see at a glance where a project stands. In addition, part of the consultant's scope of work will be to work with contractor's building District CIP projects to include their schedules into the overall Master Schedule. This is something staff has wanted to do for some time but did not have the capability and resources. The consultant will also prepare a Master Schedule for all projects in Fiscal Year 2012.

The District will issue individual task orders to CPM when the work begins for the different tasks needed during the contract period. The Consultant will then prepare a detailed scope of work, schedule, and cost estimate for each task order assigned under the contract. Upon written task order authorization from the District, the Consultant will then proceed with the portion of work agreed to as described in the Scope of Work.

Staff estimates that several of the ninety-four (94) projects currently projected in the Capital Facilities and Renewal/Replacement portion of the FY 2011 CIP will require detailed schedule preparation.

This As-Needed Scheduling Services contract does not commit the District to any expenditure until a task order is approved to perform work. The District does not guarantee work to the consultant, nor does the District guarantee to the consultant that it will expend all of the funds authorized by the contract on professional services.

The District incurs expenses as part of the consultant selection process in requesting, reviewing, and ranking proposals, checking references, and preparing staff reports for Committee and Board approval. Rather than issuing individual Requests for Proposals (RFP), it is more cost effective to issue an on-call RFP to address multiple projects. For this reason, the District began using similar contracts for as-needed environmental consulting services, as-needed geotechnical services, and as-needed design services to help eliminate the preparation costs.

The District solicited As-Needed Scheduling Services from engineering consultant firms by placing an advertisement on the District's website and with various other publications including the San Diego Union Tribune and San Diego Daily Transcript.

Nine (9) firms submitted a letter of interest and a statement of qualifications. One (1) firm, Phamatech Laboratories and Diagnostics, was not qualified. The RFP for As-Needed Scheduling Services was sent to the remaining eight (8) firms resulting in six (6) proposals received on March 16, 2010. They are as follows:

- CPM Partners
- Arcadis-US, Inc.
- Trauner Consulting Services Inc.
- Secretariat International
- O'Conner Construction Management, Inc.
- Marrs Services, Inc.

The two (2) firms that chose not to propose were Dabri, Inc. and Cumming Clarke.

In accordance with the District's Policy 21, Staff evaluated and scored all written proposals. CPM received the highest score for their services based on their experience, understanding of the scope, and their proposed method to accomplish the work. CPM was the most qualified consultant with the best overall proposal. A summary of the complete evaluation is shown in Attachments B and C.

The District has recently worked with CPM on two (2) projects. CPM provided excellent service to the District and staff worked well with CPM.

FISCAL IMPACT: _____



The funds for this contract will be expended from a variety of projects as project schedules are completed. The fees for professional services requested herein are available in the authorized CIP project budgets. This contract is for professional services based on the District's need and schedule, and expenditures will not be made until a task order is approved by the District for the consultant's professional services on a specific CIP project.

Based on a review of the financial budget, the Project Manager has determined that the budget will be sufficient to support the professional services required for the CIP projects in the FY 2011 budget.

STRATEGIC GOAL:

This project supports the District's Mission statement, "To provide safe, reliable water, recycled water, and wastewater services to our community in an innovative, cost efficient water wise and environmentally responsible manner," as well as the General Manager's vision, "...prepared for the future..." by guaranteeing that the District will always be able to meet future water supply obligations and plan, design, and construct new facilities.

LEGAL IMPACT: _____

None.



General Manager

P:\WORKING\As Needed Services\Scheduling\As Needed Scheduling Svcs FY11 FY12\Staff Report\BD 05-05 10, As Needed Scheduling Services.doc

RR:jf

Attachments: Attachment A
Attachment B
Attachment C

QA/QC Approved:

NAME: Lisa Colman Boyd

DATE: 4/14/10



ATTACHMENT A

SUBJECT/PROJECT: N/A	Award of As-Needed Scheduling Services Contract to CPM Partners for Fiscal Years 2011 and 2012
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on April 19, 2010 and the following comments were made:

- Staff requested that the Board of Directors award a professional As-Needed Scheduling Services contract to CPM Partners for scheduling and monitoring CIP projects and authorize the General Manager to execute an agreement with CPM in an amount not-to-exceed \$175,000 for Fiscal Years 2011 and 2012, ending June 30, 2012.
- It was indicated that District staff currently uses a variety of tools to monitor CIP projects including excel spreadsheets, in-house scheduling software, and the District's OIS System to obtain budget information.
- To be more efficient in monitoring and tracking CIP projects, staff is proposing to use the services of a professional cost scheduling consultant to assist staff in tracking project costs and milestone dates.
- Staff stated that this proactive approach will allow each project manager to easily obtain critical information on their projects including cost and schedule and allow them to take any corrective action if a project is falling behind schedule.
- Staff indicated that the as-needed scheduling consultant's role will be to prepare and maintain a Master Schedule of all projects by utilizing a Primavera

P6 scheduling software, evaluate contractors' submitted schedules and assist them with the preparation of their schedules.

- It was indicated that staff followed the District's Policy 21 with the selection of an As-Needed Scheduling Services consultant. Nine (9) firms submitted a letter of interest and statement of qualifications and one (1) firm (Phamatech Laboratories and Diagnostics) was not qualified. On March 16, 2010, the District received six (6) proposals. Two firms (Dabri, Inc. and Cumming Clarke) chose not to submit proposals. CPM received the highest score for their services based on their experience, understanding of the scope, and their proposed method to accomplish the work.
- In response to a question from the Committee, staff indicated that Phamatech Laboratories and Diagnostics was not qualified because it is a pharmaceutical company.

Following the discussion, the Committee supported staffs' recommendation and presentation to the full board on the consent calendar.

ATTACHMENT B

SUMMARY OF PROPOSAL RANKINGS BY PANEL MEMBERS

Professional As-Needed Scheduling Services

		WRITTEN					TOTAL SCORE	AVERAGE SCORE	References
		Qualifications of Staff	Understanding of scope, schedule, resources	Soundness and Viability of Proposed Project Plan	Composite Hourly Rate ¹	Consultant's commitment to DBE			
SCORE		20	20	25	35	Y/N	100		
CPM Partners	David Charles	15	17	22	31	Y	85	88	Excellent
	Gary Stalker	16	18	22	31		87		
	Ron Ripperger	15	18	23	31		87		
	Steve Dobrawa	20	18	18	31		87		
	Daniel Kay	19	19	24	31		93		
Arcadis-Us Inc.	David Charles	14	15	20	35	Y	84	83	
	Gary Stalker	12	12	16	35		75		
	Ron Ripperger	13	15	18	35		81		
	Steve Dobrawa	18	15	18	35		86		
	Daniel Kay	17	17	21	35		90		
Trauner Consulting Services Inc.	David Charles	15	15	20	25	Y	75	75	
	Gary Stalker	10	14	18	25		67		
	Ron Ripperger	15	16	20	25		76		
	Steve Dobrawa	19	15	18	25		77		
	Daniel Kay	18	17	22	25		82		
Secretariat International	David Charles	16	15	20	29	Y	80	75	
	Gary Stalker	10	13	16	29		68		
	Ron Ripperger	13	15	17	29		74		
	Steve Dobrawa	18	15	15	29		77		
	Daniel Kay	15	15	19	29		78		
O'Connor Construction Management, Inc.	David Charles	14	14	21	27	Y	76	77	
	Gary Stalker	12	15	22	27		76		
	Ron Ripperger	14	16	20	27		77		
	Steve Dobrawa	17	16	17	27		77		
	Daniel Kay	16	16	19	27		78		
MARRS Services, Inc	David Charles	15	14	20	32	Y	81	83	
	Gary Stalker	14	16	21	32		83		
	Ron Ripperger	14	15	20	32		81		
	Steve Dobrawa	17	18	17	32		84		
	Daniel Kay	17	15	18	32		82		

¹ Hourly Rate Calculation Formula = $35 - (\text{Consultant Rate} - \text{Min. Rate}) * 10$
(Max. Rate - Min. Rate)

PM Signature: *David*

QC: *Lisa C. Brown Boyd*

Engineering Manager: *Ron Ripperger*

ATTACHMENT C

Professional As-Needed Scheduling Services Fee Evaluation

	CPM Partners	Arcadis-Us Inc.	Trauner Consulting Services Inc.	Secretariat International	O'Connor Construction Management, Inc.	MARRS Services, Inc
Design	Rate	Rate	Rate	Rate	Rate	Rate
Principal Scheduler/Project Manager Construction Manager	\$ 150.00	\$ 120.00	\$ 150.00	\$ 185.00	\$ 145.00	\$ 125.00
Senior Scheduler	\$ 130.00	\$ 104.00	\$ 150.00	\$ 155.00	\$ 145.00	\$ 110.00
Scheduler-Analysis	\$ 115.00	\$ 104.00	\$ 115.00	\$ 75.00	\$ 125.00	\$ 100.00
Scheduler-Development	\$ 105.00	\$ 104.00	\$ 115.00	\$ 75.00	\$ 125.00	\$ 100.00
Claims Specialist	\$ 115.00	\$ 92.00	\$ 200.00	\$ 155.00	\$ 145.00	\$ 145.00
Administration	\$ 35.00	\$ 49.00	\$ 45.00	\$ 50.00	\$ 55.00	\$ 45.00
Total:	\$ 650.00	\$ 573.00	\$ 775.00	\$ 695.00	\$ 740.00	\$ 625.00
Score:	31.2	35.0	25.0	29.0	26.7	32.4

Score = 35 - (Total Rate - Min Rate)*10

Notes: (Max Rate - Min Rate)

1. The score for proposed fee is weighted between the minimum and maximum fees with a minimum of 25 points for the highest fee and a maximum of 35 points for the lowest fee.

Min.	Max.
\$ 573.00	\$ 775.00

PM Signature: _____

QC: _____

Engineering Manager: _____

AGENDA ITEM 6d



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 5, 2010
SUBMITTED BY:	Daniel Kay <i>DK</i> Associate Civil Engineer	PROJECT / SUBPROJECT:	P2143- DIV. 5 001103 NO.
	Ron Ripperger <i>u</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>R. Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>M. Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Credit Change Order No. 3 to the Contract with Natgun Corporation for the 1296-3 Reservoir Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) approve Credit Change Order No. 3 to the original contract with Natgun Corporation (Natgun), for construction of the 1296-3 Reservoir Project for a deductive amount not to exceed <\$200,453.10> (see Exhibit A for project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to execute Credit Change Order No. 3 (see Exhibit B) for a deductive amount not to exceed <\$200,453.10> to the original contract with Natgun for construction of the 1296-3 Reservoir.

ANALYSIS:

At the December 15, 2008 Board Meeting, Natgun was awarded the construction contract for the 1296-3 Reservoir, 2.0 MG Project. Project construction began in February 2009. Overall, construction is 98% complete.

Credit Change Order No. 3 provides reimbursement to the District in a net deductive amount of <\$200,453.10>.

The following is a table summarizing the value for each item:

Item	Issue	Amount
1	Additional SCADA Conduits	\$1,550.00
2	Asphalt Berm	\$14,090.00
3	Drainage Ditch/Erosion Blanket	\$12,970.00
4	Irrigation Water Service	\$4,225.00
5	Bear Mtn. Rd. Pavement Replacement	\$10,446.30
6	Bear Mtn. Rd. Base Course Replacement	<\$6,065.40>
7	Pioneer Way Pavement Replacement	<\$51,669.00>
8	Pioneer Way Base Course Replacement	<\$11,000.00>
9	Grading & Piping Allowance	<\$100,000.00>
10	Electrical Allowance	<\$50,000.00>
11	Sound Wall Allowance	<\$25,000.00>
	Total	<\$200,453.10>

A final change order will be processed to close out the project within the next month. The final change order will include the modifications to the landscaping and on-site irrigation to meet the requirements of the project's restoration plan which was not approved at the time of award. The final change order's estimated cost will not exceed \$20,000.

FISCAL IMPACT:

The approved total budget for CIP P2143, as approved in the Fiscal Year 2010 budget, is \$3,640,000. Expenditures to date are \$3,064,485. Total commitments to date, including Credit Change Order No. 3, are approximately \$3,351,951. (See Attachment B for budget detail.)

The Project Manager anticipates that, based on the attached financial analysis, the budget will be sufficient to support this project.

Finance has determined that 100% of the funding is available from the Expansion Fund.

STRATEGIC GOAL:

This project supports the District's Mission statement, "To provide the best quality of water and wastewater service to the customers of Otay Water District, in a professional, effective, and efficient manner." This project fulfills the District's Strategic Goals No. 1 - Community and Governance, and No. 5 - Potable Water, by maintaining proactive and productive relationships with the project stakeholders and by guaranteeing

that the District will provide for current and future water needs.

LEGAL IMPACT: _____

None.



General Manager

P:\WORKING\CIP P2143\Staff Reports\BD 05-05-10, Staff Report, Natgun C. O. #3 for 1296-3 Reservoir, (DK-RR).doc

DK/RR:jf

Attachments: Attachment A
Attachment B
Exhibit A
Exhibit B

QA/QC Approved:

Name: Lisa Colman-Boyd

Date: 4/14/10



ATTACHMENT A

SUBJECT/PROJECT: P2143-001103	Credit Change Order No. 3 to the Contract with Natgun Corporation for the 1296-3 Reservoir Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on April 19, 2010 and the following comments were made:

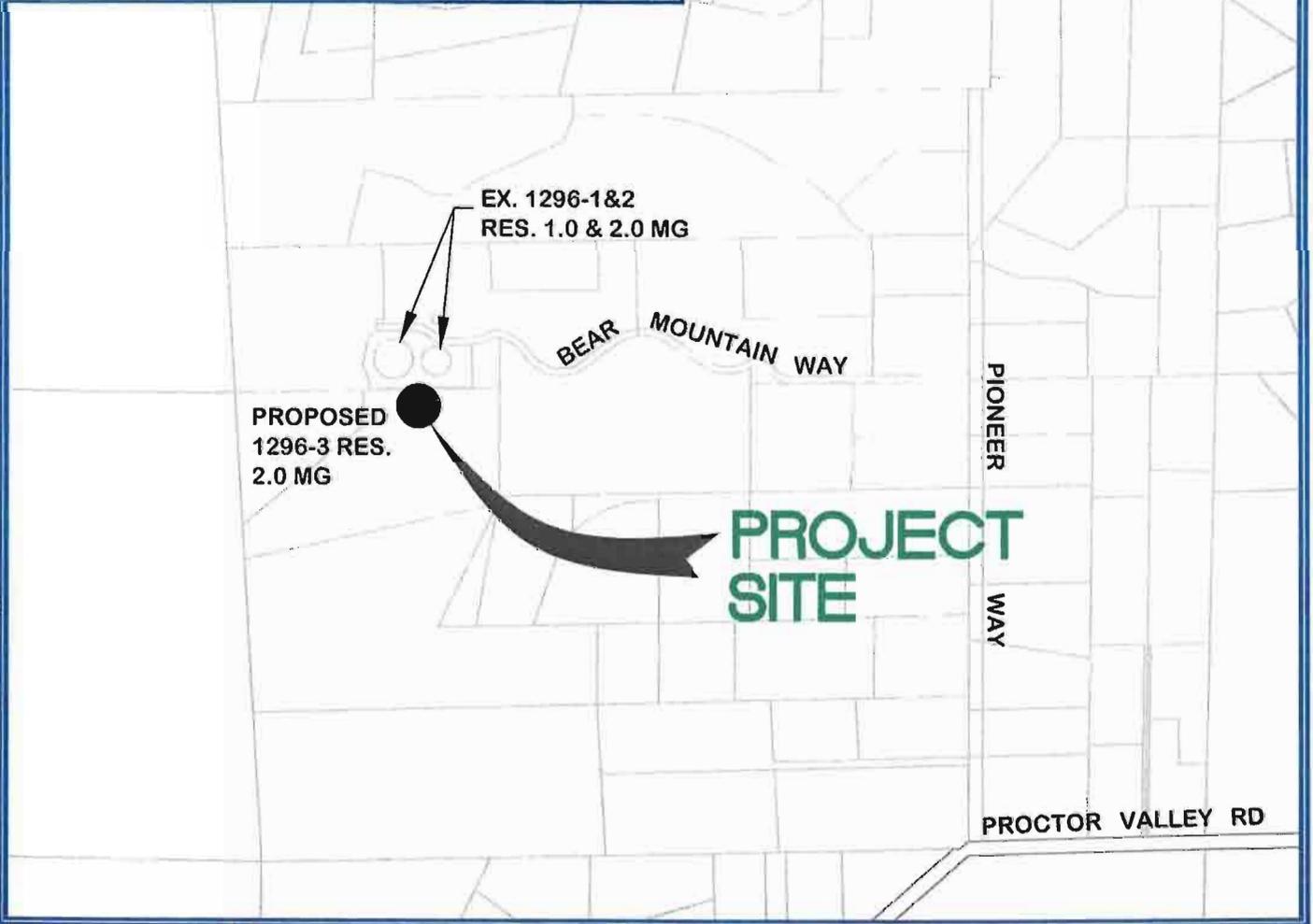
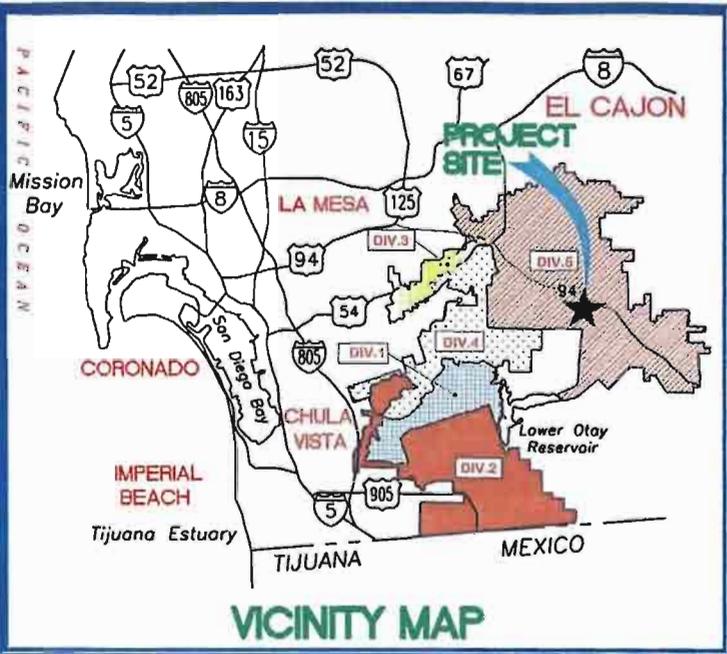
- Staff requested that the Board of Directors approve Credit Change Order No. 3 to the original contract with Natgun Corporation (Natgun), for the construction of the 1296-3 Reservoir Project for a deductive amount not-to-exceed <\$200,453.10>.
- Staff stated that Natgun began construction of the 1296-3 Reservoir Project in February 2009 and that construction is 98% complete. It was indicated that the District's acceptance of the Project is scheduled for May 2010.
- Staff indicated that Credit Change Order No. 3 is for eleven (11) items, that includes additional work and credits to the contract, and provides reimbursement to the District in a net deductive amount of <\$200,453.10>.
- Staff indicated that there will be one (1) final Change Order for the Project at the end of April 2010 and the estimated cost will not exceed \$20,000.
- Staff stated that the reason for Project's cost increase/decrease for pavement replacements at various locations was because Natgun did not use as much materials as they anticipated, so overall costs decreased. Staff ensured the Committee that the quality of pavement replacements within the community were made to avoid future liabilities and last a long time. In addition, it was indicated that the District worked with several homeowners whose driveways were affected by the 1296-3 Reservoir Project and that several water services

were upgraded to copper during the pavement replacement process as well.

- In response to a question from the Committee regarding the cost elimination for sound wall allowance, staff indicated that although the cost was factored into the Project's budget expense in anticipation of an Environmental Impact Report requirement, a sound wall was not needed.

Following the discussion, the Committee supported staffs' recommendation and presentation to the full board on the consent calendar.

P:\WORKING\CIP P2143\W030106\2143-Exhibit A.dwg 6/25/2008 7:30:57 AM PST



OTAY WATER DISTRICT
1296-3 RESERVOIR
LOCATION MAP

CIP P2143

EXHIBIT A



ATTACHMENT B

SUBJECT/PROJECT:
P2143-001103

Credit Change Order No. 3 to the Contract with Natgun Corporation for the 1296-3 Reservoir Project

Otay Water District
P2143 - Res - 1296-3 Reservoir 2.0 MG

Date Updated: April 05, 2010

Budget	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor/Comments
3,640,000					
Planning					
Labor	141,983	141,983		141,983	
Mileage Reimbursement	22	22	-	22	PETTY CASH CUSTODIAN
Professional Legal Fees	330	330	-	330	BURKE WILLIAMS & SORENSEN LLP
	5,491	5,491	-	5,491	GARCIA CALDERON & RUIZ LLP
Regulatory Agency Fees	1,927	1,927	-	1,927	COUNTY OF SAN DIEGO
Consultant Contracts	125,000	110,921	14,079	125,000	BRG CONSULTING INC
	1,100	1,100	-	1,100	SOUTHWESTERN COLLEGE
Total Planning	275,853	261,775	14,079	275,853	
Design					
Labor	370,845	370,845		370,845	
Mileage Reimbursement	19	19	-	19	PETTY CASH CUSTODIAN
Parking and Tolls	47	47	-	47	PETTY CASH CUSTODIAN
Business Meetings	132	132	-	132	PETTY CASH CUSTODIAN
Printing	234	234	-	234	IMPAC GOVERNMENT SERVICES
Consultant Contracts	2,450	2,450	-	2,450	SOUTHLAND TITLE
	334	334	-	334	SAN DIEGO DAILY TRANSCRIPT
	2,098	2,098	-	2,098	SIMON WONG ENGINEERING
	9,600	9,600	-	9,600	SWINERTON MANAGEMENT
	20,238	20,238	-	20,238	ENGINEERING PARTNERS INC. THE
	6,508	6,508	-	6,508	SOUTHERN CALIFORNIA SOIL
Service Contracts	(4,480)	(4,480)	-	(4,480)	As-Needed Geotechnical Service
	57	57	-	57	SAN DIEGO DAILY TRANSCRIPT
	237	237	-	237	UNION TRIBUNE PUBLISHING CO
	8,201	8,201	-	8,201	SOUTHERN CALIFORNIA SOIL
	5,311	5,311	-	5,311	MAYER REPROGRAPHICS INC
Safety Equipment Misc Materials	285	285	-	285	TRAFFIC CONTROL SERVICE INC
Total Design	422,115	422,115	-	422,115	
Construction					
Labor	263,187	263,187		263,187	
Outreach Materials	275	275	-	275	NANCY MCMANUS
Regulatory Agency Fees	262	262	-	262	COUNTY OF SAN DIEGO
Consultant Contracts	41,180	41,180	-	41,180	VALLEY CONSTRUCTION MANAGEMENT
	6,555	6,555	-	6,555	SOUTHERN CALIFORNIA SOIL
	507	507	-	507	SHIER AVIATION CORPORATION
	5,000	5,000	-	5,000	SIMON WONG ENGINEERING
	2,500	1,250	1,250	2,500	CPM PARTNERS INC
Construction Contracts	2,373,220	1,928,002	445,218	2,373,220	NATGUN CORPORATION
Change Order No. 1	5,373	5,373	-	5,373	
Change Order No. 2	3,646	3,646	-	3,646	
Change Order No. 3	(200,453)	-	-	(200,453)	
Proposed Change Order No. 4	20,000	-	20,000	20,000	
Service Contracts	9,395	9,395	-	9,395	PROWEST APPRAISAL
	7,965	7,965	-	7,965	SAN DIEGO GAS & ELECTRIC
	2,210	2,210	-	2,210	CLARKSON LAB & SUPPLY INC
	220	220	-	220	SAN DIEGO CONSTRUCTION WELDING
	3,776	-	3,776	3,776	TECHNOWISION
Equipment Rental	1,523	-	1,523	1,523	BJ'S RENTAL
Security Services	5,318	5,318	-	5,318	ENHANCED COMMUNICATIONS
	23,818	23,818	-	23,818	HENRY BROS ELECTRONICS INC
Other Legal Expenses	5,200	5,200	-	5,200	HARVEY J WILLIAMS JR
	700	700	-	700	THOMAS BREEN
Settlements	14,500	14,500	-	14,500	JONATHAN G HANSON
Fleet & Equipment - Parts & Materials	54	54	-	54	US BANK CORPORATE PAYMENT
Infrastructure Equipment & Materials	161	161	-	161	US BANK CORPORATE PAYMENT
	17,440	17,440	-	17,440	SAGE DESIGNS INC
	1,734	270	1,464	1,734	KAMAN INDUSTRIAL TECHNOLOGIES
	1,207	1,207	-	1,207	ALLIED ELECTRONICS INC
For Ops Only - Contracted Services	3,120	2,510	610	3,120	RICK POST WELDING &
Radio	34,326	34,326	-	34,326	SAGE DESIGNS INC
Inventory	65	65	-	65	
Total Construction	2,653,983	2,380,595	473,841	2,653,983	
Grand Total	3,351,951	3,064,465	487,919	3,351,951	

QA/QC Approval:

Name:

Date:

4/14/10

EXHIBIT B

OTAY WATER DISTRICT

2554 SWEETWATER SPRINGS BLVD., SPRING VALLEY, CA. 91978, (619) 670-2222

CONTRACT/P.O. CHANGE ORDER No. 03

PROJECT/ITEM: 1296-3 Reservoir

CONTRACTOR/VENDOR: Natgun

APPROVED BY: Board

REF.CIP No.: P2143-001103

REF. P.O. No: 709964

DATE: 14-Apr-10

DESCRIPTION:

There are twelve items as part of this change order:

- 1.) Install Additional Electrical Conduits. See Natgun proposal dated 1/20/10.
- 2.) Install Additional Asphalt Berm. See Natgun proposal dated 3/1/10.
- 3.) Install Drainage Ditch and Erosion Blanket. See Natgun proposal dated 3/1/10.
- 4.) Install irrigation water meter service connection. See Natgun proposal dated 2/18/10
- 5.) Increase Bid Item #9 (Bear Mountain Road Pavement Replacement) by 3,869 SF.
- 6.) Decrease Bid Item #10 (Bear Mountain Road Base Course Replacement) by 2,757 SF.
- 7.) Decrease Bid Item #11 (Pioneer Way Pavement Replacement) by 28,705 SF.
- 8.) Decrease Bid Item #12 (Pioneer Way Base Course Replacement) by 5,000 SF.
- 9.) Decrease Bid Item #16 (Grading and Piping Allowance) by 1 each.
- 10.) Decrease Bid Item #17 (Electrical Allowance) by 1 each.
- 11.) Decrease Bid Item #18 (Sound Wall Allowance) by 1 each.

REASON:

- 1.) The operations department requested additional conduits be installed in the same trench as the new conduits for this project. This will accommodate future SCADA upgrades while minimizing costs as these conduits are being installed in the same trench as the contract conduits. The amount of this change is \$1,550.00.
- 2.) Additional asphalt berm was required along Bear Mountain road to prevent washouts and maintain the proper drainage. Final installed quantity verified by District inspector. The amount of this change is \$14,090.00.
- 3.) A new drainage ditch and erosion blanket were required behind the new reservoir to prevent site erosion after field observations and recommendations by the geotechnical engineer. The amount of this change is \$12,970.00.
- 4.) The water service connection for the irrigation was not shown on plans and was required for the project. The work was completed on a time and material basis and all hours were verified by the District inspector. The amount of this change is \$4,225.00.
- 5.) The actual installed quantity of pavement replacement on Bear Mountain Road exceeded the bid estimate. Increase bid item #9 by 3,869 SF @ \$2.70/SF=\$10,446.30.
- 6.) The actual installed quantity of base course replacement on Bear Mountain Road was less than the bid estimate. Decrease bid item #10 by 2,757 SF @ \$2.20/SF=(\$6,065.40) Credit.
- 7.) The actual installed quantity of pavement replacement on Pioneer Way was less than the bid estimate. Decrease bid item #11 by 28,705 SF @ \$1.80/SF=(\$51,669.00) Credit.
- 8.) The actual installed quantity of base course replacement on Pioneer Way was less than the bid estimate. Decrease bid item #12 by 5,000 SF @ \$2.20/SF=(\$11,000.00) Credit.
- 9.) The actual used quantity of the grading and piping allowance was less than the bid estimate. Decrease bid item #16 by 1 each @ \$100,000/each=(\$100,000.00) Credit.
- 10.) The actual used quantity of the electrical allowance was less than the bid estimate. Decrease bid item #17 by 1 each @ \$25,000/each=(\$25,000.00.) Credit
- 11.) The actual used quantity of the sound wall allowance was less than the bid estimate. Decrease bid item #18 by 1 each @ \$50,000/each=(\$50,000.00.) Credit.

EXHIBIT B

CHANGE P.O. TO READ:

Revise contract to DEDUCT \$200,453.10 for a total contract amount of \$2,181,785.90

ORIGINAL CONTRACT/P.O. AMOUNT:	\$	2,373,220.00
ADJUSTED AMOUNT FROM PREVIOUS CHANGE:	\$	2,382,239.00
TOTAL COST OF THIS CHANGE ORDER:	\$	(200,453.10)
NEW CONTRACT/P.O. AMOUNT IS:	\$	2,181,785.90
ORIGINAL CONTRACT COMPLETION DATE:		2/10/10
CONTRACT/P.O. TIME AFFECTED BY PREVIOUS CHANGE:		30 Cal Days
CONTRACT/P.O. TIME AFFECTED BY THIS CHANGE:		60 Cal Days
REVISED CONTRACT COMPLETION DATE:		5/11/10

IT IS UNDERSTOOD WITH THE FOLLOWING APPROVALS, THAT THE CONTRACTOR/VENDOR IS AUTHORIZED AND DIRECTED TO MAKE THE HEREIN DESCRIBED CHANGES. IT IS ALSO AGREED THAT THE TOTAL COST FOR THIS CHANGE ORDER CONSTITUTES FULL AND COMPLETE COMPENSATION FOR OBLIGATIONS REQUIRED BY THE CONTRACT/P.O. ALL OTHER PROVISIONS AND REQUIREMENTS OF THE CONTRACT/P.O. REMAIN IN FULL FORCE AND EFFECT.

CONTRACTOR/VENDOR:

SIGNATURE: _____

NAME : _____

TITLE: _____ DATE : _____

ADDRESS: _____

STAFF APPROVALS:

PROJ. MGR : _____ Sr Eng (Int) _____ DATE: _____

DIV. MGR : _____ DATE: _____

CHIEF: _____ DATE: _____

ASST. GM : _____ DATE: _____

DISTRICT APPROVAL:

GEN. MANAGER: _____ DATE: _____

COPIES: FILE (Orig.), CONTRACTOR/VENDOR, CHIEF-FINANCE, INSPECTION, ENGR. SECRETARY, PROJECT BINDER

CHANGE ORDER LOG

1296-3 Reservoir

P2143-001103

		APPROVED			
C.O.	AMOUNT	BY	DATE	DESCRIPTION	TYPE C.O.
1	\$5,373.00	Div. Mgr.	7/6/2009	Two Items: Change in slope/grading limits and an additional tank penetration for chlorine injection	Owner Initiated
2	\$3,646.00	Div. Mgr.	1/27/2010	Four Items: Extend the exterior ladder, Modify the draft/fill line, aerial photographs, and additional contract time (30 days)	Owner Initiated
3	(\$200,453.10)	Board	4/6/2010	Twelve Items: Additional conduits for future SCADA, Additional asphalt berm, new drainage ditch and erosion blanket, new irrigation connection, increased sq. ft of pavement replaced on Bear Mountain (3,869 sq. ft.), decrease sq. ft. of base course replaced on Bear Mountain (2,757 sq. ft.) Credit, decreased sq. ft of pavement replaced on Pioneer Way (28,705 sq. ft.) Credit, decrease sq. ft. of base course replaced on Pioneer Way (5,000 sq. ft.) Credit, Actual quantity of grading and piping was less than bid estimate. Credit, Actual quantity of electrical was less than bid estimate. Credit, Actual quantity of the sound wall was less than bid estimate. Credit.	Owner Initiated
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

Total C.O.'s To Date: (\$191,434.10) -8.1%

Original Contract Amount: \$2,373,220.00

Current Contract Amount: \$2,181,785.90

Change Order Breakdown for the Month:

Month	Net C.O.\$	Limit	Authorization	Absolute C.O.\$	Absolute C.O. %
4/10	(\$191,434.10)	\$5,000	PM/Supervisor	\$0.00	0.0%
		\$10,000	Manager	\$0.00	0.0%
		\$15,000	Chief	\$0.00	0.0%
		\$25,000	Assist. GM	\$0.00	0.0%
		\$50,000	GM	\$0.00	0.0%
		>\$50,000	Board	\$191,434.10	8.1%

AGENDA ITEM 7a



STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	May 5, 2010
SUBMITTED BY:	Rita Bell, <i>Rita Bell</i> Finance Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Joseph R. Beachem, <i>JR Beachem</i> Chief Financial Officer		
APPROVED BY: (Asst. GM):	German Alvarez, <i>GA</i> Assistant General Manager, Administration and Finance		
SUBJECT:	Adopt Ordinance No. 524 to Adjust the District's Water Capacity and Annexation Fees and Add a New Water Supply Fee		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Ordinance No. 524 amending the Code of Ordinances Sections 9.04, 9.04 B., 28.01 B., and Appendix A; and deleting Section 28.04; which will incorporate the following changes effective July 1, 2010:

1. Modify the capacity fee to show a new "combined" methodology of charging capacity fees, reflecting the value of the District's current and future assets.
2. Update the Triad capacity fee based on the new "combined" method described above and the Triad agreement.
3. Modify the annexation fee to reflect a new "buy-in" methodology which will only be charged to new customers annexing into the Otay Water District boundaries.
4. Create a new water supply fee to fund the expansion portion of new water supply projects.
5. Eliminate ID 9, Rancho Jamul Zone 1655 fee.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain approval of Ordinance No. 524 that would modify the capacity and annexation fees the District charges and create a new water supply fee.

