

OTAY WATER DISTRICT

BOARD OF DIRECTORS MEETING
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

TUESDAY
January 7, 2014
3:30 P.M.

AGENDA

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. PRESENTATION OF RECOGNITION PLAQUE TO BOARD PRESIDENT
4. ELECTION OF BOARD PRESIDENT

As per Chapter 2, Section 1.03.B, *Procedure for Election*, of the District's Code of Ordinances, the General Manager shall chair the proceedings for election of the President. The newly-elected President shall assume office immediately and shall chair the proceedings for the election of the Vice President and Treasurer.

5. ELECTION OF BOARD VICE PRESIDENT
6. ELECTION OF BOARD TREASURER
7. APPROVAL OF AGENDA
8. 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
9. RECESS OTAY WATER DISTRICT BOARD MEETING
10. CONVENE OTAY SERVICE CORPORATION BOARD MEETING
11. ROLL CALL
12. ELECTION OF OFFICERS
 - a) PRESIDENT
 - b) VICE-PRESIDENT
 - c) TREASURER

13. APPOINTMENT OF OFFICERS
 - a) EXECUTIVE DIRECTOR
 - b) CHIEF FINANCIAL OFFICER
 - c) SECRETARY
14. ADJOURN OTAY SERVICE CORPORATION BOARD MEETING
15. CONVENE OTAY WATER DISTRICT FINANCING AUTHORITY BOARD MEETING
16. ROLL CALL
17. RE-AFFIRM OFFICERS OF THE OTAY WATER DISTRICT FINANCING AUTHORITY
 - a) PRESIDENT
 - b) VICE-PRESIDENT
 - c) EXECUTIVE DIRECTOR
 - d) TREASURER/AUDITOR
 - e) SECRETARY
18. ADJOURN OTAY WATER DISTRICT FINANCING AUTHORITY BOARD MEETING
19. RECONVENE OTAY WATER DISTRICT BOARD MEETING

CONSENT CALENDAR

20. 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) APPROVE A PROFESSIONAL SERVICES CONTRACT WITH ATKINS NORTH AMERICA, INC. FOR THE 2015 WATER FACILITIES MASTER PLAN AND PROGRAM ENVIRONMENTAL IMPACT REPORT UPDATES IN AN AMOUNT NOT-TO-EXCEED \$434,731
 - b) APPROVE A CONSTRUCTION CONTRACT WITH ADVANCED INDUSTRIAL SERVICES, INC. FOR THE 624-2 RESERVOIR INTERIOR/EXTERIOR COATING AND UPGRADES PROJECT IN AN AMOUNT NOT-TO-EXCEED \$1,199,000
 - c) APPROVE A CONSTRUCTION CONTRACT WITH COFFMAN SPECIALTIES, INC. FOR THE POTABLE WATER UTILITY RELOCATIONS ASSOCIATED WITH THE CALTRANS SR-11-SEQUENCE 1 PROJECT IN AN AMOUNT NOT-TO-EXCEED \$992,380
 - d) APPROVE AN AGREEMENT BETWEEN THE SAN DIEGO COUNTY SANITATION DISTRICT (COUNTY) AND THE DISTRICT FOR REIMBURSE-

MENT TO THE COUNTY FOR THE DESIGN AND CONSTRUCTION COSTS ASSOCIATED WITH THE RANCHO SAN DIEGO PUMP STATION REHABILITATION PROJECT; AND APPROVE AN INCREASE IN CIP BUDGET S2027 IN THE AMOUNT OF \$600,000, INCREASING THE OVERALL CIP BUDGET FROM \$2,900,000 TO \$3,500,000

- e) ADOPT THE 2014 OTAY WATER DISTRICT LEGISLATIVE PROGRAM GUIDELINES
- f) ADOPT ORDINANCE NO. 540 TO AMEND THE DISTRICT'S CODE OF ORDINANCES SECTION 3.06 (C), WITHDRAWAL OF FUNDS, TO ALLOW FOR DELEGATES APPROVAL OF THE RELEASE OF PAYMENTS THAT WILL INCREASE THE EFFICIENCY AND PRACTICALITY OF THE DISTRICT'S OPERATION
- g) APPROVE A PURCHASE ORDER TO NEXUS, INC. IN THE AMOUNT OF \$204,850.50 FOR THE PURCHASE OF INFORMATION TECHNOLOGY NETWORK EQUIPMENT AND SERVICES
- h) APPROVE A THREE (3) YEAR AGREEMENT WITH AZTECA SYSTEMS, INC. IN AN AMOUNT NOT-TO-EXCEED \$230,000 FOR A LICENSING AGREEMENT FOR CITY WORKS SOFTWARE; AND AN AGREEMENT WITH THE TIMMONS GROUP IN AN AMOUNT NOT-TO-EXCEED \$370,000 FOR IMPLEMENTATION SERVICES FOR THE REPLACEMENT OF THE DISTRICT'S WORK MANAGEMENT SYSTEM

