

OTAY WATER DISTRICT

BOARD OF DIRECTORS MEETING  
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD  
SPRING VALLEY, CALIFORNIA

**WEDNESDAY**  
**March 4, 2015**  
**3:30 P.M.**

**AGENDA**

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. APPROVE THE MINUTES OF THE REGULAR BOARD MEETING OF NOVEMBER 5, 2014
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) AWARD A CONSTRUCTION CONTRACT TO FORDYCE CONSTRUCTION, INC. (FORDYCE) FOR THE 450-1 DISINFECTION FACILITY REHABILITATION PROJECT IN AN AMOUNT NOT-TO-EXCEED \$128,350
  - b) APPROVE A NEW AGREEMENT FOR THE TEMPORARY DELIVERY OF EMERGENCY WATER TO MEXICO
  - c) APPROVE THE DISTRICT CONTINUING ITS BANKING SERVICES RELATIONSHIP WITH UNION BANK AND DIRECT STAFF TO REVIEW BANKING SERVICES IN FOUR (4) YEARS WITH THE PERFORMANCE OF A PRICING REVIEW IN TWO (2) YEARS

- d) ADOPT RESOLUTION NO. 4267 TO REVISE BOARD POLICY NO. 47, POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE, OF THE DISTRICT'S CODE OF ORDINANCES

### ACTION ITEMS

#### 7. GENERAL MANAGER

- a) DISCUSSION OF WATER CONSERVATION GARDEN FUNDING (WAT-TON)

#### 8. FINANCE, ADMINISTRATION AND INFORMATION TECHNOLOGY

- a) ADOPT RESOLUTIONS OF INTENTIONS, NOS. 4247, 4248, 4249, 4250, 4251, 4252, 4253 AND 4254, 4255, AND 4256 TO INITIATE THE PROCESS FOR THE EXCLUSION OF PARCELS WITHIN WATER IMPROVEMENT DISTRICTS (IDs) 1, 2, 3, 5, 7, 9, 10 AND 20, AND SEWER IDs 4 AND 14; CONCURRENT WITH SAID ACTION, ADOPT RESOLUTIONS OF INTENTION, NOS. 4257, 4258, 4259, 4260, 4261, 4262, 4263, 4264, 4265, AND 4266 TO INITIATE THE PROCESS FOR THE ANNEXATION OF THE EXCLUDED PARCELS IN WATER IDs 1, 2, 3, 5, 7, 9, 10 AND 20 AND SEWER IDs 4 AND 14 INTO WATER ID 22 AND SEWER ID 18, RESPECTIVELY (BELL)

#### 9. BOARD

- a) DISCUSSION OF THE 2015 BOARD MEETING CALENDAR

### INFORMATIONAL ITEM

- 10. THE FOLLOWING ITEMS ARE PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS:

- a) UPDATE REPORT ON THE FINANCING OF THE CAMPO ROAD SEWER MAIN REPLACEMENT PROJECT THROUGH CALIFORNIA'S CLEAN WATER STATE REVOLVING FUND (CWSRF) (KOEPPEN)
- b) SECOND QUARTER OF FISCAL YEAR 2015 CAPITAL IMPROVEMENT PROGRAM REPORT (MARTIN)
- c) MID-YEAR STRATEGIC PLAN REVIEW (STEVENS)

### REPORTS

#### 11. GENERAL MANAGER'S REPORT

- a) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

12. DIRECTORS' REPORTS/REQUESTS

13. PRESIDENT'S REPORT/REQUESTS

RECESS TO CLOSED SESSION

14. CLOSED SESSION

- a) PUBLIC EMPLOYEE PERFORMANCE EVALUATION: PERIODIC AND CUSTOMARY REVIEW IN DUE COURSE [GOVERNMENT CODE §54957.6]

TITLE: GENERAL COUNSEL

15. RETURN TO OPEN SESSION

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

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

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

Certification of Posting

I certify that on February 27, 2015, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 72 hours in advance of the regular meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on February 27, 2015.

/s/ Susan Cruz, District Secretary

# AGENDA ITEM 4

**MINUTES OF THE  
BOARD OF DIRECTORS MEETING OF THE  
OTAY WATER DISTRICT  
November 5, 2014**

1. The meeting was called to order by President Lopez at 3:35 p.m.

2. ROLL CALL

Directors Present: Croucher, Gonzalez, Lopez, Robak and Thompson

Directors Absent: None

Staff Present: General Manager Mark Watton, General Counsel Richard Romero, Asst. GM German Alvarez, Chief of Engineering Rod Posada, Chief Financial Officer Joe Beachem, Chief of Information Technology Geoff Stevens, Chief of Operations Pedro Porras, Asst. Chief of Administration and Information Technology Adolfo Segura, Asst. Chief of Operations Jose Martinez, District Secretary Susan Cruz and others per attached list.

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

A motion was made by Director Croucher, and seconded by Director Thompson and carried with the following vote:

Ayes: Directors Croucher, Gonzalez, Lopez, Robak and Thompson  
Noes: None  
Abstain: None  
Absent: None

to approve the agenda.

5. APPROVE THE MINUTES OF THE REGULAR BOARD MEETING OF SEPTEMBER 3, 2014

A motion was made by Director Robak, seconded by Director Croucher and carried with the following vote:

Ayes: Directors Croucher, Gonzalez, Lopez, Robak and Thompson  
Noes: None  
Abstain: None  
Absent: None

to approve the minutes of the regular board meetings of September 3, 2014.

6. 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.

CONSENT CALENDAR

7. 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 motion was made by Director Croucher, seconded by Director Robak and carried with the following vote:

Ayes: Directors Croucher, Gonzalez, Lopez, Robak and Thompson  
Noes: None  
Abstain: None  
Absent: None

to approve the following consent calendar items:

- a) APPROVE A CONSTRUCTION CONTRACT WITH ARRIETA CONSTRUCTION, INC. FOR THE CALAVO BASIN SEWER REHABILITATION - PHASE 1 PROJECT IN AN AMOUNT NOT-TO-EXCEED \$529,490
- b) APPROVE A PROFESSIONAL SERVICES CONTRACT WITH CAROLLO ENGINEERS, INC. FOR THE 2015 INTEGRATED WATER RESOURCES PLAN UPDATE IN AN AMOUNT NOT-TO-EXCEED \$99,993
- c) APPROVE A PROFESSIONAL ENVIRONMENTAL SERVICES CONTRACT WITH HELIX ENVIRONMENTAL FOR THE MAINTENANCE AND MONITORING OF THE SAN MIGUEL HABITAT MANAGEMENT AREA AND CIP-ASSOCIATED MITIGATION PROJECTS FOR CALENDAR YEARS 2015, 2016, AND 2017 IN AN AMOUNT NOT-TO-EXCEED \$476,173
- d) ADOPT ORDINANCE NO. 548 AMENDING SECTION 6, CONFLICT OF INTEREST CODE, OF THE DISTRICT'S CODE OF ORDINANCES
- e) APPROVE THE DISTRICT BECOMING A MEMBER OF THE NATIONAL JOINT POWERS ALLIANCE, WHICH WOULD ENABLE THE DISTRICT TO ACCESS THE SUNLIFE POOL FOR SHORT AND LONG TERM DISABILITY; AND APPROVE THE DISTRICT JOINING THE CSAC EIA POOL FOR DENTAL THIRD PARTY ADMINISTRATOR SERVICES

- f) ADOPT RESOLUTION NO. 4245 TO REVISE BOARD POLICY NO. 47, POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE
- g) ADOPT RESOLUTION NO. 4244 AMENDING POLICY NO. 25, RESERVE POLICY, OF THE DISTRICT'S CODE OF ORDINANCES

## ACTION ITEMS

### 8. ADMINISTRATION, FINANCE AND INFORMATION TECHNOLOGY

- a) APPROVE THE DISTRICT'S AUDITED FINANCIAL STATEMENT, INCLUDING THE INDEPENDENT AUDITORS' UNQUALIFIED OPINION, FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Senior Accountant Marissa Dychitan indicated that staff is requesting that the board approve the District's audited financial statements, including the Independent Auditors' unqualified opinion for the fiscal year ended June 30, 2014. Please reference the Committee Action notes (Attachment A) attached to staffs' report for the details of Ms. Dychitan's report. Ms. Dychitan introduced Senior Auditor Joshua Calhoun and Sr. Partner Rich Teaman from Teaman Ramirez & Smith, Inc.

Mr. Rich Teaman indicated that it is his firm's first year auditing the District's financials since their previous engagement as auditors for the District. He indicated that typically, the first year of auditing is the most difficult in that additional procedures are required, such as, gaining familiarity with the organization, its individuals, the organization's process, and contacting the previous auditor to obtain the organization's records. Mr. Teaman stated that this auditing process with the District ran smoothly for his firm. He noted that his firm met with the District's Finance Committee on October 21<sup>st</sup> where the District's financials were reviewed in detail. He indicated that his firm will be issuing a clean unqualified opinion, which is the highest level opinion that can be received on an audit. Please reference the Committee Action notes (Attachment A) attached to staffs' report for further details of Mr. Teaman's report.

Director Robak inquired what items are included in the category of non-operating revenues. Mr. Teaman indicated that the non-operating revenues include billing for Chula Vista Sewer, the BAB subsidy that the District receives from the 2010 bonds on the interest payments, and a portion of the OPEB funding for retiree medical as the District does not request reimbursements of the premiums for retiree medical. He stated that there is a portion of the annual cost that returns as an OPEB asset because the District is funding it at a quicker rate. The expense goes through the regular expenses and the re-class goes through the other non-operating income. Mr. Teaman stated that there are other expenses that relates to costs associated with CIP projects that don't qualify for capitalization, such as, costs for planning, decision alternatives, and environmental studies. These are all required costs for doing a capital project,

but under accounting rules they cannot be capitalized. So when these costs are expensed, the expense go through miscellaneous expenses or your non-operating expenses, and the offsetting revenues will be categorized as non-operating revenues as well.

Director Croucher indicated that fire districts received notification that their PERS contribution is increasing as much as 20%. He inquired if the Otay Water District received a similar notification, and if so would the District's payment contribution help offset the increase.

Mr. Teaman stated that the District is funding the required ARC annually and is meeting the actuarial requirements for funding. He noted that PERS costs for fire districts is higher than water districts as they fall under the safety category of PERS. Staff indicated that the District typically receives notification from PERS in October or November each year and is expecting to receive it soon.

Director Robak commented that every year in the past, auditing firms have had a particular emphasis/focus on the District's audit. He inquired if Teaman Ramirez & Smith Inc. focused on any particular area this year. Mr. Teaman stated that his firm reviewed almost everything and focused on the District's investment area because of the agreed upon procedures from last year. He indicated that the firm was satisfied with the overall audit of the District.

In response to a question from Director Croucher, Mr. Teaman discussed the State Controller's report that agencies are required to submit annually. Mr. Teaman indicated that the District's report has been filed with the State and believes that the District's numbers are pretty accurate and there is no need to adjust those numbers.

Director Thompson thanked Teaman Ramirez & Smith, Inc. for their work this past year. He indicated that he believes that the District had a better audit report and outcome this year and stated that the audit was a testament to all staff who were involved with working on the District's finances. He commented that it is the first leg, so to speak, of the District being a sound institution. Director Thompson noted that ratepayers are not having to bear the brunt of any past mistakes of the District, which is great for Director Gonzalez as he leaves the District on a perfect audit report. Director Thompson shared that an inquiry was asked at the Finance, Administration and Communications Committee meeting, inquiring where the District stands among other agencies on its pension as the Otay Water District is 70% funded. He stated that the response from the auditors was that the District is standing head and shoulders above many of its counterparts throughout the state. This is a good reflection of how the District is representing its ratepayers.

President Lopez stated that he is pleased that District staff worked well with Teaman Ramirez & Smith, Inc. He stated that the District thrives to achieve positive audit results and the District's financial status has always been very important to the board.

A motion was made by Director Croucher, seconded by Director Gonzalez and carried with the following vote:

Ayes: Directors Croucher, Gonzalez, Lopez, Robak and Thompson  
Noes: None  
Abstain: None  
Absent: None

to approve staffs' recommendation.

9. BOARD

a) DISCUSSION OF THE 2014 BOARD MEETING CALENDAR

President Lopez indicated that it was previously decided that District staff would bring forward all required business before the end of the calendar year to the November board meeting, which would allow for the cancellation of the December 3<sup>rd</sup> board meeting. However, it was brought to his attention that there are changes to State law that requires newly elected board members to be sworn in by the first Friday in December.

General Manager Watton shared that irrigation districts have always sworn in their newly elected members on the first Friday of December, and municipal water districts swore in their new members in the first meeting in January. State law has changed this year that agencies shall swear in their new members on the first Friday of December, which this year would be December 5<sup>th</sup>.

District Secretary Susan Cruz noted that newly elected board member, Mr. Tim Smith, will not be able to attend the January 7, 2015 board meeting as he has pre-scheduled vacation during that time.

Legal Counsel Richard Romero indicated that new board members must be sworn in on December 5<sup>th</sup> at noon or after.

President Lopez indicated that the District should call a Special Meeting on December 5, 2014 to swear in its newly elected board member, Mr. Tim Smith; elect board officers; and appoint board members to committees.

A motion was made by Director Croucher, seconded by Director Gonzalez and carried with the following vote:

Ayes: Directors Croucher, Gonzalez, Lopez, Robak and Thompson  
Noes: None  
Abstain: None  
Absent: None

to schedule a Special Board Meeting on December 5, 2014, at 3:30pm to swear in newly elected board member, Tim Smith; elect board officers; and appoint board members to committees.

### INFORMATIONAL ITEM

10. THE FOLLOWING ITEMS ARE PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS:

- a) UPDATE ON THE DISTRICT'S PLACEMENT OF A TEMPORARY MORATORIUM ON THE INSTALLATION OF NEW RECYCLED WATER FACILITIES ON OTAY MESA

Public Services Engineering Manager Dan Martin provided an update on the status of activities that have occurred subsequent to the placement of the temporary moratorium on the installation of new recycled water facilities in the Otay Mesa. Please reference the Committee Action notes (Attachment A) attached to staffs' report for the details of Mr. Martin's report.

General Manager Watton indicated that the Finance, Administration and Communications Committee requested that Director Thompson be included in subsequent meetings with District staff and the Otay Mesa Property Association. He stated that the District met with the Association and provided information on the total amount of recycled water that can potentially be used in the Otay Mesa area. It is estimated that the area would use approximately 1,000 AF at build-out in 2025 to 2030 and the required recycled infrastructure would cost approximately \$24 million.

General Manager Watton stated that in reviewing the incremental cost of recycled water from the City of San Diego, it seemed to be tremendously expensive. He indicated, at the request of the Association, staff will be providing the Association with an excel spreadsheet which includes information on future proposed recycled water capital expenses in the Otay Mesa area and the incremental cost of water. General Manager Watton also shared with the Association information on the City of San Diego's Pure Water project, which he anticipates will be coming to the South Bay as part of the City of San Diego's metro sewer program. He indicated that District staff is continuing to communicate with the Association and has indicated that the moratorium is a temporary decision and a permanent decision has not yet been made. He stated that staff will continue to provide the board information on this issue and eventually will request that they take action on this issue. General Manager Watton indicated that he believes that the communications with the Association has satisfied them for the moment, pending the additional information they had requested.

Director Thompson shared that he recently attended an Otay Mesa Chamber function and engaged in some discussions about the moratorium. He stated that

he had directed some individuals to read staff's report thoroughly and to challenge the assumptions. He commented that he did not have the historical framework of the recycled program, but found it interesting to know that at build-out the amount of usage is not enough to justify \$24 million in capital expenses. Director Thompson questioned the economic impact to the Otay Mesa area if recycled water was not available. He indicated that he is looking forward to receiving more information from staff and participating in the dialog to ensure that the District vents all of the private sector's input as the District has a very essential function in the largest area of economic development in the County of San Diego. He indicated with all of the projects happening on the border, it is really a part of the whole region's future economic prosperity. He shared some of his concerns about prolonging the decision and indicated that ultimately it is the ratepayers who will pay for the capital expenses that should not have been made.

General Manager Watton indicated that the temporary moratorium will only be in effect for one year. He noted that if the District extends the moratorium, then it may become more problematic. He shared that in discussions with the Pio Pico Power Plant regarding the moratorium, they had indicated that they get so many cycles when cooling with recycled water. If they cooled with potable water they would get more cycles. Thus, while it may be cheaper for them to use recycled water, the additional cycles they get with potable more or less evens the cost out. General Manager Watton also explained that the recycled water program was instituted in the 1980's and the decision to mandate purple pipes was not popular. However, when water became more of an issue in the expansion of development, developers were more than willing to put in the purple pipes as it was believed that development in the Otay Mesa area was going to happen quickly and it would be built out by the 1990's. The District received the grants and rebates available for the recycled program, however, when the grants and other financial incentives began to run out, the financial analysis of the program showed that for a 70-year annualized schedule, the infrastructure would be expended before it is paid for.

In response to comments by Director Thompson, General Manager Mark Watton stated that the majority of the purple pipe in the central area that Director Thompson was referring to is already in place and fell under existing rebates. The expansion there will be paid for by developers, so the District does not have that capital expenditure. For this reason, it looks a little different as opposed to putting all of the capital expenditures into the backbone system of the Otay Mesa area that is not covered by rebates. General Manager Watton stated that staff has been reviewing the City's Pure Water Program and determining how much of the water from the Pure Water Program can be used in the South Bay and what is left in the production of recycled water. Preliminary discussions are being held concerning the positioning of the South Bay Plant to ensure that there is some recycled water production beyond the Pure Water Program. It is preliminary, but staff feels that it will happen.

Director Thompson commented that discussions regarding the Temporary Moratorium has raised the issue and he believes that the City now has to attend to them. He is hopeful that the issues will get clarified so that District staff can determine the appropriate amendments to its contracts with the City.

Director Robak commented that he understands that cost effectiveness is the goal of the District. He shared that some of the construction completed around Cuyamaca College and Jamacha Blvd. involved the installation of a recycled water system so that if recycled water was ever available in Rancho San Diego, they would be able to connect to the system. He inquired if staff had discussed having the recycled system underground even if it is not being utilized.

General Manager Watton indicated that to require something that the District does not foresee a use for would likely be questioned. He clarified that the District requested in the Rancho San Diego and Highway 94 project that they install a sprinkler system that could be converted to recycled. He stated that they did not build a redundant system, they just used valves, heads, etc. that would accept recycled water in the future if needed. In the Otay Mesa area, the District would be installing mains at a cost \$30-\$40 million dollars and we would be asking developers to install recycled facilities as well. He stated that the District, however, would not want to do that and not use it; it would create a financial debate. It is difficult to tell developers we are planning for a 20-year horizon as the horizons are becoming a little different now.

Director Thompson commented that because the District is installing all the purple pipe and having it connected to its potable system, there are probably one in a half times the length of potable water pipes to maintain. He stated that there is a cost for everything and the system will become part of your capital maintenance program.

General Manager Watton indicated that the capital expense goal is to bring water to the Otay Mesa area. Staff has had some discussion on the potable and some of the redundancy, and the initial discussion is that as the potable or recycled system need replacement or repair, we would, over time, join the systems up and abandon some of the links by capping them off and eventually only retaining the essential systems. He stated it would probably take over 20-30 years to complete this task.

Director Robak inquired about the status of the City of San Diego's response to the letter the District sent in August. General Manager Watton stated that the District received a limited response from the City of San Diego and the City proposed settling some of the issues that are outstanding. District staff is working on a response to the City. The contract issues are still outstanding, but there is an expression of willingness from the City to discuss these matters. This past October, the City settled a long standing dispute on Lake Hodges with a couple of the North County agencies. That issue being resolved is pretty significant. Mr. Watton stated that it gives the District the optimism that its

matters will be settled as well. He commented that it appears to be moving in the right direction, but it is moving at a very slow pace.

b) UPDATE ON THE OTAY WATER DISTRICT'S WATER USE TO DATE  
AND THE VARIOUS PROGRAMS AND SERVICES OFFERED  
THROUGH THE DISTRICT'S CONSERVATION DIVISION

Customer Service Manager Andrea Carey provided an update on the District's historical water use, an overview of the water conservation program history and current water conservation actions. Please reference the Committee Action notes (Attachment A) attached to staffs' report for the details of Ms. Carey's report.

Director Gonzalez inquired if the San Diego County Water Authority (CWA) provided a rebate for turf removal. Customer Service Manager Andrea Carey stated that, at this time, CWA does not plan to include artificial turf in its rebate program, but is looking at vendors who would provide artificial turf at a discount.

Director Robak inquired about the District's current residential Gallons per Capita per Day (GPCD). General Manager Watton provided a handout in response to Director Robak's inquiry. The handout indicated that the District had the second lowest GPCD in the County (67). Director Robak was very pleased with learning this and indicated that the numbers were really remarkable.

Mr. Watton indicated that the State requested that the District calculate the GPCD a little differently. He said that Ms. Carey provided information that provides the average GPCD for all the District's different customer classes combined. The handout provides the GPCD for the District's residential customers only. He noted that the District has been submitting to the State its water use in acre-feet (AF) since June. Then in September, the State requested the District's water use in GPCD for residential only. He indicated that he was not certain what the reason is for the State's change in reporting.

In response to a comment from Director Robak, General Manager Mark Watton stated that the Otay Water District is very competitive when comparing its GPCD numbers to other water agencies. He noted that the numbers may change though because the Otay Water District is not fully built-out, whereas its sister agencies are. He indicated that the City of Chula Vista has taken a very aggressive approach by requiring new homes to include energy and water saving devices; the City is requesting that developers design a very different water use pattern. In addition, the housing stock that's being built is quite different as it is more dense and has a lot more open space. Mr. Watton believes that the District's trend line will decrease because of the type of products and homes that are being marketed compared to some years ago.

In response to a question from Director Robak, Senior Water Conservation Specialist Richard Namba stated that the District's first quarter GPCD was approximately 172. He noted that it was the summer quarter, which is always the

highest in GPCD because customers are watering their yards to the maximum to sustain their landscaping. He stated that GPCD numbers are much lower during the second and third quarter. The number he provided (172 GPCD) is the total production; the total District's production by the population, divided by the total number of days in the first quarter results in approximately 172 gallons per person. This includes parks and gun space.

Director Thompson stated that his division and Director Croucher's division may be leading the edge on the per capita because of their lower income demographic. He shared that in his division, there are so many homes where people have just stopped watering their lawns because they can't afford them. Director Gonzalez shared that he attended a Chamber of Commerce tour in Eastlake, Chula Vista and learned that basins were being installed to catch and clean water runoff. He inquired if General Manager Mark Watton had any information about the basins.

General Manager Watton responded that that is a different type of a program and is very expensive. He indicated that there is no way for the City of Chula Vista to collect taxes to fund such a program. The process responds to urban runoff and the bacteria count in the ocean. The City essentially traps runoff water, lets it settle, then somehow treats the water before it goes down the drainage system.

In response to another question from Director Gonzalez, General Manager Watton stated that the ability to capture runoff water in Chula Vista is limited as there are no aquifers that the water can flow into. He stated that there is discussion to pump the runoff water towards the Bay and then pumping it back up to a reservoir, but that would be very expensive. He indicated that he does not believe the program is practical at this time. He stated that basically, what the City of Chula Vista is doing is concentrating more on filtering the water (getting the trash out) and having it cleaned up before it runs into the Bay.

Director Thompson indicated that he appreciated receiving the statistics on the number of District customers that are participating in the water conservation programs. He commented that some of the programs are new and, thus, there is little participation at this time. He mentioned CWA's turf replacement program and noted that the program is gaining momentum as participation is increasing year to year. He indicated that Otay Water District is proposing a Demonstration Garden that would be located more centrally within the District's service area as it is felt the Water Conservation Garden is not accessible to a majority of the District's customers. He stated that he has some trepidations about the proposed site of the Demonstration Garden as he feels it is still in an out-of-the-way location. He stated that the District has \$100,000 allocated for this project and he would like staff to also look at possible alternative programs. He indicated that he would like to refer discussions on the Demonstration Garden (Agenda Item 9c) back to committee.

Director Thompson also recommended that staff review water conservation programs for commercial customers; he believes that there are a lot of HOAs

under commercial and that the District has to do better at replacing more than one turf for commercial. This information was indicated in the handout that was provided to the board.

President Lopez concurred with Director Thompson's recommendation to refer Agenda Item 9c, Update on Potential Demonstration Garden to be Located at the Otay Ranch Town Center, back to the Finance, Administration and Communications Committee to discuss possible other alternatives before moving forward with the demonstration garden.

c) UPDATE ON POTENTIAL DEMONSTRATION GARDEN TO BE LOCATED AT THE OTAY RANCH TOWN CENTER

President Lopez indicated that considering Director Thompson's comments concerning the proposed demonstration garden, the board waived staff's presentation and recommended that this item be referred back to the Finance, Administration and Communications committee to discuss other alternatives for incentive programs before moving forward with the proposed demonstration garden program.

## REPORTS

### 11. GENERAL MANAGER'S REPORT

General Manager Watton presented information from his report that included New Hires/Promotions where he shared that Mr. Gary Stalker will be retiring at the end of December and that Mr. Jake Vaclavek will be taking his place as System Operations Manager. General Manager Watton also reported on Fiscal Sustainability, Water Use Declines, and Recycled Water Purchases. General Manager Watton also shared that the District received a letter from Mr. Hector Mares expressing his appreciation with working for the District and assisting with projects over the years.

### SAN DIEGO COUNTY WATER AUTHORITY UPDATE

General Manager Mark Watton indicated that there are new officers at the CWA and that there will also be new committee assignments. He stated that with the new officers comes new direction in certain areas, which he believes will be positive for Otay. He expects that both he and Director Croucher will have good committee assignments where they could be involved in legislative and imported water issues. General Manager Watton shared that the main focus at CWA, currently, is fiscal sustainability and the proposed revision to their rates and fixed charges. He stated that both he and Director Croucher have been focused on having CWA's fixed charges to commensurate more with the Otay Water District's fixed charges. He stated that CWA needs some assurances on minimum purchases for the water that they have under contract (take or pay contracts). He shared that the Poseidon Project is going well and is expected to deliver water by the end of 2015. General Manager Watton also indicated that

the Metropolitan Water District will likely implement allocations next year; possibly up to 20% cutback which could translate into about a 6% cutback to San Diego. He stated because our region has spent money on storage and water supply, we are in a better position than we were in 1989-1991.

Director Croucher commented with regard to CWA that he believes that they are in good shape in terms of the drought issues as there was a lot of planning and vision in preparing for times of drought. He stated he understands that there has been a lot of frustration from Otay Water District's customers with regard to their water bills still going up though they are increasing their conservation efforts. He indicated that, unfortunately, this is the reality due to the drought and he believes customers are beginning to understand this. With regard to discussions concerning rate stabilization, Director Croucher indicated that he participated in the committee that discussed this issue. He stated that he believes the committee was successful in bringing the issue back to committee for further discussion and was able to point out issues and red flags before moving it forward to the full board for consideration. He noted that CWA is staying active on all fronts, including with LAFCO, SANDAG, and in particular, the Water Conservation Garden. He stated CWA continues to support the Water Conservation Garden and is receiving great benefits as they continue to work through the Garden with some of the agencies' customers, such as, Home Depot. Director Croucher lastly discussed CWA's Conservation Action Committee which is working specifically with multi-residential customers and HOAs to encourage conservation. He stated that they have been a major benefit to CWA.

## 12. DIRECTORS' REPORTS/REQUESTS

Director Robak reported that he attended a CSDA Annual Conference where the San Diego Chapter received the *Chapter of the Year Award*. He also reported that he attended the Water Conservation Garden's Gala Event with President Lopez and Director Gonzalez. He indicated that he was on the Garden's board for a number of years and one of the Garden's objective was to make it more appealing to people who can give significant contributions to the Garden. He felt that the Gala event had that appeal and he believes that this is important in order to get to the next level in terms of attracting funding for the Garden.

Director Thompson indicated that the District's Desalination Project is moving along well. He stated that he, President Lopez, and District staff members had a very good meeting with Mexico's Consul General in San Diego. He stated that outreach is important to provide updates to the community on the desalination project. He indicated that he very much enjoyed working with Director Gonzalez. He commended Director Gonzalez's willingness to contribute 4 years to the District, especially during a time when he has a young family and is building a business. He indicated that it was admirable that he still manages to find the time to give back to the community. Director Thompson also indicated that he hoped Director Gonzalez learned a lot from serving on the District's board and that he would consider serving again in the future.

Director Gonzalez thanked Directors and Staff for a great term and stated that he learned a lot during his time as a member of the District's board.

13. PRESIDENT'S REPORT

President Lopez reported on meetings he attended during the month of October 2014 (a list of meetings he attended is attached). He indicated that there will be an upcoming South Bay Joint Agency meeting. He also thanked Director Gonzalez for his services to the District.

14. CLOSED SESSION

The board recessed to closed session at 5:50 p.m. to discuss the following matter:

- a) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
[GOVERNMENT CODE §54956.9]

15. RETURN TO OPEN SESSION

The board reconvened from closed session at 6:18 p.m. and Assistant General Counsel Richard Romero indicated that the board met in closed session and took no reportable actions.

16. ADJOURNMENT

With no further business to come before the Board, President Lopez adjourned the meeting at 6:18 p.m.

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President

ATTEST:

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District Secretary

**President's Report  
November 5, 2014 Board Meeting**

**A) Meetings attended during the Month of October 2014:**

- 1) **October 1: Attended the District's Regular Board Meeting.**
- 2) **October 6: Met with City Mayor Faulconer.** Provided a briefing on the Rosarito Desalination Project and discussed Otay WD matters. Attendees: General Manager Watton
- 3) **October 9: Attended the District's Desalination Project Committee.** Received an update report on the project's progress and status.
- 4) **October 10: Committee Agenda Briefing.** Met with General Manager Watton to review items that will be presented at the October committee meetings.
- 5) **October 13: Attended Padre Dam MWD's Advanced Water Purification Demonstration Project Commemoration.** Attendees: General Manager Watton
- 6) **October 16: Attended a meeting of the Metro Commission** (see attached agenda)
- 7) **October 18: Attended the Water Conservation Garden Enchanted Garden Event.** Attendees: Directors Gonzalez and Robak
- 8) **October 21: Attended the District's Finance, Administration and Communications Committee.** Reviewed, discussed, and made recommendation on items that will be presented at the November board meeting.
- 9) **October 22: Attended Bud Pocklington's Retirement Reception.** Attendees: Directors Gonzalez and Robak and General Manager Watton.
- 10) **October 27: Met with Mexico Consul General Gómez Arnau.** Provided a briefing on the Rosarito Desalination Project. Attendees: Director Thompson, General Manager Watton, and Public Relations Consultant Susana Villegas.
- 11) **October 31: Board Agenda Briefing.** Met with General Manager Watton and General Counsel Dan Shinoff to review items that will be presented at the November Board Meeting.

# AGENDA ITEM 6a



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 4, 2015
SUBMITTED BY:	Kevin Cameron Associate Engineer	PROJECT:	R2112-001103
	Bob Kennedy Engineering Manager	DIV. NO.:	2
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief, Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Award of a Construction Contract to Fordyce Construction, Inc. for the 450-1 Disinfection Facility Rehabilitation Project		

**GENERAL MANAGER'S RECOMMENDATION:**

That the Otay Water District (District) Board of Directors (Board) award a construction contract to Fordyce Construction, Inc. (Fordyce) and to authorize the General Manager to execute a construction contract with Fordyce for the 450-1 Disinfection Facility Rehabilitation Project in an amount not-to-exceed \$128,350 (see Exhibit A for Project location).

**COMMITTEE ACTION:**

Please see Attachment A.

**PURPOSE:**

To obtain Board authorization for the General Manager to enter into a construction contract with Fordyce for the 450-1 Disinfection Facility Rehabilitation Project in an amount not-to-exceed \$128,350.

**ANALYSIS:**

Currently, the District receives recycled water at the 450-1 Reservoir from the City of San Diego's (City) South Bay Water Reclamation Plant (SB Plant). This reservoir, along with the 680-1 Pump Station (located at the same site), provides recycled water to the existing 680 and 927 Pressure Zones within the District's Central Area System. The 450-1 Disinfection Facility was constructed within the 680-1 Pump Station in 2008 to allow the District to boost the chlorine residual in the recycled water.

In November 2013, one of the two sodium hypochlorite holding tanks at the Disinfection Facility developed a crack on the interior tank at the outlet, and according to the manufacturer, was not repairable. Furthermore, since the second tank is near the end of its useful life (8-10 years), it is advisable that both tanks be replaced. The new tanks are designed with a flexible outlet so that the same type of failure cannot occur. Other upgrades to the project include relocating the chemical feed pumps to the containment area where potential spills can be confined and replacing of the louver opening with a roll-up door to ease future maintenance.

The design for this Project was completed in-house, and the Project was advertised on January 8, 2015 on the District's website and several other publications including the San Diego Daily Transcript. A Pre-Bid Meeting was held on January 20, 2015 which was attended by three (3) contractors. Four (4) addenda were sent out to all bidders and plan houses to address questions and clarifications to the contract documents during the bidding period. Bids were publicly opened on January 29, 2015, with the following results:

	<b>CONTRACTOR</b>	<b>TOTAL BID AMOUNT</b>
1	Fordyce Construction, Inc. Santee, CA	\$128,350
2	Cora Constructors, Inc. Palm Desert, CA	\$133,277
3	Telliard Construction San Diego, CA	\$146,400
4	Tharsos, Inc. La Mesa, CA	\$153,800
5	NEWest Construction Company, Inc. San Diego, CA	\$156,600

The Engineer's Estimate is \$130,000.

Staff reviewed the submitted bids for conformance with the contract requirements and determined that Fordyce was the lowest responsive and responsible bidder. Fordyce holds a Class A, General Engineering, Contractor's License, which meets the contract document's requirements, and is valid through October 31, 2015. Three (3) references were contacted and all indicated Fordyce had a good performance record on similar projects. An internet background search of the company was performed and revealed no outstanding issues with this company.

Cora Constructors submitted a bid protest on February 4, 2015, claiming Fordyce is not performing 50% of the bid price with their own forces, and they do not have the required experience to perform this work. Fordyce submitted a response to the bid protest on February 5, 2015, stating the subcontract value is 22% of the work, which coincides with their bid. Fordyce also stated the assertion that, "Fordyce does not have the required experience to perform the work" is vague with no substance. Staff concurred that their project experience is sufficient. In Fordyce's opinion, the bid protest is without merit and substance, and Staff concurs.

Staff has verified that the bid bond provided by Fordyce is valid. Staff will also verify that Fordyce's Performance Bond and Labor and Materials Bond are valid prior to execution of the contract.

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

The total budget for CIP R2112, as approved in the FY 2015 budget, is \$190,000. Total expenditures, plus outstanding commitments and forecast, are \$189,310. See Attachment B for the budget detail.

Based on a review of the financial budget, the Project Manager anticipates that the budget is sufficient to support the Project.

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

**STRATEGIC GOAL:**

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

**LEGAL IMPACT:**

None.

KC/BK:jf

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



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b> R2112-001103	Award of a Construction Contract to Fordyce Construction, Inc. for the 450-1 Disinfection Facility Rehabilitation Project
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### COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on February 17, 2015, and the following comments were made:

- Staff recommended that the Board award a construction contract to Fordyce Construction, Inc. (Fordyce) and to authorize the General Manager to execute a construction contract with Fordyce for the 450-1 Disinfection Facility Rehabilitation Project in an amount not-to-exceed \$128,350.
- It was discussed that the existing 450-1 reservoir receives recycled water from the City of San Diego's South Bay Water Reclamation Plant and that this reservoir, along with the 680-1 Pump Station, provides recycled water to the Central Area system.
- The 450-1 Disinfection Facility allows the District to monitor and make adjustments to the amount of chlorine residual in the recycled water received from the City of San Diego.
- Staff noted that in November 2013, one of the two sodium hypochlorite holding tanks developed a crack on the inner tank near the outlet, and was not repairable.
- The project will replace both tanks, since the second tank is near the end of its useful life. Other upgrades include relocating the chemical feed pumps, and adding a rolling door to the louver opening.
- Staff discussed the selection process and indicated that the District received 5 bids and that the results of the process are shown in the table on page 2 of the staff report.

- It was indicated that Fordyce Construction submitted the lowest bid. Staff reviewed the bid for conformance and checked references which showed a good overall performance record. After the review, it was determined that Fordyce submitted a responsive bid.
- Staff noted that Cora Construction sent in a bid protest claiming that Fordyce is not performing 50% of the bid price with their own force, and that Fordyce is not qualified to perform the work.
- According to Fordyce's bid, the company is only sub-contracting 22% of the work. With regards to experience, Fordyce stated that the claim was vague with no substance. Staff reviewed the references supplied with the bid which showed a wide range of rehabilitation projects agreed with Fordyce's response.
- In response to a question by the Committee, staff indicated that the warranty on the tanks were five (5) years and that the existing tanks were outside of the warranty period when the crack was noticed.
- The Committee inquired about Fordyce's experience. Staff indicated that Fordyce has worked with local schools, the Padre Dam Municipal Water District, and seems to be well experienced in rehabilitation work.
- In response to a question by the Committee, staff stated that the District's Legal Counsel did review Cora Construction's bid protest against Fordyce. Legal Counsel stated to the Committee that the bid was vague and had no substance.
- The Committee inquired if the District has ever worked with Cora Construction. Staff indicated that at the January 7, 2015 regular board meeting, the Board awarded a construction contract to Cora Constructors, Inc. for the Ralph W. Chapman Water Reclamation Facility Return Activated Sludge Pumps Replacement Project.

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



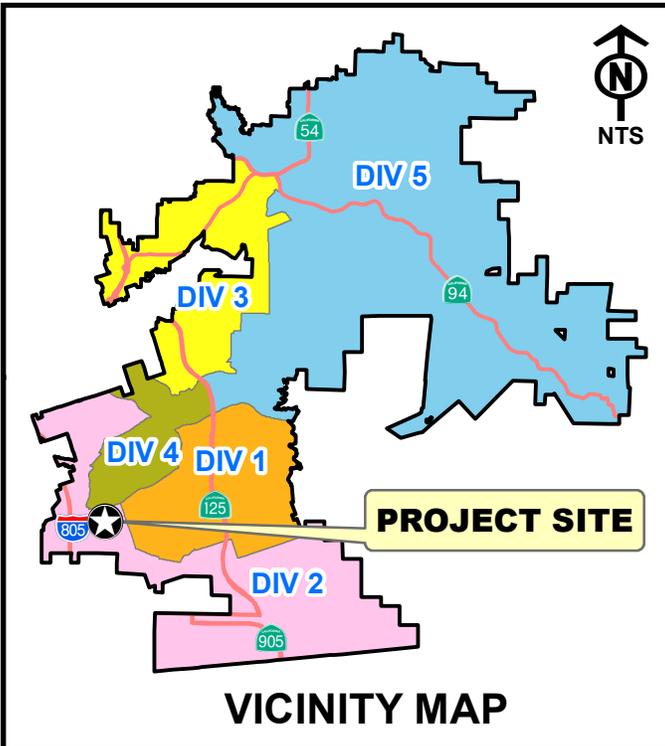
## ATTACHMENT B – Budget Detail

<b>SUBJECT/PROJECT:</b>	Award of a Construction Contract to Fordyce Construction, Inc. for the 450-1 Disinfection Facility Rehabilitation Project
R2112-001103	

Otay Water District  
R2112 - 450-1 Disinfection Facility Rehabilitation

Date Updated: 1/27/15

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment &amp;</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
190,000					
<b>Planning</b>					
Standard Salaries	2,972	2,972	-	2,972	
<b>Total Planning</b>	2,972	2,972	-	2,972	
<b>Design</b>					
Standard Salaries	32,445	30,945	1,500	32,445	
<b>Total Design</b>	32,445	30,945	1,500	32,445	
<b>Construction</b>					
Standard Salaries	17,500	-	17,500	17,500	
Construction Contract	128,350	-	128,350	128,350	FORDYCE CONSTRUCTION, INC
Service Contracts	125	-	125	125	SAN DIEGO DAILY TRANSCRIPT
Project Closeout	1,500	-	1,500	1,500	CLOSEOUT
Project Contingency	6,418	-	6,418	6,418	5% CONTINGENCY
<b>Total Construction</b>	153,893	-	153,893	153,893	
<b>Grand Total</b>	<b>189,310</b>	<b>33,917</b>	<b>155,393</b>	<b>189,310</b>	



**OTAY WATER DISTRICT**  
**450-1 DISINFECTION FACILITY REHABILITATION**  
**LOCATION MAP**



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# AGENDA ITEM 6b



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 4, 2015
		PROJECT:	DIV. NO. ALL
SUBMITTED BY:	Pedro Porras, Chief Water Operations		
APPROVED BY:	<input checked="" type="checkbox"/> German Alvarez, Asst. General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	New Agreement for Temporary Emergency Delivery of Water to Mexico		

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

That the Board authorize the General Manager to execute the proposed (Attachment B) "Agreement for Temporary Emergency Delivery of a Portion of the Mexican Treaty Waters of the Colorado River to the International Boundary in the Vicinity of Tijuana, Baja California, Mexico, and for Operation of Facilities in the United States."

### **COMMITTEE ACTION:**

See Attachment A

### **PURPOSE:**

The purpose of this report is to request authorization to execute the proposed agreement to deliver the Mexican Treaty Waters during emergencies.

### **ANALYSIS:**

During the Board of Directors' Meeting held on February 5, 2014, under agenda item 7e, the General Manager was authorized to execute "Amendment No. 2 to Agreement for Temporary Emergency Delivery of a Portion of the Mexican Treaty Waters of the Colorado River to the

International Boundary in the Vicinity of Tijuana, Baja California, Mexico, and for the Operation of Facilities in The United States.”

On May 19, 2014, prior to the execution of the proposed Amendment, the U.S. Bureau of Reclamation (USBR) recommended to reformat this Amendment in an effort to better reflect past practices and to simplify it. Consequently, the U.S. agencies involved in delivering water to Mexico introduced several changes to the formatting and a few words were changed as well. Its content basically remained the same with all of our original changes and comments in it.

Nonetheless, because of the time that has elapsed and form/structural changes on Amendment No. 2 previously submitted to the Board, Staff is resubmitting this item to the Board. The form of the original document has changed from an Amendment to a new agreement. In addition, there are some structural changes to what the Board saw last February, such as; the Emergency Repair and Planned Project funds being combined instead of being separate funds, clarification on how to be compensated during an emergency and the addition to perform meter calibration.

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

As mentioned in the February 5, 2014 Board of Directors’ Meeting, no fiscal impact is anticipated with the adoption of this wheeling agreement. On January 21, 2015 the Board approved the new wheeling rate that covers all District expenses. The rate is now \$70.37 per acre foot for Mexico water wheeled to Mexico for calendar year 2015.

**STRATEGIC GOAL:**

Deliver high quality services to meet customer needs and increase confidence of the customer in the value the District provides.

**LEGAL IMPACT:**

No legal impact is anticipated at this time.

Attachments:    Attachment A - Committee Action  
                         Attachment B - New Proposed Agreement



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	New Agreement for Temporary Emergency Delivery of Water to Mexico
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### COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item on February 17, 2015, and the following comments were made:

- Staff recommended that the Board authorize the General Manager to execute the proposed (Attachment B) "Agreement for Temporary Emergency Delivery of a Portion of the Mexican Treaty Waters of the Colorado River to the International Boundary in the Vicinity of Tijuana, Baja California, Mexico, and for Operation of Facilities in the United States."
- It was discussed that in 2003, a five-year (5) agreement was executed for a connection from Otay Water District to Tijuana in Otay Mesa. In 2008, when the agreement expired, Amendment No. 1 was executed and expired in 2013. U.S. Agencies have since then been working on Amendment No. 2 to the agreement.
- Staff noted that the District's board approved Amendment No. 2 to the agreement at its regular board meeting on February 5, 2014. However, on May 19, 2014, the U.S. Bureau of Reclamation recommended to reformat Amendment No. 2 in an effort to better reflect past practices and to simplify it.
- Staff noted all agencies involved with the agreement; the International Boundary Commission, both United States and Mexico, United States Bureau of Reclamation, Metropolitan Water District, San Diego County Water Authority, and Otay Water District.
- The United States Bureau of Reclamation is the lead agency for this particular agreement. Staff noted that it took one (1) year to reformat, reflect past practices, and simplify Amendment No. 2. Because of the time that elapsed and form/structural changes to the original document, the form has changed from an Amendment to a new agreement.

- Staff noted that in addition to changing the format of the agreement, the following were included: Combined Emergency Repair and Planned Project funds, clarification on how to be compensated during an emergency, and performing meter calibration.
- Legal Counsel stated that every content of the agreement that the Board approved of at its February 5, 2014, board meeting are still included in the new agreement.
- The Committee commented that it takes time to prepare an agreement such as this one and inquired if the same could happen with the agreement for the Rosarito Desalination Project. Staff stated that it depends on how long it would take to get a Presidential Permit for the project, which staff is well-engaged with. Another factor is who would provide the Off-Take Agreement; would it come from the State of Baja Mexico or the private contractor.
- The Committee inquired if Mexico would still need water supply from the United States once the Rosarito Desalination Project is established. Staff stated yes because Mexico is only using this connection on an emergency basis.
- In response to a question by the Committee, the District's Wheeling Rate includes administrative and water loss costs.

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

ATTACHMENT B

**DRAFT**

AGREEMENT FOR TEMPORARY EMERGENCY DELIVERY OF A PORTION OF  
THE MEXICAN TREATY WATERS OF THE COLORADO RIVER TO THE  
INTERNATIONAL BOUNDARY IN THE VICINITY OF TIJUANA, BAJA CALIFORNIA,  
MEXICO, AND FOR OPERATION OF FACILITIES IN THE UNITED STATES

This Agreement for Temporary Emergency Delivery of a Portion of the Mexican Treaty Waters of the Colorado River to the International Boundary in the Vicinity of Tijuana, Baja California, Mexico, and for the Operation of Facilities in the United States (“Agreement”) is becomes effective on the \_\_\_\_ day of \_\_\_\_, 2015 (“Effective Date”) and will terminate, except as provided in Article 18(a), on the \_\_\_\_ day of \_\_\_\_, 2020 (“Termination Date”), pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto, including but not limited to the Boulder Canyon Project Act, enacted December 21, 1928 (45 Stat. 1057), all of which are commonly known and referred to as Federal Reclamation law, by and among the United States of America (“United States”), acting by and through the United States Commissioner, International Boundary and Water Commission, United States and Mexico (“United States Commissioner”), and the Secretary of the Interior, acting by and through the Department of the Interior, Bureau of Reclamation (“Reclamation”); The Metropolitan Water District of Southern California (“Metropolitan”), a public corporation of the State of California; the San Diego County Water Authority (“Authority”), a public corporation of the State of California; and the Otay Water District (“OWD”), a public corporation of the State of California. Metropolitan, Authority, and OWD are sometimes collectively referred to as “California Agencies.”

The International Boundary and Water Commission, United States and Mexico, hereafter referred to as the “Commission,” or “IBWC,” is comprised of two sections – the United States Section, International Boundary and Water Commission (“USIBWC”), headed by the United

States Commissioner, and the Mexican Section, International Boundary and Water Commission (“Mexican Section”), headed by the Mexican Commissioner, International Boundary and Water Commission, United States and Mexico (“Mexican Commissioner”).

A history of the development of this Agreement and a statement of the intent of the parties to this Agreement are attached hereto as Appendix A, which is incorporated as part of this Agreement.

#### DEFINITIONS

The following definitions apply herein:

A. The City of Tijuana, Baja California, Mexico, and its surrounding area, are hereafter referred to as “Tijuana.”

B. The “*United States-Mexico Treaty for Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande*,” Feb. 3, 1944, T.S. 994 is hereafter referred to as the “1944 Treaty.”

C. The United States Commissioner and the Mexican Commissioner signed Minute No. 32X (Exhibit A), dated [day, month] \_\_, 2015, of the International Boundary and Water Commission (hereinafter referred to as “IBWC Minute”) for Emergency Deliveries for Tijuana for a period ending no later than \_\_\_\_\_, 2020, at the same point of delivery as Minute No. 310.

D. The total amount of the waters of the Colorado River allotted annually to Mexico by the 1944 Treaty will hereafter be referred to as “Treaty Water”; the amount of such Treaty Water to be diverted from the Colorado River above Parker Dam for subsequent emergency delivery for Tijuana will hereafter be referred to as “Portion of Treaty Water”; and the

emergency deliveries at the international boundary near Tijuana will hereafter be referred to as “Emergency Deliveries for Tijuana.”

E. An obligation of Mexico shall be deemed to mean “an obligation of Mexico as agreed to in Minute 32X.”

F. The facility, through which Emergency Deliveries for Tijuana are delivered at the international boundary about 1.1 miles east of the Otay Mesa Border Crossing, is hereafter referred to as the “Service Connection SD-TJ.”

G. The Comisión Estatal De Servicios Públicos De Tijuana, the Mexican agency receiving the Treaty Water, is hereinafter referred to as “CESPT.”

#### PROCEDURES

The following procedures shall be used to implement this Agreement:

A. When Mexico requests deliveries, the USIBWC will secure from the Mexican Section of the IBWC (“Mexican Section”) an annual schedule of requests (hereinafter referred to as “Schedule of Requests”) for Emergency Deliveries for Tijuana. The Schedule of Requests will set forth an annual schedule of deliveries of Treaty Water, broken down by month; the Emergency Deliveries for Tijuana must be within the projected available capacities of the distribution system facilities in the United States at volumes no greater than 1,200 acre-feet (1.5 million cubic meters)/month. The Schedule of Requests will show by month (1) the total request for Treaty Water, (2) the deliveries requested in the limitrophe section of the Colorado River, (3) the deliveries requested at the land boundary between the United States and Mexico near San Luis, Arizona, and (4) the Emergency Deliveries for Tijuana requested to be made at Service Connection SD-TJ at the international boundary, together with associated conveyance losses as calculated pursuant to Article 16 of this Agreement, to reflect the charge against Mexico’s

allotment provided in Article 10(a) of the 1944 Treaty. The quantities of water that would otherwise be delivered to Mexico in the limitrophe section will be reduced by the amount of Emergency Deliveries for Tijuana and associated conveyance losses, as calculated pursuant to this Agreement.

B. Upon receipt USIBWC will review the annual Schedule of Requests for Emergency Deliveries for Tijuana and transmit it to Reclamation and the California Agencies, which will determine whether all or a portion of such requests can be met for that year.

C. The USIBWC will ascertain from the Authority whether such requests can be met or to what extent a limitation of deliveries is foreseen in said year.

D. The Authority shall coordinate the necessary functions of the California Agencies in regard to charges and payments for Emergency Deliveries for Tijuana. The format for the charges is reflected in Exhibit B, attached hereto and incorporated as part of this Agreement.

E. The California Agencies acknowledge that due to unforeseen circumstances, Mexico may on rare occasions request changes to Emergency Deliveries for Tijuana. The California Agencies shall cooperate in good faith to effect such deliveries, if distribution system and treatment plant capacity are deemed available pursuant to Article 3 of this Agreement and, up to the volume established in Article 8 of this Agreement and under the same terms and conditions provided in this Agreement.

F. During any month that water is delivered through the Service Connection SD-TJ, any party involved in this Agreement may request additional information or a meeting to verify meter readings, receive reports on the procedures for deliveries and handling of funds received from Mexico and exchange information, as well as jointly address any unforeseen situations that may arise regarding this matter.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed as follows:

ARTICLE 1. PERFORMANCE BY THE CALIFORNIA AGENCIES

The California Agencies will act as the operation agencies for the United States Commissioner for Emergency Deliveries for Tijuana under the terms and conditions of this Agreement, pursuant to terms of the IBWC Minute. A true copy of the English text of the IBWC Minute is attached hereto as Exhibit A and incorporated as a part hereof.

ARTICLE 2. TIMING FOR THE SUBMISSION OF THE SCHEDULE OF REQUESTS

For the initial emergency delivery of water under this Minute No. 320, the United States Commissioner will submit to the California Agencies and Reclamation a schedule of the requested emergency water deliveries broken down by month at least 45 days prior to the delivery start date. For any subsequent year, an annual schedule will be submitted by September 15 of the preceding year.. The Schedule of Requests will reflect requested water deliveries for each month of the annual period for which the request is made, within the limitations set out in Article 8 of this Agreement. With each Schedule of Requests, the United States Commissioner shall include the progress report received from Mexico on plans and other actions to secure a firm water supply for Tijuana.

ARTICLE 3. CAPACITY DETERMINATION BY CALIFORNIA AGENCIES

Upon receipt of a Schedule of Requests, the California Agencies shall determine in their sole discretion whether capacity is available in their water distribution systems and at Metropolitan's Robert A. Skinner Treatment Plant for all or a portion of the requested Emergency Deliveries for Tijuana, and shall provide that determination to the Authority, which in turn will provide it to the Commission by October 15, or in the case of initial deliveries under

this Agreement, within 30 days of receipt of the Schedule of Requests. If the California Agencies determine that capacity is not available for a calendar year, this Agreement shall not be operative for that calendar year. However, a Schedule of Requests for subsequent calendar years may be submitted.

#### ARTICLE 4. TIMING AND COMPONENTS OF THE SCHEDULE OF CHARGES

Timing of Schedule of Charges: The Authority shall provide an itemized Schedule of Charges consistent with the California Agencies' United States rate setting practices in Southern California ("Schedule of Charges") to be paid by Mexico for the amount of Emergency Deliveries for Tijuana that are to be accomplished based on the determination performed in Article 3 of this Agreement. The charges included in the Schedule of Charges shall be determined by October 15 of the year preceding deliveries and shall remain constant until changed by one or more of the California Agencies except for charges associated with the cost of energy, which shall be estimated and updated for each quarterly period, in which deliveries are scheduled, in accordance with this Article. The Authority shall provide the United States Commissioner the Schedule of Charges by October 15 of the year preceding deliveries and thereafter, provide a quarterly update 45 days prior to the beginning of each quarterly period. On a quarterly basis, when deliveries are scheduled, the Agencies shall update the Schedule of Charges to reflect energy costs for the subsequent quarter. "Quarter" or "quarterly" shall mean the four consecutive increments of three-month periods each calendar year, beginning with the first month of the calendar year; quarterly requirements herein shall only be required for quarters in which scheduled deliveries occur. In the case of initial deliveries to Mexico under this Agreement, the Authority shall within 30 days of receipt of the Schedule of Requests, provide a Schedule of Charges for deliveries through the end of the initial quarter.

In addition to the Schedule of Charges and quarterly updates, the Authority shall, by October 15 of the year preceding deliveries, provide the United States Commissioner a determination as to whether payment into the Energy Reserve Fund-and the Planned Project and Emergency Repair Reserve Fund, established pursuant to Article \_5\_, is required and, if so, the amount of such payment(s).

Components of Schedule of Charges: The Schedule of Charges shall include: (a) Base Cost of Deliveries; (b) Planned Project and Emergency Repair Reserve Fund; and (c) Energy Reserve Fund. Each component is calculated as follows:

(a) The Base Cost of Deliveries includes:

(1) The charge for the use of the existing diversion and conveyance works of Metropolitan and the treatment charge for such water at rates consistent with the California Agencies' United States rate setting practices in Southern California, plus the average monthly energy cost, including foregone sales and exchanges, incurred by Metropolitan to convey the incremental amount of Mexico's water through the Colorado River Aqueduct, the loss of Metropolitan's share of energy generated at Parker Dam Power Plant, and any other Colorado River Aqueduct energy cost or loss of energy that results from such Emergency Deliveries. An estimated charge for electric energy and losses shall be provided for quarterly, which will be reflected in the quarterly update of the Schedule of Charges. Actual charges for electric energy and losses shall be provided by Metropolitan in its monthly invoice to the Authority pursuant to Article 7 of the Agreement.

(2) The charge for the use of the existing conveyance works of the Authority for Emergency Deliveries for Tijuana at rates consistent with the California Agencies' United States rate setting practices in Southern California.

(3) The charge for use of conveyance facilities of OWD, including distribution system facilities used for Emergency Deliveries for Tijuana at rates consistent with the California Agencies' United States rate setting practices in Southern California.

(b) Planned Project and Emergency Repair Reserve Fund.

(1) An annual charge in an amount determined as provided in Article 5(b) for deposit in the Planned Project and Emergency Repair Reserve Fund. The annual charge shall be invoiced and paid before the beginning of each calendar year.

(2) OWD may withdraw funds from the Planned Project and Emergency Repair Reserve Fund for emergency work on the equipment or facilities used for the purpose of delivering waters to Tijuana for operations, safety, or security purposes. Emergency repairs shall proceed as stipulated in Article 5(b) of this Agreement.

(3) OWD may withdraw funds from the Planned Project and Emergency Repair Reserve Fund for planned purchase, installation, construction, repair or replacement of equipment or facilities used for the purpose of Emergency Deliveries for Tijuana or for improvements for the purpose of the security of such facilities (each a "Planned Project"). OWD, upon receipt of a Schedule of Requests for Emergency Deliveries for Tijuana, shall perform meter calibration of Service Connection SD-TJ in order to guarantee flow accuracy to Mexico. OWD shall be reimbursed for any cost incurred from the Planned Project and Emergency Repair Reserve Fund for this initial work. Any other planned project shall only proceed upon authorization by CESPT, the Mexican agency receiving the Treaty water. OWD shall provide a description of the Planned Project and the estimated expenditures to the Authority. The Authority shall submit the description and estimated expenditures to the United States Commissioner. Upon Mexico's

approval of the Planned Project and the associated estimated expenditures, the OWD may withdraw funds from the Planned Project and Emergency Repair Reserve Fund.

(4) When the Authority withdraws funds from the Planned Project and the Emergency Repair Reserve Fund, the United States Commissioner shall obtain from the Mexican Section funds necessary to replenish the Planned Project and Emergency Repair Reserve Fund to the level established on October 15 of the preceding year or for the initial delivery period. The United States Commissioner shall make all such funds received from Mexico available by depositing said funds with the Authority.

(5) Upon completion of a Planned Project, OWD shall submit a final cost accounting to the Authority and the Authority will transmit the cost accounting to the United States Commissioner.

(6) In the event the actual costs of a Planned Project or an Emergency Project exceed the Planned Project and Emergency Repair Reserve Fund, OWD shall submit an invoice to the Authority for such excess costs. The Authority will forward the invoice and the OWD's final cost accounting to the United States Commissioner for collection from Mexico of payment for the excess costs and the funds necessary to replenish the Planned Project and Emergency Repair Reserve Fund to the requisite level. The United States Commissioner shall transmit such funds to the Authority for deposit in the Authority Account. The Authority shall pay OWD's invoice for excess costs upon deposit of such funds in the Authority Account.

(c) Energy Reserve Fund. -An Energy Reserve Fund shall be established to cover additional charges due to the fluctuations in energy costs. The dollar amount required for the Energy Reserve Fund shall be estimated on a quarterly basis before each quarterly delivery period and it shall not be greater than FIVE HUNDRED THOUSAND U.S. DOLLARS (\$500,000).

(d) The charges, including the estimated energy charges, described in Article 4 (a) and (c), shall be stated as charges per acre-foot of Emergency Deliveries for Tijuana, including volumes stated in acre-feet to be charged by each agency as conveyance losses pursuant to Article 16 of this Agreement.

ARTICLE 5. PAYMENT ACCOUNT FOR WATER DELIVERIES AND RESERVE FUNDS

(a) The Authority shall establish a separate account within the Authority's accounting system ("Authority Account") for the purpose of accounting for receipt and disbursement of funds for payment for Emergency Deliveries for Tijuana pursuant to this Agreement. As described in this Article 5, funds that are received from Mexico through the United States Commissioner for payment of estimated charges for deliveries as set forth in the Schedule of Charges, including, deposits into the Planned Project and Emergency Repair Reserve Fund and Energy Reserve Fund if required by the California Agencies to provide payment in the event that actual charges for deliveries exceed estimated charges due to fluctuations in energy charges. Funding for implementation of a planned project, and/or implementation of an emergency repair shall be maintained in and paid from the Authority Account. When Metropolitan provides a quarterly estimated energy charge, pursuant to Article 4, Metropolitan shall also provide a determination to the Authority as to whether payment into the Energy Reserve Fund is required for the following quarter.

(b) Within the Authority Account, a Planned Project and Emergency Repair Reserve Fund shall be established for the purpose of accounting for, receipt, and disbursement of funds for payment for the actual cost incurred by OWD for emergency purchases, installation, construction, repair or replacement of equipment or facilities used for the purpose of Emergency Deliveries for Tijuana or for emergency improvements for the purpose of the security of such

facilities (“Emergency Projects”) or for planned purchases, installation, construction, repair or replacement of equipment or facilities used for the purpose of Emergency Deliveries for Tijuana or for planned projects for the purpose of the security of such facilities (“Planned Projects”). The amount of the Planned Project and Emergency Repair Reserve Fund shall be determined by OWD annually, in consultation with the Authority, based on historical data for such Emergency Projects and Planned Projects and shall reflect the amount deemed reasonably necessary to cover the costs of Emergency Projects and Planned Projects in the next calendar year. The minimum Planned Project and Emergency Repair Reserve Fund balance shall be no less than SEVENTY THOUSAND U.S. DOLLARS (\$70,000) and the maximum balance no greater than TWO HUNDRED AND FIFTY THOUSAND U.S. DOLLARS (\$250,000).

OWD shall, by October 10 of each year, submit its determination of the annual charge to be collected for and deposited in the Planned Project and Emergency Repair Reserve Fund under Article 4(b). Upon execution of this Agreement, OWD shall provide within thirty (30) days a determination of the charge to be initially collected and deposited in the Planned Project and Emergency Repair Reserve Fund under Article 4(b). Before the initial delivery period and thereafter at the beginning of each calendar year, the United States Commissioner shall collect such funds as specified in Article 4(b) and provide them to the Authority for deposit into the Planned Project and Emergency Repair Reserve Fund established by Article 4 (b).

To access the Planned Project and Emergency Repair Reserve Fund in the event of an emergency, OWD shall immediately respond and perform any work necessary to maintain the appropriate level of safety and security of the site and shall notify USIBWC and CESPT of said initial work as soon as practicable following the occurrence of the emergency. OWD shall be reimbursed for any cost incurred from the Planned

Project and Emergency Repair Reserve Fund for this initial response. Any additional emergency repairs, necessary to restore the proper operation of the facility, shall proceed upon authorization by CESPT, the Mexican Agency receiving the Treaty water, when it is practical to obtain such authorization prior to the final emergency repair. Upon OWD receiving Emergency Project authorization from CESPT through USIBWC, the final repairs shall be performed by OWD. Upon completion of an Emergency Project, OWD shall submit a final cost accounting to the Authority and the Authority will forward such cost accounting to the United States Commissioner for transmittal to Mexico. The Authority may draw from the Planned Project and Emergency Repair Reserve Fund to pay OWD for the Emergency Project. In the event that an Emergency Project is not authorized by CESPT through USIBWC, the Service Connection SD-TJ will be deemed inoperable and the Commission shall determine the termination of this Agreement as stipulated in Article 18 of this Agreement. In the event the Planned Project and Emergency Repair Reserve Fund is insufficient or is depleted after commencement of a project, the United States Commissioner shall obtain additional funds from Mexico and transfer those funds to the Authority at the time of depletion to complete the project and to replenish the reserves to the amount determined by OWD for that calendar year. In the event the actual costs of an Emergency Project exceed the reserves, OWD shall submit an invoice to the Authority for such unpaid costs and replenishment of the Planned Project and Emergency Repair Reserve fund. The Authority will forward the invoice to the United States Commissioner for collection of funds from Mexico for transmittal of such funds to the Authority for deposit in the Authority Account. The Authority will pay OWD the unpaid costs upon receipt of such funds from the United States Commissioner.

(c) Payment for the charges referred to in Article 4(a) and (c) will be made on a quarterly basis. Each quarterly payment will be for the Base Cost of Delivery for the corresponding quarterly period in which Emergency Deliveries for Tijuana are to be made, and for Energy Reserve Funds as determined by Metropolitan. The United States Commissioner shall determine the availability of funds provided by Mexico 15 days before the beginning of the corresponding quarter during which deliveries shall be made or, for initial deliveries, 15 days before the beginning of the delivery. The United States Commissioner shall make all such funds received from Mexico available by depositing said funds with the Authority. Funds for initial deliveries pursuant to this Agreement shall be established prior to initiation of the Emergency Deliveries for Tijuana. The amount of funds provided by Mexico through the United States Commissioner shall be calculated by the Authority and shall be equal to the estimated total charge of the Emergency Deliveries for Tijuana to be provided for the corresponding quarterly period, determined by the volume of the Emergency Deliveries for Tijuana together with associated conveyance losses, at a rate per acre-foot totaling the sum of charges referred to in Article 4(a) and (c) for Emergency Deliveries for Tijuana, less any amount estimated by the Authority that will remain in the account from previous payments by Mexico after deduction of payments for the previous quarter, and after accounting for the Planned Project and Emergency Repair Reserve Fund and Energy Reserve Fund, if required, as provided below.

Inasmuch as delivery costs may change during the term of this Agreement, they will be set forth in an Exhibit B as formulated or modified as necessary, except for estimated charges associated with the cost of energy, which shall be provided for quarterly, and which shall be indicated as actual energy charges in each monthly invoice. Exhibit B is attached hereto, and is

incorporated into this Agreement in accordance with its respective provisions until superseded by a subsequent Exhibit B.

(d) The Authority shall maintain an Energy Reserve Fund in the Authority Account in excess of estimated quarterly charges. The purpose of the Energy Reserve Fund is to provide payment of actual energy charges for deliveries that may be in excess of estimated energy charges. The amount of the Energy Reserve Fund shall be determined by Metropolitan, and shall reflect the amount deemed reasonably necessary by Metropolitan to cover potential discrepancies between estimated and actual charges due to fluctuations in energy costs. Energy Reserve Funds in the Authority Account shall not exceed FIVE HUNDRED THOUSAND DOLLARS (\$500,000). In the event that Energy Reserve Funds are depleted or are forecasted to be depleted in any quarter, when payment of estimated charges for the next quarter are provided, the United States Commissioner shall obtain from Mexico a payment to maintain the Energy Reserve Fund at the requisite level for the next quarter. In the event Energy Reserve Funds exceed the amount determined by Metropolitan, such excess amount shall be applied to payment of estimated charges for the next quarterly period, or upon the written instruction of the United States Commissioner, shall remain in the Energy Reserve Fund.

(e) The Authority shall credit the Authority Account for interest earned on the account based on the average monthly interest as reported on the Authority's Monthly Treasurer's Report for the Authority Operating Fund, and will be calculated at the end of each month. Interest earned shall be treated as payments from Mexico through the United States Commissioner. The Authority shall notify the other California Agencies, after receiving notice from the United States Commissioner, when funds for each quarter have been received from Mexico and transferred to the Authority.

ARTICLE 6. UNANTICIPATED ADDITIONAL EMERGENCY DELIVERIES OR  
REDUCTIONS IN DELIVERIES

(a) Additional Deliveries Requested by Mexico. During any quarterly period, Mexico may request, through the United States Commissioner, unanticipated additional Emergency Deliveries for Tijuana from the California Agencies. If the California Agencies agree to additional Emergency Deliveries for Tijuana, the California Agencies shall calculate a Schedule of Charges for such deliveries in accordance with Article 4, herein, and any additional request for Energy Reserve Funds in accordance with Article 5 herein. The Authority shall inform the United States Commissioner of the extent to which the California Agencies have agreed to such unanticipated additional Emergency Deliveries for Tijuana and the amount of additional funds that shall be deposited into the Authority Account. The United States Commissioner shall notify Mexico and secure from Mexico the additional funds within 15 days of notifying Mexico. The California Agencies may, in their sole discretion and under extraordinary circumstances, agree to make additional Emergency Deliveries for Tijuana prior to receiving payment as provided in this Article. However, in such case, the United States Commissioner shall secure payment from Mexico for such deliveries immediately, and if such payment is not made immediately, the California Agencies may draw on any available funds in the Authority Account as payment for such Emergency Deliveries for Tijuana.

(b) Reductions in Deliveries Requested by Mexico. Mexico may, during the course of a calendar year, request reductions in the amount of Emergency Deliveries for Tijuana that had been determined according to the procedures in Articles 2 and 3 of this Agreement. The Authority, in consultation with the other California Agencies, shall comply with an appropriate request for reductions unless a California Agency determines, in its sole discretion that such

reductions would result in a financial loss to that agency. In the event that a reduction in Emergency Deliveries for Tijuana is requested by Mexico pursuant to this Article, any payments that have previously been made by Mexico, through the United States Commissioner to the Authority for such Emergency Deliveries for Tijuana shall be retained in the Authority Account and applied to payment for future Emergency Deliveries for Tijuana.

(c) Except in extraordinary circumstances, Mexico may not submit any request for unanticipated additions or reductions in Emergency Deliveries for Tijuana for any time period that is covered in any previous request for unanticipated additions or reductions pursuant to this Article.

#### ARTICLE 7. COORDINATION OF PAYMENTS AND CHARGES

The California Agencies shall coordinate the charges and payments and like matters pertaining to Emergency Deliveries for Tijuana as follows:

(a) IBWC shall certify delivery amounts through monthly meter readings at Service Connection SD-TJ for the months that Emergency Deliveries for Tijuana are made, and forward a written certification to the Authority by 5:00 p.m. on the first working day after the end of the month in which the delivery was made.

(b) Contingent on timely receipt from IBWC, the Authority will then prepare itemized statements of costs or charges, based on the certified monthly meter readings, in the form attached as Exhibit B hereto, and forward such statements, along with the certified meter readings to OWD, Metropolitan, Reclamation, and the United States Commissioner before 3:30 p.m. on the third working day after the end of the month in which the Emergency Deliveries for Tijuana were made.

(c) Metropolitan's monthly invoice to the Authority, which contains an accounting of charges for Metropolitan water deliveries to the Authority including Emergency Deliveries for Tijuana, shall include: (1) A treated water credit to the Authority at Metropolitan's full service rate for the amount of water delivered as calculated on Line 8 of Exhibit B for the current billing month; (2) A charge to the Authority, as calculated on Line 16 of Exhibit B, for Metropolitan's costs associated with providing the Emergency Deliveries for Tijuana during the current billing month; (3) A credit equal to Metropolitan's estimated energy charge as shown on the invoice for the previous month billing of Emergency Deliveries for Tijuana; and (4) A charge equal to Metropolitan's actual energy costs for the previous month billing of Emergency Deliveries for Tijuana.

(d) The Authority's monthly invoice to OWD, which contains an accounting of charges for Authority water deliveries to OWD including Emergency Deliveries for Tijuana, shall include: (1) A treated water credit to OWD at the Authority's full service rate for the amount of water delivered as calculated on Line 3 of Exhibit B for the current billing month; and (2) A credit to OWD as calculated on Line 5 of Exhibit B for OWD's costs associated with providing the Emergency Deliveries for Tijuana for the current-billing month.

(e) The Authority shall withdraw funds monthly from the Authority Account for payment to the Authority based on the Authority's costs as calculated on Line 10 of Exhibit B.

(f) Within 30 working days after the end of the month in which Emergency Deliveries for Tijuana were made, Metropolitan shall inform the Authority in writing or by electronic mail of its actual energy charge per acre-foot for Emergency Deliveries for Tijuana for that month.

(g) The Authority shall provide a quarterly report for quarters when no deliveries are made and a monthly report for periods when deliveries are made, on or about the 20<sup>th</sup> day of the

month, to the United States Commissioner for submittal to Mexico, which shall include an itemized list of the costs to or charges of each California Agency for the Emergency Deliveries for Tijuana made during the previous month, total funds withdrawn from Mexico's account, the interest earned on the funds in the account, and the balance remaining in the account. The Authority shall retain appropriate vouchers to support the itemized statements of costs or charges in accordance with the provisions of this Article.

(h) IBWC may request clarifications to the monthly report from the Authority within 60 days. In the event of a dispute regarding a statement of costs and charges submitted in the Authority Monthly Report to the United States Commissioner, the United States Commissioner and the General Manager of the Authority shall immediately take action to resolve the matter. If the United States Commissioner does not object to information contained in the Monthly Report within sixty (60) days of its receipt from the Authority, it shall be conclusively determined that the United States Commissioner and Mexico agree with the information contained in such report.

(i) Upon the termination of this Agreement, the Authority shall settle and reconcile all the actual charges for said Emergency Deliveries for Tijuana and liquidate the corresponding funds provided for their payment. The Authority shall prepare a final balance sheet covering actual costs for the delivered waters and submit such final settlement to the United States Commissioner for review and approval, which shall not be unreasonably withheld. The United States Commissioner shall return his approval or objections of the Authority's final settlement of the Authority Account, including the Planned Project and Emergency Repair Reserve Fund and the Energy Reserve Fund, to the Authority within sixty (60) days after their receipt by the United States Commissioner. The United States Commissioner shall make a final settlement to Mexico and shall return to Mexico any remaining funds including interest earned, and the Authority shall

close the Authority Account. In the event funds are not sufficient to cover charges upon final settlement, Mexico shall within 15 days of notification by the United States Commissioner provide additional funds in that amount, which shall be transferred to the Authority, for disbursement to the appropriate agency or agencies.

(j) The Authority shall retain detailed records of funds received and disbursements made pursuant to this Article for a period of three years after the final settlement of fund administration.

#### ARTICLE 8. SCHEDULES AND VOLUMES OF DELIVERIES

Mexico's annual Schedule of Requests for Emergency Deliveries for Tijuana shall be in volumes per month and shall be subject to the availability of delivery capacity of the California Agencies. The maximum monthly volume of the Emergency Deliveries for Tijuana at Service Connection SD-TJ shall be no greater than the available capacity of approximately 1,200 acre-feet. The annual volume of the Emergency Deliveries for Tijuana shall be no greater than the available capacity of approximately 14,400 acre-feet. Mexico recognizes that the California Agencies' distribution system facilities are utilized first to meet water demands of their existing and future customers, which in time may decrease the maximum capacity of 1,200 acre-feet per month. The actual capacity will be determined by the California Agencies as stipulated in Article 3 of this Agreement.

#### ARTICLE 9. DECREASE OR SUSPENSION BY CALIFORNIA AGENCIES

Emergency Deliveries for Tijuana described herein may be decreased or suspended temporarily at any time, either in the event of a disruption of the distribution system, or, if for other reasons, any of the California Agencies is temporarily unable to supply in its system the capacity or energy necessary for the conveyance or treatment of the Portion of Treaty Water. In

the event that the California Agencies are not able to make the water deliveries because of capacity limitations, service interruptions or other emergencies, the California Agency or the California Agencies not able to make the water deliveries will notify the USIBWC before any suspension is implemented, except during unforeseeable emergencies when the Authority and the USIBWC will be notified as soon as practicable as stipulated in Article 5(b) and Article 10 of this Agreement. In the event that the California Agencies suspend or decrease water supply for reasons other than those mentioned above, the Authority will return to the USIBWC for payment to Mexico funds equivalent to the cost or charges of suspended deliveries that Mexico may have paid in advance.