EXECUTIVE SUMMARY:

At the time of connection to a public agency's utility system, customers are typically charged a capacity fee to buy into the water and wastewater systems. The capacity fee requires new users to pay for their share of the costs to construct the facilities required for provision of their water and sewer service. Revenues generated through the proposed capacity fees can be used to directly offset system expansion costs, repay debt issued for the water system expansion, or for renewal and replacement of capital projects. Use of capacity fee revenues to offset these capital and debt service costs reduces the amount of revenue required from rates assessed to existing users. In this way capacity fee revenues, in effect, reimburse the existing users (through lower rates) for the costs they have incurred to provide capacity for new users.

In addition, a new water supply fee is proposed that pays for the expansion cost of capital for new water supply projects. This new fee could be incorporated into the capacity fee; however, the recommendation is to keep it separate from the general capacity fee to highlight how the District is charging new users for the new supply.

An annexation fee, based on all availability fees and property taxes paid by existing users, is proposed to be charged to all properties annexing into the Otay Water District boundaries. This fee compensates the existing users for their past investment in the District's water system.

The proposed fees, effective July 1, 2010 (inflated using the ENR Index), are applied per Equivalent Dwelling Unit (EDU) and are as follows:

- Capacity Fee \$7,499 (Triad Capacity Fee is \$5,612 based on the contractual agreement and prepayment for facilities)
- New Water Supply Fee \$864
- Annexation Fee \$1,477

Staff also recommends elimination of the ID 9, Rancho Jamul Zone 1655 fee. With the changes in planned facilities, it is more

equitable to incorporate this fee into the general capacity fee calculation, eliminating the special fee which was established many years ago and is now out of date.

BACKGROUND :

A District objective is that growth pays for growth. This is achieved by charging capacity and annexation fees to new customers. Periodically, these fees are reviewed and updated to ensure equity and accuracy of the fees.

In July 2009, an RFP was issued to retain a consultant to conduct a water and sewer capacity and annexation fee study for the District. Three firms responded, and in October 2009, under the General Manager's authority, the firm of PBS&J was retained to perform a capacity and annexation fee study for the District.

Water Capacity Fee:

In November 2004, the Board raised the water capacity fee as recommended by the rate study performed by the firm Black & Veatch. The rate study was completed in Fiscal Year 2003 and identified the legally supported capacity fee of \$4,120. This calculation was based on the most up-to-date capital improvement plan at that time, the Draft 2004 Water Resources Master Plan. As a result of the study, the Board set the new capacity fee at \$4,120 and assigned the January 1, 2003 ENR Index as the new basis from which the capacity fee is to be inflated each quarter. The current water capacity fee is \$5,437 after being adjusted for the ENR Index through April 1, 2010.

Historically, the methodology for Otay's capacity fee has been to create a fee whereby the cost of all future expansion projects is divided by all future customers. This is called the Incremental Capacity Fee methodology and is one of several industry standard methodologies for calculating a capacity fee charge.

ID 9, Rancho Jamul Zone 1655 Fee:

In 1992, the Board adopted a new fee to fund the construction of a reservoir. This fee was for a limited number of customers. Since then, plans have changed to build a reservoir to serve a larger population and possibly at a higher zone. For the sake of equity and simplicity, staff recommends the elimination of this fee. The current water capacity fee for Zone 1655 of \$25,644, only applies to three potential customers of what is

likely to be over 100 customers to be serviced by the planned reservoir.

Water Annexation Fee:

In May 2006, the water annexation fee was adjusted to reflect the same base data as the capacity fee study performed in 2004. This resulted in an increase of the fee by \$102. This fee is charged to new customers annexing into an Improvement District (ID) within the District. Its purpose is to collect from new water customers their fair share of excess capacity in existing facilities. The current water annexation fee is \$1,602 after being adjusted for the ENR Index through April 1, 2010.

Sewer Capacity and Annexation Fees:

The sewer capacity and annexation fees were last updated in November 1998 as part of a fee study. The District is scheduled to conduct a Wastewater Master Plan to commence in Fiscal Year 2011. Once the District has updated the sewer capital planning with more timely and relevant data, a capacity and annexation fee study will be performed.

CAPACITY FEE ANALYSIS:

There are several industry accepted methodologies to use when calculating capacity and annexation fees.

Methodology:

The first method is the Incremental Capacity Fee, where the cost of all future expansion projects is divided by all future customers. Currently, this is the method used by the District for calculating the capacity fee. The following illustrates the components of this calculation.

$$\frac{\text{Value of Future Facilities}}{\text{Future Equivalent Meters}}$$

The second method is the Combined Fee. Under this methodology, the cost of the current system plus the cost of all future expansion projects is divided by all customers existing and future. The following illustrates the combined fee methodology.

$$\frac{\text{Existing and Future Asset Values}}{\text{Existing and Future Equivalent Meters}}$$

The third method is called the Buy-in Fee, where the cost of the current system, including the excess capacity, is divided by the existing customers. This fee is charged to all new customers and reflects how much existing customers have paid for the current system. The calculation is illustrated below.

Existing Asset Value
Existing Equivalent Meters

Each of the three fee methodologies is viable under California law. The agency's choice of which method they use is normally driven by two factors: the availability of data and where they are in their growth curve. It is important to note, that without a master plan or engineering developed CIP the incremental and combined fees cannot be calculated. Also, the buy-in and combined fees cannot be calculated unless the agency has a good fixed asset and/or GIS system.

Where the agency is on their growth curve is also an important factor in deciding which approach to use. If an agency is from 1% to 30% built-out then the incremental fee is the most appropriate. This is because very few facilities have been built but many expansion capital projects are planned. From 31% to 80% built-out the combined fee is most appropriate because the agency has both established assets but has expansion projects as well. The buy-in fee is the most appropriate as an agency nears build-out, since the majority or all of the assets are in the ground and there are very few if any expansion assets required.

Asset Valuation:

For all three of the capacity fee methodologies discussed above, there are two ways to value the cost of existing facilities. The first valuation methodology is reproduction cost. This method uses the original cost of existing facilities adjusted for inflation. The second valuation methodology is replacement cost or what it would cost today to build the same functional infrastructure (which means it may not be identical in construction methods or materials, but that it performs the same function). The methodologies and their pros and cons are listed in Table A below.

Table A		
Summary of Valuation Methods		
Valuation Method	Description	Pros/Cons
Reproduction Cost	Estimated design and construction cost of facilities under present market conditions. An appropriate index (trend factor) is applied to historical cost. Does not consider any technological improvements or regulatory modifications. If assets are new and technology has not changed much, this can be equivalent to Replacement Cost. The older the assets the greater the disparity with Replacement Cost.	Pro: Can be one of the easiest to calculate. Con: Unless the system is fairly new, this method deflates the value of existing assets.
Replacement Cost	The cost to construct a facility in today's dollars with the latest advances in technology and new regulatory requirements. This is as if the asset is constructed today. The most economical new facility that could replace services provided by the asset being valued.	Pro: Provides current cost to replace the system. Con: Requires specific asset information and an engineering determination of present construction costs of similar facilities.

For both of these methods there is a choice to either deduct or not deduct depreciated costs from these values. The logic to deduct depreciation and use depreciated value is that when new customers are buying into an existing system, they are buying facilities that are aged and will not have the service life of new facilities. This prevents a new customer from paying full value for an old asset about to be replaced, then paying a second time when the asset is replaced. The logic to use full value is that the maintenance cost of the infrastructure is not included and these assets and maintenance costs are what keep the assets at operational standards. The District is, however, recommending an annexation fee that partially addresses the recuperation of maintenance costs, making full value a less appropriate option.

Staff's recommendation is to use replacement cost using depreciated value as the basis for valuation of water pipelines. Reproduction cost using depreciated value is recommended for all other assets such as reservoirs and pump stations.

Replacement cost has become an industry standard for agencies, such as Otay, with a fully developed GIS database where an inventory of facilities and their characteristics can be obtained with minimal effort. The facility information in a GIS

system is normally much more complete than an agency's financial fixed asset records. Replacement cost provides a fair value for both existing and future customers while reproduction cost understates the value of a utility system unless facilities are new.

It is common to use reproduction cost for reservoirs and pump stations because of the difficulty in estimating accurate replacement cost. New technology, materials, environmental issues, customer demands, and regulations could be different now than when originally constructed and a calculation of replacement cost for each reservoir and pump station would be on a case by case basis. This would be very difficult and time consuming.

The following Table B provides a summary of capacity fee methodologies used by Helix, Padre Dam, and Olivenhain, who have recently updated their fees. The most relevant comparison is Padre Dam since they are using a valuation and methodology similar to that recommended for Otay. In Padre Dam's case, they use replacement cost using depreciated value to calculate the value of both their pipelines and pump stations. They use reproduction cost less depreciated value for reservoirs.

Table B				
Capacity Fee				
Agency	Fee	Valuation Methodology	Fee Methodology	Fee per EDU
Olivenhain MWD	Water	Reproduction Cost Less Depreciation	Combined	\$5,712-\$10,824
Helix WD	Water	Reproduction Cost Less Depreciation	Buy-in	\$6,947
Helix WD	Water Supply	Future Costs	Incremental	\$3,125
Helix WD			Total Fees	\$10,072
Padre Dam MWD	Water	Reproduction/ Replacement Cost Less Depreciation	Combined	\$8,872

Capacity Fee Options and Recommendations:

Option One: An Incremental Capacity Fee based on costs of all future expansion assets yields a capacity fee of \$7,803.

Option Two: (Recommended) A Combined Fee methodology that uses depreciated value for existing assets and future capital costs for expansion assets. Pipelines will be valued at replacement cost. Tanks and pumps will be valued at reproduction cost. The capacity fee would be \$7,499.

Option Three: A Buy-in Fee using replacement cost and depreciated value for pipelines, and reproduction cost using depreciated value for all others, yields a capacity fee of \$7,251.

With any of these options, the current capacity and annexation fee of \$5,437 would be replaced and the annexation fee of \$1,602 (based on excess capacity) would be eliminated because it is incorporated in the recommended capacity fee.

Water Capacity Fee for Triad

In 1989 three developers, Eastlake, Rancho Del Rey, and Rancho Del Sur, known as the "Triad" committed by agreement to make payments to the District to fund construction of potable water storage facilities. In return, the developers were assigned a lower capacity fee reflecting only the non-storage portion of this fee. There are approximately 642 Triad equivalent dwelling units (EDUs) expected to be purchased. The fee of \$5,613 was calculated excluding potable storage facilities and using the recommended method in Option 2 above.

New Water Supply Fee:

Another option being recommended is to separate out from the capacity fee the portion related to creating a "new water supply." This would be charged to new customers along with the capacity fee. Charging this separately would highlight the cost of new supply and emphasize that new customers are paying for new supply. Many of the new water supply projects also benefit existing customers as they provide a measure of "drought protection," add reliability to our system, and provide some independence from the County Water Authority and Metropolitan Water District. Therefore, consistent with the District's current practices, this betterment portion will be charged to all customers via rates and charges. The new water supply fee equates to \$864 per EDU.

Water Annexation Fee:

Our consultant has suggested a new and industry accepted method for calculating annexation fees. This method is commonly used by cities and districts which charge availability fees and/or receive property taxes. The reason why availability fees and property taxes are charged is to assist in maintaining the system assets for current and future users. The new method

ensures existing users are compensated for their past investment in the water system.

Under the recommended methodology, the annexation fee is equal to all property taxes paid by the existing District property owners (1% property tax and availability fees) divided by the total number of existing EDUs within the District. If approved, this fee will be charged to new customers who annex into the Otay Water District boundaries, as they have not historically paid their share of these fees or taxes. Thus, existing users are compensated for their past investment in maintaining the District's water system.

Under the new annexation fee methodology, using the present value of all property taxes paid by existing water customers the fee would be \$1,477. This fee would only be paid by new customers who annex into the Otay Water District boundaries.

FISCAL IMPACT:



The fiscal impact for Fiscal Year 2011, based on the projected meter sales, is an estimated increase in capacity fees and new water supply fees of approximately \$644,000 and \$269,000, respectively. There is not an expected fiscal impact for the new annexation fee in Fiscal Year 2011, since the District does not anticipate any new annexations. As growth in the District returns, the proposed increase in these fees is expected to have a significant positive impact in the financial standing and reduce the upward pressure on water rates.

STRATEGIC GOAL:

To ensure that the costs of service are born by responsible parties. This revenue source will help the District meet its fiscal responsibility to its ratepayers.

LEGAL IMPACT:

None.



General Manager

Attachments:

- A) Committee Action Form
- B) Ordinance No. 524
- C) Proposed Copy of Section 9
- D) Proposed Copy of Section 28
- E) Presentation



ATTACHMENT A

SUBJECT/PROJECT:

Adopt Ordinance No. 524 to Adjust the District's Water Capacity and Annexation Fees and Add a New Water Supply Fee

COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting on April 20, 2010 and the following comments were made:

- Staff is proposing that the District modify the methodology by which capacity and annexation fees are calculated and create a new water supply fee.
- One of the objectives for the capacity fee is for growth to pay for growth. New customers buy into the system that existing customers helped build. Fees are reviewed every four to six years to assure that the fees are equitable and accurate and are adjusted by the ENR Index every quarter to stay current.
- In October 2009, PBS&J was awarded a contract to assist the District on its Capacity and Annexation Fee Study. The District's water capacity fee was last updated in November 2004 by a study that was performed by Black & Veatch. The method proposed and currently in use is the *Incremental Capacity Fee Method* which is based on the cost of future expansion projects, divided by all future customers. The rate was set at \$4,120. The current capacity fee is \$5,437 through quarterly adjustments by the ENR Index.
- The District's water annexation fee was last updated in May 2006. The study was performed in-house using the water capacity fee study as a basis for cost. The fee is currently based on the value of excess capacity built into the system divided by the number of new customers anticipated. The fee was set at \$1,411. The current annexation fee is \$1,602 through quarterly adjustments by the ENR Index.
- Staff reviewed the various methods in calculating each of the fees and the outcome of a survey of capacity, annexation fees charged by the agencies in the region.

- Capacity Fee: The proposed methodology is based on where the District is in its growth cycle:

- o Incremental (this is the current method the District is utilizing):

Value of Future Facilities
Future Equivalent Meters

The incremental methodology is utilized up through approximately 30% of an agency's growth as the majority of the capital facilities that are included in the capacity fee are to be built in the future (the agency does not have a lot of existing assets).

- o Combined:

Existing and Future Asset Values
Existing and Future Equivalent Meters

The combined fee is widely used during the middle portion of an agency's growth. This is where the District is currently in its growth cycle. The District has a mix of future and existing facilities. The methodology requires that new developments help pay back existing users for the assets that are already in place.

- o Buy-in:

Existing Asset Value
Existing Equivalent Meters

Buy-in is normally utilized in the last 20% of an agency's growth as it does not have additional assets to build. The agency is asking new development to buy into the existing facilities.

- It was discussed that capacity fees may only include costs for the expansion portion of future systems and not the cost for the betterment of systems. It was illustrated that if a pipeline was at the end of its life cycle and it was determined that a larger pipeline will need to be built to replace the line, only the cost to expand the line may be used in calculating capacity fees.

- There are two ways to determine the value of existing assets:

- o Reproduction Cost:

- Original cost of existing facilities increased for inflation (identical facility type)

- o Replacement Cost:

- What it would cost today to build the same functional infrastructure (identical capacity with optimal facility type)

The value of the asset must also take into consideration the depreciation value (service life) of the asset. There are also arguments for using full value. The argument for using depreciated value is that existing assets are not new no matter how you value them. The argument for using full value is that assets are being maintained every day to a certain level of service standards and those maintenance costs are not included in the cost of the asset.

- It was discussed that if the District needed to replace an asset before it was fully depreciated it would be shown as a loss on the financial statements. The Board asked if this has occurred at the District with any large infrastructure assets. Staff mentioned that at times small portions of pipes are replaced but that these are not written off as a loss due to their immaterial financial nature. Staff did not recall any infrastructure asset that had been replaced that had a remaining life but would check into this.
- A slide was presented that showed Otay in the top quarter (19th of 22 agencies) in capacity fee cost among the San Diego member agencies. It was noted that the agencies with lower cost capacity fees may be fully built out and/or they have not recently updated their fee. There are many reasons for the difference. It was noted that Helix WD, Olivenhain MWD and Padre Dam MWD have recently updated their fees and are much closer to Otay's fees and thus, Otay is in line with other agencies.
- New Water Supply Fee of \$864 is based on the cost of new projects that would expand water supplies:

- o It will be charged to all new customers and is calculated as follows:

$$\frac{\text{Value of New Water Supply Facilities} \\ \text{(expansion portion)}}{\text{Future Equivalent Meters}}$$

- o It is felt that the fee of \$864 is adequate to meet the District's needs.
- o The committee inquired if the District is aware of its cost of inventory (cost to maintain inventory). It was discussed that the District's total maintenance cost is approximately \$4 million annually. The cost can be further broken down for each facility (reservoir, pump station, etc.). The committee asked if staff could provide this information.

- Annexation Fee:

- o Existing customers currently pay 1% property tax plus availability fees. The annexation fee would ensure that new customers pay back those customers who've paid property taxes and availability fees in the past. The new fee would be \$1,477.
 - o A slide was presented which indicated that Otay was the second lowest cost annexation fee in comparison with 10 other regional agencies who charge annexation fees. It was noted that each agency utilizes a different methodology, based on their particular circumstances, in calculating their annexation fee.
 - o Staff presented another slide showing a comparison among local agencies total combined Capacity, Annexation and New Water Supply fees wherein Otay is 17th of 22 agencies in cost.
 - o There was a discussion that the proposed fees are reasonable, fair and industry standard. It was felt the methodology is defensible.
- Staff is recommending that the District utilize *Replacement Cost* using the depreciated value of assets to calculate

capacity fees for pipelines and *Reproduction Cost at depreciated value* for reservoirs and pump stations, effective July 1, 2010. The District has a fully developed GIS database where it can extract size, type of materials, the day the asset was put into service, etc. and, thus, can enhance the accuracy of the numbers used in the calculation. It is felt that these methods would provide the most equitable value for both existing and future customers.

- Slides were also presented illustrating the difference in the fees (annexation and capacity) based on utilizing the different methodologies and Full Value versus Depreciated Value of assets.
- Staff indicated that the fiscal impact in Fiscal Year 2011, if the proposed fees were implemented, are additional revenues of \$644,000 in capacity fees, and \$269,000 in new supply fees and \$0 in annexation fees (the District does not anticipate any new annexations into its boundaries in Fiscal Year 2011).
- It was noted that there is a capacity fee identified as the *Triad Fee* where three developers paid a significant portion of capacity fees up front and, thus, their developments pay a reduced capacity fee of \$5,612 based on their contract with the District. The *Triad Fee* encompasses the developments of Eastlake, Rancho del Rey and Sunbow. Staff is also recommending the elimination of ID 9, Rancho Jamul Zone 1655.

Following the discussion, the committee supported staffs recommendation and presentation to the full board as an action item.

ORDINANCE NO. 524

AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE OTAY WATER DISTRICT AMENDING THE
CODE OF ORDINANCES SECTION 9, ANNEXATIONS AND
DETACHMENTS; SECTION 28, CONNECTION FEES AND
CHARGES FOR POTABLE OR RECLAIMED WATER SERVICE;
AND APPENDIX A, SCHEDULE OF FEES AND CHARGES

BE IT ORDAINED by the Board of Directors of Otay Water District that the language in Section 9, Annexations and Detachments; Section 28, Connection Fees and Charges for Potable or Reclaimed Water Service; and Appendix A, Schedule of Fees and Charges of the District's Code of Ordinances be amended as per the attached Appendices A, B, C-1 and C-2 to this ordinance.

NOW, THEREFORE, BE IT RESOLVED that the amendments to Sections 9, 39 and Appendix A of the Code of Ordinances shall become effective immediately upon adoption.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting duly held this 5th day of May 2010, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

President

ATTEST:

District Secretary

CHAPTER 6 MISCELLANEOUS ADMINISTRATION PROCEDURES

SECTION 9 ANNEXATIONS AND DETACHMENTS9.01 REQUIREMENT OF ANNEXATION FOR SERVICE

Except as provided elsewhere in this Code, whenever utility service is requested for land outside the boundaries of an improvement district, the land to be serviced must first be annexed to an improvement district(s). If the land is located outside the boundaries of the District, the land must also be annexed to the District.

9.02 ANNEXATIONS TO OR DETACHMENTS FROM IMPROVEMENTS DISTRICTS

An owner or owners of land within the District desiring to annex to or detach land from an improvement district within the District must file a petition for such proceeding with the District. Annexation proceedings shall be conducted pursuant to Chapter I (commencing with Section 72670) of Part 11, Division 20 of the California Water Code. Detachment or exclusion proceedings shall be conducted pursuant to Part 8.5 (commencing with Section 72080) of Division 20 of the California Water Code.

9.03 ANNEXATIONS TO OR DETACHMENTS FROM THE DISTRICT THROUGH LAFCO

An owner or owners desiring to annex land to or to detach land from the District may either (i) file a petition directly with the Local Agency Formation Commission (LAFCO) for the annexation or detachment or (ii) request the District to file the petition with LAFCO for such annexation or detachment. Any such proceeding for annexation or detachment, which is deemed a change of organization or reorganization pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, shall be initiated, conducted and completed pursuant to Title 6, Division 1 (commencing with Section 56000) of the California Government Code.

9.04 FEES AND CHARGES FOR ANNEXATIONS OR DETACHMENTS

A petitioner requesting an annexation to or detachment from the District or ~~an improvement district~~ within the District shall pay the following applicable fees and charges:

A. Administrative Processing Fees

1. District Processing Fee. A District processing fee (see Appendix A, 9.04 A.1. for fee) shall be paid to the District for each annexation or detachment proceeding, regardless of the number of parcels involved, provided all parcels are included in one proceeding. This fee shall constitute the "base rate" on March 3, 1997. The base rate shall be adjusted annually for fluctuations in the Consumer Price Index (Urban Wage Earners and Clerical Workers - Los Angeles) and subsequent cost-of-living adjustment (COLA).
2. Additional Processing Fees or Charges. The petitioner shall pay all processing fees and charges due LAFCO, the State Board of Equalization and any other applicable government agency.
3. Concurrent Annexations to or Detachments from the District and an Existing Improvement District. No additional processing costs or fees will be charged to a petitioner for an annexation to or detachment from an existing improvement district when the proceeding is part of an annexation to or detachment from the District.
4. Payment of Fees and Charges. The District processing fees and charges shall be paid to the District at the time the petition for such proceeding is filed. Where a petition is filed with LAFCO, the District shall notify LAFCO that payment of all required fees and charges to the District shall be a condition for District approval of the annexation or detachment.

- B. Annexation Fees for Annexations into ~~Water Improvement Districts.~~ the Otay Water District Boundaries. The annexation fee (see Appendix A, 9.04 B.) shall constitute the "base rate" on ~~March 13, 2006~~ ~~(effective July 1, 2006)~~ July 1, 2009. The base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the Engineering News Record Construction Cost Index for the Los Angeles Region. The ENR Construction Cost Index of ~~8552.39777.19 on~~ ~~(as of March 13, 2006)~~ July 1, 2009 shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from ~~March 13, 2006~~ June 10, 2009 to the date of payment.

1. No water annexation fee shall be required for existing and future agricultural water service furnished by the District under the COMMERCIAL AGRICULTURAL category of Section 25 of the Code.
2. Non-permanent irrigation water service furnished by the District under Section 30 of the Code shall be available without payment of a water annexation fee.
3. Open Space to be Annexed. Open space lands shall not be excluded from annexations of land to a water improvement district.
4. Water Meter Type Exclusions. Annexation fees shall be collected on all water meters sold except for temporary water meters, water tank truck meters, nonpermanent irrigation water meters and outside user meters, all as defined elsewhere in this Code.
5. Effective Date. Annexation fees shall be collected on all lands annexing ~~into a water improvement district~~ the Otay Water District boundaries on or after March 5, 1997.
6. Basis for Determination. For annexations of land ~~into a water improvement district within the District~~ the Otay Water District boundaries, the petitioner shall pay an annexation fee. The fee shall be paid at the time of water meter purchase.

For permanent water meters, except for commercial agricultural meters, the annexation fee shall be determined on the basis of the demand to be placed on the District-wide water system. The fee will be determined on the basis of the size of the water meter required, as set forth in Section 27 of the Code. The fee shall be determined by multiplying the demand factor for the meter size, as set forth in Section 28 of the Code, by the annexation fee per EDU. See Appendix A, 9.04 B. for fees.

- C. Annexation Fees for Annexations to Sewer Improvement Districts
 1. Improvement District Annexation. All annexation for sewer service shall be into Improvement District No. 18 on or after December 16, 1998.
 2. Open Space to be Annexed. Open space lands shall not be excluded from annexations of land to a sewer improvement district.

3. Effective Date. Annexation fees shall be collected on all lands annexing to a sewer improvement district on or after December 16, 1998.
4. Basis for Determination. For annexations of land to a sewer improvement district within the District, the petitioner shall pay an annexation fee. The fee shall be determined on the basis of the demand to be placed on the District sewer system. The fee shall be paid at the time of sewer service connection request or General Manager's approval of plans, whichever occurs earlier. The extent of the demand will be determined on the basis of each equivalent dwelling unit (EDU) of service which is to be connected to the District sewer system. The number of EDUs prescribed in Section 53 of the Code shall be the basis for computation of the amount of the annexation fee. The fee will be determined by multiplying the number of EDUs by the annexation fee per EDU. See Appendix A, 9.04 C.4 for fees.

This annexation fee shall constitute the "base rate" on December 16, 1998. The base rate shall be adjusted quarterly for fluctuations in construction costs as measured by the Engineering News Record Construction Cost Index for the Los Angeles Region. The ENR Construction Cost Index of \$6,859.45 (as of November 9, 1998) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from November 9, 1998 to the date of payment.

D. Detachment Fees

For each detachment of land from an improvement district, the petitioner shall pay such fees as the General Manager determines are appropriate for the detachment. Determinations shall be made by the General Manager on a case-by-case basis.

9.05 TAXATION OF PROPERTY AFTER ANNEXATION TO IMPROVEMENT DISTRICT

Where property is annexed by a petitioner, other than a tax-exempt agency, the property in the annexed area shall be subject to taxation after the annexation thereof for the purposes of the improvement district, including the payment

of principal and interest on bonds and other obligations of the improvement district authorized and outstanding at the time of the annexation. The Board of Directors shall provide as a condition of the annexation that the annexed area shall be subject to taxation as if the property had always been a part of the improvement district.

SECTION 28 CONNECTION FEES AND CHARGES FOR POTABLE OR RECLAIMED WATER SERVICE

28.01 COLLECTION OF FEES AND CHARGES

A. Fees and Charges to be paid by the Customer.

The following fees and charges shall be paid by the customer to connect to a District water system for potable water or reclaimed water service; these are in addition to the fees and charges in Section 9 and 25. Fees and charges shall include, but not be limited to, District fees, San Diego County Water Authority fees, applicable zone charge and charges for work performed by District personnel on behalf of the customer. These charges may include the installation by District personnel of a water service lateral, and inspections required due to the requirement of a back flow device. These charges may also include a meter fee, installation fee (where laterals exist), lateral fee, meter box fee, and excavation permit fee.

B. Basis for Determination of Connection Fees and Charges.

The fees and charges shall be determined as follows:

~~1.~~ For permanent water meters, including potable or recycled irrigation service, the total water connection fee shall be determined on the basis of the demand to be placed on the District water system. The extent of demand will be determined on the basis of the size of the water meter, as set forth in Section 27 of the Code. The water connection fee will be determined by multiplying the demand factor for the meter size, as set forth below, ~~for the meter size~~ by the total of the District-wide capacity fee and applicable zone charge.

<u>Meter Size</u>	<u>Demand Factor</u>
3/4"	1
1	2-1/2
1-1/2"	5
2"	8
3"	16
4"	25
6"	50
8"	80
10"	115

1. The District-wide capacity fee and the applicable zone charge shall constitute the "base rate." For fees or charges after ~~January 1, 2003~~ July 1, 2010, the base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the *Engineering News Record Construction Cost Index for the Los Angeles Region*. The ENR Construction Cost Index of ~~7,402.75~~ 9777.19 (as of ~~January 1, 2003~~ July 1, 2009) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from ~~April 2, 2003~~ June 10, 2009 to the date of payment. (See Appendix A, 28.01 B.1. for fees.)

2. The District-wide new water supply fee shall constitute the "base rate." For fees or charges after July 1, 2010, the base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the *Engineering News Record Construction Cost Index for the Los Angeles Region*. The ENR Construction Cost Index of 9777.19 (as of July 1, 2009) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from June 10, 2009 to the date of payment. (See Appendix A, 28.01 B.2. for fees.)

28.02

INSTALLATION CHARGES FOR WATER METER AND WATER SERVICE LATERALS

The determination of the water meter or service lateral size shall be based upon the information provided by the customer as detailed in Section 27 of the Code. The installation charges are set forth in Appendix A, 28.02.

Where a water meter larger than 2-inch or a new water lateral is required, a customized, written estimate of the District's costs will be prepared.

The customer shall deposit the estimated costs with the District prior to commencement of the work. If actual costs incurred by the District are less than the amount deposited, the District shall refund the excess to the customer. If the actual costs incurred exceed the amount deposited, the customer shall reimburse the District for the additional costs.

28.03

METER FEE REFUND

- A. If a water meter/service has been paid for but not installed, a customer may receive a refund of the District's capacity fee and charges. If San Diego County Water Authority capacity fees have been paid to San Diego County Water Authority, the customer shall request a refund from San Diego County Water Authority.

- B. If the customer wants to change the meter/service size, they will be credited with the number of equivalent dwelling units they have previously purchased and will be refunded any balance per Section 28.03 A, above. If additional equivalent dwelling units are required, the customer will be charged based on 28.01 and 28.02.