ACTION ITEMS

21. BOARD

- a) APPROVE AN AGREEMENT WITH TECHNOVISION, INC. FOR A THREE (3) YEAR LICENSING AGREEMENT FOR GE iFIX SCADA SYSTEM AND IMPLEMENTATION SERVICES FOR THE REPLACEMENT OF THE DISTRICT'S SCADA SYSTEM IN AN AMOUNT NOT-TO-EXCEED \$415,000
- b) AWARD A CONTRACT TO AN ACCOUNTING FIRM TO SERVE AS THE DISTRICT'S AUDITORS FOR THE FISCAL YEAR ENDING JUNE 30, 2014; THE CONTRACT WILL BE FOR ONE (1) YEAR WITH FOUR (4) ONE-YEAR OPTIONS SUBJECT TO THE BOARD REVIEW AND APPROVAL
- c) DISCUSSION OF 2014 BOARD MEETING CALENDAR

INFORMATIONAL ITEMS

- 22. THIS ITEM IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS:
 - a) REPORT ON DIRECTOR'S EXPENSES FOR THE 1ST QUARTER OF FISCAL YEAR 2014 (BENHAM)

REPORTS

23. GENERAL MANAGER'S REPORT
 - a) SAN DIEGO COUNTY WATER AUTHORITY UPDATE
24. DIRECTORS' REPORTS/REQUESTS
25. PRESIDENT'S REPORT

RECESS TO CLOSED SESSION

26. CLOSED SESSION
 - a) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
[GOVERNMENT CODE §54956.9]

2 CASE

RETURN TO OPEN SESSION

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

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

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

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

Certification of Posting

I certify that on January 3, 2014, 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 January 3, 2014.

/s/ Susan Cruz, District Secretary

AGENDA ITEM 20a



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 7, 2014		
SUBMITTED BY:	Bob Kennedy Engineering Manager	PROJECT:	P1210- 001101	DIV. NO.	ALL
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 Professional Engineering Services Contract for the 2015 Water Facilities Master Plan and Program Environmental Impact Report Updates to Atkins North America, Inc.				

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) award a professional services contract to Atkins North America, Inc. and to authorize the General Manager to execute an agreement with Atkins North America, Inc. for the 2015 Water Facilities Master Plan and Program Environmental Impact Report Updates in an amount not-to-exceed \$434,731.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to enter into a professional engineering services contract with Atkins North America, Inc. for the 2015 Water Facilities Master Plan and Program Environmental Impact Report Updates in an amount not-to-exceed \$434,731.

ANALYSIS:

The District requires the services of a planning and environmental firm (Consultant) to provide professional engineering and environmental services as part of the District's Water Facilities Master Plan (WFMP) 2015 and Program EIR (PEIR) Updates (Capital Improvement Plan Number P1210). The previous Water Resources Master Plan Update was approved by the District's Board of Directors on February 3, 2010 and combined all previously existing master plans and facility plans into one system wide plan outlining the potable water and recycled water systems required to serve our customers at build-out conditions. Minor changes were made in November 2010 and May 2013 to reflect changes in land use and the demands for the City of San Diego Otay Mesa Community Plan Update and changes to the City of Chula Vista Otay Ranch development.

The purpose of the 2015 WFMP and PEIR Updates is to identify and provide planning and design data for future potable and recycled water capital improvement projects. Planning and design data must include, but not be limited to, population projections, analysis of historical data, land use categorization, hydraulic model construction, facilities sizing criteria and associated probable cost estimates. Facilities will include supply source, pump stations, storage reservoirs, transmission mains and distribution piping to meet the projected potable and recycled water market demands of existing and future customers within the jurisdiction and the identified area of influence of the District. The 2015 WFMP and PEIR Updates must develop a phased approach to outline the general Capital Improvement Program (CIP) projects necessary to meet the projected customer demands at 5-year intervals to the year 2050. A detailed CIP is required for each year through 2020.