#### ARTICLE 10. SHUTDOWNS AND EMERGENCIES

As set forth in Article 9 of this Agreement, Emergency Deliveries for Tijuana may be decreased or suspended temporarily when sufficient surplus capacity does not exist in the distribution system facilities, or sufficient energy is not available, to be used hereunder to permit delivery of Emergency Deliveries for Tijuana at Service Connection SD-TJ without creating an undue burden upon fulfilling the obligations of the California Agencies to their respective customers. In accordance therewith, since regular shutdowns of aqueducts and distribution and treatment facilities occur for inspection and maintenance, and may occur because of unforeseen repair requirements or emergencies, the California Agencies shall not be responsible to make the Emergency Deliveries for Tijuana previously agreed upon except when it is reasonably practical to do so in view of their existing capabilities and obligations to their respective customers. The Authority from time to time and as necessary will communicate through the United States Commissioner to Mexico regarding aqueduct shutdowns, limitations of available capacity or any other circumstances pertaining to any of said California Agencies which may cause restrictions

of water deliveries to a rate of flow less than the amount previously determined pursuant to Article 3 of this Agreement. In the case that the water deliveries were suspended by the Authority for reasons other than capacity limitations, service interruptions or other emergencies, the Authority shall withdraw funds from the Authority Account equivalent to the cost of suspended Emergency Deliveries for Tijuana and provide such funds to the United States Commissioner for payment to Mexico.

#### ARTICLE 11. COMMITMENTS BY RECLAMATION TO METROPOLITAN

Reclamation, in consideration of the obligations undertaken by Metropolitan in this Agreement, agrees with Metropolitan that the Portion of Treaty Water actually diverted by Metropolitan pursuant to this Agreement shall not be charged against Metropolitan's right to the delivery by Reclamation of waters from the Colorado River for Metropolitan's own use and that the charge of 25 cents per acre-foot made by Reclamation for water intended for use within Metropolitan shall not be applied to the Portion of Treaty Water diverted. For purposes of implementing the agreements with Metropolitan stated above, Reclamation shall utilize the monthly records of Emergency Deliveries for Tijuana prepared in accordance with this Agreement.

#### ARTICLE 12. TRANSPORTATION AND DELIVERY OF WATER BY METROPOLITAN

(a) Metropolitan, upon notification by Authority that funds for Emergency Deliveries for Tijuana for the next quarterly period have been received, will transport waters for Emergency Deliveries for Tijuana in accordance with the Schedule of Requests from Mexico and the annual determination by the California Agencies. The Portion of Treaty Water will be transported from Lake Havasu through its aqueduct, and appurtenant facilities, and distribution system, and delivered, after deducting losses, to the Authority at the terminus of Metropolitan's distribution

system in San Diego County, a point approximately six miles south of the northern boundary of San Diego County.

(b) Metropolitan shall be reimbursed in accordance with Exhibit B for: use of its existing diversion and conveyance works, electric energy, loss of energy generated at Parker Dam Power Plant, any other Colorado River Aqueduct energy cost or loss of energy that results from Emergency Deliveries, water treatment charges, and other expenses at a rate per acre-foot determined, on the basis of invoices to the Authority prepared in accordance with Article 7 of this Agreement.

(c) In the interest of international comity and recognizing that Emergency Deliveries for Tijuana are necessary for the health and welfare of the people of Tijuana, Reclamation agrees that in order to maximize use of available capacity, in any calendar year during the term of this Agreement when Metropolitan has surplus capacity temporarily available in its aqueduct, Reclamation upon demand by Metropolitan shall permit Metropolitan to divert additional quantities of water at its point of diversion from the Colorado River over and above both its right to delivery by Reclamation of water from the Colorado River for Metropolitan's own use in that year and the quantities making up the Portion of Treaty Water being diverted for delivery in that year, up to a quantity equivalent to the estimated requirement for the Portion of Treaty Water for the succeeding calendar year, such water to be stored in reservoirs within boundaries of Metropolitan rather than in Lake Mead, for Emergency Deliveries for Tijuana in the following year. Reclamation shall not charge such stored quantity of water against Metropolitan's right to delivery by Reclamation of water from the Colorado River for Metropolitan's own use in that year, but shall charge it against Treaty Water in the year the emergency deliveries are made for Tijuana. All charges related to such stored water shall be made in the year such Emergency

Deliveries for Tijuana are made. At the time of the termination of this Agreement, if Metropolitan has any water in storage within the Metropolitan service area that had been intended for future delivery to Mexico pursuant to this subsection, the amount of such water shall be determined to be a delivery from Reclamation to Metropolitan of Metropolitan's Colorado River entitlement for the next succeeding calendar year, and Metropolitan shall have no obligation to deliver such water to Mexico. Metropolitan shall provide, in its monthly accounting report to Reclamation, a report of its diversions from Lake Havasu for Mexico's use at Tijuana during the month for which the report is being submitted, and any diversions made for Mexico in excess of Mexico's need for Emergency Deliveries for Tijuana during the month for which the report is being submitted.

(d) In months when Metropolitan would operate its aqueduct at full capacity for its own use, the transportation for Emergency Deliveries for Tijuana will displace water which, in the absence of this Agreement, would be transported for Metropolitan. In such event, transportation of Colorado River water for Metropolitan's use will be deferred (hereafter referred to as "Deferred Water") and must be pumped later in the calendar year or a succeeding year if and when economical power and aqueduct transporting capacity is available. If for any reason economical power or aqueduct transporting capacity in Metropolitan's aqueduct is not available during any calendar year of the term of this Agreement to transport the Deferred Water for Metropolitan's use, Reclamation, in order to make Metropolitan whole, shall deliver to Metropolitan during the next succeeding calendar year when economical power and aqueduct transporting capacity is available at Metropolitan's point of diversion from the Colorado River, a quantity of water equal to the amount of any undelivered Deferred Water, which Metropolitan was unable to transport, during a previous calendar year by reason of transporting Emergency Deliveries for Tijuana.

(e) In the event of unavailability of power for pumping the Portion of Treaty Water for delivery to the Service Connection SD-TJ Metropolitan shall be relieved of its obligations under this Agreement for the periods of unavailability. In the event the Emergency Deliveries for Tijuana utilize power ordinarily scheduled for use in pumping Metropolitan's Colorado River water which pumping has been deferred until later in the calendar year in order to permit the pumping of the Emergency Deliveries for Tijuana in the expectation of subsequently receiving supplemental capacity and energy from any source for pumping, and such Deferred Water and the required power are not provided or available as expected, Metropolitan shall be relieved of its obligation to make the Emergency Deliveries for Tijuana for the period or periods during which such Deferred Water has not been delivered. Deferred Water shall be the first water delivered in the following calendar year.

(f) In no event shall the pumping of water for Emergency Deliveries for Tijuana result in any effect on Metropolitan's use of energy pursuant to its contractual rights to federally generated hydroelectric power.

#### ARTICLE 13. TRANSPORTATION AND DELIVERY OF WATER BY AUTHORITY

The Authority shall receive delivery from Metropolitan of Emergency Deliveries for Tijuana, transport the water through its distribution system facilities, and deliver it to OWD at Service Connection No. 13. Authority shall be reimbursed for delivery charges and other expenses as specified in Article 7(d) at the rate per acre-foot determined for that year, on the basis of statements prepared in accordance with Article 7 of this Agreement.

#### ARTICLE 14. TRANSPORTATION AND DELIVERY OF WATER BY OWD

OWD shall receive delivery of the Emergency Deliveries for Tijuana from the Authority's Service Connection No. 13. OWD shall transport and deliver such water through its

distribution system facilities, including distribution system facilities constructed by separate agreement for connection with the Mexican water distribution system at Service Connection SD-TJ. OWD shall be reimbursed for delivery charges and other expenses as specified in Article 7(d) at the rate per acre-foot determined for that year, on the basis of statements prepared in accordance with Article 7 of this Agreement. It shall render monthly statements to the Authority as provided in Article 7 of this Agreement.

#### ARTICLE 15. ENVIRONMENTAL COMPLIANCE

The USIBWC acted as lead agency for compliance with all Federal laws and regulations necessary to implement the Emergency Deliveries for Tijuana, including compliance with the National Environmental Policy Act of 1969, as amended, and the Federal Endangered Species Act of 1973, as amended. Authority acted as lead agency for compliance with all State of California laws and regulations necessary to implement the Emergency Deliveries for Tijuana, including compliance with the California Environmental Quality Act and the California Endangered Species Act of 1984, as amended. In both the federal and state environmental processes, it was determined that diverting, conveying, and treating the Emergency Deliveries for Tijuana, will not have an environmental impact.

#### ARTICLE 16. COMMINGLING OF WATER AND CONVEYANCE LOSSES

Water may be commingled within the systems of the California Agencies and accounted for according to usual water accounting practices, with the conveyance losses credited to each of the parties according to the following percentages of the volumes of Emergency Deliveries for Tijuana: Metropolitan 3.6%; Authority 1.0%; and OWD 3.0%. In determining the number of acre-feet to which the rates and charges by each of the California Agencies shall apply, each California Agency shall add the sum of the actual volume of Emergency Deliveries for Tijuana

at Service Connection SD-TJ, and the percentage of conveyance losses of the actual volume attributable to that California Agency expressed as a volume, and the percentage of conveyance losses of California Agencies associated with the Emergency Deliveries for Tijuana between that California Agency and Service Connection SD-TJ expressed as a volume. The means of determining assignment of conveyance losses is depicted in Exhibit B, attached hereto and incorporated herein as a part of this Agreement. All Emergency Deliveries for Tijuana at Service Connection SD-TJ shall be measured using the flow metering device installed and said deliveries shall be reported to the Commission. For inclusion in its annual Article V. Decree Accounting Report, done pursuant to the U.S. Supreme Court Consolidated Decree in *Arizona v. California*, 547 U.S. 150 (2006), Reclamation shall utilize the record of monthly deliveries at Service Connection SD-TJ, and include the above described losses. Record of deliveries to Mexico at the international boundary near Tijuana shall be reported separately from deliveries to the northerly international boundary (“NIB”), the southerly international boundary (“SIB”) near Yuma, and in the limitrophe section of the Colorado River.

#### ARTICLE 17. CALCULATION OF SALINITY

The United States Commissioner will charge Colorado River waters delivered under this Agreement, including system conveyance losses, as a portion of Mexico’s allotment of Colorado River waters provided for in Article 10(a) of the 1944 Treaty. For the purpose of compliance by the United States with Minute No. 242, during the period of Emergency Deliveries for Tijuana, the difference in salinity between Imperial Dam and the NIB with Mexico described in Resolution 1.a of Minute No. 242 shall be calculated as if the water delivered for use in Tijuana was delivered in the Colorado River at the NIB from Imperial Dam.

#### ARTICLE 18. TERMINATION

(a) This Agreement shall terminate and be no longer effective for any purpose, except for final payment for Emergency Deliveries for Tijuana at Service Connection SD-TJ and final liquidation of funds provided by Mexico, upon the occurrence of any one of the following conditions, unless otherwise agreed to by the parties by amendment to this Agreement:

(1) Upon the Termination Date noted in the first sentence of this Agreement.

(2) Whenever any of the funds to be provided by Mexico pursuant to this Agreement have not been so provided.

(3) If the Service Connection SD-TJ is deemed inoperable by the Commission

(b) Upon the termination of the period during which this Agreement is in effect, or any subsequent extensions thereto, the materials, equipment, and facilities within OWD constructed pursuant to this Agreement, including distribution system facilities constructed by separate agreement for connection with the Mexican water distribution system at Service Connection SD-TJ, and considered by OWD to be integral to the ongoing operations of OWD shall become or remain the property of OWD. OWD may remove or cause to be removed any non-integral materials, equipment, and facilities and restore OWD's facilities to the condition which would exist if such materials, equipment, and facilities had not been constructed. USIBWC shall obtain from Mexico and transfer to the Authority funds to cover the full cost of any removal and disposal of such non-integral materials, equipment, and facilities, and the estimated cost of restoring OWD's facilities to the condition which would exist if such materials, equipment, and facilities had not been constructed. Notwithstanding the foregoing, subject to approval of the Governments of the United States and Mexico, through IBWC, the local authorities in the two countries have the authority to agree upon and effect a different arrangement for the disposition of such materials, equipment, and facilities.

ARTICLE 19. FEDERAL LAW

(a) This Agreement is made upon the express condition, and with the express understanding, that all rights hereunder shall be subject to and controlled by (1) the Colorado River Compact, dated November 24, 1922, which was approved in Section 13(a) of the Boulder Canyon Project Act dated December 21, 1928 (45 Stat. 1057), (2) the Boulder Canyon Project Act, dated December 21, 1928, (3) the Consolidated Decree entered by the U.S. Supreme Court in the case of Arizona v. California (547 U.S. 150) (2006), and (4) the 1944 Treaty.

(b) This Agreement is considered to be a renewal of the June 14, 1972 contract as amended, the August 1, 1990 letter agreement, the January 27, 1993 letter agreement, and the September 29, 2003 agreement as amended on November 26, 2008 for delivery of part of Mexico's Colorado River water entitlements to Tijuana. However, this Agreement constitutes the entire agreement among the parties regarding the subject matter herein, and any agreements, documents, or understandings previously entered into, including the aforesaid June 14, 1972 contract as amended, shall be superseded by this Agreement.

ARTICLE 20. CONTINGENT UPON APPROPRIATION OR ALLOTMENT OF FUNDS

The expenditure or advance of any money or the performance of any obligation of the United States under this Agreement shall be contingent upon appropriation or allotment of funds. No liability shall accrue to the United States in case funds are not appropriated or allotted.

ARTICLE 21. NOTICE PROCEDURE

Any notice, demand, or request provided in this Agreement shall be deemed properly served, given, or made if sent by electronic mail, delivered in person, or sent by registered or certified mail, postage prepaid, to the persons specified below.

International Boundary and Water Commission  
United States Section  
United States Commissioner  
4171 N. Mesa  
Suite 100, Building C  
El Paso, TX 79902

Bureau of Reclamation  
Regional Director  
Lower Colorado Region  
P.O. Box 61470  
Boulder City, NV 89006-1470

Metropolitan Water District of Southern California  
General Manager  
P.O. Box 54153  
Los Angeles, CA 90054-0153  
[officeofthegeneralmanager2@mwdh2o.com](mailto:officeofthegeneralmanager2@mwdh2o.com)

San Diego County Water Authority  
General Manager  
4677 Overland Ave  
San Diego, CA 92123

Otay Water District  
General Manager  
2554 Sweetwater Springs Blvd.  
Spring Valley, CA 91978

ARTICLE 22. OFFICIALS NOT TO BENEFIT

No Member of or Delegate to the Congress, Resident Commissioner, or official of Metropolitan, the Authority, and OWD shall benefit from this Agreement other than as a water user or landowner in the same manner as other water users or landowners.

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Agreement, and this Agreement shall take effect, on the day and year first above written.

THE UNITED STATES OF AMERICA  
BY:

\_\_\_\_\_  
Edward Drusina  
Commissioner  
United States Section  
International Boundary and Water  
Commission  
United States and Mexico

\_\_\_\_\_  
Terrance J. Fulp, Ph.D.  
Regional Director  
Lower Colorado Region  
U.S. Bureau of Reclamation

Approved as to form:

\_\_\_\_\_  
Katherine Ott Verburg  
For the Intermountain Region  
Regional Solicitor

THE METROPOLITAN WATER DISTRICT OF  
SOUTHERN CALIFORNIA

By: \_\_\_\_\_  
Jeffrey Kightlinger  
General Manager

Approved as to form:

\_\_\_\_\_  
Marcia L. Scully  
General Counsel

SAN DIEGO COUNTY WATER AUTHORITY

By: \_\_\_\_\_  
Maureen A. Stapleton  
General Manager

Approved as to form:

\_\_\_\_\_  
Daniel S. Hentschke  
General Counsel

OTAY WATER DISTRICT

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

Approved as to form:

\_\_\_\_\_  
General Counsel

# AGENDA ITEM 6c



## STAFF REPORT

TYPE MEETING: Regular Board

MEETING DATE: March 4, 2015

PROJECT:

DIV. NO. All

SUBMITTED BY: Kevin Koeppen, Finance Manager

APPROVED BY:  Joseph R. Beachem, Chief Financial Officer

German Alvarez, Assistant General Manager

Mark Watton, General Manager

SUBJECT: Banking Services Review

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

That the Board approve staff's recommendation to continue the banking services with Union Bank. Staff will update the banking services review in 4 years with a pricing review performed in 2 years.

### **COMMITTEE ACTION:**

See Attachment A.

### **PURPOSE:**

To evaluate the cost of banking services to ensure the District's banking fees are competitive with current market rates.

### **ANALYSIS:**

The Board has requested that staff perform a review of banking services on a recurring basis, considering the changing economy and business competition within the banking and financial industries. On March 5, 2008 and February 3, 2010, staff performed banking services reviews and in both instances recommended to the Board that the District maintain its banking services relationship with Union Bank

based on their competitive pricing, range of banking services, and overall highly satisfactory performance. This report presents an update of staff's recommendation based on the most recent review of the District's banking services.

Staff is recommending the District continue to utilize Union Bank for its banking services. Based on the analysis performed Union Bank is the best value and least expensive provider when considering multiple factors including: annual banking fees, internal costs associated with changing banks, customer disruption and potential service risks associated with a banking change. In addition, a change in banking relationships carries a possibility that the District would need to look for a new letter of credit when the current letter of credit, held by Union Bank, expires on June 29, 2017.

QUOTATION PROCESS: Staff requested quotes from six banking institutions. The table below summarizes the institutions that the District sought quotes from and a brief statement regarding each institution's response:

<b>Institution</b>	<b>Response</b>
Union Bank	Complete response and quote was received by the District.
U.S. Bank	Complete response and quote was received by the District.
J.P. Morgan Chase	Complete response and quote was received by the District.
Wells Fargo Bank	Declined to quote, but provided verbal response stating Union Bank's fees for services were competitive with Wells Fargo.
Bank of the West	Bank of the West's policy states they cannot respond to a request if a particular service is not offered by the bank. Bank of the West does not offer bill concentration services; therefore, they were unable to respond to the request for quote.
Bank of America	Did not respond to the request for quote.

Staff performed the following evaluations of services based on the responses received from Union Bank, U.S. Bank, and J.P. Morgan Chase.

AVAILABLE SERVICES: Staff performed a review of banking services offered by each institution to ensure each candidate was able to

meet, at a minimum, the District's current servicing needs. All of the institutions responding to the District's request offer services consistent with those currently being performed by Union Bank. Each institution provides a full range of banking services including: account reconciliation, account analysis, lockbox, checking, web services, wire transfers, availability of funds, payroll, payroll tax, check fraud, daylight overdraft protection, and debt services.

BANKING FACILITIES: Union Bank and J.P. Morgan Chase both have physical locations within the District's boundaries. U.S. Bank's nearest physical location is 15 miles from the District's office.

CURRENT STAFF SATISFACTION: Staff who work with Union Bank on a repetitive basis were asked if they were dissatisfied or had any unresolved issues. This included Customer Service, Payroll, Accounts Payable, Information Technology, and Investment personnel. Responses were positive as any issues were minor in scope and Union Bank has been quick to respond and remediate issues as they arise. Staff is also very pleased with Union Bank's services and personnel contacts.

BANKING FEES: Staff performed an analysis based on each institution's quote to determine their estimated annual fees.

<b>Institution</b>	<b>Estimated Annual Fees</b>
Union Bank	\$72,200
U.S. Bank	\$65,500
J.P. Morgan Chase	\$148,000

The impact of the Union Bank's fees and proposed service charges result in a net annual reduction in banking related fees of approximately \$11,200 (14.7%) versus current fees. The reduction is a result of two main factors. Union Bank has reduced their fee for armored car services and increased the earnings credit floor from .25% to .40%, which results in an overall net bank fee reduction of \$3,400 per year. In addition, staff and Union Bank reviewed the existing services and identified changes to services which would generate an additional \$7,800 in savings. All anticipated savings are reflected in the estimated annual fees above. Staff has moved forward with the implementation of identified changes which should be completed by the end February, 2015. Additionally, the proposed pricing from Union Bank shall be fixed for a period of four years.

U.S. Bank's annual fees are estimated to be \$65,500 which is \$6,700 lower than Union Bank. On a fee basis, U.S. Bank was favorable by \$1,700 per year compared to Union Bank; however, their quote included an annual transition bonus in the amount of \$5,000 to be awarded each year of the initial contract term and any subsequent contract

extension. Pricing would be fixed for the initial contract period. When combining the costs and risks associated with a banking change and the possible cost associated with obtaining a new letter of credit, the \$6,700 annual savings did not provide a benefit adequate enough to justify changing banks.

The main factor causing J.P. Morgan Chase's annual fees to be greater than the other institutions were higher fees for lockbox services.

RISK OF CHANGING BANKING SERVICE PROVIDERS: Banking services are intertwined with many of the financial processes of the District and require significant efforts to change. Based on the cost quotes, staff performed additional procedures to assess the costs and risks associated with a change in banking services including a review of U.S. Bank's customer service structure, lockbox operating environment, and reference contacts. The internal costs to change banks included internal resources from Finance, Information Technology and Customer Service. In addition, there were also third party costs from providers of payment services. The costs of these items exceeded the fee savings.

Staff also reviewed the internal risks and costs associated with a banking change including the internal costs of changing banks and the impact on customers.

No risk assessment was performed on J.P. Morgan Chase due to their quoted fees being substantially greater than both Union Bank and U.S. Bank.

ADDITIONAL RISKS: In addition to standard banking services, Union Bank also provides the District with debt related services including: trustee, letter of credit, and remarketing. On April 8, 2014, the Board of Directors approved the extension of the District's letter of credit with Union Bank. Under that extension Union Bank reduced the letter of credit rate by 15 basis points. This rate reduction reduced the District's debt service costs by approximately \$11,000 per year and is included in this staff report as an example of Union Bank serving as a good financial partner to the District. It is typical for banks to give priority access to credit to its own clients. The District's letter of credit is a very small credit, which adds to the limited interest a bank would have in maintaining a credit with a non-client. If the District were to change banking services there is the real risk that the District would find itself looking for a new letter of credit. The current letter of credit will expire on June 29, 2017 and issuing a new letter of credit is a costly endeavor. The District's incurred approximately \$150,000 of costs when a new letter of credit was issued in 2011. At that time,

Union Bank was the only bank willing to offer a letter of credit to the District. The District will be required to have a letter of credit until the related debt matures in 2026.

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

The District's ongoing banking fees would be reduced from the current annual fees by approximately \$11,200. Based on the analysis performed, staff estimates the total annual banking service fees from Union Bank to be \$72,200.

**STRATEGIC GOAL:**

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

**LEGAL IMPACT:**

None.

Attachments:

- A) Committee Action



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Banking Services Review
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### COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on February 18, 2015 and the following comments were made:

- Staff is recommending the District continue banking services with Union Bank. In addition, staff will review banking services every 4 years with a pricing study performed in 2 years.
- In 2008, because of the changing economy and the business competition within the banking industry, the Board had requested that staff perform periodic reviews of the District's banking services.
- Staff performed reviews of the District's banking services in 2008 and 2010 and recommended that the District continue to utilize Union Bank.
- During this year's evaluation staff considered the following items:
  - Available services that are meeting the District's needs
  - Banking facilities in relation to the District
  - Staff satisfaction
  - Banking service fees, including the internal costs of changing financial institutions
  - Risk of changing providers, potential customer disruption and service risks associated with changing banks
  - Debt related services, most notably the District's Letter of Credit
- Based on these factors staff has determined that Union Bank is the best value and least expensive provider of banking services.
- In response to an inquiry from the committee, staff indicated that the current pricing agreement with Union Bank is expiring in

February 2015. This new proposed agreement is for fixed pricing for a term of 4 years.

- Director Thompson indicated, for the record, that he owns two (2) financial institution stocks, Bank of America and City Corp. Bank, and since neither company is a finalist in the selection process, the District's Counsel has confirmed that he has no conflict of interest with this item.
- It was discussed that staff did ask Union Bank if they could get their total fees down to match U.S. Bank's pricing and they did reduce some of their fees and increased the floor of the District's earnings credit (interest that the District earns). Staff will continue to evaluate new services to better leverage technology to reduce the fees even more.
- At the committee's request, staff indicated that they would ask Union Bank once again if they could reduce their fees even further. Staff again negotiated with Union Bank. While Union Bank was unable to provide any additional fee discount, staff and Union Bank were able to identify a substitution in the existing services that would save the District an estimated additional \$4,500 per year and reduce the pricing differential versus U.S. Bank by \$1,200.

Following discussion, the Committee supported staff's recommendation and presentation to the full board as a consent item.



# AGENDA ITEM 6d

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 4, 2015
		PROJECT:	DIV. NO. ALL
SUBMITTED BY:	Kelli Williamson Human Resources Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Adolfo Segura, Assistant Chief, Admin & IT Services <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	ADOPT RESOLUTION #4267 TO REVISE THE POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE (BOARD POLICY #47)		

**GENERAL MANAGER'S RECOMMENDATION:**

That the Board adopt Resolution #4267 to revise Board Policy #47, Policy Against Discrimination and Harassment and Complaint Procedure.

**COMMITTEE ACTION:**

Please see "Attachment A".

**PURPOSE:**

To request that the Board adopt Resolution #4267 and approve revisions to Board Policy #47, Policy Against Discrimination and Harassment and Complaint Procedure (Attachment C).

**ANALYSIS:**

Consistent with the District's Strategic Plan, the District regularly reviews policies and procedures to ensure they are streamlined and are clear and consistent with applicable laws.

After consultation with General Counsel, District staff is recommending revisions to the attached policy. Updates deemed appropriate at this time are detailed below and revisions are shown in the attached strike-through versions of the policy (Exhibit 1).

Policy Against Discrimination and Harassment and Complaint Procedure  
(Board Policy #47)

Based on recent legislative updates, District staff is recommending minor revisions to the attached policy to include unpaid interns and volunteers as protected members.

Based on the above, it is requested that the Board of Directors adopt Resolution #4267 in support of the proposed revisions.

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

None.

**STRATEGIC GOAL:**

Optimize the District's Operating Efficiency.

**LEGAL IMPACT:**

None.

**ATTACHMENTS:**

Attachment A - Committee Action Report

Attachment B - Resolution #4267

Exhibit 1 - Draft Copy, Policy Against Discrimination  
and Harassment and Complaint Procedure (Board Policy #47)

Attachment C - Proposed Copy, Policy Against Discrimination and  
Harassment and Complaint Procedure (Board Policy #47)



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	ADOPT RESOLUTION #4267 TO REVISE THE POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE (BOARD POLICY #47)
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### COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on February 18, 2015 and the following comments were made:

- Staff is requesting that the board approve Resolution No. 4267 revising Board Policy No. 47, Policy Against Discrimination and Harassment and Complaint Procedure, to include unpaid interns and volunteers as protected members.
- The proposed changes are to update the policy so it is in compliance with new law that went into effect early this year.
- In response to an inquiry from the committee, it was indicated that the District does not have volunteers or interns at this time, but it does periodically have interns on staff including the District's participation in the CWA Intern Program. It was also noted that when the District oversaw the Water Conservation Garden, it did have volunteers on staff working at the Garden.

Following the discussion, the Committee supported staff's recommendation and presentation to the full board as a consent item.

RESOLUTION NO. 4267

RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE OTAY WATER DISTRICT TO  
REVISE DISTRICT POLICY

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

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

**WHEREAS**, District staff has identified Board Policy #47, Policy Against Discrimination and Harassment and Complaint Procedure, as requiring revisions as per the attached strike-through copies.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Otay Water District amends the Board Policies indicated above in the form presented to the Board at this meeting.

**PASSED, APPROVED AND ADOPTED** by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> of March, 2015.

\_\_\_\_\_  
\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_  
Secretary

OTAY WATER DISTRICT BOARD OF DIRECTORS POLICY			
Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	<del>11/5/14</del> <u>3/4/15</u>

PURPOSE

The purpose of this policy is to (i) advise all employees, unpaid interns, and volunteers that the Otay Water District ("District") disapproves of and will not tolerate unlawful discrimination or harassment of its employees, unpaid interns or volunteers, or retaliation against those who report such behavior, and (ii) set forth a procedure for investigating and resolving internal complaints of discrimination, harassment, or retaliation.

POLICY

The District is committed to providing a work environment free of unlawful discrimination, harassment, or retaliation against those who report discrimination or harassment. Discrimination or harassment based on sex (including gender, gender identity, gender expression, pregnancy, childbirth or related medical condition), race, color, religious creed, national origin, ancestry, physical or mental disability, medical condition, genetic information, marital status, age, sexual orientation, military or veteran status or any other basis protected by federal, state or local law is prohibited. Discrimination or harassment based on the perception that a person has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics, is prohibited. Retaliation against any person who complains of unlawful discrimination or harassment or who provides evidence relating to such a complaint, is prohibited.

This Policy applies to all terms and conditions of employment, including, but not limited to: hiring, placement, advancement, promotion, disciplinary action, layoff, recall, transfer, leave of absence, compensation and training. It applies to each District employee, member of the Board of Directors, unpaid interns, volunteers and to all vendors conducting business with the District. Similarly, the District will not tolerate discrimination or harassment by its employees, unpaid interns, or volunteers of non-employees with whom the District employees, unpaid interns or volunteers have a business, service or professional relationship.

OTAY WATER DISTRICT  
**BOARD OF DIRECTORS POLICY**

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	<del>11/5/14</del> <u>3/4/15</u>

The District will also attempt to protect employees, unpaid interns, and volunteers from harassment by non-employees in the workplace.

DEFINITIONS

Discrimination - Any decision or action that is based on an individual's status as a member of a protected class that adversely affects a District employee, unpaid intern or volunteer, or the employee's, unpaid intern's, or volunteer's work conditions, terms of employment, or work environment.

Harassment - Any decision or action that is based on a District employee's, unpaid intern's, or volunteer's status as a member of a protected class, made for the purpose or having the effect of adversely affecting that employee's, unpaid intern's, or volunteer's work conditions, terms of employment, or work environment. Harassment may include, but is not limited to:

- Verbal conduct such as epithets, derogatory jokes or comments, slurs, or unwelcome sexual advances, invitations or comments;
- Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work;
- Threats and demands to submit to sexual requests as a condition of continued employment or to avoid an adverse consequence, and offers of employment benefits in return for sexual favors.

Such conduct constitutes harassment when (1) submission to the conduct is made either an explicit or implicit condition of employment; (2) submission or rejection of the conduct is used as the basis for an employment decision; or (3) the harassment interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

OTAY WATER DISTRICT  
**BOARD OF DIRECTORS POLICY**

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	<del>11/5/14</del> <a href="#">3/4/15</a>

Protected Class - Any class of persons who share a common sex—, race, color, religious creed, national origin, ancestry, physical or mental disability, medical condition, genetic information, marital status, age, sexual orientation, military or veteran status or any other "protected class" recognized by federal, state or local laws. For purposes of this definition, "sex" includes gender, gender identity, gender expression, pregnancy, childbirth, or a pregnancy- or childbirth-related medical condition.

Retaliation - Any decision or action that is based on the fact that a District employee, [unpaid intern, or volunteer](#) has previously complained of discrimination, harassment, or retaliation prohibited by this Policy (regardless of whether a formal complaint has been made) or has provided evidence in the investigation of another District employee's, [unpaid intern's, or volunteer's](#) complaint under this Policy, made for the purpose of adversely affecting the employee's, [unpaid intern's, or volunteer's](#) conditions of employment, terms of employment, or work environment.

Sexual Harassment - A form of harassment that is based on an employee's, [unpaid intern's, or volunteer's](#) gender but which objectively and subjectively creates an adverse impact on the employee, [unpaid intern, or volunteer](#) regardless of the purpose or intent of the alleged harasser.

COMPLAINT PROCEDURE

An employee, [unpaid intern, volunteer,](#) or job applicant who believes he or she has been the victim of discrimination, harassment, or retaliation by a District employee, a member of the Board of Directors, or a vendor may make a complaint verbally, or in writing by completing the District's Discrimination and Harassment Complaint Form. An employee, [unpaid intern, or volunteer](#) may make a complaint to any of the following:

- Human Resources;
- Any supervisor, manager, [Assistant Department Chief,](#) Department Chief, Assistant General Manager, or General Manager;

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	<del>11/5/14</del> <a href="#">3/4/15</a>

- Complaints against the General Manager should be directed to the President of the Board of Directors.

Applicants may make a complaint to any of the following:

- Human Resources or;
- General Manager.

Any person described above shall forward each written discrimination complaint to the General Manager or designee immediately of receiving the complaint or having knowledge of the complaint. If a complaint is made verbally, the person receiving the complaint shall notify Human Resources immediately.

Every reported complaint of discrimination, harassment or retaliation will be investigated thoroughly and promptly. If any manager, supervisor, Assistant Department Chief, Department Chief, or Assistant General Manager becomes aware of or suspects discrimination, harassment, or retaliation against a District employee, unpaid intern, volunteer, or applicant, or any allegation thereof, he/she must immediately notify the Human Resources Manager of the relevant facts and circumstances.

The General Manager or designee may conduct the investigation of alleged discrimination, harassment, or retaliation, or may delegate responsibility for the investigation to another District management employee. If the complaint is against the General Manager, the President of the Board of Directors shall be responsible for conducting the investigation, assigning another management employee, or outside investigator and overseeing the investigation. If the complaint is against the Board of Directors, the General Manager shall be responsible for contracting with an outside investigator to conduct the investigation. The Board will take appropriate action based on the findings.

During its investigation, the District shall take appropriate steps to protect the privacy of all parties involved. However, this shall not be construed to justify refusing to inform a person who has been accused of violating this Policy of the identity of the complainant and witnesses against him/her. Reports of discrimination,

OTAY WATER DISTRICT  
**BOARD OF DIRECTORS POLICY**

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
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harassment, or retaliation may not be made anonymously, but information regarding any report and subsequent investigation will be disseminated on a "need to know" basis.

In the event that an investigation will take longer than 60 calendar days to complete, the investigator must notify the complainant of this fact prior to the expiration of 60 days and provide an anticipated completion date, in writing.

If a finding is made that discrimination, harassment, or retaliation has occurred, the District shall take remedial action appropriate to the circumstances, which may include disciplinary action up to and including termination for an employee, separation from the internship or volunteer opportunity for an unpaid intern or volunteer who has violated this Policy, or sanctions for a vendor who has violated this Policy.

Every District employee, unpaid intern, and volunteer has a duty to participate in good faith in any investigation conducted under this Policy. Failure to participate in good faith is a ground for disciplinary action appropriate to the circumstances. All employees, unpaid interns, and volunteers are encouraged to report in good faith discrimination, harassment, or retaliation. The District will not tolerate retaliation against any employee, unpaid intern, or volunteer making a good faith complaint of discrimination, harassment or retaliation, or for cooperating in an investigation. However, reports made maliciously or in bad faith may subject an employee, unpaid intern, or volunteer to disciplinary action appropriate to the circumstances up to and including termination or separation from the internship or volunteer opportunity.

The action of making a complaint does not preclude a complainant from filing a complaint with the appropriate State or Federal agency. For information as to where to file a claim, an employee may contact the Equal Employment Opportunity Commission at [www.eeoc.gov](http://www.eeoc.gov) or (213) 894-1000 or the Department of Fair Employment and Housing at [www.dfeh.ca.gov](http://www.dfeh.ca.gov) or (800) 884-1684.

OTAY WATER DISTRICT  
**BOARD OF DIRECTORS POLICY**

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	<del>11/5/14</del> <a href="#">3/4/15</a>

POLICY HISTORY

Human Resources Policy and Procedure, Effective August 4, 1993.  
Board Policy adopted October 11, 2005.

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	3/4/15

PURPOSE

The purpose of this policy is to (i) advise all employees, unpaid interns, and volunteers that the Otay Water District ("District") disapproves of and will not tolerate unlawful discrimination or harassment of its employees, unpaid interns or volunteers, or retaliation against those who report such behavior, and (ii) set forth a procedure for investigating and resolving internal complaints of discrimination, harassment, or retaliation.

POLICY

The District is committed to providing a work environment free of unlawful discrimination, harassment, or retaliation against those who report discrimination or harassment. Discrimination or harassment based on sex (including gender, gender identity, gender expression, pregnancy, childbirth or related medical condition), race, color, religious creed, national origin, ancestry, physical or mental disability, medical condition, genetic information, marital status, age, sexual orientation, military or veteran status or any other basis protected by federal, state or local law is prohibited. Discrimination or harassment based on the perception that a person has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics, is prohibited. Retaliation against any person who complains of unlawful discrimination or harassment or who provides evidence relating to such a complaint, is prohibited.

This Policy applies to all terms and conditions of employment, including, but not limited to: hiring, placement, advancement, promotion, disciplinary action, layoff, recall, transfer, leave of absence, compensation and training. It applies to each District employee, member of the Board of Directors, unpaid interns, volunteers and to all vendors conducting business with the District. Similarly, the District will not tolerate discrimination or harassment by its employees, unpaid interns, or volunteers of non-employees with whom the District employees, unpaid interns or volunteers have a business, service or professional relationship. The District will also attempt to protect employees, unpaid interns, and volunteers from harassment by non-employees in the workplace.

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	3/4/15

DEFINITIONS

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Harassment - Any decision or action that is based on a District employee's, unpaid intern's, or volunteer's status as a member of a protected class, made for the purpose or having the effect of adversely affecting that employee's, unpaid intern's, or volunteer's work conditions, terms of employment, or work environment. Harassment may include, but is not limited to:

- Verbal conduct such as epithets, derogatory jokes or comments, slurs, or unwelcome sexual advances, invitations or comments;
- Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work;
- Threats and demands to submit to sexual requests as a condition of continued employment or to avoid an adverse consequence, and offers of employment benefits in return for sexual favors.

Such conduct constitutes harassment when (1) submission to the conduct is made either an explicit or implicit condition of employment; (2) submission or rejection of the conduct is used as the basis for an employment decision; or (3) the harassment interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

Protected Class - Any class of persons who share a common sex, race, color, religious creed, national origin, ancestry, physical or mental disability, medical condition, genetic information, marital status, age, sexual orientation, military or veteran status or any other "protected class" recognized by federal, state or local laws. For purposes of this definition, "sex" includes gender, gender

OTAY WATER DISTRICT  
**BOARD OF DIRECTORS POLICY**

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	3/4/15

identity, gender expression, pregnancy, childbirth, or a pregnancy- or childbirth-related medical condition.

Retaliation - Any decision or action that is based on the fact that a District employee, unpaid intern, or volunteer has previously complained of discrimination, harassment, or retaliation prohibited by this Policy (regardless of whether a formal complaint has been made) or has provided evidence in the investigation of another District employee's, unpaid intern's, or volunteer's complaint under this Policy, made for the purpose of adversely affecting the employee's, unpaid intern's, or volunteer's conditions of employment, terms of employment, or work environment.

Sexual Harassment - A form of harassment that is based on an employee's, unpaid intern's, or volunteer's gender but which objectively and subjectively creates an adverse impact on the employee, unpaid intern, or volunteer regardless of the purpose or intent of the alleged harasser.

COMPLAINT PROCEDURE

An employee, unpaid intern, volunteer, or job applicant who believes he or she has been the victim of discrimination, harassment, or retaliation by a District employee, a member of the Board of Directors, or a vendor may make a complaint verbally, or in writing by completing the District's Discrimination and Harassment Complaint Form. An employee, unpaid intern, or volunteer may make a complaint to any of the following:

- Human Resources;
- Any supervisor, manager, Assistant Department Chief, Department Chief, Assistant General Manager, or General Manager;
- Complaints against the General Manager should be directed to the President of the Board of Directors.

Applicants may make a complaint to any of the following:

- Human Resources or;
- General Manager.

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	3/4/15

Any person described above shall forward each written discrimination complaint to the General Manager or designee immediately of receiving the complaint or having knowledge of the complaint. If a complaint is made verbally, the person receiving the complaint shall notify Human Resources immediately.

Every reported complaint of discrimination, harassment or retaliation will be investigated thoroughly and promptly. If any manager, supervisor, Assistant Department Chief, Department Chief, or Assistant General Manager becomes aware of or suspects discrimination, harassment, or retaliation against a District employee, unpaid intern, volunteer, or applicant, or any allegation thereof, he/she must immediately notify the Human Resources Manager of the relevant facts and circumstances.

The General Manager or designee may conduct the investigation of alleged discrimination, harassment, or retaliation, or may delegate responsibility for the investigation to another District management employee. If the complaint is against the General Manager, the President of the Board of Directors shall be responsible for conducting the investigation, assigning another management employee, or outside investigator and overseeing the investigation. If the complaint is against the Board of Directors, the General Manager shall be responsible for contracting with an outside investigator to conduct the investigation. The Board will take appropriate action based on the findings.

During its investigation, the District shall take appropriate steps to protect the privacy of all parties involved. However, this shall not be construed to justify refusing to inform a person who has been accused of violating this Policy of the identity of the complainant and witnesses against him/her. Reports of discrimination, harassment, or retaliation may not be made anonymously, but information regarding any report and subsequent investigation will be disseminated on a "need to know" basis.

In the event that an investigation will take longer than 60 calendar days to complete, the investigator must notify the complainant of this fact prior to the expiration of 60 days and provide an anticipated completion date, in writing.

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject: POLICY AGAINST DISCRIMINATION AND HARASSMENT AND COMPLAINT PROCEDURE	Policy Number	Date Adopted	Date Revised
	47	10/11/05	3/4/15

If a finding is made that discrimination, harassment, or retaliation has occurred, the District shall take remedial action appropriate to the circumstances, which may include disciplinary action up to and including termination for an employee, separation from the internship or volunteer opportunity for an unpaid intern or volunteer who has violated this Policy, or sanctions for a vendor who has violated this Policy.

Every District employee, unpaid intern, and volunteer has a duty to participate in good faith in any investigation conducted under this Policy. Failure to participate in good faith is a ground for disciplinary action appropriate to the circumstances. All employees, unpaid interns, and volunteers are encouraged to report in good faith discrimination, harassment, or retaliation. The District will not tolerate retaliation against any employee, unpaid intern, or volunteer making a good faith complaint of discrimination, harassment or retaliation, or for cooperating in an investigation. However, reports made maliciously or in bad faith may subject an employee, unpaid intern, or volunteer to disciplinary action appropriate to the circumstances up to and including termination or separation from the internship or volunteer opportunity.

The action of making a complaint does not preclude a complainant from filing a complaint with the appropriate State or Federal agency. For information as to where to file a claim, an employee may contact the Equal Employment Opportunity Commission at [www.eeoc.gov](http://www.eeoc.gov) or (213) 894-1000 or the Department of Fair Employment and Housing at [www.dfeh.ca.gov](http://www.dfeh.ca.gov) or (800) 884-1684.

POLICY HISTORY

Human Resources Policy and Procedure, Effective August 4, 1993.  
Board Policy adopted October 11, 2005.



# AGENDA ITEM 8a

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 4, 2015
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Rita Bell, Finance Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Joseph R. Beachem, Chief Financial Officer		
	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager		
	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Resolutions of Intention to Consolidate Water Improvement Districts (IDs) 1,2,3,5,7,9,10 and 20 into ID 22 and Sewer IDs 4 and 14 into ID 18; Authorizing Advertising of these Resolutions as Required by the both the Water and Government Codes; Obtain Approval of Proposition 218 Availability Fee Change Notices; and Direct Staff to Mail Notices		

### GENERAL MANAGER'S RECOMMENDATION:

That the Board approve the attached Resolutions of Intention, Nos. 4247, 4248, 4249, 4250, 4251, 4252, 4253 and 4254, 4255, and 4256 that are necessary to initiate the process for the exclusion of parcels within Water Improvement Districts (IDs) 1, 2, 3, 5, 7, 9, 10 and 20, and Sewer IDs 4 and 14. Concurrent with said action, that the Board also approve the attached Resolutions of Intention, Nos. 4257, 4258, 4259, 4260, 4261, 4262, 4263, 4264, 4265 and 4266 that are necessary to initiate the process for the annexation of the excluded parcels in Water IDs 1, 2, 3, 5, 7, 9, 10 and 20 and Sewer IDs 4 and 14 into Water ID 22 and Sewer ID 18, respectively.

Approve the attached Proposition 218 notices of the public hearing with proposed changes in availability fees for water and sewer customers and direct staff to mail notices.

### PURPOSE:

That the Board authorize and initiate the process for the exclusion of parcels within Improvement Districts Water (IDs) 1, 2, 3, 5, 7, 9, 10 and 20 and Sewer IDs 4 and 14 to be annexed into Water ID 22 and Sewer 18, respectively.

Authorize staff to advertise as required by Government Code Section 6066, the attached Resolutions of Intention 4257, 4258, 4259, 4260, 4261, 4262, 4263, 4264, 4265, and 4266 for a period of two weeks. Once this requirement has been met, a second set of resolutions will be presented to confirm the exclusions and annexations. Direct staff to submit the appropriate maps to the County of San Diego that would exclude parcels within Water IDs 1, 2, 3, 5, 7, 9, 10, and 20 and Sewer IDs 4 and 14 to be annexed into Water ID 22 and Sewer ID 18, respectively. A subsequent action will request that Water IDs 1, 2, 3, 5, 7, 9, 10 and 20 and Sewer IDs 4 and 14 be dissolved effective July 1, 2015.

In compliance with the Proposition 218 requirements, notices will be sent to all owners of record to inform them of their option to protest the availability rate changes. (Note: Only 121 parcels within ID 1 and 9 parcels within ID 5 will see a change to their availability fee assessed on the tax roll.) The required public hearing is set for the May 6, 2015 Board Meeting where the Board will be able to consider protests.

	<b>ID</b>	<b>Parcels</b>
Water	1	6,631
Water	2	965
Water	3	2,389
Water	5	1,066
Water	7	991
Water	9	1,810
Water	10	4,232
Water	20	5,552
Sewer	4	365
Sewer	14	1,148
Total		25,149

**BACKGROUND:**

**History:**

Improvement Districts were originally created by the District for the purpose of obtaining the lowest cost funding possible for projects and they were not intended to separate customers by geographical area for any other reason than securing debt. With the passage of Proposition 13 in 1978, creating IDs for the purpose of issuing debt became an obsolete financing tool because it requires a two thirds vote by the people to put debt on the tax roll. Once the existing debt for each ID was paid there was no other reason to maintain separate IDs. A 1992 Capital Projects Financing Study by Fieldman, Rolapp & Associates recognized that the District could annex all areas of the Otay Water District into one overall ID.

Today, the only fees collected by ID are the water and sewer availability fees. Current legislation (Water Code Section 71631.6) provides that amounts in excess of \$10 shall only be used for the original purpose of such improvement district. Research revealed the original purpose of each ID was for the acquisition, construction and completion of water or sewer improvements and works. The payment of debt was made for the slated purpose. Therefore, as long as the restricted portion of the availability fees goes to this purpose, there is no ongoing reason to keep these funds separate to be in compliance with Water Code Section 71631.6.

In addition to the above mentioned IDs, there is one ID (27) that is associated with General Obligation bonds. ID 27 is independent from all of the other IDs. It has a geographic area defined by those customers served by the 624-3 30mg reservoir. Each year, the Board sets a tax rate via a resolution for ID 27 and the county adds this to the tax role based on the assessed valuation. In 2023 when the debt is paid off ID 27 will no longer be required. Currently, all of ID 27 resides in ID 22, but not all of ID 22 is in ID 27. No change is recommended for ID 27 at this time.

**Availability Fees:**

Currently, all IDs have the same availability fee of \$10 per parcel or \$30 per acre except for Water IDs 1 and 5 which charge \$10 per parcel or \$10 per acre for parcels over one acre. Similarly, all IDs except IDs 1 and 5 have exemptions for items such as easements, agricultural reserves, flood plains, and slopes exceeding 30%. Staff researched the variances and could find no other reason why the fees are different.

The difference in fees and exemptions can lead to inequity between parcels in different IDs. For example, the District's administration building is in ID 1 and the operations building is in ID 20. If these parcels were owned by a private business instead of the District, the availability fee for the administration building would be \$10 per acre and the fee for the operations building would be \$30 per acre, yet the services and benefits available to these two parcels are the same. A consolidation will eliminate the differences in fees. On May 7, 2013, the Board approved a similar consolidation process for IDs 19 and 25 into IDs 22 and 20 without protest.

**ANALYSIS:**

Because there are no specific rules for water and sewer to perform a consolidation, parcels must detach from their existing ID and be attached or annexed into the new ID. The annexing into the new ID is considered a new fee for the affected parcels and therefore, a Proposition 218 hearing is required. For all but 131 parcels in IDs 1 and 5, there is no change to their availability fees.

Notices of a Proposition 218 hearing will be mailed to 22,730 owners of parcels within IDs 1, 2, 3, 5, 7, 9, 10 and 20 and to 1,436 sewer owners of parcels within IDs 4 and 14. The estimated cost to print and mail the notices is \$7,491.

Because the District maintains separate IDs the tracking and accounting causes an unnecessary complexity. This consolidation will mainly benefit CIP Project managers, Finance staff, and IT staff, by reducing the 9 Water and 3 Sewer IDs down to one ID each for water and sewer. Staff has identified savings of 118 hours annually should the ID consolidation happen. The estimated savings in labor, benefits, and overhead is \$17,057. While this savings may not be realized immediately in reduced labor costs it does pave the way for labor savings to be realized sooner, and also allows staff productivity to increase.

With the consolidation of IDs this will simplify the interaction with other agencies such as LAFCO, the State Board of Equalization, and the County Assessor and Auditors office. This will allow agencies such as the County's Auditors office to eliminate unnecessary funds, simplifying their accounting systems.

This action is the first of two necessary steps to complete this consolidation. Once the exclusion and annexation are initiated by the Board, staff will publish the resolutions as required by statute and then the Board will have the ability to confirm the exclusion and annexation at a subsequent meeting. The exclusion will then become effective on the 31st day after completion of the publication and posting of the resolutions to exclude. The annexations become effective after the date of the adoption of the resolutions approving the annexation.

The availability charges and water rates and charges are identical for all IDs except 1 and 5. There are 80 parcels that are larger than one acre in ID 1. (Staff has identified 7 parcels that may qualify for an exemption and will be sending a letter to the owners). If none of these parcels qualify for the new exemptions as allowed in other IDs, then these parcels would pay a combined total of \$6,458 in additional availability fees annually. In ID 5 there are 9 parcels larger than one acre and their estimated increase in fees would be \$376 annually.

Because the proposed consolidation technically imposes a "new" charge on customers, in compliance with the Proposition 218 requirements, notices will be sent to all owners of record within these IDs to inform them of their option to protest rate changes. The required public hearing will take place at the May 6, 2015 Board meeting where, if after the Board determines there is not a majority protest for any of the IDs, the Board can vote to complete the consolidation of the IDs.

**FISCAL IMPACT:**

Joe Beachem, Chief Financial Officer

It is estimated that there will be savings to the District of 118 staff hours estimated at a cost of \$17,057. Additionally, the increase in the availability fees collected in IDs 1 and 5 would be approximately \$6,834 should none of the parcels qualify for the newly allowed exemptions for these parcels.

**STRATEGIC GOAL:**

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

**LEGAL IMPACT:**

None.

Attachments:

- A) Committee Action
- B) Water ID Consolidation Map
- C) Sewer ID Consolidation Map
- D) Resolution No. 4247
  - Exhibit A - Legal Description ID 1
- E) Resolution No. 4248
  - Exhibit A - Legal Description ID 2
- F) Resolution No. 4249
  - Exhibit A - Legal Description ID 3
- G) Resolution No. 4250
  - Exhibit A - Legal Description ID 5
- H) Resolution No. 4251
  - Exhibit A - Legal Description ID 7
- I) Resolution No. 4252
  - Exhibit A - Legal Description ID 9
- J) Resolution No. 4253
  - Exhibit A - Legal Description ID 10
- K) Resolution No. 4254
  - Exhibit A - Legal Description ID 20
- L) Resolution No. 4255
  - Exhibit A - Legal Description ID 4
- M) Resolution No. 4256
  - Exhibit A - Legal Description ID 14
- N) Resolution No. 4257
  - Exhibit A - Legal Description ID 1
- O) Resolution No. 4258
  - Exhibit A - Legal Description ID 2
- P) Resolution No. 4259
  - Exhibit A - Legal Description ID 3
- Q) Resolution No. 4260
  - Exhibit A - Legal Description ID 5

R) Resolution No. 4261  
    Exhibit A - Legal Description ID 7  
S) Resolution No. 4262  
    Exhibit A - Legal Description ID 9  
T) Resolution No. 4263  
    Exhibit A - Legal Description ID 10  
U) Resolution No. 4264  
    Exhibit A - Legal Description ID 20  
V) Resolution No. 4265  
    Exhibit A - Legal Description ID 4  
W) Resolution No. 4266  
    Exhibit A - Legal Description ID 14  
X) Proposition 218 Notice Water ID 1  
Y) Proposition 218 Notice Water ID 2  
Z) Proposition 218 Notice Water ID 3  
AA) Proposition 218 Notice Water ID 5  
BB) Proposition 218 Notice Water ID 7  
CC) Proposition 218 Notice Water ID 9  
DD) Proposition 218 Notice Water ID 10  
EE) Proposition 218 Notice Water ID 20  
FF) Proposition 218 Notice Sewer ID 4  
GG) Proposition 218 Notice Sewer ID 14  
HH) Presentation



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Resolutions of Intention to Consolidate Water Improvement Districts (IDs) 1,2,3,5,7,9,10 and 20 into ID 22 and Sewer IDs 4 and 14 into ID 18; Authorizing Advertising of these Resolutions as Required by the both the Water and Government Codes; Obtain Approval of Proposition 218 Availability Fee Change Notices; and Direct Staff to Mail Notices
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### COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on February 18, 2015 and the following comments were made:

- Staff is requesting that the board approve the consolidation of water and sewer Improvement Districts (IDs). Currently, the District has 9 water IDs and staff is recommending that water ID's 1, 2, 3, 5, 7, 9, 10 and 20, be consolidated into ID 22. The District also has 3 sewer IDs and is recommending that IDs 4 and 14 be consolidated into ID 18.
- The IDs were originally created by the District as a means to obtain the lowest cost of funding for projects. With the passage of Proposition 13 in 1978 this financing mechanism became obsolete as it now requires a 2/3 vote to place an item on the tax roll. The existing debt for these IDs have been paid off, thus, the IDs are no longer needed as they no longer serve a purpose.
- To consolidate IDs, parcels within an existing ID must be detached from the ID and annexed into the new ID. The process requires that the District first declare and publish resolutions of intention to detach and annex and then confirm the detachments and annexations.
- Staff will be requesting that the Board declare its intention to detach and annex the parcels within the identified IDs at the March 4, 2015 board meeting. At the May 6, 2015 board meeting, staff will be requesting that the board take action to confirm the detachments and annexations.

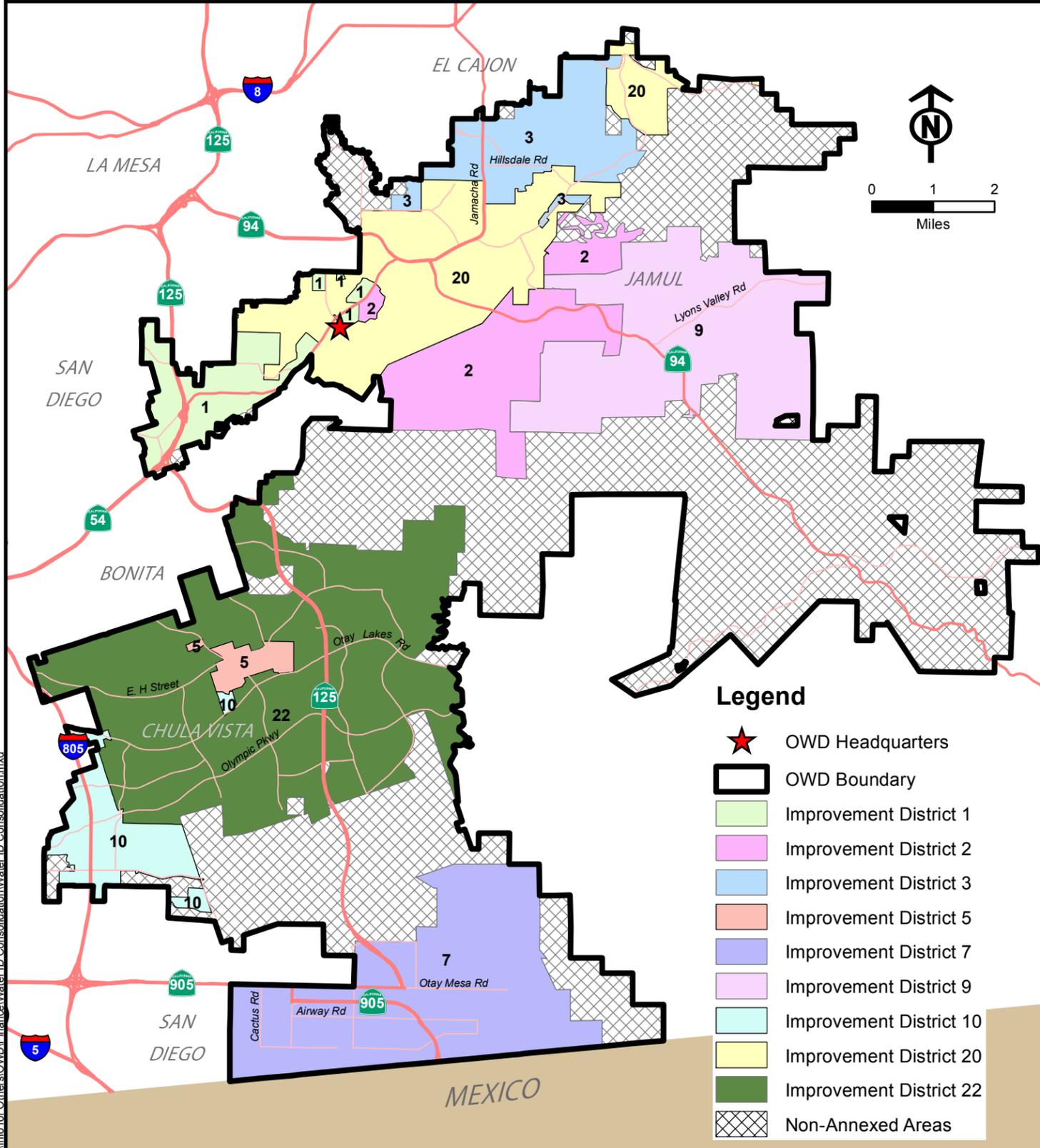
- Staff indicated that all the debt has been paid off within the IDs and the only impact to the parcels is availability fees. Currently, the District charges for all IDs, with the exception of IDs 1 and 5, \$10 per parcel or \$30 per acre with exemptions for parcels located in flood plains or with slopes exceeding 30%. The fee for IDs 1 and 5 is \$10 per parcel or \$10 per acre with no exemptions.
- The availability fees for IDs 1 and 5 will be changed to match all other IDs; \$10 per parcel or \$30 per acre with exemptions for parcels located in flood plains or with slopes exceeding 30%. This change will make all fees the same and bring equity among customers.
- Staff noted that there are 80 parcels in ID 1 which will be impacted by the change in the availability fee and 7 of these parcels may qualify for the exemptions. There are also 9 parcels in ID 5 that will be impacted by the change.
- In order to consolidate the IDs, the District will need to have a Proposition 218 hearing as the availability fee is considered a "new" fee, even if it is the same as the old fee, when they are annexed into the new ID.
- Staff is proposing that a hearing be held at the May 6, 2015 board meeting.
- The District will mail Proposition 218 notices to all 25,149 parcels affected by the consolidation. The notices must be mailed to residents within the affected IDs 45 days prior to the hearing on May 6.
- Staff indicated that the benefits by consolidating the IDs include:
  - Reduces the number of IDs from 9 water and 3 sewer to one ID each.
  - Reduces staff time by 118 hours annually (a savings of \$17,000 in labor and benefits annually).
  - Simplifies interaction with outside agencies (SD County Assessor's Office, State Board of Equalization, LAFCO, etc.), customers, and internally.
  - Streamlines accounting, tracking and mapping within the District.
  - Supports the District Strategic Plan goals, such as, streamlining the District's reserve accounting for IDs. The District will no longer need to keep reserves for each ID.
- Staff presented maps showing the location of each of the impacted water and sewer IDs within the District's service area and a map

showing IDs 22 and 18 once all the IDs are consolidated (see attached copy of presentation).

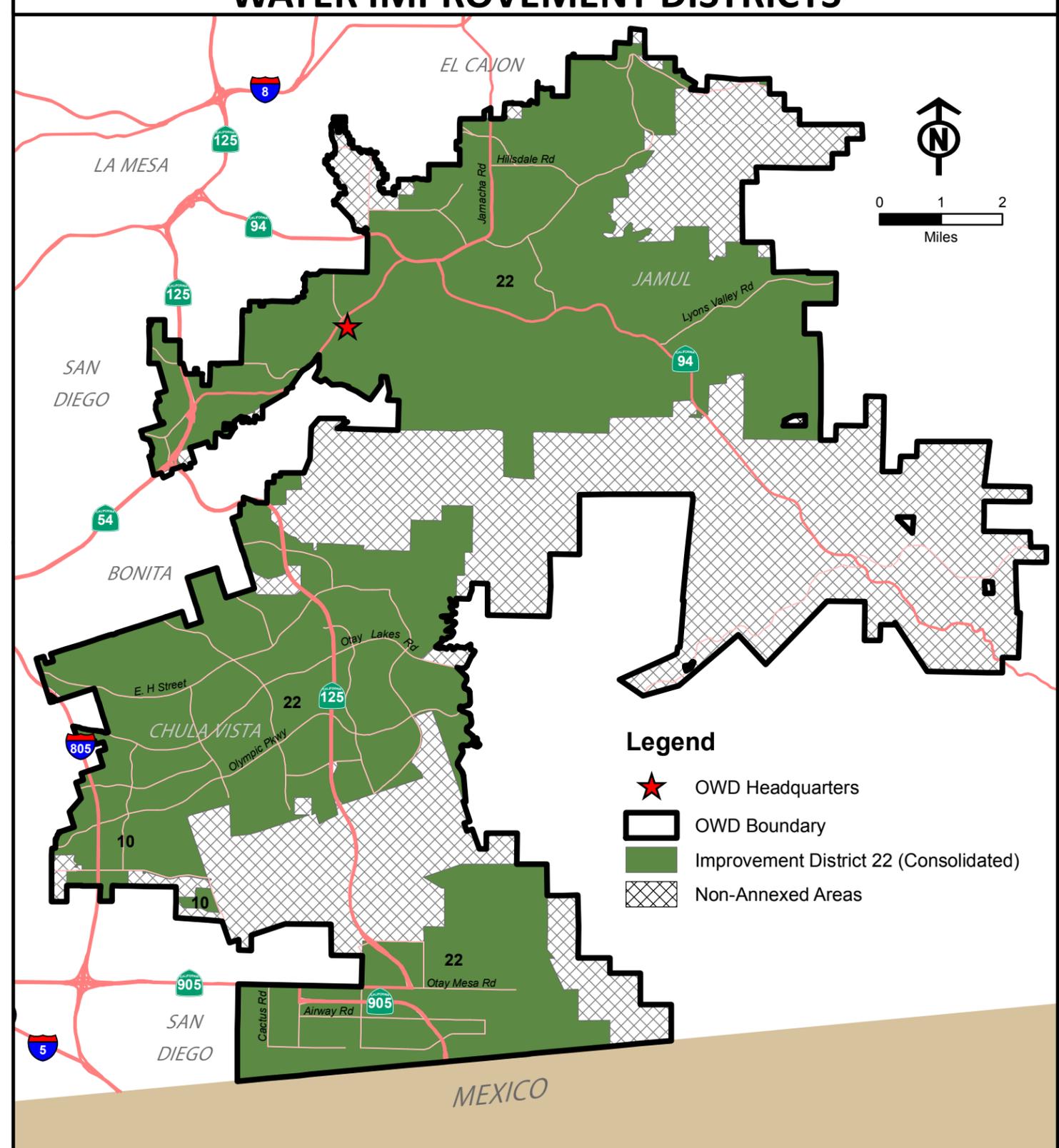
- Staff noted that the District will still need to track if a parcel is within the water or sewer ID as the fees may vary, especially on the sewer side as the capacity fee is different based on whether the customer was in the ID and paid or was outside an ID and has not paid their share of the sewer debt.
- In response to another inquiry from the committee, staff indicated that last year when the rate increase notices were forwarded to the District's customers, the District received approximately 35 calls concerning the rate increase notices (none were regarding the ID consolidations). It was noted that the largest customer impacted by the ID consolidations would receive an increase of approximately \$800 on his/her property tax bill.
- Staff indicated for those parcels not receiving water or sewer services, the owner could sign an agreement with the District to waive the availability fee charges to their property for 10 years. However, the customer would need to warrant that they will not develop/require water to the property during the 10-year agreement period. It was stated that some parcel owners do execute this agreement with the District.
- Staff indicated in response to another inquiry from the committee, that those parcels already in ID 22 would not receive a notice, however, because the District is required to publish notices within the ID, they may see the notices at various locations within ID22 (libraries, fire station, etc.) or on the District's website. Staff also noted that customers with more than one parcel within an impacted ID will receive one notice only.
- The committee suggested that the verbiage within the Proposition 218 notices be changed so it states in bold lettering something to the effect of, "...the new fee that will be imposed is identical to the eliminated fee." It was also suggested for the 80 parcels larger than 1 acre in ID 1, that a cover letter be provided along with the Proposition 218 notice, explaining the increase in their availability fee.
- It was discussed that there will be two water IDs (IDs 22 and 27) remaining after the water IDs are consolidated; ID 27 is a subset of ID 22. Once the GO bonds are paid off in 2023 for ID 27, the ID will also be eliminated leaving only ID 22 for water.

Following discussion, the Committee supported staff's recommendation and presentation to the full board as an action item.

### EXISTING WATER IMPROVEMENT DISTRICTS



### PROPOSED CONSOLIDATION OF WATER IMPROVEMENT DISTRICTS

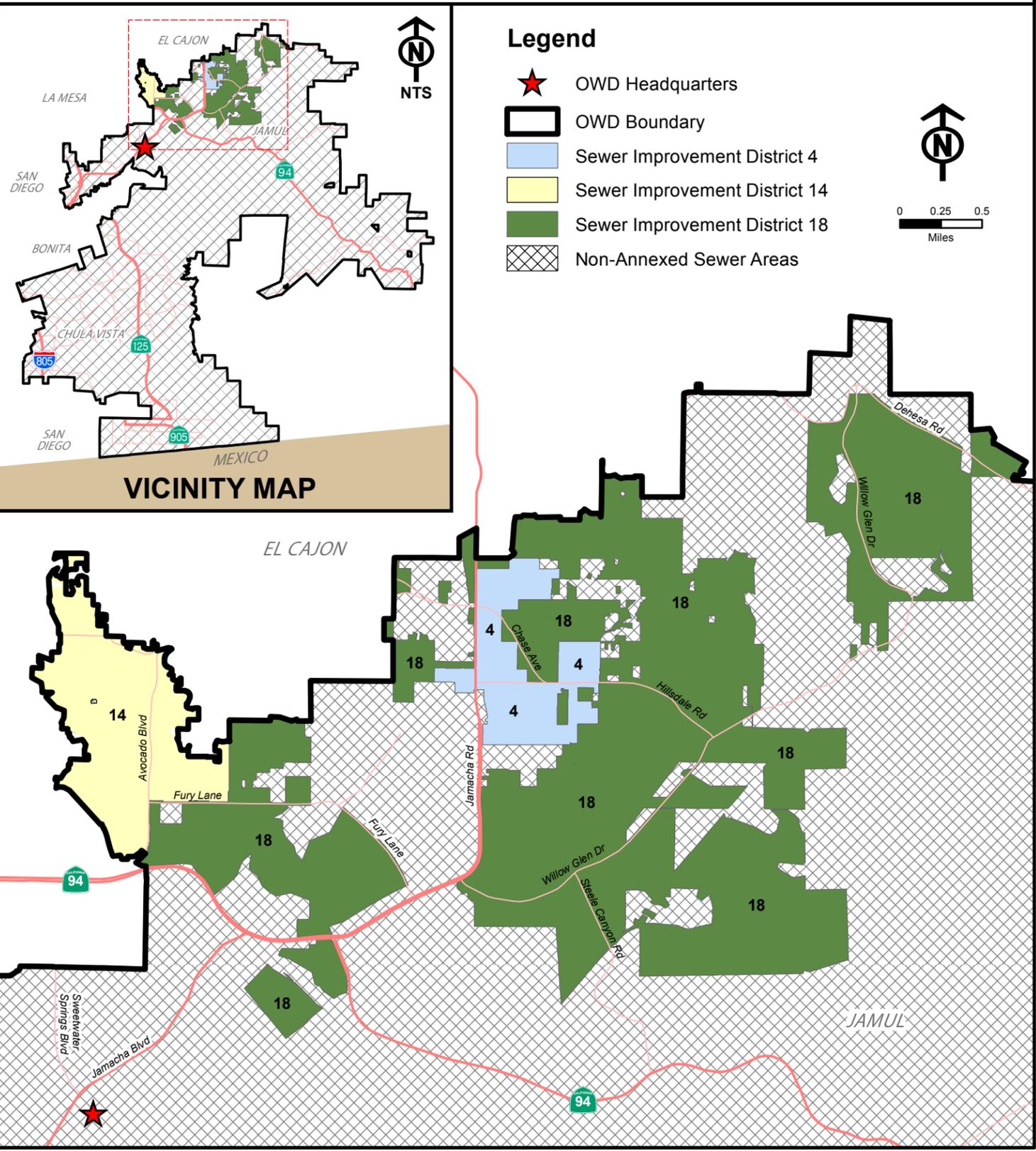


# OTAY WATER DISTRICT CONSOLIDATION OF WATER IMPROVEMENT DISTRICTS

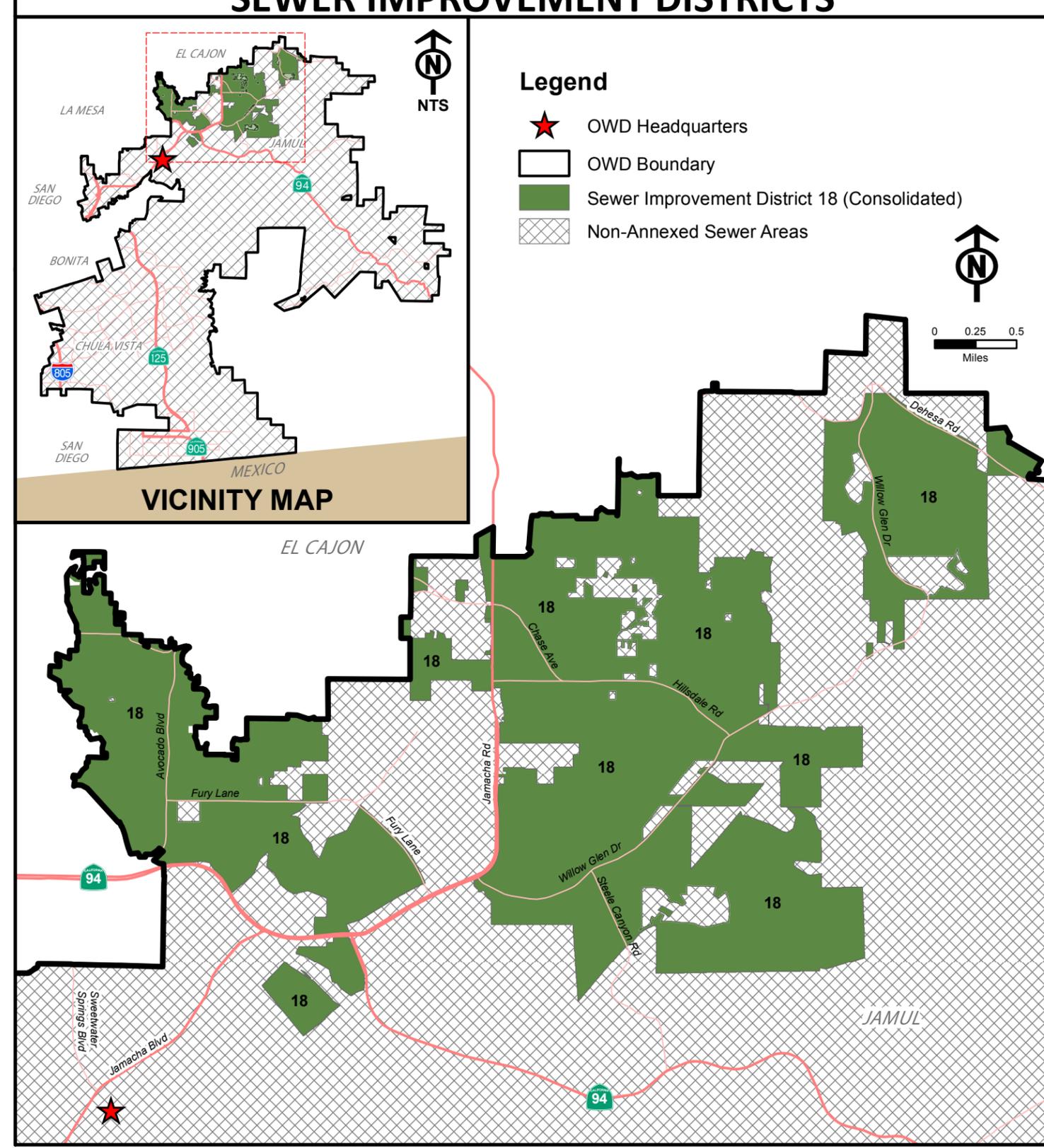


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# EXISTING SEWER IMPROVEMENT DISTRICTS



# PROPOSED CONSOLIDATION OF SEWER IMPROVEMENT DISTRICTS



# OTAY WATER DISTRICT CONSOLIDATION OF SEWER IMPROVEMENT DISTRICTS



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## RESOLUTION NO. 4247

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 1

WHEREAS, on January 27<sup>th</sup>, 1958 by Resolution No. 32, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 1 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 1 and 22 for parcels less than one acre. However, there are 80 parcels larger than one acre in ID 1 for which the water availability fees will increase to make the fees consistent with all other parcels within IDs in the Otay Water District boundaries; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 1 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 1 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 1, as identified in Exhibit A to this resolution.

2. That the taxes for carrying out the purposes of ID 1 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 1 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 1 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 1, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 1 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 1, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 1 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 1 SHALL BE EXCLUDED FROM EXISTING ID 1 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 1 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4247 APPROVING THE CONSOLIDATIONS.

CONTAINING 2,177 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4248

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 2

WHEREAS, on June 17<sup>th</sup>, 1958 by Resolution No. 40, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 2 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 2 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 2 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 2 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 2, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 2 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 2 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 2 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 2, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 2 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 2, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 2 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 2 SHALL BE EXCLUDED FROM EXISTING ID 2 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 2 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4248 APPROVING THE CONSOLIDATIONS.

CONTAINING 4,073 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4249

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 3

WHEREAS, on November 18<sup>th</sup>, 1958 by Resolution No. 51, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 3 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 3 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 3 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 3 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 3, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 3 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 3 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 3 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 3, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 3 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 3, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 3 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 3 SHALL BE EXCLUDED FROM EXISTING ID 3 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 3 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4249 APPROVING THE CONSOLIDATIONS.