~~28.04 FEES FOR CONSTRUCTION OF WATER FACILITIES FOR RANCHO JAMUL
PRESSURE ZONE 1655~~

~~There is hereby established a fee for construction of water facilities that are required to provide water service in Pressure Zone 1655 within Improvement District 9. The pressure zone area is as shown on the map on file in the office of the District Secretary. See Appendix A, 28.01 B.1. for list of fees per meter size.~~

Otay Water District
Appendix A

Section #	Code #	Fee Description	Meter Size	Charges
9	9.04 A.1.	District Processing Fee		\$692.00
	9.04 B.	Annexation Fees for Annexations to Water Improvement Districts	Meter Size	District-wide Annexation Fee
		I.D.'s 1,2,3,5,7,10, 19,20, 22, 22/27 (excluding Triad), and 25 (only I.D.'s 5,7,10, 19, 22, and 22/27 require reclaimed irrigation meters). (For properties annexed after 3/5/97.)	3/4"	\$1,602.00
			1"	\$4,005.00
			1 1/2"	\$8,010.00
			2"	\$12,816.00
			3"	\$25,632.00
			4"	\$40,050.00
			6"	\$80,100.00
			8"	\$128,160.00
			10"	\$184,230.00
		ID 9	3/4"	\$1,602.00
			1"	\$4,005.00
			1 1/2"	\$8,010.00
			2"	\$12,816.00
			3"	\$25,632.00
			4"	\$40,050.00
			6"	\$80,100.00
			8"	\$128,160.00
			10"	\$184,230.00
		22/27 TRIAD	3/4"	\$1,602.00
			1"	\$4,005.00
			1 1/2"	\$8,010.00
			2"	\$12,816.00
			3"	\$25,632.00
			4"	\$40,050.00
			6"	\$80,100.00
			8"	\$128,160.00

			10"	\$184,230.00			
	9.04 C.4.	Annexation Fees for Annexations to Sewer Improvement Districts				\$5,445.00	
10	10.01	Filing of Petition				\$50.00	
23	23.04	Backflow Certification					
		- Second Notification				\$10.00	
		- Third Notification				\$25.00	
		- Reconnection (service resumed)				\$50.00	
		- Initial Filing Fee (New applicants for addition to the list of approved backflow prevention device testers)				\$25.00	
		- Renewal Filing Fee (to remain on list of approved backflow prevention device testers)		Annually		\$10.00	
25	25.03 A.	Set-up Fees for Accounts				\$10.00	
25	25.03 C.	Monthly Fixed System Charges, MWD & CWA Charges	Meter Size	System Charge	MWD & CWA Fixed Charge	Total Fixed Charge	
			3/4"	\$14.58	\$9.77	\$24.35	
			1"	\$18.52	\$16.28	\$34.80	
			1-1/2"	\$28.37	\$32.61	\$60.98	
			2"	\$40.18	\$52.15	\$92.33	
			3"	\$71.68	\$104.30	\$175.98	
			4"	\$107.13	\$162.98	\$270.11	
			6"	\$205.59	\$325.92	\$531.51	
			8"	\$323.73	\$521.51	\$845.24	
			10"	\$461.57	\$749.61	\$1,211.18	
25	25.03 E.1.(b)	Domestic Residential Water Rates		Unit	Charge		
				1 - 5	\$1.35		
				6-10	\$2.10		
				11-22	\$2.73		
				23 & over	\$4.21		

25	25.03 E.2.(b)	Multiple Residential Water Rates - Per Dwelling Unit		1-4	\$2.08		
				5-8	\$2.70		
				9 & over	\$4.15		
25	25.03 E.3.(b)	Business and Publicly-Owned Water Rates	under 10"	1-173	\$2.22		
				174-831	\$2.27		
				832 & over	\$2.31		
			10" & larger	1-7426	\$2.22		
				7427-14616	\$2.27		
				14617 & over	\$2.31		
25	25.03 E.4.(c)	Irrigation and Commercial Agricultural Using Potable Water Rates	1" & smaller	1-49	\$3.02		
				50-132	\$3.08		
				133 & over	\$3.14		
			1.5 & 2"	1-144	\$3.02		
				145-355	\$3.08		
				356 & over	\$3.14		
			3" & larger	1-1044	\$3.02		
				1045-8067	\$3.08		
				8068 & over	\$3.14		
25	25.03 E.5.(c)	Recycled Water Rates	1" & smaller	1-42	\$2.58		
				43-97	\$2.62		
				98 & over	\$2.67		
			1.5 & 2"	1-168	\$2.58		
				169-402	\$2.62		
				403 & over	\$2.67		
			3 & 4"	1-403	\$2.58		
				404-820	\$2.62		
				821 & over	\$2.67		

			6" & larger	1-7916	\$2.58	
				7917-16357	\$2.62	
				16358 & over	\$2.67	
25	25.03 E.6.(b)	Temporary and Construction Water Service Rates	1" & smaller	1-49	\$6.04	
				50-132	\$6.16	
				133 & over	\$6.28	
			1.5 & 2"	1-144	\$6.04	
				145-355	\$6.16	
				356 & over	\$6.28	
			3" & larger	1-1044	\$6.04	
				1045-8067	\$6.16	
				8068 & over	\$6.28	
25	25.03 E.8.(b)	Tank Trucks Water Rates	1" & smaller	1-49	\$6.04	
				50-132	\$6.16	
				133 & over	\$6.28	
			1.5 & 2"	1-144	\$6.04	
				145-355	\$6.16	
				356 & over	\$6.28	
			3" & larger	1-1044	\$6.04	
				1045-8067	\$6.16	
				8068 & over	\$6.28	
25	25.03 E.9.(c)	Application Fee for Water Service Outside District Boundaries			\$500.00	
25	25.03 E.9.(d)	Water Rate for Service Outside District Boundaries	1" & smaller	1-49	\$6.04	
				50-132	\$6.16	
				133 & over	\$6.28	
			1.5 & 2"	1-144	\$6.04	
				145-355	\$6.16	
				356 & over	\$6.28	

			3" & larger	1-1044	\$6.04	
				1045-8067	\$6.16	
				8068 & over	\$6.28	
25	25.03 E.10.(b)	Application Fee for Water Service Outside an Improvement District			\$275.00	
25	25.03 E.10.(c)	Water Rate for Service Outside Improvement District	1" & smaller	1-49	\$6.04	
				50-132	\$6.16	
				133 & over	\$6.28	
			1.5 & 2"	1-144	\$6.04	
				145-355	\$6.16	
				356 & over	\$6.28	
			3" & larger	1-1044	\$6.04	
				1045-8067	\$6.16	
				8068 & over	\$6.28	
25	25.03 E.11.(c)	Fire Service Monthly Charge			\$30.11	
25	25.03 E.12.(b)	Additional Water Service for Property Not Subject to District Taxes		per unit	\$0.29	
25	25.03 E.13.(b)	Interim Service Water Rate in Improvement District 7	1" & smaller	1-49	\$6.04	
				50-132	\$6.16	
				133 & over	\$6.28	
			1.5 & 2"	1-144	\$6.04	
				145-355	\$6.16	
				356 & over	\$6.28	
			3" & larger	1-1044	\$6.04	
				1045-8067	\$6.16	
				8068 & over	\$6.28	

25	25.03 F.	Energy Charges for Pumping Water		Per 100 ft of list over 450 ft per unit	\$0.038		
25	25.03 G.1.	Additional Water Charge for Service in the North District		Per unit charge except for the first 5 units of residential	\$0.08		
25	25.03 H.1.	Additional Water Charges for Service in the Improvement District 9 Water Service Zone		Per unit charge except for the first 5 units of residential	\$0.27		
25	25.03 H.2.	Additional Monthly System Fee for Improvement District 9			\$2.00		
25	25.03 I.1.(a)	Additional Water Charges for Services in Improvement District 3		Per unit charge except for the first 5 units of residential	\$0.17		
25	25.03 I.1.(b)	Additional Water Charges for Services in Improvement District 10		Per unit charge except for the first 5 units of residential	\$0.25		
25	25.03 I.1.(c)	Additional Water Charges for Services in La Presa		Per unit charge except for the first 5 units of residential	\$0.07		
25	25.04 A.	Deposits for Non-Property Owners	3/4"		\$75.00		
			1"		\$150.00		
			1-1/2"		\$200.00		
			2"		\$360.00		
			3"		\$800.00		
			4"		\$1,350.00		

			6"		\$3,300.00		
			8"		\$4,400.00		
			10"		\$5,500.00		
28	28.01 B.1.	Capacity Fees and Zone Charge	Meter Size	District-wide Capacity Fee	Rancho Jamul Zone 1655 Fee		
		I.D.'s 1,2,3,5,7,10, 19,20, 22, 22/27 (excluding Triad), and 25 (only I.D.'s 5,7,10, 19, 22, and 22/27 require reclaimed irrigation meters).	3/4"	\$5,437.00			
			1"	\$13,593.00			
			1 1/2"	\$27,185.00			
			2"	\$43,496.00			
			3"	\$86,992.00			
			4	\$135,925.00			
			6"	\$271,850.00			
			8"	\$434,960.00			
			10"	\$625,255.00			
		ID 9	3/4"	\$5,437.00	\$25,644.00		
			1"	\$13,593.00	\$64,110.00		
			1 1/2"	\$27,185.00	\$128,220.00		
			2"	\$43,496.00	\$205,152.00		
			3"	\$86,992.00	\$410,304.00		
			4	\$135,925.00	\$641,100.00		
			6"	\$271,850.00	\$1,282,200.00		
			8"	\$434,960.00	\$2,051,520.00		
			10"	\$625,255.00	\$2,949,060.00		
		- 22/27 TRIAD	3/4"	\$4,094.00			
			1"	\$10,235.00			
			1 1/2"	\$20,470.00			
			2"	\$32,752.00			
			3"	\$65,504.00			
			4	\$102,350.00			
			6"	\$204,700.00			
			8"	\$327,520.00			
			10"	\$470,810.00			
28	28.02	Installation Charges for Water Meter and Water Service Laterals	Meter Size	Meter Fee	Meter Box	Installation	Total Fee
			3/4"	\$59.00	\$47.00	\$60.00	\$166.00

			1"		\$117.00	\$47.00	\$60.00	\$224.00
			1 1/2"		\$250.00	\$61.00	\$103.00	\$414.00
			2"		\$475.00	\$61.00	\$240.00	\$776.00
			3"		\$653.00	\$1,770.00	\$300.00	\$2,723.00
			4"		\$1,370.00	\$1,770.00	\$300.00	\$3,440.00
			6"		\$2,500.00	\$1,770.00	\$300.00	\$4,570.00
			8"		\$3,737.00	\$2,760.00	\$300.00	\$6,797.00
			10"		\$5,060.00	\$2,760.00	\$300.00	\$8,120.00
31	31.02 D.1	Requirement of Temporary Meter for Service			minimum/per day	\$25.00		
31	31.03 A.1.	Requirement of Deposit - Temporary Meters						
			3/4"			\$150.00		
			1"			\$180.00		
			1-1/2"			\$330.00		
			2"			\$445.00		
			3"			\$850.00		
			4"			\$850.00		
			6"			\$2,075.00		
31	31.03 A.4.	Temporary Meter Install & Removal				\$128.00		
31	31.03 A.5.	Temporary Meter Move Fee (includes backflow certification)	3/4" - 2"			\$64.00		
			3" and larger	No backflow test		\$64.00		
33	33.07 A.	Customer Request for Meter Test (Deposit)	5/8, 3/4 & 1"			\$25.00		
			1 1/2 & 2 "			\$50.00		
			3" & Larger			\$125.00		
34	34.01 D.2.	Returned Check Charges				\$25.00		
34	34.02 B.	Late Payment Charge				5% of Delinquent Balance		

34	34.02 G.1.(d)	Delinquency Tag				\$10.00		
34	34.02 G.3.(a)	Meter "Turn-On" Charge			During regular business hours	\$35.00		
34	34.02 G.3.(b)	Meter "Turn-On" Charge			After regular business hours	\$65.00		
53	53.04 C.1.	Sewer Connection Fee - Russell Square				\$7,500.00		
53	53.04 C.2.	Monthly Sewer Service Charge - Russell Square				\$200.00		
53	53.11 A.	Set-up Fees for Accounts				\$10.00		
53	53.11 B.2.	Residential Sewer Charges			Rate multiplied by winter average units)	\$1.56		
53	53.11 B.3.	Residential Sewer Charges Base Fee	5/8" & 3/4"			\$10.80		
			1" & larger			\$15.75		
53	53.11 B.4.	Monthly Residential Sewer Rate Without Consumption History	5/8" & 3/4"			\$36.88		
			1" & larger			\$41.83		
53	53.11.C.4.	Winter Averaging - Sewer						
		- Single Residential			19.68 - 15% discount = 16.73 units			
		- Multi-Residential			8 units - 15% discount = 6.8 units			
53	53.11 D.2.	Multi-Residential Rate Charges - Sewer			Rate multiplied by winter average units	\$1.56		
53	53.11 E.6.	Public Schools Sewer Rate			Per ASU (Based on Student Count)	\$36.88		

53	53.11 F.	Sewer State Loan Annual Charge		Per ASUs & Charged on annual tax bills	\$54.00		
53	53.11 G.1.	Monthly Service Charge for Commercial and Institutional Sewer		Per ASU	\$36.88		
60	60.03	Issuance of Availability Letters for Water and/or Sewer Service			\$75.00		
72	72.04 A.1.	Locking or Removing Damaged or Tampered Meters					
		- To Pull and Reset Meter	3/4" - 1"		\$170.00		
		- Broken Curbstop or Tabs	3/4" - 1"		\$192.00		
		- If Customer uses Jumper	3/4" - 1"		\$149.00		
		- Broken Lock/Locking Device	3/4" - 1"		\$56.00		
		- Cap Lock (Welded)	3/4" - 1"		\$158.00		
		- Broken Curbstop or Tabs	1.5" - 2"		\$265.00		
		- To Pull and Reset Meter	3"		\$351.00		
		- To Pull and Reset Meter	4"		\$454.00		
		- To Pull and Reset Meter	6"		\$454.00		
		- To Pull and Reset Meter	8"		\$600.00		
		- To Pull and Reset Meter	10"		\$600.00		
72	72.05 D. A.	Type I Fine					
		- First Violation			\$100.00		
		- Second Violations			\$200.00		
		- Third or each additional violation of that same ordinance or requirement within a twelve-month period			\$500.00		
		Type II Fine		Will not exceed per each day the violation is identified or continues.	\$5,000.00		

		Type III Fine		Fine up to amount specified per each day the violation is identified or continues.	\$500.00		
		Type IV Fine		Fine up to amount specified per each day the violation is identified or continues.	\$500.00		
State Water Code	#71630 & Annual Board Resolution #4142	Water Availability/Standby Annual Special Assessment Charge		Less Than One Acre all I.D.s &	\$10.00		
				Per Acre in I.D. 1, 5, & Outside an I.D.	\$10.00		
				Per Acre in I.D. 2,3,7,9,10,19,20, 22,25,& 27	\$30.00		
				Less Than One one acre Outside I.D. and greater than one mile from District facilities.	\$3.00		

				Per Acre for Outside I.D. & greater than one mile from District facilities.	\$3.00		
State Water Code	#71630 & Annual Board Resolution #4142	Sewer Availability/Standby Annual Special Assessment Charge		Less Than One Acre I.D. 4, 14, & 18	\$10.00		
				Per Acre I.D. 4, 14, & 18	\$30.00		
Annual Board Resolution		General Obligation Bond Annual Tax Assessment		Per \$1000 of assessed value for I.D. 27	\$0.005		
<u>Policies</u>							
5		Copies of Identifiable Public Records			\$0.10/page		
		Cassette Tape Duplication			\$2.00/tape		
		Yearly Subscription Service for Agendas and Ratified Minutes			\$20.00/year or \$0.50/meeting		
		Yearly Subscription Service for Board Packet and Ratified Minutes			\$100.00/year for first copy and \$200.00/year for each copy thereafter		

Otay Water District
Appendix A

Section #	Code #	Fee Description	Meter Size	Charges
9	9.04 A.1.	District Processing Fee		\$692.00
	9.04 B.	Annexation Fees for Annexations into Otay Water District Boundaries	Meter Size	District-wide Annexation Fee
			3/4"	\$1,477
			1"	\$3,693
			1 1/2"	\$7,385
			2"	\$11,816
			3"	\$23,632
			4"	\$36,925
			6"	\$73,850
			8"	\$118,160
			10"	\$169,855
	9.04 C.4.	Annexation Fees for Annexations to Sewer Improvement Districts		\$5,445.00
10	10.01	Filing of Petition		\$50.00
23	23.04	Backflow Certification		
		- Second Notification		\$10.00
		- Third Notification		\$25.00
		- Reconnection (service resumed)		\$50.00
		- Initial Filing Fee (New applicants for addition to the list of approved backflow prevention device testers)		\$25.00
		- Renewal Filing Fee (to remain on list of approved backflow prevention device testers)	Annually	\$10.00
25	25.03 A.	Set-up Fees for Accounts		\$10.00

25	25.03 C.	Monthly Fixed System Charges, MWD & CWA Charges	Meter Size	System Charge	MWD & CWA Fixed Charge	Total Fixed Charge	
			3/4"	\$14.58	\$9.77	\$24.35	
			1"	\$18.52	\$16.28	\$34.80	
			1-1/2"	\$28.37	\$32.61	\$60.98	

			2"	\$40.18	\$52.15	\$92.33
			3"	\$71.68	\$104.30	\$175.98
			4"	\$107.13	\$162.98	\$270.11
			6"	\$205.59	\$325.92	\$531.51
			8"	\$323.73	\$521.51	\$845.24
			10"	\$461.57	\$749.61	\$1,211.18
25	25.03 E.1.(b)	Domestic Residential Water Rates		Unit	Charge	
				1 - 5	\$1.35	
				6-10	\$2.10	
				11-22	\$2.73	
				23 & over	\$4.21	
25	25.03 E.2.(b)	Multiple Residential Water Rates - Per Dwelling Unit		1-4	\$2.08	
				5-8	\$2.70	
				9 & over	\$4.15	
25	25.03 E.3.(b)	Business and Publicly-Owned Water Rates	under 10"	1-173	\$2.22	
				174-831	\$2.27	
				832 & over	\$2.31	
			10" & larger	1-7426	\$2.22	
				7427-14616	\$2.27	
				14617 & over	\$2.31	
25	25.03 E.4.(c)	Irrigation and Commercial Agricultural Using Potable Water Rates	1" & smaller	1-49	\$3.02	
				50-132	\$3.08	
				133 & over	\$3.14	
			1.5 & 2"	1-144	\$3.02	
				145-355	\$3.08	

				356 & over	\$3.14		
			3" & larger	1-1044	\$3.02		
				1045-8067	\$3.08		
				8068 & over	\$3.14		
25	25.03 E.5.(c)	Recycled Water Rates	1" & smaller	1-42	\$2.58		
				43-97	\$2.62		
				98 & over	\$2.67		
			1.5 & 2"	1-168	\$2.58		
				169-402	\$2.62		
				403 & over	\$2.67		
			3 & 4"	1-403	\$2.58		
				404-820	\$2.62		
				821 & over	\$2.67		
			6" & larger	1-7916	\$2.58		
				7917-16357	\$2.62		
				16358 & over	\$2.67		
25	25.03 E.6.(b)	Temporary and Construction Water Service Rates	1" & smaller	1-49	\$6.04		
				50-132	\$6.16		
				133 & over	\$6.28		
			1.5 & 2"	1-144	\$6.04		
				145-355	\$6.16		
				356 & over	\$6.28		
			3" & larger	1-1044	\$6.04		
				1045-8067	\$6.16		
				8068 & over	\$6.28		
25	25.03 E.8.(b)	Tank Trucks Water Rates	1" & smaller	1-49	\$6.04		
				50-132	\$6.16		
				133 & over	\$6.28		

			1.5 & 2"	1-144	\$6.04		
				145-355	\$6.16		
				356 & over	\$6.28		
			3" & larger	1-1044	\$6.04		
				1045-8067	\$6.16		
				8068 & over	\$6.28		
25	25.03 E.9.(c)	Application Fee for Water Service Outside District Boundaries			\$500.00		
25	25.03 E.9.(d)	Water Rate for Service Outside District Boundaries	1" & smaller	1-49	\$6.04		
				50-132	\$6.16		
				133 & over	\$6.28		
			1.5 & 2"	1-144	\$6.04		
				145-355	\$6.16		
				356 & over	\$6.28		
			3" & larger	1-1044	\$6.04		
				1045-8067	\$6.16		
				8068 & over	\$6.28		
25	25.03 E.10.(b)	Application Fee for Water Service Outside an Improvement District			\$275.00		
25	25.03 E.10.(c)	Water Rate for Service Outside Improvement District	1" & smaller	1-49	\$6.04		
				50-132	\$6.16		
				133 & over	\$6.28		
			1.5 & 2"	1-144	\$6.04		
				145-355	\$6.16		
				356 & over	\$6.28		
			3" & larger	1-1044	\$6.04		
				1045-8067	\$6.16		
				8068 & over	\$6.28		

25	25.03 E.11.(c)	Fire Service Monthly Charge				\$30.11		
25	25.03 E.12.(b)	Additional Water Service for Property Not Subject to District Taxes			per unit	\$0.29		
25	25.03 E.13.(b)	Interim Service Water Rate in Improvement District 7	1" & smaller		1-49	\$6.04		
					50-132	\$6.16		
					133 & over	\$6.28		
			1.5 & 2"		1-144	\$6.04		
					145-355	\$6.16		
					356 & over	\$6.28		
			3" & larger		1-1044	\$6.04		
					1045-8067	\$6.16		
					8068 & over	\$6.28		
25	25.03 F.	Energy Charges for Pumping Water			Per 100 ft of list over 450 ft per unit	\$0.038		
25	25.03 G.1.	Additional Water Charge for Service in the North District			Per unit charge except for the first 5 units of residential	\$0.08		
25	25.03 H.1.	Additional Water Charges for Service in the Improvement District 9 Water Service Zone			Per unit charge except for the first 5 units of residential	\$0.27		
25	25.03 H.2.	Additional Monthly System Fee for Improvement District 9				\$2.00		

25	25.03 I.1.(a)	Additional Water Charges for Services in Improvement District 3		Per unit charge except for the first 5 units of residential	\$0.17		
25	25.03 I.1.(b)	Additional Water Charges for Services in Improvement District 10		Per unit charge except for the first 5 units of residential	\$0.25		
25	25.03 I.1.(c)	Additional Water Charges for Services in La Presa		Per unit charge except for the first 5 units of residential	\$0.07		

25	25.04 A.	Deposits for Non-Property Owners	3/4"		\$75.00		
			1"		\$150.00		
			1-1/2"		\$200.00		
			2"		\$360.00		
			3"		\$800.00		
			4"		\$1,350.00		
			6"		\$3,300.00		
			8"		\$4,400.00		
			10"		\$5,500.00		
28	28.01 B.1.	Capacity Fees and Zone Charge	Meter Size	District-wide Capacity Fee			
		- All IDs except Triad	3/4"	\$7,499.00			
			1"	\$18,748.00			
			1 1/2"	\$37,495.00			
			2"	\$59,992.00			
			3"	\$119,984.00			
			4"	\$187,475.00			
			6"	\$374,950.00			
			8"	\$599,920.00			
			10"	\$862,385.00			
		- 22/27 TRIAD	3/4"	\$5,612.00			
			1"	\$14,030.00			

			1 1/2"	\$28,060.00			
			2"	\$44,896.00			
			3"	\$89,792.00			
			4"	\$140,300.00			
			6"	\$280,600.00			
			8"	\$448,960.00			
			10"	\$645,380.00			
28	28.01 B.2.	Supply Fees	Meter Size	Supply Fee			
		- All IDs including Triad	3/4"	\$864.00			
			1"	\$2,160.00			
			1 1/2"	\$4,320.00			
			2"	\$6,912.00			
			3"	\$13,824.00			
			4"	\$21,600.00			
			6"	\$43,200.00			
			8"	\$69,120.00			
			10"	\$99,360.00			
28	28.02	Installation Charges for Water Meter and Water Service Laterals	Meter Size	Meter Fee	Meter Box	Installation	Total Fee
			3/4"	\$59.00	\$47.00	\$60.00	\$166.00
			1"	\$117.00	\$47.00	\$60.00	\$224.00
			1 1/2"	\$250.00	\$61.00	\$103.00	\$414.00
			2"	\$475.00	\$61.00	\$240.00	\$776.00
			3"	\$653.00	\$1,770.00	\$300.00	\$2,723.00
			4"	\$1,370.00	\$1,770.00	\$300.00	\$3,440.00
			6"	\$2,500.00	\$1,770.00	\$300.00	\$4,570.00
			8"	\$3,737.00	\$2,760.00	\$300.00	\$6,797.00
			10"	\$5,060.00	\$2,760.00	\$300.00	\$8,120.00
31	31.02 D.1.	Requirement of Temporary Meter for Service		minimum/per day	\$25.00		
31	31.03 A.1.	Requirement of Deposit - Temporary Meters					
			3/4"		\$150.00		
			1"		\$180.00		
			1-1/2"		\$330.00		
			2"		\$445.00		
			3"		\$850.00		

				4"			\$850.00		
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			6"		\$2,075.00		
31	31.03 A.4.	Temporary Meter Install & Removal			\$128.00		
31	31.03 A.5.	Temporary Meter Move Fee (includes backflow certification)	3/4" - 2"		\$64.00		
			3" and larger	No backflow test	\$64.00		
33	33.07 A.	Customer Request for Meter Test (Deposit)	5/8, 3/4 & 1"		\$25.00		
			1 1/2 & 2 "		\$50.00		
			3" & Larger		\$125.00		

34	34.01 D.2.	Returned Check Charges				\$25.00		
34	34.02 B.	Late Payment Charge				5% of Delinquent Balance		
34	34.02 G.1.(d)	Delinquency Tag				\$10.00		
34	34.02 G.3.(a)	Meter "Turn-On" Charge			During regular business hours	\$35.00		
34	34.02 G.3.(b)	Meter "Turn-On" Charge			After regular business hours	\$65.00		
53	53.04 C.1.	Sewer Connection Fee - Russell Square				\$7,500.00		
53	53.04 C.2.	Monthly Sewer Service Charge - Russell Square				\$200.00		
53	53.11 A.	Set-up Fees for Accounts				\$10.00		
53	53.11 B.2.	Residential Sewer Charges			Rate multiplied by winter average units)	\$1.56		
53	53.11 B.3.	Residential Sewer Charges Base Fee	5/8" & 3/4"			\$10.80		
			1" & larger			\$15.75		
53	53.11 B.4.	Monthly Residential Sewer Rate Without Consumption History	5/8" & 3/4"			\$36.88		
			1" & larger			\$41.83		
53	53.11.C.4.	Winter Averaging - Sewer						
		- Single Residential			19.68 - 15% discount = 16.73 units			
		- Multi-Residential			8 units - 15% discount = 6.8 units			

53	53.11 D.2.	Multi-Residential Rate Charges - Sewer		Rate multiplied by winter average units	\$1.56		

53	53.11 E.6.	Public Schools Sewer Rate		Per ASU (Based on Student Count)	\$36.88		
53	53.11 F.	Sewer State Loan Annual Charge		Per ASUs & Charged on annual tax bills	\$54.00		
53	53.11 G.1.	Monthly Service Charge for Commercial and Institutional Sewer		Per ASU	\$36.88		
60	60.03	Issuance of Availability Letters for Water and/or Sewer Service			\$75.00		
72	72.04 A.1.	Locking or Removing Damaged or Tampered Meters					
		- To Pull and Reset Meter	3/4" - 1"		\$170.00		
		- Broken Curbstop or Tabs	3/4" - 1"		\$192.00		
		- If Customer uses Jumper	3/4" - 1"		\$149.00		
		- Broken Lock/Locking Device	3/4" - 1"		\$56.00		
		- Cap Lock (Welded)	3/4" - 1"		\$158.00		
		- Broken Curbstop or Tabs	1.5" - 2"		\$265.00		
		- To Pull and Reset Meter	3"		\$351.00		
		- To Pull and Reset Meter	4"		\$454.00		
		- To Pull and Reset Meter	6"		\$454.00		
		- To Pull and Reset Meter	8"		\$600.00		
		- To Pull and Reset Meter	10"		\$600.00		
72	72.05 D. A.	Type I Fine					
		- First Violation			\$100.00		
		- Second Violations			\$200.00		
		- Third or each additional violation of that same ordinance or requirement within a twelve-month period			\$500.00		

		Type II Fine	Will not exceed per each day the violation is identified or continues.	\$5,000.00		
		Type III Fine	Fine up to amount specified per each day the violation is identified or continues.	\$500.00		
		Type IV Fine	Fine up to amount specified per each day the violation is identified or continues.	\$500.00		
State Water Code	#71630 & Annual Board Resolution #4142	Water Availability/Standby Annual Special Assessment Charge	Less Than One Acre all I.D.s &	\$10.00		
			Per Acre in I.D. 1, 5, & Outside an I.D.	\$10.00		
			Per Acre in I.D. 2,3,7,9,10,19,20, 22,25,& 27	\$30.00		

				Less Than One one acre Outside I.D. and greater than one mile from District facilities.	\$3.00		
				Per Acre for Outside I.D. & greater than one mile from District facilities.	\$3.00		
State Water Code	#71630 & Annual Board Resolution #4142	Sewer Availability/Standby Annual Special Assessment Charge		Less Than One Acre I.D. 4, 14, & 18	\$10.00		
				Per Acre I.D. 4, 14, & 18	\$30.00		

Annual Board Resolution		General Obligation Bond Annual Tax Assessment		Per \$1000 of assessed value for I.D. 27	\$0.005		
Policies							
5		Copies of Identifiable Public Records			\$0.10/page		
		Cassette Tape Duplication			\$2.00/tape		
		Yearly Subscription Service for Agendas and Ratified Minutes			\$20.00/year or \$0.50/meeting		
		Yearly Subscription Service for Board Packet and Ratified Minutes			\$100.00/year for first copy and \$200.00/year for each copy thereafter		

CHAPTER 6 MISCELLANEOUS ADMINISTRATION PROCEDURES

SECTION 9 ANNEXATIONS AND DETACHMENTS9.01 REQUIREMENT OF ANNEXATION FOR SERVICE

Except as provided elsewhere in this Code, whenever utility service is requested for land outside the boundaries of an improvement district, the land to be serviced must first be annexed to an improvement district(s). If the land is located outside the boundaries of the District, the land must also be annexed to the District.

9.02 ANNEXATIONS TO OR DETACHMENTS FROM IMPROVEMENTS DISTRICTS

An owner or owners of land within the District desiring to annex to or detach land from an improvement district within the District must file a petition for such proceeding with the District. Annexation proceedings shall be conducted pursuant to Chapter I (commencing with Section 72670) of Part 11, Division 20 of the California Water Code. Detachment or exclusion proceedings shall be conducted pursuant to Part 8.5 (commencing with Section 72080) of Division 20 of the California Water Code.

9.03 ANNEXATIONS TO OR DETACHMENTS FROM THE DISTRICT THROUGH LAFCO

An owner or owners desiring to annex land to or to detach land from the District may either (i) file a petition directly with the Local Agency Formation Commission (LAFCO) for the annexation or detachment or (ii) request the District to file the petition with LAFCO for such annexation or detachment. Any such proceeding for annexation or detachment, which is deemed a change of organization or reorganization pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, shall be initiated, conducted and completed pursuant to Title 6, Division 1 (commencing with Section 56000) of the California Government Code.

9.04 FEEES AND CHARGES FOR ANNEXATIONS OR DETACHMENTS

A petitioner requesting an annexation to or detachment from the District or within the District shall pay the following applicable fees and charges:

- A. Administrative Processing Fees
1. District Processing Fee. A District processing fee (see Appendix A, 9.04 A.1. for fee) shall be paid to the District for each annexation or detachment proceeding, regardless of the number of parcels involved, provided all parcels are included in one proceeding. This fee shall constitute the "base rate" on March 3, 1997. The base rate shall be adjusted annually for fluctuations in the Consumer Price Index (Urban Wage Earners and Clerical Workers - Los Angeles) and subsequent cost-of-living adjustment (COLA).
 2. Additional Processing Fees or Charges. The petitioner shall pay all processing fees and charges due LAFCO, the State Board of Equalization and any other applicable government agency.
 3. Concurrent Annexations to or Detachments from the District and an Existing Improvement District. No additional processing costs or fees will be charged to a petitioner for an annexation to or detachment from an existing improvement district when the proceeding is part of an annexation to or detachment from the District.
 4. Payment of Fees and Charges. The District processing fees and charges shall be paid to the District at the time the petition for such proceeding is filed. Where a petition is filed with LAFCO, the District shall notify LAFCO that payment of all required fees and charges to the District shall be a condition for District approval of the annexation or detachment.
- B. Annexation Fees for Annexations into the Otay Water District Boundaries. The annexation fee (see Appendix A, 9.04 B.) shall constitute the "base rate" on July 1, 2010). The base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the Engineering News Record Construction Cost Index for the Los Angeles Region. The ENR Construction Cost Index of 9777.19 on July 1, 2009 shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from June 10, 2009 to the date of payment.
1. No water annexation fee shall be required for existing and future agricultural water service furnished by the District under the COMMERCIAL AGRICULTURAL category of Section 25 of the Code.