In addition, the 2015 WFMP Update requires updating the previous Program Environmental Impact Report (PEIR) to address environmental impacts for each future CIP project. Pursuant to California Environmental Quality Act (CEQA) Guidelines, the District must prepare a PEIR to obtain approval and formal adoption of the WFMP. The PEIR is an informational document that provides an overview of the projects identified in the WFMP, and their impacts in terms of air quality, biological resources, cultural resources, geology and soils, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, landform alteration and visual aesthetics, land use and planning, noise and any other impacts deemed necessary for study.

In accordance with the Board of Directors Policy Number 21, the District initiated the consultant selection process on September 9,

2013, by placing an advertisement in the San Diego Daily Transcript, and posting the Project on the District's website for Professional Engineering Services. The advertisements attracted Letters of Interest and Statements of Qualifications from ten (10) consulting firms. A Pre-Proposal Meeting was held on October 1, 2013. Seventeen (17) people representing eight (8) prime consulting firms attended the meeting.

On October 14, 2013, proposals were received from the following five (5) consulting firms:

1. Dudek
2. Carollo Engineers, Inc.
3. Atkins North America, Inc.
4. Black & Veatch Corporation
5. HDR Engineering, Inc.

Among the prime engineering firms that submitted letters of interest, but did not propose, were CDM/Smith, Kennedy Jenks and Brown & Caldwell.

After the proposals were evaluated and ranked by a five-member review panel consisting of District Engineering, IT, and Operations staff, it was determined that three (3) proposals ranked sufficiently close to warrant being invited to make an oral presentation and respond to questions from the panel. After conducting the interviews on November 13, 2013, the panel completed the consultant ranking process and concluded that Atkins North America, Inc. had the best approach to the Project and provided the best overall value to the District. A summary of the complete evaluation is shown in Attachment B.

Scope and fee negotiations with Atkins North America, Inc. concluded on November 18, 2013 which resulted in acceptance of their proposed fee reduction from \$479,941 to \$434,731.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

As a part of the Fiscal Year (FY) 2014 operating budget development process, the total estimated budget for the WFMP Project was projected by staff to be \$400,000 with a \$200,000 expenditure anticipated to occur in both FY 2014 and FY 2015. The bid for the work is \$434,731. Staff expects a \$200,000 expenditure for FY 2014 and \$250,000 for 2015. Staff will modify the FY 2015 Operating Budget to accommodate this higher amount.

Based on a review of the budget, staff has determined that the approved FY 2014 and planned FY 2015 combined budgets are anticipated to be sufficient to support the WFMP Project.

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.

BK:jf

P:\WORKING\CIP 00210 WMP & PEIR\Water Resources Master Plan\2015 WFMP Update\Agreement\BD 01-07-14, Staff Report, Award of an Engineering Services Contract to Atkins North America, (KS-BK).docx

Attachments: Attachment A - Committee Action
Attachment B - Summary of Proposal Rankings



ATTACHMENT A

SUBJECT/PROJECT: P1210-001101	Award of a Professional Engineering Services Contract for Production of the 2015 Water Facilities Master Plan and Program Environmental Impact Report Updates to Atkins North America, Inc.
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on December 9, 2013, and the following comments were made:

- Staff recommended that the Board award a professional services contract to Atkins North America, Inc. (Atkins) and to authorize the General Manager to execute an agreement with Atkins for the 2015 Water Facilities Master Plan and Program Environmental Impact Report Updates in an amount not-to-exceed \$434,731.
- Staff stated that the Water Master Plan Update was approved by the Board on February 3, 2010, and indicated that minor changes were made to reflect changes in land use and demands for the City of San Diego Otay Mesa Community Plan Update and changes to the City of Chula Vista Ranch development.
- The purpose of the 2015 Master Plan Update is to identify and provide planning and design data for future potable and recycled water capital improvement projects.
- It was noted that planning and design must include population projections, historical data, land use, hydraulic modeling, facilities sizing criteria, and cost estimates.
- The 2015 Master Plan Update also requires updating the previous Program Environmental Impact Report to address environmental impacts for each future CIP project.
- Staff discussed the selection process that is detailed on page 3 of the staff report. After all proposals were evaluated, three (3) proposals ranked sufficiently close to warrant being invited to an interview from the District's panel.