CONTAINING 2,907 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4250

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 5

WHEREAS, on November 28<sup>th</sup>, 1960 by Resolution No. 123, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 5 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 5 and 22 for parcels less than one acre. However, there are 9 parcels larger than one acre in ID 5 for which the water availability fees will increase to make the fees consistent with all other parcels within IDs in the Otay Water District boundaries; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 5 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 5 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 5, as identified in Exhibit A to this resolution.

2. That the taxes for carrying out the purposes of ID 5 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 5 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 5 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 5, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 5 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 5, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 5 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 5 SHALL BE EXCLUDED FROM EXISTING ID 5 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 5 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4250 APPROVING THE CONSOLIDATIONS.

CONTAINING 487 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4251

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 7

WHEREAS, on March 27<sup>th</sup>, 1961 by Resolution No. 142, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 7 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 7 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 7 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 7 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 7, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 7 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 7 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 7 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 7, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 7 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 7, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 7 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 7 SHALL BE EXCLUDED FROM EXISTING ID 7 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 7 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4251 APPROVING THE CONSOLIDATIONS.

CONTAINING 7,622 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4252

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 9

WHEREAS, on July 24<sup>th</sup>, 1961 by Resolution No. 153, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 9 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 9 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 9 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 9 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 9, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 9 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 9 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 9 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 9, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 9 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 9, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 9 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 9 SHALL BE EXCLUDED FROM EXISTING ID 9 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 9 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4252 APPROVING THE CONSOLIDATIONS.

CONTAINING 7,075 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4253

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 10

WHEREAS, on February 11<sup>th</sup>, 1963 by Resolution No. 266, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 10 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 10 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 10 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 10 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 10, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 10 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 10 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 10 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 10, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 10 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 10, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 10 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 10 SHALL BE EXCLUDED FROM EXISTING ID 10 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 10 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4253 APPROVING THE CONSOLIDATIONS.

CONTAINING 2,007 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4254

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 20

WHEREAS, on April 19<sup>th</sup>, 1971 by Resolution No. 874, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 20 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 20 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 20 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 20 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 20, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 20 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 20 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 20 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 20, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 20 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 20, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 20 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 20 SHALL BE EXCLUDED FROM EXISTING ID 20 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 20 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4254 APPROVING THE CONSOLIDATIONS.

CONTAINING 6,859 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4255

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 4

WHEREAS, on August 4<sup>th</sup>, 1959 by Resolution No. 83, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 4 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of sewer improvements and works; and

WHEREAS, on February 16<sup>th</sup>, 1970 by Resolution No. 758, the Board formed ID 18 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of sewer improvements and works; and

WHEREAS, the availability charges are identical between IDs 4 and 18; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 4 into ID 18 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 4 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 18; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 4, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 4 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 4 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 4 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 4, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 4 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 4, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT (ID) ID 4 INTO ID 18**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT 4 SHALL BE EXCLUDED FROM EXISTING ID 4 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 18. THE CONSOLIDATION OF EXISTING ID 4 INTO EXISTING ID 18 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4255 APPROVING THE CONSOLIDATIONS.

CONTAINING 348 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4256

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 14

WHEREAS, on June 10<sup>th</sup>, 1968 by Resolution No. 586, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 14 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of sewer improvements and works; and

WHEREAS, on February 16<sup>th</sup>, 1970 by Resolution No. 758, the Board formed ID 18 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of sewer improvements and works; and

WHEREAS, the availability charges are identical between IDs 14 and 18; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 14 into ID 18 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 14 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 18; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 14, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 14 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 14 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 14 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 14, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 14 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 14, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

\_\_\_\_\_  
President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT (ID) ID 14 INTO ID 18**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT 14 SHALL BE EXCLUDED FROM EXISTING ID 14 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 18. THE CONSOLIDATION OF EXISTING ID 14 INTO EXISTING ID 18 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4256 APPROVING THE CONSOLIDATIONS.

CONTAINING 644 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4257

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 1 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on January 27<sup>th</sup>, 1958 by Resolution No. 32, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 1 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 1 and 22 for parcels less than one acre. However, there are 80 parcels larger than one acre in ID 1 for which the water availability fees will increase to make the fees consistent with all other parcels within IDs in the Otay Water District boundaries; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 1 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 1, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 1, if approved, into ID 22, as described in Exhibit A:
2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 1, is to streamline the accounting and tracking of parcels in

IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 1 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 1 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 1 SHALL BE EXCLUDED FROM EXISTING ID 1 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 1 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4257 APPROVING THE CONSOLIDATIONS.

CONTAINING 2,177 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4258

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 2 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on June 17<sup>th</sup>, 1958 by Resolution No. 40, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 2 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 2 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 2 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 2, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 2, if approved, into ID 22, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 2, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 2 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 2 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 2 SHALL BE EXCLUDED FROM EXISTING ID 2 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 2 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4258 APPROVING THE CONSOLIDATIONS.

CONTAINING 4,073 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4259

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 3 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on November 18<sup>th</sup>, 1958 by Resolution No. 51, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 3 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 3 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 3 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 3, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 3, if approved, into ID 22, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 3, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 3 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 3 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 3 SHALL BE EXCLUDED FROM EXISTING ID 3 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 3 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4259 APPROVING THE CONSOLIDATIONS.

CONTAINING 2,907 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4260

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 5 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on November 28<sup>th</sup>, 1960 by Resolution No. 123, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 5 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 5 and 22 for parcels less than one acre. However, there are 9 parcels larger than one acre in ID 5 for which the water availability fees will increase to make the fees consistent with all other parcels within IDs in the Otay Water District boundaries; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 5 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 5, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 5, if approved, into ID 22, as described in Exhibit A:
2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 5, is to streamline the accounting and tracking of parcels in

IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 5 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 5 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 5 SHALL BE EXCLUDED FROM EXISTING ID 5 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 5 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4260 APPROVING THE CONSOLIDATIONS.

CONTAINING 487 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4261

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 7 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on March 27<sup>th</sup>, 1961 by Resolution No. 142, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 7 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 7 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 7 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 7, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 7, if approved, into ID 22, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 7, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 7 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 7 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 7 SHALL BE EXCLUDED FROM EXISTING ID 7 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 7 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4261 APPROVING THE CONSOLIDATIONS.

CONTAINING 7,622 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4262

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 9 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on July 24<sup>th</sup>, 1961 by Resolution No. 153, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 9 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 9 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 9 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 9, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 9, if approved, into ID 22, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 9, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 9 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 9 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 9 SHALL BE EXCLUDED FROM EXISTING ID 9 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 9 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4262 APPROVING THE CONSOLIDATIONS.

CONTAINING 7,075 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4263

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 10 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on February 11<sup>th</sup>, 1963 by Resolution No. 266, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 10 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 10 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 10 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 10, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 10, if approved, into ID 22, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 10, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 10 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 10 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 10 SHALL BE EXCLUDED FROM EXISTING ID 10 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 10 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4263 APPROVING THE CONSOLIDATIONS.

CONTAINING 2,007 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4264

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 20 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on April 19<sup>th</sup>, 1971 by Resolution No. 874, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 20 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 20 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 20 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 20, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 20, if approved, into ID 22, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 20, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 20 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 20 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 20 SHALL BE EXCLUDED FROM EXISTING ID 20 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 20 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4264 APPROVING THE CONSOLIDATIONS.

CONTAINING 6,859 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4265

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 4 INTO IMPROVEMENT DISTRICT 18

WHEREAS, on August 4<sup>th</sup>, 1959 by Resolution No. 83, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 4 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of sewer improvements and works; and

WHEREAS, on February 16<sup>th</sup>, 1970 by Resolution No. 758, the Board formed ID 18 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of sewer improvements and works; and

WHEREAS, the availability charges are identical between IDs 4 and 18; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 4 into ID 18 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 4, if approved, into ID 18, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 4, if approved, into ID 18, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 4, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 4 and 18 following the annexation, is set forth on a map in Attachment C filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT (ID) ID 4 INTO ID 18**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT 4 SHALL BE EXCLUDED FROM EXISTING ID 4 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 18. THE CONSOLIDATION OF EXISTING ID 4 INTO EXISTING ID 18 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4265 APPROVING THE CONSOLIDATIONS.

CONTAINING 348 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4266

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 14 INTO IMPROVEMENT DISTRICT 18

WHEREAS, on June 10<sup>th</sup>, 1968 by Resolution No. 586, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 14 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of sewer improvements and works; and

WHEREAS, on February 16<sup>th</sup>, 1970 by Resolution No. 758, the Board formed ID 18 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of sewer improvements and works; and

WHEREAS, the availability charges are identical between IDs 14 and 18; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 14 into ID 18 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 14, if approved, into ID 18, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 14, if approved, into ID 18, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 14, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 14 and 18 following the annexation, is set forth on a map in Attachment C filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT (ID) ID 14 INTO ID 18**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT 14 SHALL BE EXCLUDED FROM EXISTING ID 14 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 18. THE CONSOLIDATION OF EXISTING ID 14 INTO EXISTING ID 18 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4266 APPROVING THE CONSOLIDATIONS.

CONTAINING 644 ACRES OF LAND, MORE OR LESS.

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 1 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the “District”) will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 1 (ID-1) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

**For parcels less than one acre, the fees in ID-1, where properties are being excluded, are identical to the fees in ID-22, where properties are being annexed.** Annexing ID-1 to ID-22 would improve the efficiency of accounting and administration currently required. The exclusion of territory from ID-1 and annexation to ID-22 will increase the water availability fees for 80 parcels that are larger than 1 acre. The change would make the fees consistent with all other parcels in IDs within the Otay Water District boundaries.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
1	\$10.00	\$10.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-1 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-1 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor’s parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 1 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-1 for parcels less than 1 acre. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as “Proposition 218”). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-1 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 2 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the "District") will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 2 (ID-2) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-2 to ID-22 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
2	\$10.00	\$30.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-2 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-2 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor's parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 2 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-2. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as "Proposition 218"). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-2 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 3 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the "District") will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 3 (ID-3) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-3 to ID-22 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
3	\$10.00	\$30.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-3 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-3 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor's parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 3 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-3. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as "Proposition 218"). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-3 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 5 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the “District”) will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 5 (ID-5) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

Fees for the two improvement districts are the same for parcels less than 1 acre. Annexing ID-5 to ID-22 would improve the efficiency of accounting and administration currently required. The exclusion of territory from ID-5 and annexation to ID-22 will increase the water availability fees for 9 parcels that are larger than 1 acre. The change would make the fees consistent with all other parcels within IDs in the Otay Water District boundaries.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
5	\$10.00	\$10.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-5 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-5 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor’s parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 5 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-5 for parcels less than 1 acre. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as “Proposition 218”). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-5 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 7 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the "District") will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 7 (ID-7) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-7 to ID-22 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
7	\$10.00	\$30.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-7 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-7 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor's parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 7 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-7. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as "Proposition 218"). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-7 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 9 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the “District”) will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 9 (ID-9) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-9 to ID-22 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
9	\$10.00	\$30.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-9 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-9 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor’s parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 9 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-9. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as “Proposition 218”). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-9 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 10 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the "District") will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 10 (ID-10) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-10 to ID-22 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
10	\$10.00	\$30.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-10 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-10 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor's parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 10 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-10. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as "Proposition 218"). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-10 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 20 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the “District”) will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 20 (ID-20) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-20 to ID-22 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
20	\$10.00	\$30.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-20 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-20 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor’s parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 20 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-20. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as “Proposition 218”). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-20 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 4 AND ANNEXATION TO IMPROVEMENT DISTRICT 18 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the "District") will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 4 (ID-4) and annexation to Improvement District 18 (ID-18), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-4 to ID-18 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
4	\$10.00	\$30.00
18	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-4 and annexation to ID-18, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-4 and annexation to ID-18) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor's parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 4 and annexation to Improvement District 18.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-18 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-4. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as "Proposition 218"). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-4 and annexation to ID-18.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 14 AND ANNEXATION TO IMPROVEMENT DISTRICT 18 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the "District") will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 14 (ID-14) and annexation to Improvement District 18 (ID-18), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-14 to ID-18 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
14	\$10.00	\$30.00
18	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-14 and annexation to ID-18, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-14 and annexation to ID-18) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor's parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 14 and annexation to Improvement District 18.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-18 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-14. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as "Proposition 218"). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-14 and annexation to ID-18.**

# Improvement District Consolidation

OTAY WATER DISTRICT

MARCH 4, 2015



# Consolidate Water IDs 1,2,3,5,7,9,10 & 20 into ID 22 and Sewer IDs 4 & 14 into ID 18

- ▶ History
- ▶ Process
- ▶ Availability Fees
- ▶ Proposition 218
- ▶ Benefits
- ▶ Maps



# History of Improvement Districts



- ▶ IDs were originally created by the District as a means to obtain the lowest cost of funding for projects
- ▶ With Proposition 13 in 1978 this financing mechanism became obsolete
- ▶ Once existing debt was paid off, IDs no longer served a purpose

# Process to Consolidate



- ▶ Because no specific rules exist for water agencies to perform a consolidation, parcels must detach from their existing ID and be annexed into the new ID
  - ▶ First publishing the resolutions of intention to detach and annex
  - ▶ Second to confirm the action

# Availability Fees

- ▶ All IDs except 1 & 5 have the same availability fee of \$10 per parcel or \$30 per acre and exemptions for items such as flood plains or slopes exceeding 30%
- ▶ IDs 1 & 5 fees are \$10 per parcel or \$10 per acre with no exemptions
- ▶ This change will make all fees the same bringing equity among customers
  - ▶ 80 parcels in ID 1 will be affected (7 may qualify for exemptions)
  - ▶ 9 parcels in ID 5 will be affected

# Proposition 218

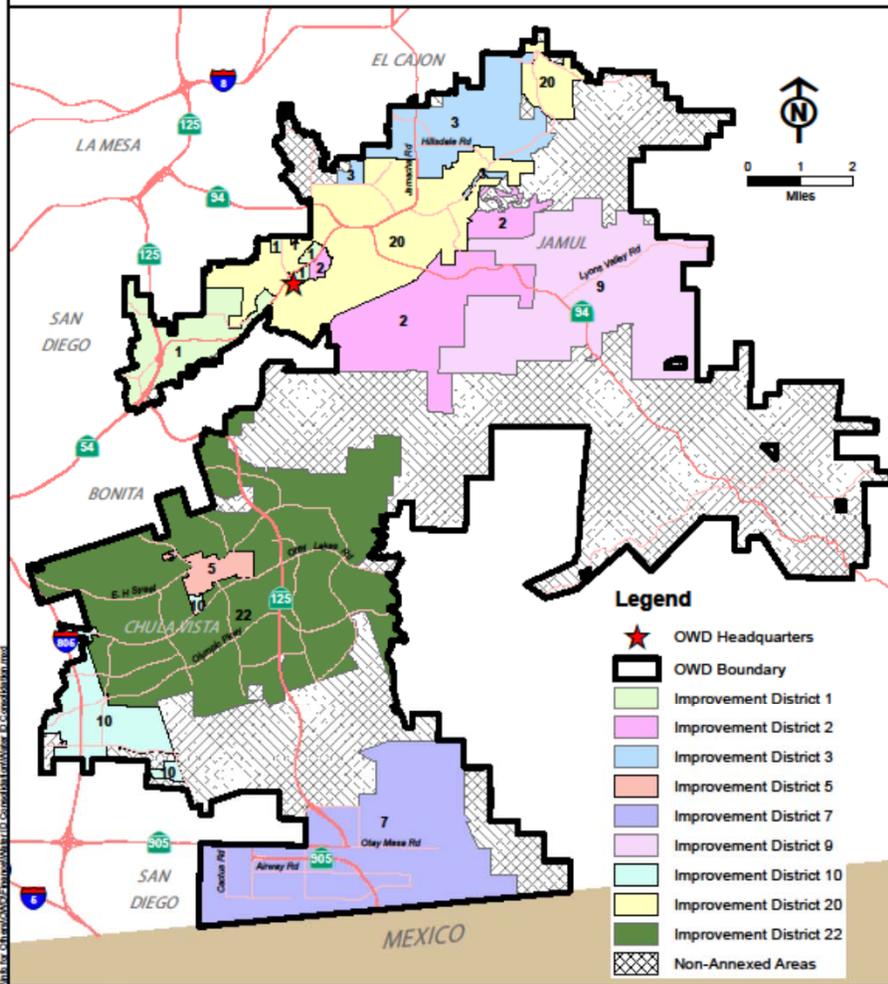
- ▶ Proposition 218 considers the availability fees as a “new” fee (even if they are the same as the old fee) when they are annexed into the new ID
  - ▶ Proposition 218 notices will be mailed to all 25,149 parcels affected
  - ▶ A Proposition 218 hearing will take place at the May 6, 2015 board meeting

# Benefits

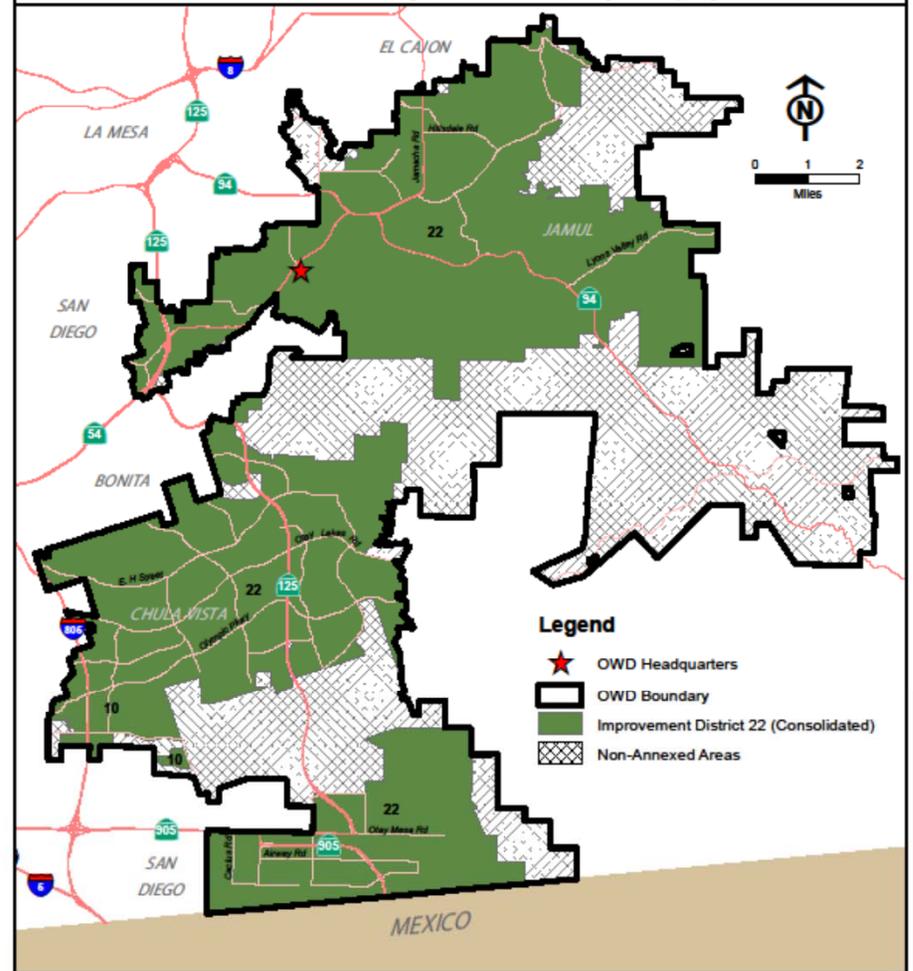


- ▶ Reduce the number of IDs from 9 water & 3 sewer down to one each
- ▶ Reduce staff time by 118 hours annually (savings \$17,000 in labor and benefits annually)
- ▶ Simplify interaction with outside agencies, customers, and internally
- ▶ Streamline accounting, tracking and mapping within the District
- ▶ Supports Strategic Plan

### EXISTING WATER IMPROVEMENT DISTRICTS

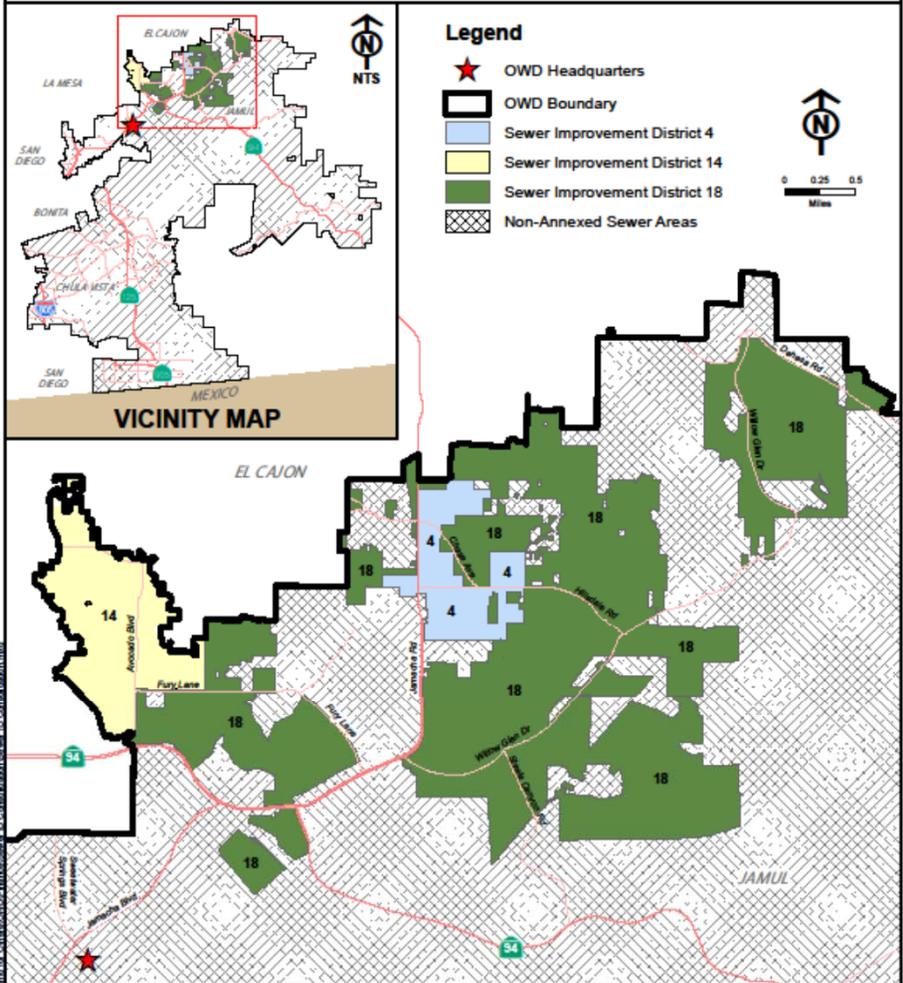


### PROPOSED CONSOLIDATION OF WATER IMPROVEMENT DISTRICTS

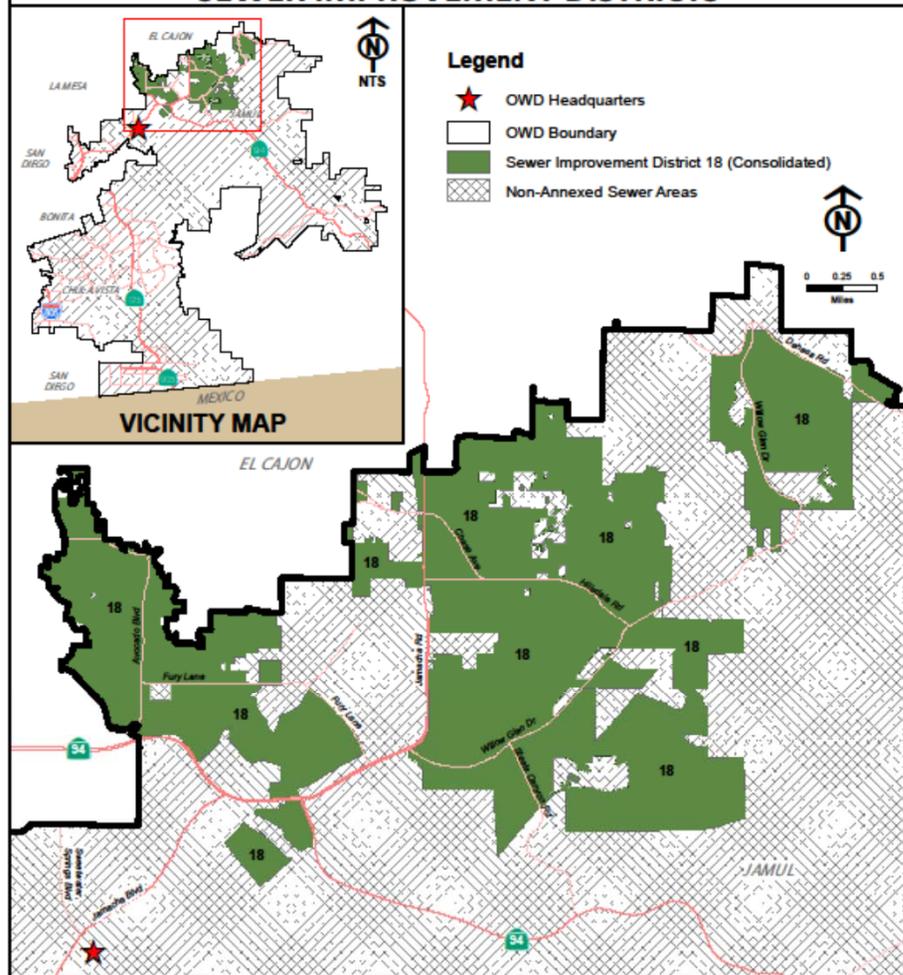


## OTAY WATER DISTRICT CONSOLIDATION OF WATER IMPROVEMENT DISTRICTS

### EXISTING SEWER IMPROVEMENT DISTRICTS



### PROPOSED CONSOLIDATION OF SEWER IMPROVEMENT DISTRICTS



# OTAY WATER DISTRICT CONSOLIDATION OF SEWER IMPROVEMENT DISTRICTS



DATE: 08/08/2018 10:00 AM, PROJECT: 18-001, DRAWING: 18-001-01, SCALE: 1"=1/2" AS SHOWN, SHEET: 1 OF 1, FILE: 18-001-01.dwg, USER: J. GARCIA, PLOT: 08/08/2018 10:00 AM

Questions???





Authorize staff to advertise as required by Government Code Section 6066, the attached Resolutions of Intention 4257, 4258, 4259, 4260, 4261, 4262, 4263, 4264, 4265, and 4266 for a period of two weeks. Once this requirement has been met, a second set of resolutions will be presented to confirm the exclusions and annexations. Direct staff to submit the appropriate maps to the County of San Diego that would exclude parcels within Water IDs 1, 2, 3, 5, 7, 9, 10, and 20 and Sewer IDs 4 and 14 to be annexed into Water ID 22 and Sewer ID 18, respectively. A subsequent action will request that Water IDs 1, 2, 3, 5, 7, 9, 10 and 20 and Sewer IDs 4 and 14 be dissolved effective July 1, 2015.

In compliance with the Proposition 218 requirements, notices will be sent to all owners of record to inform them of their option to protest the availability rate changes. (Note: Only ~~12162~~ parcels within ID 1 and 96 parcels within ID 5 will see a change to their availability fee assessed on the tax roll.) The required public hearing is set for the May 6, 2015 Board Meeting where the Board will be able to consider protests.

	<b>ID</b>	<b>Parcels</b>
Water	1	6,631
Water	2	965
Water	3	2,389
Water	5	1,066
Water	7	991
Water	9	1,810
Water	10	4,232
Water	20	5,552
Sewer	4	365
Sewer	14	1,148
Total		25,149

**BACKGROUND:**

**History:**

Improvement Districts were originally created by the District for the purpose of obtaining the lowest cost funding possible for projects and they were not intended to separate customers by geographical area for any other reason than securing debt. With the passage of Proposition 13 in 1978, creating IDs for the purpose of issuing debt became an obsolete financing tool because it requires a two thirds vote by the people to put debt on the tax roll. Once the existing debt for each ID was paid there was no other reason to maintain separate IDs. A 1992 Capital Projects Financing Study by Fieldman, Rolapp & Associates recognized that the District could annex all areas of the Otay Water District into one overall ID.

Today, the only fees collected by ID are the water and sewer availability fees. Current legislation (Water Code Section 71631.6) provides that amounts in excess of \$10 shall only be used for the original purpose of such improvement district. Research revealed the original purpose of each ID was for the acquisition, construction and completion of water or sewer improvements and works. The payment of debt was made for the slated purpose. Therefore, as long as the restricted portion of the availability fees goes to this purpose, there is no ongoing reason to keep these funds separate to be in compliance with Water Code Section 71631.6.

In addition to the above mentioned IDs, there is one ID (27) that is associated with General Obligation bonds. ID 27 is independent from all of the other IDs. It has a geographic area defined by those customers served by the 624-3 30mg reservoir. Each year, the Board sets a tax rate via a resolution for ID 27 and the county adds this to the tax role based on the assessed valuation. In 2023 when the debt is paid off ID 27 will no longer be required. Currently, all of ID 27 resides in ID 22, but not all of ID 22 is in ID 27. No change is recommended for ID 27 at this time.

#### **Availability Fees:**

Currently, all IDs have the same availability fee of \$10 per parcel or \$30 per acre except for Water IDs 1 and 5 which charge \$10 per parcel or \$10 per acre for parcels over one acre. Similarly, all IDs except IDs 1 and 5 have exemptions for items such as easements, agricultural reserves, flood plains, and slopes exceeding 30%. Staff researched the variances and could find no other reason why the fees are different.

The difference in fees and exemptions can lead to inequity between parcels in different IDs. For example, the District's administration building is in ID 1 and the operations building is in ID 20. If these parcels were owned by a private business instead of the District, the availability fee for the administration building would be \$10 per acre and the fee for the operations building would be \$30 per acre, yet the services and benefits available to these two parcels are the same. A consolidation will eliminate the differences in fees. On May 7, 2013, the Board approved a similar consolidation process for IDs 19 and 25 into IDs 22 and 20 without protest.

#### **ANALYSIS:**

Because there are no specific rules for water and sewer to perform a consolidation, parcels must detach from their existing ID and be attached or annexed into the new ID. The annexing into the new ID is considered a new fee for the affected parcels and therefore, a Proposition 218 hearing is required. For all but ~~13168~~ parcels in IDs 1 and 5, there is no change to their availability fees.

Notices of a Proposition 218 hearing will be mailed to 22,730 owners of parcels within IDs 1, 2, 3, 5, 7, 9, 10 and 20 and to 1,436 sewer owners of parcels within IDs 4 and 14. The estimated cost to print and mail the notices is \$7,491.

Because the District maintains separate IDs the tracking and accounting causes an unnecessary complexity. This consolidation will mainly benefit CIP Project managers, Finance staff, and IT staff, by reducing the 9 Water and 3 Sewer IDs down to one ID each for water and sewer. Staff has identified savings of 118 hours annually should the ID consolidation happen. The estimated savings in labor, benefits, and overhead is \$17,057. While this savings may not be realized immediately in reduced labor costs it does pave the way for labor savings to be realized sooner, and also allows staff productivity to increase.

With the consolidation of IDs this will simplify the interaction with other agencies such as LAFCO, the State Board of Equalization, and the County Assessor and Auditors office. This will allow agencies such as the County's Auditors office to eliminate unnecessary funds, simplifying their accounting systems.

This action is the first of two necessary steps to complete this consolidation. Once the exclusion and annexation are initiated by the Board, staff will publish the resolutions as required by statute and then the Board will have the ability to confirm the exclusion and annexation at a subsequent meeting. The exclusion will then become effective on the 31st day after completion of the publication and posting of the resolutions to exclude. The annexations become effective after the date of the adoption of the resolutions approving the annexation.

The availability charges and water rates and charges are identical for all IDs except 1 and 5. There are ~~8062~~ parcels that are larger than one acre in ID 1. (Staff has identified 7 parcels that may qualify for an exemption and will be sending a letter to the owners). If none of these parcels qualify for the new exemptions as allowed in other IDs, then these parcels would pay a combined total of ~~\$6,458~~\$5,585 in additional availability fees annually. In ID 5 there are ~~96~~ parcels larger than one acre and their estimated increase in fees would be ~~\$376~~\$303 annually.

Because the proposed consolidation technically imposes a "new" charge on customers, in compliance with the Proposition 218 requirements, notices will be sent to all owners of record within these IDs to inform them of their option to protest rate changes. The required public hearing will take place at the May 6, 2015 Board meeting where, if after the Board determines there is not a majority protest for any of the IDs, the Board can vote to complete the consolidation of the IDs.

**FISCAL IMPACT:**

Joe Beachem, Chief Financial Officer

It is estimated that there will be savings to the District of 118 staff hours estimated at a cost of \$17,057. Additionally, the increase in the availability fees collected in IDs 1 and 5 would be approximately ~~\$6,834~~\$5,888 should none of the parcels qualify for the newly allowed exemptions for these parcels.

**STRATEGIC GOAL:**

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

**LEGAL IMPACT:**

None.

Attachments:

- A) Committee Action
- B) Water ID Consolidation Map
- C) Sewer ID Consolidation Map
- D) Resolution No. 4247
  - Exhibit A - Legal Description ID 1
- E) Resolution No. 4248
  - Exhibit A - Legal Description ID 2
- F) Resolution No. 4249
  - Exhibit A - Legal Description ID 3
- G) Resolution No. 4250
  - Exhibit A - Legal Description ID 5
- H) Resolution No. 4251
  - Exhibit A - Legal Description ID 7
- I) Resolution No. 4252
  - Exhibit A - Legal Description ID 9
- J) Resolution No. 4253
  - Exhibit A - Legal Description ID 10
- K) Resolution No. 4254
  - Exhibit A - Legal Description ID 20
- L) Resolution No. 4255
  - Exhibit A - Legal Description ID 4
- M) Resolution No. 4256
  - Exhibit A - Legal Description ID 14
- N) Resolution No. 4257
  - Exhibit A - Legal Description ID 1
- O) Resolution No. 4258
  - Exhibit A - Legal Description ID 2
- P) Resolution No. 4259
  - Exhibit A - Legal Description ID 3
- Q) Resolution No. 4260
  - Exhibit A - Legal Description ID 5

R) Resolution No. 4261  
    Exhibit A - Legal Description ID 7  
S) Resolution No. 4262  
    Exhibit A - Legal Description ID 9  
T) Resolution No. 4263  
    Exhibit A - Legal Description ID 10  
U) Resolution No. 4264  
    Exhibit A - Legal Description ID 20  
V) Resolution No. 4265  
    Exhibit A - Legal Description ID 4  
W) Resolution No. 4266  
    Exhibit A - Legal Description ID 14  
X) Proposition 218 Notice Water ID 1  
Y) Proposition 218 Notice Water ID 2  
Z) Proposition 218 Notice Water ID 3  
AA) Proposition 218 Notice Water ID 5  
BB) Proposition 218 Notice Water ID 7  
CC) Proposition 218 Notice Water ID 9  
DD) Proposition 218 Notice Water ID 10  
EE) Proposition 218 Notice Water ID 20  
FF) Proposition 218 Notice Sewer ID 4  
GG) Proposition 218 Notice Sewer ID 14  
HH) Presentation



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Resolutions of Intention to Consolidate Water Improvement Districts (IDs) 1,2,3,5,7,9,10 and 20 into ID 22 and Sewer IDs 4 and 14 into ID 18; Authorizing Advertising of these Resolutions as Required by the both the Water and Government Codes; Obtain Approval of Proposition 218 Availability Fee Change Notices; and Direct Staff to Mail Notices
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### COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on February 18, 2015 and the following comments were made:

- Staff is requesting that the board approve the consolidation of water and sewer Improvement Districts (IDs). Currently, the District has 9 water IDs and staff is recommending that water ID's 1, 2, 3, 5, 7, 9, 10 and 20, be consolidated into ID 22. The District also has 3 sewer IDs and is recommending that IDs 4 and 14 be consolidated into ID 18.
- The IDs were originally created by the District as a means to obtain the lowest cost of funding for projects. With the passage of Proposition 13 in 1978 this financing mechanism became obsolete as it now requires a 2/3 vote to place an item on the tax roll. The existing debt for these IDs have been paid off, thus, the IDs are no longer needed as they no longer serve a purpose.
- To consolidate IDs, parcels within an existing ID must be detached from the ID and annexed into the new ID. The process requires that the District first declare and publish resolutions of intention to detach and annex and then confirm the detachments and annexations.
- Staff will be requesting that the Board declare its intention to detach and annex the parcels within the identified IDs at the March 4, 2015 board meeting. At the May 6, 2015 board meeting, staff will be requesting that the board take action to confirm the detachments and annexations.

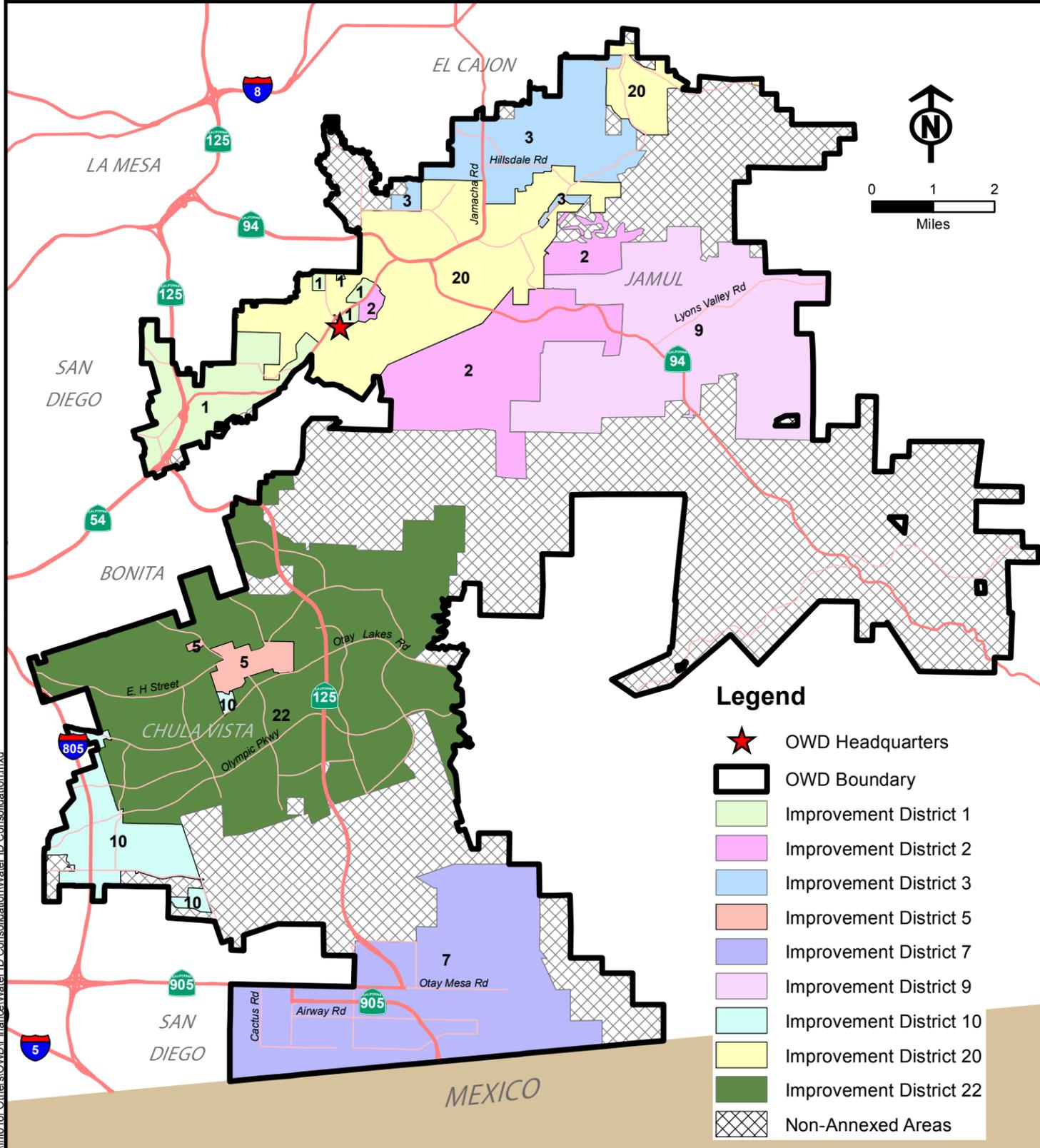
- Staff indicated that all the debt has been paid off within the IDs and the only impact to the parcels is availability fees. Currently, the District charges for all IDs, with the exception of IDs 1 and 5, \$10 per parcel or \$30 per acre with exemptions for parcels located in flood plains or with slopes exceeding 30%. The fee for IDs 1 and 5 is \$10 per parcel or \$10 per acre with no exemptions.
- The availability fees for IDs 1 and 5 will be changed to match all other IDs; \$10 per parcel or \$30 per acre with exemptions for parcels located in flood plains or with slopes exceeding 30%. This change will make all fees the same and bring equity among customers.
- Staff noted that there are ~~8062~~ parcels in ID 1 which will be impacted by the change in the availability fee and 7 of these parcels may qualify for the exemptions. There are also ~~96~~ parcels in ID 5 that will be impacted by the change.
- In order to consolidate the IDs, the District will need to have a Proposition 218 hearing as the availability fee is considered a "new" fee, even if it is the same as the old fee, when they are annexed into the new ID.
- Staff is proposing that a hearing be held at the May 6, 2015 board meeting.
- The District will mail Proposition 218 notices to all 25,149 parcels affected by the consolidation. The notices must be mailed to residents within the affected IDs 45 days prior to the hearing on May 6.
- Staff indicated that the benefits by consolidating the IDs include:
  - Reduces the number of IDs from 9 water and 3 sewer to one ID each.
  - Reduces staff time by 118 hours annually (a savings of \$17,000 in labor and benefits annually).
  - Simplifies interaction with outside agencies (SD County Assessor's Office, State Board of Equalization, LAFCO, etc.), customers, and internally.
  - Streamlines accounting, tracking and mapping within the District.
  - Supports the District Strategic Plan goals, such as, streamlining the District's reserve accounting for IDs. The District will no longer need to keep reserves for each ID.
- Staff presented maps showing the location of each of the impacted water and sewer IDs within the District's service area and a map

showing IDs 22 and 18 once all the IDs are consolidated (see attached copy of presentation).

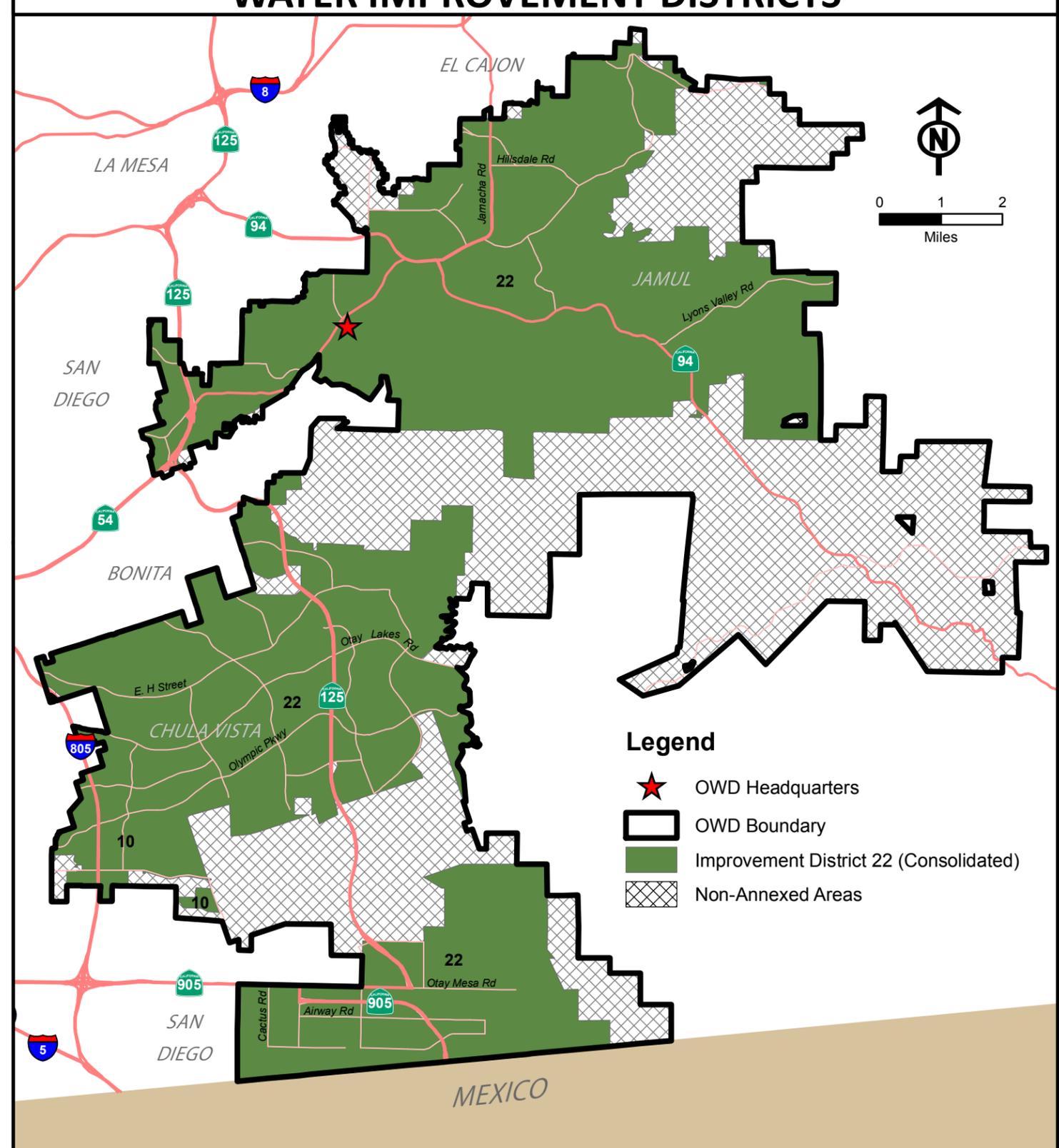
- Staff noted that the District will still need to track if a parcel is within the water or sewer ID as the fees may vary, especially on the sewer side as the capacity fee is different based on whether the customer was in the ID and paid or was outside an ID and has not paid their share of the sewer debt.
- In response to another inquiry from the committee, staff indicated that last year when the rate increase notices were forwarded to the District's customers, the District received approximately 35 calls concerning the rate increase notices (none were regarding the ID consolidations). It was noted that the largest customer impacted by the ID consolidations would receive an increase of approximately \$800 on his/her property tax bill.
- Staff indicated for those parcels not receiving water or sewer services, the owner could sign an agreement with the District to waive the availability fee charges to their property for 10 years. However, the customer would need to warrant that they will not develop/require water to the property during the 10-year agreement period. It was stated that some parcel owners do execute this agreement with the District.
- Staff indicated in response to another inquiry from the committee, that those parcels already in ID 22 would not receive a notice, however, because the District is required to publish notices within the ID, they may see the notices at various locations within ID22 (libraries, fire station, etc.) or on the District's website. Staff also noted that customers with more than one parcel within an impacted ID will receive one notice only.
- The committee suggested that the verbiage within the Proposition 218 notices be changed so it states in bold lettering something to the effect of, "...the new fee that will be imposed is identical to the eliminated fee." It was also suggested for the 80 parcels larger than 1 acre in ID 1, that a cover letter be provided along with the Proposition 218 notice, explaining the increase in their availability fee.
- It was discussed that there will be two water IDs (IDs 22 and 27) remaining after the water IDs are consolidated; ID 27 is a subset of ID 22. Once the GO bonds are paid off in 2023 for ID 27, the ID will also be eliminated leaving only ID 22 for water.

Following discussion, the Committee supported staff's recommendation and presentation to the full board as an action item.

### EXISTING WATER IMPROVEMENT DISTRICTS



### PROPOSED CONSOLIDATION OF WATER IMPROVEMENT DISTRICTS



- Legend**
- ★ OWD Headquarters
  - OWD Boundary
  - Improvement District 1
  - Improvement District 2
  - Improvement District 3
  - Improvement District 5
  - Improvement District 7
  - Improvement District 9
  - Improvement District 10
  - Improvement District 20
  - Improvement District 22
  - ▨ Non-Annexed Areas

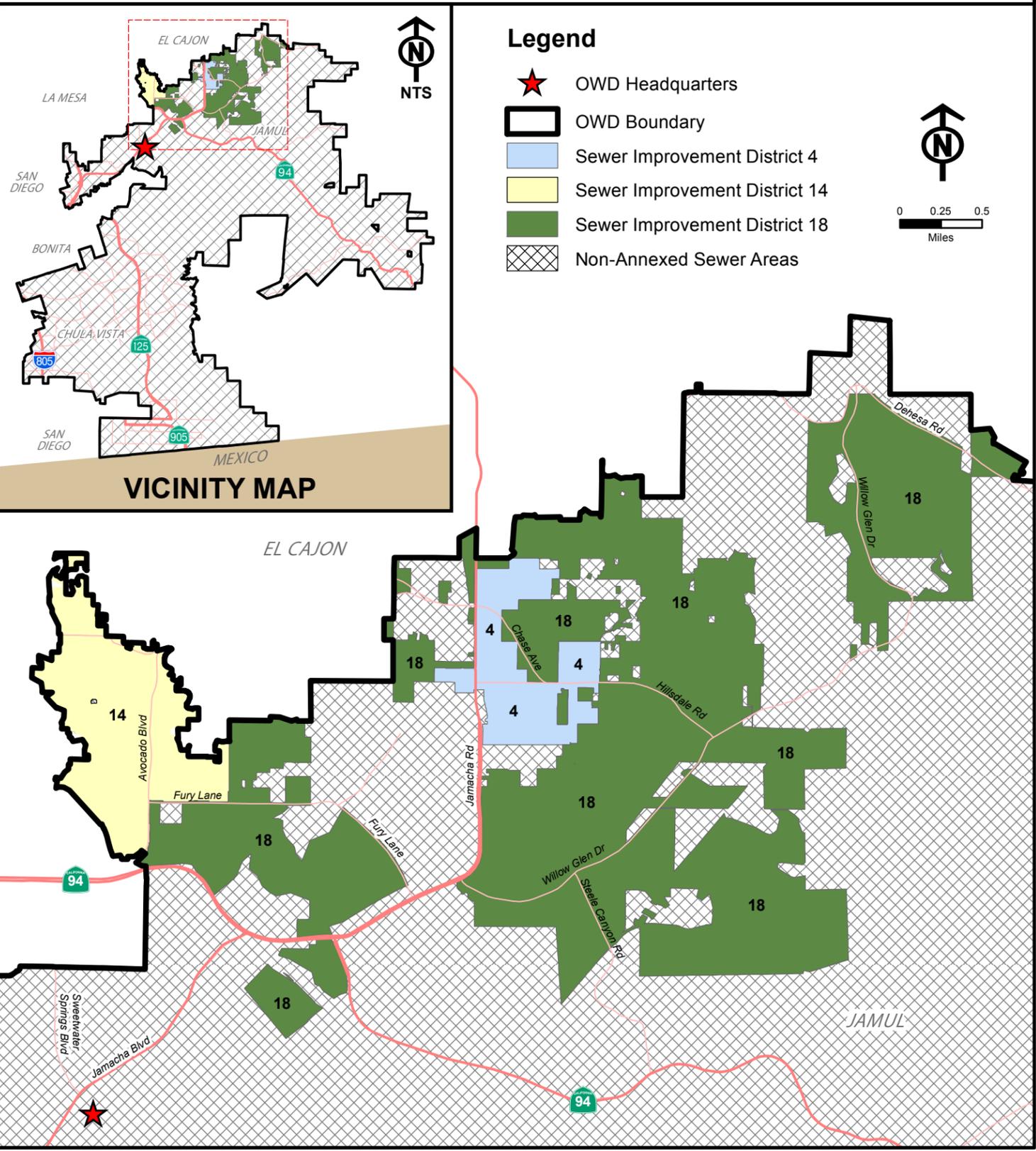
- Legend**
- ★ OWD Headquarters
  - OWD Boundary
  - Improvement District 22 (Consolidated)
  - ▨ Non-Annexed Areas



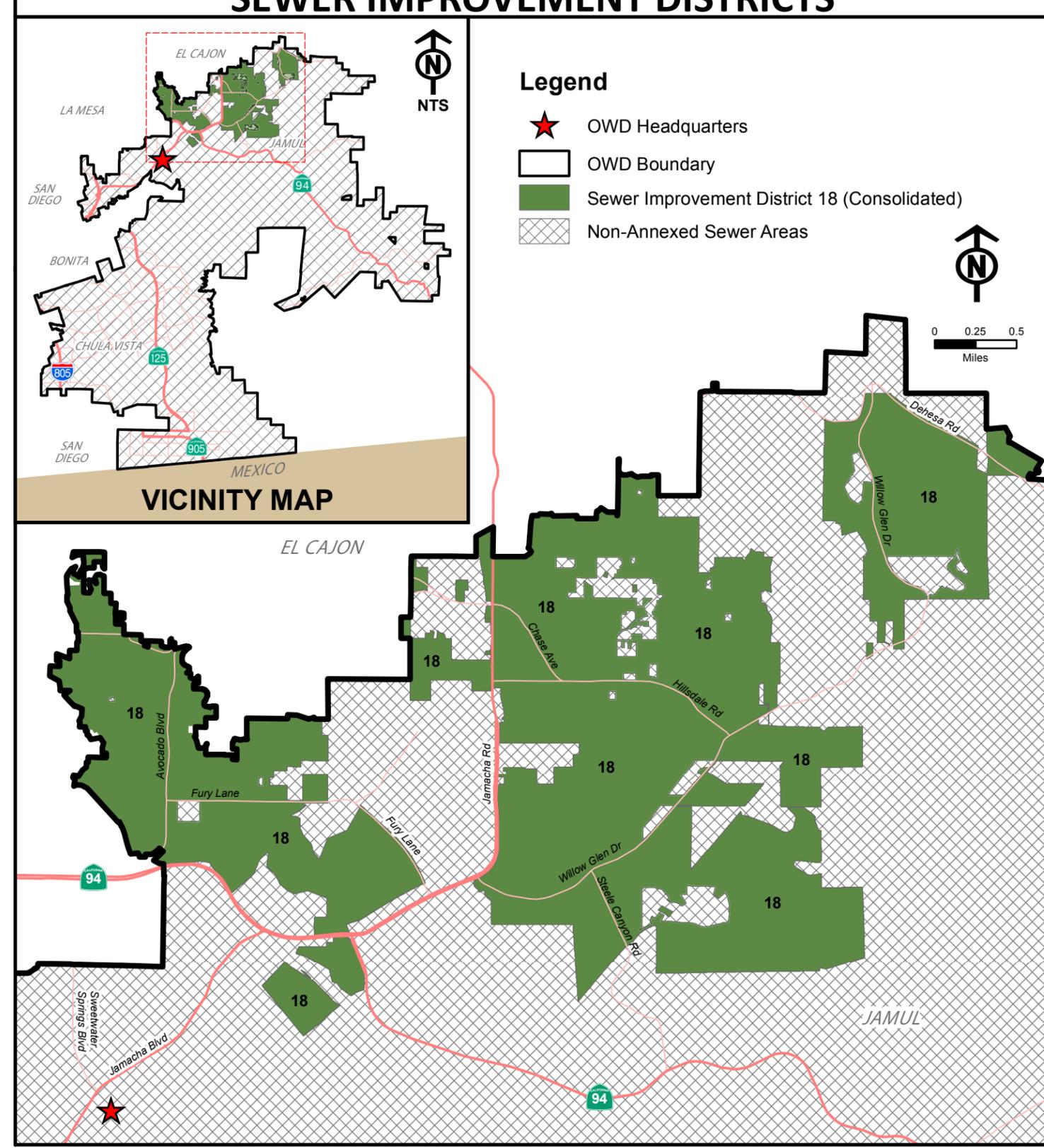
# OTAY WATER DISTRICT CONSOLIDATION OF WATER IMPROVEMENT DISTRICTS

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# EXISTING SEWER IMPROVEMENT DISTRICTS



# PROPOSED CONSOLIDATION OF SEWER IMPROVEMENT DISTRICTS



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# OTAY WATER DISTRICT CONSOLIDATION OF SEWER IMPROVEMENT DISTRICTS

## RESOLUTION NO. 4247

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 1

WHEREAS, on January 27<sup>th</sup>, 1958 by Resolution No. 32, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 1 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 1 and 22 for parcels less than one acre. However, there are ~~8062~~ parcels larger than one acre in ID 1 for which the water availability fees will increase to make the fees consistent with all other parcels within IDs in the Otay Water District boundaries; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 1 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 1 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 1, as identified in Exhibit A to this resolution.

2. That the taxes for carrying out the purposes of ID 1 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 1 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 1 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 1, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 1 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 1, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 1 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 1 SHALL BE EXCLUDED FROM EXISTING ID 1 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 1 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4247 APPROVING THE CONSOLIDATIONS.

CONTAINING 2,177 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4248

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 2

WHEREAS, on June 17<sup>th</sup>, 1958 by Resolution No. 40, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 2 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 2 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 2 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 2 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 2, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 2 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 2 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 2 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 2, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 2 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 2, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 2 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 2 SHALL BE EXCLUDED FROM EXISTING ID 2 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 2 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4248 APPROVING THE CONSOLIDATIONS.

CONTAINING 4,073 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4249

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 3

WHEREAS, on November 18<sup>th</sup>, 1958 by Resolution No. 51, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 3 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 3 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 3 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 3 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 3, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 3 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 3 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 3 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 3, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 3 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 3, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 3 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 3 SHALL BE EXCLUDED FROM EXISTING ID 3 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 3 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4249 APPROVING THE CONSOLIDATIONS.

CONTAINING 2,907 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4250

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 5

WHEREAS, on November 28<sup>th</sup>, 1960 by Resolution No. 123, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 5 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 5 and 22 for parcels less than one acre. However, there are 96 parcels larger than one acre in ID 5 for which the water availability fees will increase to make the fees consistent with all other parcels within IDs in the Otay Water District boundaries; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 5 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 5 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 5, as identified in Exhibit A to this resolution.

2. That the taxes for carrying out the purposes of ID 5 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 5 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 5 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 5, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 5 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 5, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

\_\_\_\_\_  
President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 5 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 5 SHALL BE EXCLUDED FROM EXISTING ID 5 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 5 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4250 APPROVING THE CONSOLIDATIONS.

CONTAINING 487 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4251

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 7

WHEREAS, on March 27<sup>th</sup>, 1961 by Resolution No. 142, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 7 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 7 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 7 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 7 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 7, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 7 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 7 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 7 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 7, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 7 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 7, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 7 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 7 SHALL BE EXCLUDED FROM EXISTING ID 7 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 7 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4251 APPROVING THE CONSOLIDATIONS.

CONTAINING 7,622 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4252

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 9

WHEREAS, on July 24<sup>th</sup>, 1961 by Resolution No. 153, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 9 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 9 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 9 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 9 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 9, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 9 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 9 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 9 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 9, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 9 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 9, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 9 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 9 SHALL BE EXCLUDED FROM EXISTING ID 9 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 9 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4252 APPROVING THE CONSOLIDATIONS.

CONTAINING 7,075 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4253

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 10

WHEREAS, on February 11<sup>th</sup>, 1963 by Resolution No. 266, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 10 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 10 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 10 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 10 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 10, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 10 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 10 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 10 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 10, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 10 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 10, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 10 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 10 SHALL BE EXCLUDED FROM EXISTING ID 10 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 10 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4253 APPROVING THE CONSOLIDATIONS.

CONTAINING 2,007 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4254

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 20

WHEREAS, on April 19<sup>th</sup>, 1971 by Resolution No. 874, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 20 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 20 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 20 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 20 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 22; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 20, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 20 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 20 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 20 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 20, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 20 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 20, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

\_\_\_\_\_  
President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 20 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 20 SHALL BE EXCLUDED FROM EXISTING ID 20 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 20 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4254 APPROVING THE CONSOLIDATIONS.

CONTAINING 6,859 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4255

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 4

WHEREAS, on August 4<sup>th</sup>, 1959 by Resolution No. 83, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 4 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of sewer improvements and works; and

WHEREAS, on February 16<sup>th</sup>, 1970 by Resolution No. 758, the Board formed ID 18 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of sewer improvements and works; and

WHEREAS, the availability charges are identical between IDs 4 and 18; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 4 into ID 18 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 4 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 18; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 4, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 4 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 4 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 4 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 4, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 4 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 4, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

\_\_\_\_\_  
President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT (ID) ID 4 INTO ID 18**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT 4 SHALL BE EXCLUDED FROM EXISTING ID 4 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 18. THE CONSOLIDATION OF EXISTING ID 4 INTO EXISTING ID 18 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4255 APPROVING THE CONSOLIDATIONS.

CONTAINING 348 ACRES OF LAND, MORE OR LESS.

RESOLUTION NO. 4256

RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS  
INTENTION TO EXCLUDE PARCELS FROM  
IMPROVEMENT DISTRICT 14

WHEREAS, on June 10<sup>th</sup>, 1968 by Resolution No. 586, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 14 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of sewer improvements and works; and

WHEREAS, on February 16<sup>th</sup>, 1970 by Resolution No. 758, the Board formed ID 18 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of sewer improvements and works; and

WHEREAS, the availability charges are identical between IDs 14 and 18; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 14 into ID 18 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares, by its own motion, its intention to exclude parcels in ID 14 pursuant to Water Code Sections 72080, *et seq.*, with an eye towards annexing the excluded parcels into ID 18; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, on its own motion, does hereby declare its intention to exclude parcels within ID 14, as identified in Exhibit A to this resolution.
2. That the taxes for carrying out the purposes of ID 14 will not be levied upon taxable property in the excluded territory following such exclusion.

3. That there is no bond debt on ID 14 and, therefore, taxes for the payment of principal and interest on any outstanding bonds of ID 14 will not be levied upon taxable property in the excluded territory following such exclusion.

4. That a map showing the exterior boundaries of the proposed territory to be excluded, with relation to the territory remaining in ID 14, is on file with the Secretary of the District and is available for inspection by any person or persons interested. Said map shall govern for all details as to the extent of the proposed exclusion.

5. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. on the questions of the proposed exclusion and the effect of such exclusion upon the Otay Water District, ID 14 and the territory to be excluded. At such time and place, any person interested, including all persons owning property in the Otay Water District or in ID 14, will be heard.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed exclusion and publish a copy of this Resolution of Intention to Exclude pursuant to and consistent with Government Code section 6066 and Water Code section 72084.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT (ID) ID 14 INTO ID 18**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT 14 SHALL BE EXCLUDED FROM EXISTING ID 14 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 18. THE CONSOLIDATION OF EXISTING ID 14 INTO EXISTING ID 18 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4256 APPROVING THE CONSOLIDATIONS.

CONTAINING 644 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4257

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 1 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on January 27<sup>th</sup>, 1958 by Resolution No. 32, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 1 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 1 and 22 for parcels less than one acre. However, there are ~~8062~~ parcels larger than one acre in ID 1 for which the water availability fees will increase to make the fees consistent with all other parcels within IDs in the Otay Water District boundaries; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 1 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 1, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 1, if approved, into ID 22, as described in Exhibit A:
2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 1, is to streamline the accounting and tracking of parcels in

IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 1 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 1 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 1 SHALL BE EXCLUDED FROM EXISTING ID 1 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 1 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4257 APPROVING THE CONSOLIDATIONS.

CONTAINING 2,177 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4258

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 2 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on June 17<sup>th</sup>, 1958 by Resolution No. 40, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 2 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 2 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 2 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 2, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 2, if approved, into ID 22, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 2, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 2 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 2 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 2 SHALL BE EXCLUDED FROM EXISTING ID 2 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 2 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4258 APPROVING THE CONSOLIDATIONS.

CONTAINING 4,073 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4259

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 3 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on November 18<sup>th</sup>, 1958 by Resolution No. 51, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 3 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 3 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 3 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 3, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 3, if approved, into ID 22, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 3, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 3 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 3 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 3 SHALL BE EXCLUDED FROM EXISTING ID 3 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 3 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4259 APPROVING THE CONSOLIDATIONS.

CONTAINING 2,907 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4260

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 5 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on November 28<sup>th</sup>, 1960 by Resolution No. 123, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 5 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 5 and 22 for parcels less than one acre. However, there are 96 parcels larger than one acre in ID 5 for which the water availability fees will increase to make the fees consistent with all other parcels within IDs in the Otay Water District boundaries; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 5 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 5, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 5, if approved, into ID 22, as described in Exhibit A:
2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 5, is to streamline the accounting and tracking of parcels in

IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 5 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 5 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 5 SHALL BE EXCLUDED FROM EXISTING ID 5 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 5 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4260 APPROVING THE CONSOLIDATIONS.

CONTAINING 487 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4261

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 7 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on March 27<sup>th</sup>, 1961 by Resolution No. 142, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 7 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 7 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 7 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 7, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 7, if approved, into ID 22, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 7, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 7 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 7 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 7 SHALL BE EXCLUDED FROM EXISTING ID 7 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 7 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4261 APPROVING THE CONSOLIDATIONS.

CONTAINING 7,622 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4262

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 9 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on July 24<sup>th</sup>, 1961 by Resolution No. 153, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 9 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 9 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 9 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 9, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 9, if approved, into ID 22, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 9, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 9 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 9 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 9 SHALL BE EXCLUDED FROM EXISTING ID 9 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 9 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4262 APPROVING THE CONSOLIDATIONS.

CONTAINING 7,075 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4263

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 10 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on February 11<sup>th</sup>, 1963 by Resolution No. 266, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 10 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 10 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 10 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 10, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 10, if approved, into ID 22, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 10, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 10 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 10 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 10 SHALL BE EXCLUDED FROM EXISTING ID 10 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 10 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4263 APPROVING THE CONSOLIDATIONS.

CONTAINING 2,007 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4264

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 20 INTO IMPROVEMENT DISTRICT 22

WHEREAS, on April 19<sup>th</sup>, 1971 by Resolution No. 874, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 20 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of water improvements and works; and

WHEREAS, on June 5<sup>th</sup>, 1972 by Resolution No. 968, the Board formed ID 22 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of water improvements and works; and

WHEREAS, the availability charges are identical between IDs 20 and 22; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 20 into ID 22 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 20, if approved, into ID 22, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 20, if approved, into ID 22, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 20, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 20 and 22 following the annexation, is set forth on a map in Attachment B filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT (ID) ID 20 INTO ID 22**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT WATER IMPROVEMENT DISTRICT 20 SHALL BE EXCLUDED FROM EXISTING ID 20 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 22. THE CONSOLIDATION OF EXISTING ID 20 INTO EXISTING ID 22 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4264 APPROVING THE CONSOLIDATIONS.

CONTAINING 6,859 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4265

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 4 INTO IMPROVEMENT DISTRICT 18

WHEREAS, on August 4<sup>th</sup>, 1959 by Resolution No. 83, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 4 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of sewer improvements and works; and

WHEREAS, on February 16<sup>th</sup>, 1970 by Resolution No. 758, the Board formed ID 18 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of sewer improvements and works; and

WHEREAS, the availability charges are identical between IDs 4 and 18; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 4 into ID 18 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 4, if approved, into ID 18, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 4, if approved, into ID 18, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 4, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 4 and 18 following the annexation, is set forth on a map in Attachment C filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT (ID) ID 4 INTO ID 18**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT 4 SHALL BE EXCLUDED FROM EXISTING ID 4 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 18. THE CONSOLIDATION OF EXISTING ID 4 INTO EXISTING ID 18 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4265 APPROVING THE CONSOLIDATIONS.

CONTAINING 348 ACRES OF LAND, MORE OR LESS.

## RESOLUTION NO. 4266

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
OTAY WATER DISTRICT DECLARING ITS INTENTION TO  
ANNEX PARCELS EXCLUDED FROM IMPROVEMENT  
DISTRICT 14 INTO IMPROVEMENT DISTRICT 18

WHEREAS, on June 10<sup>th</sup>, 1968 by Resolution No. 586, the Otay Water District Board of Directors (“Board”) formed Improvement District (“ID”) 14 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction and completion of sewer improvements and works; and

WHEREAS, on February 16<sup>th</sup>, 1970 by Resolution No. 758, the Board formed ID 18 for the purpose of incurring necessary bonded indebtedness for the acquisition, construction, and completion of sewer improvements and works; and

WHEREAS, the availability charges are identical between IDs 14 and 18; and

WHEREAS, staff has determined that there is no longer a reason to separate these parcels; and

WHEREAS, by initiating proceedings to consolidate ID 14 into ID 18 it would streamline the accounting and tracking of these parcels; and

WHEREAS, the Board hereby declares its intention to annex parcels excluded from ID 14, if approved, into ID 18, pursuant to Water Code sections 72700, *et seq.*; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the Board of Directors, pursuant to Water Code sections 72700, *et seq.*, does hereby declare its intention to annex the parcels excluded from ID 14, if approved, into ID 18, as described in Exhibit A:

2. That the purpose of the proposed annexation, in conjunction with the exclusion of parcels from ID 14, is to streamline the accounting and tracking of parcels in IDs by making availability charges consistent with all other parcels within IDs in the Otay Water District boundaries, thereby increasing efficiencies.

3. A depiction of the area proposed to be annexed, and the boundaries of IDs 14 and 18 following the annexation, is set forth on a map in Attachment C filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

4. That the annexation of said parcels is subject to the owners complying with the following terms and conditions:

- (a) Payment of yearly assessment fees of \$30.00 per acre of land and \$10.00 per parcel of land less than one acre which will be collected through the County Tax Assessor's office.
- (c) In the event that water service is to be provided, the payment of all applicable water meter fees per Equipment Dwelling Unit (EDU) at the time the meter is purchased.
- (d) Payment of all other applicable local or state agency fees or charges.

5. That the holders of title to any of the parcels to be annexed may file written protests with the Secretary of the District regarding the annexation or the annexation upon the terms and conditions identified above, to the following address:

District Secretary  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978

6. That notice is hereby given that a hearing shall be held by the Board on Wednesday, May 6<sup>th</sup>, 2015 at 3:30 p.m. at which the Board will receive written protests theretofore filed with the Secretary of the District, receive additional written protests, and hear from any and all persons interested in the annexation.

BE IT FURTHER RESOLVED that the Board directs staff to provide notice of the proposed annexation and publish and post a copy of this Resolution of Intention to

Annex pursuant to and consistent with Government Code section 6066 and Water Code sections 72702 and 72703.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 4<sup>th</sup> day of March, 2015.

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President

ATTEST:

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District Secretary

## **EXHIBIT A**

### **CONSOLIDATION OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT (ID) ID 14 INTO ID 18**

#### **LEGAL DESCRIPTION**

THE TERRITORY WITHIN THE EXISTING BOUNDARIES OF OTAY WATER DISTRICT SEWER IMPROVEMENT DISTRICT 14 SHALL BE EXCLUDED FROM EXISTING ID 14 AND THE EXCLUDED PARCELS SHALL BE ANNEXED INTO EXISTING ID 18. THE CONSOLIDATION OF EXISTING ID 14 INTO EXISTING ID 18 SHALL BECOME EFFECTIVE AT THE TIME THE OTAY WATER DISTRICT BOARD OF DIRECTORS ADOPTS RESOLUTION NO. 4266 APPROVING THE CONSOLIDATIONS.

CONTAINING 644 ACRES OF LAND, MORE OR LESS.

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 1 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the “District”) will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 1 (ID-1) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

**For parcels less than one acre, the fees in ID-1, where properties are being excluded, are identical to the fees in ID-22, where properties are being annexed.** Annexing ID-1 to ID-22 would improve the efficiency of accounting and administration currently required. The exclusion of territory from ID-1 and annexation to ID-22 will increase the water availability fees for parcels that are larger than 1 acre. The change would make the fees consistent with all other parcels in IDs within the Otay Water District boundaries.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
1	\$10.00	\$10.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-1 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-1 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor’s parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 1 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-1 for parcels less than 1 acre. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as “Proposition 218”). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-1 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 2 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the "District") will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 2 (ID-2) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-2 to ID-22 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
2	\$10.00	\$30.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-2 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-2 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor's parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 2 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-2. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as "Proposition 218"). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-2 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 3 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the "District") will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 3 (ID-3) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-3 to ID-22 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
3	\$10.00	\$30.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-3 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-3 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor's parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 3 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-3. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as "Proposition 218"). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-3 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 5 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the “District”) will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 5 (ID-5) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

Fees for the two improvement districts are the same for parcels less than 1 acre. Annexing ID-5 to ID-22 would improve the efficiency of accounting and administration currently required. The exclusion of territory from ID-5 and annexation to ID-22 will increase the water availability fees for parcels that are larger than 1 acre. The change would make the fees consistent with all other parcels within IDs in the Otay Water District boundaries.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
5	\$10.00	\$10.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-5 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-5 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor’s parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 5 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-5 for parcels less than 1 acre. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as “Proposition 218”). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-5 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 7 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the "District") will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 7 (ID-7) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-7 to ID-22 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
7	\$10.00	\$30.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-7 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-7 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor's parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 7 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-7. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as "Proposition 218"). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-7 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 9 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the "District") will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 9 (ID-9) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-9 to ID-22 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
9	\$10.00	\$30.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-9 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-9 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor's parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 9 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-9. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as "Proposition 218"). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-9 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 10 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the “District”) will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 10 (ID-10) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-10 to ID-22 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
10	\$10.00	\$30.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-10 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-10 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor’s parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 10 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-10. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as “Proposition 218”). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-10 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 20 AND ANNEXATION TO IMPROVEMENT DISTRICT 22 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the "District") will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 20 (ID-20) and annexation to Improvement District 22 (ID-22), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-20 to ID-22 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
20	\$10.00	\$30.00
22	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-20 and annexation to ID-22, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-20 and annexation to ID-22) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor's parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 20 and annexation to Improvement District 22.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-22 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-20. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as "Proposition 218"). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-20 and annexation to ID-22.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 4 AND ANNEXATION TO IMPROVEMENT DISTRICT 18 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the "District") will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 4 (ID-4) and annexation to Improvement District 18 (ID-18), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-4 to ID-18 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
4	\$10.00	\$30.00
18	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-4 and annexation to ID-18, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-4 and annexation to ID-18) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor's parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 4 and annexation to Improvement District 18.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-18 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-4. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as "Proposition 218"). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-4 and annexation to ID-18.**

**PUBLIC HEARING ON THE PROPOSED EXCLUSION OF TERRITORY FROM  
IMPROVEMENT DISTRICT 14 AND ANNEXATION TO IMPROVEMENT DISTRICT 18 AND  
THE RESULTING IMPACT ON FEES**

**NOTICE IS HEREBY GIVEN** the Otay Water District (the "District") will hold a **Public Hearing on May 6, 2015 at 3:30 p.m. in the Board of Directors Meeting Room, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, to consider the exclusion of territory from Improvement District 14 (ID-14) and annexation to Improvement District 18 (ID-18), and the resulting impact of fees.

**Fees in the annexing improvement district are identical to the fees in the excluding improvement district and are shown below.** Annexing ID-14 to ID-18 would improve the efficiency of accounting and administration currently required.