2. Non-permanent irrigation water service furnished by the District under Section 30 of the Code shall be available without payment of a water annexation fee.
3. Open Space to be Annexed. Open space lands shall not be excluded from annexations of land to a water improvement district.
4. Water Meter Type Exclusions. Annexation fees shall be collected on all water meters sold except for temporary water meters, water tank truck meters, nonpermanent irrigation water meters and outside user meters, all as defined elsewhere in this Code.
5. Effective Date. Annexation fees shall be collected on all lands annexing into the Otay Water District boundaries on or after March 5, 1997.
6. Basis for Determination. For annexations of land into the Otay Water District boundaries, the petitioner shall pay an annexation fee. The fee shall be paid at the time of water meter purchase.

For permanent water meters, except for commercial agricultural meters, the annexation fee shall be determined on the basis of the demand to be placed on the District-wide water system. The fee will be determined on the basis of the size of the water meter required, as set forth in Section 27 of the Code. The fee shall be determined by multiplying the demand factor for the meter size, as set forth in Section 28 of the Code, by the annexation fee per EDU. See Appendix A, 9.04 B. for fees.

C. Annexation Fees for Annexations to Sewer Improvement Districts

1. Improvement District Annexation. All annexation for sewer service shall be into Improvement District No. 18 on or after December 16, 1998.
2. Open Space to be Annexed. Open space lands shall not be excluded from annexations of land to a sewer improvement district.
3. Effective Date. Annexation fees shall be collected on all lands annexing to a sewer improvement district on or after December 16, 1998.
4. Basis for Determination. For annexations of land to a sewer improvement district within the Dis-

trict, the petitioner shall pay an annexation fee. The fee shall be determined on the basis of the demand to be placed on the District sewer system. The fee shall be paid at the time of sewer service connection request or General Manager's approval of plans, whichever occurs earlier. The extent of the demand will be determined on the basis of each equivalent dwelling unit (EDU) of service which is to be connected to the District sewer system. The number of EDUs prescribed in Section 53 of the Code shall be the basis for computation of the amount of the annexation fee. The fee will be determined by multiplying the number of EDUs by the annexation fee per EDU. See Appendix A, 9.04 C.4 for fees.

This annexation fee shall constitute the "base rate" on December 16, 1998. The base rate shall be adjusted quarterly for fluctuations in construction costs as measured by the Engineering News Record Construction Cost Index for the Los Angeles Region. The ENR Construction Cost Index of \$6,859.45 (as of November 9, 1998) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from November 9, 1998 to the date of payment.

D. Detachment Fees

For each detachment of land from an improvement district, the petitioner shall pay such fees as the General Manager determines are appropriate for the detachment. Determinations shall be made by the General Manager on a case-by-case basis.

9.05 TAXATION OF PROPERTY AFTER ANNEXATION TO IMPROVEMENT DISTRICT

Where property is annexed by a petitioner, other than a tax-exempt agency, the property in the annexed area shall be subject to taxation after the annexation thereof for the purposes of the improvement district, including the payment of principal and interest on bonds and other obligations of the improvement district authorized and outstanding at the time of the annexation. The Board of Directors shall provide as a condition of the annexation that the annexed area shall be subject to taxation as if the property had always been a part of the improvement district.

SECTION 28 CONNECTION FEES AND CHARGES FOR POTABLE OR RECLAIMED
WATER SERVICE

28.01 COLLECTION OF FEES AND CHARGES

A. Fees and Charges to be paid by the Customer.

The following fees and charges shall be paid by the customer to connect to a District water system for potable water or reclaimed water service; these are in addition to the fees and charges in Section 9 and 25. Fees and charges shall include, but not be limited to, District fees, San Diego County Water Authority fees, applicable zone charge and charges for work performed by District personnel on behalf of the customer. These charges may include the installation by District personnel of a water service lateral, and inspections required due to the requirement of a back flow device. These charges may also include a meter fee, installation fee (where laterals exist), lateral fee, meter box fee, and excavation permit fee.

B. Basis for Determination of Connection Fees and Charges.

The fees and charges shall be determined as follows:

For permanent water meters, including potable or recycled irrigation service, the total water connection fee shall be determined on the basis of the demand to be placed on the District water system. The extent of demand will be determined on the basis of the size of the water meter, as set forth in Section 27 of the Code. The water connection fee will be determined by multiplying the demand factor for the meter size, as set forth below, by the total of the District-wide capacity fee and applicable zone charge.

<u>Meter Size</u>	<u>Demand Factor</u>
3/4"	1
1	2-1/2
1-1/2"	5
2"	8
3"	16
4"	25
6"	50
8"	80
10"	115

1. The District-wide capacity fee and the applicable zone charge shall constitute the "base rate." For fees or charges after July 1, 2010, the base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the *Engineering News Record Construction Cost Index for the Los Angeles Region*. The ENR Construction Cost Index of 9777.19 (as of July 1, 2009) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from June 10, 2009 to the date of payment. (See Appendix A, 28.01 B.1. for fees.)

2. The District-wide new water supply fee shall constitute the "base rate." For fees or charges after July 1, 2010, the base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the *Engineering News Record Construction Cost Index for the Los Angeles Region*. The ENR Construction Cost Index of 9777.19 (as of July 1, 2009) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from June 10, 2009 to the date of payment. (See Appendix A, 28.01 B.2. for fees.)

28.02

INSTALLATION CHARGES FOR WATER METER AND WATER SERVICE LATERALS

The determination of the water meter or service lateral size shall be based upon the information provided by the customer as detailed in Section 27 of the Code. The installation charges are set forth in Appendix A, 28.02.

Where a water meter larger than 2-inch or a new water lateral is required, a customized, written estimate of the District's costs will be prepared.

The customer shall deposit the estimated costs with the District prior to commencement of the work. If actual costs incurred by the District are less than the amount deposited, the District shall refund the excess to the customer. If the actual costs incurred exceed the amount deposited, the customer shall reimburse the District for the additional costs.

28.03

METER FEE REFUND

- A. If a water meter/service has been paid for but not installed, a customer may receive a refund of the District's capacity fee and charges. If San Diego County Water Authority capacity fees have been paid to San Diego County Water Authority, the customer shall request a refund from San Diego County Water Authority.

- B. If the customer wants to change the meter/service size, they will be credited with the number of equivalent dwelling units they have previously purchased and will be refunded any balance per Section 28.03 A, above. If additional equivalent dwelling units are required, the customer will be charged based on 28.01 and 28.02.

Water Capacity and Annexation Fee Study

Finance, Administration, and
Communications Committee

April 20, 2010

Background

- Objective that growth pays for growth
- New customers “buy-in” to the system
- Fees reviewed every 4 to 6 years to ensure equity and accuracy
- Fees increased quarterly by ENR Index

Capacity and Annexation Fee Study

- RFP was issued in July 2009
- 3 firms responded to RFP
- In October 2009, PBS&J was selected as responsive bidder
- Karyn Keese is our consultant on this project

Water Capacity Fee

- This fee was last updated November 2004
- Black & Veatch performed the study
- The method used was the Incremental Capacity Fee Method
- The cost basis was future capital cost
- Rate was set at \$4,120
- The current capacity fee is \$5,437 for one EDU
- The capacity fee is adjusted quarterly using the ENR Index

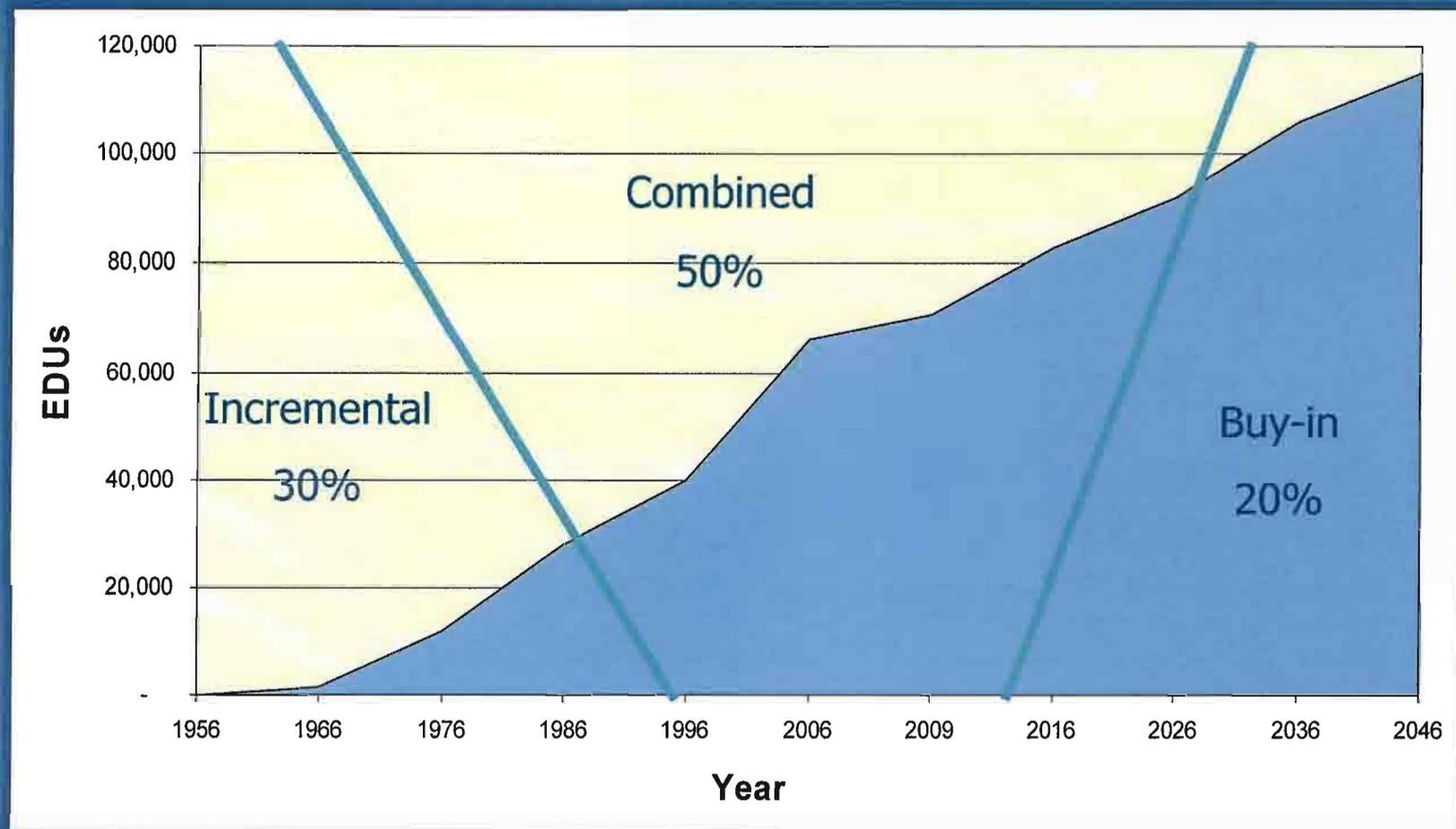
Water Annexation Fee

- The fee was last updated in May 2006
- The study was performed in-house using the water capacity fee study as a basis of cost
- The fee is based on the value of excess capacity divided by the number of new customers expected
- The fee was set at \$1,411
- The current water annexation fee is \$1,602
- The annexation fee is adjusted quarterly using the ENR Index

Calculation of Fees and Comparisons to Other Agencies

- Types of fees studied and the methods used
 - Water Capacity Fee
 - New Water Supply Fee
 - Water Annexation Fee
- Fee amounts and comparison to other agencies

Methods for Capacity Fees



Current Rate Study

- Capacity Fee Methodologies

- Incremental Capacity Fee:

- Value of Future Facilities

- Future Equivalent Meters

- Combined Fee:

- Existing and Future Asset Values

- Existing and Future Equivalent Meters

- Buy-in Fee:

- Existing Asset Value

- Existing Equivalent Meters

Methods to Value Cost

- **Reproduction Cost**
 - Original cost of existing facilities increased for inflation (Identical Facility Type)
- **Replacement Cost**
 - What it would cost today to build the same functional infrastructure (Identical Capacity with Optimal Facility Type)

Other Cost Considerations

- Depreciated Value of Assets
 - Existing assets are not new, therefore it makes sense to deduct depreciation
 - Takes into consideration the service life of the asset
- Full Value of Assets
 - Assets have been maintained to service level standards
 - Major maintenance not included in cost of assets

Recommended - Replacement Cost Using Depreciated Value of Assets

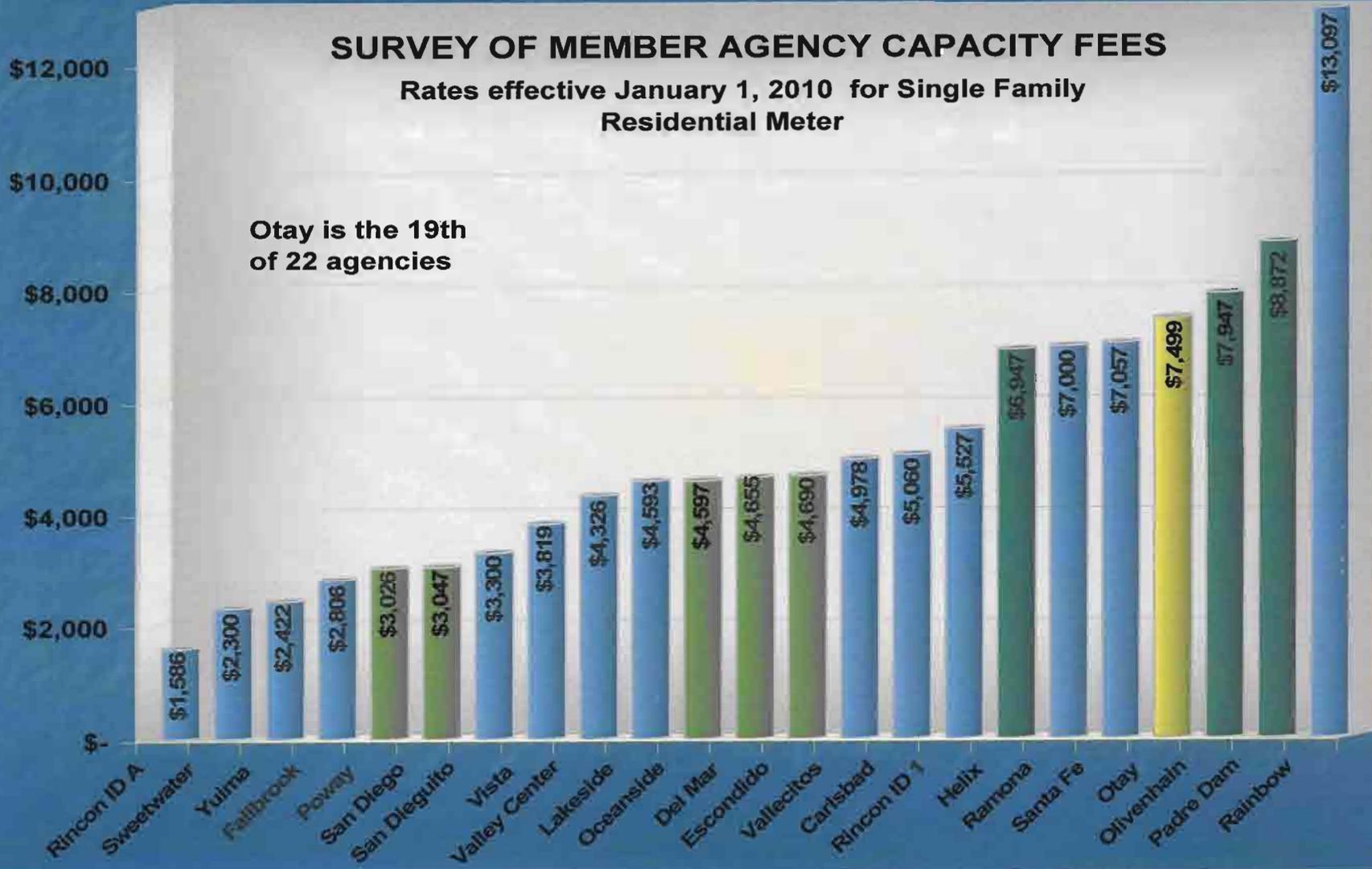
- Districts with fully developed GIS database can ensure accuracy of method
- Provides most equitable value for both existing and future customers
- Reproduction costs understates value of system

Capacity Fee Comparison

SURVEY OF MEMBER AGENCY CAPACITY FEES

Rates effective January 1, 2010 for Single Family Residential Meter

Otay is the 19th of 22 agencies



Water District

City

Recently updated Fees

Otay

Capacity Fee Comparison

SURVEY OF MEMBER AGENCY CAPACITY FEES
Rates effective January 1, 2010 for Single Family Residential Meter



New Water Supply Fee

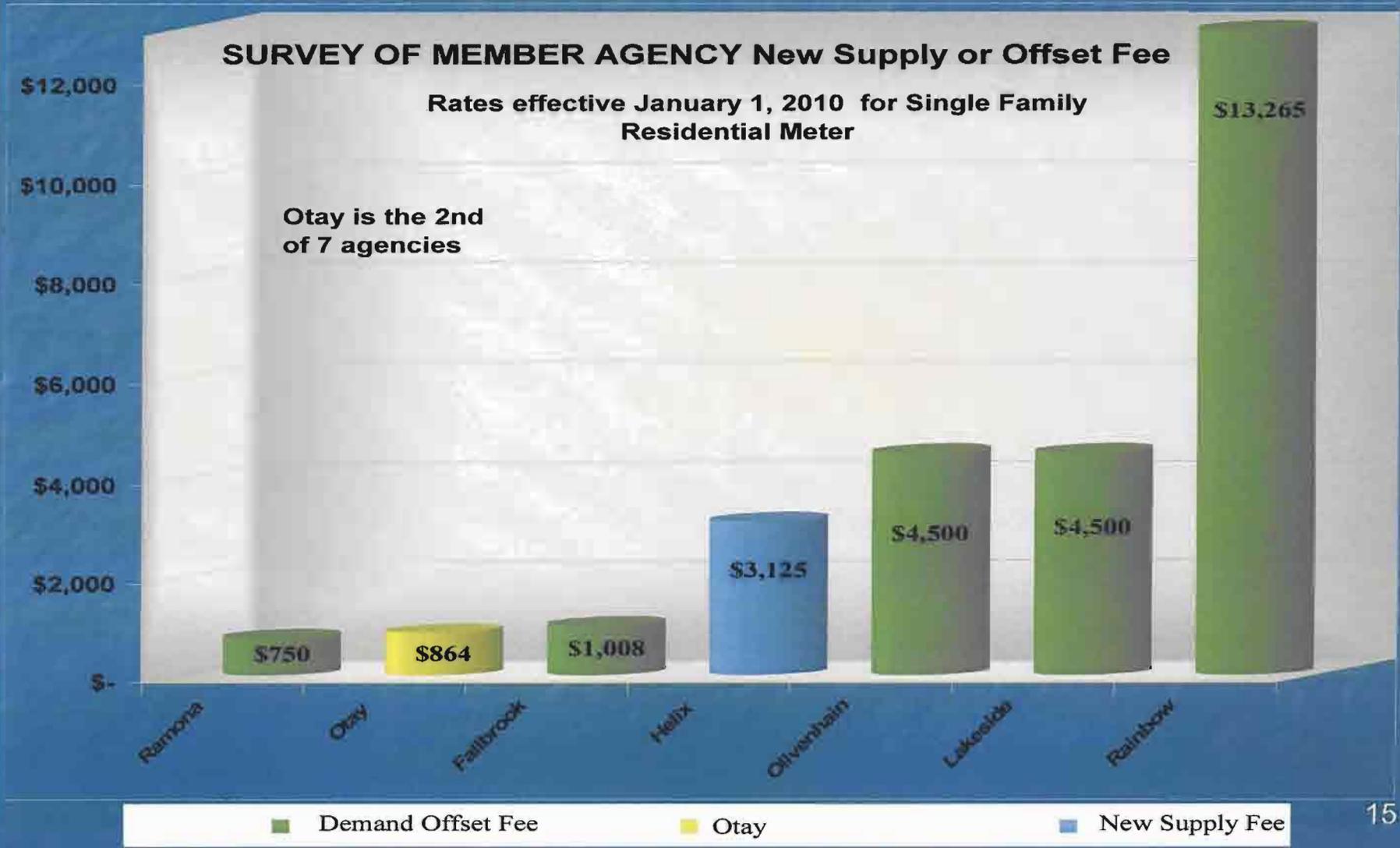
- Charged to all new customers
- Based on the expansion portion of new water projects

Value of New Water Supply Facilities (Expansion Portion)

Future Equivalent Meters

Proposed Fee = \$864

New Water Supply & Demand Offset Fee Comparison



Water Annexation Fee

- New recommended Annexation Fee
- Based on 1% and availability taxes paid by existing customers
- Only paid by customers annexing into the Otay Water District boundaries
- New fee would be \$1,477

Water Annexation Fee

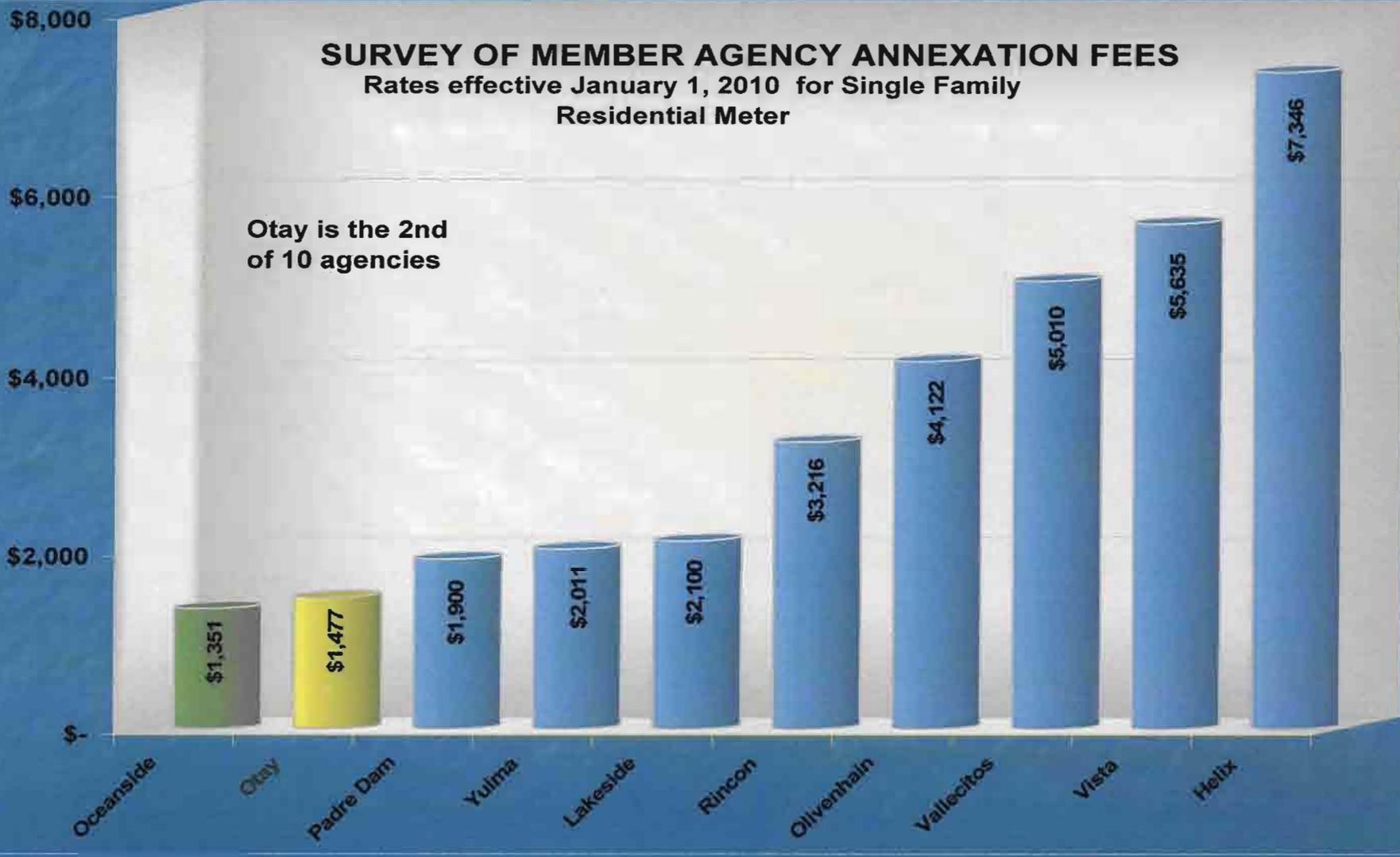


Otay Water
District
Boundaries



This new Annexation Fee would only be charged to those who annex into the District from outside the boundaries to ensure they pay back those who've paid property tax and availability fees in the past.

Annexation Fee Comparison



■ City

■ Otay

■ Water District

Total Capacity, Annexation & New Supply Fee Comparison

SURVEY OF MEMBER AGENCY CAPACITY, ANNEXATION & NEW WATER SUPPLY FEES

Rates effective January 1, 2010 for Single Family Residential Meter

Otay is the 17th of 22 agencies

Otay



Capacity Fees

Annexation Fee

New Water/Demand Offset

Difference in Fee Methods

Replacement Cost Using Depreciated Value

	Current Fees	Options		
		Buy-in	Incremental	Combined
Capacity Fee	\$ 5,437			
Current Annexation Fee ¹	<u>1,602</u>			
	7,039	\$7,249	\$7,803	\$7,499
New Water Supply Fee		<u>864</u>	<u>864</u>	<u>864</u>
Total Fees for New Meter	\$ 7,039	\$8,113	\$8,667	\$8,363
New Annexation Fee (Tax Fee) ²		\$1,477	\$1,477	\$1,477

¹ Only 75% of customers this fiscal year have paid annexation fees to annex into an ID to receive water service

² Only for customers annexing from outside of Otoy Water District boundaries

Difference in Fee Methods

Replacement Cost Using Full Value

	Current Fees	Options		
		Buy-in	Incremental	Combined
Capacity Fee	\$ 5,437			
Current Annexation Fee ¹	<u>1,602</u>			
	7,039	\$10,910	\$7,803	\$9,750
New Water Supply Fee		<u>864</u>	<u>864</u>	<u>864</u>
Total Fees for New Meter	\$ 7,039	\$11,774	\$8,667	\$10,614
New Annexation Fee (Tax Fee) ²		\$1,477	\$1,477	\$1,477

¹ Only 75% of customers this fiscal year have paid annexation fees to annex into an ID to receive water service

² Only for customers annexing from outside of Otoy Water District boundaries

Difference in Fee Methods

Reproduction Cost Using Depreciated Value

	Current Fees	Options		
		Buy-in	Incremental	Combined
Capacity Fee	\$ 5,437			
Current Annexation Fee ¹	<u>1,602</u>			
	7,039	\$4,571	\$7,803	\$5,853
New Water Supply Fee		<u>864</u>	<u>864</u>	<u>864</u>
Total Fees for New Meter	\$ 7,039	\$5,435	\$8,667	\$6,717
New Annexation Fee (Tax Fee) ²		\$1,477	\$1,477	\$1,477

¹ Only 75% of customers this fiscal year have paid annexation fees to annex into an ID to receive water service

² Only for customers annexing from outside of Otay Water District boundaries

Difference in Fee Methods

Reproduction Cost Using Full Value

	Current Fees	Options		
		Buy-in	Incremental	Combined
Capacity Fee	\$ 5,437			
Current Annexation Fee ¹	<u>1,602</u>			
	7,039	\$7,167	\$7,803	\$7,449
New Water Supply Fee		<u>864</u>	<u>864</u>	<u>864</u>
Total Fees for New Meter	\$ 7,039	\$8,031	\$8,667	\$8,313
New Annexation Fee (Tax Fee) ²		\$1,477	\$1,477	\$1,477

¹ Only 75% of customers this fiscal year have paid annexation fees to annex into an ID to receive water service

² Only for customers annexing from outside of Otay Water District boundaries

Recommendations

	Current Fees	Recommended Method
Capacity Fee	\$ 5,437	Combined Replacement Using Depreciated Value
Current Annexation Fee ¹	<u>1,602</u>	
	7,039	
New Water Supply Fee		\$7,499
		<u>864</u>
Total Fees for New Meter	\$ 7,039	\$8,363
New Annexation Fee (Tax Fee) ²		\$1,477
<p>¹ Only 75% of customers this fiscal year have paid annexation fees to annex into an ID to receive water service</p> <p>² Only for customers annexing from outside of Otay Water District boundaries</p>		

Fiscal Impact

- Approximate Fiscal Impact for FY 2011
 - \$644,000 for Capacity Fees
 - \$269,000 for New Supply Fees
 - Zero for Annexation Fees

Summary

- Adopt Ordinance No. 524 to amend the fees
 - The proposed fees, effective July 1, 2010, are applied on a per Equivalent Dwelling Unit (EDU) basis and they are as follows:
 - Capacity Fee \$7,499
 - Triad Fee \$5,612
 - New Water Supply Fee \$864
 - Annexation Fee \$1,477
 - Recommend the elimination of ID 9, Rancho Jamul Zone 1655 Fee



STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	May 5, 2010
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
SUBJECT:	Board of Directors 2010 Calendar of Meetings		

GENERAL MANAGER'S RECOMMENDATION:

At the request of the Board, the attached Board of Director's meeting calendar for 2010 is being presented for discussion.

PURPOSE:

This staff report is being presented to provide the Board the opportunity to review the 2010 Board of Director's meeting calendars and amend the schedules as needed.

COMMITTEE ACTION:

N/A

ANALYSIS:

The Board requested that this item be presented at each meeting so they may have an opportunity to review the Board meeting calendar schedule and amend it as needed.

STRATEGIC GOAL:

N/A

FISCAL IMPACT:

None.

LEGAL IMPACT:

None.

General Manager

Attachments: Calendar of Meetings for 2010

**Board of Directors, Workshops
and Committee Meetings
2010**

Regular Board Meetings:

January 6, 2010
February 3, 2010
March 3, 2010
April 7, 2010
May 5, 2010
June 2, 2010
July 7, 2010
August 4, 2010
September 1, 2010
October 6, 2010
November 3, 2010
December 1, 2010

**Special Board or Committee Meetings (3rd
Wednesday of Each Month or as Noted)**

January 20, 2010
February 17, 2010
March 17, 2010
April 21, 2010
May 19, 2010
June 16, 2010
July 21, 2010
August 18, 2010
September 15, 2010
October 20, 2010
November 17, 2010
December 15, 2010

Board Workshops:

Budget Workshop, Monday, May 17, 2010
Board Retreat Workshop, TBD

AGENDA ITEM 9



STAFF REPORT

TYPE		MEETING			
MEETING:	Regular Board	DATE:	May 5, 2010		
SUBMITTED	Mark Watton	W.O./G.F.	N/A	DIV.	N/A
BY:	General Manager	NO:		NO.	
SUBJECT:	General Manager's Report				

GENERAL MANAGER:

FLAGSHIP PROJECTS:

Update on the design, construction, and environmental matters of the **36-Inch Potable Water Pipeline from FCF #14 to Regulatory Site** (CIP P2009) for the month of March 2010:

- CCL continues to install 36-inch pipe within Jamacha Road. Tie-ins for the new 8-inch and 12-inch are scheduled for the June/July timeframe. CCL has begun installing pipe in Waterloo St. within the City of El Cajon. Project completion is anticipated for September 2010.