- Interviews were conducted on November 13, 2013. The District's panel completed the consultant ranking process and concluded that Atkins had the best approach to the Project and provided the best overall value to the District. A summary of the complete evaluation is shown in Attachment B of the staff report.
- It was noted that scope and fee negotiations with Atkins resulted in acceptance of their proposed fee reduction of \$45,210, from \$479,941 to \$434,731.
- In response to a question by the Committee, staff stated that Atkins has previously worked with the District and has a depth of knowledge of the District's CIP projects and believes that the company is the best fit for this Project.

Following the discussion, the EO&WR Committee supported staffs' recommendation and presentation to the full board as a consent item.

ATTACHMENT B
Summary of Proposal Rankings for 2015 Water Facilities Master Plan Update and PEIR

		WRITTEN							ORAL							REFERENCES	
		Qualifications of Team	Responsiveness and Project Understanding	Technical and Management Approach	INDIVIDUAL SUBTOTAL - WRITTEN	AVERAGE SUBTOTAL - WRITTEN	Proposed Fee*	Consultant's Commitment to DBE	TOTAL - WRITTEN	Additional Creativity and Insight	Strength of Project Manager	Presentation and Communication Skills	Responses to Questions	INDIVIDUAL TOTAL - ORAL	AVERAGE TOTAL ORAL	TOTAL SCORE	
MAXIMUM POINTS		30	25	30	85	85	15	Y/N	100	15	15	10	10	50	50	150	Poor/Good/Excellent
HDR	Dan Martin	26	22	27	75	76	15	Y	91	10	11	8	6	35	34	125	
	Bob Kennedy	27	23	27	77					10	11	7	6	34			
	Gary Stalker	26	22	26	74					10	9	6	6	31			
	Lisa Coburn-Boyd	27	23	27	77					11	10	7	6	34			
	Ming Zhao	28	23	26	77					11	10	7	6	34			
Carollo	Dan Martin	23	18	19	60	62	1	Y	63	NOT INTERVIEWED							
	Bob Kennedy	23	20	23	66					NOT INTERVIEWED							
	Gary Stalker	19	20	20	59					NOT INTERVIEWED							
	Lisa Coburn-Boyd	23	18	24	65					NOT INTERVIEWED							
	Ming Zhao	20	20	20	60					NOT INTERVIEWED							
Dudek	Dan Martin	22	18	20	60	63	1	Y	64	NOT INTERVIEWED							
	Bob Kennedy	22	19	22	63					NOT INTERVIEWED							
	Gary Stalker	20	21	24	65					NOT INTERVIEWED							
	Lisa Coburn-Boyd	22	20	23	65					NOT INTERVIEWED							
	Ming Zhao	22	20	22	64					NOT INTERVIEWED							
Black & Veatch	Dan Martin	24	23	23	70	70	4	Y	74	11	12	9	6	38	37	111	
	Bob Kennedy	23	20	22	65					11	11	7	6	35			
	Gary Stalker	24	20	22	66					10	10	7	6	33			
	Lisa Coburn-Boyd	27	22	27	76					11	11	7	6	35			
	Ming Zhao	26	22	24	72					14	11	10	7	42			
Atkins	Dan Martin	27	21	25	73	75	9	Y	84	14	15	9	8	46	45	129	Excellent
	Bob Kennedy	27	22	26	75					14	14	8	8	44			
	Gary Stalker	26	21	25	72					13	14	9	8	44			
	Lisa Coburn-Boyd	28	23	28	79					14	14	8	8	44			
	Ming Zhao	28	22	25	75					14	14	9	8	45			

RATES SCORING CHART					
Firm	HDR	Carollo	Dudek	Black & Veatch	Atkins
Fee	\$353,000	\$655,468	\$649,970	\$593,350	\$479,941
Score	15	1	1	4	9

*Note: Review Panel does not see or consider proposed fee when scoring other categories. The proposed fee is scored by the PM, who is not on Review Panel.

AGENDA ITEM 20b



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 7, 2014
SUBMITTED BY:	Kevin Cameron Assistant Civil Engineer II	PROJECT:	P2493-001103
	Bob Kennedy Engineering Manager	DIV. NO.:	4
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 Advanced Industrial Services, Inc. for the 624-2 Reservoir Interior/Exterior Coating & Upgrades Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) award a construction contract to Advanced Industrial Services, Inc. (AIS) and to authorize the General Manager to execute an agreement with AIS for the 624-2 Reservoir Interior/Exterior Coating & Upgrades Project in an amount-not-to exceed \$1,199,000 (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 AIS for the 624-2 Reservoir Interior/Exterior Coating & Upgrades Project in an amount-not-to exceed \$1,199,000.