Improvement District	Charge per year for a parcel less than one acre	Charge per year per acre for parcels one acre or more
14	\$10.00	\$30.00
18	\$10.00	\$30.00
Land outside an Improvement District	\$10.00	\$10.00
Land outside an Improvement District and greater than one mile from District facilities	\$3.00	\$3.00

As the record owner or customer of record of a property identified to be subject to the exclusion of territory from ID-14 and annexation to ID-18, you may submit a written protest against the proposed action. Provided, however, if the identified property has more than one record owner and/or customer of record, only one written protest will be counted. Each protest must be in writing; state that the specific action (exclusion of territory from ID-14 and annexation to ID-18) for which the protest is being submitted in opposition; provide the location of the identified property (by assessor's parcel number or street address); and include the original signature of the record owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile, or other electronic means will not be accepted. Written protests may be submitted by mail to the **Board Secretary, Otay Water District, at 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing.

**Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the Board Secretary, that the enclosed letter is for the Public Hearing on the Exclusion of Territory from Improvement District 14 and annexation to Improvement District 18.**

At the conclusion of the public hearing, the Board of Directors will consider adopting the proposed exclusion and annexation. If adopted, the property annexed to ID-18 shall be subject to a fee as shown in the table above, identical to the fee previously charged for ID-14. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. If, at the close of the public hearing, written protests against the proposed exclusion and annexation are not presented by a majority of the record owners or customers of record of the identified properties affected by the proposed action, the Board of Directors will be authorized to adopt the proposed exclusion and annexation.

This notice is being provided to you by the District pursuant to the California Constitution Article XIID (collectively know as "Proposition 218"). Under terms of Proposition 218, the District is required to notify the record owner or customer of record of proposed changes to property-related services. **This letter serves as a 45-day notice that the District will hold a public hearing to consider exclusion of territory from ID-14 and annexation to ID-18.**

# Improvement District Consolidation

OTAY WATER DISTRICT

MARCH 4, 2015



# Consolidate Water IDs 1,2,3,5,7,9,10 & 20 into ID 22 and Sewer IDs 4 & 14 into ID 18

- ▶ History
- ▶ Process
- ▶ Availability Fees
- ▶ Proposition 218
- ▶ Benefits
- ▶ Maps

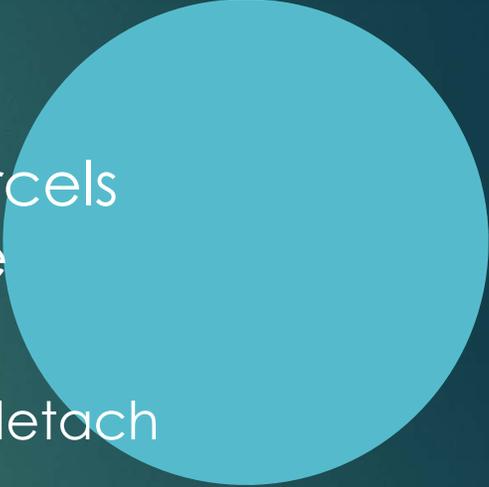


# History of Improvement Districts



- ▶ IDs were originally created by the District as a means to obtain the lowest cost of funding for projects
- ▶ With Proposition 13 in 1978 this financing mechanism became obsolete
- ▶ Once existing debt was paid off, IDs no longer served a purpose

# Process to Consolidate



- ▶ Because no specific rules exist for water agencies to perform a consolidation, parcels must detach from their existing ID and be annexed into the new ID
  - ▶ First publishing the resolutions of intention to detach and annex
  - ▶ Second to confirm the action

# Availability Fees

- ▶ All IDs except 1 & 5 have the same availability fee of \$10 per parcel or \$30 per acre and exemptions for items such as flood plain or slopes exceeding 30%
- ▶ IDs 1 & 5 fees are \$10 per parcel or \$10 per acre with no exemptions
- ▶ This change will make all fees the same bringing equity among customers
  - ▶ → 80 62 parcels in ID 1 will be affected (7 may qualify for exemptions)
  - ▶ → 9 6 parcels in ID 5 will be affected

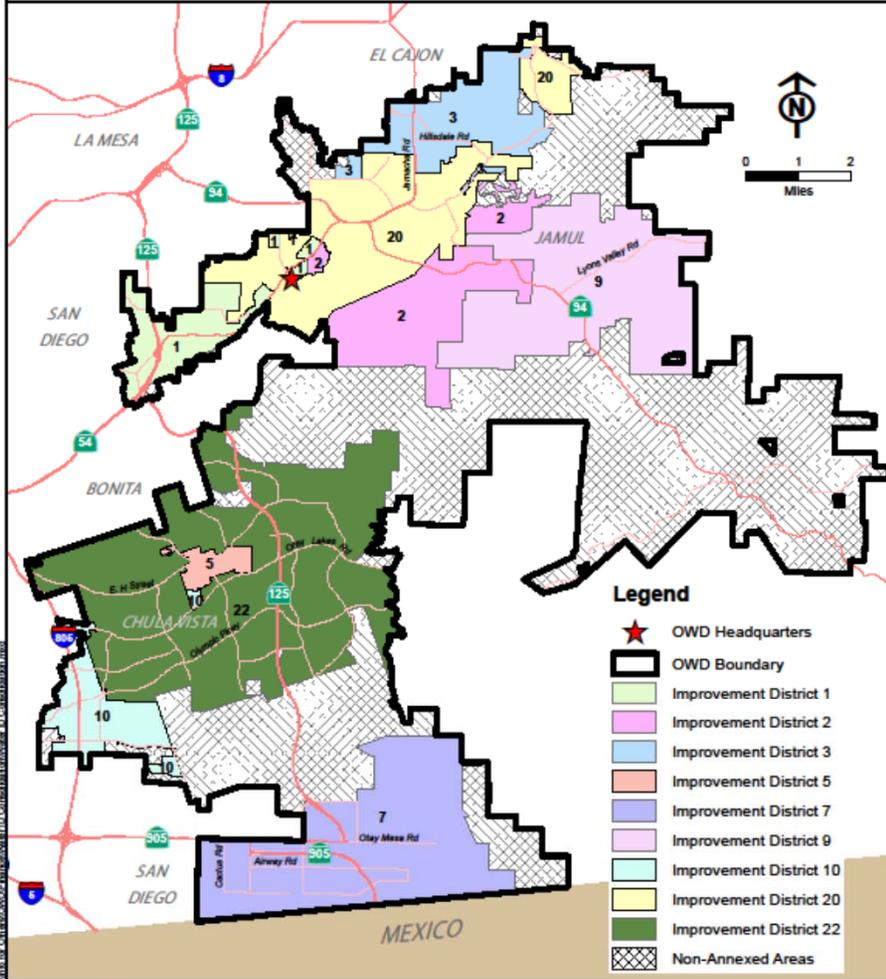
# Proposition 218

- ▶ Proposition 218 considers the availability fees as a “new” fee (even if they are the same as the old fee) when they are annexed into the new ID
  - ▶ Proposition 218 notices will be mailed to all 25,149 parcels affected
  - ▶ A Proposition 218 hearing will take place at the May 6, 2015 Board Meeting

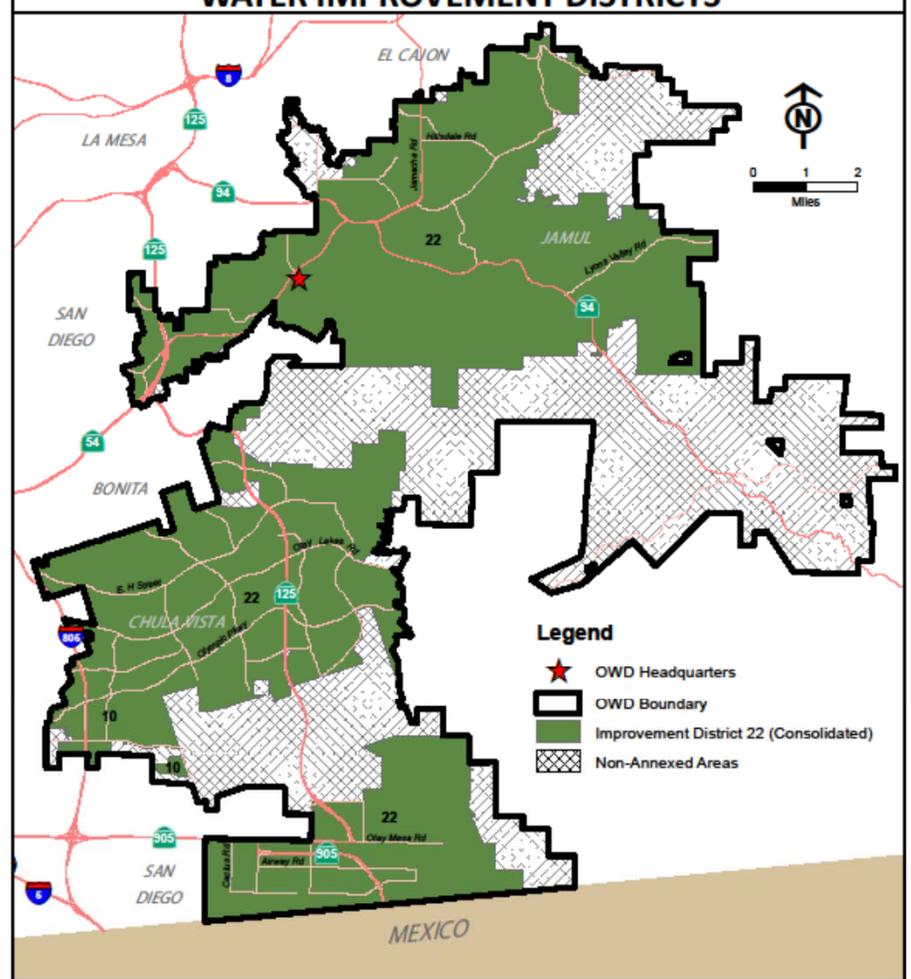
# Benefits

- ▶ Reduce the number of IDs from 9 water & 3 sewer down to one each
- ▶ Reduce staff time by 118 hours annually (savings \$17,000 in labor and benefits annually)
- ▶ Simplify interaction with outside agencies, customers and internally
- ▶ Streamline accounting, tracking and mapping within the District
- ▶ Supports Strategic Plan

### EXISTING WATER IMPROVEMENT DISTRICTS

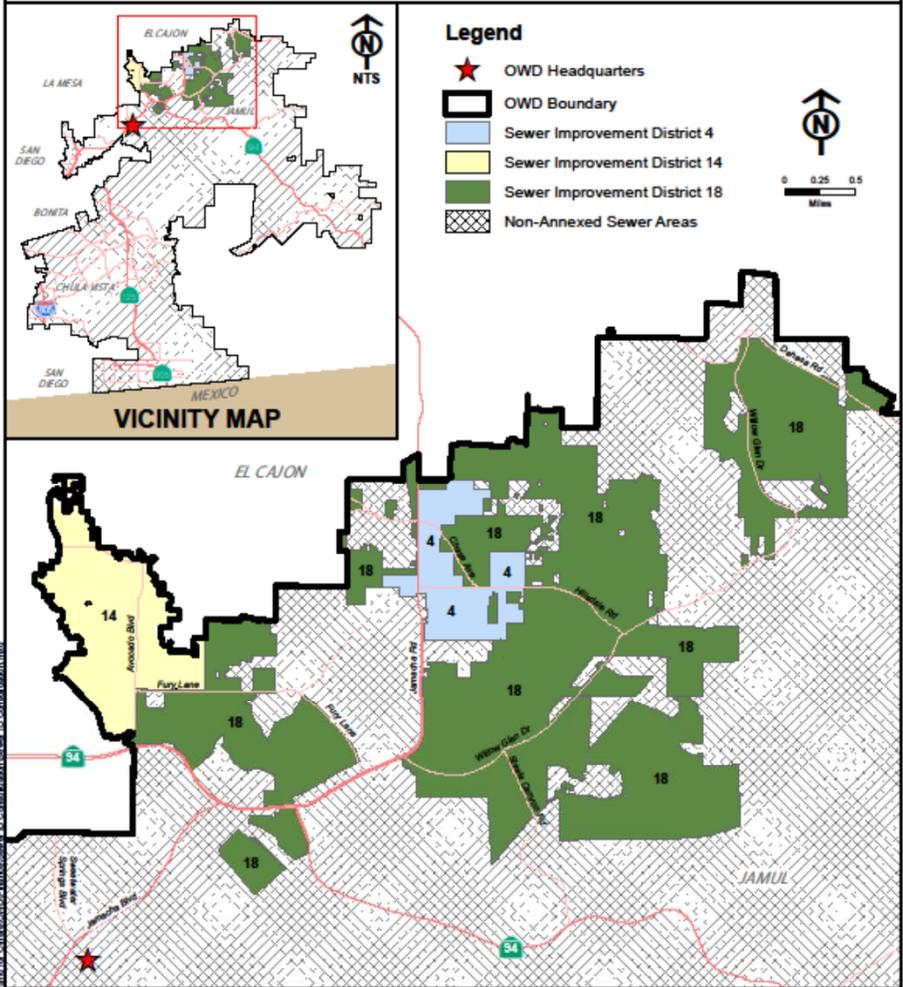


### PROPOSED CONSOLIDATION OF WATER IMPROVEMENT DISTRICTS

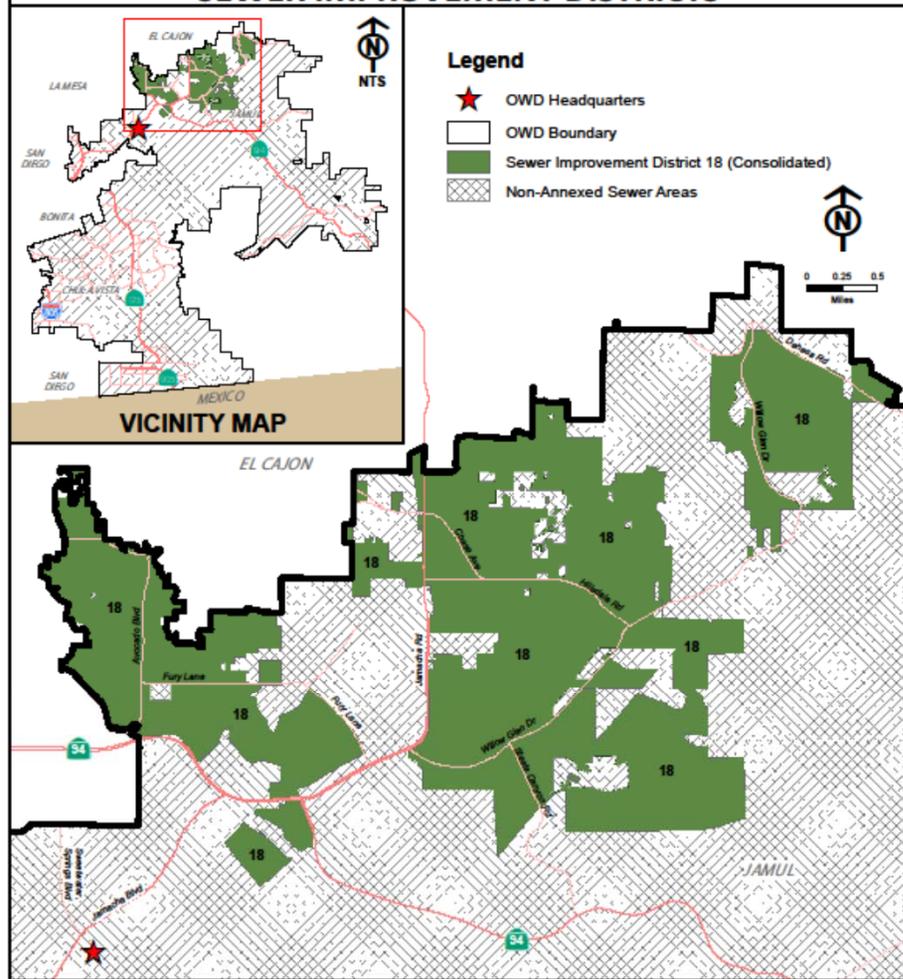


# OTAY WATER DISTRICT CONSOLIDATION OF WATER IMPROVEMENT DISTRICTS

### EXISTING SEWER IMPROVEMENT DISTRICTS



### PROPOSED CONSOLIDATION OF SEWER IMPROVEMENT DISTRICTS



## OTAY WATER DISTRICT CONSOLIDATION OF SEWER IMPROVEMENT DISTRICTS



DATE: 08/08/2013 10:00 AM, USER: jgarcia, PROJECT: 13-0001, SHEET: 13-0001-01, TITLE: OTAY WATER DISTRICT CONSOLIDATION OF SEWER IMPROVEMENT DISTRICTS

Questions???





# AGENDA ITEM 9a

## STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	March 4, 2015
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
APPROVED BY:	<input checked="" type="checkbox"/> Susan Cruz, District Secretary <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Board of Directors 2015 Calendar of Meetings		

**GENERAL MANAGER'S RECOMMENDATION:**

At the request of the Board, the attached Board of Director's meeting calendar for 2015 is being presented for discussion.

**PURPOSE:**

This staff report is being presented to provide the Board the opportunity to review the 2015 Board of Director's meeting calendar and amend the schedule 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.

Attachment: Calendar of Meetings for 2015

**Board of Directors, Workshops  
and Committee Meetings  
2015**

**Regular Board Meetings:**

January 7, 2015  
February 4, 2015  
March 4, 2015  
**April 1, 2015**  
May 6, 2015  
June 3, 2015  
July 1, 2015  
August 5, 2015  
September 2, 2015  
October 7, 2015  
November 4, 2015  
December 2, 2015

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

January 21, 2015  
February 18, 2015  
**March 18, 2015**  
April 15, 2015  
May 20, 2015  
June 17, 2015  
July 15, 2015  
August 19, 2015  
September 16, 2015  
October 21, 2015  
November 18, 2015  
December 16, 2015

**SPECIAL BOARD MEETINGS:**

**May 19, 2015 Budget Workshop/Special Board Meeting 3:00 pm**

# AGENDA ITEM 10a



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 4, 2015
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Kevin Koeppen, Finance Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Joseph R. Beachem, Chief Financial Officer <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Financing the Campo Road Sewer Main Replacement Project through California's Clean Water State Revolving Fund (CWSRF) Program		

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

This is an informational item only.

### **COMMITTEE ACTION:**

See Attachment A.

### **PURPOSE:**

To inform the Board of Directors of the financing of the Campo Road Sewer Main Replacement Project (Campo Road Project) through the CWSRF. Staff is currently completing the CWSRF financial assistance application package related to the financing of the Campo Road Project.

### **ANALYSIS:**

As part of the annual budgeting process the District prepares a five-year projection of rates, capital improvement projects (CIP) and financing needs. As part of the fiscal year 2015 budget the District identified the need for the sewer side of the District to borrow

approximately \$3.8M for the funding of CIP projects for fiscal year 2016 and 2017. The District is in the process of developing the fiscal year 2016 budget which includes updating the CIP budget. Preliminary estimates performed by staff have identified a continuing need for the sewer side of the District to obtain debt financing.

The CWSRF program is a state run program offering low cost financing for sewer projects. The CWSRF uses federal and state funds to make loans on a contract reimbursement basis to publicly-owned treatment works for the construction of wastewater treatment and sewage collection systems; water recycling facilities; the implementation of nonpoint source water quality control projects; and other eligible projects. The term of the financing for the District would be 20 years. The benefit of CWSRF is that it offers below-market rate financing, i.e. half of the most recent General Obligation (GO) bond rate at the time of funding approval. The current interest rate published by CWSRF based on a bond sale date of November, 2014 is 1.5%. In addition, cost of issuance is estimated to be much lower than issuing Certificates of Participation.

The District has identified the \$5.5M Campo Road Project as a sewer project that meets the eligibility requirements of the CWSRF. The Campo Road project is for upgrading 11,550 feet of sewer main capacity because the existing sewer main is under-sized. The project spans a period of three years from FY2015 to FY2017, which aligns with the budgeted timing of the borrowing. Also, the amount of the project allows the District to apply under a single project, which has some administrative efficiencies versus applying under multiple projects.

The CWSRF process can take 9 months or longer and the initial application should be completed about a year prior to the start of construction. Therefore, the application process for the Campo Road sewer main replacement project should begin in the spring of 2015 since the project is expected to begin in the spring of 2016.

Below is an estimated timeline of events for CWSRF process:

May 2015	CWSRF Application resolutions submitted to Otay Water District Board of Directors
June 2015	Application submission to CWSRF
Summer 2016	Construction on Campo Road project begins
Summer 2016	Funding of project expenses begins
FY2017	Project completed
FY2018	Loan repayment begins

**FISCAL IMPACT:**

Joe Beachem, Chief Financial Officer

Based on CWSRF current interest rate of 1.5% and a GO bond rate of 3.0% (CWSRF interest rate equals half of GO bond rate), for a \$3.8 million loan with a 20-year term, it has the potential to save the District \$600,000 in interest costs versus a general obligation bond issuance. Unlike financing through Certificates of Participation, financing through the CWSRF does not require the services of a Financial Advisor, Bond Counsel, and Disclosure Counsel but does require a legal opinion as part of the application process. The result is an additional savings versus issuing bonds of approximately \$100,000. Staff requested quotes from three legal firms and received two responses. Based on cost and their knowledge of the District, under the General Manager's authority the District is engaging Stradling, Yocca, Carlson & Rauth to perform the related legal services.

Firm	Amount
Stradling, Yocca, Carlson & Rauth	Variable Fee \$7,500 to \$12,000
Norton, Rose, Fulbright LLP	Fixed Fee \$20,000

**STRATEGIC GOAL:**

The District ensures its continued financial health through long-term financial planning and debt planning.

**LEGAL IMPACT:**

None.

Attachments:

Attachment A - Committee Action



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Financing the Campo Road Sewer Main Replacement Project through California's Clean Water State Revolving Fund (CWSRF) Program
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### COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on February 18, 2015 and the following comments were made:

- This is to provide the board a briefing on the staffs' process to obtain debt financing through the California's Clean Water State Revolving Fund and receive any comments or questions from the board concerning the process.
- During the FY 2015 budget process, staff identified the need to borrow approximately \$3.8 million for sewer.
- The District is in the process of developing the FY 2016 Budget and estimates that the funds will still need to be borrowed for sewer.
- The District is pursuing the state revolving fund financial option as it provides for a:
  - o Low interest rate
  - o Low cost of issuance
- Staff also sought the opinion of its Financial Advisor, who confirmed that, based on the level of financing, the State Revolving Fund would provide for a more cost effective debt financing instrument.
- The process for applying for the State Revolving Fund includes identifying a project and completing the application.
- Based on the project's purpose, timing and cost, the District has identified the Campo Road Sewer Main Replacement Project as a

project that would qualify for the fund and would meet the District's schedule and funding needs.

- It was indicated that the application process can take nine (9) months or longer, so it is recommended that the initial application be completed about one (1) year prior to the start of the project's construction.
- The District proposes beginning the application process in the Spring of 2015 for this project. Construction of the project is expected to begin in the spring of 2016.
- Staff anticipates that the timing for submitting the resolutions for the State Revolving Fund application to the Board for approval should be no sooner than the Board workshop on the proposed 2016 Budget.
- The application is anticipated to be submitted to the State Revolving Fund in June 2015 and funding of project expenses is expected to begin in the Summer of 2016.
- The project is budgeted to be completed in FY 2017 and repayment of the loan will begin one (1) year following the completion of the project, FY 2018.
- In response to an inquiry from the committee, it was indicated that the 1.5% interest rate is locked for the full 20 years. However, the rate is set during the application process and it is approximately one half the General Obligation (GO) bond rate.
- The committee suggested that when submitting their recommendation to the board, staff may wish to provide some flexibility in the rate by stating as long as the rate does not exceed "X" percent, staff is authorized to move forward with the application. Thus, if the rate should increase slightly, staff will not need to bring this item back to the board.
- Staff indicated in response to an inquiry from the Committee that the District would not need to get voter approval for this type of financing. Staff explained that the Otay Water District Financing Authority and the Otay Service Corporation are utilized currently to issue bond debt. The Authority or Corporation issues the bonds and the District pledges revenues to pay these bonds back. A State Revolving Fund Loan is set up as an Installment Sale Agreement between the State and the District. An Installment Sale Agreement does not require voter approval because it is not the issuance of

bonds, but the exercise by the District of its power to acquire property pursuant to the authority granted to it in the Water Code of the State of California. Specifically, Water Code Section 71690 authorizes the District to purchase real and personal property.

- There was discussion that staff did look at the possibility of "water" loaning funding for this sewer infrastructure, but there were some limitations as the water funds would drop below target levels for approximately five (5) years. Staff recommends instead of a loan from the "water" side, that the funds be borrowed through the State Revolving fund as it is very inexpensive.

Following the discussion, the Committee supported staff's recommendation and presentation to the full board as a consent item.

# AGENDA ITEM 10b



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 4, 2015		
SUBMITTED BY:	Dan Martin Engineering Manager	PROJECT:	Various	DIV. NO.	ALL
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief of Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager				
SUBJECT:	Informational Item - Second Quarter Fiscal Year 2015 Capital Improvement Program Report				

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

No recommendation. This is an informational item only.

### **COMMITTEE ACTION:**

Please see Attachment A.

### **PURPOSE:**

To update the Board about the status of all CIP project expenditures and to highlight significant issues, progress, and milestones on major projects.

### **ANALYSIS:**

To keep up with growth and to meet our ratepayers' expectations to adequately deliver safe, reliable, cost-effective, and quality water, each year the District staff prepares a Six-Year CIP Plan that identifies the District's infrastructure needs. The CIP is comprised of four categories consisting of backbone capital facilities, replacement/renewal projects, capital purchases, and developer's reimbursement projects.





## ATTACHMENT A

<b>SUBJECT/PROJECT:</b> Various	Informational Item - Second Quarter Fiscal Year 2015 Capital Improvement Program Report
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### **COMMITTEE ACTION:**

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a Committee Meeting held on February 17, 2015, and the following comments were made:

- Staff provided a PowerPoint presentation to the Committee and indicated that the expenditures through the second quarter of FY 2015 totaled approximately \$3.1 million, which is about 30% of the District's fiscal year budget.
- Staff indicated that the District's FY 2015 CIP budget consists of 73 projects that total \$10.6 million and is divided into four categories:
  - Capital Facilities= \$3.1 million
  - Replacement/Renewal= \$6.7 million
  - Capital Purchases= \$.7 million
  - Developer Reimbursement= \$0.1 million
- The PowerPoint presentation included the following:
  - Total Life-to-Date Expenditures
  - CIP Budget Forecast vs. Expenditures. Staff noted that as of the Second Quarter, total expenditures for the end of Fiscal Year 2015 are estimated to be around 80% of the Fiscal Year budget.
  - Major CIP Projects
  - CIP Projects in Construction
  - Construction Contract Status of projects, contract amount with allowances, net change orders, and percent of project completion
  - Consultant Contract Status of contract amounts, approve payments to date, change orders, dates when contracts were signed and the end date of contracts

- Staff provided an update of the following construction projects that were active during the second quarter:
  - 870-1 Reservoir Access Road Paving (P2515) that is anticipated to be substantially complete by January 2015
  - 944-1, 944-2, and 458-2 Reservoir Interior/Exterior Coating and Upgrades (P2531, P2532, P2535) that are anticipated to be substantially completed by June 2015.
  - SR-11 Utility Relocations Sequence I (P2453) that is anticipated to be completed by July 2015.
  
- Staff highlighted that the Change Orders with Allowance Credit equaled to -1.8%.
  
- In response to an inquiry from the Committee, Staff stated that two projects have been advanced forward to help reconcile actual expenditures with budgeted forecasts. The Committee approved one project, the 450-1 Disinfection Facility Rehabilitation, at its February 17 meeting; and the second project will be presented at the March Committee meeting for consideration.
  
- The Committee inquired that if funds are not spent as anticipated, would it have an impact on rates; and what happens to the unspent funds at the end of the fiscal year. Staff responded that there is a slight impact on rates, but with the very low cost of funds. Staff discussed that unspent CIP funds roll over to the next fiscal year and remains in the District's reserves until they are needed to complete CIP projects. Every fiscal year, a budget process is performed to review what funding is required for the next six years. The goal of this process is to adjust to the economy with "just in time" delivery of facilities, be flexible to time sensitivity of projects, and look at the overall budget.

Following the discussion, the Committee supported staffs' recommendation and presentation to the full board as an informational item.

**FISCAL YEAR 2015  
2nd QUARTER REPORT  
(Expenditures through 12/31/2014)  
(\$ In Thousands)**

**EXHIBIT B**

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 12/31/14				LIFE-TO-DATE, 12/31/14				Comments
			FY 2015 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance		
<b>CAPITAL FACILITY PROJECTS</b>											
P2083	PS - 870-2 Pump Station Replacement	Marchioro	\$ 650	\$ 215	\$ 435	33%	\$ 16,500	\$ 1,143	\$ 15,357	7%	Pace slowed slightly as 3D model was added to project scope.
P2267	36-Inch Main Pumpouts and Air/Vacuum Ventilation Installations	Thompson	195	7	188	4%	435	241	194	55%	The majority of the \$188K will be spent throughout Q3 and Q4 FY 2015 completing inspection and installation of 6" air vacs. We are preparing budget to request additional funds and years on this CIP to complete the raising of air vacs above ground.
P2434	Rancho Del Rey Groundwater Well Development	Marchioro	75	100	(25)	133%	3,705	3,707	(2)	100%	Settlement to close out design consultant's agreement slightly higher than anticipated.
P2451	Otay Mesa Desalination Conveyance and Disinfection System	Kennedy	1,000	341	659	34%	30,000	2,901	27,099	10%	The District has delayed the Design of this project to keep pace with the progress in Mexico.
P2466	Regional Training Facility	Coburn-Boyd	3	-	3	0%	300	285	15	95%	The \$3K will not be expensed in FY 2015.
P2486	Asset Management Plan Condition Assessment and Data Acquisition	Zhao	75	7	68	9%	1,090	825	265	76%	On schedule to spend \$60K by the end of Q4 FY 2015 for an asset management consultant and InfoMaster software.
P2511	Otay Interconnect Pipeline	Marchioro	100	36	64	36%	2,005	2,017	(12)	101%	EIR certification on hold since pump station parcels owned by Caltrans may have an open space encumbrances. Design on hold.
P2537	Operations Yard Property Acquisition Improvements	Kennedy	100	99	1	99%	350	136	214	39%	This project is expected to be bid this Fiscal Year for award early FY 2016.
P2541	624 Pressure Zone PRSs	Marchioro	425	4	421	1%	600	210	390	35%	Construction postponed until FY 2016. Will be bid together with R2110.
P2547	District Administration Building Main Breaker Installation and Vehicle Charging Stations	Anderson	45	9	36	20%	50	9	41	18%	This main breaker project was completed June 2014 and paid with the Safety budget. The electric vehicle charging station is in early stages of design.
P2548	Sump Pump Installation at the 980-1 & 2 Reservoirs	Anderson	35	4	31	11%	35	4	31	11%	No change.
P2549	Fuel system upgrade	Payne	30	-	30	0%	30	-	30	0%	In process; to be completed by June 30, 2015
P2551	Blossom Lane Helix WD and Otay WD Interconnection	Beppler	5	3	2	60%	400	3	397	1%	Helix WD led project; design costs (about \$25,000) expected to be billed by June (combined P2551 & P2552).
P2552	South Barcelona Helix WD and Otay WD Interconnection	Beppler	5	3	2	60%	400	3	397	1%	
R2048	RecPL - Otay Mesa Distribution Pipelines and Conversions	Martin	1	-	1	0%	555	475	80	86%	No expenditures planned for Q2.
R2058	RecPL - 16-Inch, 860 Zone, Airway Road - Otay Mesa/Alta	Martin	1	-	1	0%	1,406	1,340	66	95%	No expenditures planned for Q2.
R2077	RecPL - 24-Inch, 860 Zone, Alta Road - Alta Gate/Airway	Beppler	25	-	25	0%	4,500	2,805	1,695	62%	Paving of surface road required to finish improvements per the reimbursement agreement with developer.
R2087	RecPL - 24-Inch, 927 Zone, Wueste Road - Olympic/Otay WTP	Cameron	5	-	5	0%	7,000	1,032	5,968	15%	Project on hold due to recycled water moratorium.
R2107	RWCWRF Screening Compactor and Chlorine Injectors Enclosure	Vaclavek	85	-	85	0%	215	101	114	47%	PO for compactor has been issued. Completion of project expected in FY 2015 Q4. with all funds utilized. Project 20% complete at this time.
R2108	Res - 927-1 Reservoir Cover Replacement	Marchioro	50	12	38	24%	1,400	1,075	325	77%	On target for upcoming warranty inspection.
R2110	RecPS - 944-1 Optimization and Pressure Zone modifications	Marchioro	50	2	48	4%	200	65	135	33%	Construction (PRS Vault 3 retrofit) postponed until FY 2016. Will be bid together with P2541.
R2114	Large Recycle Pump Replacement at the RWCWRF 927-1 Pump Station	Anderson	100	51	49	51%	100	51	49	51%	We have purchased one pump and currently working on purchasing the second pump.
R2117	RWCWRF Contact Basin Expansion Project	Beppler	20	13	7	65%	1,500	13	1,487	1%	Study should be completed by June; consultant fee is \$77,402; in-house costs should take it to about \$90,000.
S2043	RWCWRF Sludge Handling System	Beppler	5	3	2	60%	1,500	40	1,460	3%	No additional billings expected.
<b>Total Capital Facility Projects</b>			<b>Total:</b>	<b>3,085</b>	<b>909</b>	<b>2,176</b>	<b>29%</b>	<b>74,276</b>	<b>18,481</b>	<b>55,795</b>	<b>25%</b>
<b>REPLACEMENT/RENEWAL PROJECTS</b>											

**FISCAL YEAR 2015**  
**2nd QUARTER REPORT**  
(Expenditures through 12/31/2014)  
(\$ In Thousands)

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 12/31/14				LIFE-TO-DATE, 12/31/14				Comments
			FY 2015 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance		
P2366	APCD Engine Replacements and Retrofits	Rahders	5	16	(11)	320%	3,488	2,529	959	73%	There may be an expenditure of up to \$13,500 (\$8,500 over the budget) of a replacement emissions analyzer for FY 2015. Staff has performed a temporary repair to the District's APCD emissions analyzer. If the repair continues to hold, we will make the replacement of the analyzer a FY 2016 budget item.
P2382	Safety and Security Improvements	Ramirez	192	55	137	29%	3,222	2,074	1,148	64%	Expenditures will occur throughout the remaining Fiscal Year. Expect to be at budgeted point by end of Fiscal Year 2015.
P2440	I-905 Utility Relocations	Marchioro	5	3	2	60%	1,600	1,587	13	99%	Staff anticipates that Caltrans will issue an additional \$33,493 credit to Otay; however, the \$33K credit is on hold pending Caltrans' receipt of final accounting numbers from the City of San Diego's sewer contractor.
P2453	SR-11 Utility Relocations	Marchioro	600	510	90	85%	2,250	743	1,507	33%	Construction contract ahead of schedule. Positioned to spend \$1.2M rather than \$0.6M.
P2477	Res - 624-1 Reservoir Cover Replacement	Marchioro	5	3	2	60%	1,000	930	70	93%	On target for upcoming warranty inspection.
P2485	SCADA Communication System and Software Replacement	Vaclavek	655	112	543	17%	1,974	1,281	693	65%	Expect to spend only \$540,000 during FY 2015 due to a delay in the installation of the wireless radio system install.
P2493	624-2 Reservoir Interior/Exterior Coating	Cameron	50	59	(9)	118%	1,950	1,526	424	78%	Construction is complete, project is in the warranty period.
P2494	Multiple Species Conservation Plan	Coburn-Boyd	90	3	87	3%	950	813	137	86%	Expect to spend \$60-\$70,000 during the second half of FY 2015.
P2495	San Miguel Habitat Management/Mitigation Area	Coburn-Boyd	180	42	138	23%	2,100	1,074	1,026	51%	Expect to spend at least \$100,000 the second half of FY 2015.
P2496	Otay Lakes Road Utility Relocations	Martin	5	1	4	20%	325	301	24	93%	Project Acceptance pending final work by City.
P2504	Regulatory Site Access Road and Pipeline Relocation	Cameron	20	1	19	5%	900	329	571	37%	Project on hold.
P2507	East Palomar Street Utility Relocation	Cameron	175	29	146	17%	940	649	291	69%	Caltrans driving project. Utility agreements are in place for reimbursement. Contractor is 6 months behind schedule, anticipated completion in December 2015.
P2508	Pipeline Cathodic Protection Replacement Program	Marchioro	125	26	99	21%	300	75	225	25%	On target as final design scheduled to be completed second half of FY 2015.
P2515	870-1 Reservoir Paving	Martin	415	299	116	72%	550	452	98	82%	Project is in construction and is on track.
P2518	803-3 Reservoir Interior/Exterior Coating	Cameron	30	6	24	20%	700	632	68	90%	Construction is complete, project is in the warranty period.
P2519	832-2 Reservoir Interior/Exterior Coating	Cameron	30	9	21	30%	700	654	46	93%	Construction is complete, project is in the warranty period.
P2520	Motorola Mobile Radio Upgrade	Martinez	50	-	50	0%	135	77	58	57%	We are planning on utilizing the remaining budget to install VHF radios at all facilities.
P2529	711-2 Reservoir Interior & Exterior Coating	Cameron	5	-	5	0%	760	-	760	0%	Expenditures are planned for Q3.
P2530	711-1 Reservoir Interior & Exterior Coating	Cameron	10	-	10	0%	940	-	940	0%	Expenditures are planned for Q3.
P2531	944-1 Reservoir Interior & Exterior Coating	Martin	190	3	187	2%	240	9	231	4%	Project is in construction and is on track.
P2532	944-2 Reservoir Interior & Exterior Coating	Martin	900	96	804	11%	950	104	846	11%	Project is in construction and is on track.
P2533	1200-1 Reservoir Interior & Exterior Coating	Cameron	-	-	-	0%	365	-	365	0%	No expenditures planned in FY 2015.
P2534	978-1 Reservoir Interior & Exterior Coating	Cameron	-	-	-	0%	270	-	270	0%	No expenditures planned in FY 2015.
P2535	458-2 Reservoir Interior & Exterior Coating & Upgrades	Martin	585	33	552	6%	640	47	593	7%	Project is in construction and is on track.
P2538	Administration and Operations Building Fire Sprinkler Replacement Program	Cameron	65	24	41	37%	110	46	64	42%	Expenditures are planned for Q3. Project is on budget.
P2539	South Bay Bus Rapid Transit (BRT) Utility Relocations	Cameron	30	25	5	83%	375	54	321	14%	SANDAG driven project. Project is on budget.
P2542	850-3 Reservoir Interior Coating	Cameron	5	2	3	40%	480	2	478	0%	Expenditures are planned for Q3.
P2543	850-1 Reservoir Interior/Exterior Coating	Cameron	-	-	-	0%	460	-	460	0%	No expenditures planned in FY 2015.
P2544	850-2 Reservoir Interior/Exterior Reservoir Coating	Cameron	-	-	-	0%	940	-	940	0%	No expenditures planned in FY 2015.
P2545	980-1 Reservoir Interior Exterior Coating	Cameron	-	-	-	0%	1,250	-	1,250	0%	No expenditures planned in FY 2015.
P2546	980-2 Reservoir Interior/Exterior Coating	Cameron	-	-	-	0%	1,250	-	1,250	0%	No expenditures planned in FY 2015.
P2550	Fuel Island Upgrade	Payne	75	-	75	0%	75	-	75	0%	In process; to be completed by June 30, 2015.
P2553	Heritage Road Bridge Replacement and Utility Relocation	Cameron	5	-	5	0%	1,200	-	1,200	0%	City of Chula Vista driven project. Project is on budget.
R2109	Sweetwater River Wooden Trestle Improvement for the Recycled Water Forcemain	Beppler	50	32	18	64%	600	64	536	11%	Design (\$20,000 plus in-house costs of about \$8,000) should be completed by June. \$60,000 total this FY

**FISCAL YEAR 2015**  
**2nd QUARTER REPORT**  
(Expenditures through 12/31/2014)  
(\$ In Thousands)

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 12/31/14				LIFE-TO-DATE, 12/31/14				Comments	
			FY 2015 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance			
R2111	RWCWRF - RAS Pump Replacement	Beppler	310	63	247	20%	650	120	530	18%	Will see some construction costs before June (maybe a third of the \$315,315 contract amount), but majority will likely not be invoiced until FY 2016.	
R2112	450-1 Disinfection Facility Rehabilitation	Cameron	150	24	126	16%	190	24	166	13%	Design is complete. Construction planned for Q4. Project is on budget.	
R2113	Chlorine 1-ton Cylinder Emergency Close Valve	Vaclavek	37	30	7	81%	37	30	7	81%	Equipment received and 90% installed. Installation should be complete near the end of Q3 or beginning of Q4. All funds will be utilized by completion date.	
R2116	RecPL - 14-Inch, 927 Zone, Forcemain Assessment and Repair	Marchioro	100	64	36	64%	1,500	64	1,436	4%	Accelerated schedule. \$100K inspection/condition assessment work will be completed FY 2015. Proceeding with design of blow off improvements.	
S2012	San Diego County Sanitation District Outfall and RSD Outfall Replacement	Kennedy	150	-	150	0%	2,760	834	1,926	30%	No spending is expected this Fiscal Year. This is a County reimbursement and invoice will not be received until the end of the year.	
S2024	Campo Road Sewer Main Replacement	Beppler	600	172	428	29%	5,500	353	5,147	6%	Estimating between \$500,000 to \$600,000 this Fiscal Year; design services will continue into Fiscal Year 2016.	
S2027	Rancho San Diego Pump Station Rehabilitation	Beppler	150	6	144	4%	3,500	62	3,438	2%	Design will be completed this Fiscal Year; contract with County estimated to be around \$400,000 on the District.	
S2033	Sewer System Rehabilitation	Beppler	675	154	521	23%	6,000	761	5,239	13%	Construction (\$530,000) plus admin and in-house; next design phases (another \$35,000) expected to be completed this Fiscal Year for total of \$720,000.	
<b>Total Replacement/Renewal Projects</b>			<b>Total:</b>	<b>6,724</b>	<b>1,902</b>	<b>4,822</b>	<b>28%</b>	<b>54,126</b>	<b>18,300</b>	<b>35,826</b>	<b>34%</b>	
<b>CAPITAL PURCHASE PROJECTS</b>												
P2282	Vehicle Capital Purchases	Rahders	105	-	105	0%	5,021	2,900	2,121	58%	There is a PO issued for \$29,330 for one replacement pick up. Due to staffing reduction's there will be a savings of \$38,700 with no further expenses in this area.	
P2285	Office Equipment and Furniture Capital Purchases	Payne	15	-	15	0%	589	524	65	89%	Anticipate spending in Q4 FY 2015.	
P2286	Field Equipment Capital Purchases	Rahders	65	13	52	20%	1,758	1,303	455	74%	Staff is anticipating an expense of \$21,000 by end of the Q3 FY 2015 (and should expect a savings of \$3,000).	
P2469	Information Technology Network and Hardware	Kerr	175	170	5	97%	2,509	1,845	664	74%	Staff has expenditures of approximately \$42,000 for hardware and anticipates that no additional items will be hitting this CIP this Fiscal Year. (We will utilize next year's assigned budgetary numbers for hardware (\$150,000-\$160,000). We will be over the \$100,000 assigned threshold, but will seek to close out the CIP shortly thereafter.)	
P2470	Financial System Enhancements	Kerr	100	5	95	5%	2,265	1,677	588	74%	Staff anticipates the spending for add-on components to our existing ERP solutions with purchases of items totaling \$50,000.	
P2540	Work Order Management System Replacement	Kerr	300	137	163	46%	700	255	445	36%	Staff is currently working with the consultants and anticipates additional expenditures of \$75,000 to close out FY 2014/2015.	
<b>Total Capital Purchase Projects</b>			<b>Total:</b>	<b>760</b>	<b>325</b>	<b>435</b>	<b>43%</b>	<b>12,842</b>	<b>8,504</b>	<b>4,338</b>	<b>66%</b>	
<b>DEVELOPER REIMBURSEMENT PROJECTS</b>												
R2028	RecPL - 8-Inch, 680 Zone, Heritage Road - Santa Victoria/Otay Valley	Martin	1	-	1	0%	600	-	600	0%	No expenditures planned for Q2.	
R2042	RecPL - 8-Inch, 927 Zone, Rock Mountain Road - SR-125/EastLake	Martin	1	-	1	0%	140	-	140	0%	No expenditures planned for Q2.	
R2047	RecPL - 12-Inch, 680 Zone, La Media Road - Birch/Rock Mountain	Martin	1	-	1	0%	450	-	450	0%	No expenditures planned for Q2.	
R2082	RecPL - 24-Inch, 680 Zone, Olympic Parkway - Village 2/Heritage	Martin	1	-	1	0%	1,747	-	1,747	0%	No expenditures planned for Q2.	
R2083	RecPL - 20-Inch, 680 Zone, Heritage Road - Village 2/Olympic	Martin	1	-	1	0%	400	-	400	0%	No expenditures planned for Q2.	
R2084	RecPL - 20-Inch, 680 Zone, Village 2 - Heritage/La Media	Martin	1	-	1	0%	970	1	969	0%	No expenditures planned for Q2.	

**FISCAL YEAR 2015**  
**2nd QUARTER REPORT**  
 (Expenditures through 12/31/2014)  
 (\$ In Thousands)

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 12/31/14				LIFE-TO-DATE, 12/31/14				Comments
			FY 2015 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance		
R2085	RecPL - 20-Inch, 680 Zone, La Media - State/Olympic	Martin	1	-	1	0%	600	-	600	0%	No expenditures planned for Q2.
	<b>Total Developer Reimbursement Projects</b>	<b>Total:</b>	<b>7</b>	<b>-</b>	<b>7</b>	<b>0%</b>	<b>4,907</b>	<b>1</b>	<b>4,906</b>	<b>0%</b>	
	<b>GRAND TOTAL</b>		<b>\$ 10,576</b>	<b>\$ 3,136</b>	<b>\$ 7,440</b>	<b>30%</b>	<b>\$ 146,151</b>	<b>\$ 45,286</b>	<b>\$ 100,865</b>	<b>31%</b>	

# Otay Water District Capital Improvement Program

Fiscal Year 2015  
Second Quarter  
(through December 31, 2014)



870-1 Reservoir Access Road  
Asphalt Concrete Paving Operation

# Background

The approved CIP Budget for Fiscal Year 2015 consists of 73 projects that total \$10.6 million. These projects are broken down into four categories.

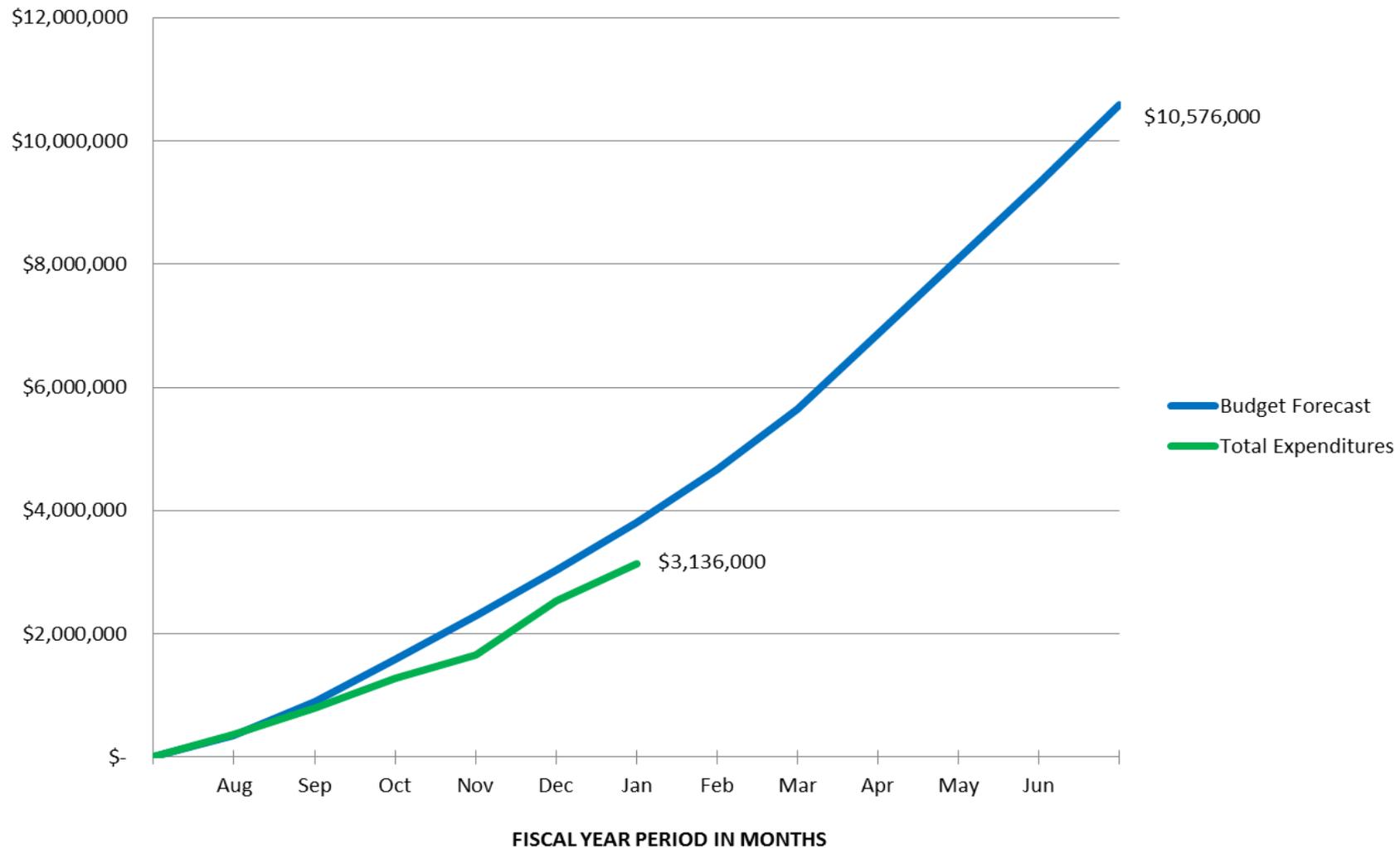
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|----------------------------|----------------|
| 1. Capital Facilities      | \$ 3.1 million |
| 2. Replacement/Renewal     | \$ 6.7 million |
| 3. Capital Purchases       | \$ 0.7 million |
| 4. Developer Reimbursement | \$ 0.1 million |

Overall expenditures through the Second Quarter of Fiscal Year 2015 totaled \$3.1 million, which is approximately 30% of the Fiscal Year budget.

# Fiscal Year 2015 Second Quarter Update (\$1,000)

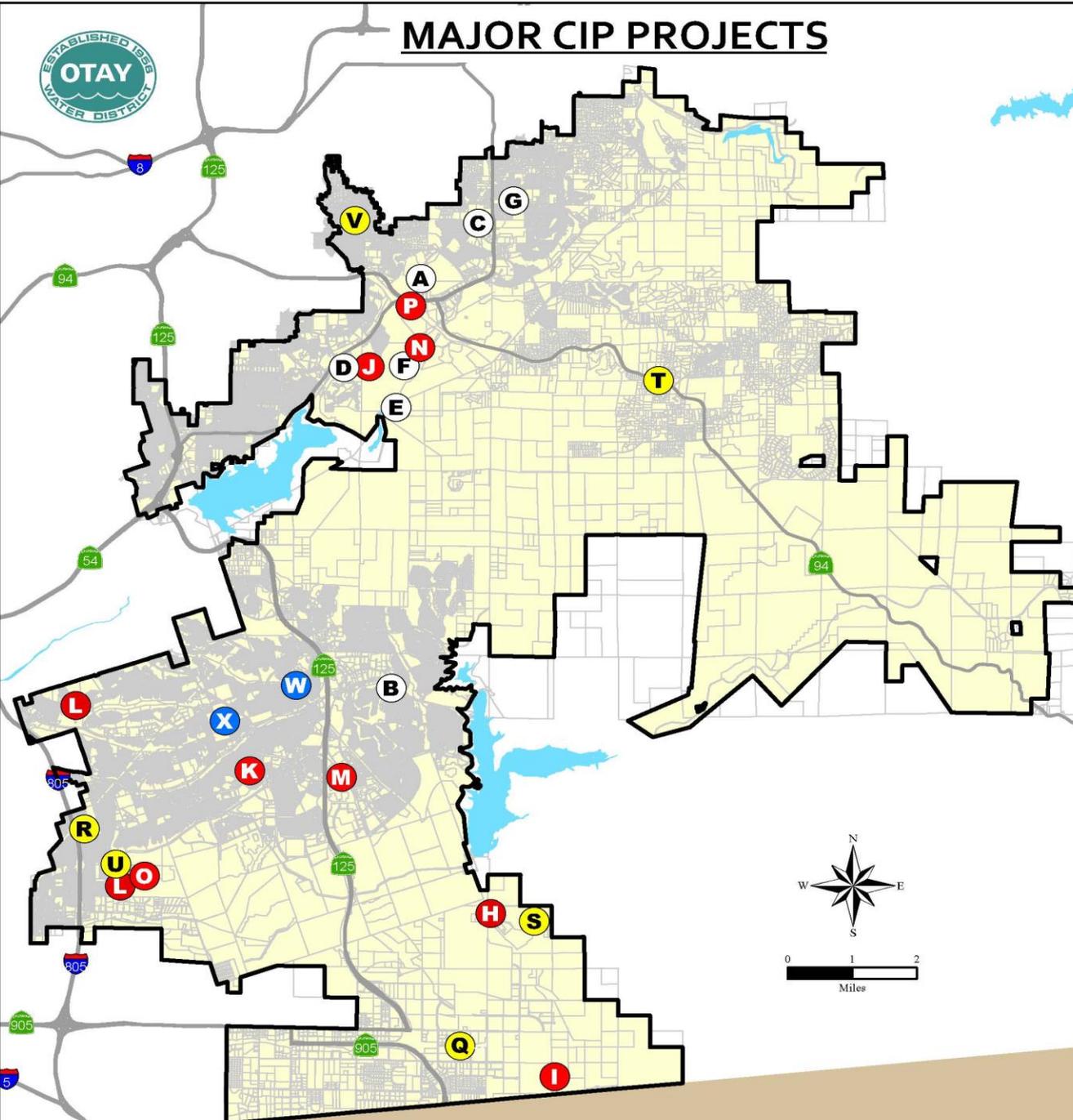
CIP CAT	Description	FY 2015 Budget	FY 2015 Expenditures	% FY 2015 Budget Spent	Total Life-to- Date Budget	Total Life-to-Date Expenditures	% Life-to- Date Budget Spent
1	<b>Capital Facilities</b>	\$3,085	\$909	29%	\$74,276	\$18,481	25%
2	<b>Replacement/ Renewal</b>	\$6,724	\$1,902	28%	\$54,126	\$18,300	34%
3	<b>Capital Purchases</b>	\$760	\$325	43%	\$12,842	\$8,504	66%
4	<b>Developer Reimbursement</b>	\$7	\$0	0%	\$4,907	\$1	0%
	<b>Total:</b>	\$10,576	\$3,136	30%	\$146,151	\$45,286	31%

# Fiscal Year 2015 Second Quarter CIP Budget Forecast vs. Expenditures





# MAJOR CIP PROJECTS



## PLANNING - 7

- (A)** P2504 - Regulatory Site Access Road & Pipeline Relocation
- (B)** P2530/P2529 - 711-1 & 711-2 Reservoir Interior/Exterior Coating
- (C)** P2542 - 850-3 Reservoir Interior Coating
- (D)** P2547 - District Administration Vehicle Charging Stations
- (E)** R2116 - 14-Inch Forcemain Assessment and Repair
- (F)** R2117 - RWCWRF Contact Basin Expansion
- (G)** S2033 - Rancho San Diego Basin Sewer Rehab - Phase 1

## DESIGN - 9

- (H)** P2083 - 870-2 Pump Station Replacement
- (I)** P2451 - Otay Mesa Conveyance and Disinfection System
- (J)** P2537 - Operations Yard Property Acquisition Improvements
- (K)** P2539 - South Bay Bus Rapid Transit (BRT) Utility Relocations
- (L)** P2541 - 624PZ Pressure Reducing Stations
- (M)** R2110 - 944-1 Optimization and Pressure Zone Modifications
- (N)** R2111 - RAS Pump Replacement
- (O)** R2112 - 450-1 Disinfection Facility Rehabilitation
- (P)** S2024 - Campo Road Sewer Main Replacement

## CONSTRUCTION - 6

- (Q)** P2453 - SR-11 Utility Relocations
- (R)** P2507 - East Palomar Street Utility Relocation
- (S)** P2515 - 870-1 Reservoir Paving
- (T)** P2531/P2532 - 944-1 & 944-2 Reservoir Interior/Exterior Coating
- (U)** P2535 - 458-2 Reservoir Interior/Exterior Coating
- (V)** S2033 - Calavo Basin Sewer Rehab - Phase 1

## COMPLETED - 2

- (W)** P2493 - 624-2 Reservoir Interior Coating & Upgrades
- (X)** P2496 - Otay Lakes Road Utility Relocations Phase II

Fiscal Year 2015 - 2nd Quarter

# CIP Projects in Construction

- 870-I Reservoir Access Road Paving (P2515)
- Install New Asphalt Concrete Paved Perimeter Access Road for the Reservoir.
- Replace Existing Dirt Road with New Paved Road. Construct New Entrance Gate.
- \$0.55M Budget
- Start: October 2014
- Estimated Completion: January 2015



Asphalt Concrete Dike Installation



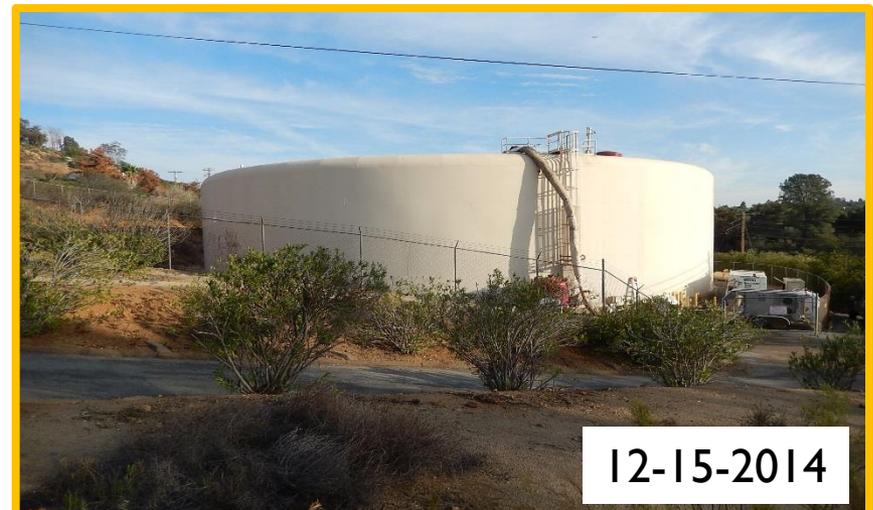
870-I Reservoir Slurry Seal Installation

# CIP Projects in Construction

- 944-1, 944-2, & 458-2 Reservoir Interior/Exterior Coating & Upgrades (P2531, P2532, P2535)
- Remove and Replace Deteriorating Reservoir Coatings.
- Structural Modifications to Increase Service Life.
- \$1.83M Budget
- Start: November 2014
- Estimated Completion: June 2015



944-2 Reservoir - Cutting Door Sheet for Access



944-2 Reservoir – Interior Sandblasting Operation

# CIP Projects in Construction

- SR-II Utility Relocations Sequence I (P2453)
- Relocate Existing Water Facilities to support SR-II Construction.
- \$2.25M Budget
- Start: February 2014
- Estimated Completion: July 2015



Fabricated 18" Steel Pipe Stored at Northwest Pipe Company Adelanto CA Facility

# Construction Contract Status

CIP NO.	PROJECT TITLE	CONTRACTOR	BASE BID AMOUNT	CONTRACT AMOUNT W/ ALLOWANCES	NET CHANGE ORDERS LTD*		CURRENT CONTRACT AMOUNT	TOTAL EARNED TO DATE	% CHANGE ORDERS W/ ALLOWANCE CREDIT**	% COMPLETE	EST. COMP. DATE
					PROJECT TOTAL	%					
P2453	SR-11 Potable Water Utility Relocations - Sequence 1	Coffman Specialties, Inc.	\$947,380	\$992,380	\$16,047	1.7%	\$963,427	\$431,335	-2.9%	44.8%	July 2015
P2493	624-2 Reservoir Coating	Advanced Industrial Services	\$1,169,000	\$1,199,000	\$0	0.0%	\$1,180,770	\$1,180,770	-1.5%	100.0%	Completed August 2014
P2515	870-1 Reservoir Access Road Paving	RAP Engineering Inc.	\$205,566	\$207,362	\$9,611	4.7%	\$215,177	\$196,557	3.8%	91.3%	January 2015
P2531 P2532 P2535	944-1, 944-2, & 458-2 Reservoirs Interior/Exterior Coating & Upgrades	Olympus and Associates Inc.	\$1,146,008	\$1,206,008	\$0	0.0%	\$1,179,944	\$42,550	-2.2%	3.6%	June 2015
S2033	Calavo Basin Sewer Rehabilitation Phase 1	Arrieta Construction Inc.	\$521,890	\$529,490	\$0	0.0%	\$521,890	\$0	-1.4%	0.0%	July 2015
<b>TOTALS:</b>			<b>\$3,989,844</b>	<b>\$4,134,240</b>	<b>\$25,658</b>	<b>0.6%</b>	<b>\$4,061,208</b>	<b>\$1,851,211</b>	<b>-1.8%</b>		

\*NET CHANGE ORDERS DO NOT INCLUDE ALLOWANCE ITEM CREDITS. IT'S A TRUE CHANGE ORDER PERCENTAGE FOR THE PROJECT

\*\*THIS CHANGE ORDER RATE INCLUDES THE CREDIT FOR UNUSED ALLOWANCES



# Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
<b>PLANNING</b>										
ATKINS	Varies	2015 WATER FACILITIES MASTER PLAN UPDATE	\$ 434,731.00	\$ -	\$ 434,731.00	\$ 110,923.38	0.0%	25.5%	1/28/2014	12/31/2016
CAROLLO ENGINEERS, INC.	VARIES	2015 INTEGRATED WATER RESOURCES PLAN UPDATE	\$ 99,993.00	\$ -	\$ 99,993.00	\$ -	0.0%	0.0%	11/17/2014	6/30/2016
WATER SYSTEMS CONSULTING INC	VARIES	AS-NEEDED HYDRAULIC MODELING FY 15/16	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 27,775.00	0.0%	15.9%	7/15/2014	6/30/2016
<b>DESIGN</b>										
AECOM	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (DESIGN ENGINEER)	\$ 3,910,297.00	\$(228,365.00)	\$ 3,681,932.00	\$ 953,503.52	-5.8%	25.9%	1/6/2011	6/30/2018
AEGIS ENGINEERING MGMT INC	Varies	AS-NEEDED DESIGN SERVICES FY 13-14	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 174,877.78	0.0%	58.3%	11/1/2012	6/30/2015
ARCADIS U.S., INC.	P2434, P2511	VALUE ENGINEERING AND CONSTRUCTIBILITY REVIEW	\$ 153,628.00	\$ -	\$ 153,628.00	\$ 70,208.73	0.0%	45.7%	1/24/2012	6/30/2016
ARCADIS U.S. INC	VARIES	AS-NEEDED DESIGN FY 15-16	\$ 300,000.00	\$ -	\$ 300,000.00	\$ -	0.0%	0.0%	9/11/2014	6/30/2016
ATKINS	Varies	AS-NEEDED ENGINEERING DESIGN SERVICES FY 12-13	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 155,536.56	0.0%	88.9%	10/26/2011	6/30/2015
BROWNSTEIN HYATT FARBER SCHRECK	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 5,620.54	\$ -	\$ 5,620.54	\$ -	0.0%	0.0%	7/9/2013	6/30/2015



# Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
<b>DESIGN</b>										
BSE ENGINEERING INC	Varies	AS-NEEDED ELECTRICAL SERVICES	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 27,117.62	0.0%	27.1%	7/1/2012	6/30/2015
CAROLLO ENGINEERS INC	P2083	DESIGN/CONSTRUCTION FOR 870-2 PS	\$ 624,910.00	\$ 29,000.00	\$ 653,910.00	\$ 242,996.03	4.6%	37.2%	10/11/2013	12/31/2017
DARNELL & ASSOCIATES	Varies	AS-NEEDED TRAFFIC ENGINEERING SERVICES	\$ 125,000.00	\$ -	\$ 125,000.00	\$ 27,920.00	0.0%	22.3%	7/1/2012	6/30/2015
EPIC FIRE PROTECTION INC	P2538	MIC TREATMENT SYSTEM	\$ 20,300.00	\$ -	\$ 20,300.00	\$ 20,300.00	0.0%	100.0%	7/31/2014	8/20/2014 COMPLETE
HDR ENGINEERING INC	Varies	CORROSION SERVICES FY14-FY16	\$ 684,750.00	\$ -	\$ 684,750.00	\$ 178,008.22	0.0%	26.0%	11/22/2013	12/31/2015
HECTOR MARES-COSSIO	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 120,000.00	\$ -	\$ 63,000.00	\$ 63,000.00	0.0%	100.0%	4/1/2013	9/15/2014 COMPLETE
LEE & RO INC	P2511	OTAY INTERCONNECT PIPELINE	\$ 2,769,119.00	\$ -	\$ 2,769,119.00	\$1,101,916.23	0.0%	39.8%	11/4/2010	12/31/2015
LEONARD H VILLARREAL	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 875.00	\$ -	\$ 875.00	\$ 875.00	0.0%	100.0%	3/21/2014	3/21/2015
MICHAEL D.KEAGY REAL ESTATE	Varies	AS-NEEDED APPRAISAL SERVICES FY13-14	\$ 45,000.00	\$ -	\$ 45,000.00	\$ 31,000.00	0.0%	68.9%	9/17/2012	6/30/2015
PIPELINE INSPECTION & CONDITION ANALYSIS CORPORATION	R2116	INSPECTION AND CONDITION ASSESSMENT OF THE RALPH W. CHAPMAN WATER RECYCLING FACILITY 14-INCH FORCE MAIN	\$ 302,092.00	\$ -	\$ 302,092.00	\$ -	0.0%	0.0%	12/18/2014	4/30/2015
PSOMAS	VARIABLES	AS-NEEDED DESIGN FY 15-16	\$ 300,000.00	\$ -	\$ 300,000.00	\$ -	0.0%	0.0%	9/11/2014	6/30/2016
RICK ENGINEERING COMPANY	S2024	CAMPO ROAD SEWER MAIN REPLACEMENT PROJECT	\$ 805,705.00	\$ -	\$ 805,705.00	\$ 150,888.07	0.0%	18.7%	5/27/2014	12/31/2017



# Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
<b>DESIGN</b>										
SILVA SILVA CONSULTING	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 115,000.00	\$ -	\$ 115,000.00	\$ 28,289.05	0.0%	24.6%	5/1/2014	6/30/2016
SIMON WONG ENGINEERING	R2109	WOODEN TRESTLE IMPROVEMENT	\$ 26,790.00	\$ -	\$ 26,790.00	\$ 26,790.00	0.0%	100.0%	5/1/2014	12/31/2015
SOUTHERN CALIFORNIA SOIL	Varies	GEOTECHNICAL SERVICES FY 13-15	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 57,010.81	0.0%	32.6%	12/10/2012	6/30/2015
STUTZ ARTIANO SHINOFF & HOLTZ	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 780.00	\$ -	\$ 780.00	\$ 780.00	0.0%	100.0%		
TETRA TECH, INC	P2434	RANCHO DEL REY WELL - PHASE 2	\$ 724,493.50	\$ 23,749.00	\$ 748,242.50	\$ 491,684.17	3.3%	65.7%	4/28/2011	12/31/2014 COMPLETE
(W)RIGHT ON COMMUNICATIONS, INC.	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 49,000.00	\$ -	\$ 49,000.00	\$ 26,325.95	0.0%	53.7%	5/1/2014	5/1/2015
<b>CONSTRUCTION SERVICES</b>										
AIRX UTILITY SURVEYORS	Varies	AS-NEEDED SURVEYING SERVICES FY 14-15	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 92,903.00	0.0%	53.1%	9/18/2013	6/30/2015
ALYSON CONSULTING	Varies	CONSTRUCTION MGMT/INSPECTION FY 13-15	\$ 350,000.00	\$ -	\$ 350,000.00	\$ 206,645.00	0.0%	59.0%	10/24/2012	6/30/2015
HARPER & ASSOCIATES	P2493	COATING INSPECTION SERVICES ON THE 624-2 & 458-2 RESERVOIR	\$ 75,160.00	\$ -	\$ 75,160.00	\$ 75,155.00	0.0%	100.0%	8/27/2013	7/3/2014 COMPLETE
RBF CONSULTING, INC	P2083	870-2 PS CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES	\$ 853,457.00	\$ -	\$ 853,457.00	\$ 15,742.00	0.0%	1.8%	7/30/2014	12/31/2017
<b>ENVIRONMENTAL</b>										
HELIX ENVIRONMENTAL	VARIES	MAINTENANCE AND MONITORING OF THE SAN MIGUEL HABITAT MANAGEMENT AREA AND CIP ASSOCIATED MITIGATION PROJECTS	\$ 476,173.00	\$ -	\$ 476,173.00	\$ -	0.0%	0.0%	12/19/2014	12/31/2017
ICF INTERNATIONAL JONES & STOKES INC	VARIES	AS-NEEDED ENVIRONMENTAL SERVICES FY 15/16/17	\$ 375,000.00	\$ -	\$ 375,000.00	\$ 19,268.09	0.0%	5.1%	7/18/2014	6/30/2017



# Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
<b>ENVIRONMENTAL</b>										
MERKEL & ASSOCIATES	Varies	SAN MIGUEL HABITAT MANAGEMENT AREA AND CIP-ASSOCIATED MITIGATION PROJECTS	\$ 359,079.00	\$ 26,750.00	\$ 385,829.00	\$ 385,829.00	7.4%	100.0%	12/20/2011	12/31/2014 COMPLETE
RECON	P2494	PREPARATION OF THE SUBAREA PLAN	\$ 270,853.00	\$ -	\$ 270,853.00	\$ 193,262.61	0.0%	71.4%	3/28/2008	6/30/2015
<b>WATER RESOURCES</b>										
MICHAEL R. WELCH	Varies	ENGINEERING PLANNING SVCS.	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 8,250.00	0.0%	8.3%	4/9/2014	6/30/2019
<b>PUBLIC SERVICES</b>										
AEGIS ENGINEERING MANAGEMENT	Varies	AS-NEEDED DEVELOPER PROJECTS FY 14-15	\$ 350,000.00	\$ 24,000.00	\$ 374,000.00	\$ 269,889.86	6.9%	72.2%	8/26/2013	6/30/2015
<b>TOTALS:</b>			\$15,927,806.04	\$(124,866.00)	\$15,745,940.04	\$5,234,670.68	-0.8%			



# QUESTIONS?

# AGENDA ITEM 10c



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 4, 2015
		PROJECT:	Various DIV. NO. ALL
SUBMITTED BY:	Geoff Stevens, Chief Information Officer		
APPROVED BY:			
	<input checked="" type="checkbox"/> German Alvarez, Asst. General Manager		
	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	INFORMATIONAL ITEM - FISCAL YEAR 2015 MID-YEAR STRATEGIC PLAN AND PERFORMANCE MEASURES REPORT		

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

No recommendation. This is an informational item only.

### **COMMITTEE ACTION:**

See "Attachment A".

### **PURPOSE:**

To provide a mid-year report on the District's Strategic Performance Plan for FY2015.

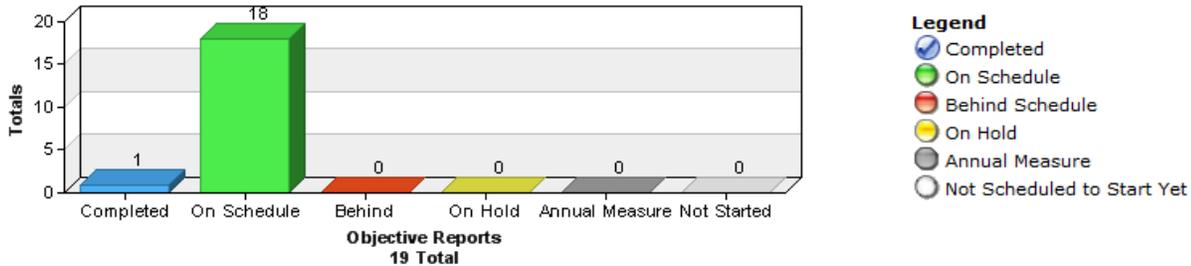
### **ANALYSIS:**

The District is in the first year of the FY2015-2018 Strategic Plan. At the end of the second quarter of FY2015, the total results for both the Strategic Objectives and the Performance Measures exceeded the designated targets.

Strategic Plan Objectives

## 100% Of Strategic Plan Objectives On Schedule

### Objectives: All Departments

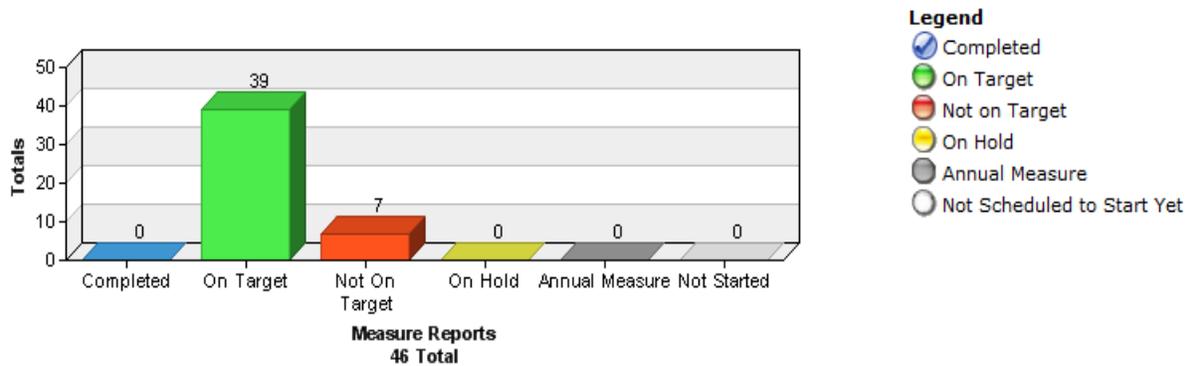


Strategic Plan Objectives are designed to ensure the District, as a whole, is making the appropriate high-level changes necessary to move the agency in the planned direction to meet new challenges and opportunities. The Strategic Objective results at mid-year were above target with all 19 items (100%) completed or on schedule. The designated target is 90%.

Performance Measures

## 85% Of Performance Measures On Target

### YTD Measures: All Departments



Performance Measures are designed to track the day-to-day performance of the District. These items measure the effectiveness and efficiency of daily operations. Where possible, staff utilizes the AWWA Qualserve Benchmarks as the basis for comparison. FY15 second quarter results for measures were 39 of 46 (85%) on or above target. This exceeds the combined target of 75%.