The East County Regional Treated Water Improvement Program (ECRTWIP):

- The General Manager executed the first amendments to each of the following two agreements: 1) Agreement between the San Diego County Water Authority and Otay Water District regarding implementation of the ECRTWIP and, 2) Agreement between the San Diego County Water Authority and Otay Water District for Design, Construction, Operation, and Maintenance of the Otay 14 Flow Control Facility Modifications, dated January 24, 2007. The two agreement amendments revise the *start* date for the take or pay provision contained within each of the two agreements from March 1, 2010 to January 1, 2011. It is anticipated that the 36-inch pipeline will be operational and begin conveying treated water in sufficient quantities from the

Helix Water District R. M. Levy Water Treatment Plant in late summer 2010.

ADMINISTRATIVE SERVICES AND FINANCE:

ADMINISTRATIVE SERVICES:

Human Resources:

- **Employee Information Meetings** - On April 15th, the District held Employee Information Meetings. These meetings are held every six months to provide employees with relevant information regarding key District projects and District updates. Some of the items covered at the meetings included updates on Flagship CIP projects, IMS/Inspection, and Customer Payment Options.
- **"Take Our Daughters and Sons to Work" Day** - On April 22nd, the District participated in the "Take Our Daughters and Sons to Work" day. A total of nine children of Otay staff participated in this event. The program included a presentation about the District's role in the community and exposed the children to what their parent does during the typical work day and why it is important to the District's success. This was followed by some water-related activities for the children and then a trip to the Water Conservation Garden, which they enjoyed immensely. Lunch was then provided for the children and their parents, and then the children were excused to return home or remain at work with their parents. Overall, this was a successful event enjoyed by all involved.
- **New Hires** - There were no new hires in the month of April.

Purchasing and Facilities:

- **SDG&E Utility Review** - Utility Cost Management, LLC (UCM), has concluded its review of the District's electricity accounts and have determined that the utility charges are appropriate under applicable tariffs and regulations and was not able to identify an opportunity for cost reduction or refund. UCM commends staff on the managing of utility services.
- **Purchase Orders** - There were 122 purchase orders processed in April 2010 for a total amount of \$1,258,675.41.

Safety and Security:

- Steve and Kelly Laughlin (4/1/10)
 - Denied claim for \$8,945.00, for water damage caused by water pressure when meter was changed. The customer is required to maintain a regulator for proper water pressure.

Water Conservation and School Education:

- **Outreach Events** - On April 7th, staff gave a water conservation presentation to about thirty people at the City of Chula Vista's Naturescape Workshop held at the Eastlake Clubhouse. In addition, the District had a booth at the Chula Vista "Go Green and Clean Event" on April 17th, which was very well attended. There were also staffed booths at the Spring Garden Festival on April 24th. As an enticement to increase visitation to the Garden, District staff coordinated a smart controller retrofit giveaway and promoted it both in a bill insert and at earlier outreach events.
- **School Education Update** - Three tours were conducted in April, involving 125 first and third graders and 28 parents from Discovery Charter Elementary School in Chula Vista and Loma Elementary School in Spring Valley. To date, 32 tours are booked through the end of the 2010 school year, and 25 have been completed. The 2010 Photo Contest generated 63 entries from Eastlake High School and Valhalla High School. The 2009 Photo Contest had a total of 13 entries. District staff also attended the Eastlake Middle School Earth Day Fair on April 28th.
- **Water Wise Landscape Contest** - The District had seven single family home entries for this year's contest. The District's winner will be highlighted on May 8th during a short ceremony at the Water Conservation Garden.
- **Water Wise Reporting** - In April (through the 26th), there were a total of 11 reports of water waste, either phoned in or reported through the District's website. The water waste report listing the activity is attached.

INFORMATION TECHNOLOGY AND STRATEGIC PLANNING:

- **Telephones** - Staff is drafting an RFP for replacement of the PBX systems at the District. We hope to issue the RFP this month. To issue the RFP, we need a network assessment. We are hoping to have the vendor selection by the end of FY 10.

- **Computer Upgrades** - IT has upgraded the Customer Service Rep's workstations to Windows 7 and Office 2007.
- **Asset Management** - On April 14th, Westin gave a criticality workshop. At the workshop, we decided to do criticality on Copps Lane as a pilot and determined which ranking methodology should be used. Shamala has continued to work with Operations staff to document the as-is business process pilot.
- **Treatment Plant Operations Software** - Staff continues to work on the implementation of improved software for the District's Treatment Plant. The "OPS 32" product is being installed in the production and test environment, the database has been loaded with the new variables, and we have begun the configuration of the PDA hardware.
- **Remote Wireless Project** - The project is on track and wireless hardware has successfully been deployed at Admin, Treatment Plant, and several reservoirs and pump stations. The plan is to have approximately 18 additional sites (all of the North District) complete within 6 months. 14 sites are now complete. After an extensive testing and evaluation period, the installed equipment is performing very well with output exceeding expectations.
- **Records Management** - We have performed the first upgrade for TRIM 4.3 to the latest Captura. Theresa and Alice received a brief overview of the new product, and the software has been installed in the production and test environment.
- **Data Architecture Design** - The preliminary UML design for the Asset Management data structure, has been finished by GIS. GIS also developed the prototype of data entry forms for the future effort in Asset Management data collection. The new data architecture will integrate all the asset data into a GIS based database for easy access and efficiency.
- **Water Resource Master Plan Data Update** - GIS is working with WRMS model consultant, PBS&J, to incorporate the latest changes into the model for further hydraulic modeling applications such as hydrant flash, SCADA integration, etc.

FINANCE :

- **Award Winning Financial Statements** - For the sixth year in a row, the District has been awarded the "Certificate

of Achievement for Excellence in Financial Reporting" from the Government Finance Officers Association (GFOA). This is the highest form of recognition in the area of governmental accounting and financial reporting. It is also a significant accomplishment for the District and demonstrates how the District takes great care in maintaining high financial standards. Staff is proud to have received this award for the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2009, and appreciates the Board's ongoing support of financial excellence.

- **Internal Controls** - Under the General Manager's authority, staff has contracted with the District's auditors to perform reviews of internal controls of the most financially sensitive areas in the District. At staff's request, the first area reviewed was contract management. Staff has worked with the auditors and developed some recommendations to improve the reliability in monitoring of contracts. The most benefit is expected to come from the expanded use of the contract module and implementing automatic notifications to those who manage the contracts.
- **Budget Preparation** - Staff expects to bring the FY 2011 Budget to the Board at the May Budget Workshop. Significant efforts have been made to minimize the District's impact on rate increases. These efforts have been effective in reducing the District's budget and lowering the overall rate increase to customers. Staff continues to finalize the budget with additional reviews and adjustments and will be prepared with a recommendation in the next few weeks. Another positive note in the budget preparation is that the CWA's average rate increase to all their customers is 11.3%, down from the expected 17.5%.
- **The financial reporting for March 31, 2010 is as follows:** For the nine months ended March 31, 2010, there are total revenues of \$49,934,563 and total expenses of \$50,991,023. Fiscal year-to-date expenses exceed revenues by \$1,056,460. This is a result of a number of factors. The most significant factor is that water sales are 10.8% lower than budget as of March 31st. Another significant factor was the October credit to customers of \$767,836. The general fund is utilized to absorb shortfalls in the operating revenues. Even with this shortfall, the general fund is projected to remain at or above target levels. Staff is projecting

that a portion of this deficit will be made-up in the remaining three months of the year as seasonal water sales increase.

- **The financial reporting for investments for March 31, 2010 is as follows:** The market value shown in the Portfolio Summary and in the Investment Portfolio Details as of March 31, 2010, total \$65,209,323.26 with an average yield to maturity of 1.214%. The total earnings year-to-date are \$799,978.00.

ENGINEERING AND WATER OPERATIONS:

Engineering:

- **The City of San Diego (City)** - The City of San Diego submitted the request for a Water Supply Assessment on March 30, 2010. District Legal Counsel is discussing the Community Plan Update and the City's desire to have the District do a Water Supply Assessment (WSA). The Community Plan Update has several options including the "No Change" option. The District position is a WSA is not required until a project has been defined. Legal counsels for both the City and the District are discussing these issues.
- **1296-3 Reservoir** - Pending acceptance, this project is complete. This reservoir is for increased capacity in the 1296 Pressure Zone, as required by the 2009 Master Plan. This project is on budget. (P2143)
- **1485-1 Pump Station Replacement** - SCW Contracting completed the testing of the new pump station. Remaining work includes demolition of the old station, site paving, and perimeter fencing. The existing pump station is exposed to the outside elements and is at the end of its useful life. The new pump station will be enclosed, provide more efficient pumps, and provide for future expansion when demands increase in the 1485 Zone. This project is on budget and expected to be completed in May 2010. (P2172)
- **Otay Mesa Recycled Water Supply Link** - The plans are 90% complete and have been submitted to the City of Chula Vista for plan check. A work order/plan checking account has been opened up with the City of San Diego to allow the District's traffic control consultant to discuss the traffic control with the City of San Diego prior to

submittal of the plans. The project includes installation of approximately 35,900 linear feet of steel and PVC recycled water pipelines. These projects will supply recycled water to Otay Mesa and start the conversion of irrigation services currently using potable water to recycled water. These projects are on budget and scheduled to start construction award in summer 2010. (R2034, R2058, R2077, R2087, R2088)

- **Otay Lakes Widening** - The City of Chula Vista (CCV) opened bids on 3/29/10. The total bid came in at approximately \$2.85 million with the District's portion at \$890,000. With a 10% contingency, the District will deposit \$980,000 with CCV to do the work. Construction is expected to begin mid-May. The District and the City of Chula Vista partnered up with a 12-Inch Recycled Water Pipeline and a road widening project on Otay Lakes Road. The recycled pipeline will start at Telegraph Canyon Road and end in front of Bonita Vista High School. The project also includes relocations of a few potable water facilities. The project is on budget and on schedule. (R2094, P2496)
- **North District/South District Interconnection System** - The project was advertised for design services on April 15, 2010. Proposals will be due May 28, 2010 and the selected consultant will be presented to the Board in July for approval. This project consists of a transmission pipeline and pumping system between the La Presa area of Spring Valley and the Eastlake area in the City of Chula Vista. The primary objective is to provide water reliability to the North and South Districts. (P2511)
- **Rancho Del Rey Groundwater Development** - A Kickoff Meeting was held on March 23. Scope of work has begun. Drilling activities are planned to proceed during the third week of April following public notification. The project is on budget and on schedule. (P2434)
- **The City of Chula Vista** - The City of Chula Vista transmitted on April 13 two separate letters requesting the Otay Water District prepare Water Supply Assessments and Verification Reports pursuant to Senate Bill 610 and Senate Bill 221 for the Village Nine Sectional Planning Area Plan and for the Village Eight West Sectional Planning Area Plan. Village Nine is approximately 273 acres and is located just east of I-125 and south of the

proposed Eastern Urban Center site and the future University property is to the east. The proposed Village Nine land use consists of a maximum of 125 single-family and 3,875 multi-family residential units, 17.8 acres of commercial uses, 27.1 acres of park land, 4 acres of community purpose facility uses, 10.7 acres for a public elementary school, a transit stop and station, and a town square, and affordable housing. Village Eight West, which is approximately 320 acres, is generally located west of I-125 just south of Village 7, with the future extension of La Media Road traversing through the project site. The proposed Village Eight West land use consists of a maximum of 328 single-family and 1,722 multi-family residential units, a 14.5 town center for commercial uses, 28 acres for park land, 5.8 acres of community purposes facility uses, 32.4 acres for an elementary and junior high schools, a transit stop, and affordable housing.

- **Emergency Gen Set** - On April 7, 2010, the Comision Estatal de Servicios Publicos de Tijuana (CESPT) purchased and took delivery of a 715 Kw generator, powered by a Caterpillar 3206 diesel engine. The generator was sold and purchased for \$5,000 in "as is-where is" condition. This surplus property was included on the surplus list that was approved by the Board of Directors at the January 6, 2010 Board Meeting.
- For the month of March 2010, the District sold 11 meters (11.5 EDUs) generating \$71,034 in revenue. Projection for this period was 8.25 meters (21.9 EDUs) with budgeted revenue of \$134,950. Projected revenue from July 1, 2009 through June 30, 2010 is \$1,619,400.

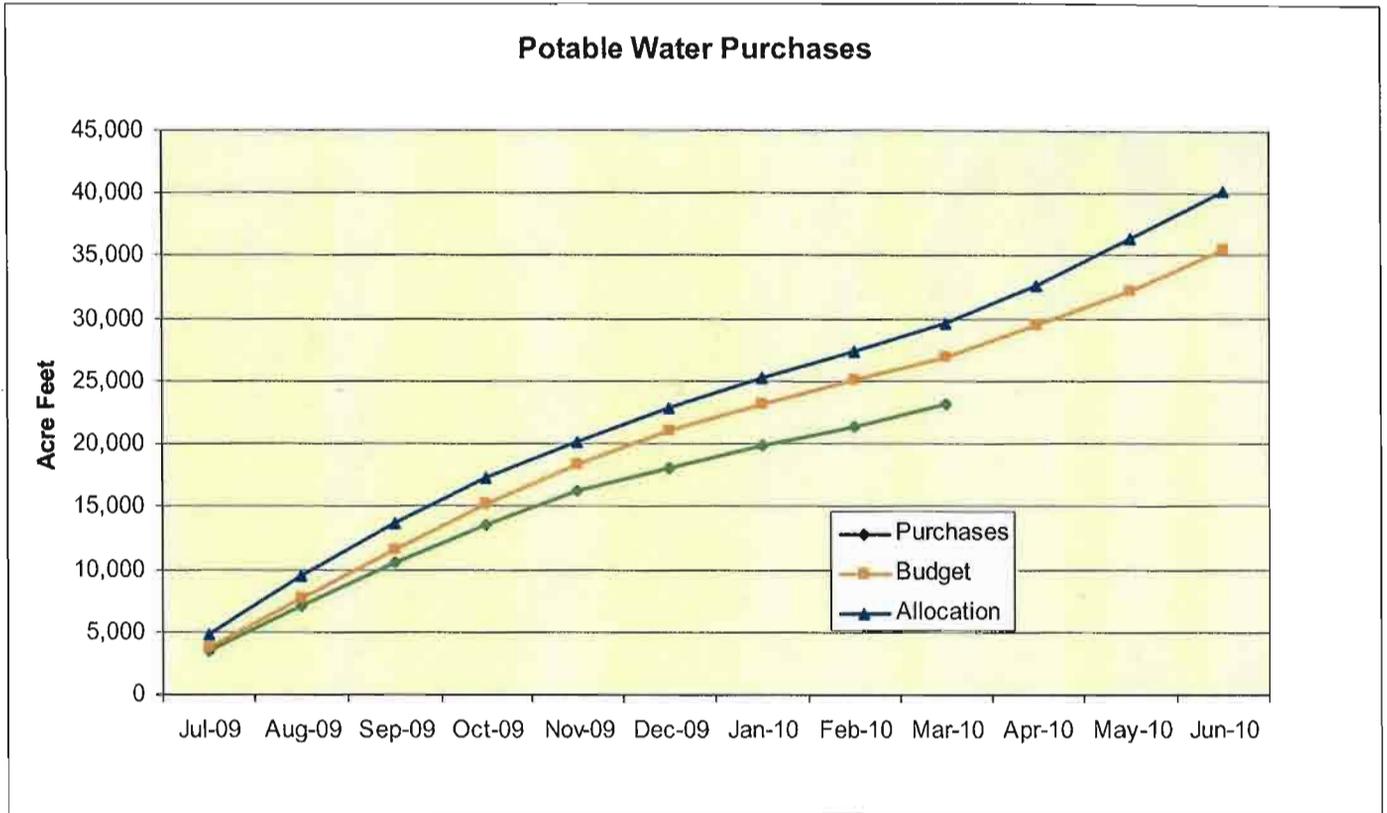
The following table summarizes Engineering's Project purchases and change orders issued during the period of March 1 through March 31, 2010 that were within Staff signatory authority:

Date	Action	Amount	Contractor/ Consultant	Project
3/25/10	P.O.	\$5,000	Prowest Appraisal	1485-1 Pump Station (P2172)

Water Operations:

- Total number of potable water meters is 48,688.

- The potable water purchases in March were 1905.5 acre feet. This is 13.8% below budget and 21.6% below the CWA allocation year to date.



- Recycled water consumption for the month of March is as follows:

Total consumption was 22.8 acre-feet or 7,441,852 gallons and the average daily consumption was 240,060 gallons per day.

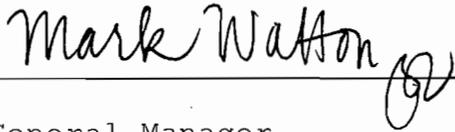
Total number of recycled water meters is 688.

Total recycled water consumption to date for FY 2010 is 3108.5 acre-feet.

- Wastewater flows for the month of March were as follows:
 - Total basin flow, gallons per day: 1,969,000.
 - Spring Valley Sanitation District Flow to Metro, gallons per day: 653,000.

- Total Otay flow, gallons per day: 1,316,000.
- Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 659,000.
- Flow to Metro from Otay Water District, gallons per day: 657,000.

For the month of March there was one new wastewater connection; total EDUs is 6,072.

A handwritten signature in cursive script that reads "Mark Watton". The signature is written over a horizontal line that extends to the right. There is a small circular mark or flourish at the end of the signature.

General Manager

Incident Summary

	Broken Sprinklers	Leak	Overspray	Runoff due to Overwatering	Washing Down Paved Surfaces	Washing Vehicles without a bucket and hose nozzle	Watering after 10am and before 6pm	Total
April 2009	6		4	4	1		2	17
May 2009	7	23	9	6	1		1	47
June 2009	13	35	5	8	10	1	7	79
July 2009	6	24	9	17	4	4	6	70
August 2009	11	15	7	8	1	1	9	52
September 2009	6	17	5	7	2	1	3	41
October 2009	4	6	2	6	1		1	20
November 2009	1	6	7	11			1	26
December 2009	1	15	1	4			1	22
January 2010	1	2	1	4	1			9
February 2010	1		2	3				6
March 2010	2	1		5			2	10
April 2010	1	4	1	5				11
Total	60	148	53	88	21	7	33	410

OTAY WATER DISTRICT
COMPARATIVE BUDGET SUMMARY
FOR NINE MONTHS ENDED MARCH 31, 2010

	Annual Budget	YTD Actual	YTD Budget	YTD Variance	Var %
REVENUE:					
Water Sales (1)	\$ 37,870,000	\$ 22,717,100	\$ 28,133,500	\$ (5,416,400)	(19.3%)
Energy Charges	1,981,200	1,274,921	1,466,000	(191,079)	(13.0%)
System Charges	9,408,000	6,913,930	7,030,200	(116,270)	(1.7%)
Penalties	704,100	652,127	540,100	112,027	20.7%
MWD & CWA Fixed Charges	6,511,200	4,661,683	4,782,100	(120,417)	(2.5%)
Total Water Sales	<u>56,474,500</u>	<u>36,219,761</u>	<u>41,951,900</u>	<u>(5,732,139)</u>	<u>(13.7%)</u>
Reclamation Sales (1)	7,602,500	4,741,314	5,487,800	(746,486)	(13.6%)
Sewer Charges	2,244,800	1,699,244	1,686,200	13,044	0.8%
Meter Fees	45,600	56,004	33,900	22,104	65.2%
Capacity Fee Revenues	1,397,000	803,658	1,047,800	(244,142)	(23.3%)
Betterment Fees for Maintenance	571,400	391,734	428,600	(36,866)	(8.6%)
Annexation Fees	120,500	350,701	90,500	260,201	287.5%
Non-Operating Revenues (2)	1,585,600	2,160,752	1,154,700	1,006,052	87.1%
Tax Revenues	3,852,600	2,234,058	2,189,000	45,058	2.1%
Interest	322,900	153,036	242,200	(89,164)	(36.8%)
General Fund Draw Down	469,100	351,800	351,800	-	0.0%
Transfer from OPEB	1,030,000	772,500	772,500	-	0.0%
Total Revenue	<u>\$ 75,716,500</u>	<u>\$ 49,934,563</u>	<u>\$ 55,436,900</u>	<u>\$ (5,502,337)</u>	<u>(9.9%)</u>
EXPENSES:					
Potable Water Purchases	\$ 28,033,700	\$ 18,069,523	\$ 20,846,300	\$ 2,776,777	13.3%
Recycled Water Purchases	1,312,000	736,263	861,219	124,955	14.5%
CWA-Infrastructure Access Charge	1,344,900	998,784	998,844	60	0.0%
CWA-Customer Service Charge	1,148,800	834,336	844,688	10,352	1.2%
CWA-Emergency Storage Charge	2,246,600	1,551,702	1,576,577	24,875	1.6%
MWD-Capacity Res Charge	628,800	471,546	467,100	(4,446)	(1.0%)
MWD-Readiness to Serve Charge	1,140,700	714,168	855,513	141,345	16.5%
Subtotal Water Purchases	<u>35,855,500</u>	<u>23,376,322</u>	<u>26,450,240</u>	<u>3,073,918</u>	<u>11.6%</u>
Power Charges	2,637,100	1,716,221	1,952,825	236,604	12.1%
Payroll & Related Costs	17,212,800	12,268,569	12,501,423	232,854	1.9%
Material & Maintenance	3,801,600	2,414,034	2,634,200	220,166	8.4%
Administrative Expenses	4,874,900	2,759,794	3,211,387	451,593	14.1%
Legal Fees	454,300	295,884	340,725	44,841	13.2%
Expansion Reserve	1,610,000	1,207,500	1,207,500	-	0.0%
Betterment Reserve	3,810,000	2,857,500	2,857,500	-	0.0%
Replacement Reserve	3,660,000	2,745,000	2,745,000	-	0.0%
Transfer to Sewer General Fund	200,000	150,000	150,000	-	0.0%
Transfer Out/In Prop 1A	270,300	202,700	202,700	-	0.0%
Transfer to General Fund Reserve	1,330,000	997,500	997,500	-	0.0%
Total Expenses	<u>\$ 75,716,500</u>	<u>\$ 50,991,023</u>	<u>\$ 55,251,000</u>	<u>\$ 4,259,977</u>	<u>7.7%</u>
	<u>\$ -</u>	<u>\$ (1,056,460)</u>	<u>\$ 185,900</u>	<u>\$ (1,242,360)</u>	

(1) Water Sales reflect prorated customer credits (Potable-\$614,920; Reclaim-\$152,916) paid in October.

(2) Non-Operating Revenues include \$767,254 from the settlement of a class action suit.

**OTAY WATER DISTRICT
INVESTMENT PORTFOLIO REVIEW
MARCH 31, 2010**

INVESTMENT OVERVIEW & MARKET STATUS:

The federal funds rate has remained constant now for over 15-months. On December 16, 2008, at the Federal Reserve Board's regular scheduled meeting, the federal funds rate was lowered from 1.00% to "a target range of between Zero and 0.25%" in response to the nation's ongoing financial crisis, as well as banking industry pressure to ease credit and stimulate the economy. This marked the ninth reduction in a row since September 18, 2007, when the rate was 5.25%. There have been no further changes made to the federal funds rate at the Federal Reserve Board's subsequent regular scheduled meetings, the most recent of which was held on March 16, 2010. They went on to say: "The Committee continues to anticipate that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period."

Despite the large drop in available interest rates, the District's overall effective rate of return at March 31st was 1.29%, which was a decrease of 12 basis points (0.12%) from the prior month. At the same time the LAIF return on deposits has dropped over the last several months, reaching an average effective yield of 0.55% for the month of March 2010. Based on our success at maintaining a competitive rate of return on our portfolio during this extended period of interest rate declines, no changes in investment strategy are being considered at this time.

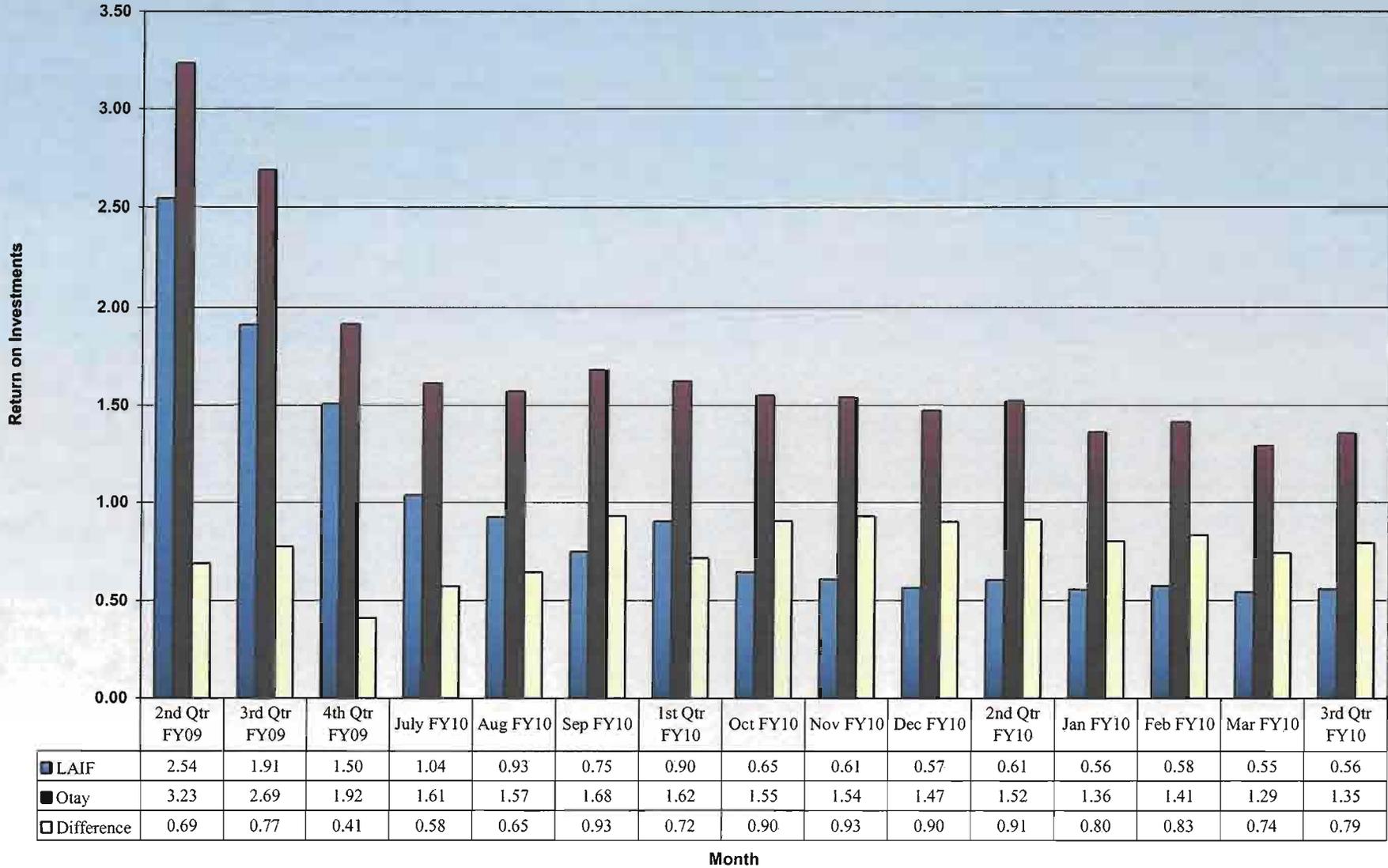
In accordance with the District's Investment Policy, all District funds continue to be managed based on the objectives, in priority order, of safety, liquidity, and return on investment.

PORTFOLIO COMPLIANCE: February 28, 2010

	<u>Investment</u>	<u>State Limit</u>	<u>Otay Limit</u>	<u>Otay Actual</u>
8.01:	Treasury Securities	100%	100%	0
8.02:	Local Agency Investment Fund (Operations)	\$40 Million	\$40 Million	\$6.23 Million
8.02:	Local Agency Investment Fund (Bonds)	100%	100%	0
8.03:	Federal Agency Issues	100%	100%	43.12%
8.04:	Certificates of Deposit	30%	15%	4.74%
8.05:	Short-Term Commercial Notes	25%	15%	0
8.06:	Medium-Term Commercial Debt	30%	15%	6.16%
8.07:	Money Market Mutual Funds	20%	15%	0
8.08:	San Diego County Pool	100%	100%	35.15%
12.0:	Maximum Single Financial Institution	100%	50%	1.23%

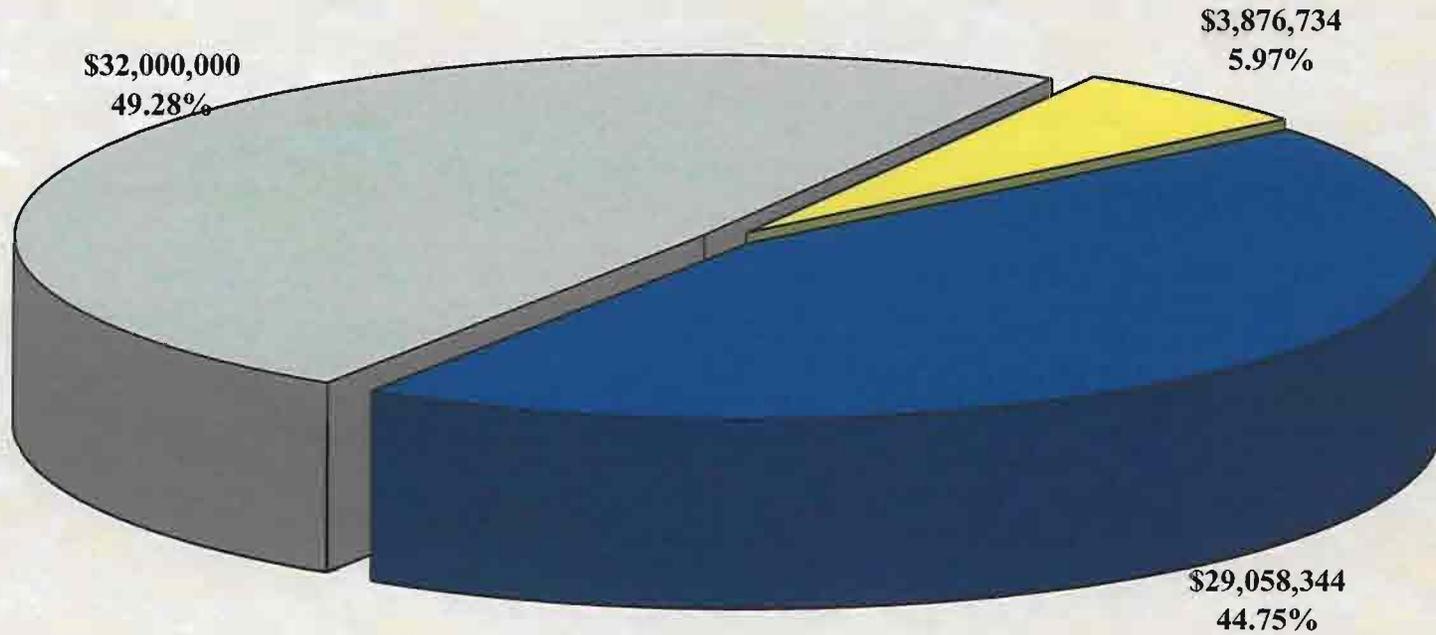
Performance Measure F-12 Return on Investment

Target: Meet or Exceed 100% of LAIF



■ LAIF ■ Otay □ Difference

Otay Water District Investment Portfolio: 03/31/10



■ Banks (Passbook/Checking/CD) ■ Pools (LAIF & County) ■ Agencies & Corporate Notes

**OTAY
Portfolio Management
Portfolio Summary
March 31, 2010**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Corporate Notes	4,000,000.00	4,106,240.00	4,021,395.07	6.27	878	251	1.973	2.000
Federal Agency Issues- Callable	28,000,000.00	27,982,420.00	28,000,000.00	43.64	887	760	1.374	1.393
Certificates of Deposit - Bank	3,079,108.00	3,079,108.00	3,079,108.00	4.80	374	300	1.399	1.419
Local Agency Investment Fund (LAIF)	6,234,020.70	6,239,929.46	6,234,020.70	9.72	1	1	0.540	0.547
San Diego County Pool	22,824,323.33	23,004,000.00	22,824,323.33	35.57	1	1	1.043	1.057
	64,137,452.03	64,411,697.46	64,158,847.10	100.00%	461	362	1.214	1.231
Investments								
Cash								
Passbook/Checking (not included in yield calculations)	797,625.80	797,625.80	797,625.80		1	1	0.057	0.058
Total Cash and Investments	64,935,077.83	65,209,323.26	64,956,472.90		461	362	1.214	1.231

Total Earnings	March 31 Month Ending	Fiscal Year To Date
Current Year	74,698.63	799,978.06
Average Daily Balance	68,351,678.80	72,333,646.49
Effective Rate of Return	1.29%	1.47%

I hereby certify that the investments contained in this report are made in accordance with the District Investment Policy Number 27 adopted by the Board of Directors on September 6, 2006. The market value information provided by Interactive Data Corporation. The investments provide sufficient liquidity to meet the cash flow requirements of the District for the next six months of expenditures.