ANALYSIS:

In June 2013, the District's corrosion consultant, V&A Consulting Engineers, completed a Corrosion Control Program (CCP) that addressed the installation, maintenance, and monitoring of corrosion protection systems for the District's steel reservoirs and buried metallic piping. The CCP included a reservoir maintenance schedule that showed the 624-2 Reservoir is due to be recoated on both the interior and exterior surfaces. In addition to replacing the coatings of the reservoir, structural upgrades will be added to comply with the current American Water Works Association (AWWA) and the Occupational Safety and Health Administration standards for both Federal (OSHA) and State (Cal-OSHA) levels.

An external inspection of the reservoir was performed in 2008 by Utility Service Company, Inc. as part of a multiple tank investigation. An internal inspection was completed in May 2013 by Coating Specialists and Inspection Services, Inc. (CSI Services). The recommended coating and structural upgrades, developed with input from engineering and operations staff, are as follows: replace the twenty (20) year old coating on the interior and exterior surfaces, replace the existing level indicators, install a new fall prevention device on the interior ladder, modify anode access ports, replace all anodes, replace the roof vents, install new safety cable lanyards, and add miscellaneous tank penetrations for chlorination and sampling. These upgrades will ensure compliance with AWWA, OSHA, Cal-OSHA requirements as well as upgrade antiquated equipment on the tank.

This Project was previously bid in August 2013. At the bid opening, five (5) bids were received and opened, however, forty-five (45) minutes later, FedEx delivered three (3) additional bids. Per District policy, the three (3) bids were returned unopened. Due to the uncertainty as to the value of the unopened bids, Staff recommended to reject all bids, and at the October 2, 2013 Board Meeting, the Board rejected all bids.

The Project was re-advertised on October 7, 2013 on the District's website and several other publications including the San Diego Daily Transcript. One (1) addendum was 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 October 29, 2013, with the following results:

	CONTRACTOR	TOTAL BID AMOUNT
1	Advanced Industrial Services, Inc. (AIS)	\$1,199,000.00
2	Paso Robles Tank, Inc.	\$1,404,000.00
3	ABHE & SVOBODA, Inc.	\$1,424,875.00
4	Western Industrial Inc.	\$1,468,400.04
5	KM Industrial, Inc.	\$1,861,942.00
6	Blastco, Inc.	\$2,035,600.00

The Engineer's Estimate is \$1,413,500.

AIS was one of the three contractors whose bid was received late and unopened. Rebidding the project represented a savings to the District, as AIS' current bid is \$82,603 less than the previous low bid received in August 2013.

Staff reviewed the bids submitted for conformance with the contract requirements and determined that AIS was the lowest responsive and responsible bidder. AIS holds a Class C-33, Painting and Decorating, Contractor's License, which meets the contract document's requirements, and is valid through January 31, 2014. AIS also holds a current QP-1 certification from Society for Protective Coatings, which was also a requirement. The reference checks indicated an excellent performance record on similar projects. An internet background search of the company was performed and revealed no outstanding issues with this company. AIS previously worked with the District on two previous projects and completed the work on both within budget.

Staff has verified that the bid bond provided by AIS is valid. Staff will also verify that AIS' 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 P2493, as approved in the FY 2014 budget, is \$1,950,000. Total expenditures, plus outstanding commitments and forecast, are \$1,504,585.

Based on a review of the financial budget, the Project Manager anticipates that the budget is sufficient to support the Project. See Attachment B for the budget detail for CIP P2493.

Finance has determined that 100% of the funding is available from the Replacement Fund for CIP P2493.