Next Steps

Staff conducted a workshop with the Board on January 27, 2015, to gain insight and support for the newly revised objectives for the FY16-FY18 plan. Staff is finalizing these objectives and also revising the targets for performance measures. The revised objectives and performance measures will be presented to the Board as the initial step of the FY16 budget approval process in May 2015.

Committee Reports - Slideshow

The Strategic Plan results are presented to both the Finance, Administration and Communications Committee and the Engineering, Operations and Water Resources Committee with a specific focus on the most relevant information for each Committee.

Strategic Plan Available to Board from the Internet

All of the strategic plan results and associated details are provided in an online web-based application available to the Board through a VPN connection available from the District Secretary.

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

Informational item only, no fiscal impact.

**STRATEGIC GOAL:**

Strategic Plan and Performance Measures reporting is a critical element in providing performance reporting to the Board and staff.

**LEGAL IMPACT:**

None

Attachments:    Attachment A - Committee Action  
                  Attachment B - Strategic Plan Results Graphs Q2 FY2015



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	INFORMATIONAL ITEM - FISCAL YEAR 2015 MID-YEAR STRATEGIC PLAN AND PERFORMANCE MEASURES REPORT
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### COMMITTEE ACTION:

The Engineering, Operations and Water Resources and the Finance, Administration and Communications Committees reviewed this item at a meeting held on February 17 and 18, 2015, respectively. The following comments were made:

- A PowerPoint presentation on the Strategic Plan FY 2015 Quarter 2 Results were provided to the Committee.
- Staff indicated that 100% of the Strategic Objectives were above target with all 19 items completed or on schedule. The target is 90%.
- Staff discussed the Performance Measures of which 39 of 46 (85%) were on or above target. The target was 70%.
- Staff indicated that the Gallons Per Capita Per Day (1.3.103) is on target, which is consistent with the weather. The District's target is to be below 172 Gallons Per Capita Per Day.
- The Health & Safety Severity Rate (1.4.104, Qualserve) did not meet its target. This objective is a ratio measure of the number of lost time days over the number of total employee labor days. It was indicated that this measure can easily be below target if only one (1) employee is out for an extended period of time, which is the reason this measure is below target.
- The CIP Project Expenditure vs. Budget (2.2.200) is under target due to unforeseen issues that are beyond the District's control. Staff noted during the CIP Quarterly Update that as of the Second Quarter, total expenditures for the end of Fiscal Year 2015 are estimated to be around 80% of the Fiscal Year budget.
- There is no measurement this quarter for Project Closeout Time (2.3.203) as no projects closed during the second quarter.

- Bill Accuracy (QualServe) (3.2.302) was below target as the District had an issue with an error in a billing table which led to a billing error to some customers.
- Overtime Percentage (3.2.303) is on target overall. The overtime measure is set by budget.
- Website Hits (4.4.402) significantly exceeded the District's target. Staff will likely adjust this target because when the target was set, it was not anticipated that many of the visits to the District's website would be from customers wishing to pay their bill.
- The Planned Recycled Water Maintenance Ratio in \$ (5.2.503) did not meet the District's target. Staff indicated that in the first quarter, the District had a large break on the recycled system which was very costly to fix (this repair was covered by insurance). In the third and fourth quarter there was a leak on the District's forcemain. Because these issues increased the District's maintenance cost, the District did not meet the target for this measure.
- Leak Detection Program (5.2.520) is reported annually in the 3<sup>rd</sup> quarter. Staff indicated that it will be on target when 20% of the distribution system is surveyed for leaks.
- Potable Water Distribution System Integrity (QualServe) 5.3.512 is measured to have no more than 16 leaks and breaks per 100 miles of distribution piping in a single year. During this quarter, three (3) breaks occurred.
- Planned Water Service Disruption Rate (QualServe) 5.3.513 is consistent with the Potable Water Distribution System Integrity measurement.
- Emergency Facility Testing 5.3.519 is a new measurement that was developed last year to have all District facilities tested per year.
- Critical Valve Exercising Program 5.3.525 is a new measurement that was developed to have no less than 520 critical valves exercised in a single year.
- Staff indicated that this information is also available on the District's website where the actual quarterly entries made by the District's employees can be viewed.

- Staff indicated that, in general, the District is above target in both the measures and objectives.
- It was shared that staff is working on finalizing the objectives for FY 2016 and will be spending time resetting the targets for the performance measures. Staff is also discussing developing a "super" set of performance measures that may be more focused at the enterprise level, such as, employees per customer which would better document the District's accomplishments.
- Staff indicated that the Senior Team has scheduled three (3) more meetings to closely review the Strategic Plan targets and to also develop project plans. This will help in preparing for the budget presentation in May 2015, which will include the FY Strategic Plan for 2016-2018.
- In response to a question by the Committee, staff stated that information is entered into a data system by employees which is then reviewed by the managers. The goal is to have the employees who perform the work, enter the data themselves as much as possible. It was noted that supervisors and managers share the Strategic Plan's performance and measurement results with their employees and that Board members have access to the Strategic Plan information via the extranet.
- Staff indicated, in response to an inquiry from the committee, that two (2) things impact overtime; hours worked and pay increases. In the first quarter, the District was at or below target in terms of hours worked. However, with the COLA pay increase, there was a slight cost increase in overtime which impacted the measure. It was indicated that staff manages overtime actively to limit or eliminate the need for overtime through the flexibility in scheduling. Staff noted that the District does get exposed to unplanned overtime when there are unplanned events, such as, pipeline breaks, etc.
- Staff indicated in the FY 2015 plan the District implemented the City Works System, SCADA, updated its Safety Programs, etc. In FY 2016- 2018, the District will be using these systems to to streamline and enhance business processes.
- Staff indicated that the next step is to implement the FY 2016-2018 Strategic Plan. In May 2015 staff will present the FY 2016 Strategic Plan as part of the FY 2016 Budget.

Following the discussion, the committees recommended presentation to the full board as an informational item.

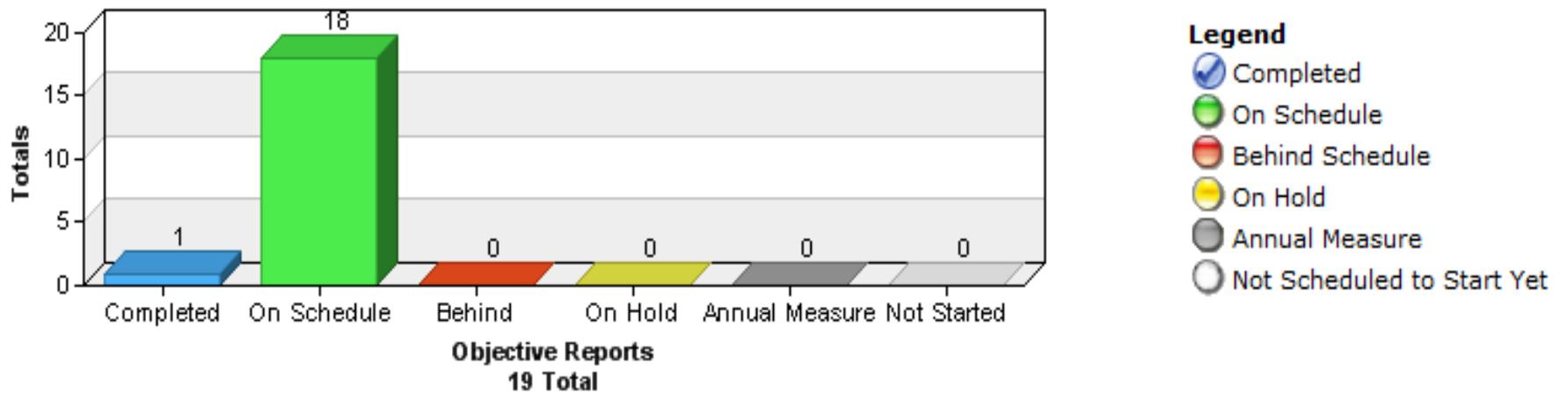


# Strategic Plan

## FY 2015 Quarter 2 Results

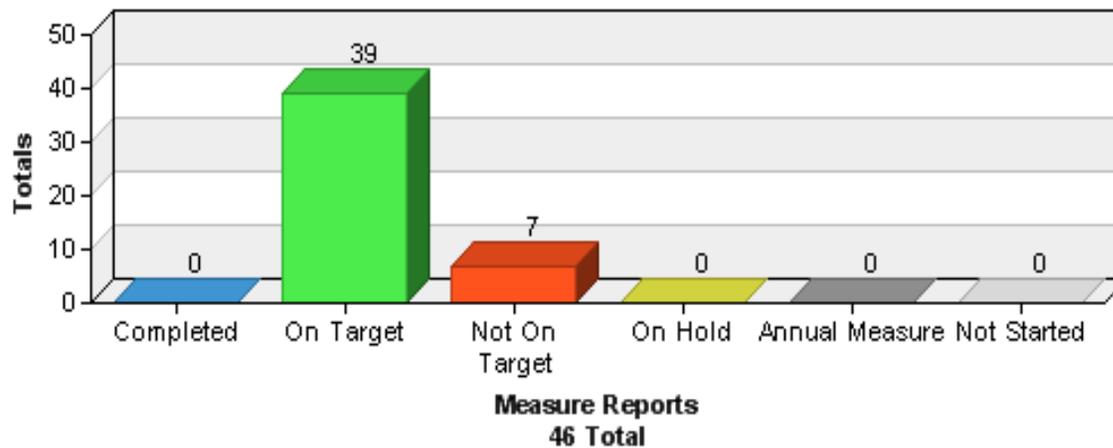
# All Objectives Are on Schedule or Completed

## Objectives: All Departments



# 85% of Performance Measures Meet the Target

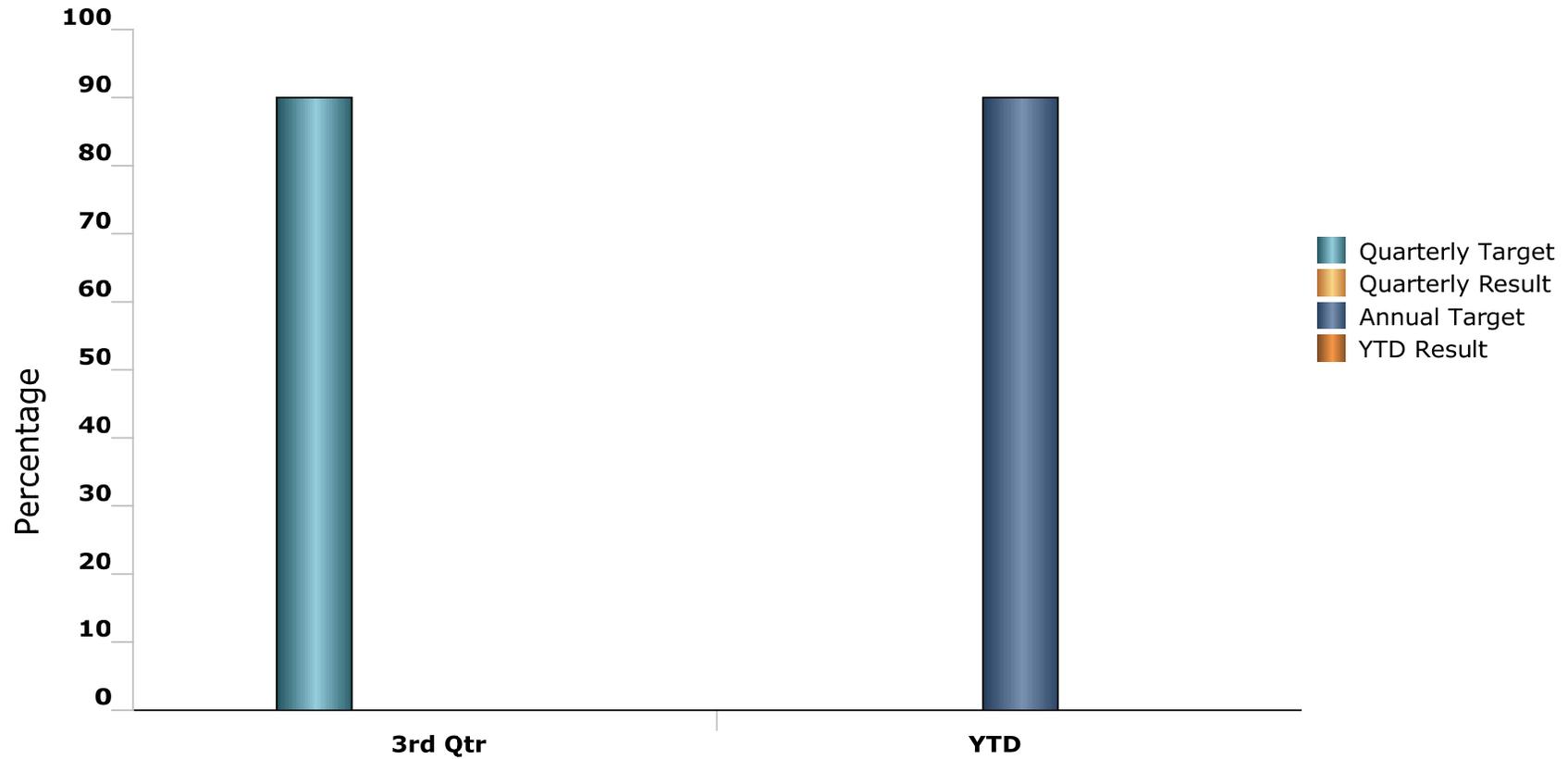
## YTD Measures: All Departments



### Legend

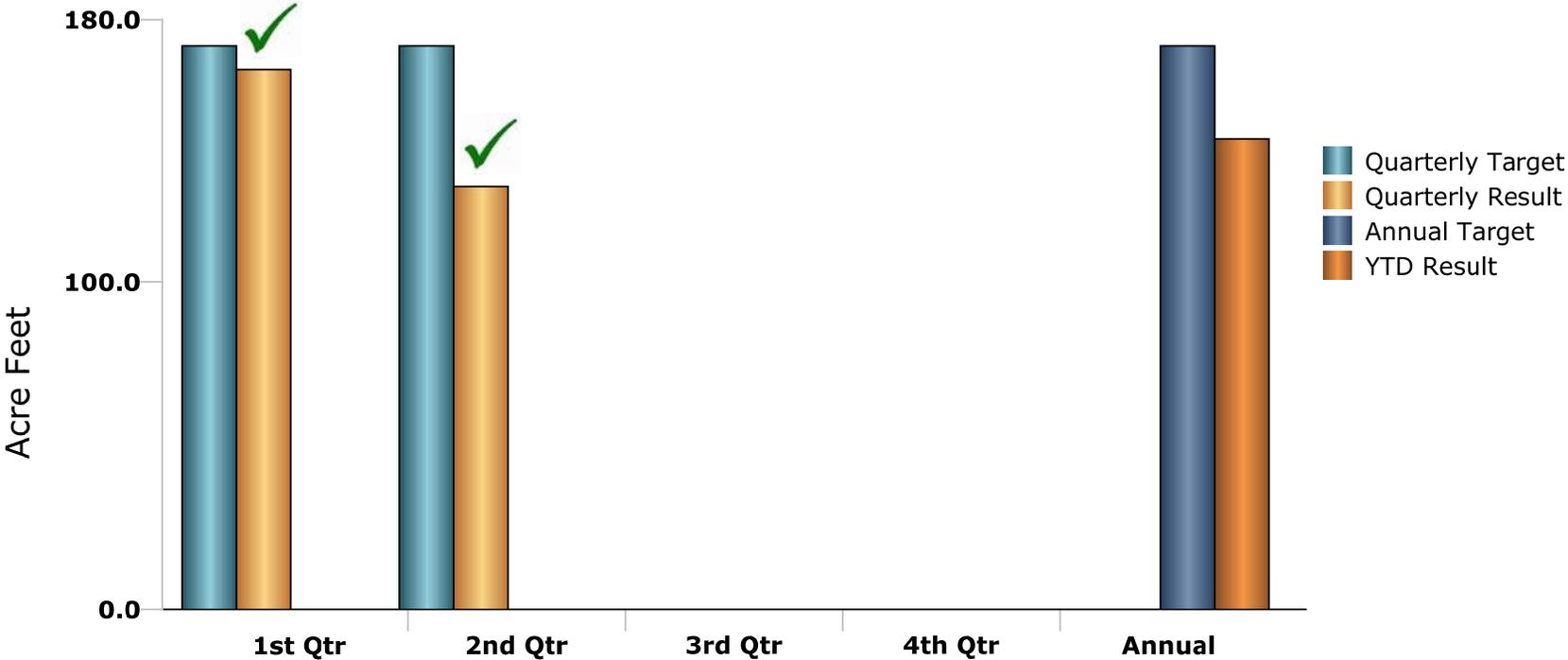
- Completed
- On Target
- Not on Target
- On Hold
- Annual Measure
- Not Scheduled to Start Yet

# Customer Satisfaction 1.1.100



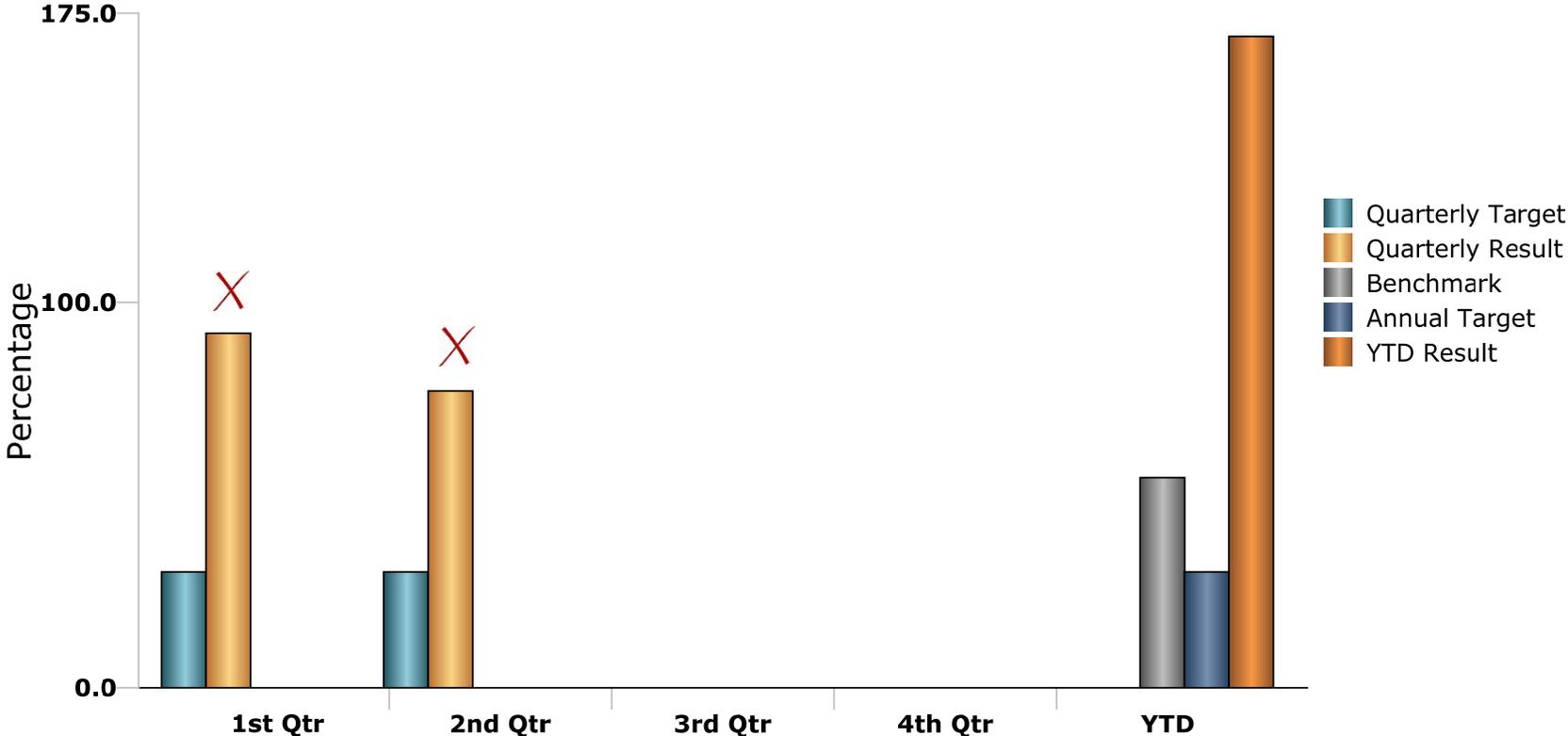
Measure 1.1.100, Customer Satisfaction, is an annual survey that is reported in the third quarter and represents the results for the given fiscal year.

# Gallons Per Capita Per Day 1.3.103



Measure 1.3.103, Gallons Per Capita Per Day, aims to be below 172 Gallons Per Day

# Health & Safety Severity Rate (QualServe) 1.4.104



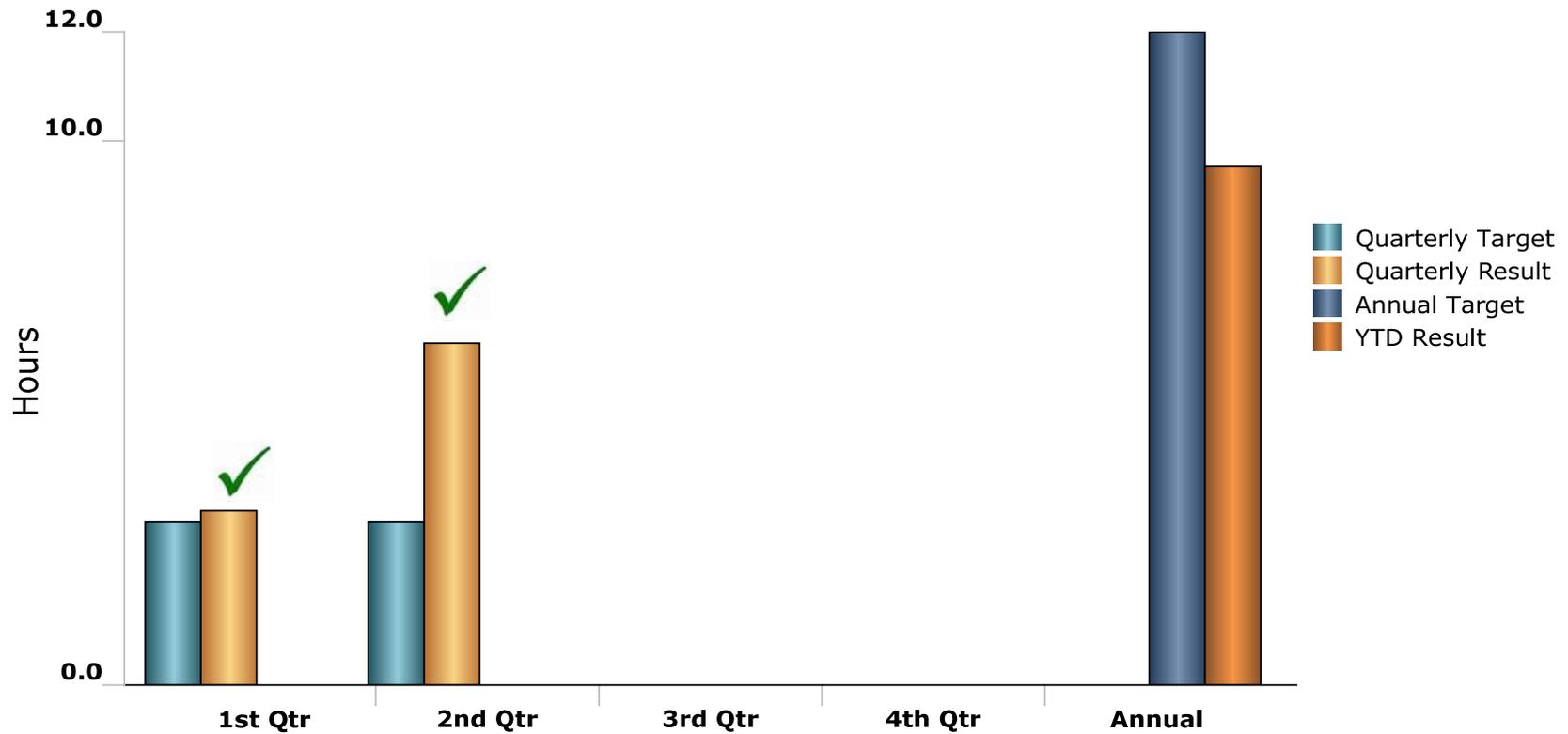
Measure 1.4.104, Health & Safety Severity Rate, aims to be below all set targets in order to have no more than 30% severity rate per quarter in a single year.

# Employee Turnover Rate 1.4.105



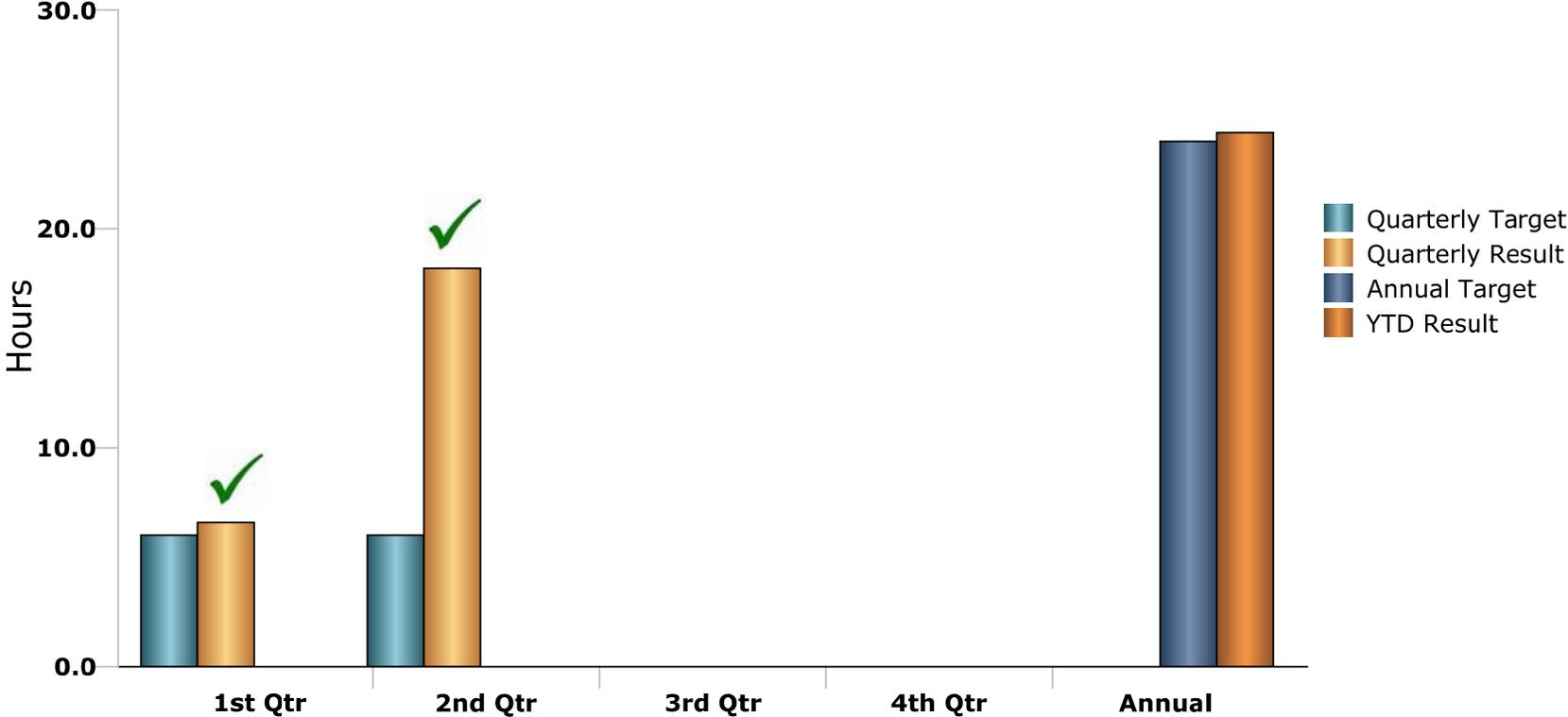
Measure 1.4.105, Turnover Rate, aims to be below all set targets in order to have less than 5% turnover in a single year.

# Training Hours Per Employee 1.4.106



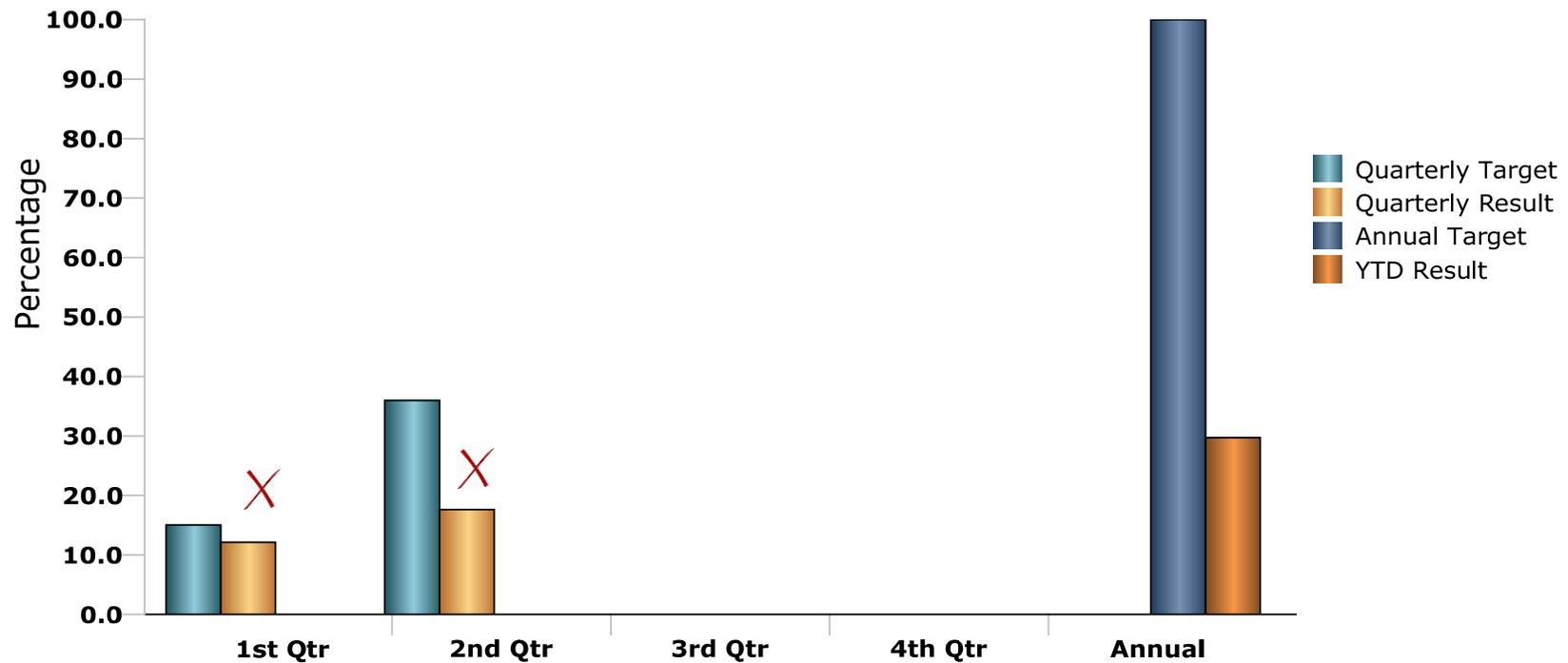
Measure 1.4.106, Training Hours per Employee, aims to be above all set targets in order to have more than 12 hours of general formal training per employee in a single year (excludes safety training).

# Safety Training Program 1.4.107



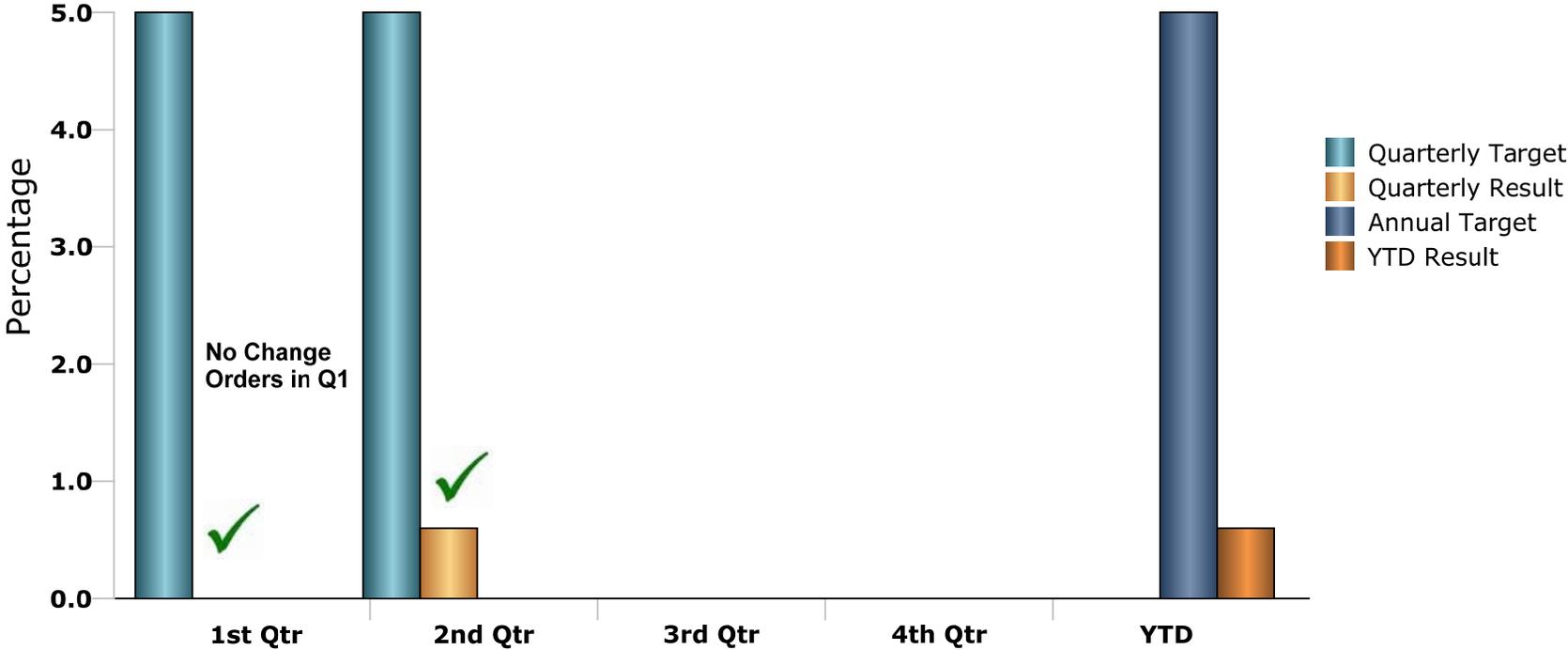
Measure 1.4.107, Safety Training Program, aims to be above all set targets in order to have more than 24 hours of training per employee in a single year.

## CIP Project Expenditure vs. Budget 2.2.200



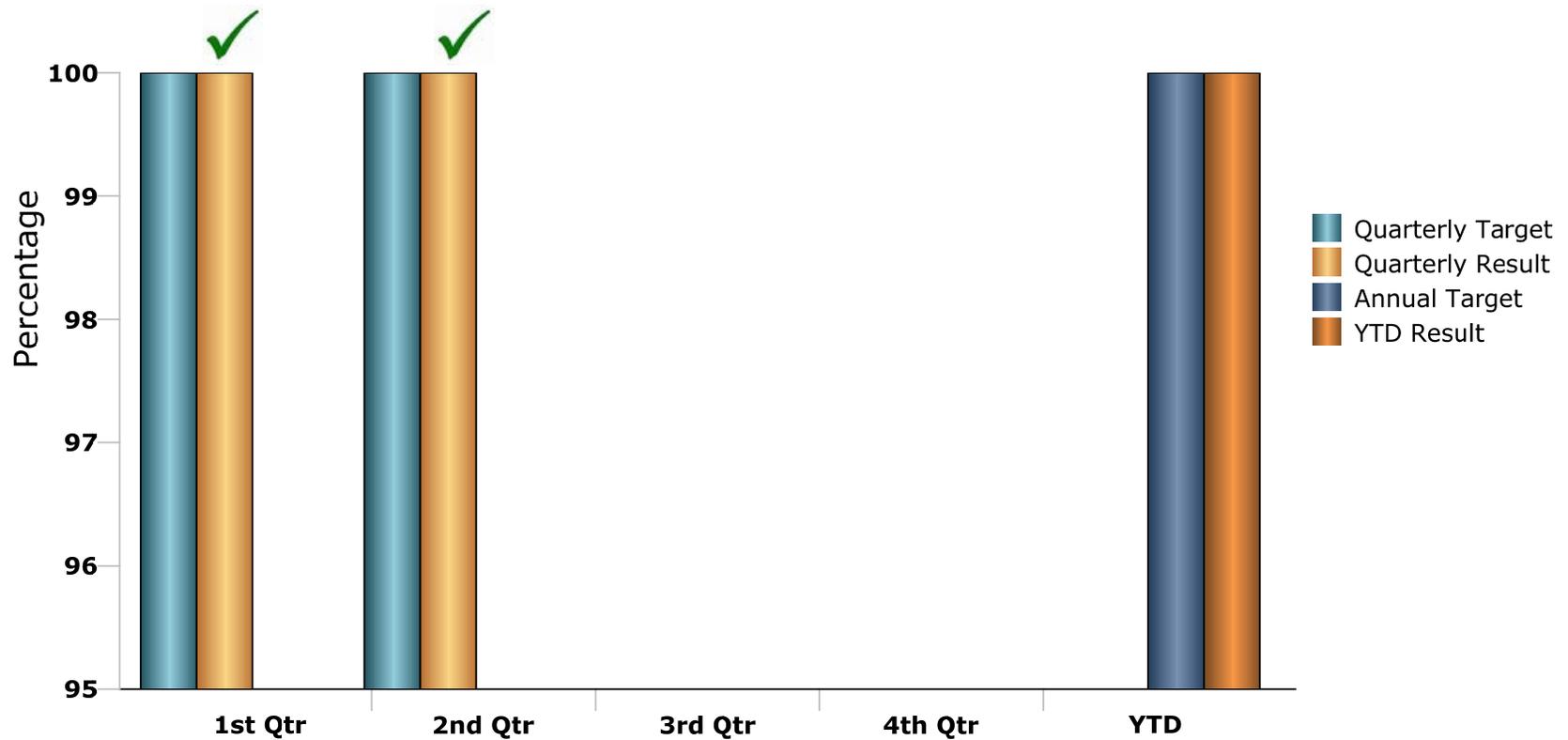
Measure 2.2.200, CIP Project Expenditure vs. Budget, aims to be 95% of budget but is not to exceed 100%. Being significantly below target also gives the measure a “not on target” status.

# Construction Change Order Incidence (w/o allowances) 2.2.201



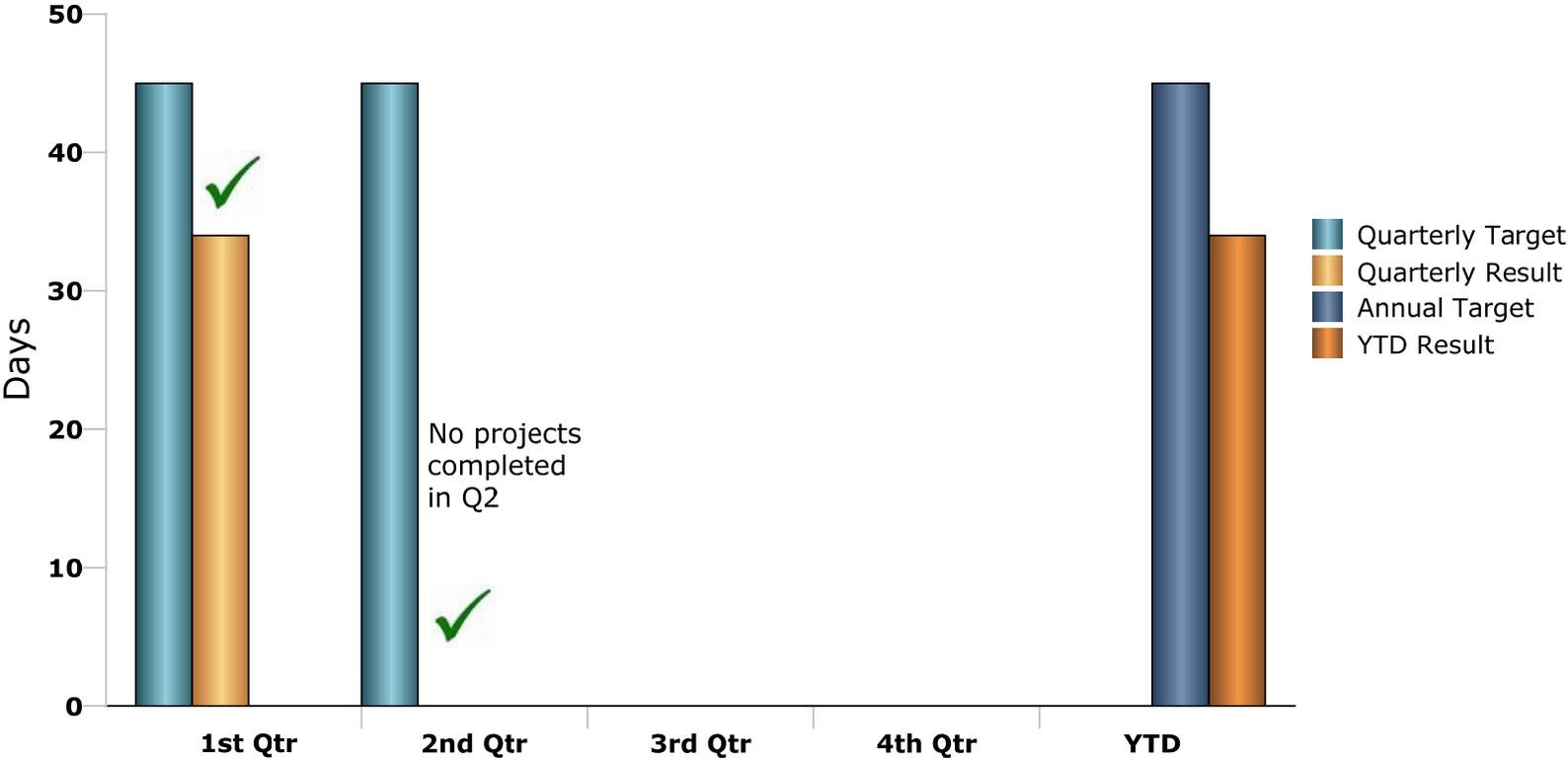
Measure 2.2.201, Construction Change Order Incidence, aims to be below all set targets in order to have no more than 5 % in one year.

## Mark Out Accuracy 2.3.202



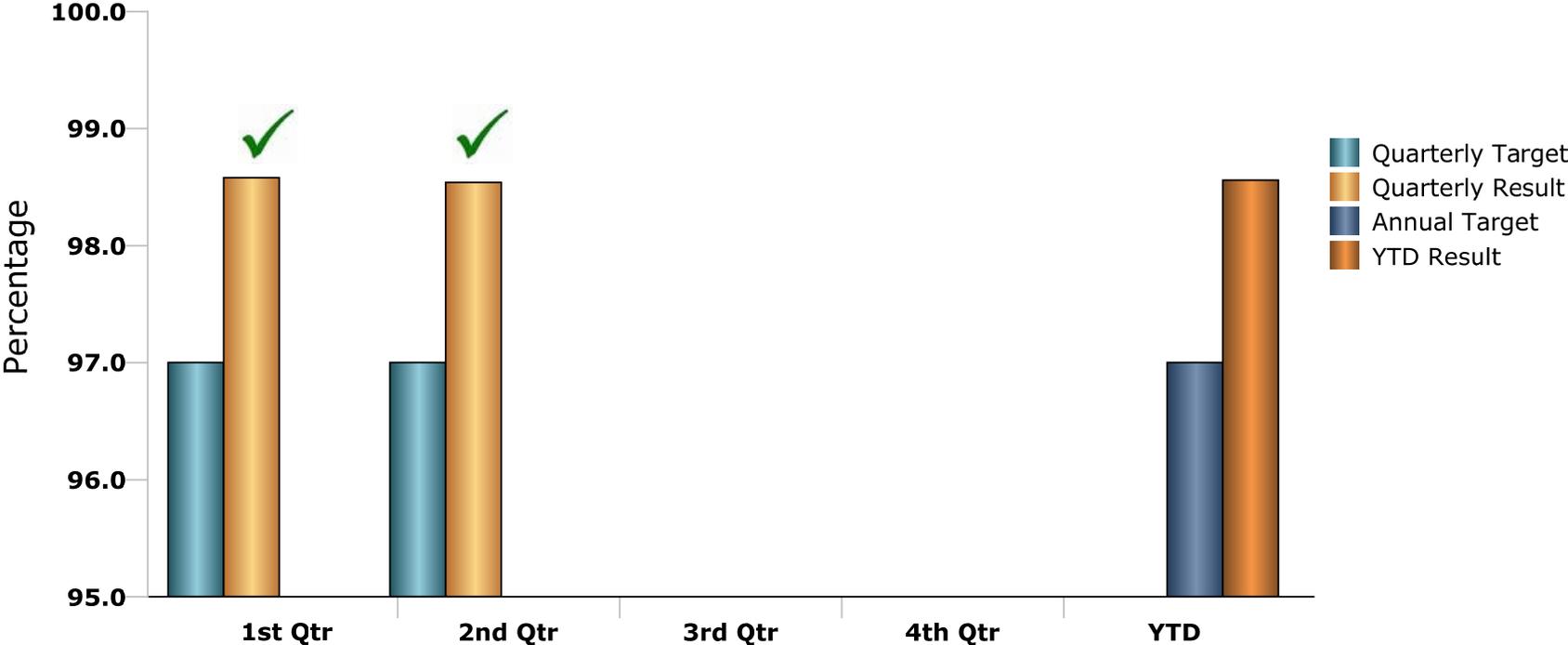
Measure 2.3.202, Mark Out Accuracy, aims to have no less than 100% mark out accuracy every quarter in a single year.

# Project Closeout Time 2.3.203



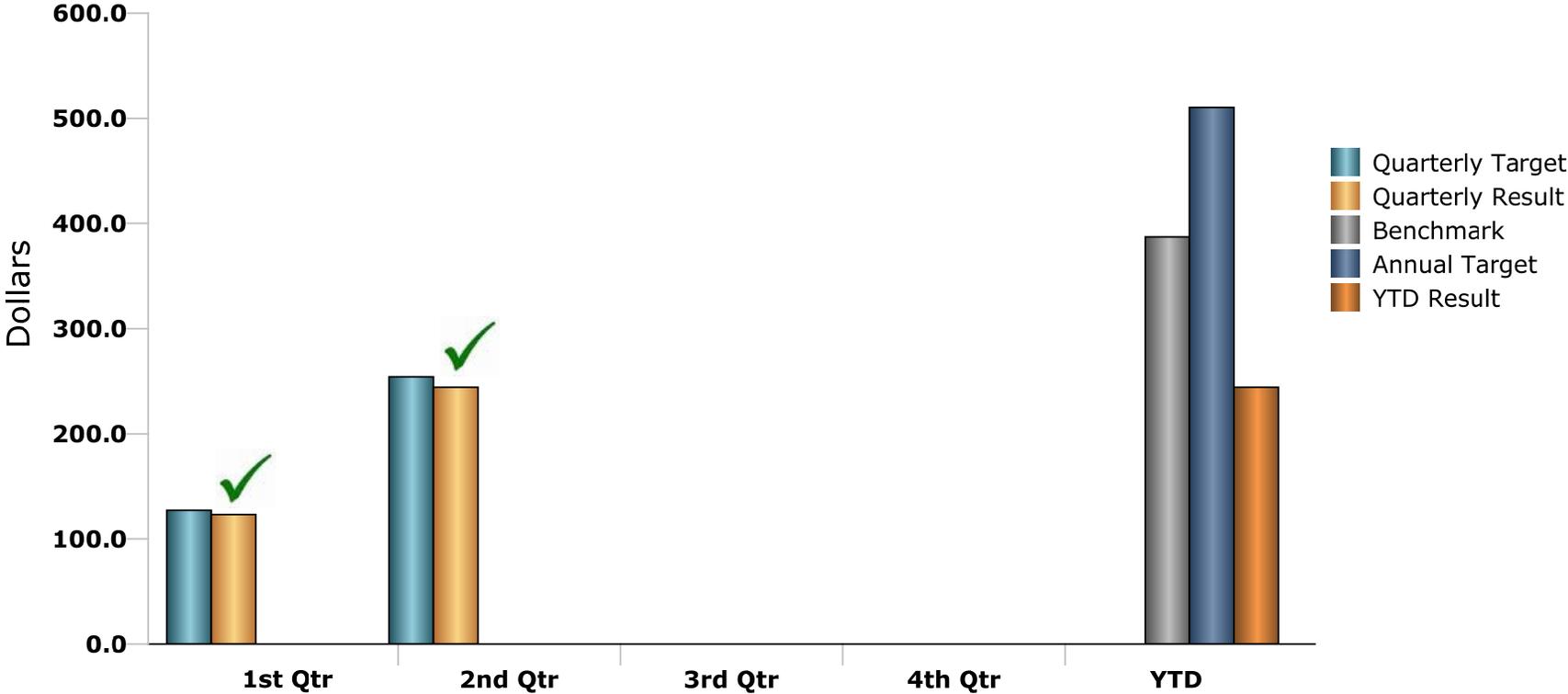
Measure 2.3.203, Project Closeout Time, aims to be below all set targets in order to have an average closeout time of no more than 45 days in a single year.

# Answer Rate 3.1.300



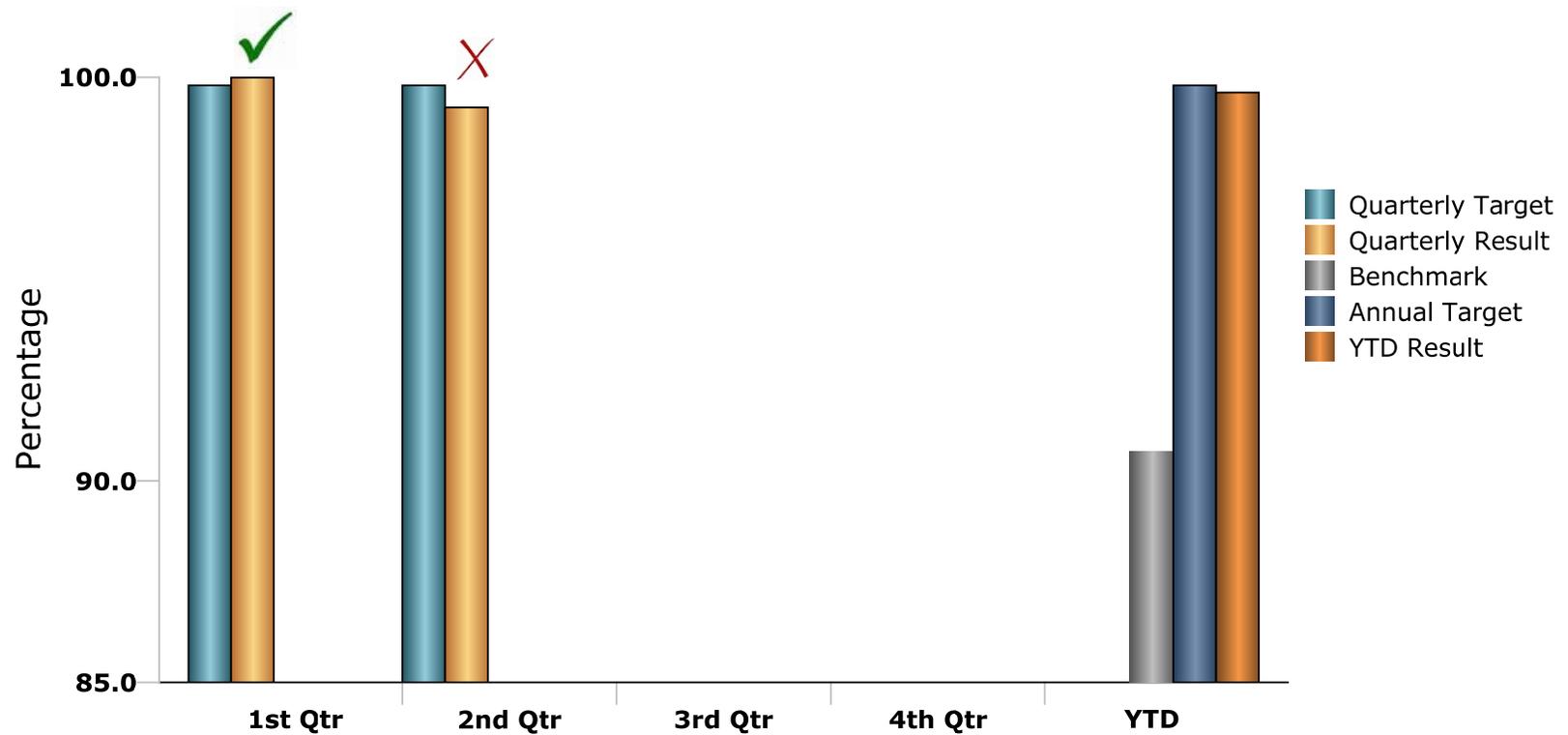
Measure 3.1.300, Answer Rate, aims to be above all set targets in order to have an average answer rate no less than 97%.

# O&M Cost Per Account (QualServe) 3.2.301



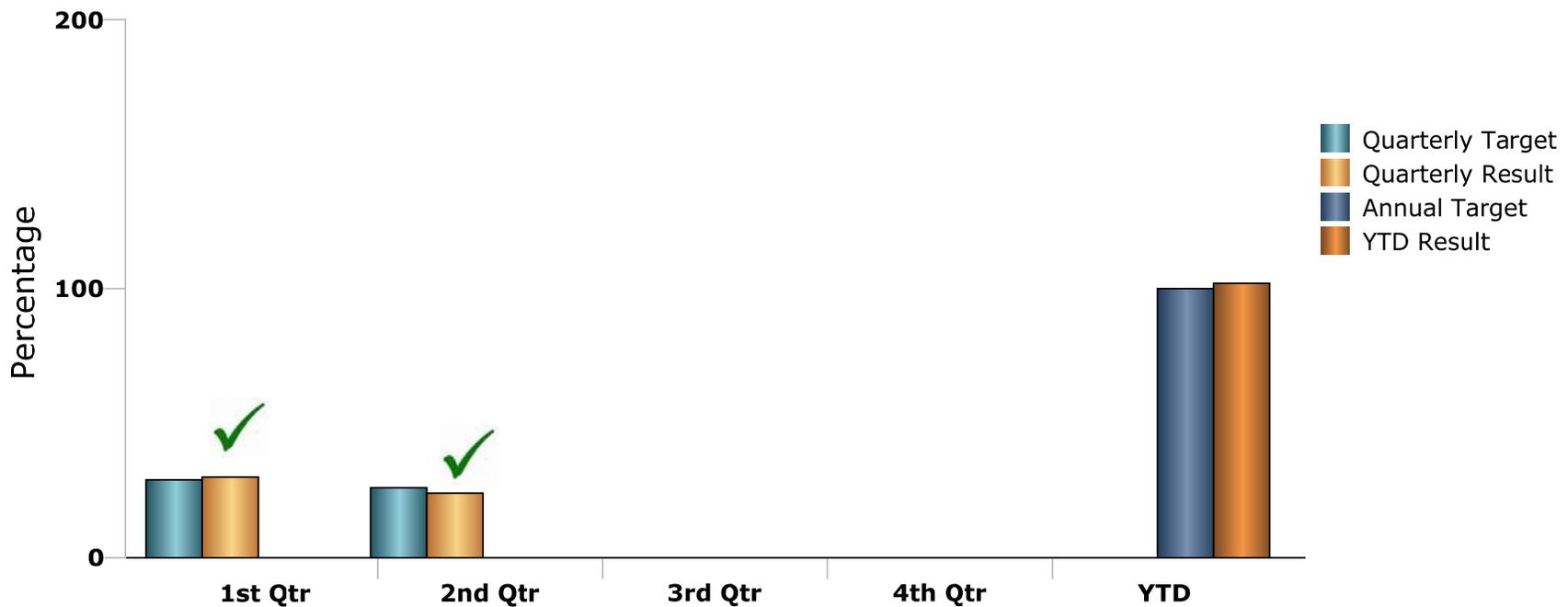
Measure 3.2.301, O&M Cost Per Account, aims to be below all set targets in order to keep O&M cost per account less than \$510.40 in a single year.

## Bill Accuracy (QualServe) 3.2.302



Measure 3.2.302, Billing Accuracy, aims to be above all set targets in order to have no less than 99.8% billing accuracy per quarter in a single year.

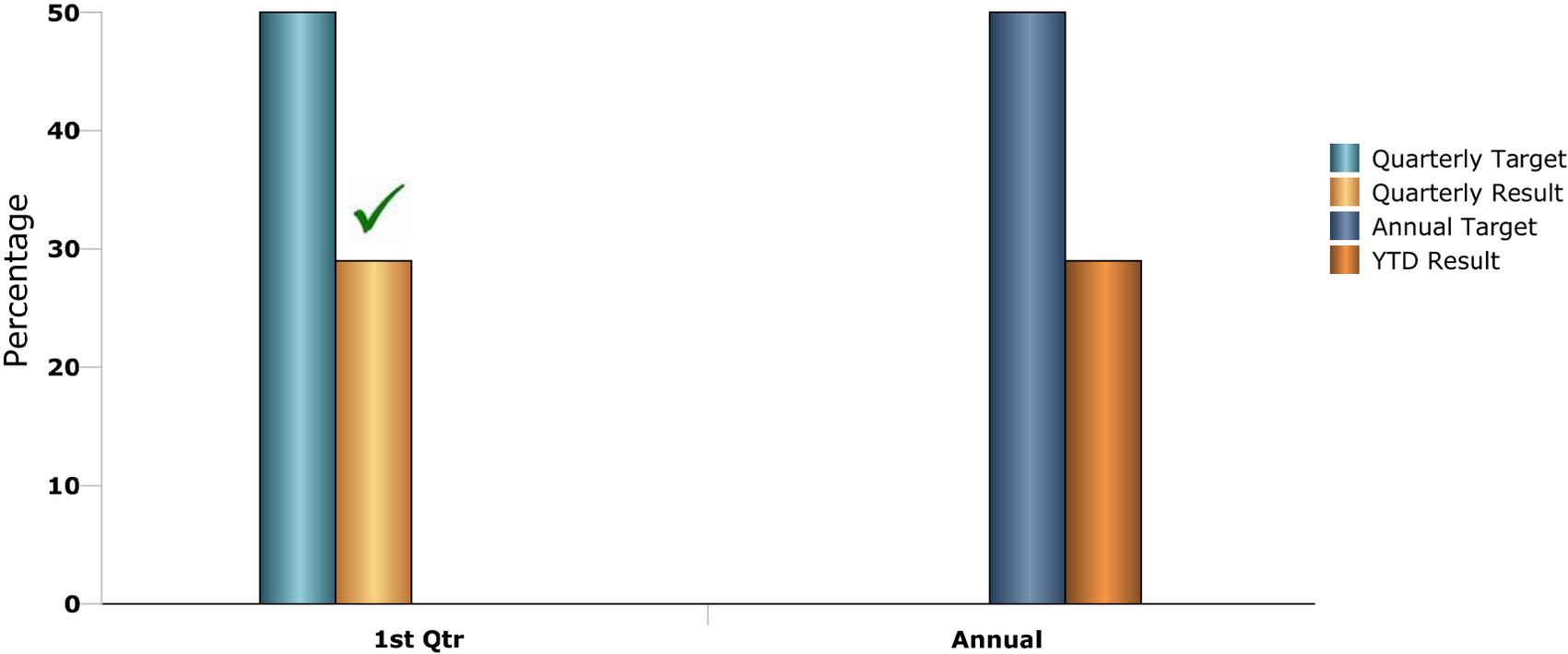
# Overtime Percentage 3.2.303



Measure 3.2.303, Overtime Percentage, aims to be between 23% and 27% per quarter. In total, less than 100% by the end of the year.

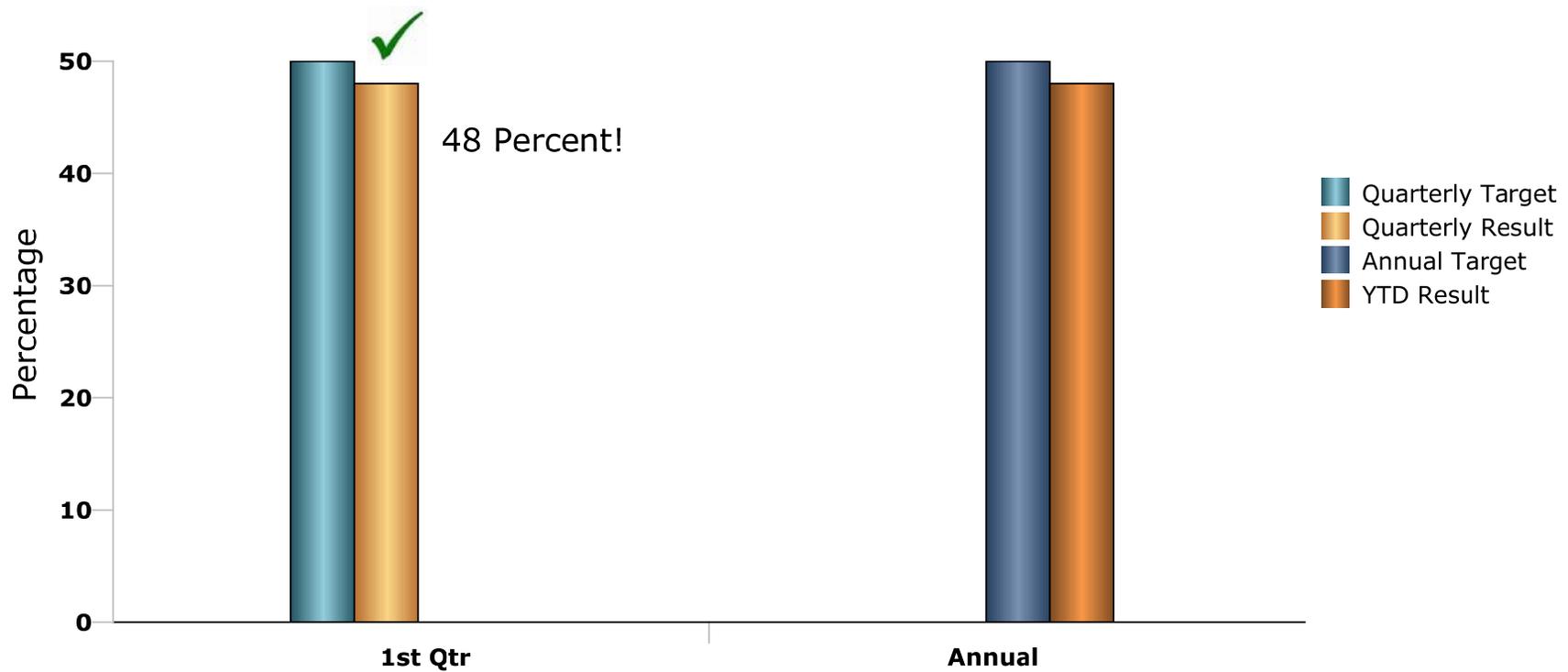
\*Note: Q1 Results include an overage due to unbudgeted COLA. Because COLA was a mandated change, results will still be considered on track.

# Sewer Rate Ranking 3.2.304



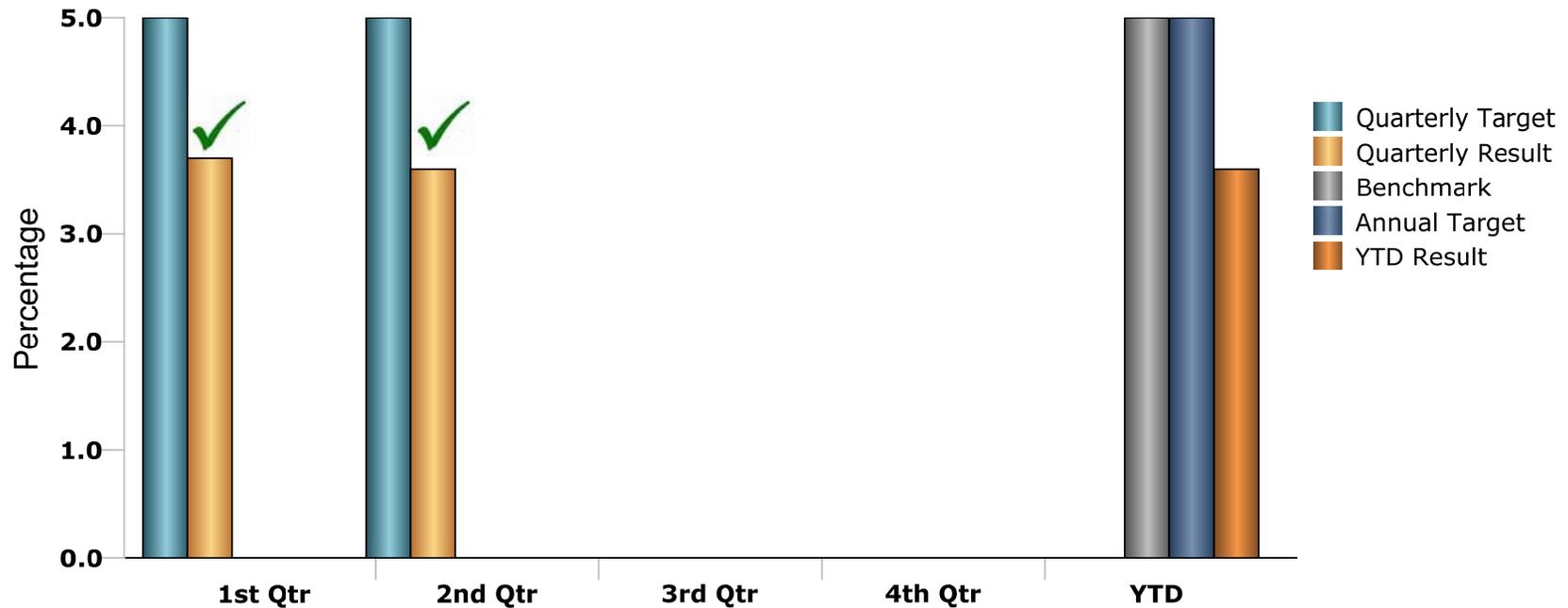
Measure 3.2.304, Sewer Rate Ranking, is reported annually in the first quarter and represents the results for the given fiscal year. The District's goal is to be in the top 50.

# Water Rate Ranking 3.2.305



Measure 3.2.305, Water Rate Ranking, is reported annually in the first quarter and represents the results for the given fiscal year. The District's goal is to be below the midpoint (bottom 50%) for neighboring Districts

## Distribution System Loss (QualServe) 3.3.308

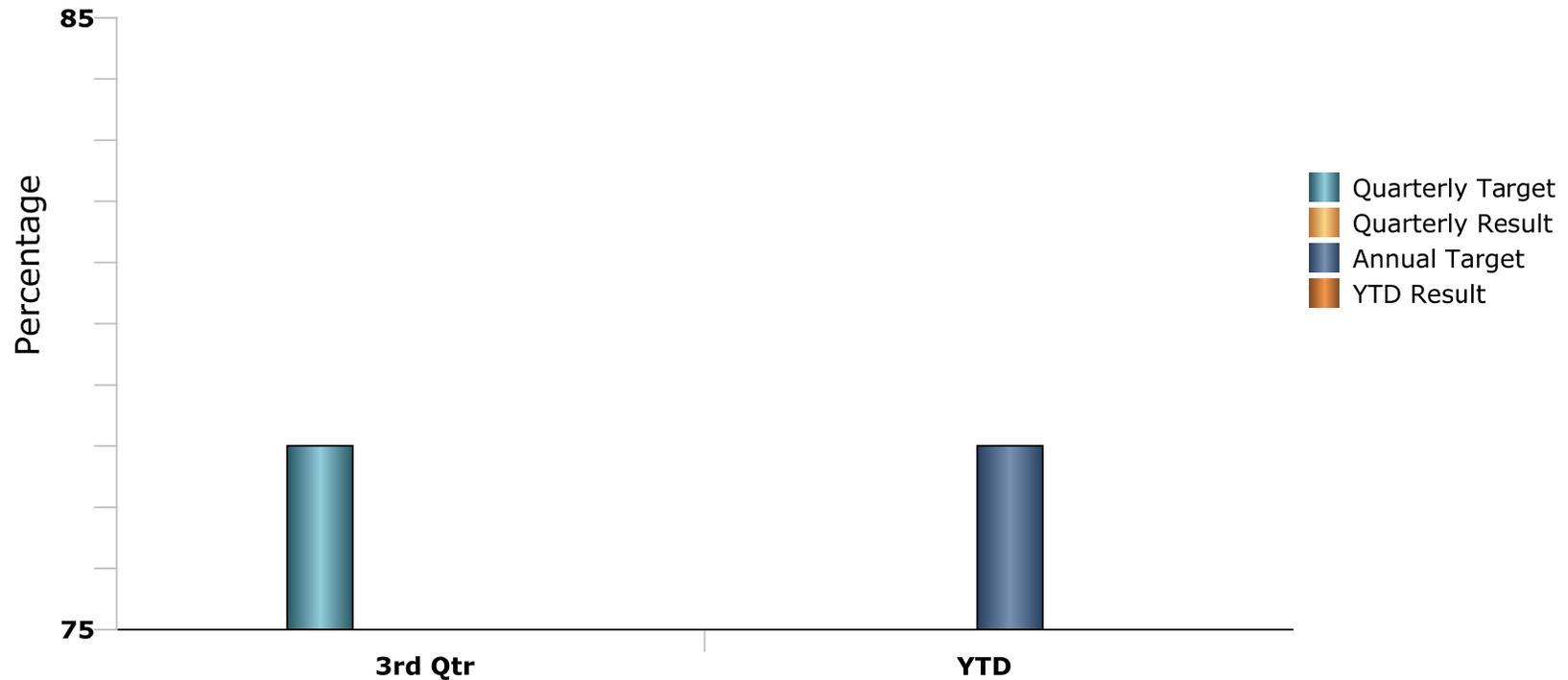


Measure 3.3.308, Distribution System Loss, aims to be below all set targets in order to ensure less than 5% of unaccounted water in a single year.

\*The calculation is a year-to-date calculation, so Qtr Result = YTD Result.

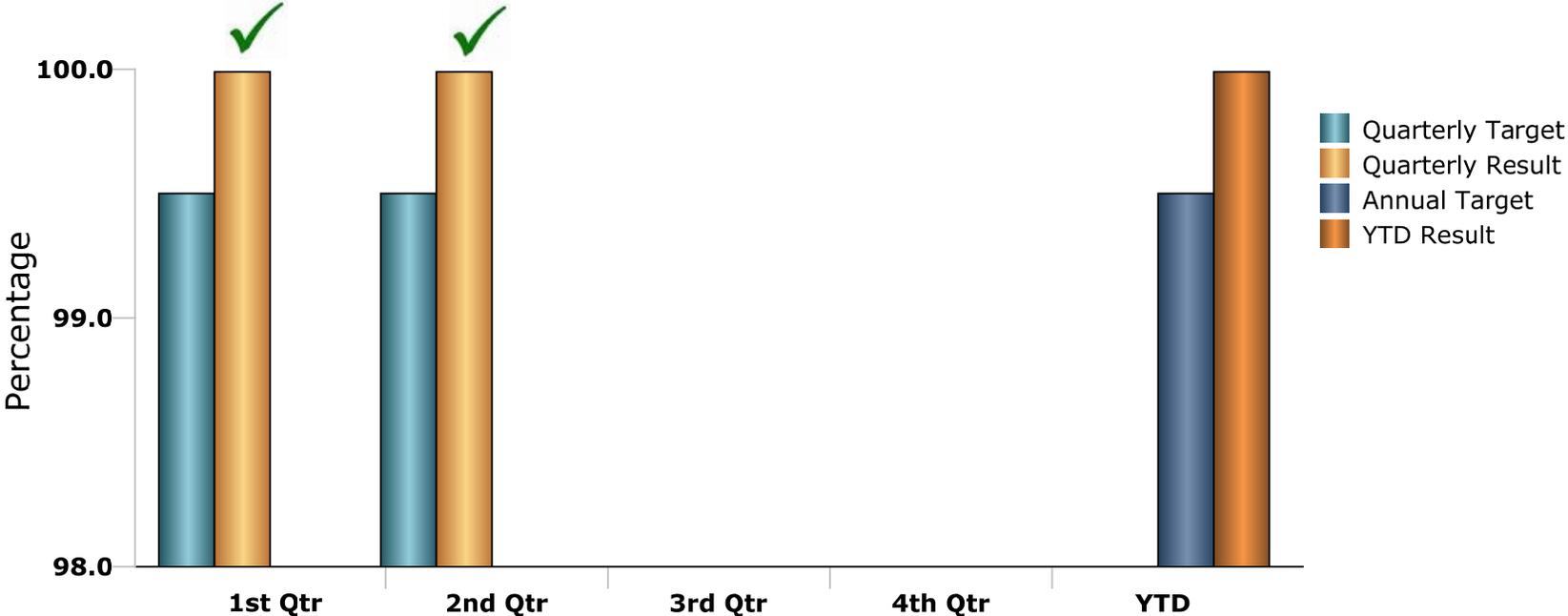
# Customer Satisfaction with Otay Website

## 4.1.400



Measure 4.1.400, Customer Satisfaction with Otay Website, is an annual survey reported in the third quarter and represents the results for the given fiscal year.