Joseph Beachem, Chief Financial Officer

4-16-10

OTAY
Portfolio Management
Portfolio Details - Investments
March 31, 2010

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
Corporate Notes												
084664AF8	2094	Berkshire Hathaway Fin		03/10/2009	2,000,000.00	2,047,340.00	2,014,000.00	4.200		1.973	258	12/15/2010
36962G2S2	2044	General Electric Capital		11/16/2007	2,000,000.00	2,058,900.00	2,007,395.07	5.000	Aaa	1.973	244	12/01/2010
Subtotal and Average			4,022,600.87		4,000,000.00	4,106,240.00	4,021,395.07			1.973	251	
Federal Agency Issues- Callable												
31398AWJ7	2097	Fannie Mae		04/08/2009	2,000,000.00	2,000,620.00	2,000,000.00	1.875		1.849	372	04/08/2011
3136FHYA7	2101	Fannie Mae		06/08/2009	2,000,000.00	2,003,120.00	2,000,000.00	1.150		1.164	433	06/08/2011
3133XVBW0	2112	Federal Home Loan Bank		10/29/2009	2,000,000.00	2,001,260.00	2,000,000.00	1.500		1.479	1,124	04/29/2013
3133XVCD1	2113	Federal Home Loan Bank		10/27/2009	2,000,000.00	2,000,620.00	2,000,000.00	1.000		0.986	757	04/27/2012
3133XWCZ0	2116	Federal Home Loan Bank		12/28/2009	2,000,000.00	2,001,880.00	2,000,000.00	1.000		0.986	1,002	12/28/2012
3133XXK22	2124	Federal Home Loan Bank		03/25/2010	2,000,000.00	1,994,380.00	2,000,000.00	1.250		1.233	816	06/25/2012
3133XXHY6	2125	Federal Home Loan Bank		03/26/2010	2,000,000.00	1,992,500.00	2,000,000.00	1.200		1.184	725	03/26/2012
3133XXRW9	2128	Federal Home Loan Bank		03/29/2010	2,000,000.00	1,996,260.00	2,000,000.00	1.250		1.233	820	06/29/2012
3128X8WC2	2098	Federal Home Loan Mortgage		04/20/2009	2,000,000.00	2,001,120.00	2,000,000.00	1.750		1.726	384	04/20/2011
3128X9GW4	2110	Federal Home Loan Mortgage		10/13/2009	2,000,000.00	2,000,660.00	2,000,000.00	1.750		1.726	743	04/13/2012
31398AC91	2117	Federal National Mortgage Assoc		01/20/2010	2,000,000.00	1,997,500.00	2,000,000.00	1.500		1.479	659	01/20/2012
3136FJR45	2118	Federal National Mortgage Assoc		01/25/2010	2,000,000.00	2,004,380.00	2,000,000.00	1.250		1.233	1,030	01/25/2013
3136FJ4T5	2120	Federal National Mortgage Assoc		02/16/2010	2,000,000.00	1,995,000.00	2,000,000.00	1.500		1.479	868	08/16/2012
31398AH88	2123	Federal National Mortgage Assoc		03/24/2010	2,000,000.00	1,993,120.00	2,000,000.00	1.500		1.479	907	09/24/2012
Subtotal and Average			25,998,326.52		28,000,000.00	27,982,420.00	28,000,000.00			1.374	760	
Certificates of Deposit - Bank												
2050003183-4	2121	California Bank & Trust		01/22/2010	79,108.00	79,108.00	79,108.00	1.380		1.380	661	01/22/2012
1008995288	2119	Neighborhood National Bank		12/10/2009	1,000,000.00	1,000,000.00	1,000,000.00	1.400		1.400	252	12/09/2010
1006200563-2	2126	Neighborhood National Bank		02/04/2010	2,000,000.00	2,000,000.00	2,000,000.00	1.400		1.400	309	02/04/2011
Subtotal and Average			3,079,108.00		3,079,108.00	3,079,108.00	3,079,108.00			1.399	300	
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	6,234,020.70	6,239,929.46	6,234,020.70	0.547		0.540	1	
LAIF COPS07	9009	STATE OF CALIFORNIA		03/07/2007	0.00	0.00	0.00	1.530		1.509	1	
Subtotal and Average			10,766,278.76		6,234,020.70	6,239,929.46	6,234,020.70			0.540	1	
San Diego County Pool												
SD COUNTY POOL	9007	San Diego County		07/01/2004	22,824,323.33	23,004,000.00	22,824,323.33	1.057		1.043	1	

Portfolio OTAY

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OTAY
Portfolio Management
Portfolio Details - Investments
March 31, 2010

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity
Subtotal and Average			22,824,323.33		22,824,323.33	23,004,000.00	22,824,323.33			1.043	1
Total and Average			68,351,678.80		64,137,452.03	64,411,697.46	64,158,847.10			1.214	362

OTAY
Portfolio Management
Portfolio Details - Cash
March 31, 2010

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity
Union Bank											
UNION MONEY	9002	STATE OF CALIFORNIA		07/01/2004	18,450.64	18,450.64	18,450.64	0.050		0.049	1
PETTY CASH	9003	STATE OF CALIFORNIA		07/01/2004	2,800.00	2,800.00	2,800.00			0.000	1
UNION OPERATING	9004	STATE OF CALIFORNIA		07/01/2004	751,397.90	751,397.90	751,397.90	0.060		0.059	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2004	24,977.26	24,977.26	24,977.26			0.000	1
UNION IOC	9008	STATE OF CALIFORNIA		05/01/2006	0.00	0.00	0.00	4.500		4.438	1
		Average Balance	0.00								1
Total Cash and Investmentss			68,351,678.80		64,935,077.83	65,209,323.26	64,956,472.90			1.214	362

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Activity Report
Sorted By Issuer
July 1, 2009 - March 31, 2010

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
Issuer: Berkshire Hathaway Fin										
Corporate Notes										
			Subtotal and Balance	2,000,000.00					2,000,000.00	
			Issuer Subtotal	3.080%	2,000,000.00		0.00	0.00	2,000,000.00	
Issuer: STATE OF CALIFORNIA										
Union Bank										
UNION MONEY	9002	STATE OF CALIFORNIA			0.050		74,496,000.65	76,487,563.83		
UNION OPERATING	9004	STATE OF CALIFORNIA			0.060		6,831,169.31	6,666,797.48		
PAYROLL	9005	STATE OF CALIFORNIA					2,492,331.28	2,492,331.28		
			Subtotal and Balance				83,819,501.24	85,646,692.59		797,625.80
Local Agency Investment Fund (LAIF)										
LAIF	9001	STATE OF CALIFORNIA			0.547		44,229,282.49	45,475,445.24		
			Subtotal and Balance				44,229,282.49	45,475,445.24		6,234,020.70
			Issuer Subtotal	10.829%	10,105,000.60		128,048,783.73	131,122,137.83		7,031,646.50
Issuer: California Bank & Trust										
Certificates of Deposit - Bank										
205003183	2066	California Bank & Trust			3.180	01/22/2010	0.00	79,108.00		
2050003183-4	2121	California Bank & Trust			1.380	01/22/2010	79,108.00	0.00		
			Subtotal and Balance				79,108.00	79,108.00		79,108.00
			Issuer Subtotal	0.122%	79,108.00		79,108.00	79,108.00		79,108.00
Issuer: Fannie Mae										
Federal Agency Issues- Callable										
			Subtotal and Balance							4,000,000.00

Portfolio OTAY
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OTAY
Activity Report
July 1, 2009 - March 31, 2010

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Issuer Subtotal			6.160%	4,000,000.00			0.00	0.00	4,000,000.00
Issuer: Federal Farm Credit Bank									
Federal Agency Issues- Callable									
31331GWK1	2100	Federal Farm Credit Bank			1.100	09/25/2009	0.00	2,000,000.00	
Subtotal and Balance				2,000,000.00			0.00	2,000,000.00	0.00
Issuer Subtotal			0.000%	2,000,000.00			0.00	2,000,000.00	0.00

Issuer: Federal Home Loan Bank

Federal Agency Issues- Callable

3133XTLP9	2099	Federal Home Loan Bank			1.525	09/04/2009	0.00	222,222.22	
3133XTLP9	2099	Federal Home Loan Bank				09/22/2009	0.00	444,444.44	
3133XTLP9	2099	Federal Home Loan Bank				09/28/2009	0.00	1,333,333.34	
3133XTQM1	2102	Federal Home Loan Bank			1.180	12/18/2009	0.00	2,000,000.00	
3133XTQ58	2103	Federal Home Loan Bank			1.240	01/25/2010	0.00	2,000,000.00	
3133XUEM1	2106	Federal Home Loan Bank			1.350	08/10/2009	2,000,000.00	0.00	
3133XUEM1	2106	Federal Home Loan Bank				11/30/2009	0.00	2,000,000.00	
3133XUGD9	2107	Federal Home Loan Bank			1.500	08/17/2009	2,000,000.00	0.00	
3133XUGD9	2107	Federal Home Loan Bank				11/17/2009	0.00	2,000,000.00	
3133XUKD4	2108	Federal Home Loan Bank			1.625	08/25/2009	2,000,000.00	0.00	
3133XUKD4	2108	Federal Home Loan Bank				11/25/2009	0.00	2,000,000.00	
3133XVAN1	2111	Federal Home Loan Bank			1.500	10/28/2009	2,000,000.00	0.00	
3133XVAN1	2111	Federal Home Loan Bank				01/28/2010	0.00	2,000,000.00	
3133XVBW0	2112	Federal Home Loan Bank			1.500	10/29/2009	2,000,000.00	0.00	
3133XVCD1	2113	Federal Home Loan Bank			1.000	10/27/2009	2,000,000.00	0.00	
3133XW4CO	2115	Federal Home Loan Bank			1.250	12/30/2009	2,000,000.00	0.00	
3133XW4CO	2115	Federal Home Loan Bank				03/30/2010	0.00	2,000,000.00	
3133XWCZ0	2116	Federal Home Loan Bank			1.000	12/28/2009	2,000,000.00	0.00	
3133XWVE6	2122	Federal Home Loan Bank			1.300	02/24/2010	2,000,000.00	0.00	
3133XWVE6	2122	Federal Home Loan Bank				03/24/2010	0.00	2,000,000.00	
3133XXK22	2124	Federal Home Loan Bank			1.250	03/25/2010	2,000,000.00	0.00	
3133XXHY6	2125	Federal Home Loan Bank			1.200	03/26/2010	2,000,000.00	0.00	
3133XXRW9	2128	Federal Home Loan Bank			1.250	03/29/2010	2,000,000.00	0.00	
Subtotal and Balance				6,000,000.00			24,000,000.00	18,000,000.00	12,000,000.00

OTAY
Activity Report
July 1, 2009 - March 31, 2010

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value	
				Beginning Balance	Current Rate			Redemptions or Withdrawals	Ending Balance
Issuer Subtotal			18.480%	6,000,000.00			24,000,000.00	18,000,000.00	12,000,000.00

Issuer: Federal Home Loan Mortgage

Federal Agency Issues- Callable

3128X8QH8	2095	Federal Home Loan Mortgage		2.000	03/16/2010	0.00	2,000,000.00		
3128X8V33	2105	Federal Home Loan Mortgage		1.850	07/06/2009	2,000,000.00	0.00		
3128X8V33	2105	Federal Home Loan Mortgage			01/06/2010	0.00	2,000,000.00		
3128X9CG3	2109	Federal Home Loan Mortgage		1.750	09/02/2009	2,000,000.00	0.00		
3128X9CG3	2109	Federal Home Loan Mortgage			03/02/2010	0.00	2,000,000.00		
3128X9GW4	2110	Federal Home Loan Mortgage		1.750	10/13/2009	2,000,000.00	0.00		
3128X9LJ7	2114	Federal Home Loan Mortgage		1.500	11/18/2009	2,000,000.00	0.00		
3128X9LJ7	2114	Federal Home Loan Mortgage			02/18/2010	0.00	2,000,000.00		
Subtotal and Balance						8,000,000.00	8,000,000.00		4,000,000.00
Issuer Subtotal			6.160%	4,000,000.00		8,000,000.00	8,000,000.00		4,000,000.00

Issuer: Federal National Mortgage Assoc

Federal Agency Issues- Callable

3136F9WW1	2085	Federal National Mortgage Assoc		4.000	07/02/2009	0.00	2,000,000.00		
3136FHAA3	2091	Federal National Mortgage Assoc		2.000	02/11/2010	0.00	2,000,000.00		
31398AVL3	2093	Federal National Mortgage Assoc		2.000	03/02/2010	0.00	2,000,000.00		
3136FHE43	2104	Federal National Mortgage Assoc		1.500	07/01/2009	2,000,000.00	0.00		
3136FHE43	2104	Federal National Mortgage Assoc			10/01/2009	0.00	2,000,000.00		
31398AC91	2117	Federal National Mortgage Assoc		1.500	01/20/2010	2,000,000.00	0.00		
3136FJR45	2118	Federal National Mortgage Assoc		1.250	01/25/2010	2,000,000.00	0.00		
3136FJ4T5	2120	Federal National Mortgage Assoc		1.500	02/16/2010	2,000,000.00	0.00		
31398AH88	2123	Federal National Mortgage Assoc		1.500	03/24/2010	2,000,000.00	0.00		
Subtotal and Balance						10,000,000.00	8,000,000.00		8,000,000.00
Issuer Subtotal			12.320%	6,000,000.00		10,000,000.00	8,000,000.00		8,000,000.00

Issuer: General Electric Capital

Corporate Notes

Subtotal and Balance									2,000,000.00
Issuer Subtotal			3.080%	2,000,000.00		0.00	0.00		2,000,000.00

Portfolio OTAY

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Activity Report
July 1, 2009 - March 31, 2010

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
Issuer: Neighborhood National Bank										
Certificates of Deposit - Bank										
1005581024	2090	Neighborhood National Bank			3.150	12/10/2009	0.00		1,000,000.00	
1006200563	2096	Neighborhood National Bank			2.600	02/04/2010	0.00		2,000,000.00	
1008995288	2119	Neighborhood National Bank			1.400	12/10/2009	1,000,000.00		0.00	
1006200563-2	2126	Neighborhood National Bank			1.400	02/04/2010	2,000,000.00		0.00	
		Subtotal and Balance					3,000,000.00		3,000,000.00	3,000,000.00
		Issuer Subtotal	4.620%				3,000,000.00		3,000,000.00	3,000,000.00
Issuer: San Diego County										
San Diego County Pool										
SD COUNTY POOL	9007	San Diego County			1.057		301,583.07		17,011,561.95	
		Subtotal and Balance					301,583.07		17,011,561.95	22,824,323.33
		Issuer Subtotal	35.149%				301,583.07		17,011,561.95	22,824,323.33
		Total	100.000%				173,429,474.80		187,212,807.78	64,935,077.83

OTAY
GASB 31 Compliance Detail
Sorted by Fund - Fund
July 1, 2009 - March 31, 2010

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
LAIF	9001	99	Fair Value		7,489,943.17	0.00	79,282.49	1,325,445.24	0.00	-3,850.96	6,239,929.46
UNION MONEY	9002	99	Amortized		2,010,013.82	0.00	182.46	1,991,745.64	0.00	0.00	18,450.64
PETTY CASH	9003	99	Amortized		2,800.00	0.00	0.00	0.00	0.00	0.00	2,800.00
UNION OPERATING	9004	99	Amortized		587,026.07	0.00	2,067.70	2,067.70	0.00	0.00	751,397.90
PAYROLL	9005	99	Amortized		24,977.26	0.00	0.00	0.00	0.00	0.00	24,977.26
SD COUNTY POOL	9007	99	Fair Value		39,756,639.66	0.00	301,583.07	17,011,561.95	0.00	-42,660.78	23,004,000.00
UNION IOC	9008	99	Amortized		0.00	0.00	0.00	0.00	0.00	0.00	0.00
LAIF COPS07	9009	99	Fair Value		0.00	0.00	0.00	0.00	0.00	0.00	0.00
36962G2S2	2044	99	Fair Value	12/01/2010	2,058,720.00	0.00	0.00	0.00	0.00	180.00	2,058,900.00
205003183	2066	99	Amortized	01/22/2010	79,108.00	0.00	0.00	79,108.00	0.00	0.00	0.00
3136F9WV1	2085	99	Fair Value	07/02/2010	2,000,000.00	0.00	0.00	2,000,000.00	0.00	0.00	0.00
1005581024	2090	99	Amortized	12/10/2009	1,000,000.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00
3136FHAA3	2091	99	Fair Value	02/11/2011	2,013,760.00	0.00	0.00	2,000,000.00	0.00	-13,760.00	0.00
31398AVL3	2093	99	Fair Value	03/02/2011	2,014,380.00	0.00	0.00	2,000,000.00	0.00	-14,380.00	0.00
084664AF8	2094	99	Fair Value	12/15/2010	2,061,960.00	0.00	0.00	0.00	0.00	-14,620.00	2,047,340.00
3128X8QH8	2095	99	Fair Value	03/16/2011	2,012,300.00	0.00	0.00	2,000,000.00	0.00	-12,300.00	0.00
1006200563	2096	99	Amortized	02/04/2010	2,000,000.00	0.00	0.00	2,000,000.00	0.00	0.00	0.00
31398AWJ7	2097	99	Fair Value	04/08/2011	2,009,380.00	0.00	0.00	0.00	0.00	-8,760.00	2,000,620.00
3128X8VC2	2098	99	Fair Value	04/20/2011	2,009,800.00	0.00	0.00	0.00	0.00	-8,680.00	2,001,120.00
3133XTLP9	2099	99	Fair Value	05/18/2011	2,001,880.00	0.00	0.00	2,000,000.00	0.00	-1,880.00	0.00
31331GWK1	2100	99	Fair Value	02/28/2011	1,996,260.00	0.00	0.00	2,000,000.00	0.00	3,740.00	0.00
3136FHYA7	2101	99	Fair Value	06/08/2011	1,996,260.00	0.00	0.00	0.00	0.00	6,860.00	2,003,120.00
3133XTQM1	2102	99	Fair Value	06/10/2011	1,996,260.00	0.00	0.00	2,000,000.00	0.00	3,740.00	0.00
3133XTQ58	2103	99	Fair Value	06/10/2011	1,998,120.00	0.00	0.00	2,000,000.00	0.00	1,880.00	0.00
3136FHE43	2104	99	Fair Value	07/01/2011	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3128X8V33	2105	99	Fair Value	07/06/2011	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XUEM1	2106	99	Fair Value	08/10/2011	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XUGD9	2107	99	Fair Value	08/17/2011	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XUKD4	2108	99	Fair Value	08/25/2011	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3128X9CG3	2109	99	Fair Value	09/02/2011	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00

Portfolio OTAY
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OTAY
 GASB 31 Compliance Detail
 Sorted by Fund - Fund

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
3128X9GW4	2110	99	Fair Value	04/13/2012	0.00	2,000,000.00	0.00	0.00	0.00	660.00	2,000,660.00
3133XVAN1	2111	99	Fair Value	10/28/2011	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XVBW0	2112	99	Fair Value	04/29/2013	0.00	2,000,000.00	0.00	0.00	0.00	1,260.00	2,001,260.00
3133XVCD1	2113	99	Fair Value	04/27/2012	0.00	2,000,000.00	0.00	0.00	0.00	620.00	2,000,620.00
3128X9LJ7	2114	99	Fair Value	11/18/2011	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XW4CO	2115	99	Fair Value	12/30/2011	0.00	1,998,000.00	0.00	2,000,000.00	0.00	2,000.00	0.00
3133XWCZ0	2116	99	Fair Value	12/28/2012	0.00	2,000,000.00	0.00	0.00	0.00	1,880.00	2,001,880.00
31398AC91	2117	99	Fair Value	01/20/2012	0.00	2,000,000.00	0.00	0.00	0.00	-2,500.00	1,997,500.00
3136FJR45	2118	99	Fair Value	01/25/2013	0.00	2,000,000.00	0.00	0.00	0.00	4,380.00	2,004,380.00
1008995288	2119	99	Amortized	12/09/2010	0.00	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00
3136FJ4T5	2120	99	Fair Value	08/16/2012	0.00	2,000,000.00	0.00	0.00	0.00	-5,000.00	1,995,000.00
2050003183-4	2121	99	Amortized	01/22/2012	0.00	79,108.00	0.00	0.00	0.00	0.00	79,108.00
3133XWVE6	2122	99	Fair Value	02/24/2012	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
31398AH88	2123	99	Fair Value	09/24/2012	0.00	2,000,000.00	0.00	0.00	0.00	-6,880.00	1,993,120.00
3133XXK22	2124	99	Fair Value	06/25/2012	0.00	2,000,000.00	0.00	0.00	0.00	-5,620.00	1,994,380.00
3133XXHY6	2125	99	Fair Value	03/26/2012	0.00	2,000,000.00	0.00	0.00	0.00	-7,500.00	1,992,500.00
1006200563-2	2126	99	Amortized	02/04/2011	0.00	2,000,000.00	0.00	0.00	0.00	0.00	2,000,000.00
3133XXRW9	2128	99	Fair Value	06/29/2012	0.00	2,000,000.00	0.00	0.00	0.00	-3,740.00	1,996,260.00
Subtotal					79,119,587.98	45,077,108.00	383,115.72	59,409,928.53	0.00	-124,931.74	65,209,323.26
Total					79,119,587.98	45,077,108.00	383,115.72	59,409,928.53	0.00	-124,931.74	65,209,323.26

OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 03/31/2010

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 365	Current Yield	Maturity/Call Date	Effective Duration
084664AF8	2094	99	Berkshire Hathaway Fin	Fair	2,014,000.00	2,000,000.00	2,047,340.00	4.200	2.000	0.830	12/15/2010	0.692
36962G2S2	2044	99	General Electric Capital	Fair	2,007,395.07	2,000,000.00	2,058,900.00	5.000	2.000	0.569	12/01/2010	0.652
3128X9GW4	2110	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,000,660.00	1.750	1.750	1.683c	04/13/2010	0.032
3133XVBW0	2112	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,001,260.00	1.500	1.500	1.373c	04/29/2010	0.076
31398AWJ7	2097	99	Fannie Mae	Fair	2,000,000.00	2,000,000.00	2,000,620.00	1.875	1.875	1.812c	04/08/2010	0.019
3133XWCZ0	2116	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,001,880.00	1.000	1.000	0.811c	06/28/2010	0.241
3136FHYA7	2101	99	Fannie Mae	Fair	2,000,000.00	2,000,000.00	2,003,120.00	1.150	1.180	0.837c	06/08/2010	0.186
3133XVCD1	2113	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,000,620.00	1.000	1.000	0.938c	04/27/2010	0.071
3133XXHY6	2125	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,992,500.00	1.200	1.200	1.957c	04/26/2010	0.000
3133XXK22	2124	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,994,380.00	1.250	1.250	1.817c	06/25/2010	0.232
3136FJR45	2118	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,004,380.00	1.250	1.250	0.981c	01/25/2011	0.809
31398AH88	2123	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	1,993,120.00	1.500	1.500	2.196c	09/24/2010	0.482
3128X8WC2	2098	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,001,120.00	1.750	1.750	1.637c	04/20/2010	0.052
3133XXRW9	2128	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,996,260.00	1.250	1.250	1.440c	03/29/2011	0.485
31398AC91	2117	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	1,997,500.00	1.500	1.500	1.752c	07/20/2010	0.301
3136FJ4T5	2120	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	1,995,000.00	1.500	1.500	2.005c	08/16/2010	0.375
1008995288	2119	99	Neighborhood National Bank	Amort	1,000,000.00	1,000,000.00	1,000,000.00	1.400	1.419	1.400	12/09/2010	0.682 †
2050003183-4	2121	99	California Bank & Trust	Amort	79,108.00	79,108.00	79,108.00	1.380	1.399	1.380	01/22/2012	1.782 †
1006200563-2	2126	99	Neighborhood National Bank	Amort	2,000,000.00	2,000,000.00	2,000,000.00	1.400	1.419	1.400	02/04/2011	0.834 †
LAIF COPS07	9009	99	STATE OF CALIFORNIA	Fair	0.00	0.00	0.00	1.530	1.530	1.530		0.000
LAIF	9001	99	STATE OF CALIFORNIA	Fair	6,234,020.70	6,234,020.70	6,239,929.46	0.547	0.547	0.547		0.000
SD COUNTY	9007	99	San Diego County	Fair	22,824,323.33	22,824,323.33	23,004,000.00	1.057	1.057	1.057		0.000
Report Total					64,158,847.10	64,137,452.03	64,411,697.46			1.201		0.185 †

† = Duration can not be calculated on these investments due to incomplete Market price data.

Portfolio OTAY
AP

AGENDA ITEM 9



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 5, 2010
SUBMITTED BY:	Sean Prendergast, Finance Supervisor, Payroll & AP	W.O./G.F. NO:	DIV. NO.
APPROVED BY: (Chief)	Joseph Beachem, Chief Financial Officer		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager		
SUBJECT:	Accounts Payable Demand List		

PURPOSE:

Attached is the list of demands for the Board's information.

FISCAL IMPACT:

<u>SUMMARY</u>	<u>NET DEMANDS</u>
CHECKS (2023064-2023472)	\$3,114,448.20
WIRE TO:	
CALPERS	\$86,250.00
DELTA HEALTH SYSTEMS - DENTAL & COBRA CLAIMS	\$19,742.63
JP MORGAN - REMARKETING FEE - 1ST QTR	\$2,596.44
LANDESBANK - CERTIFICATES OF PARTICIPATION	\$26,828.29
SAN DIEGO COUNTY WATER - CAP FEES - 2ND QTR	\$294,676.00
SAN DIEGO COUNTY WATER - WATER DELIVERIES	\$1,626,311.00
SOLORZANO CARVAJAL GONZALEZ Y PEREZ CORREA SC - LEGAL	\$10,000.00
SPECIAL DIST RISK MGMT AUTH - INSURANCE PREMIUM	\$1,062.99
STEPHEN MCCUE ESQ - RETAINER FEE	\$20,000.00
STATE BOARD OF EQUALIZATION	\$2,291.00
UNION BANK - PAYROLL TAXES	\$458,009.99
TOTAL CASH DISBURSEMENTS	\$5,662,216.54

RECOMMENDED ACTION:

That the Board receive the attached list of demands.

Jb/Attachment

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2023064 THROUGH 2023472
RUN DATES 4/7/2010 TO 4/28/2010

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2023313	04/21/10	11466	A&G INSTRUMENT SERVICE AND	29648	03/26/10	TJ CALIBRATION	1,211.00	1,211.00
2023274	04/21/10	11768	AARON STINE	Ref002404870	04/20/10	UB Refund Cst #0000123027	25.84	25.84
2023410	04/28/10	04070	ABACOR INC	16593	04/08/10	SIDE BOARDS	1,097.50	1,097.50
2023193	04/14/10	08488	ABLEFORCE INC	2192 2218 2233	03/17/10 03/30/10 04/08/10	CONSULTING SERVICES CONSULTING SERVICES CONSULTING SERVICES	8,750.00 3,400.00 3,315.00	15,465.00
2023194	04/14/10	02024	ACCOUNTING DAY ASSOCIATION	002087	04/13/10	REGISTRATION FEE	145.00	145.00
2023116	04/07/10	01975	ACUNA, RICHARD	00240410	04/01/10	TRAVEL EXPENSE	210.00	210.00
2023411	04/28/10	10821	AECOM INC	37023713	03/24/10	PROFESSIONAL ENGINEERING SERVICES	15,373.89	15,373.89
2023314	04/21/10	11462	AEGIS ENGINEERING MANAGEMENT	1005	03/31/10	PLAN CHECKING	11,002.50	11,002.50
2023117	04/07/10	11518	AES GLOBAL INC	AES0312101	03/12/10	NETWORK IMPROVEMENT	4,600.00	4,600.00
2023315	04/21/10	00132	AIRGAS WEST INC	103146295	03/31/10	BREATHING AIR TREATMENT PLANT	26.93	26.93
2023064	04/07/10	11711	ALEXIA MEDRANO	Ref002404498	04/06/10	UB Refund Cst #0000120121	173.58	173.58
2023118	04/07/10	01463	ALLIED ELECTRONICS INC	25356M00	03/18/10	CAT5 CABLE	8.22	8.22
2023316	04/21/10	01463	ALLIED ELECTRONICS INC	25356L01	04/01/10	CAT5 CABLE	414.85	414.85
2023317	04/21/10	03787	ALLIED TRENCH SHORING SERVICE	966309 966313	03/30/10 03/30/10	TRENCH SHORING TRENCH SHORING	1,754.23 1,329.23	3,083.46
2023195	04/14/10	02362	ALLIED WASTE SERVICES #509	0509003921194 0509003922515 0509003923244	03/25/10 03/25/10 03/25/10	TRASH REMOVAL SERVICES ASBESTOS DISPOSAL CONTAINER RENTAL TRASH REMOVAL SVCS TREATMENT PLANT	829.98 205.74 132.97	1,168.69
2023119	04/07/10	11590	AMERICAN DIGITAL CARTOGRAPHY	17221	03/18/10	SOFTWARE LICENSE	12,700.00	12,700.00
2023065	04/07/10	11729	AMERICAN EAGLE REAL ESTATE	Ref002404519	04/06/10	UB Refund Cst #0000157330	21.39	21.39
2023066	04/07/10	11735	AMERICAN EAGLE REAL ESTATE	Ref002404525	04/06/10	UB Refund Cst #0000158945	24.35	24.35
2023196	04/14/10	06166	AMERICAN MESSAGING	L1109570KD	04/01/10	PAGER SERVICES	135.91	135.91
2023412	04/28/10	00187	AMERICAN PUBLIC WORKS	002105	04/21/10	REGISTRATION FEES	240.00	240.00
2023318	04/21/10	03446	AMERICAN SOCIETY OF CIVIL	002093	04/19/10	REGISTRATION FEES	180.00	180.00
2023319	04/21/10	00107	AMERICAN WATER WORKS	7000214567	03/24/10	CONFERENCE REGISTRATION	495.00	495.00