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

P:\WORKING\CIP P2493 & P2535 624-2 & 458-2 Reservoir Coating\Staff Reports\Construction Contractor\Re-Bid\01-07-14, Staff Report, 624-2 Reservoir Coating(KC-BK).docx

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



ATTACHMENT A

SUBJECT/PROJECT: P2493-001103	Award of a Construction Contract to Advanced Industrial Services, Inc. for the 624-2 Reservoir Interior/Exterior Coating & Upgrades Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on December 9, 2013, and the following comments were made:

- Staff recommended that the Board award a construction contract to Advanced Industrial Services, Inc. (AIS) and authorize the General Manager to execute an agreement with AIS for the 624-2 Reservoir Interior/Exterior Coating & Upgrades Project in an amount-not-to exceed \$1,199,000.
- Staff stated that the interior and exterior coatings on the 624-2 Tank are 20 years old and at the end of their useful life. Staff also stated that upgrades are required to bring the reservoir up to current Federal, OSHA, and AWWA Standards.
- It was indicated that this Project was previously bid in August 2013, which all bids were rejected at the October Board Meeting because three (3) bids were delivered to the District late by Fed-Ex and therefore returned to the firms unopened.
- Staff stated that the Project was re-advertised on October 7, 2013. Six (6) bids were received by October 29th, which the results are shown in a table on page 3 of the staff report.
- AIS submitted the lowest bid. Staff reviewed the bid for conformance and checked references which showed an excellent performance record. Staff noted that after review of the bid, it was determined that AIS submitted a responsive bid.
- Staff discussed that AIS was one of the contractors whose bid was rejected in August. The Project's original scope was to coat the 624-2 and 458-2 tanks. Due to the delay in rebidding the Project, the 458-2 tank was removed to avoid coating the tank in the summer months. It was noted that the original bid list itemized the cost of coating each tank, and AIS's current

bid was \$82,603 less than the previous low bid when comparing the costs for the 624-2 tank.

- It was noted that AIS has previously worked with the District on two other projects, and those projects were completed on budget.

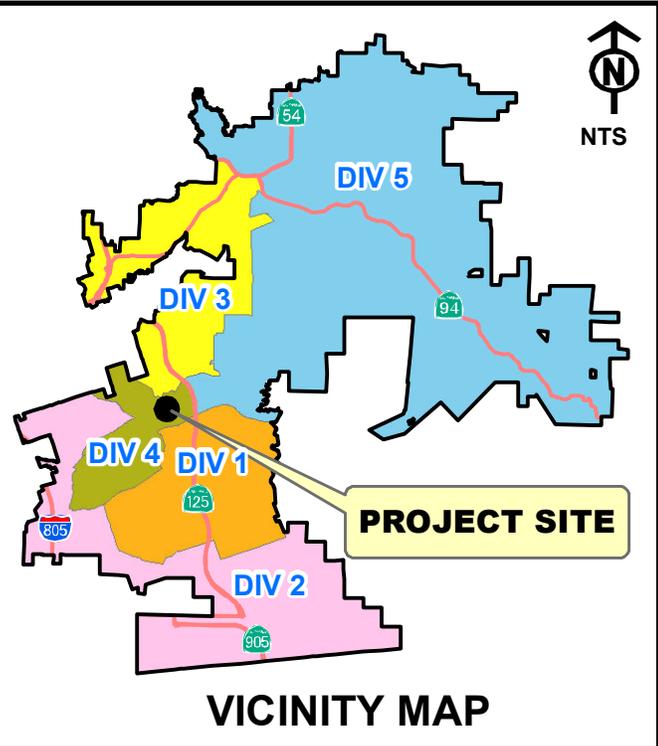
Following the discussion, the EO&WR Committee supported staffs' recommendation and presentation to the full board as a consent item.



ATTACHMENT B – Budget Detail

SUBJECT/PROJECT: P2493-001103	Award of a Construction Contract to Advanced Industrial Services, Inc. for the 624-2 Reservoir Interior/Exterior Coating & Upgrades Project
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Otay Water District					Date Updated: 10/30/2013
P2493-624-2 Reservoir Interior/Exterior Coating & Upgrades					
<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
1,950,000					
Planning					
Standard Salaries	1,127	1,127	-	1,127	
Total Planning	1,127	1,127	-	1,127	
Design					
Standard Salaries	44,778	34,278	10,500	44,778	
Professional Legal Fees	239	239	-	239	STUTZ ARTIANO SHINOFF
Consultant Contracts	2,715	2,715	-	2,715	CSI SERVICES INC
Service Contracts	1,520	1,520	-	1,520	MAYER
	43	43	-	43	SAN DIEGO DAILY TRANSCRIPT
Total Design	49,295	38,795	10,500	49,295	
Construction					
Standard Salaries	78,502	3,502	75,000	78,502	
Construction Contract	1,199,000	-	1,199,000	1,199,000	ADVANCED INDUSTRIAL SERVICES
Service Contracts	47	47	-	47	SAN DIEGO DAILY TRANSCRIPT
	75,160	-	75,160	75,160	HARPER & ASSOCIATES
	25,200	-	25,200	25,200	CONSTRUCTION MANAGEMENT
Equipment Rental	725	725	-	725	HORIZON CRANE SERVICE LLC
Professional Legal Fees	554	554	-	554	STUTZ ARTIANO SHINOFF
Regulatory Agency Fees	25	25	-	25	PETTY CASH CUSTODIAN
Project Closeout	15,000	-	15,000	15,000	CLOSEOUT
Project Contingency	59,950	-	59,950	59,950	5% CONTINGENCY
Total Construction	1,454,163	4,853	1,449,310	1,454,163	
Grand Total	1,504,585	44,775	1,459,810	1,504,585	