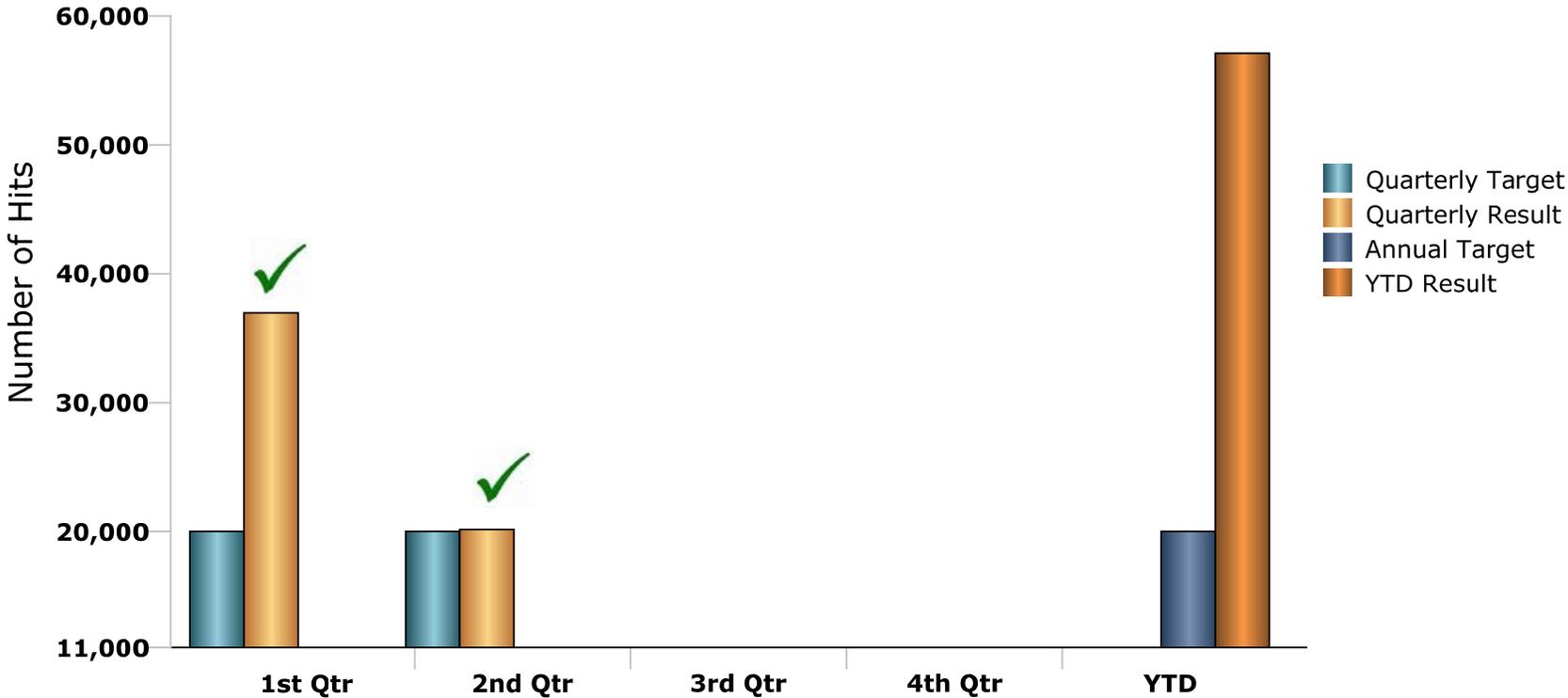
# Network Availability 4.3.401



Measure 4.3.401, Network Availability, aims to be above all set targets in order to have an average of no less than 99.5% network availability per quarter in a single year.

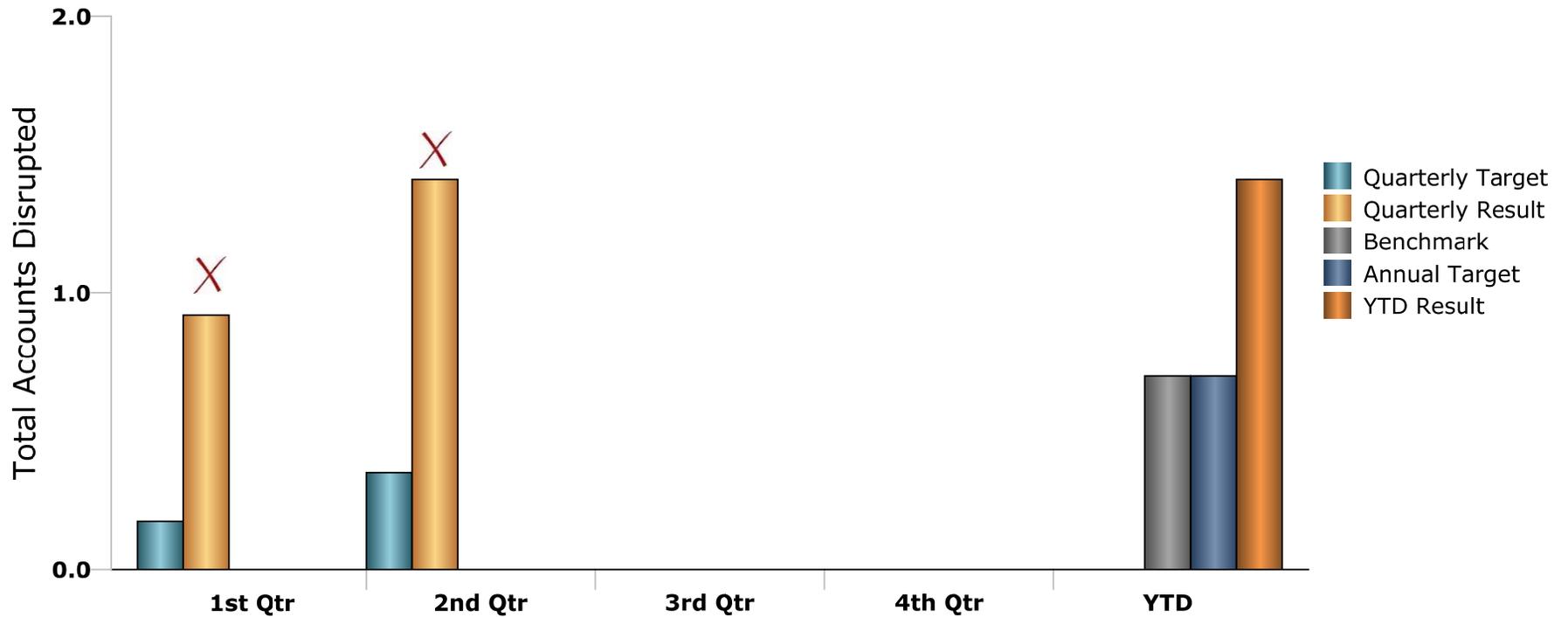
# Website Hits

## 4.4.402



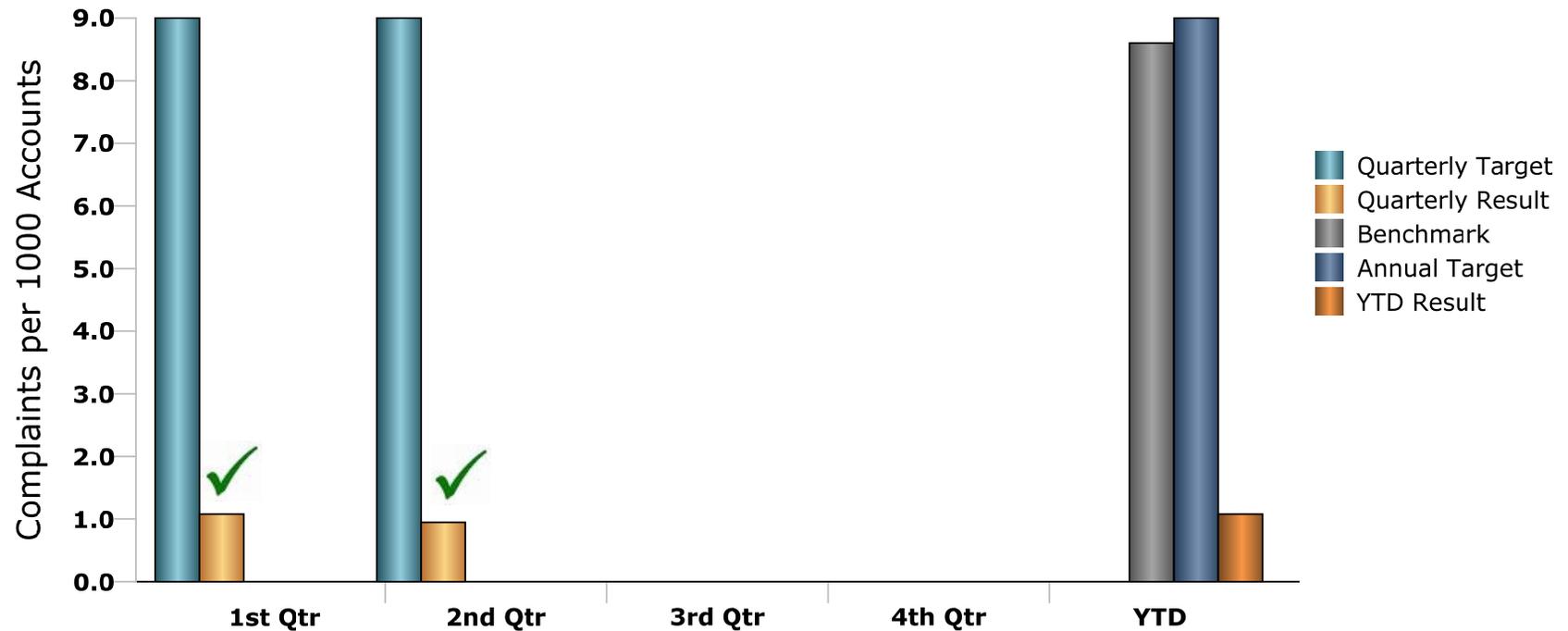
Measure 4.4.402, Website Hits, aims to be above all set targets in order to have an average of no less than 20,000 website hits per quarter in a single year.

## Unplanned Disruptions (QualServe) 5.1.500



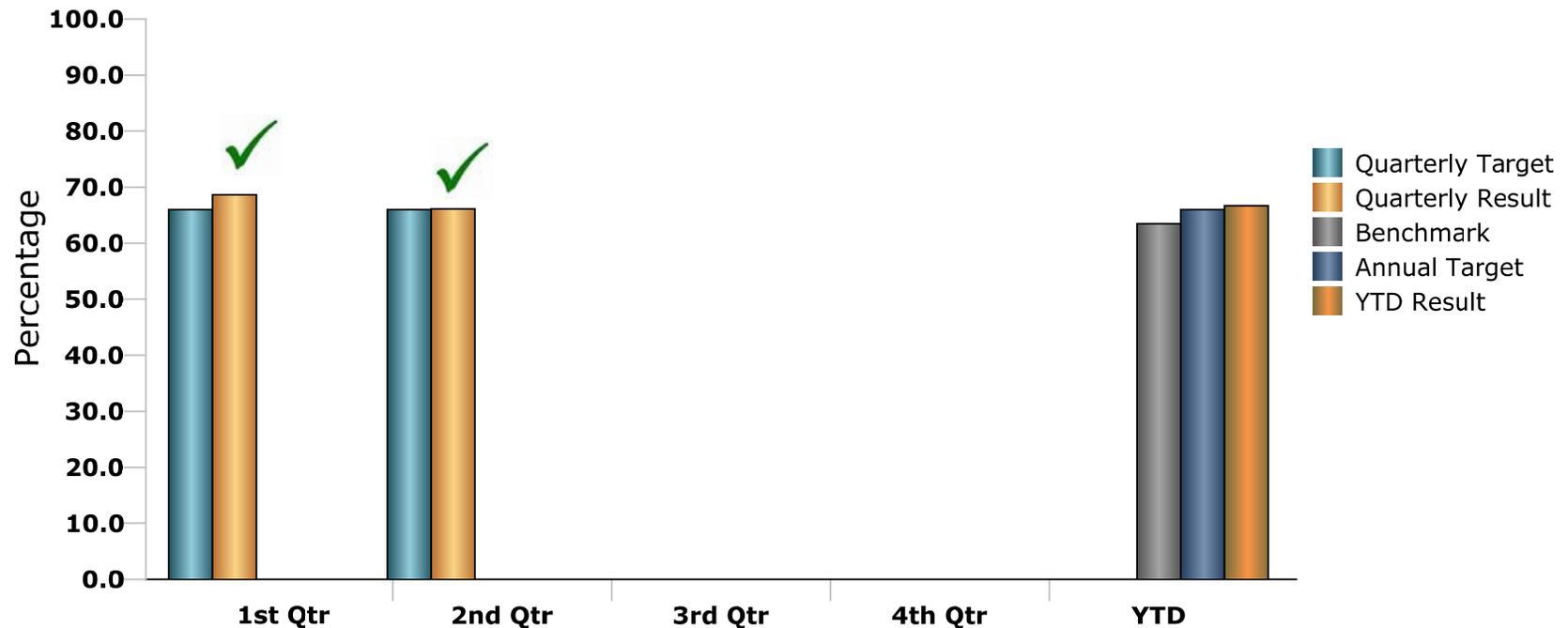
Measure 5.1.500, Unplanned Disruptions, aims to be below the QualServe target ratio of 0.7. Ratio is calculated by # disruptions x 1000/total accounts.

## Technical Quality Complaint (QualServe) 5.1.501



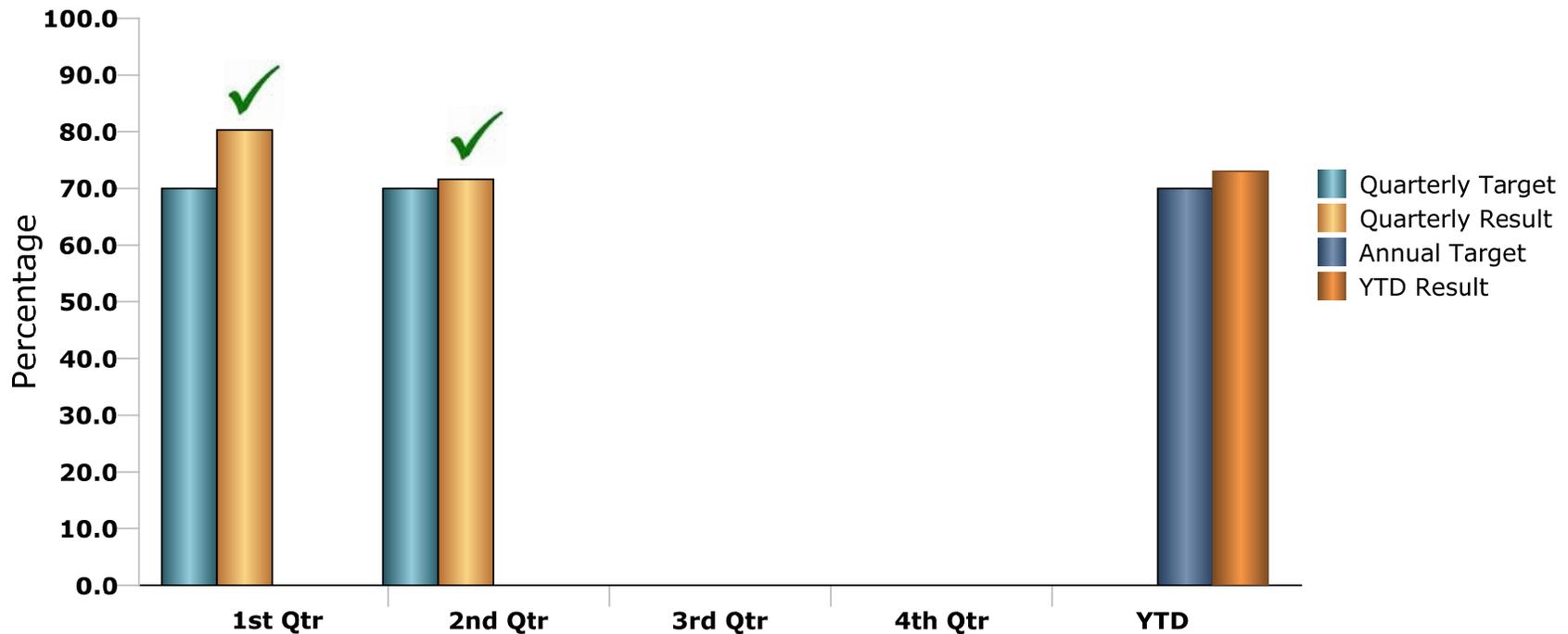
Measure 5.1.501, Technical Quality Complaint, aims to be below all set targets in order to have no more than 9 complaints per 1000 customer accounts in a single year.

## Planned Potable Water Maintenance Ratio in \$ (QualServe) 5.2.502



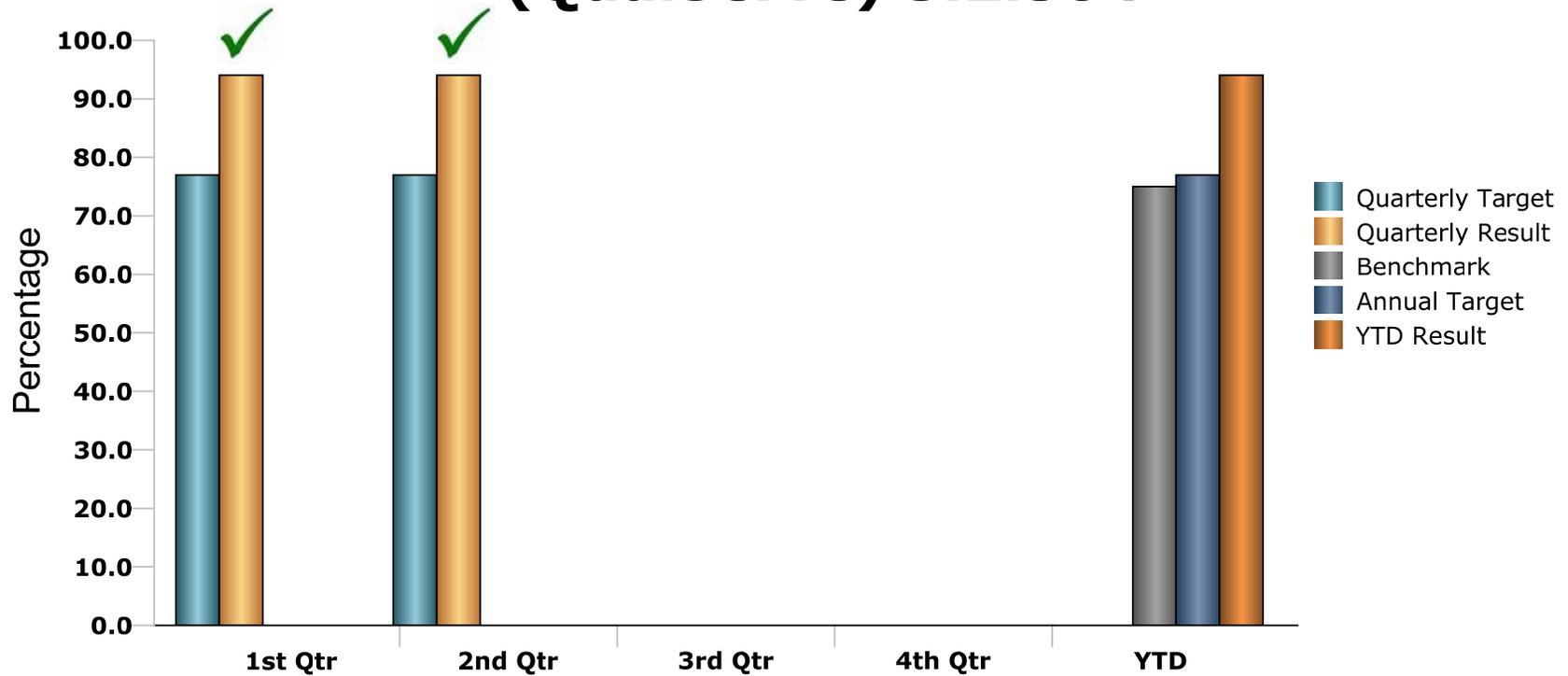
Measure 5.2.502, Planned Potable Water Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 66% of all labor dollars spent on preventative maintenance per quarter in a single year. Note: Quarterly results are subject to change.

# Planned Recycled Water Maintenance Ratio in \$ 5.2.503



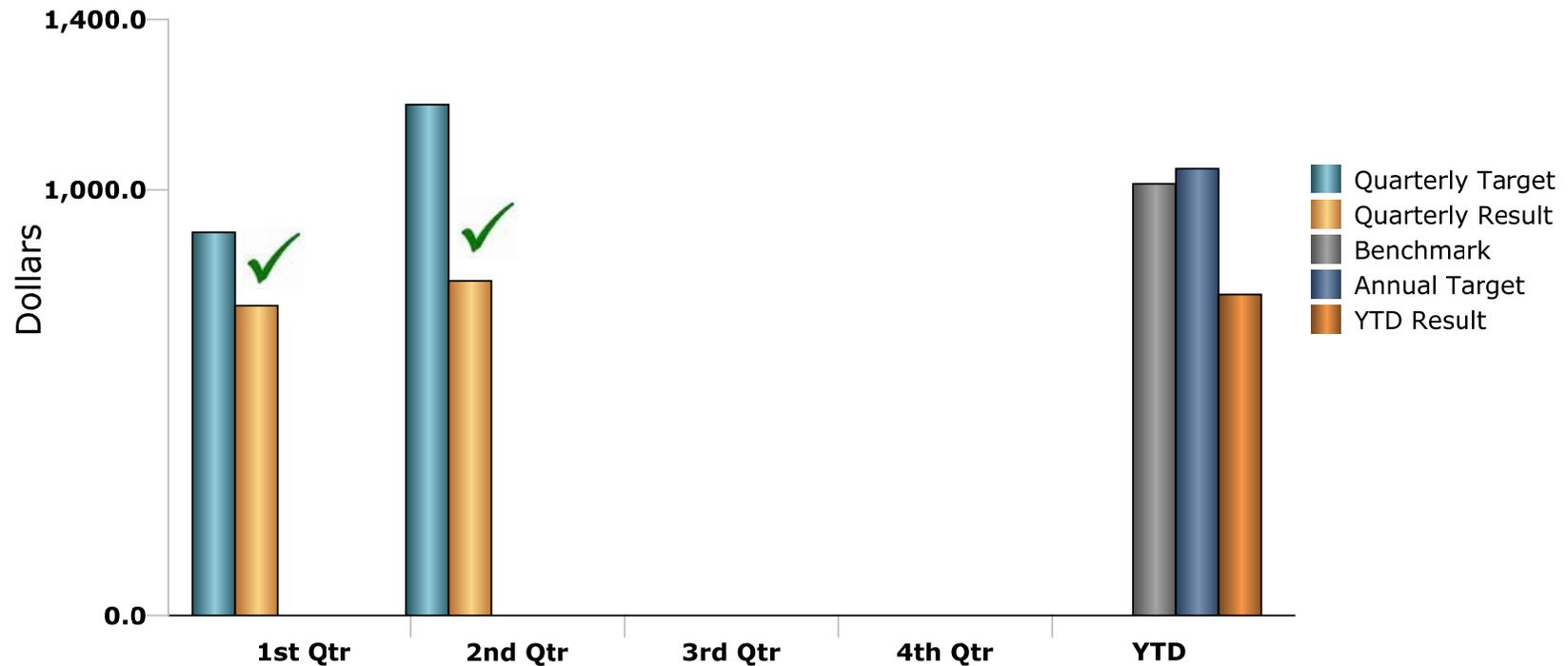
Measure 5.2.503, Planned Recycled Water Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 70% of all labor dollars spent on preventative maintenance per quarter in a single year. Note: Quarterly results are subject to change.

## Planned Wastewater Maintenance Ratio in \$ (QualServe) 5.2.504



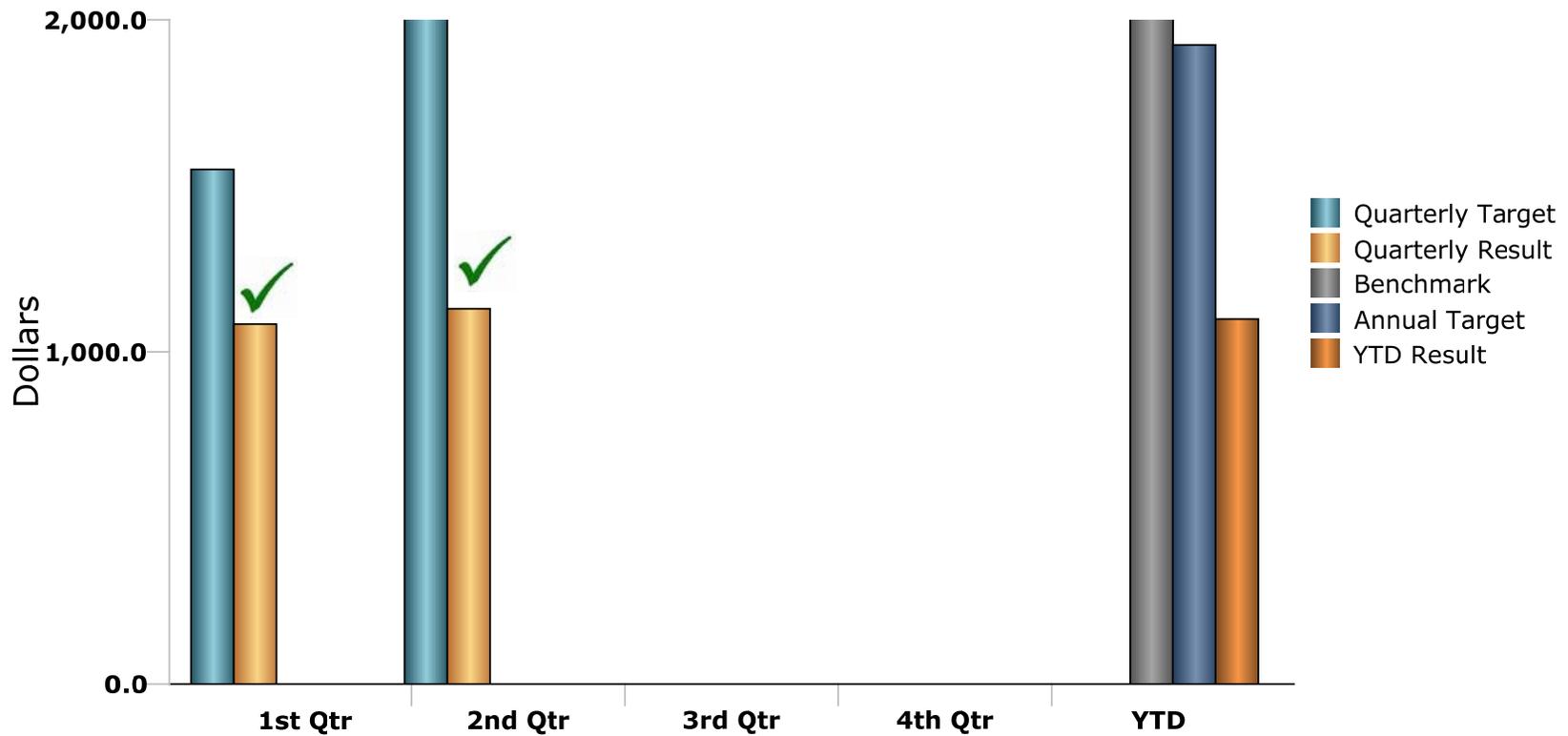
Measure 5.2.504, Planned Wastewater Maintenance Ratio in \$, aims to be above all set targets in order to have no less than 77% of all labor dollars spent on preventative maintenance per quarter in a single year. Note: Quarterly results are subject to change.

## Direct Cost of Treatment per MGD (QualServe) 5.2.505



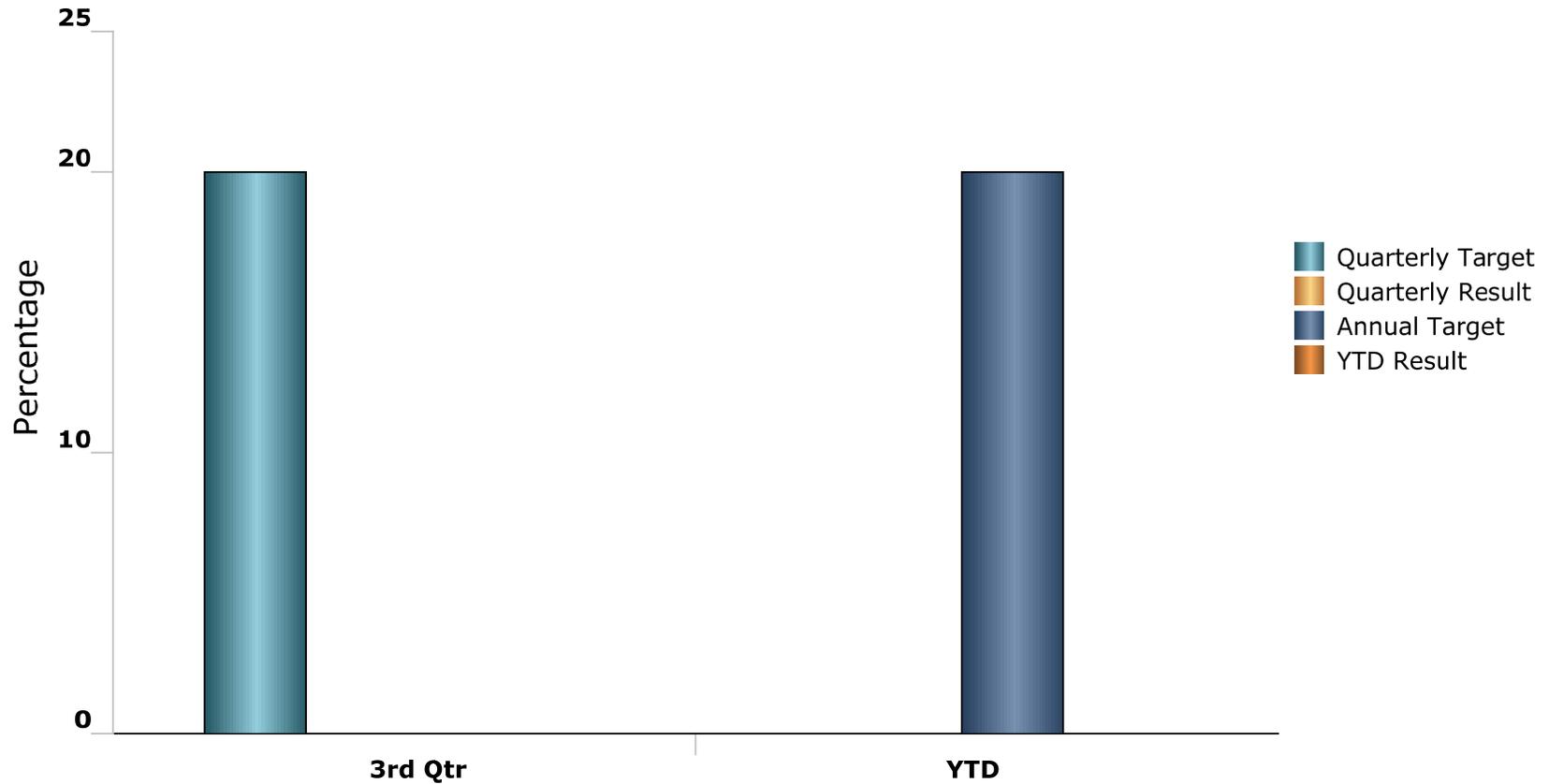
Measure 5.2.505, Direct Cost of Treatment per MGD, aims to be below all set targets in order to have no more than \$1050 per MG spent on wastewater treatment per quarter in a single year.

## O & M Cost Per MGP of Wastewater (QualServe) 5.2.506



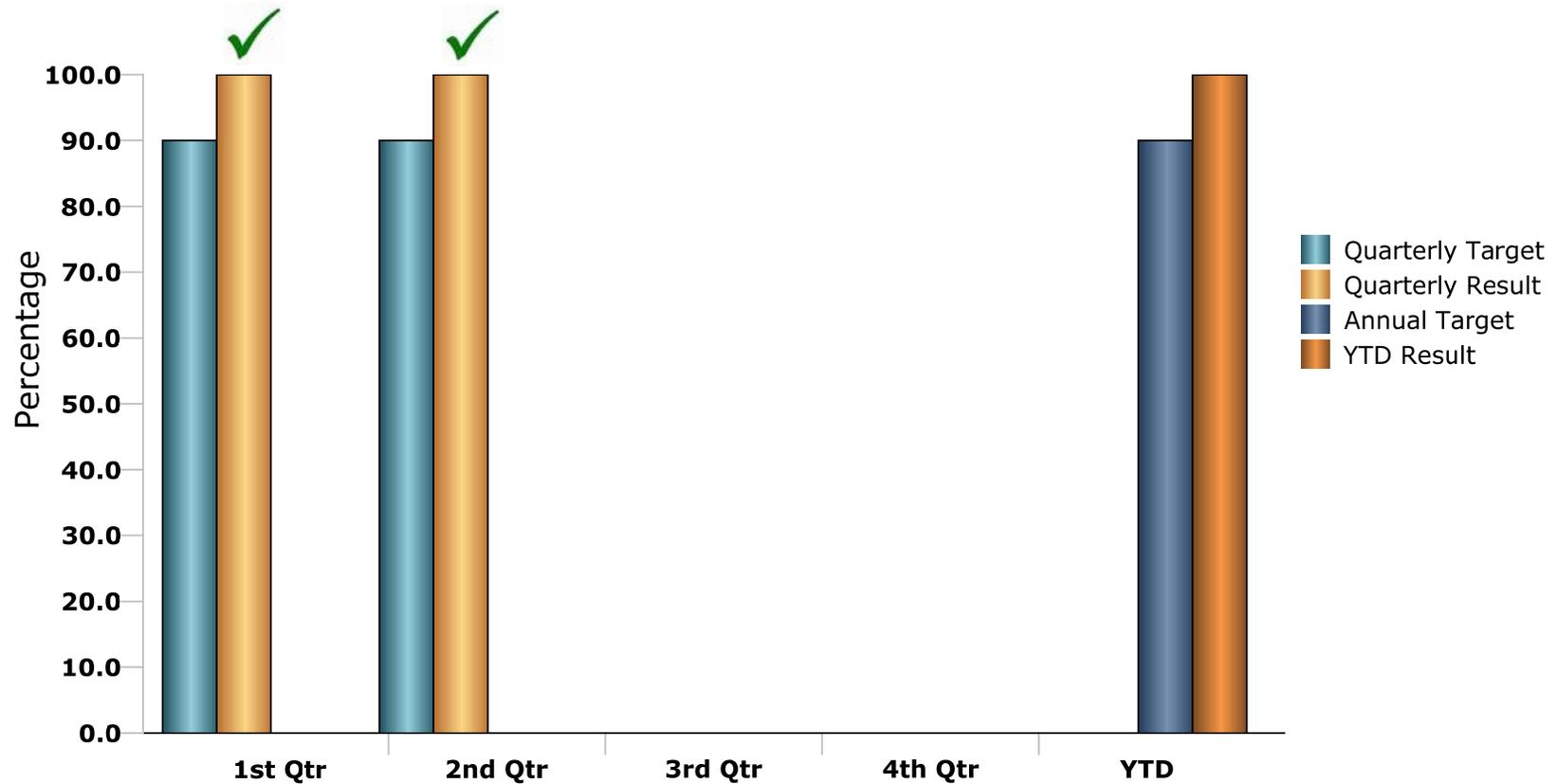
Measure 5.2.506, O & M Cost per MGP of Wastewater, aims to be below all set targets in order to have no more than \$1925 per MG spent on O&M for wastewater treatment per quarter in a single year.

# Leak Detection Program 5.2.520



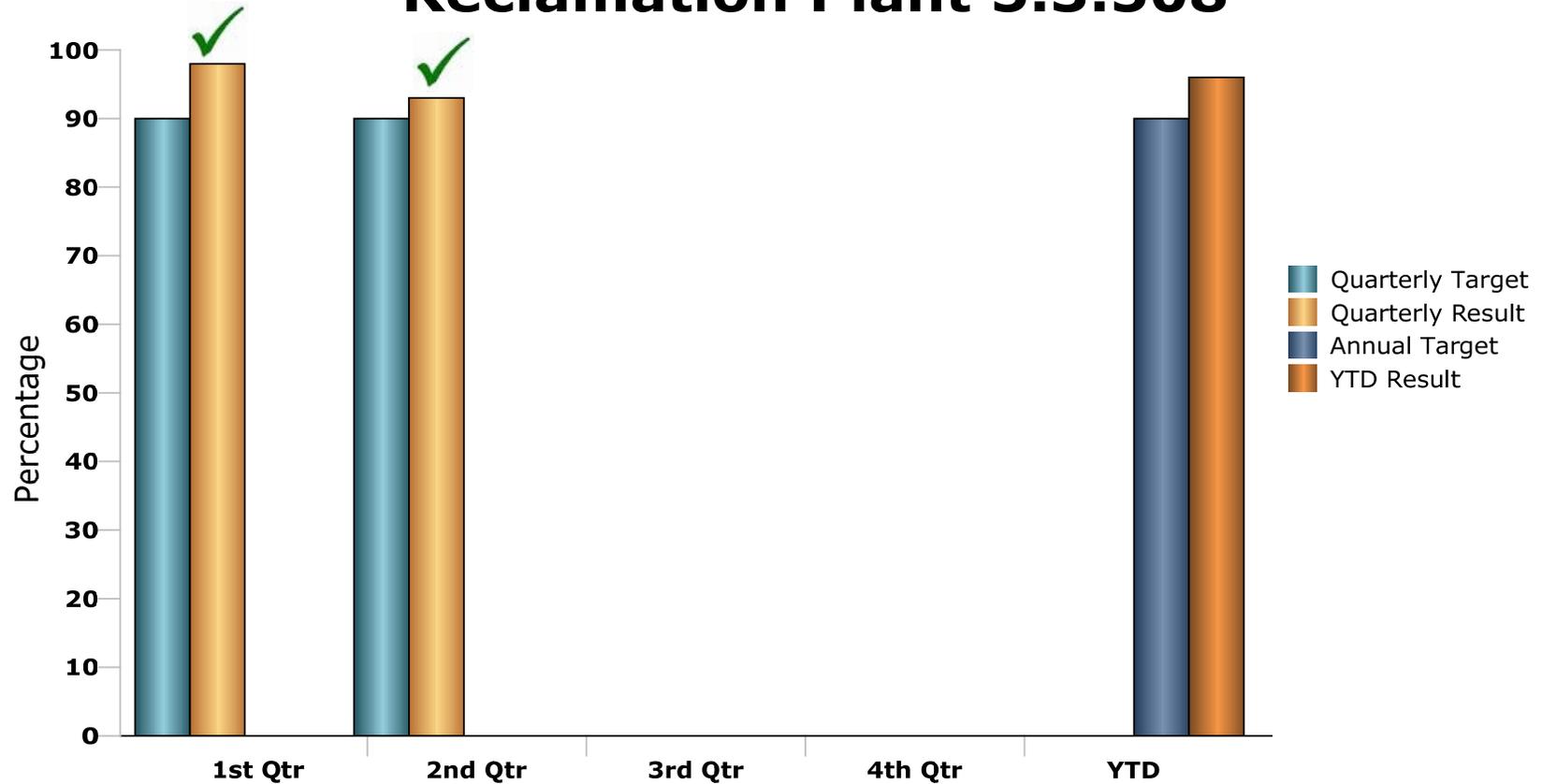
Measure 5.2.520, Leak Detection Program, is an annual measure reported in the 3rd quarter and will be on target when 20% of the distribution system is surveyed for leaks per year.

## Percent of PMs Completed - Fleet Maintenance 5.3.507



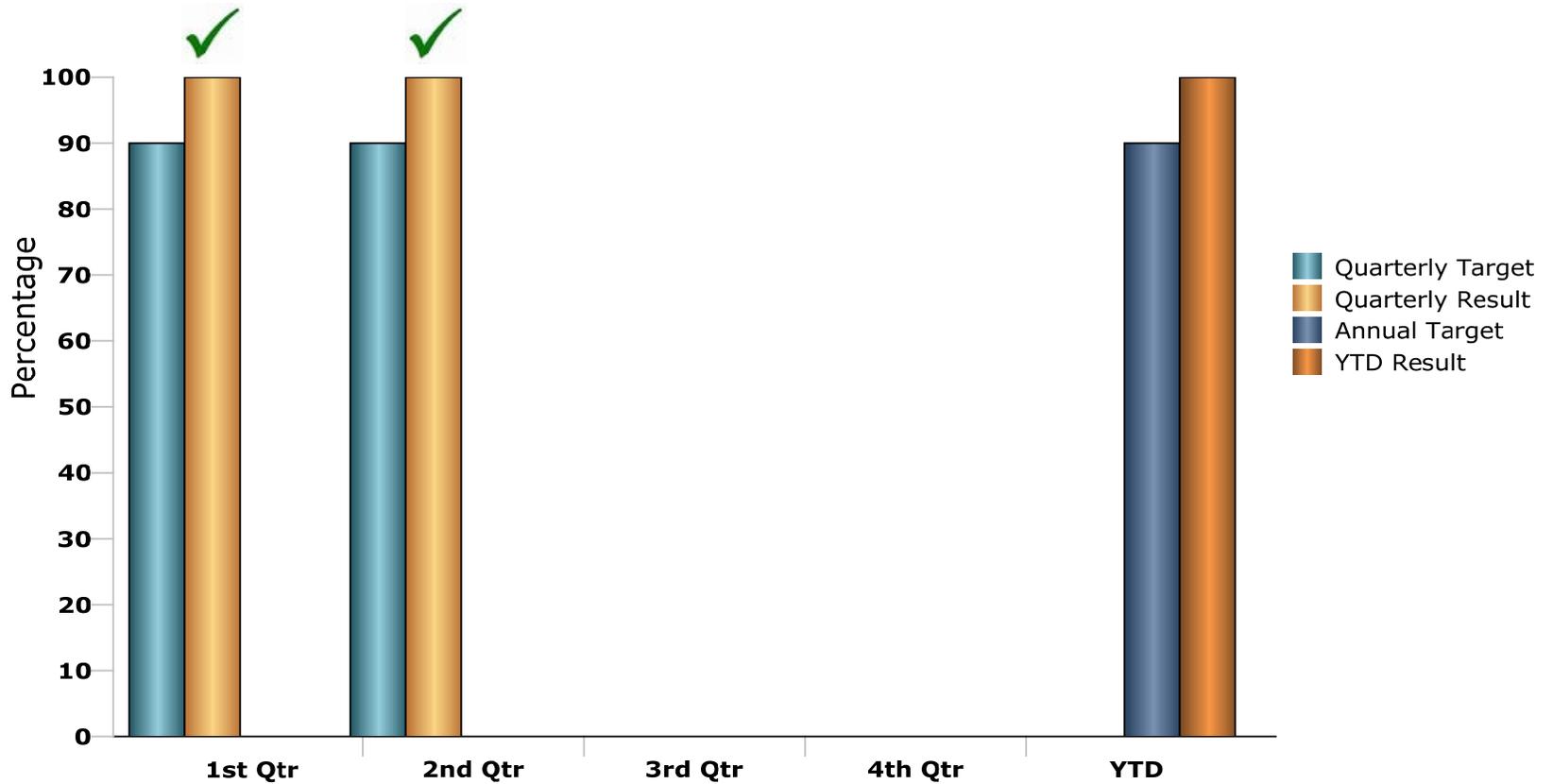
Measure 5.3.507, % PMs Completed – Fleet Maintenance, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

## Percent of PMs Completed - Reclamation Plant 5.3.508



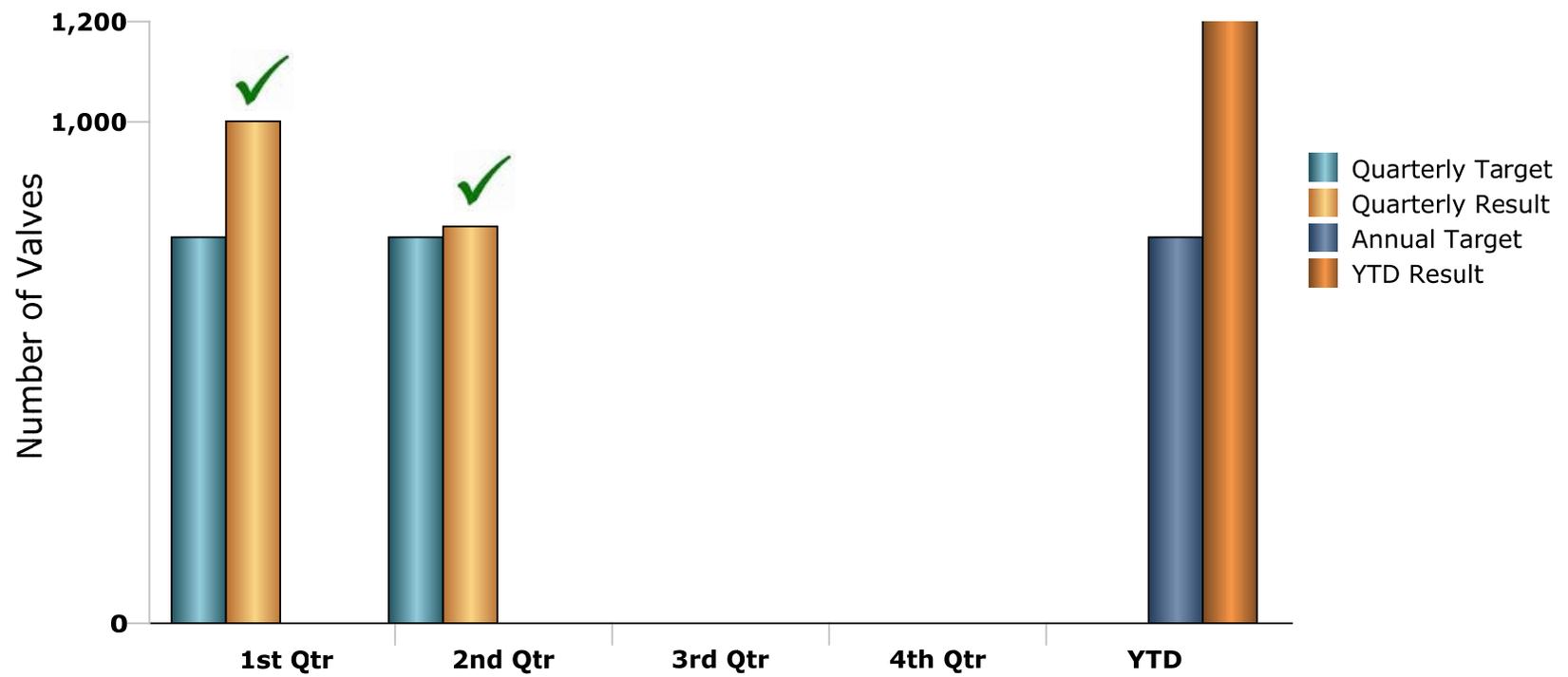
Measure 5.3.508, % PMs Completed – Reclamation Plant, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

## Percent of PMs Completed - Pump/Electric Section 5.3.509



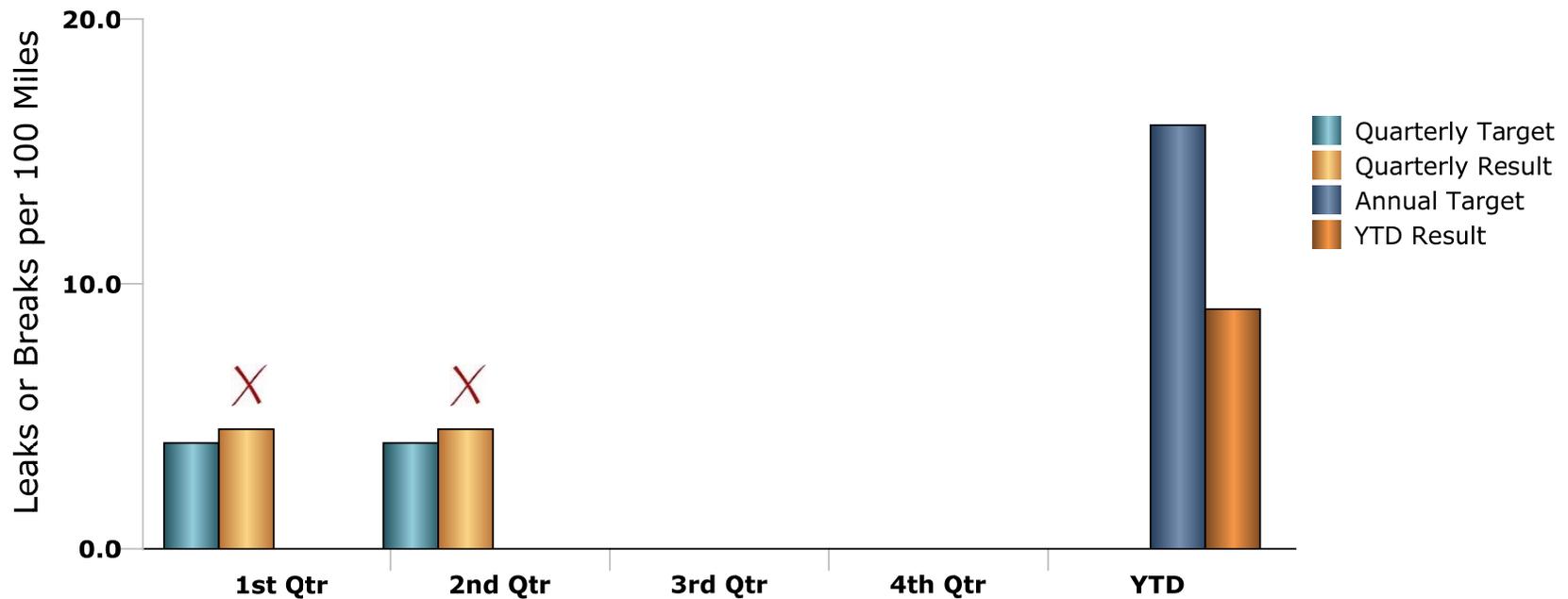
Measure 5.3.509, % PMs Completed - Pump/Electric Section, aims to be above all set targets in order to have no less than 90% of the scheduled PMs completed per quarter in a single year.

# System Valve Exercising Program 5.3.511



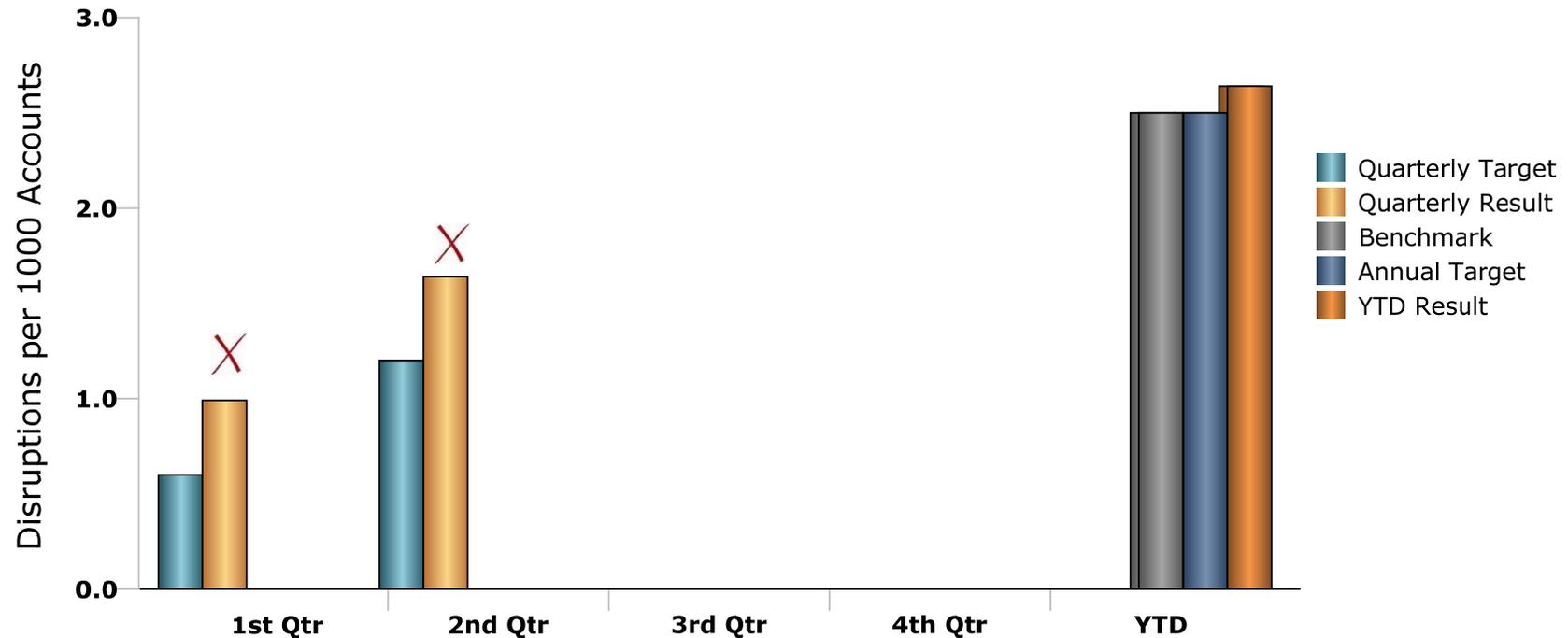
Measure 5.3.511, Valve Exercising Program, aims to be above all set targets in order to have no less than 770 valves exercised each quarter in a single year.

# Potable Water Distribution System Integrity (QualServe) 5.3.512



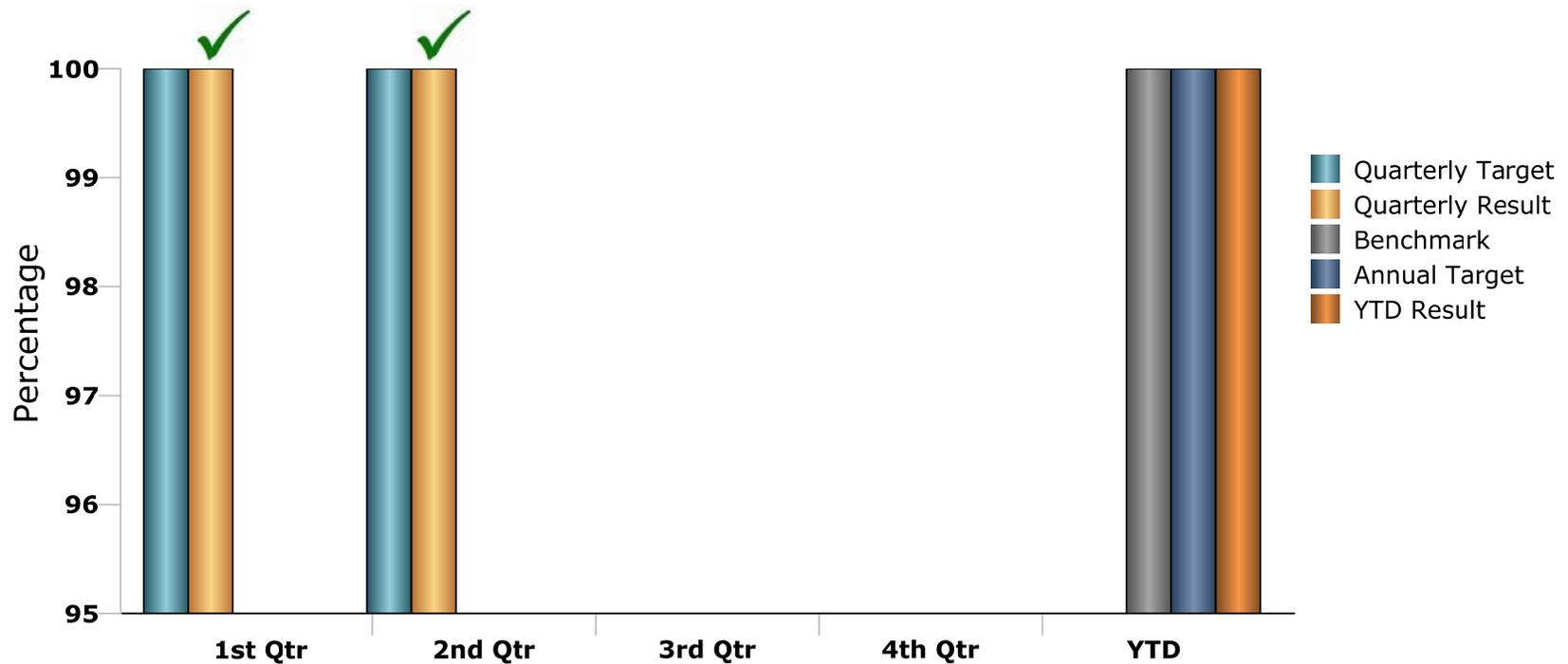
Measure 5.3.512, Water Distribution System Integrity, aims to be below all set targets in order to have no more than 16 leaks and breaks per 100 miles of distribution piping in a single year.

## Planned Water Service Disruption Rate (QualServe) 5.3.513



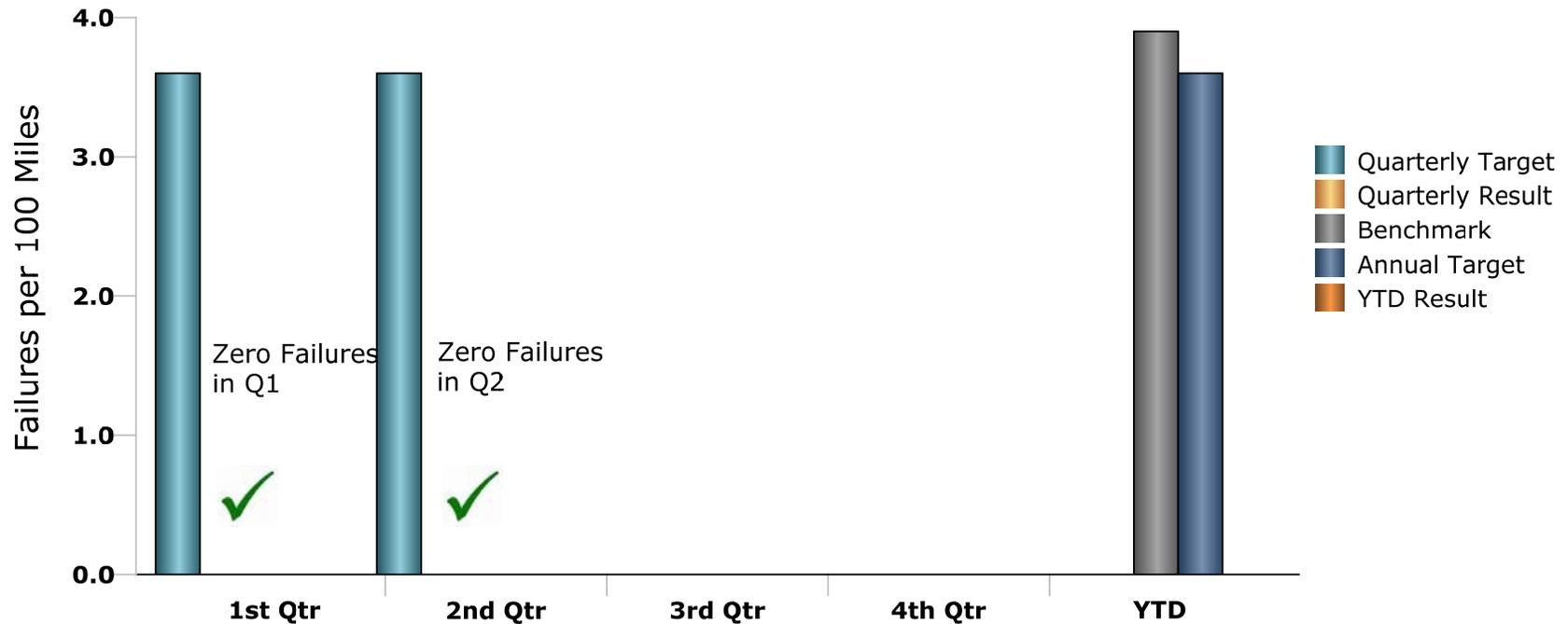
Measure 5.3.513, Planned Water Service Disruption Rate, aims to be below all set targets in order to have no more than 2.5 planned outages per 1,000 accounts per quarter in a single year. Note: This measure is expressed as number of accounts affected per 1,000 accounts.

## Potable Water Compliance Rate (QualServe) 5.3.514



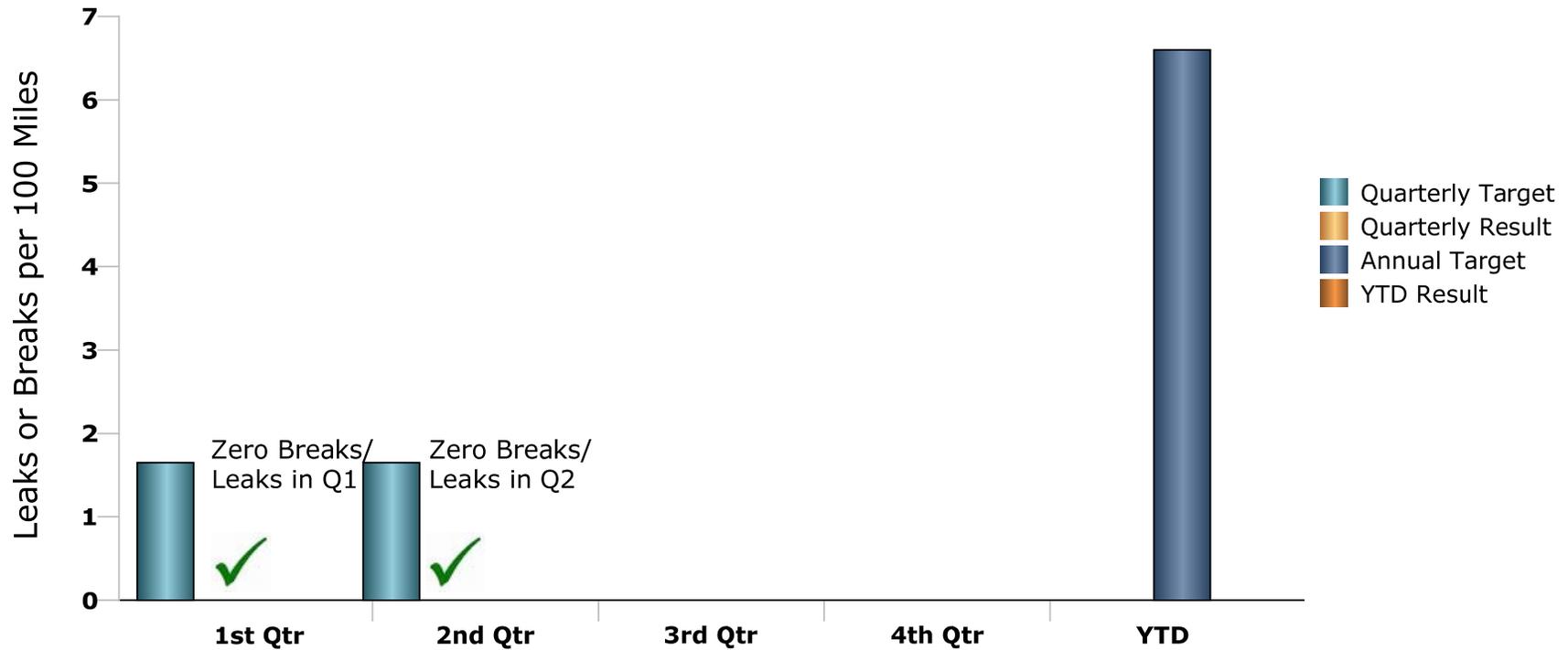
Measure 5.3.514, Drinking Water Compliance Rate, aims to be no less than 100% every quarter in order to ensure the District meets all of the health related drinking water standards everyday for a single year.

# Collection System Integrity (QualServe) 5.3.515



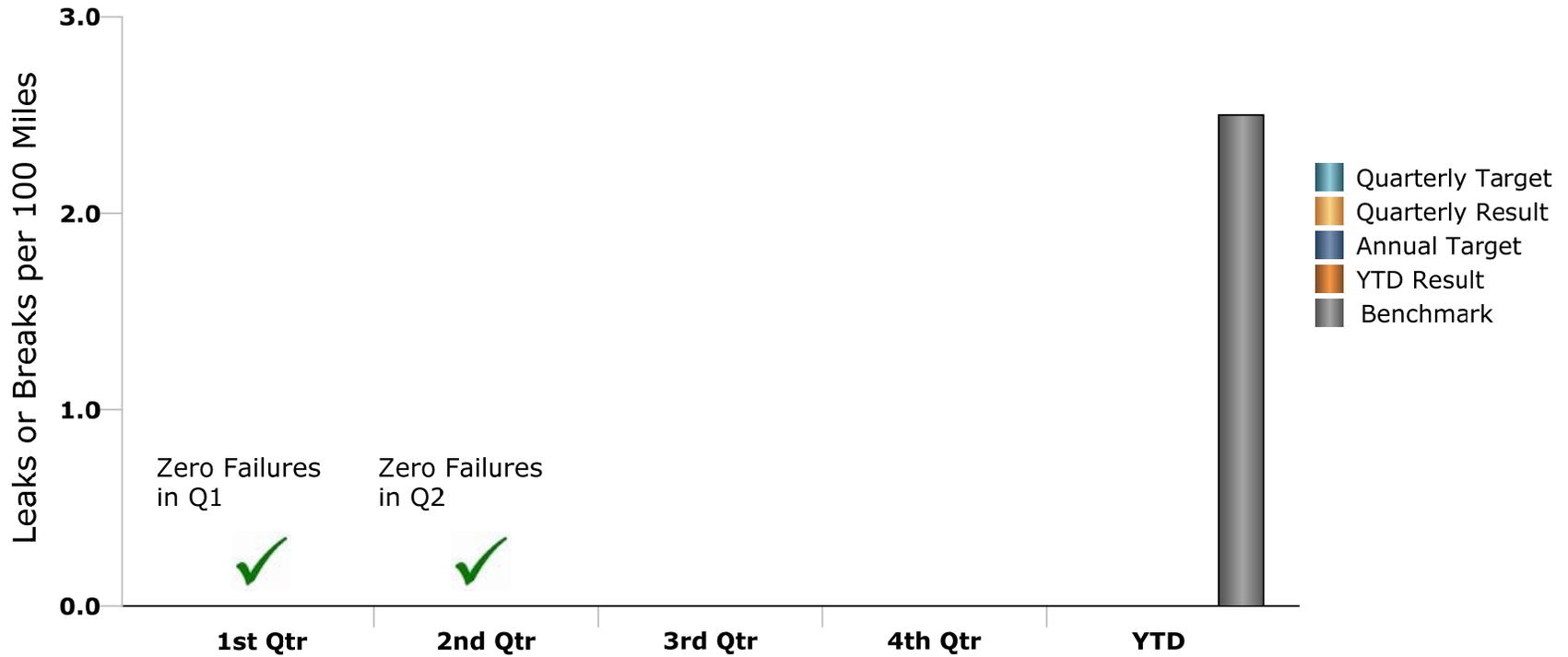
Measure 5.3.515, Collection System Integrity, aims to be below all set targets in order to have no more than 3.5 wastewater collection system failures per 100 miles of collection system pipeline in a single year.

# Recycled Water System Integrity 5.3.517



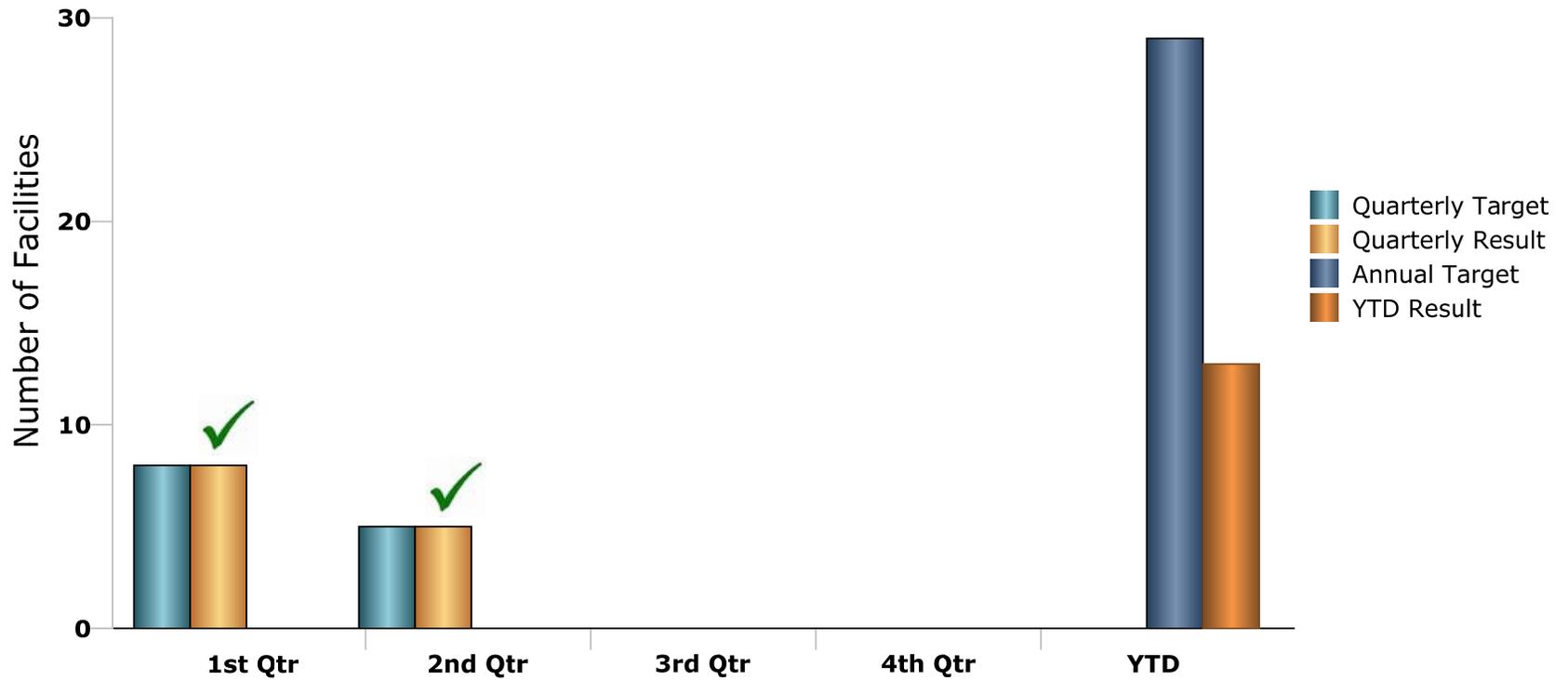
Measure 5.3.517, Recycled Water System Integrity, aims to be below all set targets in order to have no more than 6.6 leaks or breaks per 100 miles of recycled distribution system in a single year.

# Sewer Overflow Rate (QualServe) 5.3.518



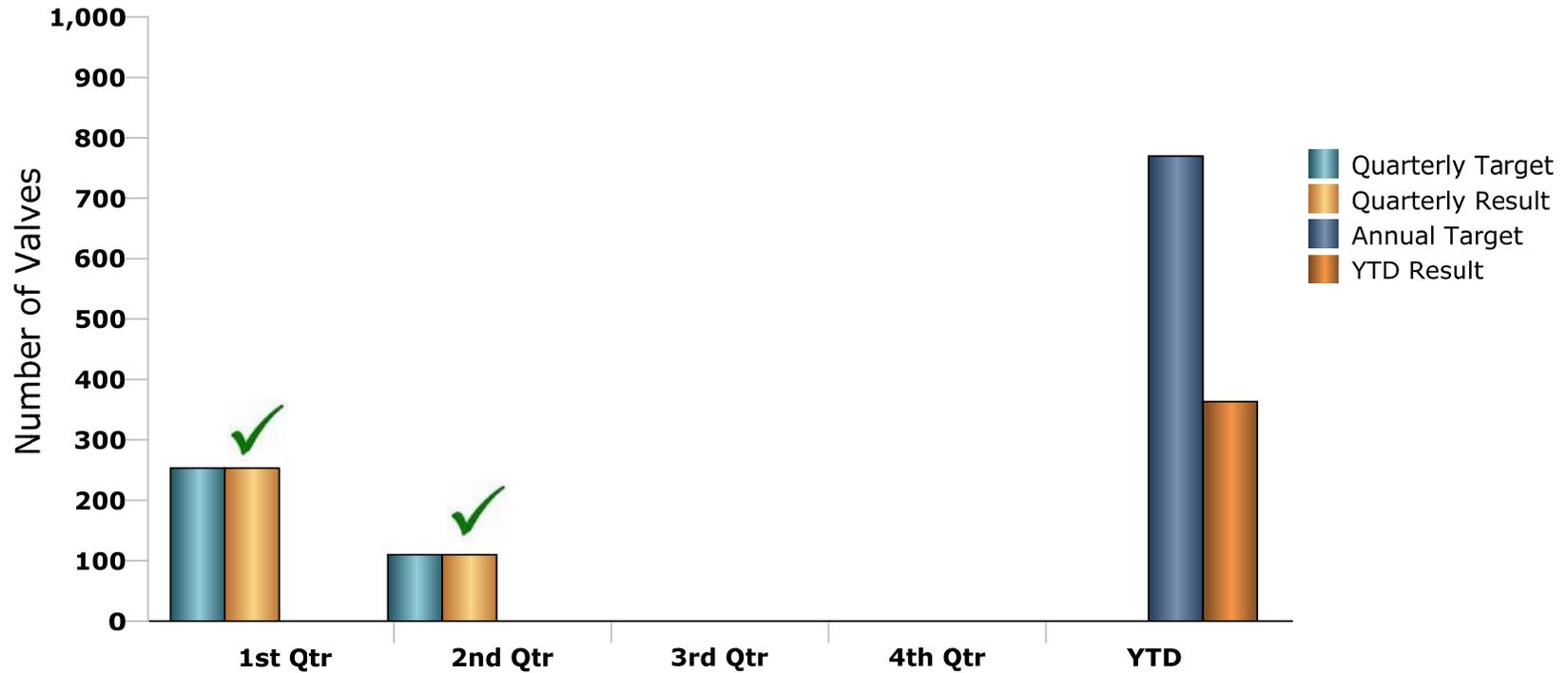
Measure 5.3.518, Sewer Overflow Rate, aims to have no overflows.

# Emergency Facility Testing 5.3.519



Measure 5.3.519, Emergency Facility Testing, aims to be above all set targets in order to have to all District facilities tested per year.