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2023413	04/28/10	00002	ANSWER INC	2944	04/22/10	TELEPHONE ANSWERING SERVICES	1,000.00	1,000.00
2023120	04/07/10	08967	ANTHEM BLUE CROSS EAP	40862	03/22/10	EMPLOYEE ASSISTANCE PROGRAM SERVICES	365.70	365.70
2023197	04/14/10	05758	AT&T	0821645728032510	03/25/10	OPTE MAN INTERNET BANDWIDTH	1,987.33	3,972.67
				0821645728	02/25/10	OPTE MAN INTERNET BANDWIDTH	1,985.34	
2023198	04/14/10	05758	AT&T	61942256050310	03/20/10	PHONE SVC (INTERAGENCY WTR MTR CONN)	71.42	102.13
				61942256050210	02/20/10	PHONE SVC (INTERAGENCY WTR MTR CONN)	30.71	
2023199	04/14/10	05758	AT&T	33784130450310	03/07/10	PHONE SERVICE (HI HEAD P/S-SCADA)	32.34	32.34
2023200	04/14/10	07785	AT&T	000001207631	03/02/10	PHONE SERVICES	5,825.90	5,825.90
2023414	04/28/10	05758	AT&T	33784130450410	04/07/10	PHONE SERVICE (HI HEAD P/S-SCADA)	32.34	32.34
2023415	04/28/10	07785	AT&T	000001272016	04/02/10	PHONE SERVICES	5,790.26	5,790.26
2023201	04/14/10	08330	AT&T INTERNET SERVICES	8547826250310	03/22/10	OPTE MAN INTERNET BANDWIDTH	1,200.00	2,400.00
				8547826250210	02/22/10	OPTE MAN INTERNET BANDWIDTH	1,200.00	
2023121	04/07/10	01709	ATKINSON, MITCHELL E	002064	04/01/10	SAFETY BOOTS	118.51	118.51
2023067	04/07/10	11726	ATLANTIC PACIFIC REAL ESTATE	Ref002404515	04/06/10	UB Refund Cst #0000155320	48.01	48.01
2023068	04/07/10	11734	ATLANTIC & PACIFIC REAL ESTATE	Ref002404524	04/06/10	UB Refund Cst #0000158440	189.65	189.65
2023122	04/07/10	11285	AZTEC FIRE & SAFETY INC	44934	03/18/10	SMOKE DETECTOR	465.00	465.00
2023123	04/07/10	11519	BACKFLOW APPARATUS & VALVE CO	489079	03/12/10	BACKFLOW ASSEMBLIES	927.56	927.56
2023124	04/07/10	08024	BACKGROUND PROFILES INC	1451	03/31/10	BACKGROUND CHECK	18.00	18.00
2023275	04/21/10	11790	BARBARA DOWNING	Ref002404892	04/20/10	UB Refund Cst #0000159916	39.76	39.76
2023202	04/14/10	00145	BARRETT ENGINEERED PUMPS	070442	03/22/10	MOUNTAIN SEWER	322.89	322.89
2023125	04/07/10	06285	BARTEL ASSOCIATES LLC	10091	02/18/10	PROFESSIONAL CONSULTING SERVICES	10,175.00	10,175.00
2023126	04/07/10	04806	BJ'S RENTALS	273891	03/16/10	CONCRETE	166.39	166.39
2023320	04/21/10	04806	BJ'S RENTALS	274406	03/23/10	BOOMLIFT RENTAL	739.15	1,440.50
				275264	04/01/10	BOOMLIFT RENTAL	701.35	
2023276	04/21/10	11778	BRENDA CHAPPELLE	Ref002404880	04/20/10	UB Refund Cst #0000153899	48.89	48.89
2023127	04/07/10	10970	BRENNTAG PACIFIC INC	BPI979667	03/18/10	SODIUM HYPOCHLORITE	2,274.64	3,807.50
				BPI978894	03/15/10	SODIUM HYPOCHLORITE	1,532.86	

OTAY WATER DISTRICT
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2023203	04/14/10	10970	BRENNTAG PACIFIC INC	BPI980912	03/22/10	SODIUM HYPOCHLORITE	1,754.00	1,754.00
2023321	04/21/10	10970	BRENNTAG PACIFIC INC	BPI982847	03/29/10	SODIUM HYPOCHLORITE	1,700.92	1,700.92
2023416	04/28/10	10970	BRENNTAG PACIFIC INC	BPI984911 BPI985286	04/05/10 04/06/10	SODIUM HYPOCHLORITE SODIUM HYPOCHLORITE	1,204.29 1,036.23	2,240.52
2023322	04/21/10	03679	BRG CONSULTING INC	10033411	03/31/10	CONSULTANT CONTRACT FOR ENV SVCS	1,113.75	1,113.75
2023277	04/21/10	11774	BRIANNE MARTINEZ	Ref002404876	04/20/10	UB Refund Cst #0000145241	15.86	15.86
2023128	04/07/10	01232	BRODING'S BATTERY	16637 16460	03/18/10 03/12/10	BATTERIES BATTERIES	217.39 67.37	284.76
2023204	04/14/10	08156	BROWNSTEIN HYATT FARBER	432734A 433142	03/31/10	CREDIT MEMO LEGAL SERVICES	(91.33) 438.75	347.42
2023069	04/07/10	11523	BRYAN ZENONI	Ref002404514	04/06/10	UB Refund Cst #0000154314	25.71	25.71
2023417	04/28/10	00358	BURNS & SONS TRUCKING INC	201003101	03/18/10	TOWING SERVICES	240.00	240.00
2023070	04/07/10	11731	BW REAL ESTATE GROUP	Ref002404521	04/06/10	UB Refund Cst #0000157755	9.79	9.79
2023129	04/07/10	00223	C W MCGRATH INC	35855	03/17/10	CRUSHED ROCK	418.31	418.31
2023323	04/21/10	00223	C W MCGRATH INC	35981 35992	03/29/10 03/30/10	CRUSHED ROCK CRUSHED ROCK	196.86 191.60	388.46
2023205	04/14/10	00319	CA DEPARTMENT OF PUBLIC HEALTH	10	04/14/10	WATER SYSTEMS FEES #3710034	3,670.40	3,670.40
2023418	04/28/10	11044	CALIFORNIA BANK & TRUST	9R	04/02/10	RETENTION FOR CCL CONTRACTING	119,103.20	119,103.20
2023324	04/21/10	02920	CALIFORNIA COMMERCIAL	91765	03/18/10	COLD MIX	5,230.01	5,230.01
2023419	04/28/10	02202	CALIFORNIA MUNICIPAL	1257151	04/13/10	MEMBERSHIP RENEWAL	155.00	155.00
2023130	04/07/10	00192	CALIFORNIA WATER ENVIRONMENT	002061	03/30/10	MEMBERSHIP RENEWAL	132.00	132.00
2023325	04/21/10	01004	CALOLYMPIC SAFETY	068788	04/01/10	SAFETY ITEMS	219.66	219.66
2023420	04/28/10	01004	CALOLYMPIC SAFETY	068790 068785	04/06/10 04/05/10	SAFETY ITEMS SAFETY ITEMS	102.89 100.80	203.69
2023326	04/21/10	02758	CARMEL BUSINESS SYSTEMS INC	7143 7127 7141 7142	04/01/10 03/01/10 04/01/10 04/01/10	RECORDS SERVICES DOCUMENT COPYING SCANNING ENGINEERING DRAWINGS STORAGE & DESTRUCTION OF DOCUMENTS	1,252.80 1,206.27 1,199.58 358.55	4,017.20
2023278	04/21/10	11765	CARMEL WALTER	Ref002404867	04/20/10	UB Refund Cst #0000080786	21.33	21.33

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2023071	04/07/10	11700	CARMEN ZIVELONGHI	Ref002404484	04/06/10	UB Refund Cst #0000046039	89.88	89.88
2023072	04/07/10	11741	CAROLYN RANCOUR	Ref002404531	04/06/10	UB Refund Cst #0000160028	132.93	132.93
2023279	04/21/10	11764	CATHERINE DUNGCA	Ref002404866	04/20/10	UB Refund Cst #0000068184	46.15	46.15
2023421	04/28/10	10571	CCL CONTRACTING	9	04/02/10	P2009/P2038 JAMACHA ROAD PIPELINE	1,071,928.82	1,071,928.82
2023206	04/14/10	03232	CDW GOVERNMENT INC	SCS6585	03/22/10	SCANNERS	2,983.39	2,983.39
2023327	04/21/10	09801	CENTERBEAM INC	116314	04/01/10	NETWORK MONITORING	1,697.00	1,697.00
2023280	04/21/10	11760	CESAR OSORIO	Ref002404862	04/20/10	UB Refund Cst #0000043820	36.37	36.37
2023131	04/07/10	11694	CHEVRON USA INC	912021712REF	04/01/10	CUSTOMER REFUND	193.90	193.90
2023073	04/07/10	11703	CHRISTOPHER TARON	Ref002404488	04/06/10	UB Refund Cst #0000056072	100.00	100.00
2023422	04/28/10	02026	CHULA VISTA ELEMENTARY SCHOOL	002101	04/21/10	REBATE PAYMENT	19,200.00	19,200.00
2023132	04/07/10	11334	CHULA VISTA SCHOOL DISTRICT	914188000REF	04/05/10	CUSTOMER REFUND	1,047.80	1,047.80
2023328	04/21/10	04119	CLARKSON LAB & SUPPLY INC	49260	03/31/10	BACTERIOLOGICAL SERVICES	312.00	312.00
2023133	04/07/10	11696	COFFIN, SHANNON	002066	04/01/10	CERTIFICATION REIMBURSEMENT	120.00	120.00
2023134	04/07/10	08160	COMPLETE OFFICE	11953400	03/16/10	OPTICAL DRIVE	608.98	608.98
2023207	04/14/10	08160	COMPLETE OFFICE	11971820 11980070 11965070	03/23/10 03/25/10 03/19/10	COPY PAPER PRINTER BADGE HOLDERS	1,135.42 424.11 41.31	1,600.84
2023423	04/28/10	08160	COMPLETE OFFICE	11989070	04/05/10	PAPER	156.56	156.56
2023208	04/14/10	11510	CONFERENCECALL.COM	2670219744	03/31/10	CONFERENCE CALLING	152.34	152.34
2023329	04/21/10	04398	CONSTRUCTION MANAGEMENT	002096	04/15/10	REGISTRATION FEES	1,250.00	1,250.00
2023424	04/28/10	02612	COUNCIL OF WATER UTILITIES	002102	04/15/10	MONTHLY MEETING	75.00	75.00
2023209	04/14/10	00184	COUNTY OF SAN DIEGO	DEH100411D11 DEH100410D11	03/29/10 03/29/10	RECLAIMED WATER SHUT DOWN TEST RECLAIMED WATER SHUT DOWN TEST	773.50 446.25	1,219.75
2023330	04/21/10	02122	COUNTY OF SAN DIEGO	97124310	03/15/10	PERMITS/DISTRICT FEES	367.00	367.00
2023074	04/07/10	11709	CURTIS JACKSON	Ref002404495	04/06/10	UB Refund Cst #0000086810	52.00	52.00
2023281	04/21/10	11758	DAE-SUN SON	Ref002404860	04/20/10	UB Refund Cst #0000019240	109.45	109.45

OTAY WATER DISTRICT
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2023282	04/21/10	11761	DALE WILSON	Ref002404863	04/20/10	UB Refund Cst #0000050432	31.86	31.86
2023075	04/07/10	11742	DAN SCOTT	Ref002404532	04/06/10	UB Refund Cst #0000160059	75.00	75.00
2023076	04/07/10	11724	DANIEL FLORES	Ref002404512	04/06/10	UB Refund Cst #0000147772	75.00	75.00
2023425	04/28/10	03606	DCSE INC	4	02/19/10	WORK ORDER INTEGRATION	3,554.06	3,554.06
2023135	04/07/10	02603	DELL MARKETING LP	XDP6P4538	03/17/10	PROJECTOR	1,114.79	1,114.79
2023210	04/14/10	07680	DELTA HEALTH SYSTEMS	P100401	04/01/10	EMPLOYEE HEALTH	1,638.00	1,638.00
2023331	04/21/10	03744	DEPARTMENT OF JUSTICE	786418	04/06/10	FINGERPRINT ANALYSIS SERVICES	153.00	153.00
2023211	04/14/10	11595	DETERCO INC	56581	03/22/10	TOOL	878.20	878.20
2023136	04/07/10	08495	DIAZ, JENNY	002063	04/01/10	TUITION REIMBURSEMENT	622.32	622.32
2023212	04/14/10	03417	DIRECTV	1230572431	04/05/10	SATELLITE TV SERVICE	10.00	10.00
2023283	04/21/10	11786	DIVINIA GAYYA	Ref002404888	04/20/10	UB Refund Cst #0000159134	65.21	65.21
2023284	04/21/10	11776	DORA BOURKE	Ref002404878	04/20/10	UB Refund Cst #0000146631	42.75	42.75
2023426	04/28/10	05134	DYCHITAN, MARISSA	002099	04/20/10	COMPUTER LOAN	551.74	551.74
2023077	04/07/10	11697	EASTLAKE COUNTRY CLUB	Ref002404481	04/06/10	UB Refund Cst #0000012943	30.11	30.11
2023137	04/07/10	02447	EDCO DISPOSAL CORPORATION	1554580310	03/31/10	RECYCLING SERVICES	90.00	90.00
2023332	04/21/10	07861	ELMORE, JIMMY	002097	04/16/10	TUITION REIMBURSEMENT	1,300.00	1,300.00
2023078	04/07/10	11712	EMMA VERUMEN	Ref002404500	04/06/10	UB Refund Cst #0000121647	37.45	37.45
2023213	04/14/10	08023	EMPLOYEE BENEFIT SPECIALISTS	0049300IN	03/31/10	ADMINISTRATION FEES FOR COBRA	555.00	555.00
2023138	04/07/10	03227	ENVIROMATRIX ANALYTICAL INC	0030302	03/15/10	LABORATORY SERVICES	515.00	515.00
2023214	04/14/10	03227	ENVIROMATRIX ANALYTICAL INC	0030424	03/22/10	LABORATORY SERVICES	270.00	270.00
2023333	04/21/10	03227	ENVIROMATRIX ANALYTICAL INC	0030555	03/29/10	LABORATORY SERVICES	490.00	490.00
2023427	04/28/10	03227	ENVIROMATRIX ANALYTICAL INC	0040074	04/05/10	LABORATORY SERVICES	640.00	640.00
2023215	04/14/10	03725	ENVIRONMENTAL SYSTEMS RESEARCH	002077	04/07/10	REGISTRATION FEE	800.00	800.00
2023334	04/21/10	03725	ENVIRONMENTAL SYSTEMS RESEARCH	92149985	03/31/10	SOFTWARE	2,727.26	2,727.26

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2023335	04/21/10	11287	ESCONDIDO LIVE SCAN	11161003	03/31/10	FINGERPRINTING SERVICES	20.00	20.00
2023079	04/07/10	11701	ESTELA RUIZ	Ref002404485	04/06/10	UB Refund Cst #0000046943	76.85	76.85
2023216	04/14/10	03683	F & L INDUSTRIAL SOLUTIONS INC	10359	03/19/10	SOLENOIDS	4,812.22	4,812.22
2023139	04/07/10	11602	FAIRWAY VILLAS HOA	002056	04/01/10	LANDSCAPE PROGRAM	250.00	250.00
2023217	04/14/10	03757	FANDEL ENTERPRISES INC	1390	04/02/10	CONSULTING SERVICES	6,900.00	6,900.00
2023080	04/07/10	11707	FAY WAHLE	Ref002404493	04/06/10	UB Refund Cst #0000079487	9.86	9.86
2023218	04/14/10	11750	FELIX TUYAY	042050955REF	04/13/10	CUSTOMER REFUND	95.04	95.04
2023140	04/07/10	03546	FERGUSON WATERWORKS # 1082	0341532	03/18/10	AIR/VAC PARTS	7,919.00	
				0341396	03/16/10	SHOP TOOLS	565.50	
				0342056	03/12/10	TRUCK TOOLS	366.49	8,850.99
2023219	04/14/10	03546	FERGUSON WATERWORKS # 1082	0342701	03/19/10	INVENTORY	628.03	628.03
2023336	04/21/10	03546	FERGUSON WATERWORKS # 1082	CM028027		CREDIT MEMO	(303.87)	
				CM027938		CREDIT MEMO	(222.18)	
				0341585	03/10/10	INVENTORY	1,409.55	
				0344081	04/01/10	INVENTORY	647.93	1,531.43
2023428	04/28/10	03546	FERGUSON WATERWORKS # 1082	0344469	04/07/10	INVENTORY	1,620.14	
				0344073	04/06/10	INVENTORY	804.48	
				0344079	04/05/10	REPAIR PARTS	402.63	
				0344077	04/05/10	REPAIR PARTS	68.51	2,895.76
2023081	04/07/10	11642	FIELD ASSET SERVICES	Ref002404517	04/06/10	UB Refund Cst #0000156273	24.35	24.35
2023337	04/21/10	08893	FIRST AMERICAN DATA TREE	90034030	03/31/10	ONLINE MAP PURCHASING SERVICE	99.00	99.00
2023141	04/07/10	04066	FIRST CHOICE SERVICES - SD	051974	03/16/10	COFFEE SUPPLIES	247.32	247.32
2023338	04/21/10	04066	FIRST CHOICE SERVICES - SD	054026	03/30/10	COFFEE SUPPLIES	413.65	413.65
2023339	04/21/10	02591	FITNESS TECH INC	6469	04/01/10	MAINTENANCE FOR FITNESS EQUIPMENT	125.00	125.00
2023340	04/21/10	01535	FLO-SYSTEMS INC	F1135510D048	03/30/10	PUMP PARTS	11,657.53	11,657.53
2023082	04/07/10	11725	FRANCESCA LEVY	Ref002404513	04/06/10	UB Refund Cst #0000153986	104.73	104.73
2023083	04/07/10	11732	FRANCESCA LEVY	Ref002404522	04/06/10	UB Refund Cst #0000157854	325.57	325.57
2023220	04/14/10	01612	FRANCHISE TAX BOARD	Ben2404709	04/15/10	PAYROLL DEDUCTION	75.00	75.00
2023221	04/14/10	02344	FRANCHISE TAX BOARD	Ben2404703	04/15/10	PAYROLL DEDUCTION	643.80	643.80

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2023394	04/28/10	01612	FRANCHISE TAX BOARD	Ben2405000	04/29/10	PAYROLL DEDUCTION	150.00	150.00
2023395	04/28/10	02344	FRANCHISE TAX BOARD	Ben2404996	04/29/10	PAYROLL DEDUCTION	643.80	643.80
2023142	04/07/10	07224	FRAZEE INDUSTRIES INC	126546	03/18/10	HYDRANT PAINT	1,192.23	1,192.23
2023222	04/14/10	06291	GARCIA CALDERON & RUIZ LLP	3407	03/31/10	LEGAL SERVICES	49,817.28	49,817.28
2023223	04/14/10	03609	GBA MASTER SERIES INC	609732	03/25/10	GBA SOFTWARE INTEGRATION	3,900.00	3,900.00
2023224	04/14/10	11751	GEORGE MORENO TRUST ACCOUNT	002086	04/14/10	W/O REFUND D0202-XX9657	1,400.64	1,400.64
2023084	04/07/10	11718	GERALD JOHNSON	Ref002404506	04/06/10	UB Refund Cst #0000139544	12.90	12.90
2023143	04/07/10	03537	GHA TECHNOLOGIES INC	588423	03/15/10	HEADSETS	537.23	537.23
2023225	04/14/10	06276	GIFFORD ENGINEERING INC	50575 50566	03/23/10 03/23/10	RADIO INSTALL RADIO INSTALL	432.53 409.30	841.83
2023341	04/21/10	06276	GIFFORD ENGINEERING INC	4148 4149 4151	04/06/10 04/06/10 04/14/10	RADIO REPAIR RADIO REPAIR RADIO REPAIR	187.00 153.97 132.00	472.97
2023285	04/21/10	11773	GLADYS MOORE	Ref002404875	04/20/10	UB Refund Cst #0000144940	50.12	50.12
2023226	04/14/10	11748	GLAZE FITNESS	002079	04/07/10	EMPLOYEE PROGRAM	2,925.00	2,925.00
2023144	04/07/10	11288	GOOD PEOPLE EMPLOYMENT	00036200	03/14/10	TEMPORARY SERVICES	1,736.00	1,736.00
2023342	04/21/10	11288	GOOD PEOPLE EMPLOYMENT	00036471	03/28/10	TEMPORARY SERVICES	1,736.00	1,736.00
2023429	04/28/10	11288	GOOD PEOPLE EMPLOYMENT	00035943 00036600	02/28/10 04/08/10	TEMPORARY SERVICES TEMPORARY SERVICES	1,388.80 1,345.40	2,734.20
2023145	04/07/10	00101	GRAINGER INC	9203819058 9206137052	03/12/10 03/16/10	HAND TOOLS PLASTIC COVER	120.28 117.29	237.57
2023430	04/28/10	00101	GRAINGER INC	9221245450 9221594683 9223809352 9223750465 9223750457 9221245443	04/05/10 04/05/10 04/07/10 04/07/10 04/07/10 04/05/10	TOOLS NEEDLE SCALER PARTS WAREHOUSE SUPPLIES BATTERIES TOOLS	396.09 322.99 312.37 192.35 91.36 62.51	1,377.67
2023343	04/21/10	02187	GREENSCAPE	2363	04/01/10	LANDSCAPING SERVICES	6,090.00	6,090.00
2023344	04/21/10	03773	GTC SYSTEMS INC	30003	03/31/10	TECHNICAL SUPPORT FOR CITRIX	2,718.75	2,718.75

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2023085	04/07/10	11715	GWENDOLYN TAYLOR	Ref002404503	04/06/10	UB Refund Cst #0000125633	7.37	7.37
2023146	04/07/10	00174	HACH COMPANY	6640166	03/09/10	HACH TURBIDITY	1,001.88	1,001.88
2023227	04/14/10	00174	HACH COMPANY	6659307	03/23/10	APA6000 PARTS	1,250.39	1,250.39
2023345	04/21/10	00174	HACH COMPANY	6672081	04/01/10	CHLORINE & AMMONIA ANALYZER	2,101.30	2,101.30
2023431	04/28/10	00174	HACH COMPANY	6676768 6674792	04/05/10 04/02/10	HACH APA6000 HACH APA6000	2,546.16 2,354.46	4,900.62
2023147	04/07/10	02629	HANSON AGGREGATES INC	612957	03/17/10	CRUSHED AGGREGATES & ROCK	370.91	370.91
2023228	04/14/10	02629	HANSON AGGREGATES INC	613159	03/19/10	CRUSHED AGGREGATES & ROCK	107.24	107.24
2023346	04/21/10	02629	HANSON AGGREGATES INC	613816	03/29/10	CRUSHED AGGREGATES & ROCK	121.62	121.62
2023432	04/28/10	02629	HANSON AGGREGATES INC	614396 614491 614287	04/07/10 04/08/10 04/06/10	CRUSHED AGGREGATE CRUSHED AGGREGATE CRUSHED AGGREGATES	226.95 222.57 214.57	664.09
2023347	04/21/10	01246	HARBOR FREIGHT TOOLS	01558308	03/30/10	PAINTING SUPPLIES	128.36	128.36
2023148	04/07/10	00169	HAWTHORNE POWER SYSTEMS	PS100181644 PS100181535	03/18/10 03/16/10	GASKET # 8S1606 GASKET # 8S1606	12.13 11.80	23.93
2023433	04/28/10	10973	HDR ENGINEERING INC	187663H	04/02/10	TEMPORARY LABOR SERVICES	13,125.00	13,125.00
2023348	04/21/10	00062	HELIX WATER DISTRICT	178540010410 174639860410	04/12/10 04/12/10	WATER BILL - AVOCADO BLVD WATER BILL - RUSSELL SQ	69.30 40.10	109.40
2023434	04/28/10	02096	HELIX WATER DISTRICT	WO18301	04/15/10	PIPELINE COSTS	1,171.61	1,171.61
2023229	04/14/10	11598	HEMBORG FORD	290278	03/25/10	UTILITY TRUCK	36,746.95	36,746.95
2023349	04/21/10	08610	HENRY BROS ELECTRONICS INC	13030410	03/31/10	SECURITY REPAIRS	2,960.00	2,960.00
2023149	04/07/10	00713	HEWLETT-PACKARD COMPANY	2500882532	03/10/10	HP TRIM UPGRADE	20,329.20	20,329.20
2023150	04/07/10	06843	HI-TECH AIR CONDITIONING	001111	03/02/10	REBUILD HUMIDIFIER	980.00	980.00
2023435	04/28/10	06843	HI-TECH AIR CONDITIONING	001317	04/07/10	DATA CENTER AC MAINTENANCE	911.25	911.25
2023230	04/14/10	01109	HOME DEPOT CREDIT SERVICES	1151056 1151058	03/30/10 03/30/10	PAINTING SUPPLIES PAINTING SUPPLIES	144.95 141.12	286.07
2023151	04/07/10	09710	HOMESTEAD TREE SERVICE INC	5111	03/17/10	TREE REMOVAL	8,500.00	8,500.00
2023231	04/14/10	06540	HORIZON CRANE SERVICE LLC	5410	03/23/10	CRANE RENTAL	580.00	580.00

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2023436	04/28/10	06540	HORIZON CRANE SERVICE LLC	5247b	04/08/10	GENERATOR	507.50	507.50
2023152	04/07/10	06301	HVAC ENGINEERING INC	5679	03/18/10	DESIGN SERVICES	1,800.00	1,800.00
2023153	04/07/10	03743	HYDROTEX	576203	03/17/10	OIL	1,305.94	1,305.94
2023350	04/21/10	08491	IDENTIFICATION SERVICES	002074	04/01/10	FINGERPRINTING SERVICES	20.00	20.00
2023351	04/21/10	03507	INDOFF INCORPORATED	1625364	03/29/10	ERGONOMIC CHAIR	653.77	653.77
2023437	04/28/10	07485	INFO-HOLD INC	89610	02/01/10	MP3 UPGRADE	149.00	149.00
2023352	04/21/10	08969	INFOSEND INC	42485 42484	03/31/10 03/31/10	BILLING POSTAGE BILL PRINTING SERVICES	18,018.57 8,254.07	26,272.64
2023438	04/28/10	08969	INFOSEND INC	42633	04/05/10	ENVELOPES	139.37	139.37
2023353	04/21/10	02372	INTERIOR PLANT SERVICE INC	34013	03/31/10	PLANT SERVICES	169.00	169.00
2023286	04/21/10	11763	JAMES MILLIGAN	Ref002404865	04/20/10	UB Refund Cst #0000066678	36.43	36.43
2023154	04/07/10	11693	JANE FERRIS	002058	04/01/10	LANDSCAPE PROGRAM	1,325.00	1,325.00
2023354	04/21/10	03077	JANI-KING OF CALIFORNIA INC	SDO04100237	04/01/10	OFF-SITE JANITORIAL SERVICES	1,042.00	1,042.00
2023232	04/14/10	10563	JCI JONES CHEMICALS INC	462425 462291	 03/24/10	CREDIT MEMO CHLORINE FOR TREATMENT PLANT	(3,000.00) 4,684.65	1,684.65
2023287	04/21/10	11770	JENNIFER BRINKER	Ref002404872	04/20/10	UB Refund Cst #0000142176	47.55	47.55
2023086	04/07/10	11723	JIMMY MANINANG	Ref002404511	04/06/10	UB Refund Cst #0000145964	56.52	56.52
2023288	04/21/10	11789	JOHN SPENCE	Ref002404891	04/20/10	UB Refund Cst #0000159488	24.35	24.35
2023087	04/07/10	11706	JOHN STEWART COMPANY	Ref002404492	04/06/10	UB Refund Cst #0000079181	96.21	96.21
2023355	04/21/10	03172	JONES & STOKES ASSOCIATES	0069373 0069330 0069327 0069328	03/12/10 03/12/10 03/12/10 03/12/10	ENVIRONMENTAL CONSULTING SERVICES P1253 SAN MIGUEL HABITAT MGMT AREA ON-CALL ENVIRONMENTAL SVCS ON-CALL ENVIRONMENTAL SVCS	40,428.81 32,963.10 1,899.57 1,265.00	76,556.48
2023439	04/28/10	05217	JONES, DANIEL	002108	04/27/10	SAFETY BOOTS	128.39	128.39
2023289	04/21/10	11771	JOSE MARTIN DEL CAMPO	Ref002404873	04/20/10	UB Refund Cst #0000142353	57.69	57.69
2023356	04/21/10	11756	JOSEPH JONES	002092	04/16/10	LANDSCAPE PROGRAM	636.00	636.00
2023088	04/07/10	11002	JOSH KOHUT	Ref002404499	04/06/10	UB Refund Cst #0000120722	103.47	103.47

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2023440	04/28/10	00056	KAMAN INDUSTRIAL TECHNOLOGIES	C689017	04/02/10	PANEL DISPLAYS	1,307.56	1,307.56
2023290	04/21/10	11762	KAREN WOODHOUSE	Ref002404864	04/20/10	UB Refund Cst #0000061421	50.00	50.00
2023291	04/21/10	11780	KAYVON & ASSOCIATES INC	Ref002404882	04/20/10	UB Refund Cst #0000155427	49.89	49.89
2023292	04/21/10	11792	KAYVON AND ASSOCIATES	Ref002404894	04/20/10	UB Refund Cst #0000160446	47.32	47.32
2023089	04/07/10	11739	KIM KOESTNER	Ref002404529	04/06/10	UB Refund Cst #0000159447	75.00	75.00
2023090	04/07/10	11740	KIM THOMAS	Ref002404530	04/06/10	UB Refund Cst #0000159592	11.90	11.90
2023155	04/07/10	05840	KIRK PAVING INC	4518	03/18/10	ANNUAL AS NEEDED PAVING SERVICES	4,191.75	4,191.75
2023233	04/14/10	04996	KNOX ATTORNEY SERVICE INC	540154 540155 540156	03/22/10 03/22/10 03/22/10	DELIVERY OF BOARD & COMMITTEE PACKETS DELIVERY OF BOARD & COMMITTEE PACKETS DELIVERY OF BOARD & COMMITTEE PACKETS	28.60 28.60 28.60	85.80
2023357	04/21/10	04996	KNOX ATTORNEY SERVICE INC	539868	03/31/10	DELIVERY OF BOARD & COMMITTEE PACKETS	114.40	114.40
2023091	04/07/10	11730	L P MAX	Ref002404520	04/06/10	UB Refund Cst #0000157474	24.35	24.35
2023156	04/07/10	02063	LA MESA - SPRING VALLEY	002060	03/30/10	GARDEN TOUR	852.00	852.00
2023234	04/14/10	06497	LAKESIDE LAND COMPANY	236177	03/19/10	ASPHALT	71.64	71.64
2023235	04/14/10	05632	LARSON, BRAD	002075	04/11/10	SAFETY BOOTS	138.26	138.26
2023293	04/21/10	11775	LAURA FERNANDEZ	Ref002404877	04/20/10	UB Refund Cst #0000145863	18.66	18.66
2023358	04/21/10	03607	LEE & RO INC	84106 83718	04/01/10 04/01/10	DESIGN SERVICES P2009 - DESIGN OF 36-INCH PIPELINE	35,050.44 474.00	35,524.44
2023092	04/07/10	11743	LEVI ORTIZ	Ref002404533	04/06/10	UB Refund Cst #0000160732	32.01	32.01
2023294	04/21/10	11759	LORENZO BURTON	Ref002404861	04/20/10	UB Refund Cst #0000032226	16.86	16.86
2023093	04/07/10	09100	LSI TITLE COMPANY	Ref002404502	04/06/10	UB Refund Cst #0000124950	182.66	182.66
2023295	04/21/10	11784	LYNN MULHALL	Ref002404886	04/20/10	UB Refund Cst #0000159047	53.26	53.26
2023157	04/07/10	10512	MAIL MANAGEMENT GROUP INC	OWD6310	03/31/10	POST CARDS	595.78	595.78
2023236	04/14/10	10512	MAIL MANAGEMENT GROUP INC	OWD6311	03/29/10	PRINTING SERVICES	60.59	60.59
2023359	04/21/10	00628	MANHATTAN NATIONAL LIFE	002090	05/01/10	VOLUNTARY LIFE INSURANCE	343.42	343.42
2023296	04/21/10	11757	MARCELA CAMACHO	Ref002404859	04/20/10	UB Refund Cst #0000014277	90.00	90.00