624-2 Steel
8.0 MG Reservoir

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OTAY WATER DISTRICT

624-2 Reservoir Interior/Exterior Coating and Upgrades



CIP P2493

AGENDA ITEM 20c



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 7, 2014
SUBMITTED BY:	Jeff Marchioro Senior Civil Engineer	PROJECT:	P2453- DIV. NO. 2 002102
	Bob Kennedy Engineering Manager		
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 Coffman Specialties, Inc. for SR-11 Potable Water Utility Relocations - Sequence 1		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) award a construction contract to Coffman Specialties, Inc. (Coffman) for the potable water utility relocations associated with the Caltrans SR-11-Sequence 1 Project in an amount not-to-exceed \$992,380 (see Exhibits A and B for Project location and detail).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to enter into a construction contract with Coffman in an amount not-to-exceed \$992,380 for potable water utility relocations associated with the Caltrans SR-11-Sequence 1 Project.

ANALYSIS:

Caltrans is currently in the process of completing land acquisition and design for the SR-11 freeway in Otay Mesa. The first phase of the freeway (Sequence 1) starts at the SR-905 freeway and ends at Enrico Fermi Drive. Part of this process is to relocate existing utilities that conflict with this work. The District's existing pipelines in Sanyo Avenue and utility easements within the future SR-11 right-of-way will need to be relocated to accommodate the new freeway.

The District entered into a Utility Agreement with Caltrans on July 23, 2013 in follow up to a staff report approved by the Board on July 3, 2013. The Utility Agreement included a \$961,521 reimbursement to the District. The District has prior and superior rights at three (3) separate crossings including 760 linear-feet of existing 10-inch ACP potable water distribution main currently located within a District permanent easement on private property between Sanyo Avenue and Dornoch Court, 355 linear-feet of existing 18-inch steel cylinder rod wrapped (SCRW) potable water transmission main located within a District owned utility easement on private property east of Dornoch Court, and 40 linear-feet of existing 12-inch ACP potable water distribution main located in Sanyo Avenue.

The District's relocations will be constructed through a construction contract administered by the District separately from Caltrans freeway construction project. At the request of Caltrans, the District's relocations were bid as six (6) separate "work windows" to provide flexibility to Caltrans' contractor. The work windows essentially created separate projects under one contract requiring separate mobilization/demobilization for each work window. In other words, District's contractor would be "on call" to construct any work window in any order within a relatively long contract time (900 calendar days) coinciding with Caltrans' construction contract.

The District's As-Needed Engineering Design Consultant (Atkins) prepared the bid documents. Mayer Reprographics (Mayer) distributed the bid documents electronically through Mayer's online planroom.

Staff contacted several contractors prior to the bid process to encourage them to submit a bid including Coffman since Coffman received Caltrans construction contract award. Staff also reached out to contractors that have successfully completed similar District projects in the past.

The Project was publicly advertised for bid on October 15, 2013 on the District's website and several other publications including the San Diego Daily Transcript. A Pre-bid Meeting and site visit were held on October 29, 2013, which was attended by four (4) prime contractors. Four addenda were sent out to all bidders and plan houses October 31 through November 8, 2013 to provide pre-bid meeting minutes and address contractors' questions asked during the bidding period.

Five (5) bids were received on November 13, 2013. The table below provides the bid results.

<u>CONTRACTOR</u>	<u>BID AMOUNT</u>
1. Coffman Specialties, Inc.	\$992,380
2. Wier Construction Corporation	\$999,202
3. Basile Construction, Inc.	\$1,332,521
4. CCL Contracting Inc.	\$1,651,606
5. Charles King Company, Inc.	\$1,164,252*

*Charles King Company, Inc. bid was deemed non-responsive because Addendum No. 1 updated bid listed was not used.