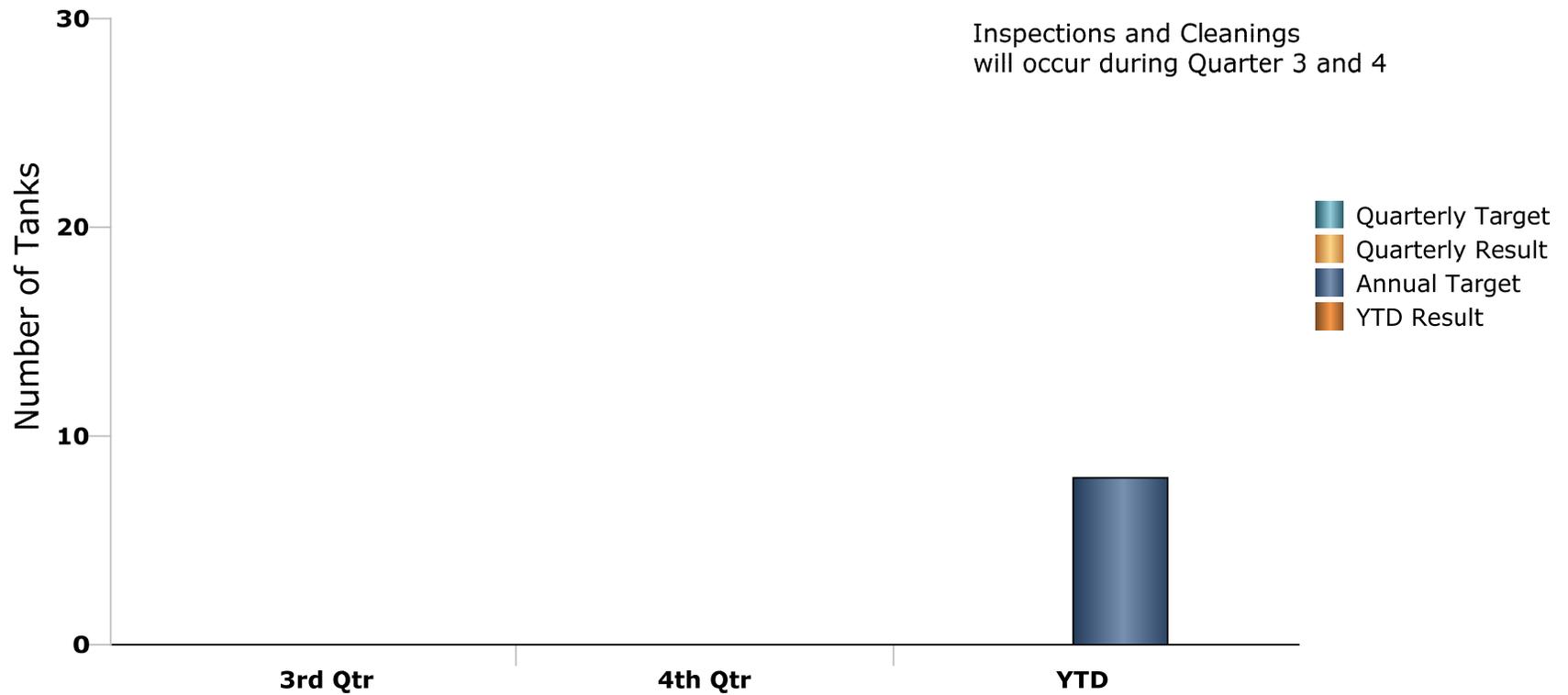
# Critical Valve Exercising Program 5.3.525



Measure 5.3.525, Critical Valve Exercising Program, aims to be above all set targets in order to have no less than 520 critical valves exercised in a single year.

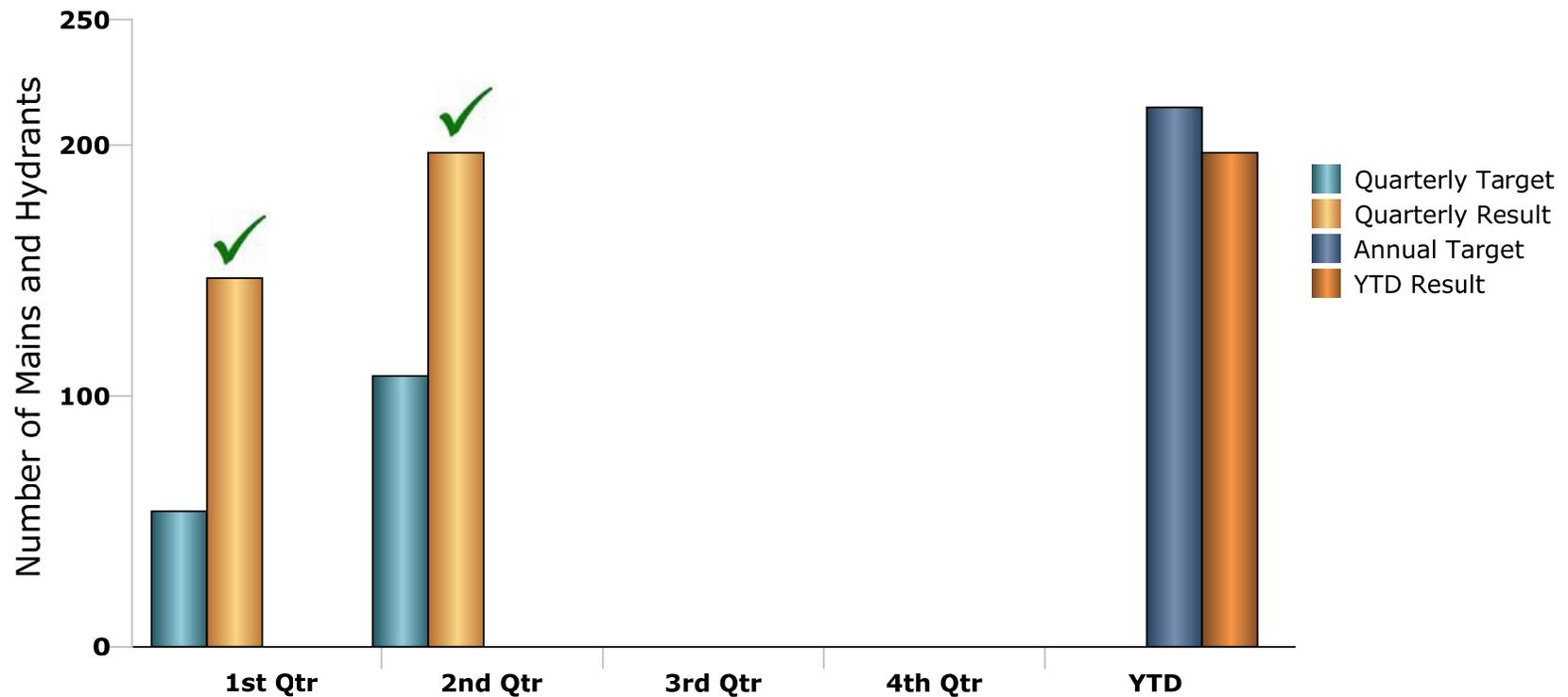
# Tank Inspection and Cleaning

## 5.4.521



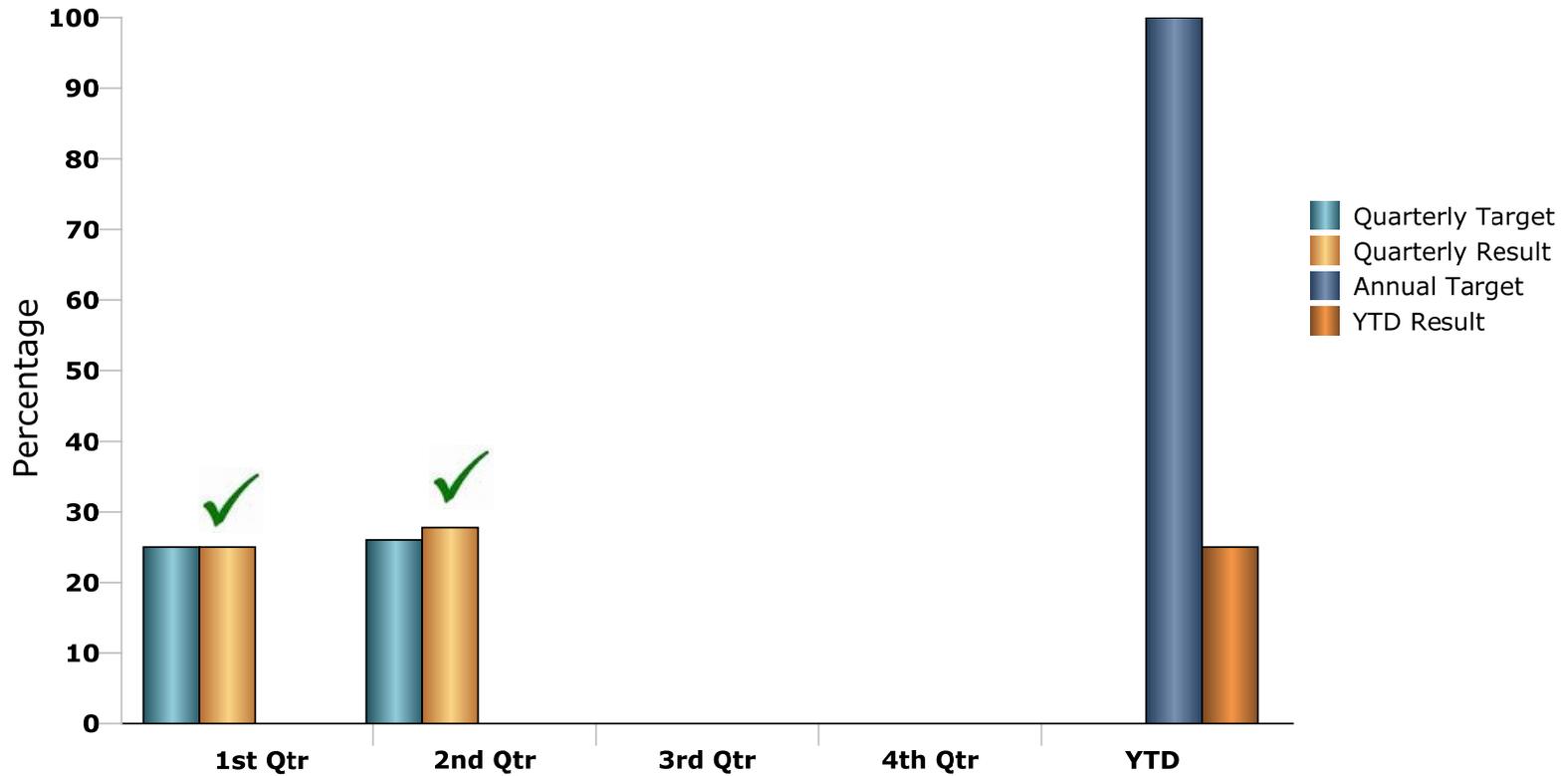
Measure 5.3.521, Tank Inspection and Cleaning, aims to be above set targets in order to have eight tanks inspected and cleaned per year. Inspection and cleanings will happen during Quarter 3 and 4.

## Main Flushing and Fire Hydrant Maintenance 5.4.522



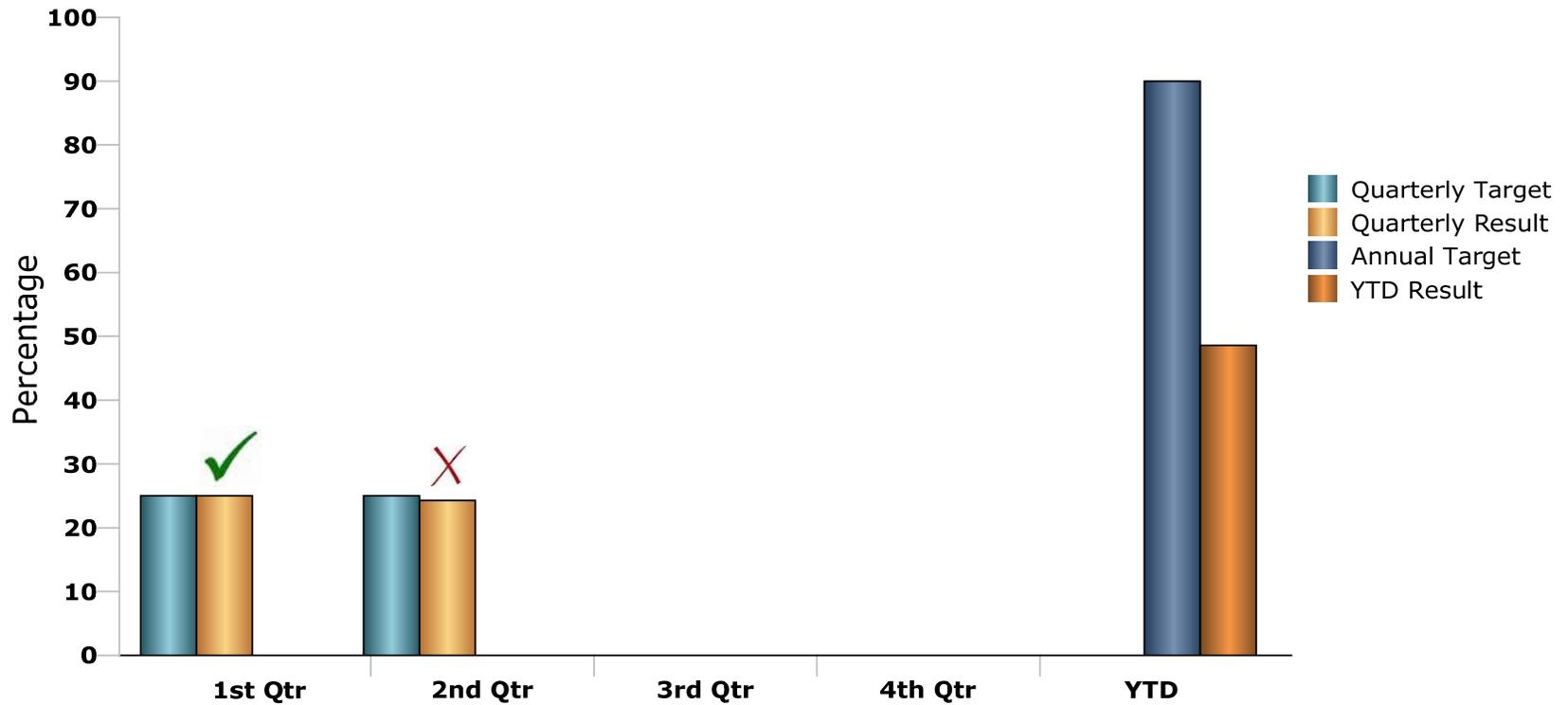
Measure 5.3.522, Main Flushing and Fire Hydrant Maintenance, aims to be above all set targets in order to have no less than 215 mains flushed and fire hydrants maintained per quarter in a single year.

# Annual Recycled Water Site Inspections 5.4.523



Measure 5.3.523, Annual Recycled Water Site Inspections, aims to be above all set targets in order to have 100% of recycled sites inspected per year.

# Recycled Water Shutdown Testing 5.4.524



Measure 5.3.523, Recycled Water Shutdown Testing, aims to be above all set targets in order to have no less than 90% of recycled site shut down tests performed per year compared to those scheduled.

# AGENDA ITEM 11a



## STAFF REPORT

TYPE		MEETING			
MEETING:	Regular Board	DATE:	March 4, 2015		
SUBMITTED	Mark Watton	W.O./G.F.	N/A	DIV.	N/A
BY:	General Manager	NO:	NO.		
APPROVED BY:	<input checked="" type="checkbox"/> Mark Watton, General Manager				
SUBJECT:	General Manager's Report				

### GENERAL MANAGER :

- The Bureau of Labor Statistics Annual San Diego CPI-U Less Medical - This statistic was released the end of February which the CPI is used to determine the COLA for 7/1/15. The figure was 1.8%; however, in accordance with the MOU and Resolution, "the minimum increase shall be two percent (2%)..." therefore, employees will receive a 2% COLA effective 7/1/15 and this will be included in the FY15-16 budget.
- Effluent Force Main Repairs and Inspection - During the repairs on the Effluent Force Main staff did not have to alter the water order from the City of San Diego. In addition, the Treatment Plant shutdown had no impact to the sewer system. All sewer flows were handled by the County of San Diego's Rancho San Diego Pump Station to Metro. The Treatment Plant was running to keep the microorganisms alive, but no discharge of any effluent to the distribution system took place during these events.
- San Diego County Water Authority (SDCWA) Ten-day Shutdown - The SDCWA's ten-day shutdown was a success for the District. Water system operations, in collaboration with other Operations sections, did an outstanding job preparing and filling water storage supplies and supplementing water demands via the Lower Otay Pump Station. No customers were affected by the shutdown.

## **ADMINISTRATIVE SERVICES:**

### **Purchasing and Facilities:**

- Purchase Orders - There were 143 blanket and regular purchase orders in effect during January with an adjusted total value of \$516,590. In addition, there were 143 Cal-Card transactions totaling \$82,679. By value, Cal-Card represents 14% of all purchases; blanket orders 31%; and regular PO's 56%.
- Facility Alarm Monitoring - Facilities and Security staff have determined that it is in the best interest of the District to change its alarm-monitoring provider to The Watchlight Corporation, an El Cajon based company. The decision is based on a reduction of up to 35% per site in monthly fees, a 19% reduction in hourly rates, a wider range of available services, and Watchlight's overall expertise and responsiveness. Watchlight owns and operates an Underwriters Laboratories (UL) listed Central Station and is a UL approved Installation Company. An orderly transition of the District's monitored sites will be complete by March 31, 2015.

### **Human Resources:**

- Recruitments - HR is recruiting for or preparing to recruit for: Systems Support Analyst, Utility Crew Leader, Utility Worker I/II, and Reclamation Plant Operator I/II/III.
- New Hires/Promotions - There was one new hire and two promotions in the month of February:
  - o The Utility Maintenance Supervisor position was filled with an internal applicant, Mike Plasterer. Mike has been with the District for almost 20 years and held positions of Utility Worker I, Senior Utility/Equipment Operator, and Crew Leader.
  - o The Water System Operator positions (two) were filled with one external and one internal candidate, DeAndre Savage. DeAndre was a Utility Worker prior to the promotion to Water Systems Operator.

### **Safety & Security:**

- Emergency Response Training - Staff completed onsite ICS-400 training in February. This is the last class of the series of initial Emergency Response Training requirements. This training was obtained from and paid for by the San Diego Urban Safety & Security Training Initiative and saved the District \$16,000 in training costs.
- All Hazards Preparedness Workshop - Staff attended the workshop sponsored by Homeland Security and the San Diego Law

Enforcement Coordination Center and conducted by the Texas A&M Engineering Emergency Response and Rescue Training Center.

- WebEOC Training Exercise - Staff completed the monthly exercise, which consisted of finding the tutorial for WebEOC and e-mailing [colvera@sdewa.org](mailto:colvera@sdewa.org).
- Otay EOC - Review District's EOC with attendees of the monthly WebEOC Training Exercise. Shared the contents, pertinent information, and initial steps to follow upon activation and being the first respondent onsite.
- Operations Electronic Annual Reporting System - Staff provided Emergency Response Plan and Preparedness information to Operations for inclusion as part of the annual electronic water systems report.

#### **INFORMATION TECHNOLOGY AND STRATEGIC PLANNING:**

- District Boundaries - Worked with the Finance Department to consolidate the Water and Sewer Improvement District (ID) boundaries. GIS conducted slope analysis, flood plain analysis and open space easement analysis for areas that need to be clarified for the ID consolidation preparation. GIS also provided the acreages for parcels and merged the parcels into the new proposed ID.
- Water Resource Master Plan - Worked with consultant, Atkin, on the Water Resource Master Plan for data related subjects. GIS provided a "checkout" version for Atkin to work on the water modeling. In return, Atkin provided the feedback to GIS staff and is now able to update the data into the GIS database to improve data accuracy. The new business process helps improve efficacy and data accuracy for both GIS data and model data.

#### **FINANCE:**

- Finance Awards - For the 9<sup>th</sup> consecutive year, the District has been awarded the Operating Budget Excellence Award for FY 2014-2015 by the California Society of Municipal Finance Officers (CSMFO). In addition, the District has been awarded the Capital Budget Excellence Award for the 10<sup>th</sup> consecutive year. Both of these documents meet the established criteria and serve as a valuable communications tool for the District.
- AWWA Annual Conference - Shannon Coffin, Lead Meter Maintenance/Cross Connection Worker, has been selected to present at the annual AWWA conference held in Anaheim from June 7-10 with 12,000 attendees expected. She will provide a presentation on "AMR/AMI Leak Alarms Notification as part of Water Conservation Solutions", which is a method by which Otay can share and highlight its successes with water professionals.

- Washer Rebate Program - SDG&E will be contributing \$50.00 to the High-Efficiency Washer (HEW) rebate program beginning March 15<sup>th</sup>. By submitting just one application through the SoCalWaterSmart website, District residents will be provided a \$185.00 HEW rebate; \$50 from SDG&E, \$85.00 from MWD, and \$50 from the District's rebate contributions.
- Financial Reporting:
  - o For the seven months ended January 31, 2015, there are total revenues of \$54,703,550 and total expenses of \$53,561,674. The revenues exceeded expenses by \$1,141,876.
  - o The market value shown in the Portfolio Summary and in the Investment Portfolio Details as of January 31, 2015 total \$84,619,940.24 with an average yield to maturity of 0.62%. The total earnings year-to-date are \$303,010.27.

## **ENGINEERING AND WATER OPERATIONS:**

### **Engineering:**

- **927 Zone, Forcemain Assessment and Repair Project:** This Project consists of inspection, condition assessment, and repair of the existing Ralph W. Chapman Water Reclamation Facility (RWCWRF) 1980 era, 16,000 feet long, 14-inch diameter steel force main. On October 1, 2014, the Board awarded a professional services contract for inspection and condition assessment of the forcemain to Pipeline Inspection & Condition Analysis Corporation (PICA) based in Canada. PICA inspected 4,000 feet of the forcemain using their SeeSnake tool in early January 2015. PICA identified eight localized defects, three of which were field verified by District staff through excavation and dissection of the pipe. The worst case defect, accurately predicted by PICA (90-100% wall loss; possible through-hole), was field verified by District staff and found to be a very small, yet active, slow weeping leak. District staff repaired the worst case defect before it could do damage to the environmental preserve, Sweetwater watershed, and/or District facilities. Based on the 4,000 feet inspected this winter, the forcemain facility appears to be in good condition, with the exception of the repairable localized defects. The project is on schedule and within budget. (R2116)
- **SR-11 Potable Water Utility Relocations:** This project consists of two (2) groups of potable water relocations to accommodate the construction of the future SR-11 right-of-way and connector ramps. The first group includes relocation of existing pipelines in Sanyo Avenue and utility easements and is currently in the construction phase. The contractor, Coffman Specialties Inc., has relocated the 10-inch and 12-inch mains

and is preparing to begin work to lower the District's 18-inch transmission main to accommodate the Caltrans freeway retaining wall footings. The second group consists of relocating a 6-inch blow off in Otay Mesa Road and is currently in the construction phase. The contractor, TC Construction Co., Inc., is preparing to begin work to relocate a 6-inch blow off. The overall project is on schedule and within budget. (P2453)

- **870-1 Reservoir Access Road Paving:** This project consisted of paving the existing perimeter dirt road around the 870-1 Reservoir. A construction contract was awarded by the Board on October 1, 2014 to RAP Engineering, Inc. Substantial completion for the project was issued effective January 22, 2015. Contract acceptance was issued on February 11, 2015. This project was completed on schedule and within budget. (P2515)
- **North-South District Interconnect Pipeline:** This project consists of installing approximately 5.2 miles of 30-inch diameter pipe from H Street in Chula Vista to Paradise Valley Road in Spring Valley. Staff has resumed evaluation of alternative sites previously completed in Fiscal Year 2011. (P2511)
- **944-1, 944-2, & 458-2 Reservoir Interior/Exterior Coatings & Upgrades:** This project consists of removing and replacing the interior and exterior coatings of the 944-1 0.3 MG Reservoir, the 944-2 3.0 MG Reservoir, and the 458-2 1.8 MG Reservoir along with providing structural upgrades to ensure the tanks comply with both State and Federal OSHA standards as well as American Water Works Association and County Health Department standards. A construction contract was awarded by the Board on October 1, 2014 to Olympus & Associates. The contractor has completed the interior coating of the 944-2 Reservoir and will begin the exterior coating work in March 2015. Notification of the upcoming construction at the 458-2 Reservoir was mailed out to residents on February 5 and the contractor began to mobilize to the site on February 17, 2015. During March 2015 the contractor is scheduled to remove the existing interior coating and complete any required structural repairs at the 458-2 Reservoir. The overall project is on schedule and within budget. (P2531, P2532, P2535)
- **Ralph W. Chapman Water Reclamation Facility (RWCWRF) Return Activated Sludge (RAS) Pumps Replacement Project:** This Project consists of removal and replacement of the existing 5 horsepower (HP) RAS pumps with upgraded 20 HP units. On January 7, 2015, the Board awarded a construction contract to Cora Constructors, Inc. During February 2015 the contractor initiated submittals for the project. It is anticipated that

the review and approval of submittals will be completed in March 2015. The project is on schedule and within budget. (R2111)

- **Calavo Basin Sewer System Rehabilitation:** This project consists of removing and replacing approximately 1,200 linear feet of 8-inch PVC sewer pipeline and construction of 220 feet of new 8-inch PVC sewer pipeline in the residential streets of the Calavo Gardens area near Avocado Boulevard. A construction contract was awarded by the Board on October 1, 2014 to Arrieta Construction. Notification of the upcoming construction work was mailed out to residents. Construction work was performed on Fury Lane and Calle Verde during late February/early March 2015. The project is on schedule and within budget. (S2033)
- **850-3 Reservoir Interior Coatings:** This project consists of removing and replacing the interior coatings of the 850-3 3.0 MG Reservoir. The exterior was coated in 2012. The project was advertised on January 7, 2015 and bids were opened on January 28, 2015. Abhe & Svoboda was the low bidder. The Painter & Allied Trades Union filed a bid protest claiming Abhe & Svoboda was not a responsible bidder. Staff is evaluating the validity of the protest and will make a recommendation to the Board at the April 1, 2015 meeting. (P2542)
- **Rosarito Desalination:** Staff and representatives from NSC Agua, held telephone conference calls on December 3, 2014, January 4, 2015, and January 21, 2015 to discuss the project and coordinate on complying with the California Water Resources Control Board Drinking Water Program regulatory requirements. Draft sections of the Environmental Impact Report are being prepared and staff continues to coordinate with the U.S. State Department on NEPA compliance. (P2451)
- **Regional Water Quality Control Board Region 9 (San Diego):** The Regional Water Quality Control Board (RWQCB) is proposing modifications to the Basin Plan to revise their plans and policies including the 2009 (as amended in 2013) Recycled Water Policy. Eighteen (18) water agencies, including the Otay Water District, had significant issues with what the RWQCB noted as "minor corrections." Working together, these agencies on February 12, 2015 sent a draft of the Landscape Irrigation with Recycled Water section of Chapter 4 (Implementation) for consideration by the RWQCB. The recommendations are consistent with the goals of the California Water Plan, would promote recycled water use, while ensuring that nitrate loads associated with recycled water are not unreasonably restricted. See attached letter dated February 12, 2015 from the San Diego County Water Authority.

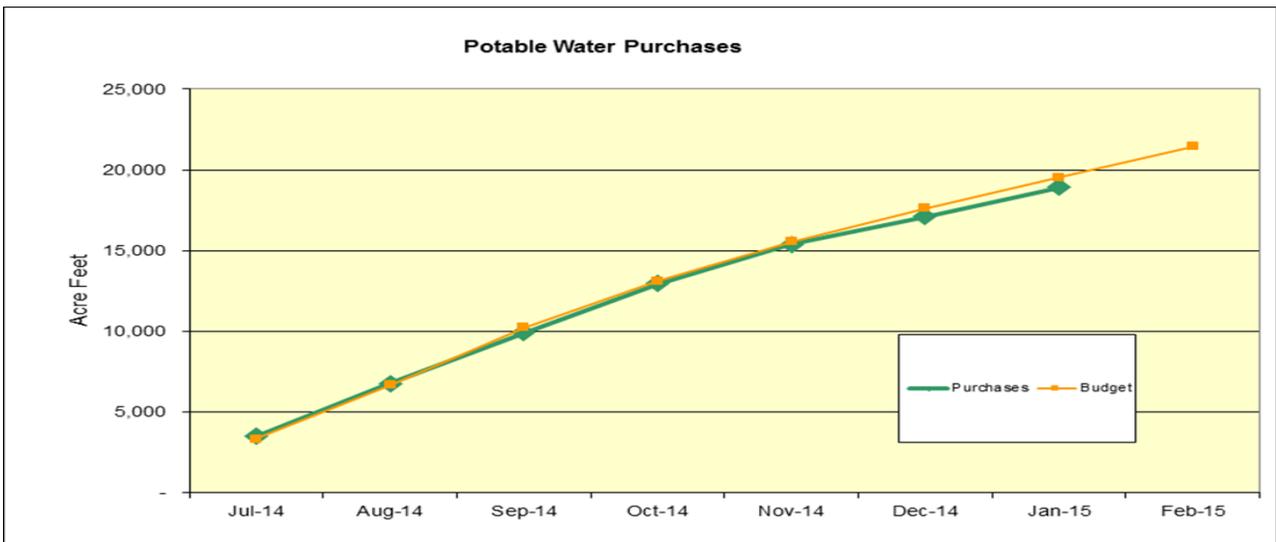
- **Water Facilities Master Plan Update:** This project will update the District's existing Water Resources Master Plan that was previously updated in October 2008 and revised in May 2013. The consultant (Atkins) is anticipated to provide a 60% draft for staff review in April 2015. (P1210)
- **Integrated Resource Plan Update:** On November 5, 2014 the Board awarded a contract to Carollo Engineers, Inc., to prepare the 2015 IRP Update. Water demands for the District out to year 2050 have been developed for Carollo's use in preparing the IRP Update. (P1210)
- **Associated General Contractors of America and Water Agency Standards Meeting:** District staff and other Water Agency Standards (WAS) Agencies have engaged with the contracting community through the Associated General Contractors of America (AGC). Meetings are held every six (6) months to discuss issues of material supply, standards, and future projects the District will be releasing to bid. These meetings are held to increase communication with the Contracting community and to gather feedback for the WAS Standards Committee.
- For the month of January 2015, the District sold 19 meters (23 EDUs) generating \$212,826 in revenue. Projection for this period was 12.8 meters (15.3 EDUs) with budgeted revenue of \$140,758. Total revenue for Fiscal Year 2015 is \$2,161,044 against the annual budget of \$1,689,093.

The following table summarizes Engineering's project purchases and amendments issued during the period of January 8, 2015 through February 18, 2015 that were within staff signatory authority:

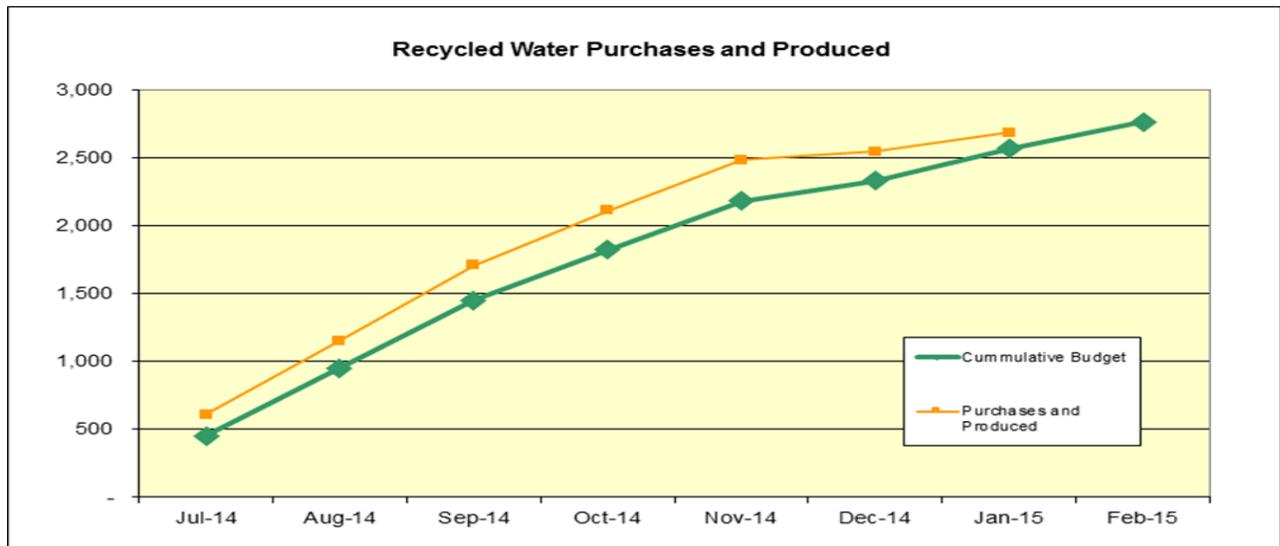
Date	Action	Amount	Contractor/ Consultant	Project
1/06/15	P.O.	\$16,390.00	A & D Fire Sprinklers, Inc.	MIC Treatment System Installation on the Operations Building (P2538)
1/08/15	P.O.	\$1,906.00	Mayer Reprographics, Inc.	850-3 Reservoir (P2542)
2/9/15	P.O.	\$2,010.94	Mayer Reprographics, Inc.	450-1 Disinfection Facility Rehabilitation (R2112)
2/11/15	P.O.	\$5,000.00	The Watchlight Corp.	870-2 Pump Station (P2083)
2/18/15	Amendment	\$35,000.00	Alyson Consulting	Construction Management and Inspection Services (various)

**Water Operations:**

- Total number of potable water meters is 49,338, which is four (4) less from last month. The District pulled a total of eight (8) meters last month and only set four (4) new ones. The eight (8) meters pulled include five (5) temporary construction meters, one (1) recycled meter per inspection waiting for the recycled water permit to be approved and is expected to be reset at a later date, one (1) meter via the Engineering Front counter as it served a vacant lot; the owner is credited with 1 EDU credit towards a future meter purchase, and one (1) meter associated with Jamul Indian Village's request to use credits from smaller meters towards a larger meter to accommodate an expansion of their casino.
- The January potable water purchases were 1,816.8 acre-feet which is 10.2% below the budget of 2,023.5 acre-feet. The cumulative purchases through January is 18,921.8 acre-feet which is 2.1% below the cumulative budget of 19,326.7 acre-feet.



- The January recycled water purchases and production was 141.1 acre-feet which is 40.5% below the budget of 237.1 acre-feet. The cumulative production and purchases through January is 2,684.5 acre-feet which is 4.6% above the cumulative budget of 2,565.5 acre-feet.



- Recycled water consumption for the month of January is as follows:
  - Total consumption was 88.1 acre-feet or 28,689,540 gallons and the average daily consumption was 925,469 gallons per day.
  - Total recycled water consumption as of January for FY 2015 is 2,797.9 acre-feet.
  - Total number of recycled water meters is 707.
  
- Wastewater flows for the month of January were as follows:
  - Total basin flow, gallons per day: 1,637,447.
  - Spring Valley Sanitation District Flow to Metro, gallons per day: 542,099.
  - Total Otay flow, gallons per day: 1,095,349.
  - Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 518,964.
  - Flow to Metro from Otay Water District was 576,385 gallons per day.
  
- By the end of December there were 6,090 wastewater EDUs.

Attachment: Letter from San Diego County Water Authority  
 Dated: February 12, 2015  
 Subject: "Comments on Proposed Basin Plan Amendments  
 Modification of Groundwater Nitrate Objectives and  
 Incorporation of the State Onsite Wastewater Treatment  
 System (OWTS) Policy"



**San Diego County Water Authority**

4677 Overland Avenue • San Diego, California 92123-1233  
(858) 522-6600 FAX (858) 522-6568 www.sdcwa.org

February 12, 2015

**Regional Water Quality Control Board**

**San Diego Region**

**Ms. Jody Ebsen**  
2735 Northside Drive, Suite 100  
San Diego, CA 92108-2700

**Subject: Comments on Proposed Basin Plan Amendments Modification of  
Groundwater Nitrate Objectives and Incorporation of the State Onsite  
Wastewater Treatment System (OWTS) Policy**

**Dear Ms. Ebsen:**

The San Diego County Water Authority (Water Authority) and the recycled water agencies in Region 9 that are signatory to this letter have reviewed the proposed Basin Plan modifications which would:

1. Revise Chapter 3 (Water Quality Objectives) to establish the groundwater quality objective for nitrate at 45 mg/l as NO3 for over 40 basins within the San Diego Region.
2. Revise provisions of Chapter 4 (Implementation) to incorporate the State Water Resources Control Board Onsite Wastewater Treatment System (OWTS) Policy into the Basin Plan and make minor corrections to other sections regarding Waste Discharge Requirements (WDRs).
3. Revise Chapter 4 (Implementation) to add implementation provisions for the nitrate groundwater quality objective to protect surface water quality where groundwater and surface water are interconnected.
4. Revise Chapter 5 (Plans and Policies) to include descriptions of the 2012 State Water Board OWTS Policy and 2009 (as amended in 2013) Recycled Water Policy.
5. Delete the expired conditional waivers of waste discharge requirements from the Basin Plan and make other minor non-substantive changes to the Basin Plan.

We support the Water Board's intent to modify the Basin Plan to address the 2012 OWTS Policy and 2009 Recycled Water Policy. We have significant issues, however, with the proposed Basin Plan language changes within the "Landscape Irrigation with Recycled Water" section of Chapter 4 (Implementation). While proposed modifications to this landscape irrigation section are described within the Basin Plan modification public notice as "minor corrections to other sections regarding Waste Discharge

**MEMBER AGENCIES**

- Cortland Municipal Water District
  - City of Del Mar
  - City of Escondido
  - City of National City
  - City of Oceanside
  - City of Poway
  - City of San Diego
  - Fallbrook Public Utility District
  - Helix Water District
  - Lakeside Water District
  - Olivenhain Municipal Water District
  - Olney Water District
  - Padre Dam Municipal Water District
  - Comp Pendleton Marine Corps Base
  - Rainbow Municipal Water District
  - Romona Municipal Water District
  - Rincon del Diablo Municipal Water District
  - San Dieguito Water District
  - Santa Fe Irrigation District
  - South Bay Irrigation District
  - Vallecitos Water District
  - Valley Center Municipal Water District
  - Vista Irrigation District
  - Yuma Municipal Water District
- OTHER REPRESENTATIVE**
- County of San Diego

Requirements", we believe that the proposed modifications within the "Landscape Irrigation with Recycled Water" section are problematic because they:

1. Do not reflect the actual potential recycled water irrigation impacts to groundwater and incorrectly overstate the contribution of recycled water irrigation to groundwater nitrate concentrations.
2. Do not reflect the groundwater quality issues or loads within the San Diego Region, are inconsistent with the goals of the Recycled Water Policy, and are inconsistent with findings presented within Salt and Nutrient Management Plans prepared within the San Diego Region.
3. Would inappropriately result in increased regulation of nitrate loads from recycled water irrigation (which has a minor, if any, influence on groundwater nitrate concentrations) while at the same time resulting in decreased water quality regulation of OWTS (which represent a greater threat to groundwater nitrate quality than recycled water use).
4. Do not take into account typical professional practices or management actions which result in nutrient loads from recycled water use (which is regulated by the Regional Water Board) being no different from nutrient loads from potable water irrigation (which is not regulated by the Regional Water Board).
5. Do not foster implementation of (and in fact represent potential impediments to) recycled water goals and objectives established within the 2013 California Water Plan, the 2009 Recycled Water Policy and the 2013 San Diego Water Board Practical Vision.

**Nitrate Loading Issues.** Currently, Chapter 4 of the Basin Plan establishes criteria under which the Regional Board can delegate review and approval of OWTS to the appropriate county health officer. The proposed modifications would allow significant greater OWTS flows without the need for Regional Water Board review or water quality evaluation. Under these modifications, Tier 1 OWTS discharges of up to 3500 gallons per day (gpd) could be approved by the counties without the need for any water quality assessment. (This is approximately triple the current 1200 gpd threshold OWTS discharge limit addressed within the Basin Plan and the Regional Board delegation agreements with the counties.)

As acknowledged within the OWTS Policy support documents, OWTS discharges typically contain total nitrogen concentrations (comprised primarily of nitrate) of 50 to 90 mg/l.<sup>1</sup> Because the OWTS discharges occur beneath the root zone, little or no vegetative uptake of these nutrients occurs. Additionally, little nitrogen removal occurs as water moves downward to groundwater, resulting in almost 100 percent of OWTS nitrogen loads impacting groundwater quality. The OWTS Policy mitigates against these potential impacts by imposing precipitation-based land density requirements in

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<sup>1</sup> As reported in Table 4-9 of the Onsite Wastewater System Policy, Final Substitute Environmental Document, approved by the State Water Resources Control Board on June 19, 2012.

order to prevent OWTS loads from causing exceedance of a groundwater quality nitrate objective of 45 mg/l as NO<sub>3</sub> (10 mg/l as nitrogen).<sup>2</sup>

Recycled water irrigation represents a much lower threat to groundwater nitrate quality (if any) than OWTS discharges. First, total nitrogen concentrations in recycled water are less than OWTS discharges, and typically range from 10 to 40 mg/l.<sup>3</sup> More importantly, unlike OWTS discharges, recycled water is applied to the land surface, and irrigated nutrient demands of landscape irrigation can be equal or greater than the available nitrogen concentrations in the irrigation supply. As a result, recycled water users (particularly those removing cuttings) typically periodically apply fertilizers to satisfy additional vegetation nutrient demands of the irrigated vegetation. Finally, recycled water users are required to undergo training and are required to implement professional management practices under adopted recycled water agency Rules and Regulations established pursuant to county and Regional Water Board requirements. In accordance with these required practices (and as a result of water conservation guidance and directives issued by the state, county and local governments), recycled water irrigation operations operate at a high irrigation efficiency, resulting in a minimal amount of water and significantly reduced nutrient loads percolating downward to groundwater.

While OWTS dischargers (along with agricultural fertilization) were identified as a primary contributor to basin nutrient loads within San Diego region Salt and Nutrient Management Plans (SNMPs) prepared pursuant to the 2009 Recycled Water Policy, none of the SNMPs identified recycled water irrigation operations as representing a threat to cause exceedance of Basin Plan nitrate groundwater objectives. Furthermore, none of the SNMPs identified any recycled water management strategies or controls (over and above those currently implemented) as being necessary to ensure compliance with Basin Plan nitrate objectives.<sup>4</sup>

These SNMP findings are consistent with a half-century history of recycled water use within the San Diego Region, in which not one instance has occurred where recycled water irrigation has resulted in nitrate exceedance of the 45 mg/l drinking water nitrate objective in a downstream potable supply well. As an example of this lack of significant impact, nitrate concentrations of 2.4 mg/l were reported in 2014 at the Carlton Oaks Golf course, which is immediately downstream and makes use of recycled water discharged from the Padre Dam MWD Santee Lakes project that has been in operation for more than 60 years.<sup>5</sup>

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<sup>2</sup> See Table 1 of the *OWTS Policy, Water Quality Policy for Siting, Design, Operation, and Maintenance of Onsite Wastewater Treatment Systems*, adopted by the State Water Resources Control Board on June 19, 2012.

<sup>3</sup> Typical range of total nitrate in recycled water supplies produced by Water Authority member agencies that produce disinfected tertiary treated recycled water that conforms to criteria established in Title 22, Division 4, Chapter 3 of the *California Code of Regulations*.

<sup>4</sup> Includes SNMPs submitted to the Regional Water Board for the San Juan Creek basin, Temecula basin, lower Santa Margarita River basin, Escondido basin, San Pasqual basin, Gower basin, and Santee basin.

<sup>5</sup> See Chapter 5 of the Santee Basin Salt and Nutrient Management Plan, prepared by Montgomery Watson-Harza and submitted by Padre Dam MWD to the Regional Water Board in 2014.

All existing documented groundwater nitrate problems within the region (e.g. San Pasqual Valley, Pauma Valley) are in areas where recycled water irrigation is minimal or non-existent, and nitrate loads are dominated by agricultural irrigation and applied fertilizers. Indeed, the Salt and Nutrient Management Plan for the San Pasqual Valley (one of the areas most impacted by groundwater nitrate concentrations), identified recycled water as comprising less than one-half of one percent of the total basin-wide nitrogen load.<sup>6</sup>

Given this history, it is inconsistent for the Basin Plan to reflect a need for increased regulation of nitrate loads in recycled water irrigation, while at the same time proposing a reduction in Regional Board oversight and water quality regulation of OWTS discharges (which represent a greater threat to groundwater quality than recycled water irrigation in unsewered portions of the Region).

**Trace Nutrients.** In addition to addressing how nitrate within OWTS and recycled water irrigation operations are to be regulated, it is worthwhile for the Basin Plan to address the regulation of trace nutrients. Iron and manganese are two key trace nutrients found both in recycled water supplies and OWTS discharges. Unlike nitrate, which is a primary (health-based) drinking water standard, iron and manganese are secondary (aesthetic) consumer acceptance standards established to minimize staining in plumbing fixtures. Iron and manganese groundwater quality objectives are typically established at the secondary consumer acceptance drinking water standards of 0.3 mg/l and 0.05 mg/l respectively.

Iron and manganese concentrations in OWTS wastewater and recycled water supplies periodically exceed these limits. Unlike OWTS discharges which occur below the ground surface and may directly impact groundwater quality, recycled water irrigation operations result in vegetative uptake of iron, manganese and other trace nutrients, reducing the impact on groundwater quality. As documented in numerous studies conducted within the San Diego Region, this trace nutrient uptake limits the amount of iron and manganese that is available for recharging groundwater.<sup>7</sup> As a result, recycled water effluent limits for iron and manganese can be established at levels that are slightly higher than the corresponding groundwater quality objectives to account for the assimilative capacity effects of trace nutrient uptake. The Basin Plan section on "Landscape Irrigation with Recycled Water" should address this effect and how trace nutrients in recycled water irrigation supplies are to be regulated.

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<sup>6</sup> See Chapter 3 of the *San Pasqual Valley Groundwater Basin Salt and Nutrient Management Plan*, prepared by CH2M Hill, and submitted by the City of San Diego to the Regional Water Board in 2014.

<sup>7</sup> See *City of Carlsbad Report of Waste Discharge for Revised Iron and Manganese Limits* (June 2011), *City of Escondido Report of Waste Discharge for Revised Waste Discharge Requirements, Hale Avenue Resource Recovery Facility* (January 2003), *City of San Clemente Manganese Assessment, City of San Clemente Water Reclamation Facility* (April 2002). Similar results are reported in January 2015 by the City of San Diego in *Draft Amendment to Report of Waste Discharge Permit 93-03* (North City Water Reclamation Plant).

**Proposed Basin Plan Revisions.** As part of the "minor corrections to other sections" identified in the Regional Water Board "Notice of Public Workshop" for the proposed OWTS Basin Plan amendments, the Regional Water Board staff propose a complete rewrite of the Chapter 4 section entitled "Landscape Irrigation with Recycled Water". To address the above-discussed issues, the Water Authority, its member agencies, and other impacted regional agencies propose an alternative version of the "Landscape Irrigation with Recycled Water" section, with the intent of:

1. Better defining, prioritizing, and reflecting the relative threats that different types of discharges present toward achieving compliance with Basin Plan groundwater nutrient objectives.
2. Establishing the rationale for why professionally operated recycled water irrigation operations do not represent a threat to cause exceedances to Basin Plan groundwater quality objectives for nutrients.
3. Clearly establishing nitrogen management requirements that should be incorporated into WDRs and water reclamation requirements to ensure that recycled water operations are in keeping with protecting groundwater quality and achieving Basin Plan groundwater quality objectives for nutrients.
4. Addressing effects of trace nutrients such as iron and manganese.
5. Establishing the rationale for why it is not necessary for the Regional Water Board to establish numerical effluent concentration limits for nitrogen within recycled water, except in special circumstances.
6. Identifying the special circumstances which may warrant Regional Board attention in regulating sources of nutrients in applied recycled waters.
7. Encouraging the production and use of recycled water in Region 9 in conjunction with stakeholders.

A proposed draft of the "Landscape Irrigation with Recycled Water" section of Chapter 4 (Implementation) is attached for your consideration which addresses these issues and needs. The revisions to the "Landscape Irrigation with Recycled Water" section that we propose herein is necessary to maintain existing recycled water use within the region and to offer opportunities for expanded recycled water use that is consistent with implementing Basin Plan water quality objectives for nutrients. The proposed Basin Plan revisions we propose:

1. Are consistent with implementing goals of the California Water Plan, Recycled Water Policy, and San Diego Water Board Practical Vision.
2. Would promote recycled water use by providing clear and unambiguous direction to Regional Board staff and recycled water agencies on how recycled water irrigation operations are to be regulated.
3. Would ensure that nitrate loads associated with recycled water irrigation operations (which the Regional Board regulates) are not unreasonably restricted to levels below nitrate loads associated with imported or potable water use (which the Regional Water Board does not regulate).

Regional Water Quality Control Board  
Ms. Jody Ebsen  
February 12, 2015  
Page 6

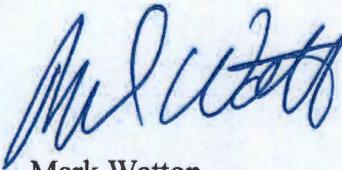
Thank you for the opportunity to comment on the proposed Basin Plan modifications. The Water Authority, its member agencies, and other regional agencies that purvey recycled water are supportive of the Regional Water Board's intent of modifying the Basin Plan to incorporate OWTS Policy recommendations and the 2009 Recycled Water Policy, but have significant concerns that the currently proposed "Landscape Irrigation with Recycled Water" section of Chapter 4 (Implementation) runs contrary to the goal of promoting the use of recycled water.

We look forward to coordinating with the San Diego Water Board to ensure that proposed Basin Plan modifications are consistent with promoting recycled water use and implementing the goals set forth in the California Water Plan, Recycled Water Policy, and San Diego Water Board Practical Vision.

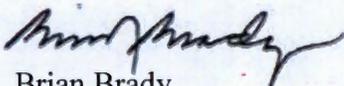
Sincerely,



Ken Weinberg  
Director of Water Resources  
San Diego County Water Authority

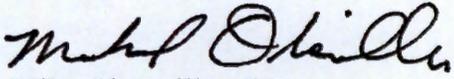


Mark Watton  
General Manager  
Otay Water District

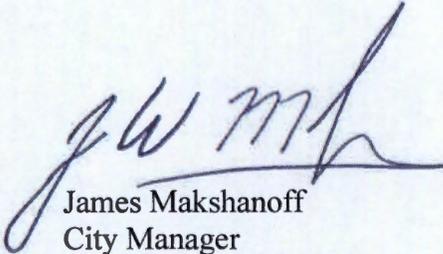


Brian Brady  
General Manager  
Fallbrook Public Utility District

Regional Water Quality Control Board  
Ms. Jody Ebsen  
February 12, 2015  
Page 7



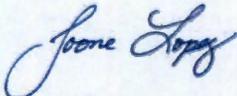
Mike Obermiller, P.E.  
Assistant Director of Public Works  
City of Poway



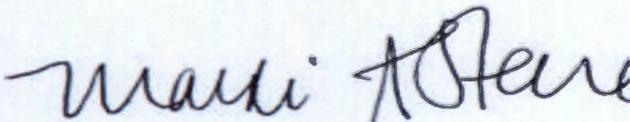
James Makshanoff  
City Manager  
City of San Clemente



Wendy Chambers General Manager  
Carlsbad Municipal Water District

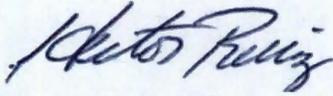


Joone Lopez  
General Manager  
Moulton Niguel Water District

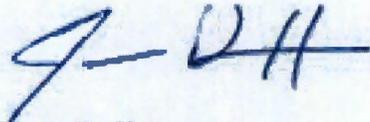


Marsi A. Steirer  
Deputy Director  
Long-Range Planning & Water Resources Division

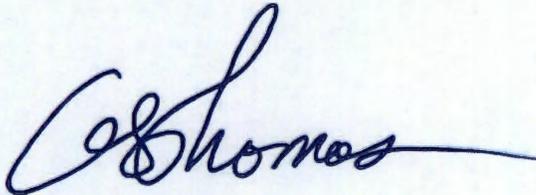
Regional Water Quality Control Board  
Ms. Jody Ebsen  
February 12, 2015  
Page 8



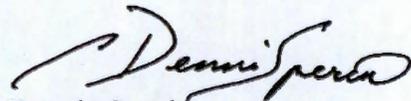
Hector Ruiz, P.E.  
General Manager  
Trabuco Canyon Water District



Jason Dafforn  
Interim Water Utilities Director  
City of Oceanside



Greg Thomas  
General Manager  
Rincon del Diablo Municipal Water District



Dennis Sperino  
Deputy Director/Utilities-Waste Water  
City of Escondido

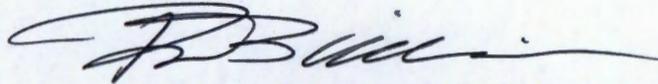


Ms. Betty Burnett  
General Manager  
South Orange County Wastewater Authority

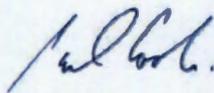


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Dana Point, CA. 92629

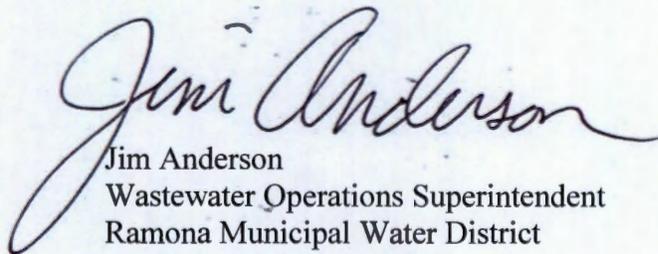
Regional Water Quality Control Board  
Ms. Jody Ebsen  
February 12, 2015  
Page 9



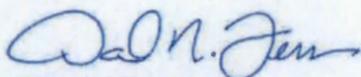
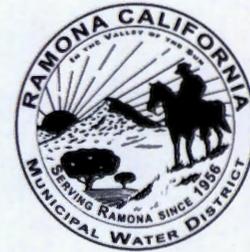
Richard S. Williamson, Assistant General Manager  
Rancho California Water District



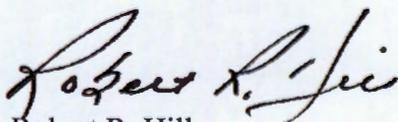
Paul A. Cook, General Manager  
Irvine Ranch Water District



Jim Anderson  
Wastewater Operations Superintendent  
Ramona Municipal Water District



Daniel R. Feron  
General Manager  
Santa Margarita Water District



Robert R. Hill  
General Manager  
El Toro Water District



MM/tp  
Attachment (1): Recommended Basin Plan Revisions - Landscape Irrigation with  
Recycled Water  
by email:

Recommended Basin Plan Revisions  
Landscape Irrigation with Recycled Water

**Landscape Irrigation with Recycled Water**

It is the stated interest of the Regional Water Board to promote and encourage recycled water use where such use is consistent with achieving applicable water quality standards. The State Recycled Water Policy establishes goals for increasing state-wide recycled water use in a manner that implements state and federal water quality laws. Consistent with the State Recycled Water Policy, the San Diego Water Board Practical Vision establishes a policy of using the San Diego Water Board's leadership and regulatory authority to encourage, promote, and facilitate development of new and diverse sustainable local water supplies in an environmentally responsible manner. The Practical Vision specifically lists supporting and encouraging direct use of recycled water and indirect potable reuse as key elements of this sustainability strategy.

The use of tertiary treated recycled water within the San Diego Region dates back to the 1960s, and recycled water is currently used within each of the eleven hydrologic units that comprise the San Diego Region. A significant majority of this reuse is in the form of landscape irrigation, and virtually all of this reuse involves disinfected tertiary recycled water, as defined within Title 22, Division 4, Chapter 3, Section 60301.230 of the California Water Code.

Disinfected tertiary recycled water typically contains concentrations of total nitrogen that range from approximately 10 mg/l to 40 mg/l. Unlike OWTS discharges which contain higher concentrations of nitrogen, which occur below the root zone, and can directly impact groundwater quality, recycled water used for landscape irrigation is applied to the land surface where primary nutrients such as nitrogen and phosphorus, and secondary nutrients such as iron and manganese can be taken up by vegetation. Since recycled water used for landscape irrigation typically contains less nitrogen than the nitrogen demands of the irrigated vegetation, fertilization is required to ensure that sufficient nutrients are available to meet vegetation demands. Recycled water concentrations of trace nutrients such as iron and manganese may exceed vegetation nutrient demands, but vegetation uptake can reduce the degree to which such trace nutrients can affect groundwater quality.

Proper, professional operation of recycled water landscape irrigation that includes (1) maintaining high irrigation efficiencies appropriate to the vegetation and soil conditions, and (2) reducing fertilizer use commensurate with the nutrient value of the recycled water, can ensure that recycled water nutrient loads do not cause exceedance of Basin Plan water quality objectives, and are equivalent to nutrient loads that would occur if potable water were to be substituted for recycled water use. Demonstrating the effectiveness of this strategy, none of the Salt and Nutrient Management Plans prepared for the San Diego Region has identified:

- Recycled water landscape irrigation as representing a threat to exceeding the 45 mg/l (as NO<sub>3</sub>) groundwater nitrate objective,
- Need for reducing nutrient concentrations in applied recycled water, or
- Need for implementation of nutrient management as part of recycled water landscape irrigation use.

Additionally, historic groundwater concentrations downstream from long-operating recycled water landscape irrigation projects within the Region demonstrate consistent compliance with the 45 mg/l (as NO<sub>3</sub>) groundwater nitrate objective, and no instance has occurred within the San Diego Region where recycled water irrigation use has resulted in groundwater nitrate concentrations exceeding the 45 mg/l (as NO<sub>3</sub>) objective.

Establishing recycled water nitrogen effluent concentration limits in WDRs that would require a reduction in nutrient concentrations in recycled water supplies would not lead to any discernible groundwater quality improvement because this would lead irrigation users to simply increase fertilizer applications to the site by a commensurate amount in order to satisfy vegetative nutrient demands. Similarly, terminating recycled water operations at the site and substituting potable water as the irrigation supply would not result in any discernible water quality improvement, as fertilizer application rates would be commensurately increased.

Although recycled water nitrate concentration limits would not protect groundwater quality, the professional management of recycled water operations can ensure that recycled water that percolates past the landscape root zone is consistent with achieving applicable Basin Plan groundwater quality objectives. As such, the following requirements shall be used by the Regional Water Board in establishing landscape irrigation requirements within Waste Discharge Requirements, Master Reclamation Permits, and Water Recycling Requirements:

- Recycled water purveying agencies must monitor nutrient levels in their recycled water supplies, and annually notify recycled water users of the nutrient value of recycled water.
- For recycled water use in a basin where a Salt and Nutrient Management Plan has been adopted and incorporated into the Basin Plan by the Regional Board, recycled water purveying agencies will implement any applicable nutrient management requirements mandated within the Salt and Nutrient Management Plan.
- For recycled water use in a basin where a Salt and Nutrient Management Plan has been adopted and incorporated into the Basin Plan by the Regional Board, recycled water purveying agencies shall implement applicable nutrient management requirements that pertain to them as stipulated within the Salt and Nutrient Management Plan. Additionally, the Regional Board shall require other agencies or entities to implement any applicable nutrient management requirements mandated by the Salt and Nutrient Management Plan that pertain to these other agencies or entities.
- Recycled water site supervisors shall be responsible for determining onsite fertilizer needs and shall complete training and education in compliance with recycled water agency rules and regulations to: (1) Minimize the potential for runoff or over-irrigation and, (2) Take into account the nutrient value of the recycled water.

In establishing applicable recycled water landscape irrigation effluent concentration limits for iron and manganese, recycled water permits issued by the Regional Board shall take into account the projected nutrient uptake of the irrigated vegetation and projected iron and manganese loads. Where plant uptake is not adequate to reduce iron and manganese loadings to an insignificant level, the Regional Board shall also consider beneficial uses and local groundwater conditions, including existing groundwater quality and available assimilative capacity.

**OTAY WATER DISTRICT  
COMPARATIVE BUDGET SUMMARY  
FOR SEVEN MONTHS ENDED JANUARY 31, 2015**

	<b>Annual Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>YTD Variance</b>	<b>Var %</b>
<b>REVENUES:</b>					
Potable Water Sales	\$ 45,669,500	\$ 27,660,308	\$ 27,925,500	\$ (265,192)	(0.9%)
Recycled Water Sales	8,826,600	5,652,921	5,612,200	40,721	0.7%
Potable Energy Charges	2,145,600	1,366,651	1,325,800	40,851	3.1%
Potable System Charges	12,337,500	6,751,853	6,741,200	10,653	0.2%
Potable MWD & CWA Fixed Charges	10,936,200	6,444,006	6,452,700	(8,694)	(0.1%)
Potable Penalties	870,300	593,393	550,600	42,793	7.8%
<b>Total Water Sales</b>	<b>80,785,700</b>	<b>48,469,132</b>	<b>48,608,000</b>	<b>(138,868)</b>	<b>(0.3%)</b>
Sewer Charges	3,007,700	1,662,904	1,665,200	(2,296)	(0.1%)
Meter Fees	51,500	51,222	30,000	21,222	70.7%
Capacity Fee Revenues	1,150,600	665,058	671,200	(6,142)	(0.9%)
Betterment Fees for Maintenance	301,800	188,123	301,800	(113,677)	(37.7%)
Non-Operating Revenues	1,947,800	1,118,750	1,099,800	18,950	1.7%
Tax Revenues	3,763,700	2,165,261	2,107,600	57,661	2.7%
Interest	77,400	60,000	45,200	14,800	32.7%
Transfer from Potable General Fund	553,800	323,100	323,100	-	0.0%
<b>Total Revenues</b>	<b>\$ 91,640,000</b>	<b>\$ 54,703,550</b>	<b>\$ 54,851,900</b>	<b>\$ (148,350)</b>	<b>(0.3%)</b>
<b>EXPENSES:</b>					
Potable Water Purchases	\$ 34,521,500	\$ 20,944,079	\$ 21,055,400	\$ 111,321	0.5%
Recycled Water Purchases	1,601,500	922,565	1,135,950	213,385	18.8%
CWA-Infrastructure Access Charge	1,901,400	1,096,941	1,097,400	459	0.0%
CWA-Customer Service Charge	1,792,200	1,042,766	1,042,200	(566)	(0.1%)
CWA-Emergency Storage Charge	4,741,200	2,737,664	2,741,200	3,537	0.1%
MWD-Capacity Res Charge	701,400	366,159	365,900	(259)	(0.1%)
MWD-Readiness to Serve Charge	1,800,000	1,060,112	1,050,000	(10,112)	(1.0%)
<b>Subtotal Water Purchases</b>	<b>47,059,200</b>	<b>28,170,286</b>	<b>28,488,050</b>	<b>317,764</b>	<b>1.1%</b>
Power Charges	2,838,400	1,972,656	1,859,300	(113,356)	(6.1%)
Payroll & Related Costs	19,747,600	11,779,362	11,895,950	116,588	1.0%
Material & Maintenance	3,619,800	1,793,923	1,950,625	156,702	8.0%
Administrative Expenses	5,009,200	2,169,413	2,472,246	302,833	12.2%
Legal Fees	410,000	118,335	239,167	120,832	50.5%
Expansion Reserve	2,538,900	1,481,000	1,481,000	-	0.0%
Betterment Reserve	3,530,000	2,059,200	2,059,200	-	0.0%
Replacement Reserve	3,270,200	1,907,600	1,907,600	-	0.0%
New Supply Fee	705,000	411,300	411,300	-	0.0%
Transfer to Sewer General Fund	553,800	323,100	323,100	-	0.0%
OPEB Trust	647,100	377,500	377,500	-	0.0%
Potable General Fund	1,583,800	923,900	923,900	-	0.0%
Sewer Replacement	127,000	74,100	74,100	-	0.0%
<b>Total Expenses</b>	<b>\$ 91,640,000</b>	<b>\$ 53,561,674</b>	<b>\$ 54,463,037</b>	<b>\$ 901,364</b>	<b>1.7%</b>
<b>EXCESS REVENUES(EXPENSE)</b>	<b>\$ -</b>	<b>\$ 1,141,876</b>	<b>\$ 388,863</b>	<b>\$ 753,013</b>	

**OTAY**  
**Portfolio Management**  
**Portfolio Summary**  
**January 31, 2015**

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 360 Equiv.</b>	<b>YTM 365 Equiv.</b>
Federal Agency Issues- Callable	57,735,000.00	57,790,912.80	57,736,138.60	68.90	997	809	0.869	0.881
Federal Agency Issues - Coupon	8,000,000.00	8,010,860.00	8,001,828.90	9.55	925	262	0.395	0.400
Certificates of Deposit - Bank	81,784.76	81,784.76	81,784.76	0.10	730	355	0.030	0.030
Local Agency Investment Fund (LAIF)	4,685,947.78	4,685,855.84	4,685,947.78	5.59	1	1	0.258	0.262
San Diego County Pool	13,294,298.31	13,227,000.00	13,294,298.31	15.86	1	1	0.474	0.481
<b>Investments</b>	<b>83,797,030.85</b>	<b>83,796,413.40</b>	<b>83,799,998.35</b>	<b>100.00%</b>	<b>776</b>	<b>583</b>	<b>0.726</b>	<b>0.736</b>
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	823,526.84	823,526.84	823,526.84		1	1	0.212	0.215
<b>Total Cash and Investments</b>	<b>84,620,557.69</b>	<b>84,619,940.24</b>	<b>84,623,525.19</b>		<b>776</b>	<b>583</b>	<b>0.726</b>	<b>0.736</b>

<b>Total Earnings</b>	<b>January 31</b>	<b>Month Ending</b>	<b>Fiscal Year To Date</b>
Current Year		51,178.06	303,010.27
<b>Average Daily Balance</b>		<b>86,994,423.15</b>	<b>83,362,117.20</b>
<b>Effective Rate of Return</b>		<b>0.69%</b>	<b>0.62%</b>

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 May 7, 2014. 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.

  
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 Joseph Beachem, Chief Financial Officer

2-19-15

**OTAY WATER DISTRICT  
INVESTMENT PORTFOLIO REVIEW  
January 31, 2015**

**INVESTMENT OVERVIEW & MARKET STATUS:**

The federal funds rate has remained constant now for over 5 years. 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 January 28, 2015. In determining how long to maintain the current 0 to ¼ percent target range for the federal funds rate, they went on to say: *"the Committee will assess progress--both realized and expected--toward its objectives of maximum employment and 2 percent inflation. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments. Based on its current assessment, the Committee judges that it can be patient in beginning to normalize the stance of monetary policy. However, if incoming information indicates faster progress toward the Committee's employment and inflation objectives than the Committee now expects, then increases in the target range for the federal funds rate are likely to occur sooner than currently anticipated. Conversely, if progress proves slower than expected, then increases in the target range are likely to occur later than currently anticipated."*

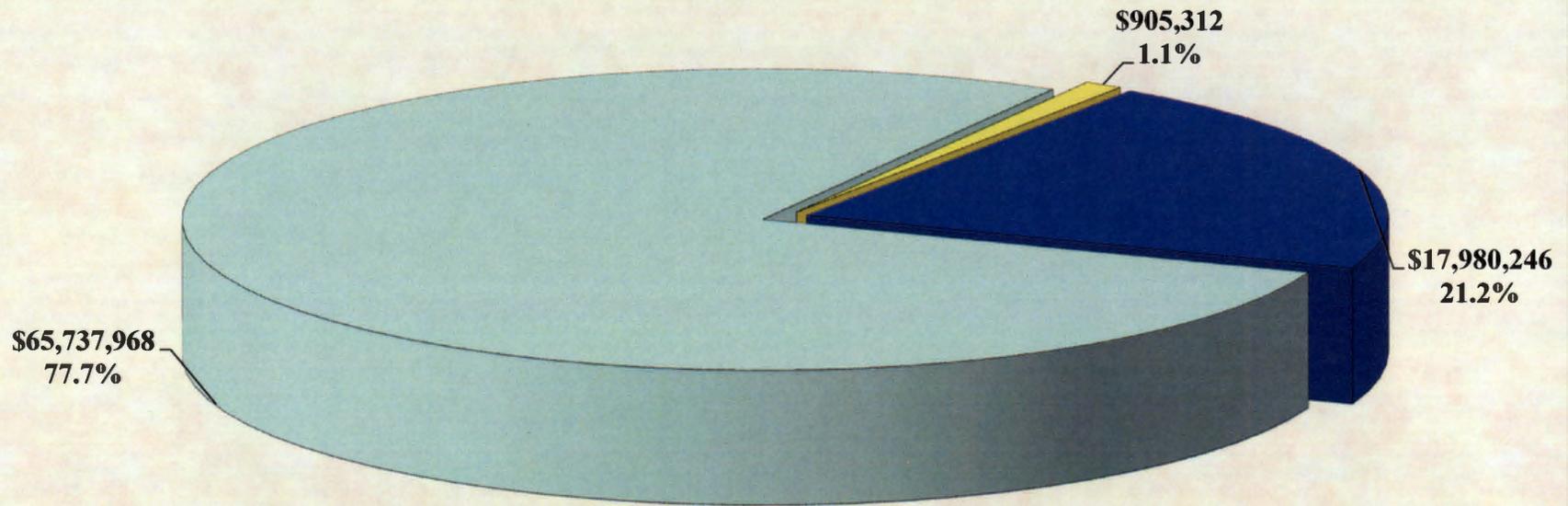
Despite the large drop in available interest rates, the District's overall effective rate of return at January 31, 2015 was 0.62%, which was one basis point above the previous month. At the same time the LAIF return on deposits has declined over the previous month, reaching an average effective yield of 0.262% for the month of January 2015. 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 regarding returns on investment are being considered at this time. This desired portfolio mix is important in mitigating any liquidity risk from unforeseen changes in LAIF or County Pool policy.