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2023094	04/07/10	11722	MARIA NAMBO	Ref002404510	04/06/10	UB Refund Cst #0000145481	49.41	49.41
2023095	04/07/10	11708	MARIA VAZQUE CAMPOS	Ref002404494	04/06/10	UB Refund Cst #0000084768	80.00	80.00
2023096	04/07/10	11698	MARIE FRANCISCO	Ref002404482	04/06/10	UB Refund Cst #0000015384	110.00	110.00
2023097	04/07/10	11702	MARIE REILLY	Ref002404486	04/06/10	UB Refund Cst #0000051488	27.35	27.35
2023441	04/28/10	02902	MARSTON+MARSTON INC	201041	04/06/10	PUBLIC & COMMUNITY OUTREACH RELATIONS	1,607.50	1,607.50
2023158	04/07/10	03792	MARTINEZ, STEPHEN V	002065	04/01/10	CERTIFICATE REIMBURSEMENT	120.00	120.00
2023360	04/21/10	05329	MASTER METER INC	0167409IN	03/29/10	METERS AND REGISTERS	4,639.41	4,639.41
2023159	04/07/10	01183	MCMaster-CARR SUPPLY CO	50087375 49635906 49908273	03/16/10 03/11/10 03/15/10	TOOLS WHEEL CHOCK TOOLS	326.27 182.88 26.43	535.58
2023442	04/28/10	01183	MCMaster-CARR SUPPLY CO	51749229 52069628	04/05/10 04/08/10	AIR-VAC STRAINER HEADWORKS PUMPS	462.63 156.33	618.96
2023098	04/07/10	11699	MINDA MAPANAO	Ref002404483	04/06/10	UB Refund Cst #0000044544	51.79	51.79
2023160	04/07/10	00887	MIRAMAR TRUCK CENTER-SAN DIEGO	263329	03/15/10	REPAIR PART	56.58	56.58
2023443	04/28/10	00887	MIRAMAR TRUCK CENTER-SAN DIEGO	CM263633 263633	03/25/10	CREDIT MEMO REMAN ENGINE	(3,186.31) 11,644.63	8,458.32
2023361	04/21/10	00237	MISSION JANITORIAL & ABRASIVE	19946400	03/26/10	JANITORIAL SUPPLIES	958.10	958.10
2023237	04/14/10	02260	MORSE SCALE INC	10207	03/24/10	HOIST CERTIFICATION	422.00	422.00
2023099	04/07/10	11733	MORTGAGE CONTRACTING SERVICES	Ref002404523	04/06/10	UB Refund Cst #0000158050	22.70	22.70
2023238	04/14/10	03623	MWH AMERICAS INC	1290134	09/16/09	PROFESSIONAL CONSULTING SERVICES	3,753.17	3,753.17
2023362	04/21/10	03623	MWH AMERICAS INC	1332899	03/05/10	RWCWRF UPGRADE	10,276.97	10,276.97
2023444	04/28/10	03623	MWH AMERICAS INC	1332902	04/05/10	PROFESSIONAL SERVICES	23,134.18	23,134.18
2023161	04/07/10	10202	MWH CONSTRUCTORS INC	1322332	03/05/10	TEMPORARY LABOR SERVICES	11,200.00	11,200.00
2023239	04/14/10	11747	N T LAWRENCE	200072809REF	04/08/10	CUSTOMER REFUND	1,100.00	1,100.00
2023297	04/21/10	11766	NARLIE AMBAT	Ref002404868	04/20/10	UB Refund Cst #0000104339	34.65	34.65
2023445	04/28/10	09881	NATGUN CORPORATION	08C5514	04/02/10	P2143 1296-3 RESERVOIR 2.0 MG	208,975.50	208,975.50

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2023240	04/14/10	03523	NATIONAL DEFERRED COMPENSATION	Ben2404693	04/15/10	DEFERRED COMP PLAN	9,507.94	9,507.94
2023396	04/28/10	03523	NATIONAL DEFERRED COMPENSATION	Ben2404984	04/29/10	DEFERRED COMP PLAN	9,511.56	9,511.56
2023363	04/21/10	09884	NATIONAL SAFETY COMPLIANCE INC	45829	03/31/10	RANDOM DRUG TESTING	782.13	782.13
2023364	04/21/10	03733	NEC UNIFIED SOLUTIONS INC	TM00000015354	03/31/10	LABOR FOR PHONES SVCS	166.06	166.06
2023446	04/28/10	03733	NEC UNIFIED SOLUTIONS INC	TM0000015514	04/08/10	LABOR FOR PHONES SVCS	118.00	118.00
2023298	04/21/10	11791	NEW DAWN REALTY	Ref002404893	04/20/10	UB Refund Cst #0000160025	43.44	43.44
2023365	04/21/10	00996	NEW HORIZONS	1308979	03/30/10	COMPUTER TRAINING SERVICES	1,485.00	1,485.00
2023241	04/14/10	05494	NEXTEL OF CALIFORNIA INC	901500243042	03/12/10	GIS (AIR-TRAK) CELLULAR SERVICE	3,806.13	3,806.13
2023447	04/28/10	05494	NEXTEL OF CALIFORNIA INC	901500243043	04/12/10	GIS (AIR-TRAK) CELLULAR SERVICE	3,803.29	3,803.29
2023242	04/14/10	11512	NIMBUS CONSULTING GROUP LLC	16	04/01/10	CONSULTING SERVICES	2,600.00	2,600.00
2023299	04/21/10	11767	NYLEWELL INC	Ref002404869	04/20/10	UB Refund Cst #0000122167	75.00	75.00
2023300	04/21/10	11782	O'BRIEN REAL ESTATE SERVICES	Ref002404884	04/20/10	UB Refund Cst #0000155960	75.00	75.00
2023162	04/07/10	00510	OFFICE DEPOT INC	512173166001	03/12/10	OFFICE SUPPLIES	177.70	
				512948398001	03/18/10	FLASH DRIVE	126.87	
				513141464001	03/18/10	OFFICE SUPPLIES	74.75	
				512896673001	03/16/10	OFFICE SUPPLIES	46.33	425.65
2023243	04/14/10	00510	OFFICE DEPOT INC	513687110001	03/24/10	OFFICE SUPPLIES	563.26	
				513700827001	03/24/10	OFFICE SUPPLIES	88.50	
				513039373001	03/17/10	OFFICE SUPPLIES	82.03	733.79
2023448	04/28/10	00510	OFFICE DEPOT INC	515022210001	04/06/10	INK TANK	28.60	28.60
2023449	04/28/10	00496	ONESOURCE DISTRIBUTORS LLC	S3274261001	04/05/10	LIGHT SWITCHES	1,950.03	1,950.03
2023450	04/28/10	07496	ORTEGA-CARRILLO, ALMA PATRICIA	17190310	03/31/10	TRAVEL EXPENSE	140.00	
				17190310	03/18/10	TRAVEL EXPENSE	92.00	232.00
2023100	04/07/10	11710	OSCAR NOVEDA	Ref002404497	04/06/10	UB Refund Cst #0000091235	32.93	32.93
2023451	04/28/10	11800	OTAY RANCH VII-1 LLC	002104	04/21/10	METER REFUND	285.00	285.00
2023101	04/07/10	11736	OTAY RIVER CONSTRUCTORS	Ref002404526	04/06/10	UB Refund Cst #0000159088	751.74	751.74
2023244	04/14/10	03101	OTAY WATER DISTRICT	Ben2404695	04/15/10	PAYROLL DEDUCTION - ASSN DUES	756.00	756.00
2023397	04/28/10	03101	OTAY WATER DISTRICT	Ben2404986	04/29/10	PAYROLL DEDUCTION - ASSN DUES	777.00	777.00

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2023102	04/07/10	11717	PACIFIC COAST COMMUNITIES	Ref002404505	04/06/10	UB Refund Cst #0000128003	791.25	791.25
2023163	04/07/10	03017	PACIFIC SAFETY COUNCIL	67017	03/17/10	FORKLIFT TRAINING	675.00	675.00
2023301	04/21/10	11781	PATRICIA GUILLEN	Ref002404883	04/20/10	UB Refund Cst #0000155748	34.89	34.89
2023366	04/21/10	05497	PAYPAL INC	7065102	03/31/10	ON-LINE PAYMENT SERVICES	617.80	617.80
2023164	04/07/10	03308	PBS&J	1073222	03/16/10	PROFESSIONAL CONSULTING SERVICES	7,270.00	7,270.00
2023245	04/14/10	03308	PBS&J	1073895	03/23/10	PROFESSIONAL SERVICES	6,609.55	6,609.55
2023103	04/07/10	11719	PEGGY TOMASELLO	Ref002404507	04/06/10	UB Refund Cst #0000143506	34.05	34.05
2023104	04/07/10	11728	PEGGY TOMASELLO	Ref002404518	04/06/10	UB Refund Cst #0000157301	75.00	75.00
2023246	04/14/10	03790	PENHALL COMPANY	24420	03/19/10	FLAT SAW CUTTING SERVICES	200.00	200.00
2023452	04/28/10	03180	PERFORMANCE METER INC	0017349IN	04/06/10	CONSTRUCTION METER	11,418.75	11,418.75
2023247	04/14/10	00137	PETTY CASH CUSTODIAN	002084	04/13/10	PETTY CASH	568.84	568.84
2023398	04/28/10	00137	PETTY CASH CUSTODIAN	002109	04/27/10	PETTY CASH	375.43	375.43
2023165	04/07/10	03253	PIPEHORN UTILITY TOOL CO INC	IN376	03/16/10	LOCATORS REPAIRS	686.00	686.00
2023453	04/28/10	02264	PLASTERER, MICHAEL L	002098	04/21/10	SAFETY BOOTS	128.39	128.39
2023166	04/07/10	01715	PORRAS, PEDRO J	002057	04/01/10	TRAVEL EXPENSE	875.58	875.58
2023167	04/07/10	03351	POSADA, ROD	15570410	04/01/10	TRAVEL EXPENSE	920.53	920.53
2023367	04/21/10	10662	PROFESSIONAL MAINTENANCE	75162	04/01/10	JANITORIAL SERVICES	2,675.00	2,675.00
2023248	04/14/10	09347	PROWEST APPRAISAL	1002013	03/25/10	APPRAISAL SERVICES	4,525.00	4,525.00
2023302	04/21/10	11785	PRUDENTIAL CALIFORNIA REALTY	Ref002404887	04/20/10	UB Refund Cst #0000159073	11.50	11.50
2023168	04/07/10	06641	PRUDENTIAL OVERALL SUPPLY	30085418	03/18/10	ADMIN/OPS UNIFORMS	332.88	
				30085417	03/18/10	ADMIN/OPS MATS, TOWELS AND SUPPLIES	161.96	
				30085419	03/18/10	ADMIN/OPS MATS, TOWELS AND SUPPLIES	137.15	
				30084726	03/16/10	ADMIN/OPS MATS, TOWELS AND SUPPLIES	99.89	
				30085420	03/18/10	ADMIN/OPS UNIFORMS	65.71	
				30084725	03/16/10	ADMIN/OPS UNIFORMS	49.10	846.69
2023249	04/14/10	06641	PRUDENTIAL OVERALL SUPPLY	30087036	03/25/10	ADMIN/OPS UNIFORMS	331.72	
				30087035	03/25/10	ADMIN/OPS MATS, TOWELS AND SUPPLIES	166.12	
				30087037	03/25/10	ADMIN/OPS MATS, TOWELS AND SUPPLIES	137.15	

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				30086350	03/23/10	ADMIN/OPS MATS, TOWELS AND SUPPLIES	99.89	
				30087038	03/25/10	ADMIN/OPS UNIFORMS	65.71	
				30086349	03/23/10	ADMIN/OPS UNIFORMS	49.10	
				31001416	03/25/10	UNIFORM JACKET	35.00	884.69
2023368	04/21/10	06641	PRUDENTIAL OVERALL SUPPLY	30088656	04/01/10	ADMIN/OPS UNIFORMS	332.46	
				30088655	04/01/10	ADMIN/OPS MATS, TOWELS AND SUPPLIES	166.12	
				30088657	04/01/10	ADMIN/OPS MATS, TOWELS AND SUPPLIES	137.15	
				30087975	03/30/10	ADMIN/OPS MATS, TOWELS AND SUPPLIES	99.89	
				30088658	04/01/10	ADMIN/OPS UNIFORMS	65.71	
				30087974	03/30/10	ADMIN/OPS UNIFORMS	49.10	850.43
2023454	04/28/10	06641	PRUDENTIAL OVERALL SUPPLY	30090276	04/08/10	ADMIN/OPS UNIFORMS	335.41	
				30090275	04/08/10	ADMIN/OPS MATS, TOWELS AND SUPPLIES	166.12	
				30090277	04/08/10	ADMIN/OPS MATS, TOWELS AND SUPPLIES	137.15	
				30089583	04/06/10	ADMIN/OPS MATS, TOWELS AND SUPPLIES	99.89	
				30090278	04/08/10	ADMIN/OPS UNIFORMS	65.71	
				30089581	04/06/10	ADMIN/OPS UNIFORMS	49.10	853.38
2023169	04/07/10	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2404360	04/01/10	PERS CONTRIBUTION	129,412.57	129,412.57
2023369	04/21/10	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2404689	04/15/10	PERS CONTRIBUTION	130,392.47	130,392.47
2023170	04/07/10	09804	PUBLICIA PRESS LTD	201030670	03/15/10	BUSINESS CARDS	73.33	73.33
2023250	04/14/10	09804	PUBLICIA PRESS LTD	201003242039	03/24/10	BUSINESS CARDS	73.33	73.33
2023171	04/07/10	01409	PUMP CHECK	3737	03/16/10	PUMP TESTING	975.00	975.00
2023172	04/07/10	10294	QWIKPRINTS	10911049	04/01/10	FINGERPRINTING SERVICES	20.00	20.00
2023251	04/14/10	01342	R J SAFETY SUPPLY CO INC	27334901	03/19/10	WAREHOUSE SUPPLIES	294.00	294.00
2023455	04/28/10	01342	R J SAFETY SUPPLY CO INC	27405400	04/07/10	WELDING PARTS	543.75	
				27405300	04/07/10	SAFETY SUPPLIES	461.61	1,005.36
2023173	04/07/10	09583	RANCHWOOD HOA	001982	03/03/10	LANDSCAPE PROGRAM	6,500.00	6,500.00
2023105	04/07/10	11675	RAYMUNDO ARNAIZ	Ref002404496	04/06/10	UB Refund Cst #0000087612	96.29	96.29
2023456	04/28/10	02041	RBF CONSULTING	10030016	04/07/10	CIP P2009 - 36 INCH PIPELINE	81,005.00	81,005.00
2023174	04/07/10	00021	RCP BLOCK & BRICK INC	4340750	03/18/10	RAPID SET	1,772.63	1,772.63
2023303	04/21/10	11788	REAL HOMES SERV AND SOLUTIONS	Ref002404890	04/20/10	UB Refund Cst #0000159324	29.98	29.98
2023457	04/28/10	01890	RECON	40565	04/06/10	P1253 - PREP OF THE SUBAREA PLAN	4,646.69	4,646.69
2023370	04/21/10	06645	RELIABLE ELEVATOR INC	21182	04/01/10	ELEVATOR SERVICE & MAINTENANCE	430.00	430.00

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2023175	04/07/10	09993	REPROHAUS CORP	0000124109	03/10/10	REPRODUCTION SERVICES	328.86	328.86
2023106	04/07/10	11738	RICHARD SCHWARZMAN	Ref002404528	04/06/10	UB Refund Cst #0000159252	14.40	14.40
2023107	04/07/10	11727	RICHARD TAPIA	Ref002404516	04/06/10	UB Refund Cst #0000155611	39.63	39.63
2023176	04/07/10	00521	RICK POST WELDING &	8740	03/18/10	WELDING SERVICES	993.75	
				8736	03/18/10	WELDING SERVICES	450.00	1,443.75
2023458	04/28/10	00521	RICK POST WELDING &	8749	04/05/10	WELDING SERVICES	1,520.00	1,520.00
2023371	04/21/10	11685	RLLD LP	126759	03/25/10	LIGHTING EQUIPMENT	4,994.00	4,994.00
2023304	04/21/10	11769	ROBERT ARCHIBALD	Ref002404871	04/20/10	UB Refund Cst #0000124382	56.69	56.69
2023108	04/07/10	11704	RONALD FINCH	Ref002404490	04/06/10	UB Refund Cst #0000070448	45.24	45.24
2023252	04/14/10	01700	RUBALCAVA, GILBERT R	002076	04/07/10	SAFETY BOOTS	150.00	150.00
2023459	04/28/10	00217	RW LITTLE CO INC	96373	03/23/10	POWDER COAT	200.00	200.00
2023177	04/07/10	11695	SAAD ALLOS	002062	04/01/10	LANDSCAPE PROGRAM	1,847.00	1,847.00
2023372	04/21/10	02390	SAFE HEARING AMERICA INC	14342	04/14/10	HEARING TESTS	994.00	994.00
2023373	04/21/10	10930	SAGE DESIGNS INC	1003142	03/30/10	ARRESTER & CABLES	480.39	480.39
2023399	04/28/10	11799	SAN DIEGO CO SHERIFF'S OFFICE	Ben2405002	04/29/10	PAYROLL DEDUCTION	325.54	325.54
2023460	04/28/10	11596	SAN DIEGO CONSTRUCTION WELDING	7600	04/07/10	MODIFY RACK	875.00	875.00
2023253	04/14/10	02586	SAN DIEGO COUNTY ASSESSOR	2009270	04/12/10	COUNTY ASSESSOR DATA	125.00	125.00
2023178	04/07/10	00003	SAN DIEGO COUNTY WATER	7206	03/17/10	HIGH-EFFICIENCY WASHER PROGRAM	425.00	
				7212	03/17/10	IRRIGATION CONTROLLER PROGRAM	115.50	
				7220	03/17/10	HIGH-EFFICIENCY WASHER PROGRAM	100.00	640.50
2023179	04/07/10	00247	SAN DIEGO DAILY TRANSCRIPT	185193	03/25/10	BID ADVERTISEMENT	117.90	117.90
2023180	04/07/10	00121	SAN DIEGO GAS & ELECTRIC	002054	04/06/10	UTILITY EXPENSES	39,006.03	
				002053	04/06/10	UTILITY EXPENSES	33,845.32	
				002055	04/06/10	UTILITY EXPENSES	3,618.69	76,470.04
2023254	04/14/10	00121	SAN DIEGO GAS & ELECTRIC	002069	04/05/10	UTILITY EXPENSES	51,229.90	
				002082	04/06/10	UTILITY EXPENSES	866.41	52,096.31
2023374	04/21/10	00121	SAN DIEGO GAS & ELECTRIC	002091	04/07/10	UTILITY EXPENSES	2,235.94	2,235.94

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2023461	04/28/10	00121	SAN DIEGO GAS & ELECTRIC	002106	04/20/10	UTILITY EXPENSES	12,688.10	12,688.10
2023462	04/28/10	00871	SAN DIEGO GAS & ELECTRIC	251418	03/31/10	SDGE PROJECT	52,260.00	52,260.00
2023181	04/07/10	10969	SAN DIEGO GROUP, THE	OWD201002	03/01/10	CONSULTANT SERVICES	1,600.00	1,600.00
2023305	04/21/10	11783	SAN DIEGO REALTY INC	Ref002404885	04/20/10	UB Refund Cst #0000158916	35.48	35.48
2023109	04/07/10	11716	SAN DIEGO REO	Ref002404504	04/06/10	UB Refund Cst #0000127356	67.93	67.93
2023375	04/21/10	09339	SANGALANG, ALEX	002094	04/19/10	SAFETY SHOES	97.85	97.85
2023376	04/21/10	05321	SCHIFF ASSOCIATES	04927	03/31/10	CATHODIC PROTECTION	6,341.25	6,341.25
2023306	04/21/10	11772	SCOTT HANSEN	Ref002404874	04/20/10	UB Refund Cst #0000144340	148.19	148.19
2023182	04/07/10	00419	SHAPE PRODUCTS	144588A	03/02/10	FREIGHT	85.90	85.90
2023255	04/14/10	01651	SHARP REES-STEALY MEDICAL CTRS	222	03/20/10	HEALTH EXAM	50.00	50.00
2023183	04/07/10	11516	SIEMENS INDUSTRY INC	5563996231	03/12/10	FLOW METER	1,969.11	1,969.11
2023377	04/21/10	11516	SIEMENS INDUSTRY INC	5564038005	03/31/10	ECHOMAX TRANSDUCER	715.23	715.23
2023184	04/07/10	05983	SIEMENS WATER TECHNOLOGIES	3023709 3016219	03/09/10 03/09/10	DEPLOX KIT DEPLOX KIT	904.42 177.25	1,081.67
2023378	04/21/10	05983	SIEMENS WATER TECHNOLOGIES	3038489 3037408 3040918 3032456	04/01/10 03/31/10 04/01/10 03/26/10	CL2GAS REGULATORS CL2GAS PM CL2GAS PM ENCORE700 REPAIR	4,756.74 2,065.54 840.56 398.00	8,060.84
2023463	04/28/10	05983	SIEMENS WATER TECHNOLOGIES	3032371	03/26/10	DEIONIZED PROCESSING TANK RENTAL	108.47	108.47
2023307	04/21/10	11794	SKYLINE CHURCH	Ref002404896	04/20/10	UB Refund Cst #0000161460	6,458.53	6,458.53
2023256	04/14/10	00258	SLOAN ELECTRIC COMPANY	0057243 0057231	03/25/10 03/24/10	ELECTRIC MOTORS US MOTOR	28,744.34 21,251.76	49,996.10
2023185	04/07/10	03439	SO CAL ALLIANCE OF PUBLICLY	101186	03/15/10	MEMBERSHIP DUES	538.00	538.00
2023186	04/07/10	03592	SOFTCHOICE CORPORATION	2306522	03/16/10	IMAGING SOFTWARE	2,479.00	2,479.00
2023257	04/14/10	03592	SOFTCHOICE CORPORATION	2314456	03/24/10	DESKTOP COMPUTERS	9,904.95	9,904.95
2023464	04/28/10	11618	SOUTH COAST COPY SYSTEMS	AR63128 AR63129	04/07/10 04/07/10	C5035 COPIERS C5035 COPIERS	13,017.25 13,017.25	26,034.50
2023379	04/21/10	06853	SOUTHERN CALIFORNIA SOIL	353411R	01/31/10	ON CALL GEOTECHNICAL SERVICES	823.74	823.74

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2023308	04/21/10	11793	SOUTHLAND HOME MORTGAGE LLC	Ref002404895	04/20/10	UB Refund Cst #0000160839	9.68	9.68
2023187	04/07/10	03760	SPANKY'S PORTABLE SERVICES INC	838220	03/15/10	PORTABLE TOILET RENTAL	80.06	320.24
				838087	03/12/10	PORTABLE TOILET RENTAL	80.06	
				838086	03/12/10	PORTABLE TOILET RENTAL	80.06	
				838085	03/12/10	PORTABLE TOILET RENTAL	80.06	
2023258	04/14/10	03760	SPANKY'S PORTABLE SERVICES INC	839088	03/24/10	PORTABLE TOILET RENTAL	80.06	80.06
2023380	04/21/10	03760	SPANKY'S PORTABLE SERVICES INC	839840	04/01/10	PORTABLE TOILET RENTAL	98.25	98.25
2023259	04/14/10	03516	SPECIAL DISTRICT RISK	0003991IN	04/06/10	EMPLOYEE HEALTH ADMIN SERVICES	192,208.19	192,208.19
2023260	04/14/10	00590	SPECIALTY SEALS & ACCESSORIES	27856	03/24/10	MECH SEAL	614.57	614.57
2023465	04/28/10	00590	SPECIALTY SEALS & ACCESSORIES	27886	04/02/10	MECH SEAL	642.86	1,140.72
				27887	04/02/10	MECH SEAL	497.86	
2023261	04/14/10	01717	SPRING VALLEY CHAMBER OF	2046	04/12/10	SPONSORSHIP	100.00	100.00
2023262	04/14/10	00097	STATE BOARD OF EQUALIZATION	002078	04/12/10	MAINTENANCE FEE	279.84	279.84
2023263	04/14/10	06281	STATE DISBURSEMENT UNIT	Ben2404711	04/15/10	PAYROLL DEDUCTION	286.73	286.73
2023264	04/14/10	06299	STATE DISBURSEMENT UNIT	Ben2404699	04/15/10	PAYROLL DEDUCTION	237.69	237.69
2023265	04/14/10	06303	STATE DISBURSEMENT UNIT	Ben2404705	04/15/10	PAYROLL DEDUCTION	836.30	836.30
2023266	04/14/10	08533	STATE DISBURSEMENT UNIT	Ben2404701	04/15/10	PAYROLL DEDUCTION	841.01	841.01
2023400	04/28/10	06281	STATE DISBURSEMENT UNIT	Ben2405006	04/29/10	PAYROLL DEDUCTION	286.73	286.73
2023401	04/28/10	06299	STATE DISBURSEMENT UNIT	Ben2404992	04/29/10	PAYROLL DEDUCTION	237.69	237.69
2023402	04/28/10	06303	STATE DISBURSEMENT UNIT	Ben2404998	04/29/10	PAYROLL DEDUCTION	836.30	836.30
2023403	04/28/10	08533	STATE DISBURSEMENT UNIT	Ben2404994	04/29/10	PAYROLL DEDUCTION	841.01	841.01
2023267	04/14/10	02261	STATE STREET BANK & TRUST CO	Ben2404691	04/15/10	DEFERRED COMP PLAN	5,641.31	5,641.31
2023404	04/28/10	02261	STATE STREET BANK & TRUST CO	Ben2404982	04/29/10	DEFERRED COMP PLAN	5,641.31	5,641.31
2023381	04/21/10	01460	STATE WATER RESOURCES	SW0017849	04/06/10	ANNUAL PERMIT INDEX #075335	1,008.00	1,008.00
2023188	04/07/10	11276	STEWART TITLE OF CA INC	451182	03/18/10	TITLE REPORT	500.00	500.00
2023110	04/07/10	11476	SUSAN DAY	Ref002404489	04/06/10	UB Refund Cst #0000061584	38.63	38.63

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2023268	04/14/10	06847	THIRD AVENUE VILLAGE ASSN	002085	04/13/10	BOOTH RENTAL	150.00	150.00
2023189	04/07/10	11292	THORCO HOLDINGS LLC	P204209	03/15/10	CHECK VALVE	88.10	88.10
2023309	04/21/10	11779	TINA REBELLO	Ref002404881	04/20/10	UB Refund Cst #0000153932	14.33	14.33
2023382	04/21/10	11289	TLC STAFFING	IVC050000041656	04/09/10	CWA INTERN	810.00	810.00
2023383	04/21/10	11289	TLC STAFFING	IVC050000041681	04/09/10	CWA INTERN	270.00	270.00
2023466	04/28/10	11289	TLC STAFFING	IVC050000041744	04/16/10	CWA INTERN	1,083.38	1,083.38
2023384	04/21/10	04977	T-MOBILE	4150860450410	04/05/10	CELL PHONE SERVICES	293.25	293.25
2023111	04/07/10	11713	TROY PEPITO	Ref002404501	04/06/10	UB Refund Cst #0000124316	56.19	56.19
2023385	04/21/10	00427	UNDERGROUND SERVICE ALERT OF	320100455	04/01/10	UNDERGROUND TRENCH SERVICE ALERTS	285.00	285.00
2023386	04/21/10	03563	UNDERGROUND UTILITIES INC	037075	03/29/10	WATER METER BOX CLEANOUT MAINTENANCE	1,491.75	1,491.75
2023387	04/21/10	00075	UNION TRIBUNE PUBLISHING CO	0010365299 0010367548 0010367539	03/25/10 03/29/10 03/29/10	BID ADVERTISEMENT BID ADVERTISEMENT BID ADVERTISEMENT	397.20 262.80 262.80	922.80
2023190	04/07/10	08262	UNITED RENTALS NORTHWEST INC	86517588001	03/15/10	CONCRETE	123.06	123.06
2023467	04/28/10	08262	UNITED RENTALS NORTHWEST INC	86863917001	04/05/10	CONCRETE	179.44	179.44
2023269	04/14/10	05417	UNITED STATES DEPARTMENT	Ben2404707	04/15/10	PAYROLL DEDUCTION	100.00	100.00
2023405	04/28/10	05417	UNITED STATES DEPARTMENT	Ben2405004	04/29/10	PAYROLL DEDUCTION	100.00	100.00
2023270	04/14/10	00350	UNITED STATES POSTAL SERVICE	104339510310	03/19/10	REIMBURSE POSTAGE MACHINE	2,100.00	2,100.00
2023406	04/28/10	02484	UNITED STATES TREASURY	002107	04/27/10	FILLING FEE	1,000.00	1,000.00
2023407	04/28/10	03212	UNUM LIFE INSURANCE	Ben2404978	04/29/10	LTD	8,448.74	8,448.74
2023271	04/14/10	07674	US BANK CORPORATE PAYMENT	002071 002070 002073 002072	02/22/10 03/22/10 03/22/10 03/22/10	DISTRICT EXPENSES DISTRICT EXPENSES DISTRICT EXPENSES DISTRICT EXPENSES	5,981.52 586.30 311.24 35.00	6,914.06
2023388	04/21/10	07674	US BANK CORPORATE PAYMENT	002095	03/22/10	DISTRICT EXPENSES	13,853.75	13,853.75
2023191	04/07/10	06829	US SECURITY ASSOCIATES INC	799348	02/28/10	AFTER HOURS SECURITY SVCS	285.60	285.60
2023389	04/21/10	06829	US SECURITY ASSOCIATES INC	833145	03/31/10	AFTER HOURS SECURITY SVCS	439.25	439.25

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2023064 THROUGH 2023472
RUN DATES 4/7/2010 TO 4/28/2010

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2023390	04/21/10	08028	VALLEY CONSTRUCTION MANAGEMEN	SD100101 SD080218	03/31/10 03/31/10	INSPECTION SERVICES AS-NEEDED CONSTRUCTION MGMT SVCS	19,130.00 5,000.00	24,130.00
2023272	04/14/10	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2404697	04/15/10	DEFERRED COMP PLAN	5,920.12	5,920.12
2023273	04/14/10	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2404687	04/15/10	401A PLAN	2,960.49	2,960.49
2023408	04/28/10	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2404990	04/29/10	DEFERRED COMP PLAN	6,152.78	6,152.78
2023409	04/28/10	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2404988	04/29/10	401A PLAN	2,356.59	2,356.59
2023391	04/21/10	03329	VERIZON WIRELESS	08545966420310	03/21/10	AIR-CARD SERVICES	10,793.12	10,793.12
2023392	04/21/10	10340	WAGeworks INC	83545	04/01/10	FLEXIBLE SPENDING	576.00	576.00
2023310	04/21/10	11777	WASHINGTON MUTUAL BANK	Ref002404879	04/20/10	UB Refund Cst #0000147139	65.21	65.21
2023192	04/07/10	02700	WATER CONSERVATION GARDEN	Otay40910	04/01/10	OPERATING COSTS FOR WATER GARDEN	19,687.50	19,687.50
2023468	04/28/10	00215	WATER EDUCATION FOUNDATION	002100 002103	04/19/10 04/20/10	REGISTRATION FEE REGISTRATION FEE	200.00 200.00	400.00
2023469	04/28/10	01343	WE GOT YA PEST CONTROL	60552 60712 60553	04/06/10 04/08/10 04/06/10	PEST CONTROL - BEE REMOVAL PEST CONTROL - BEE REMOVAL PEST CONTROL - BEE REMOVAL	115.00 115.00 115.00	345.00
2023311	04/21/10	11787	WEICHERT REALTORS	Ref002404889	04/20/10	UB Refund Cst #0000159251	75.00	75.00
2023312	04/21/10	11795	WEICHERT REALTORS	Ref002404897	04/20/10	UB Refund Cst #0000161483	56.36	56.36
2023112	04/07/10	11721	WENDY LOPEZ	Ref002404509	04/06/10	UB Refund Cst #0000144707	18.77	18.77
2023393	04/21/10	03682	WESTERN INDUSTRIAL CERAMICS	0119870IN	03/26/10	REPAIR PART.	1,377.47	1,377.47
2023470	04/28/10	00125	WESTERN PUMP INC	0086730IN	04/08/10	APCD TESTING	400.00	400.00
2023471	04/28/10	03692	WESTIN ENGINEERING INC	35372	04/05/10	CIP P1210 - ASSET MANAGEMENT PLAN	10,655.62	10,655.62
2023472	04/28/10	03423	WINZER CORPORATION	3677726	03/25/10	SHOP SUPPLIES	318.23	318.23
2023113	04/07/10	11705	XIOMARIA MORALES	Ref002404491	04/06/10	UB Refund Cst #0000071876	36.62	36.62
2023114	04/07/10	11737	ZUELMA MALDONADO	Ref002404527	04/06/10	UB Refund Cst #0000159204	16.78	16.78
2023115	04/07/10	11720	ZULEMA MALDONADO	Ref002404508	04/06/10	UB Refund Cst #0000144254	17.66	17.66
GRAND TOTAL							3,114,448.20	3,114,448.20