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: January 31, 2015**

<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)	\$50 Million	\$50 Million	\$4.7 Million
8.02: Local Agency Investment Fund (Bonds)	100%	100%	0
8.03: Federal Agency Issues	100%	100%	77.68%
8.04: Certificates of Deposit	30%	15%	0.10%
8.05: Short-Term Commercial Notes	25%	10%	0
8.06: Medium-Term Commercial Debt	30%	10%	0
8.07: Money Market Mutual Funds	20%	10%	0
8.08: San Diego County Pool	100%	100%	15.71%
12.0: Maximum Single Financial Institution	100%	50%	.97%

## Otay Water District Investment Portfolio: 01/31/2015



**Total Cash and Investments: \$84,623,525**

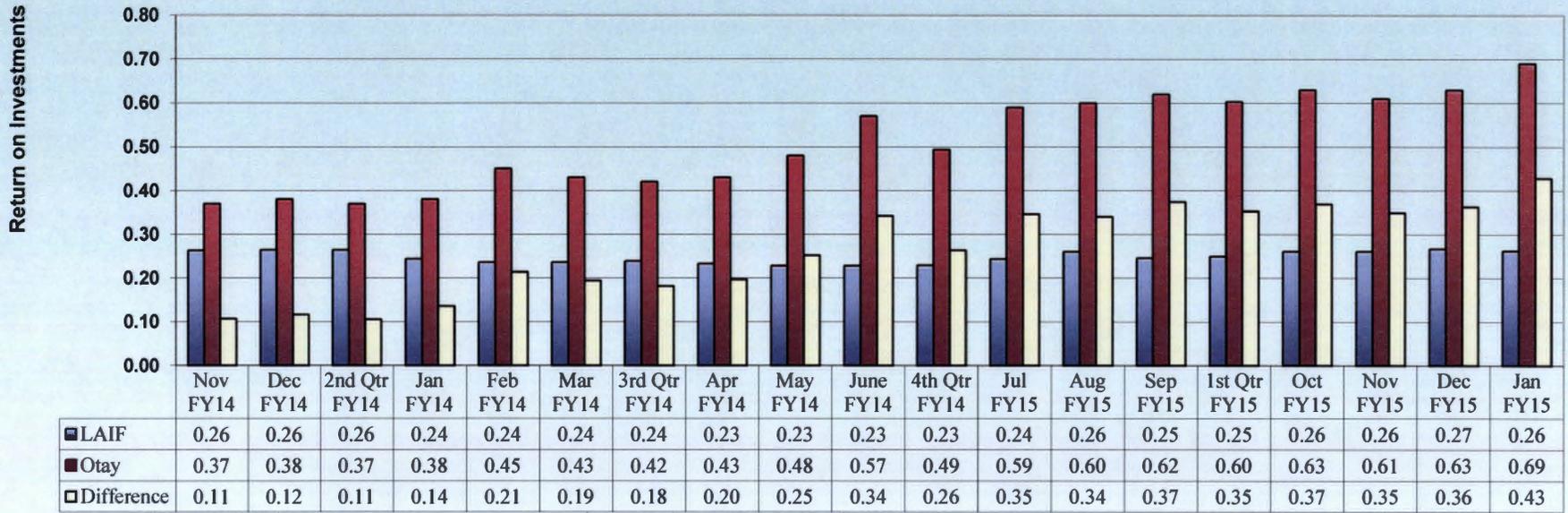
■ Banks (Passbook/Checking/CD)

■ Pools (LAIF & County)

■ Agencies & Corporate Notes

## Performance Measure FY-15 Return on Investment

Target: Meet or Exceed 100% of LAIF



Month



**OTAY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**January 31, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity	Maturity Date
<b>Federal Agency Issues- Callable</b>												
3134G4PX0	2277	Federal Home Loan Mortgage		12/27/2013	2,000,000.00	1,997,920.00	2,000,000.00	0.500		0.493	512	06/27/2016
3133EDKF8	2291	Federal Farm Credit Bank		04/29/2014	2,000,000.00	1,999,180.00	2,000,000.00	0.550		0.542	544	07/29/2016
3134G4UC0	2305	Federal Home Loan Mortgage		09/08/2014	2,000,000.00	2,003,360.00	2,002,133.04	0.650		0.570	544	07/29/2016
3135G0XR9	2269	Fannie Mae		06/06/2013	2,000,000.00	1,998,800.00	2,000,000.00	0.550	AA	0.542	583	09/06/2016
3134G4WJ3	2284	Federal Home Loan Mortgage		03/19/2014	2,000,000.00	1,999,900.00	2,000,000.00	0.625		0.616	596	09/19/2016
3133EECX6	2313	Federal Farm Credit Bank		11/25/2014	2,000,000.00	2,001,780.00	2,000,000.00	0.610		0.602	663	11/25/2016
3130A3FY5	2309	Federal Home Loan Bank		11/28/2014	2,000,000.00	2,000,700.00	2,000,000.00	0.700		0.690	663	11/25/2016
3134G55T8	2295	Federal Home Loan Mortgage		06/12/2014	2,000,000.00	2,001,320.00	2,000,000.00	0.700	AA	0.690	680	12/12/2016
3130A25S1	2299	Federal Home Loan Bank		06/19/2014	2,000,000.00	2,001,440.00	2,000,000.00	0.700		0.690	687	12/19/2016
3136G1XZ7	2274	Federal National Mortgage Assoc		12/19/2013	2,000,000.00	2,001,420.00	2,000,000.00	0.670		0.661	687	12/19/2016
3134G5A47	2301	Federal Home Loan Mortgage		06/30/2014	2,000,000.00	2,003,620.00	2,000,000.00	0.650		0.641	698	12/30/2016
3130A35R1	2306	Federal Home Loan Bank		10/06/2014	2,000,000.00	2,000,060.00	2,000,000.00	0.850		0.838	705	01/06/2017
3133EELR9	2317	Federal Farm Credit Bank		01/27/2015	2,000,000.00	1,998,400.00	1,999,005.56	0.625		0.616	726	01/27/2017
3134G55X9	2298	Federal Home Loan Mortgage		06/10/2014	2,000,000.00	2,000,260.00	2,000,000.00	0.810		0.799	768	03/10/2017
3134G4WH7	2285	Federal Home Loan Mortgage		03/20/2014	2,000,000.00	2,001,940.00	2,000,000.00	0.900		0.888	778	03/20/2017
3130A1SE9	2288	Federal Home Loan Bank		05/19/2014	2,000,000.00	2,000,680.00	2,000,000.00	1.000		0.986	838	05/19/2017
3134G56A8	2297	Federal Home Loan Mortgage		06/16/2014	2,000,000.00	2,001,920.00	2,000,000.00	1.000		0.986	866	06/16/2017
3134G56N0	2300	Federal Home Loan Mortgage		06/26/2014	2,000,000.00	2,001,120.00	2,000,000.00	1.000		0.986	876	06/26/2017
3136G23G0	2304	Federal National Mortgage Assoc		08/15/2014	2,000,000.00	2,002,140.00	2,000,000.00	1.050		1.036	926	08/15/2017
3130A1ZX9	2296	Federal Home Loan Bank		05/22/2014	2,000,000.00	2,000,080.00	2,000,000.00	1.050		1.036	933	08/22/2017
3130A3MH4	2314	Federal Home Loan Bank		12/29/2014	2,000,000.00	2,009,880.00	2,000,000.00	1.000		0.986	971	09/29/2017
3134G5BL8	2302	Federal Home Loan Mortgage		07/17/2014	2,000,000.00	2,004,000.00	2,000,000.00	1.220		1.203	989	10/17/2017
3134G5LH6	2307	Federal Home Loan Mortgage		10/30/2014	2,000,000.00	2,003,280.00	2,000,000.00	1.100		1.085	1,002	10/30/2017
3133EECG3	2311	Federal Farm Credit Bank		11/20/2014	1,030,000.00	1,034,614.40	1,030,000.00	1.140		1.124	1,023	11/20/2017
3133EECG3	2312	Federal Farm Credit Bank		11/20/2014	2,705,000.00	2,717,118.40	2,705,000.00	1.140		1.124	1,023	11/20/2017
3136G2A23	2308	Federal National Mortgage Assoc		11/28/2014	2,000,000.00	2,004,680.00	2,000,000.00	1.200		1.184	1,031	11/28/2017
3134G5PP4	2310	Federal Home Loan Mortgage		12/12/2014	2,000,000.00	2,002,320.00	2,000,000.00	1.250		1.233	1,045	12/12/2017
3130A3N59	2315	Federal Home Loan Bank		12/29/2014	2,000,000.00	1,996,040.00	2,000,000.00	1.125		1.110	1,062	12/29/2017
31315PW88	2316	Federal Agricultural Mortgage		01/08/2015	2,000,000.00	2,002,940.00	2,000,000.00	1.300		1.282	1,072	01/08/2018
<b>Subtotal and Average</b>			<b>55,607,995.75</b>		<b>57,735,000.00</b>	<b>57,790,912.80</b>	<b>57,736,138.60</b>			<b>0.869</b>	<b>809</b>	
<b>Federal Agency Issues - Coupon</b>												
3133EC6F6	2258	Federal Farm Credit Bank		12/05/2012	3,000,000.00	3,001,860.00	3,000,000.00	0.350	AA	0.345	120	06/01/2015
3133EC7H1	2260	Federal Farm Credit Bank		12/17/2012	3,000,000.00	3,002,520.00	3,000,000.00	0.340		0.335	197	08/17/2015
3135G0YE7	2286	Federal National Mortgage Assoc		04/01/2014	2,000,000.00	2,006,480.00	2,001,828.90	0.625		0.558	572	08/26/2016

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**OTAY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**January 31, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity	Maturity Date
<b>Subtotal and Average</b>			<b>8,001,874.32</b>		<b>8,000,000.00</b>	<b>8,010,860.00</b>	<b>8,001,828.90</b>			<b>0.395</b>	<b>262</b>	
<b>Certificates of Deposit - Bank</b>												
2050003183-6	2283	California Bank & Trust		01/22/2014	81,784.76	81,784.76	81,784.76	0.030		0.030	355	01/22/2016
<b>Subtotal and Average</b>			<b>81,784.76</b>		<b>81,784.76</b>	<b>81,784.76</b>	<b>81,784.76</b>			<b>0.030</b>	<b>355</b>	
<b>Local Agency Investment Fund (LAIF)</b>												
LAIF	9001	STATE OF CALIFORNIA			4,685,947.78	4,685,855.84	4,685,947.78	0.262		0.258	1	
LAIF BABS 2010	9012	STATE OF CALIFORNIA		07/01/2014	0.00	0.00	0.00	0.267		0.263	1	
<b>Subtotal and Average</b>			<b>8,676,141.55</b>		<b>4,685,947.78</b>	<b>4,685,855.84</b>	<b>4,685,947.78</b>			<b>0.258</b>	<b>1</b>	
<b>San Diego County Pool</b>												
SD COUNTY POOL	9007	San Diego County			13,294,298.31	13,227,000.00	13,294,298.31	0.481		0.474	1	
<b>Subtotal and Average</b>			<b>12,835,719.82</b>		<b>13,294,298.31</b>	<b>13,227,000.00</b>	<b>13,294,298.31</b>			<b>0.474</b>	<b>1</b>	
<b>Total and Average</b>			<b>86,994,423.15</b>		<b>83,797,030.85</b>	<b>83,796,413.40</b>	<b>83,799,998.35</b>			<b>0.726</b>	<b>583</b>	

**OTAY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**January 31, 2015**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity
<b>Union Bank</b>											
UNION MONEY	9002	STATE OF CALIFORNIA			10,001.18	10,001.18	10,001.18	0.010		0.010	1
PETTY CASH	9003	STATE OF CALIFORNIA			2,950.00	2,950.00	2,950.00			0.000	1
UNION OPERATING	9004	STATE OF CALIFORNIA			708,072.37	708,072.37	708,072.37	0.250		0.247	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2014	27,891.35	27,891.35	27,891.35			0.000	1
RESERVE-10 COPS	9010	STATE OF CALIFORNIA			6,944.04	6,944.04	6,944.04	0.010		0.010	1
RESERVE-10 BABS	9011	STATE OF CALIFORNIA			18,846.88	18,846.88	18,846.88	0.010		0.010	1
UBNA-2010 BOND	9013	STATE OF CALIFORNIA		07/01/2014	0.00	0.00	0.00			0.000	1
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA		07/01/2014	48,821.02	48,821.02	48,821.02			0.000	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investments</b>			<b>86,994,423.15</b>		<b>84,620,557.69</b>	<b>84,619,940.24</b>	<b>84,623,525.19</b>			<b>0.726</b>	<b>583</b>

**OTAY**  
**Interest Earnings**  
**Sorted by Fund - Fund**  
**January 1, 2015 - January 31, 2015**  
**Yield on Beginning Book Value**

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
<b>Fund: Treasury Fund</b>												
3134G55X9	2298	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	03/10/2017	0.810	0.795	1,350.00	0.00	1,350.00
3134G56A8	2297	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	06/16/2017	1.000	0.981	1,666.67	0.00	1,666.67
3134G56N0	2300	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	06/26/2017	1.000	0.981	1,666.66	0.00	1,666.66
3134G4PX0	2277	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	06/27/2016	0.500	0.491	833.33	0.00	833.33
3134G4WH7	2285	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	03/20/2017	0.900	0.883	1,500.00	0.00	1,500.00
3134G4WJ3	2284	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	09/19/2016	0.625	0.613	1,041.66	0.00	1,041.66
3134G5A47	2301	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	12/30/2016	0.650	0.638	1,083.33	0.00	1,083.33
3134G55T8	2295	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	12/12/2016	0.700	0.687	1,166.67	0.00	1,166.67
3134G5BL8	2302	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	10/17/2017	1.220	1.197	2,033.33	0.00	2,033.33
3134G4UC0	2305	99	MC1	2,000,000.00	2,002,251.98	2,002,133.04	07/29/2016	0.650	0.567	1,083.33	-118.94	964.39
3134G5PP4	2310	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	12/12/2017	1.250	1.226	2,083.34	0.00	2,083.34
3134G5LH6	2307	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	10/30/2017	1.100	1.079	1,833.33	0.00	1,833.33
3136G2A23	2308	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	11/28/2017	1.200	1.177	2,000.00	0.00	2,000.00
3135G0YE7	2286	99	FAC	2,000,000.00	2,001,926.01	2,001,828.90	08/26/2016	0.625	0.556	1,041.67	-97.11	944.56
3136G1XZ7	2274	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	12/19/2016	0.670	0.657	1,116.66	0.00	1,116.66
3136G23G0	2304	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	08/15/2017	1.050	1.030	1,750.00	0.00	1,750.00
3130A3MH4	2314	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	09/29/2017	1.000	0.981	1,666.67	0.00	1,666.67
3130A3N59	2315	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	12/29/2017	1.125	1.104	1,875.00	0.00	1,875.00
3130A3FY5	2309	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	11/25/2016	0.700	0.687	1,166.67	0.00	1,166.67
3130A35R1	2306	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	01/06/2017	0.850	0.834	1,416.67	0.00	1,416.67
3130A25S1	2299	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	12/19/2016	0.700	0.687	1,166.66	0.00	1,166.66
3130A1ZX9	2296	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	08/22/2017	1.050	1.030	1,750.00	0.00	1,750.00
3130A1SE9	2288	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	05/19/2017	1.000	0.981	1,666.67	0.00	1,666.67
RESERVE-10 BABS	9011	99	PA1	18,846.88	18,846.27	18,846.88		0.010	0.010	0.16	0.00	0.16
UNION MONEY	9002	99	PA1	10,001.18	10,008.48	10,001.18		0.010	0.140	1.19	0.00	1.19
UNION OPERATING	9004	99	PA1	708,072.37	981,036.24	708,072.37		0.250	0.395	329.16	0.00	329.16
RESERVE-10 COPS	9010	99	PA1	6,944.04	6,943.74	6,944.04		0.010	0.010	0.06	0.00	0.06
LAIF	9001	99	LA1	4,685,947.78	10,878,519.69	4,685,947.78		0.262	0.209	1,930.62	0.00	1,930.62
3133EECG3	2311	99	MC1	1,030,000.00	1,030,000.00	1,030,000.00	11/20/2017	1.140	1.119	978.50	0.00	978.50

Portfolio OTAY  
AP

OTAY  
Interest Earnings  
January 1, 2015 - January 31, 2015

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
<b>Fund: Treasury Fund</b>												
3133EECX6	2313	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	11/25/2016	0.610	0.599	1,016.67	0.00	1,016.67
3133EDKF8	2291	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	07/29/2016	0.550	0.540	916.67	0.00	916.67
3133EC6F6	2258	99	FAC	3,000,000.00	3,000,000.00	3,000,000.00	06/01/2015	0.350	0.343	875.00	0.00	875.00
3133EELR9	2317	99	MC1	2,000,000.00	0.00	1,999,005.56	01/27/2017	0.625	0.528	138.89	5.56	144.45
3133EC7H1	2260	99	FAC	3,000,000.00	3,000,000.00	3,000,000.00	08/17/2015	0.340	0.334	850.00	0.00	850.00
3133EECG3	2312	99	MC1	2,705,000.00	2,705,000.00	2,705,000.00	11/20/2017	1.140	1.119	2,569.75	0.00	2,569.75
2050003183-6	2283	99	BCD	81,784.76	81,784.76	81,784.76	01/22/2016	0.030	0.031	2.12	0.00	2.12
3135GOXR9	2269	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	09/06/2016	0.550	0.540	916.67	0.00	916.67
SD COUNTY POOL	9007	99	LA3	13,294,298.31	12,282,933.41	13,294,298.31		0.481	0.503	5,243.66	0.00	5,243.66
31315PW88	2316	99	MC1	2,000,000.00	0.00	2,000,000.00	01/08/2018	1.300	1.263	1,661.11	0.00	1,661.11
<b>Subtotal</b>				<b>84,540,895.32</b>	<b>85,999,250.58</b>	<b>84,543,862.82</b>			<b>0.686</b>	<b>51,388.55</b>	<b>-210.49</b>	<b>51,178.06</b>
<b>Total</b>				<b>84,540,895.32</b>	<b>85,999,250.58</b>	<b>84,543,862.82</b>			<b>0.686</b>	<b>51,388.55</b>	<b>-210.49</b>	<b>51,178.06</b>

**OTAY**  
**Activity Report**  
**Sorted By Issuer**  
**January 1, 2015 - January 31, 2015**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
<b>Issuer: STATE OF CALIFORNIA</b>									
<b>Union Bank</b>									
UNION MONEY	9002	STATE OF CALIFORNIA			0.010		4,011,992.70	4,012,000.00	
UNION OPERATING	9004	STATE OF CALIFORNIA			0.250		597,743.27	870,707.14	
RESERVE-10 COPS	9010	STATE OF CALIFORNIA			0.010		0.30	0.00	
RESERVE-10 BABS	9011	STATE OF CALIFORNIA			0.010		0.61	0.00	
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA					50,000.00	12,666.03	
<b>Subtotal and Balance</b>				<b>1,059,163.13</b>			<b>4,659,736.88</b>	<b>4,895,373.17</b>	<b>823,526.84</b>
<b>Local Agency Investment Fund (LAIF)</b>									
LAIF	9001	STATE OF CALIFORNIA			0.262		1,207,428.09	7,400,000.00	
<b>Subtotal and Balance</b>				<b>10,878,519.69</b>			<b>1,207,428.09</b>	<b>7,400,000.00</b>	<b>4,685,947.78</b>
<b>Issuer Subtotal</b>			<b>6.511%</b>	<b>11,937,682.82</b>			<b>5,867,164.97</b>	<b>12,295,373.17</b>	<b>5,509,474.62</b>
<b>Issuer: California Bank &amp; Trust</b>									
<b>Certificates of Deposit - Bank</b>									
<b>Subtotal and Balance</b>				<b>81,784.76</b>					<b>81,784.76</b>
<b>Issuer Subtotal</b>			<b>0.097%</b>	<b>81,784.76</b>			<b>0.00</b>	<b>0.00</b>	<b>81,784.76</b>
<b>Issuer: Federal Agricultural Mortgage</b>									
<b>Federal Agency Issues- Callable</b>									
31315PW88	2316	Federal Agricultural Mortgage			1.300	01/08/2015	2,000,000.00	0.00	
<b>Subtotal and Balance</b>				<b>0.00</b>			<b>2,000,000.00</b>	<b>0.00</b>	<b>2,000,000.00</b>
<b>Issuer Subtotal</b>			<b>2.363%</b>	<b>0.00</b>			<b>2,000,000.00</b>	<b>0.00</b>	<b>2,000,000.00</b>
<b>Issuer: Fannie Mae</b>									

OTAY  
Activity Report  
January 1, 2015 - January 31, 2015

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
<b>Issuer: Fannie Mae</b>									
<b>Federal Agency Issues- Callable</b>									
				2,000,000.00					2,000,000.00
				2,000,000.00			0.00	0.00	2,000,000.00
<b>Issuer: Federal Farm Credit Bank</b>									
<b>Federal Agency Issues- Callable</b>									
3133EELR9	2317	Federal Farm Credit Bank			0.625	01/27/2015	2,000,000.00	0.00	
				7,735,000.00			2,000,000.00	0.00	9,735,000.00
<b>Federal Agency Issues - Coupon</b>									
				6,000,000.00					6,000,000.00
			18.595%	13,735,000.00			2,000,000.00	0.00	15,735,000.00
<b>Issuer: Federal Home Loan Bank</b>									
<b>Federal Agency Issues- Callable</b>									
				14,000,000.00					14,000,000.00
			16.544%	14,000,000.00			0.00	0.00	14,000,000.00
<b>Issuer: Federal Home Loan Mortgage</b>									
<b>Federal Agency Issues- Callable</b>									
				24,000,000.00					24,000,000.00
			28.362%	24,000,000.00			0.00	0.00	24,000,000.00
<b>Issuer: Federal National Mortgage Assoc</b>									
<b>Federal Agency Issues- Callable</b>									
				6,000,000.00					6,000,000.00
<b>Federal Agency Issues - Coupon</b>									

OTAY  
Activity Report  
January 1, 2015 - January 31, 2015

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
<b>Issuer: Federal National Mortgage Assoc</b>									
<b>Federal Agency Issues - Coupon</b>									
				2,000,000.00					2,000,000.00
			9.454%	8,000,000.00			0.00	0.00	8,000,000.00
<b>Issuer: San Diego County</b>									
<b>San Diego County Pool</b>									
SD COUNTY POOL	9007	San Diego County			0.481		1,011,364.90	0.00	
				12,282,933.41			1,011,364.90	0.00	13,294,298.31
			15.710%	12,282,933.41			1,011,364.90	0.00	13,294,298.31
		<b>Total</b>	<b>100.000%</b>	<b>86,037,400.99</b>			<b>10,878,529.87</b>	<b>12,295,373.17</b>	<b>84,620,557.69</b>

**OTAY**  
**GASB 31 Compliance Detail**  
**Sorted by Fund - Fund**  
**January 1, 2015 - January 31, 2015**

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	
<b>Fund: Treasury Fund</b>											
3134G55X9	2298	99	Fair Value	03/10/2017	1,989,940.00	0.00	0.00	0.00	0.00	10,320.00	2,000,260.00
3134G56A8	2297	99	Fair Value	06/16/2017	1,994,880.00	0.00	0.00	0.00	0.00	7,040.00	2,001,920.00
3134G56N0	2300	99	Fair Value	06/26/2017	1,991,600.00	0.00	0.00	0.00	0.00	9,520.00	2,001,120.00
3134G4PX0	2277	99	Fair Value	06/27/2016	1,992,440.00	0.00	0.00	0.00	0.00	5,480.00	1,997,920.00
3134G4WH7	2285	99	Fair Value	03/20/2017	1,997,140.00	0.00	0.00	0.00	0.00	4,800.00	2,001,940.00
3134G4WJ3	2284	99	Fair Value	09/19/2016	1,995,520.00	0.00	0.00	0.00	0.00	4,380.00	1,999,900.00
3134G5A47	2301	99	Fair Value	12/30/2016	1,996,540.00	0.00	0.00	0.00	0.00	7,080.00	2,003,620.00
3134G55T8	2295	99	Fair Value	12/12/2016	1,997,560.00	0.00	0.00	0.00	0.00	3,760.00	2,001,320.00
3134G5BL8	2302	99	Fair Value	10/17/2017	2,000,500.00	0.00	0.00	0.00	0.00	3,500.00	2,004,000.00
3134G4UC0	2305	99	Fair Value	07/29/2016	1,997,160.00	0.00	0.00	0.00	0.00	6,200.00	2,003,360.00
3134G5PP4	2310	99	Fair Value	12/12/2017	1,996,340.00	0.00	0.00	0.00	0.00	5,980.00	2,002,320.00
3134G5LH6	2307	99	Fair Value	10/30/2017	1,989,760.00	0.00	0.00	0.00	0.00	13,520.00	2,003,280.00
3136G2A23	2308	99	Fair Value	11/28/2017	1,993,120.00	0.00	0.00	0.00	0.00	11,560.00	2,004,680.00
3135G0YE7	2286	99	Fair Value	08/26/2016	1,999,600.00	0.00	0.00	0.00	0.00	6,880.00	2,006,480.00
3136G1XZ7	2274	99	Fair Value	12/19/2016	1,994,440.00	0.00	0.00	0.00	0.00	6,980.00	2,001,420.00
3136G23G0	2304	99	Fair Value	08/15/2017	1,995,540.00	0.00	0.00	0.00	0.00	6,600.00	2,002,140.00
3130A3MH4	2314	99	Fair Value	09/29/2017	2,000,100.00	0.00	0.00	0.00	0.00	9,780.00	2,009,880.00
3130A3N59	2315	99	Fair Value	12/29/2017	1,996,060.00	0.00	0.00	0.00	0.00	-20.00	1,996,040.00
3130A3FY5	2309	99	Fair Value	11/25/2016	1,995,360.00	0.00	0.00	0.00	0.00	5,340.00	2,000,700.00
3130A35R1	2306	99	Fair Value	01/06/2017	1,995,560.00	0.00	0.00	0.00	0.00	4,500.00	2,000,060.00
3130A25S1	2299	99	Fair Value	12/19/2016	1,994,400.00	0.00	0.00	0.00	0.00	7,040.00	2,001,440.00
3130A1ZX9	2296	99	Fair Value	08/22/2017	1,990,140.00	0.00	0.00	0.00	0.00	9,940.00	2,000,080.00
3130A1SE9	2288	99	Fair Value	05/19/2017	1,994,280.00	0.00	0.00	0.00	0.00	6,400.00	2,000,680.00
RESERVE-10 BABS	9011	99	Amortized		18,846.27	0.00	0.61	0.00	0.00	0.00	18,846.88
UNION MONEY	9002	99	Amortized		10,008.48	0.00	4,011,992.70	4,012,000.00	0.00	0.00	10,001.18
UNION OPERATING	9004	99	Amortized		981,036.24	0.00	597,743.27	870,707.14	0.00	0.00	708,072.37
RESERVE-10 COPS	9010	99	Amortized		6,943.74	0.00	0.30	0.00	0.00	0.00	6,944.04
PETTY CASH	9003	99	Amortized		2,950.00	0.00	0.00	0.00	0.00	0.00	2,950.00
PAYROLL	9005	99	Amortized		27,891.35	0.00	0.00	0.00	0.00	0.00	27,891.35
LAIF BABS 2010	9012	99	Fair Value		0.00	0.00	0.00	0.00	0.00	0.00	0.00

Portfolio OTAY  
AP

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	
<b>Fund: Treasury Fund</b>											
UBNA-2010 BOND	9013	99	Amortized		0.00	0.00	0.00	0.00	0.00	0.00	0.00
UBNA-FLEX ACCT	9014	99	Amortized		11,487.05	0.00	50,000.00	12,666.03	0.00	0.00	48,821.02
LAIF	9001	99	Fair Value		10,880,491.79	0.00	1,207,428.09	7,400,000.00	0.00	-2,064.04	4,685,855.84
3133EECG3	2311	99	Fair Value	11/20/2017	1,026,456.80	0.00	0.00	0.00	0.00	8,157.60	1,034,614.40
3133EECX6	2313	99	Fair Value	11/25/2016	1,993,680.00	0.00	0.00	0.00	0.00	8,100.00	2,001,780.00
3133EDKF8	2291	99	Fair Value	07/29/2016	1,992,160.00	0.00	0.00	0.00	0.00	7,020.00	1,999,180.00
3133EC6F6	2258	99	Fair Value	06/01/2015	3,001,530.00	0.00	0.00	0.00	0.00	330.00	3,001,860.00
3133EELR9	2317	99	Fair Value	01/27/2017	0.00	1,999,000.00	0.00	0.00	0.00	-600.00	1,998,400.00
3133EC7H1	2260	99	Fair Value	08/17/2015	3,001,290.00	0.00	0.00	0.00	0.00	1,230.00	3,002,520.00
3133EECG3	2312	99	Fair Value	11/20/2017	2,695,694.80	0.00	0.00	0.00	0.00	21,423.60	2,717,118.40
2050003183-6	2283	99	Amortized	01/22/2016	81,784.76	0.00	0.00	0.00	0.00	0.00	81,784.76
3135GOXR9	2269	99	Fair Value	09/06/2016	1,993,900.00	0.00	0.00	0.00	0.00	4,900.00	1,998,800.00
SD COUNTY POOL	9007	99	Fair Value		12,247,000.00	0.00	1,011,364.90	0.00	0.00	-31,364.90	13,227,000.00
31315PW88	2316	99	Fair Value	01/08/2018	0.00	2,000,000.00	0.00	0.00	0.00	2,940.00	2,002,940.00
			<b>Subtotal</b>		<b>85,861,131.28</b>	<b>3,999,000.00</b>	<b>6,878,529.87</b>	<b>12,295,373.17</b>	<b>0.00</b>	<b>176,652.26</b>	<b>84,619,940.24</b>
			<b>Total</b>		<b>85,861,131.28</b>	<b>3,999,000.00</b>	<b>6,878,529.87</b>	<b>12,295,373.17</b>	<b>0.00</b>	<b>176,652.26</b>	<b>84,619,940.24</b>

**OTAY**  
**Duration Report**  
**Sorted by Investment Type - Investment Type**  
**Through 01/31/2015**

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
3135GOXR9	2269	99	Fannie Mae	Fair	2,000,000.00	2,000,000.00	1,998,800.00	.5500000	0.542	0.670	09/06/2016	1.583
3136G1XZ7	2274	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,001,420.00	.6700000	0.661	0.632	12/19/2016	1.867
3134G4PX0	2277	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,997,920.00	.5000000	0.493	0.574	06/27/2016	1.397
3134G4WJ3	2284	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,999,900.00	.6250000	0.616	0.628	09/19/2016	1.619
3134G4WH7	2285	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,001,940.00	.9000000	0.888	0.854	03/20/2017	2.104
3130A1SE9	2288	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,000,680.00	1.0000000	0.986	0.985	05/19/2017	2.264
3133EDKF8	2291	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	1,999,180.00	.5500000	0.542	0.578	07/29/2016	1.486
3134G55T8	2295	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,001,320.00	.7000000	0.690	0.664	12/12/2016	1.847
3130A1ZX9	2296	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,000,080.00	1.0500000	1.036	1.048	08/22/2017	2.506
3134G56A8	2297	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,001,920.00	1.0000000	0.986	0.959	06/16/2017	2.339
3134G55X9	2298	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,000,260.00	.8100000	0.799	0.804	03/10/2017	2.084
3130A25S1	2299	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,001,440.00	.7000000	0.690	0.662	12/19/2016	1.866
3134G56N0	2300	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,001,120.00	1.0000000	0.986	0.976	06/26/2017	2.366
3134G5A47	2301	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,003,620.00	.6500000	0.641	0.555	12/30/2016	1.899
3134G5BL8	2302	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,004,000.00	1.2200000	1.203	1.145	10/17/2017	2.651
3136G23G0	2304	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,002,140.00	1.0500000	1.036	1.007	08/15/2017	2.487
3134G4UC0	2305	99	Federal Home Loan Mortgage	Fair	2,002,133.04	2,000,000.00	2,003,360.00	.6500000	0.570	0.537	07/29/2016	1.485
3130A35R1	2306	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,000,060.00	.8500000	0.838	0.848	01/06/2017	1.909
3134G5LH6	2307	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,003,280.00	1.1000000	1.085	1.039	10/30/2017	2.692
3136G2A23	2308	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,004,680.00	1.2000000	1.184	0.730	11/28/2017	2.770
3130A3FY5	2309	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,000,700.00	.7000000	0.690	0.681	11/25/2016	1.800
3134G5PP4	2310	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,002,320.00	1.2500000	1.233	1.209	12/12/2017	2.800
3133EECG3	2311	99	Federal Farm Credit Bank	Fair	1,030,000.00	1,030,000.00	1,034,614.40	1.1400000	1.124	0.978	11/20/2017	2.747
3133EECG3	2312	99	Federal Farm Credit Bank	Fair	2,705,000.00	2,705,000.00	2,717,118.40	1.1400000	1.124	0.978	11/20/2017	2.747
3133EECX6	2313	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	2,001,780.00	.6100000	0.602	0.561	11/25/2016	1.802
3130A3MH4	2314	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,009,880.00	1.0000000	0.986	0.812	09/29/2017	2.619
3130A3N59	2315	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,996,040.00	1.1250000	1.110	1.194	12/29/2017	2.852
31315PW88	2316	99	Federal Agricultural Mortgage	Fair	2,000,000.00	2,000,000.00	2,002,940.00	1.3000000	1.282	1.249	01/08/2018	2.870
3133EELR9	2317	99	Federal Farm Credit Bank	Fair	1,999,005.56	2,000,000.00	1,998,400.00	.6250000	0.616	0.666	01/27/2017	1.972

Portfolio OTAY  
AP

**OTAY**  
**Duration Report**  
**Sorted by Investment Type - Investment Type**  
**Through 01/31/2015**

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
3133EC6F6	2258	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	3,001,860.00	.3500000	0.345	0.226	06/01/2015	0.328
3133EC7H1	2260	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	3,002,520.00	.3400000	0.335	0.172	08/17/2015	0.543
3135G0YE7	2286	99	Federal National Mortgage Assoc	Fair	2,001,828.90	2,000,000.00	2,006,480.00	.6250000	0.558	0.418	08/26/2016	1.557
2050003183-6	2283	99	California Bank & Trust	Amort	81,784.76	81,784.76	81,784.76	.0300000	0.030	0.030	01/22/2016	0.973
LAIF	9001	99	STATE OF CALIFORNIA	Fair	4,685,947.78	4,685,947.78	4,685,855.84	.2620000	0.258	0.262		0.000
LAIF BABS 2010	9012	99	STATE OF CALIFORNIA	Fair	0.00	0.00	0.00	.2670000	0.263	0.267		0.000
SD COUNTY	9007	99	San Diego County	Fair	13,294,298.31	13,294,298.31	13,227,000.00	.4810000	0.474	0.481		0.000
<b>Report Total</b>					<b>83,799,998.35</b>	<b>83,797,030.85</b>	<b>83,796,413.40</b>			<b>0.691</b>		<b>1.576</b>



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	March 4, 2015
SUBMITTED BY:	Kevin Koeppen, Finance  Manager, Treasury & Acct	W.O./G.F. NO:	DIV. NO.
APPROVED BY:	Joseph Beachem, Chief Financial Officer (Chief)		
APPROVED BY:	German Alvarez, Assistant General Manager (Asst. GM)		
SUBJECT:	Accounts Payable Demand List		

### PURPOSE:

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

### FISCAL IMPACT:

<u>SUMMARY FOR PERIOD</u> 1/22/2015 - 2/18/2015	<u>NET DEMANDS</u>
CHECKS (2042233 - 2042456)	\$ 1,365,590.03
VOID CHECKS (0)	\$ 0.00
TOTAL CHECKS	\$ 1,365,590.03
WIRE TO:	
CALPERS - OTHER POST EMPLOYMENT BENEFITS (MONTHLY)	\$ 141,300.00
CITY OF CHULA VISTA - BI-MONTHLY SEWER CHARGES (NOV-DEC 2014)	\$ 3,418,526.92
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 686.00
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 672.00
PREFERRED BENEFIT INSURANCE - DENTAL & COBRA CLAIMS (JAN 2015)	\$ 17,097.51
SAN DIEGO COUNTY WATER AUTH - CAPACITY FEES COLLECTED (10/1/14-12/31/14)	\$ 335,040.00
SAN DIEGO COUNTY WATER AUTH - WATER DELIVERIES & CHARGES (DEC 2014)	\$ 2,630,674.49
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 393.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 92.30
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 393.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 206.78
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 143,552.89
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 146,988.89
UNION BANK NA - COPS 1996 (MONTHLY)	\$ 409.67
<b>TOTAL CASH DISBURSEMENTS</b>	<b>\$ 8,202,100.24</b>

### RECOMMENDED ACTION:

That the Board received the attached list of demands.

Jb/Attachment

**CHECK REGISTER**

**Otay Water District**

**Date Range: 1/22/2015 - 2/18/2015**

<b>Check #</b>	<b>Date</b>	<b>Vendor</b>	<b>Vendor Name</b>	<b>Invoice</b>	<b>Inv. Date</b>	<b>Description</b>	<b>Amount</b>	<b>Check Total</b>
2042386	02/18/15	15416	24 HOUR ELEVATOR INC	17049	01/01/15	ELEVATOR MAINTENANCE (JAN 2015)	420.00	420.00
2042282	02/04/15	01910	ABCANA INDUSTRIES	958658	01/12/15	SODIUM HYPOCHLORITE	1,606.68	
				958352	01/06/15	SODIUM HYPOCHLORITE	1,186.86	
				958502	01/08/15	SODIUM HYPOCHLORITE	605.20	
				958659	01/12/15	SODIUM HYPOCHLORITE	568.91	
				958777	01/15/15	SODIUM HYPOCHLORITE	527.71	
				957621	12/15/14	SODIUM HYPOCHLORITE	489.46	
				958503	01/08/15	SODIUM HYPOCHLORITE	408.05	
				958780	01/15/15	SODIUM HYPOCHLORITE	373.72	
				958353	01/06/15	SODIUM HYPOCHLORITE	371.75	
				958501	01/08/15	SODIUM HYPOCHLORITE	228.55	6,366.89
2042387	02/18/15	01910	ABCANA INDUSTRIES	959438	02/02/15	SODIUM HYPOCHLORITE	980.88	
				958943	01/20/15	SODIUM HYPOCHLORITE	784.70	
				958942	01/20/15	SODIUM HYPOCHLORITE	490.44	
				959045	01/22/15	SODIUM HYPOCHLORITE	443.36	
				959439	02/02/15	SODIUM HYPOCHLORITE	441.40	
				959046	01/22/15	SODIUM HYPOCHLORITE	440.42	
				959314	01/29/15	SODIUM HYPOCHLORITE	404.12	
				959184	01/26/15	SODIUM HYPOCHLORITE	287.40	
				959044	01/22/15	SODIUM HYPOCHLORITE	210.89	
				959311	01/29/15	SODIUM HYPOCHLORITE	199.12	4,682.73
2042283	02/04/15	08488	ABLEFORCE INC	4673	01/09/15	SHAREPOINT SERVICES (12/3/14-12/21/14)	1,937.50	1,937.50
2042284	02/04/15	12174	AECOM TECHNICAL SERVICES INC	24	01/16/15	DISINFECTION SYSTEM (ENDING 1/2/15)	54,870.49	54,870.49
2042285	02/04/15	11462	AEGIS ENGINEERING MGMT INC	1317	01/15/15	DEVELOPER PROJECTS (12/6/14-1/9/15)	23,203.38	23,203.38
2042388	02/18/15	07732	AIRGAS SPECIALTY PRODUCTS INC	131369501	01/21/15	AQUA AMMONIA	2,508.00	
				131369500	01/21/15	AQUA AMMONIA	603.60	
				131369502	01/21/15	AQUA AMMONIA	246.00	3,357.60
2042389	02/18/15	13753	AIRGAS USA LLC	9924778757	01/31/15	AIR BOTTLES	46.35	46.35
2042286	02/04/15	13753	AIRGAS USA LLC	9924049769	12/31/14	AIR BOTTLES	46.35	46.35
2042287	02/04/15	15024	AIRX UTILITY SURVEYORS INC	15	01/08/15	LAND SURVEYING (12/1/14-12/31/14)	4,547.50	4,547.50
2042390	02/18/15	14811	ALARMS UNLIMITED INC	170800	02/01/15	MONTHLY MONITORING (FEB 2015)	1,534.00	1,534.00
2042288	02/04/15	14462	ALYSON CONSULTING	CM201505	01/16/15	MGMT/INSP (10/15/14-1/12/15)	10,270.00	

**CHECK REGISTER**

**Otay Water District**

Date Range: 1/22/2015 - 2/18/2015

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
				CM201503	01/15/15	MGMT/IINSP (11/1/14-12/31/14)	6,070.00	
				CM201502	01/15/15	MGMT/IINSP (11/1/14-12/31/14)	6,000.00	
				CM201501	01/15/15	MGMT/IINSP (11/1/14-12/31/14)	3,000.00	
				CM201504	01/15/15	MGMT/IINSP (10/7/14-12/31/14)	2,100.00	27,440.00
2042289	02/04/15	06166	AMERICAN MESSAGING	L1109570PB	02/01/15	PAGERS (JAN 2015)	257.94	257.94
2042343	02/11/15	00002	ANSWER INC	11098	01/23/15	ANSWERING SERVICES (MONTHLY)	1,110.00	1,110.00
2042290	02/04/15	08967	ANTHEM BLUE CROSS EAP	41281	01/26/15	EMPLOYEE ASSISTANCE PROGRAM (FEB 2015)	309.97	309.97
2042391	02/18/15	03492	AQUA-METRIC SALES COMPANY	0055097IN	01/23/15	MEASURING ELEMENT	1,364.44	1,364.44
2042392	02/18/15	13171	ARCADIS US INC	0639830	01/26/15	AS-NEEDED DESIGN (ENDING 12/28/14)	13,514.66	13,514.66
2042291	02/04/15	16033	ARSHAK KOULADJIAN	0903013015	01/30/15	W/O REFUND D0903-060106	9,921.33	9,921.33
2042292	02/04/15	07785	AT&T	000006102818	01/02/15	TELEPHONE SERVICES (12/2/14-1/1/15)	5,791.55	5,791.55
2042393	02/18/15	07785	AT&T	000006211345	02/02/15	TELEPHONE SERVICES (1/2/15-2/1/15)	5,721.44	
				000006208466	02/01/15	TELEPHONE SERVICES (1/1/15-1/31/15)	1,229.08	6,950.52
2042293	02/04/15	12684	BALDWIN & SONS LLC	0740013015	01/30/15	W/O REFUND D0740-090207	6,209.98	6,209.98
2042233	01/28/15	15932	BART JARVIS	Ref002437823	01/26/15	UB Refund Cst #0000121291	95.00	95.00
2042234	01/28/15	16006	BOBBY OLIVER	Ref002437825	01/26/15	UB Refund Cst #0000154773	70.48	70.48
2042394	02/18/15	16094	BRIAN JORDANO	4901021815	02/18/15	CUSTOMER REFUND	3,239.98	3,239.98
2042395	02/18/15	14112	BSE ENGINEERING INC	53145	01/20/15	ELECTRICAL SERVICES (11/1/14-11/30/14)	1,548.00	1,548.00
2042294	02/04/15	01004	CALOLYMPIC SAFETY	335568	12/15/14	MICRO MAX SENSORS	963.88	963.88
2042235	01/28/15	08388	CALTRANS	012615HDR	01/26/15	ENCROACHMENT PERMIT	666.00	
				012615HUDSON	01/26/15	ENCROACHMENT PERMIT	492.00	1,158.00
2042236	01/28/15	15998	CARLOS CORTES II	Ref002437815	01/26/15	UB Refund Cst #0000011217	19.06	19.06
2042396	02/18/15	02758	CARMEL BUSINESS SYSTEMS INC	7852	01/21/15	DESTRUCTION SERVICES (1/14/15)	38.50	38.50
2042397	02/18/15	15177	CAROLLO ENGINEERS INC	139493	01/20/15	870-2 PS (11/1/14-11/30/14)	20,367.87	20,367.87
2042237	01/28/15	15256	CIGNA GROUP INSURANCE / LINA	9267011015	01/10/15	AD&D & SUPP LIFE INS (JAN 2015)	4,388.47	4,388.47
2042398	02/18/15	04119	CLARKSON LAB & SUPPLY INC	77389	01/30/15	BACTERIOLOGICAL TESTING SERVICES	824.00	
				77390	01/30/15	BACTERIOLOGICAL TESTING SERVICES	438.00	
				77391	01/30/15	BACTERIOLOGICAL TESTING SERVICES	192.00	

**CHECK REGISTER**

**Otay Water District**

Date Range: 1/22/2015 - 2/18/2015

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
				77392	01/30/15	BACTERIOLOGICAL TESTING SERVICES	192.00	
				77393	01/30/15	BACTERIOLOGICAL TESTING SERVICES	174.00	
				77387	01/30/15	BACTERIOLOGICAL TESTING SERVICES	166.00	
				77388	01/30/15	BACTERIOLOGICAL TESTING SERVICES	166.00	2,152.00
2042399	02/18/15	15395	COFFMAN SPECIALTIES INC	3	01/27/15	SR-11 RELOCATIONS (ENDING 1/31/15)	78,309.93	78,309.93
2042344	02/11/15	15616	COGENT COMMUNICATIONS INC	0001020115	02/01/15	INTERNET CIRCUITS (FEB 2015)	3,047.00	3,047.00
2042238	01/28/15	15616	COGENT COMMUNICATIONS INC	0001010115	01/28/15	INTERNET CIRCUITS (01/01/15 - 01/31/15)	1,764.00	1,764.00
2042295	02/04/15	08160	COMPLETE OFFICE	16831200	01/09/15	CALENDARS	81.17	81.17
2042400	02/18/15	08160	COMPLETE OFFICE	16881720	01/22/15	PLOTTER TONER	4,440.86	
				16892330	01/26/15	CHAIRS	702.00	
				16859520	01/22/15	MAIL SORTER	356.91	5,499.77
2042345	02/11/15	16088	CONNIE CHAVIRA	Ref002438853	02/09/15	UB Refund Cst #0000012669	75.00	75.00
2042401	02/18/15	12334	CORODATA MEDIA STORAGE INC	DS1266469	01/31/15	TAPE STORAGE (JAN 2015)	412.32	412.32
2042402	02/18/15	02612	COUNCIL OF WATER UTILITIES	COWU12015	01/01/15	BUSINESS MEETING	25.00	25.00
2042346	02/11/15	00099	COUNTY OF SAN DIEGO	DPWAROTAYMW	01/31/15	EXCAVATION PERMITS (DEC 2014)	1,199.60	1,199.60
2042403	02/18/15	00184	COUNTY OF SAN DIEGO	2003193E6025001	02/04/15	SHUT DOWN TEST (1/13/15)	355.00	355.00
2042296	02/04/15	11797	D & H WATER SYSTEMS INC	2014541	11/14/14	CHLORINE REGULATORS	3,018.75	
				120150022	01/09/15	CL2GAS REGULATORS	621.57	3,640.32
2042239	01/28/15	16017	DANA POBURSKY	Ref002437836	01/26/15	UB Refund Cst #0000208695	12.01	12.01
2042240	01/28/15	16028	DDM CONSTRUCTION CORP	Ref002437847	01/26/15	UB Refund Cst #0000215406	1,483.24	1,483.24
2042297	02/04/15	16032	DEEH LLC	0904013015	01/30/15	W/O REFUND D0904-060109	3,277.59	3,277.59
2042347	02/11/15	13714	EAST COUNTY CALIFORNIAN, THE	00030657	01/22/15	ADVERTISEMENT	224.00	224.00
2042348	02/11/15	14616	EAST COUNTY GAZETTE	2311	01/13/15	ADVERTISEMENT	234.00	234.00
2042298	02/04/15	02447	EDCO DISPOSAL CORPORATION	5458013115	01/31/15	RECYCLING SERVICES (JAN 2015)	95.00	95.00
2042299	02/04/15	08023	EMPLOYEE BENEFIT SPECIALISTS	0067820IN	12/31/14	EMPLOYEE BENEFITS (DEC 2014)	748.50	748.50
2042404	02/18/15	00331	EMPLOYMENT DEVELOPMENT DEPT	925023840215	02/05/15	UNEMPLOYMENT INSURANCE (QUARTERLY)	2,584.00	2,584.00
2042349	02/11/15	16093	ENRIQUE O'CAMPO	0927020515	02/05/15	W/O REFUND D0927-090195	1,791.14	1,791.14

**CHECK REGISTER**

**Otay Water District**

Date Range: 1/22/2015 - 2/18/2015

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2042405	02/18/15	03227	ENVIROMATRIX ANALYTICAL INC	5020302	02/02/15	LAB ANALYSIS (1/19/15-1/25/15)	510.00	910.00
				5011012	01/26/15	LAB ANALYSIS (1/13/15-1/18/15)	400.00	
2042300	02/04/15	03227	ENVIROMATRIX ANALYTICAL INC	5010673	01/12/15	LAB ANALYSIS (12/23/14-12/31/14)	790.00	1,315.00
				5010674	01/12/15	LAB ANALYSIS (1/1/15-1/5/15)	420.00	
				5010834	01/19/15	LAB ANALYSIS (12/17/14)	105.00	
2042350	02/11/15	02259	ENVIRONMENTAL RESOURCE	743129	01/12/15	LABORATORY SUPPLIES	238.93	238.93
2042351	02/11/15	16089	ERNEST MILLER	Ref002438854	02/09/15	UB Refund Cst #0000021169	99.43	99.43
2042406	02/18/15	14320	EUROFINS EATON ANALYTICAL INC	L0202046		CREDIT MEMO	-20.00	40.00
				L0201744	01/27/15	OUTSIDE LAB SERVICES (1/12/15)	60.00	
2042241	01/28/15	16015	FEBBYANTHY WOODS	Ref002437834	01/26/15	UB Refund Cst #0000205911	27.96	27.96
2042352	02/11/15	03546	FERGUSON WATERWORKS # 1083	0499549	01/15/15	INVENTORY	1,153.44	1,153.44
2042301	02/04/15	03546	FERGUSON WATERWORKS # 1083	0500178	01/15/15	INVENTORY	4,607.28	5,132.13
				0500387	01/16/15	14" PLATED BFV BOLT SETS	335.36	
				0500416	01/16/15	14" PLATED BFV BOLT SETS	189.49	
2042407	02/18/15	03546	FERGUSON WATERWORKS # 1083	0501826	02/02/15	INVENTORY	424.39	579.37
				0500686	01/20/15	14" BFV BOLT SETS	154.98	
2042408	02/18/15	12187	FIRST AMERICAN DATA TREE LLC	9003400115	01/31/15	ONLINE DOCUMENTS (MONTHLY)	99.00	99.00
2042302	02/04/15	04066	FIRST CHOICE SERVICES - SD	033299	01/16/15	COFFEE SUPPLIES	238.39	238.39
2042409	02/18/15	04066	FIRST CHOICE SERVICES - SD	033854	01/30/15	COFFEE SUPPLIES	211.12	362.21
				033627	01/20/15	COFFEE SUPPLIES	151.09	
2042410	02/18/15	11962	FLEETWASH INC	x414442	01/23/15	VEHICLE WASHING	130.20	130.20
2042303	02/04/15	11962	FLEETWASH INC	x405421	01/09/15	VEHICLE WASHING	158.84	309.87
				x404166	01/02/15	VEHICLE WASHING	151.03	
2042353	02/11/15	11962	FLEETWASH INC	x409901	01/16/15	VEHICLE WASHING	84.63	84.63
2042242	01/28/15	01612	FRANCHISE TAX BOARD	Ben2437866	01/29/15	BI-WEEKLY PAYROLL DEDUCTION	350.00	350.00
2042354	02/11/15	01612	FRANCHISE TAX BOARD	Ben2438932	02/12/15	BI-WEEKLY PAYROLL DEDUCTION	350.00	350.00
2042243	01/28/15	02344	FRANCHISE TAX BOARD	Ben2437868	01/29/15	BI-WEEKLY PAYROLL DEDUCTION	81.00	81.00
2042355	02/11/15	02344	FRANCHISE TAX BOARD	Ben2438934	02/12/15	BI-WEEKLY PAYROLL DEDUCTION	81.00	81.00

**CHECK REGISTER**

**Otay Water District**

Date Range: 1/22/2015 - 2/18/2015

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2042411	02/18/15	13563	FRIENDS OF THE WATER	230	01/26/15	GARDEN TOURS (JAN 2015)	1,860.00	1,860.00
2042356	02/11/15	03094	FULLCOURT PRESS	28162	01/27/15	PRINTING SERVICES	843.35	843.35
2042304	02/04/15	10817	GEXPRO	S109639706001	01/07/15	PLC MODULES	535.32	535.32
2042412	02/18/15	14948	GPS INSIGHT LLC	934232	02/01/15	GPS MODEMS	6,698.16	
				933161	01/23/15	GPS MODEMS	306.21	7,004.37
2042305	02/04/15	00101	GRAINGER INC	9640484474	01/15/15	TOOLS - INSPECTION	1,025.36	
				9642175260	01/16/15	MISCELLANEOUS ELECTRICAL SUPPLIES	410.72	
				9640484466	01/15/15	TOOLS - INSPECTION	131.08	
				9642175278	01/16/15	MISCELLANEOUS ELECTRICAL SUPPLIES	111.02	1,678.18
2042357	02/11/15	15994	GROUND SERVICE TECHNOLOGY INC	31300	01/26/15	FIBER REPLACEMENT	1,705.50	1,705.50
2042413	02/18/15	08968	GURROLA, MICHAEL	020815	02/12/15	SAFETY BOOT REIMBURSEMENT	126.34	126.34
2042306	02/04/15	00174	HACH COMPANY	9198267	01/15/15	LABORATORY SUPPLIES	3,635.47	3,635.47
2042414	02/18/15	00174	HACH COMPANY	9204986	01/20/15	LABORATORY SUPPLIES	648.97	648.97
2042415	02/18/15	02008	HELIX ENVIRONMENTAL	51647	01/21/15	ENVIRONMENTAL SERVICES (12/19/14-12/31/14)	3,016.26	3,016.26
2042307	02/04/15	01088	HYDRO-SCAPE PRODUCTS INC	844679900	12/31/14	STRAW WADDLE	1,079.46	1,079.46
2042308	02/04/15	01649	IDEXX DISTRIBUTION INC	284697103	01/09/15	LABORATORY SUPPLIES	4,867.09	
				284697102	01/09/15	LABORATORY SUPPLIES	2,105.06	
				284784181	01/12/15	LABORATORY SUPPLIES	415.48	
				284784182	01/12/15	LABORATORY SUPPLIES	118.02	7,505.65
2042416	02/18/15	08969	INFOSEND INC	88841	01/30/15	BILL PRINTING SERVICES (JAN 2015)	12,995.09	
				88840	01/30/15	BILL PRINTING SERVICES (JAN 2015)	4,432.54	17,427.63
2042417	02/18/15	02372	INTERIOR PLANT SERVICE INC	10319	01/20/15	PLANT SERVICES (JAN 2015)	205.00	205.00
2042358	02/11/15	13899	INTERMEDIA.NET INC	1502001637	02/01/15	EMAIL SERVICES (1/2/15-2/2/15)	5,345.31	5,345.31
2042244	01/28/15	16019	JAMES ALBRIGHT	Ref002437838	01/26/15	UB Refund Cst #0000212278	18.23	18.23
2042418	02/18/15	03077	JANI-KING OF CALIFORNIA INC	SDO01150144	01/01/15	JANITORIAL SERVICES (JAN 2015)	1,159.35	1,159.35
2042419	02/18/15	10563	JCI JONES CHEMICALS INC	644483		CREDIT MEMO	-3,000.00	
				644459	01/27/15	CHLORINE TP	4,684.65	1,684.65
2042245	01/28/15	16000	JEFFERY WILSON	Ref002437817	01/26/15	UB Refund Cst #000026475	200.00	200.00

**CHECK REGISTER**

**Otay Water District**

Date Range: 1/22/2015 - 2/18/2015

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2042420	02/18/15	02269	JENAL ENGINEERING CORP	15298	01/30/15	DUSTO INSPECTIONS (JAN 2015)	100.00	100.00
2042309	02/04/15	16035	JJB SILVERHAWK LP	0685013015 0916013015	01/30/15 01/30/15	W/O REFUND D0685-090027 W/O REFUND D0916-060015	4,128.27 1,620.65	5,748.92
2042246	01/28/15	16001	JO ELLEN ZAYER	Ref002437818	01/26/15	UB Refund Cst #0000035857	402.27	402.27
2042359	02/11/15	15862	JODIE JENSEN	6918020915	02/09/15	CUSTOMER REFUND	93.85	93.85
2042247	01/28/15	15996	JOHN WILLIAMS	Ref002437813	01/26/15	UB Refund Cst #0000005671	32.59	32.59
2042248	01/28/15	16009	KEVIN CRISWELL	Ref002437828	01/26/15	UB Refund Cst #0000182758	9.58	9.58
2042421	02/18/15	05840	KIRK PAVING INC	5776	01/29/15	AS NEEDED PAVING SERVICES FY15	26,644.50	26,644.50
2042310	02/04/15	16034	KW OTAY LLC	0902013015	01/30/15	W/O REFUND D0902-060100	532.41	532.41
2042422	02/18/15	02063	LA MESA - SPRING VALLEY	3755	02/12/15	GARDEN TOUR	295.00	295.00
2042311	02/04/15	02063	LA MESA - SPRING VALLEY	3750	01/26/15	GARDEN TOUR (1/15/15)	295.00	295.00
2042249	01/28/15	16003	LAURA GONZALEZ-SCOTT	Ref002437820	01/26/15	UB Refund Cst #0000069602	122.07	122.07
2042312	02/04/15	12843	LAWTON GROUP, THE	52001 51996	01/30/15 01/23/15	INTERNSHIP AGREEMENT (1/19/15-1/24/15) INTERNSHIP AGREEMENT (1/12/15-1/16/15)	240.63 213.13	453.76
2042423	02/18/15	12843	LAWTON GROUP, THE	52005	02/06/15	INTERNSHIP AGREEMENT (1/26/15-1/30/15)	247.50	247.50
2042313	02/04/15	03607	LEE & RO INC	LR16889	01/13/15	INTERCONNECTION (7/26/14-12/31/14)	2,190.33	2,190.33
2042360	02/11/15	15597	LEONARD H VILLARREAL	1559092314	09/23/14	PROFESSIONAL SERVICES (9/23/14)	7,525.00	7,525.00
2042424	02/18/15	15947	LIFESAVER	2273	01/09/15	ERGONOMIC SERVICES	600.00	600.00
2042361	02/11/15	06263	LINTNER, JERRY	020315 5234020515	02/05/15 02/05/15	SAFETY BOOT REIMBURSEMENT CERTIFICATION REIMBURSEMENT	137.32 60.00	197.32
2042250	01/28/15	16024	LOWELL FREUDENBERG	Ref002437843	01/26/15	UB Refund Cst #0000214699	5.87	5.87
2042362	02/11/15	16091	LUSARDI CONSTRUCTION	Ref002438856	02/09/15	UB Refund Cst #0000208656	1,818.72	1,818.72
2042251	01/28/15	07591	MA, DONGXING	012215	01/22/15	TRAVEL EXPENSE REIMB (11/20/14)	118.80	118.80
2042252	01/28/15	16004	MARGERIE LYNN	Ref002437821	01/26/15	UB Refund Cst #0000070920	25.11	25.11
2042253	01/28/15	15997	MARILYN UNMACK	Ref002437814	01/26/15	UB Refund Cst #0000010416	31.60	31.60
2042254	01/28/15	16014	MARWIN SAMONTE	Ref002437833	01/26/15	UB Refund Cst #0000205886	15.96	15.96
2042425	02/18/15	02882	MAYER REPROGRAPHICS INC	0090929IN	02/12/15	REPROGRAPHIC SERVICES	1,210.22	

**CHECK REGISTER**

**Otay Water District**

Date Range: 1/22/2015 - 2/18/2015

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
				0091215IN	01/26/15	REPROGRAPHIC SERVICES	100.00	
				0091208IN	01/26/15	REPROGRAPHIC SERVICES	100.00	1,410.22
2042314	02/04/15	02882	MAYER REPROGRAPHICS INC	0091195IN	01/23/15	REPROGRAPHICS SERVICES	1,087.20	
				0091185IN	01/23/15	BID PROJECT ON-LINE SETUP	115.00	
				0091199IN	01/23/15	REPROGRAPHICS	97.50	
				0091070IN	01/19/15	BID PROJECT ON-LINE SETUP	92.50	
				0091198IN	01/23/15	REPROGRAPHICS	87.50	1,479.70
2042363	02/11/15	02882	MAYER REPROGRAPHICS INC	0091209IN	01/26/15	BID PROJECT ON-LINE SETUP,	120.00	120.00
2042426	02/18/15	01183	MCMASTER-CARR SUPPLY CO	21361763	01/22/15	CLARIFIER BAFFLE WALL MATERIALS	1,052.27	1,052.27
2042315	02/04/15	01824	MERKEL & ASSOCIATES INC	15010701	01/07/15	ENVIRONMENTAL SERVICES (10/16/14-12/31/14)	1,208.94	1,208.94
2042316	02/04/15	00805	METRO JPA	192	01/12/15	ANNUAL DUES	1,653.00	1,653.00
2042427	02/18/15	11876	MICHAEL D KEAGY REAL ESTATE	1122	01/09/15	APPRAISAL SERVICES (ENDING 2/9/15)	2,000.00	2,000.00
2042255	01/28/15	16018	MICHAEL SHENKMAN	Ref002437837	01/26/15	UB Refund Cst #0000208884	22.32	22.32
2042256	01/28/15	15999	MICHELLE STEPHENS	Ref002437816	01/26/15	UB Refund Cst #0000016139	18.14	18.14
2042317	02/04/15	00237	MISSION JANITORIAL & ABRASIVE	44358300	01/08/15	JANITORIAL SUPPLIES	1,269.37	1,269.37
2042318	02/04/15	15136	MISSION UNIFORM SERVICE	340222477	01/13/15	UNIFORM SERVICES	381.64	
				340221430	01/06/15	UNIFORM SERVICES	380.94	
				340221429	01/06/15	UNIFORM SERVICES	114.17	
				340222476	01/13/15	UNIFORM SERVICES	114.17	
				340223322	01/19/15	UNIFORM SERVICES	95.21	
				S340221381	01/06/15	UNIFORM SERVICES	34.76	1,120.89
2042428	02/18/15	15136	MISSION UNIFORM SERVICE	340224669	01/27/15	UNIFORM SERVICES	404.79	
				340223556	01/20/15	UNIFORM SERVICES	404.79	
				340224668	01/27/15	UNIFORM SERVICES	117.28	
				340223555	01/20/15	UNIFORM SERVICES	117.28	
				340225506	02/02/15	UNIFORM SERVICES	100.95	
				340224436	01/26/15	UNIFORM SERVICES	95.21	
				S340222431	01/20/15	UNIFORM SERVICES	34.76	1,275.06
2042364	02/11/15	15136	MISSION UNIFORM SERVICE	S340209367		CREDIT MEMO	-12.64	
				340221179	01/05/15	UNIFORM SERVICES	91.25	
				340222242	01/12/15	UNIFORM SERVICES	91.25	169.86

**CHECK REGISTER**

**Otay Water District**

Date Range: 1/22/2015 - 2/18/2015

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2042257	01/28/15	16016	NATHAN MASELLI	Ref002437835	01/26/15	UB Refund Cst #0000206455	45.88	45.88
2042258	01/28/15	03523	NATIONAL DEFERRED COMPENSATION	Ben2437854	01/29/15	BI-WEEKLY DEFERRED COMP PLAN	11,750.42	11,750.42
2042365	02/11/15	03523	NATIONAL DEFERRED COMPENSATION	Ben2438920	02/12/15	BI-WEEKLY DEFERRED COMP PLAN	11,614.90	11,614.90
2042429	02/18/15	13690	NEAL ELECTRIC CORP	62386	01/26/15	CL2 ACTUATOR ELECTRICAL WORK	4,582.00	4,582.00
2042319	02/04/15	16031	NEREIDA SANCHEZ	8448012915	01/29/15	CUSTOMER REFUND	144.10	144.10
2042430	02/18/15	00510	OFFICE DEPOT INC	751094469001	01/21/15	OFFICE SUPPLIES	216.01	
				751088210001	01/21/15	OFFICE SUPPLIES	132.09	
				752344215001	01/27/15	OFFICE SUPPLIES	103.06	
				752922679001	02/02/15	OFFICE SUPPLIES	43.87	495.03
2042320	02/04/15	00510	OFFICE DEPOT INC	744328052001	12/08/14	OFFICE SUPPLIES	140.10	
				742904846001	12/01/14	OFFICE SUPPLIES	88.85	
				749586108001	01/14/15	OFFICE SUPPLIES	80.24	
				748419448001	01/12/15	OFFICE SUPPLIES	66.73	
				748765672001	01/06/15	OFFICE SUPPLIES	33.65	409.57
2042366	02/11/15	00510	OFFICE DEPOT INC	750409293001	01/16/15	OFFICE SUPPLIES	181.96	
				748274982001	01/09/15	OFFICE SUPPLIES	116.40	
				749897218001	01/15/15	OFFICE SUPPLIES	100.18	398.54
2042321	02/04/15	01002	PACIFIC PIPELINE SUPPLY	301148	01/09/15	INVENTORY	3,321.00	
				301237	01/06/15	14" BUTTERFLY VALVE	3,081.24	
				301227	01/13/15	INVENTORY	515.97	
				301344	01/13/15	INVENTORY	515.97	7,434.18
2042431	02/18/15	01002	PACIFIC PIPELINE SUPPLY	301470	01/29/15	INVENTORY	3,605.36	
				301146	01/29/15	PULL-THRU ADAPTER	31.23	3,636.59
2042367	02/11/15	15972	PAUL'S CRANE SERVICE	3095	12/23/14	CRANE SERVICE (12/23/14)	225.00	225.00
2042432	02/18/15	05497	PAYPAL INC	38357418	01/31/15	PHONE PAYMENT SVCS (JAN 2015)	54.10	54.10
2042433	02/18/15	15899	PCM SALES INC	S89371150101	01/22/15	IT HARDWARE	16,556.40	16,556.40
2042259	01/28/15	16013	PEDRO BONILLA	Ref002437832	01/26/15	UB Refund Cst #0000193640	53.31	53.31
2042322	02/04/15	00137	PETTY CASH CUSTODIAN	020215	02/02/15	PETTY CASH REIMBURSEMENT	841.54	841.54
2042434	02/18/15	13122	PINNACLE BUSINESS SOLUTIONS	35999	01/31/15	SQL SERVERS	19,504.80	19,504.80
2042323	02/04/15	15081	PINOMAKI DESIGN	4714	01/16/15	GRAPHIC DESIGN	42.50	42.50

**CHECK REGISTER**

**Otay Water District**

Date Range: 1/22/2015 - 2/18/2015

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2042324	02/04/15	02449	POLLARDWATER.COM	0005140	01/14/15	DECHLOR TABLETS	1,794.00	1,794.00
2042435	02/18/15	01715	PORRAS, PEDRO	031515031915	02/10/15	TRAVEL EXPENSE (3/15/15-3/19/15)	1,071.28	1,071.28
2042325	02/04/15	15642	PRINT BUTTON, THE	7526	12/27/14	CARD SHELLS	244.57	
				7544	01/09/15	BUSINESS CARDS	30.08	
				7628	01/17/15	BUSINESS CARDS	30.08	304.73
2042436	02/18/15	15642	PRINT BUTTON, THE	7706	02/02/15	BUSINESS CARDS	30.08	30.08
2042437	02/18/15	13059	PRIORITY BUILDING SERVICES	42371	01/01/15	JANITORIAL SERVICES (JAN 2015)	3,924.48	3,924.48
2042438	02/18/15	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2438922	02/12/15	BI-WEEKLY PERS CONTRIBUTION	177,149.86	177,149.86
2042326	02/04/15	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2437856	01/29/15	BI-WEEKLY PERS CONTRIBUTION	178,361.47	178,361.47
2042439	02/18/15	01409	PUMP CHECK	5847	01/13/15	PUMP EFFICIENCY TESTING	4,500.00	
				5849	01/14/15	PUMP EFFICIENCY TESTING	4,500.00	
				5857	01/28/15	PUMP EFFICIENCY TESTING	1,015.00	10,015.00
2042368	02/11/15	10294	QWIKPRINTS	15321024	02/09/15	FINGERPRINTING SERVICES	80.00	80.00
2042440	02/18/15	01342	R J SAFETY SUPPLY CO INC	33209702	01/23/15	SAFETY SUPPLIES	56.70	56.70
2042327	02/04/15	01342	R J SAFETY SUPPLY CO INC	33209701	01/09/15	SAFETY SUPPLIES	258.66	258.66
2042328	02/04/15	10244	RALPH BAEZ	Ref002437824	01/26/15	UB Refund Cst #0000144786	100.56	100.56
2042441	02/18/15	14578	RAP ENGINEERING INC	2	02/11/15	ACCESS ROAD PAVING (12/6/14-1/24/15)	19,395.20	19,395.20
2042442	02/18/15	15414	REGENTS BANK	3	01/27/15	RETENTION/COFFMAN (ENDING 1/31/15)	4,121.57	4,121.57
2042369	02/11/15	15857	REPUBLIC SERVICES INC #509	0509005897882	01/25/15	TRASH SERVICES (FEB 2015)	530.33	
				0509005899439	01/25/15	TRASH SERVICES (FEB 2015)	192.71	723.04
2042260	01/28/15	16002	RICHARD CHRISTY	Ref002437819	01/26/15	UB Refund Cst #0000051723	57.18	57.18
2042443	02/18/15	08972	RICK ENGINEERING COMPANY	0040868	01/26/15	CAMPO ROAD SUPPORT (11/29/14-12/31/14)	21,486.38	21,486.38
2042329	02/04/15	00521	RICK POST WELD & WET TAPPING	9890	01/19/15	RICK POST WELDING	1,740.00	
				9879	01/06/15	WELDING SERVICES (12/31/14)	420.00	2,160.00
2042370	02/11/15	04542	ROBAK, MARK	111614011515	01/20/15	MILEAGE REIMBURSEMENT (11/16/14-1/15/15)	13.71	13.71
2042371	02/11/15	16090	ROBERT COLOSIA	Ref002438855	02/09/15	UB Refund Cst #0000196808	65.62	65.62
2042261	01/28/15	16005	ROBERT KAY	Ref002437822	01/26/15	UB Refund Cst #0000082205	24.06	24.06

**CHECK REGISTER**

**Otay Water District**

Date Range: 1/22/2015 - 2/18/2015

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2042262	01/28/15	16007	ROBERT PHELPS	Ref002437826	01/26/15	UB Refund Cst #0000158266	81.51	81.51
2042372	02/11/15	16092	ROGER LUECHT	0935020515	02/05/15	W/O REFUND D0935-090214	3,059.79	3,059.79
2042263	01/28/15	16023	ROSANA ALCARAZ	Ref002437842	01/26/15	UB Refund Cst #0000214107	118.66	118.66
2042264	01/28/15	16027	ROYAL CAPITAL HOLDINGS, LLC	Ref002437846	01/26/15	UB Refund Cst #0000215246	43.47	43.47
2042265	01/28/15	16022	SABIHA KIZY	Ref002437841	01/26/15	UB Refund Cst #0000214079	1,758.27	1,758.27
2042266	01/28/15	16020	SAMANTHA SCHEURN	Ref002437839	01/26/15	UB Refund Cst #0000213705	32.67	32.67
2042373	02/11/15	12470	SAN DIEGO BUSINESS JOURNAL	SD124614	02/05/15	SUBSCRIPTION RENEWAL	99.00	99.00
2042444	02/18/15	06828	SAN DIEGO COUNTY OFFICE OF	SL-14040	02/02/15	SPLASH LAB (2/17/15)	690.00	690.00
2042267	01/28/15	03752	SAN DIEGO COUNTY SHERIFF	Ben2437864	01/29/15	BI-WEEKLY PAYROLL DEDUCTION	460.90	460.90
2042374	02/11/15	03752	SAN DIEGO COUNTY SHERIFF	Ben2438930	02/12/15	BI-WEEKLY PAYROLL DEDUCTION	460.90	460.90
2042330	02/04/15	00003	SAN DIEGO COUNTY WATER AUTH	0000001134	01/06/15	MWD SCWS-HEWS	350.00	350.00
2042445	02/18/15	00003	SAN DIEGO COUNTY WATER AUTH	0000001149	01/28/15	HOME WATER USE EVALUATION	2,750.00	2,750.00
2042331	02/04/15	00247	SAN DIEGO DAILY TRANSCRIPT	483229	01/08/15	BID ADVERTISEMENT	125.40	
				484160	01/15/15	BID ADVERTISEMENT	125.40	
				484022	01/14/15	BID ADVERTISEMENT	92.40	
				484021	01/14/15	BID ADVERTISEMENT	89.10	432.30
2042446	02/18/15	00247	SAN DIEGO DAILY TRANSCRIPT	486067	01/27/15	BID ADVERTISEMENT	128.70	128.70
2042447	02/18/15	00121	SAN DIEGO GAS & ELECTRIC	020415	02/04/15	UTILITY EXPENSES (MONTHLY)	95,003.73	95,003.73
2042375	02/11/15	00121	SAN DIEGO GAS & ELECTRIC	012915	01/29/15	UTILITY EXPENSES (MONTHLY)	59,500.51	
				012615	01/26/15	UTILITY EXPENSES (MONTHLY)	46,172.28	
				012015a	01/20/15	UTILITY EXPENSES (MONTHLY)	21,633.05	
				012315	01/23/15	UTILITY EXPENSES (MONTHLY)	749.16	128,055.00
2042268	01/28/15	16008	SANDRA GERGEN	Ref002437827	01/26/15	UB Refund Cst #0000160642	30.35	30.35
2042269	01/28/15	03514	SANTOS, MARCIANO	011715	01/22/15	SAFETY BOOT REIMBURSEMENT	136.06	136.06
2042270	01/28/15	16012	SEOK KI SON	Ref002437831	01/26/15	UB Refund Cst #0000188655	347.04	347.04
2042271	01/28/15	16025	SHANA & WELCOME ABBOTT	Ref002437844	01/26/15	UB Refund Cst #0000214809	1,423.36	1,423.36
2042332	02/04/15	15307	SIERRA ANALYTICAL LABS INC	5A21007	01/21/15	LABORATORY SERVICES (1/14/15)	295.00	295.00

**CHECK REGISTER**

**Otay Water District**

Date Range: 1/22/2015 - 2/18/2015

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2042448	02/18/15	15307	SIERRA ANALYTICAL LABS INC	5B11044	02/11/15	LABORATORY SERVICES (2/3/15)	270.00	
				5A28001	01/28/15	LABORATORY SERVICES (1/21/15)	270.00	540.00
2042376	02/11/15	15307	SIERRA ANALYTICAL LABS INC	5B09003	02/09/15	LABORATORY SERVICES (1/26/15)	270.00	270.00
2042377	02/11/15	13327	SILVA-SILVA INTERNATIONAL	1502	02/01/15	DESAL PROJ CONSULTANT (JAN 2015)	4,000.00	4,000.00
2042333	02/04/15	15176	SOUTHCOAST HEATING &	C55224	01/15/15	AC MAINTENANCE (MONTHLY)	1,068.00	
				C55242	01/15/15	AC MAINTENANCE (MONTHLY)	480.00	1,548.00
2042334	02/04/15	06853	SOUTHERN CALIFORNIA SOIL	369594	01/07/15	GEOTECHNICAL SERVICES (11/1/14-11/30/14)	6,131.80	6,131.80
2042335	02/04/15	03516	SPECIAL DISTRICT RISK	0001012715	01/27/15	PROPERTY DEDUCTIBLE	500.00	500.00
2042449	02/18/15	00274	STATE OF CALIFORNIA	8205021315	02/13/15	LICENSE RENEWAL	115.00	115.00
2042378	02/11/15	12809	STUTZ ARTIANO SHINOFF	97107	01/27/15	LEGAL SERVICES (DEC 2014)	10,107.87	10,107.87
2042272	01/28/15	15974	SUN LIFE FINANCIAL	Ben2437852	01/29/15	MONTHLY CONTRIBUTION TO LTD	4,885.59	4,885.59
2042450	02/18/15	14902	SUNROAD OTAY PARTNERS LP	0362021315a	02/13/15	W/O REFUND D0362-090143	522.06	
				0362021315	02/13/15	W/O REFUND D0362-090131	418.25	940.31
2042451	02/18/15	10339	SUPREME OIL COMPANY	407445	01/27/15	UNLEADED FUEL	6,476.92	
				407448	01/28/15	RED DYED DIESEL FUEL	6,291.98	
				407501	01/28/15	RED DYED DIESEL FUEL	3,807.01	
				407446	01/27/15	DIESEL FUEL	3,533.68	20,109.59
2042452	02/18/15	02376	TECHKNOWSION INC	2559	02/02/15	SCADA UPGRADES	10,000.00	
				2560	02/02/15	SCADA UPGRADES	1,000.00	11,000.00
2042273	01/28/15	16026	TED WIERF	Ref002437845	01/26/15	UB Refund Cst #0000214831	85.31	85.31
2042336	02/04/15	03608	TELLIARD CONSTRUCTION	OWD72014	12/10/14	ROOF DRAIN	3,850.00	3,850.00
2042274	01/28/15	15926	TEXAS CHILD SUPPORT UNIT	Ben2437870	01/29/15	BI-WEEKLY PAYROLL DEDUCTION	184.61	184.61
2042379	02/11/15	15926	TEXAS CHILD SUPPORT UNIT	Ben2438936	02/12/15	BI-WEEKLY PAYROLL DEDUCTION	184.61	184.61
2042337	02/04/15	03071	THE SOCO GROUP INC	718709	12/05/14	PUMP/MOTOR OIL	2,430.10	2,430.10
2042453	02/18/15	15807	THE WATCHLIGHT CORPORATION	412700	02/13/15	ALARM SYSTEM	629.00	629.00
2042380	02/11/15	14177	THOMPSON, MITCHELL	010115013115	01/30/15	MILEAGE REIMBURSEMENT (JAN 2015)	79.35	79.35
2042275	01/28/15	16021	THREE FROGS INC.	Ref002437840	01/26/15	UB Refund Cst #0000214009	30.64	30.64
2042276	01/28/15	15995	TIME AND ALARM SYSTEMS	52207	01/22/15	ANNUAL FIRE ALARM TEST	2,991.00	2,991.00

**CHECK REGISTER**

**Otay Water District**

Date Range: 1/22/2015 - 2/18/2015

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2042338	02/04/15	15398	TIMMONS GROUP INC	166108	01/13/15	CONSULTANT SERVICES (THRU 12/31/14)	11,924.97	11,924.97
2042339	02/04/15	08159	TORRES, LEONEL	1757020215	02/02/15	TRAVEL ADVANCEMENT	569.20	569.20
2042277	01/28/15	16010	TRISHA OSUNA	Ref002437829	01/26/15	UB Refund Cst #0000185946	34.75	34.75
2042454	02/18/15	00427	UNDERGROUND SERVICE ALERT OF	120150478	02/01/15	UNDERGROUND ALERTS (MONTHLY)	330.00	330.00
2042381	02/11/15	07674	US BANK	CC20150122112	01/22/15	CAL CARD EXPENSES (MONTHLY)	21,841.82	21,841.82
2042385	02/11/15	07674	US BANK	CC20150122141	01/22/15	CAL CARD EXPENSES (MONTHLY)	25,937.05	25,937.05
2042455	02/18/15	06829	US SECURITY ASSOCIATES INC	926226	01/31/15	SECURITY SERVICES (JAN 2015)	285.60	285.60
2042278	01/28/15	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2437860	01/29/15	BI-WEEKLY DEFERRED COMP PLAN	13,334.22	13,334.22
2042382	02/11/15	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2438926	02/12/15	BI-WEEKLY DEFERRED COMP PLAN	13,412.08	13,412.08
2042383	02/11/15	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2438928	02/12/15	BI-WEEKLY 401A PLAN	10,988.25	10,988.25
2042279	01/28/15	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2437862	01/29/15	BI-WEEKLY 401A PLAN	11,982.95	11,982.95
2042340	02/04/15	03329	VERIZON WIRELESS	9739276561	01/21/15	WIRELESS SERVICES (12/22/14-1/21/15)	5,151.72	
				9739276565	01/21/15	WIRELESS SERVICES (12/22/14-1/21/15)	1,362.22	
				9739276566	01/21/15	WIRELESS SERVICES (12/22/14-1/21/15)	494.25	
				9739276567	01/21/15	WIRELESS SERVICES (12/22/14-1/21/15)	184.38	7,192.57
2042280	01/28/15	15726	WATER SYSTEMS CONSULTING INC	1266	12/31/14	HYDRAULIC MODELING (ENDING 12/31/14)	840.00	840.00
2042384	02/11/15	03781	WATTON, MARK	010115123115	02/05/15	MILEAGE REIMBURSEMENT (JAN 2015)	165.60	165.60
2042341	02/04/15	03781	WATTON, MARK	120114123114	01/29/15	TRAVEL EXPENSE REIMB (DEC 2014)	283.84	283.84
2042456	02/18/15	07780	WEBER SCIENTIFIC	658872	01/28/15	LABORATORY SUPPLIES	283.96	283.96
2042342	02/04/15	07780	WEBER SCIENTIFIC	657740	01/15/15	LABORATORY SUPPLIES	460.90	460.90
2042281	01/28/15	16011	YVONNE SOLORZANO	Ref002437830	01/26/15	UB Refund Cst #0000186671	19.80	19.80
<b>Amount Pd Total:</b>							<b>1,365,590.03</b>	
<b>Check Grand Total:</b>							<b>1,365,590.03</b>	