The Engineer's Estimate is \$707,000 for the base bid.

The evaluation process included reviewing all bids submitted for conformance to the contract documents. The lowest bidder, Coffman, submitted a responsible bid and holds a Class A Contractor's license which expires on November 30, 2013 (staff will confirm that Coffman's license is valid at the time of award). Staff checked the references provided with Coffman's bid indicating a good performance record on similar past projects. Staff has verified the bid bond provided by Coffman is valid. Staff will also verify that Coffman's performance bond is valid prior to execution of the contract. The proposed Project Manager has experience throughout southern California on similar projects and received good references. A background search of the company was performed on the internet and revealed no outstanding issues with this company. Coffman submitted the Company Background and Company Safety Questionnaires as required by the Contract Documents. Coffman successfully completed past Caltrans construction projects.

Staff has verified that the bid bond provided by Liberty Mutual Insurance Company is valid. Once Coffman signs the contract, they will furnish the performance bond and labor and materials bond. Staff will verify both bonds prior to executing the contract.

Award of the District's construction contract to Coffman has a side benefit of streamlining Caltrans and District coordination. Caltrans and the District will avoid coordination between two contractors since only a single contractor (Coffman) will control the site.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

The total budget for CIP P2453, as approved in the FY 2014 budget, is \$2,250,000. Total expenditures, plus outstanding commitments and forecast, are \$44,796. See Attachment B for budget detail.

Based on a review of the financial budget, the Project Manager anticipates that the budget for CIP P2453 is sufficient to support the Project.

Finance has determined that 100% of the funding is available from the Replacement Fund for CIP P2453.

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:

An amendment to the Caltrans Utility Agreement will be processed in the future since the difference between the low bid (\$992K) and the Engineer's Estimate (\$707K) exceeds 25% of the estimated cost of the executed Utility Agreement.

JM/BK:jf

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



ATTACHMENT A

SUBJECT/PROJECT: P2453-002102	Award of a Construction Contract to Coffman Specialties, Inc. for SR-11 Potable Water Utility Relocations-Sequence 1
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on December 9, 2013, and the following comments were made:

- Staff recommended that the Board award a construction contract to Coffman Specialties, Inc. (Coffman) for the potable water utility relocations associated with the Caltrans SR-11-Sequence I Project in an amount not-to-exceed \$992,380.
- Staff provided a history of the Caltrans SR-11-Sequence I Project that starts at the SR 905 freeway and ends at Enrico Fermi Drive. The freeway will go over exiting Sanyo Avenue in a bridge; however, the freeway will end at Enrico Fermi. Staff indicated that the grade change at Enrico Fermi will be completed as the next phase (Sequence II Phase) of the Caltrans' project. See Exhibit A of the staff report for these locations.
- It was indicated that Sequence I construction is scheduled to commence early 2014 with a Caltrans' contractor installing deep storm drain and sewer utilities, the District relocating its waterlines, then Caltrans building the freeway. Staff noted that the District's relocations will be constructed through a construction contract administered by the District separately from Caltrans freeway construction project.
- Staff noted that in July 2013, the District entered into a Utility Agreement with Caltrans to construct the relocations. The District has prior and superior rights for all three crossings. See Exhibit B of the staff report for these locations.
- Staff indicated that Caltrans awarded the larger freeway project to Coffman Specialties in October 2013. At the request of Caltrans, the District's water relocations were bid as six (6) separate "work windows" to provide flexibility to Caltrans' contractor. The work windows essentially created separate

projects under one contract requiring separate mobilization/demobilization for each work window.

- Staff stated that the District reached out to several contractors to encourage them to submit a bid. The Project was advertised for bid on October 15, 2013. A Pre-bid meeting and site visit were held on October 29, 2013, which was attended by four (4) prime contractors. The District received five (5) bids on November 13, 2013, which four (4) were deemed responsive. It was determined by staff that Coffman Specialties submitted the lowest, responsive bid.
- Staff checked Coffman's references, reviewed their Company Background Safety Questionnaire forms, and performed an internet search on the company and did not find any significant issues.
- It was noted that the District has not worked with Coffman; however, Caltrans has successfully worked with Coffman in the past.
- Staff indicated that Coffman does not plan on subbing out the District's water relocations; they will construct water relocations using their own forces.

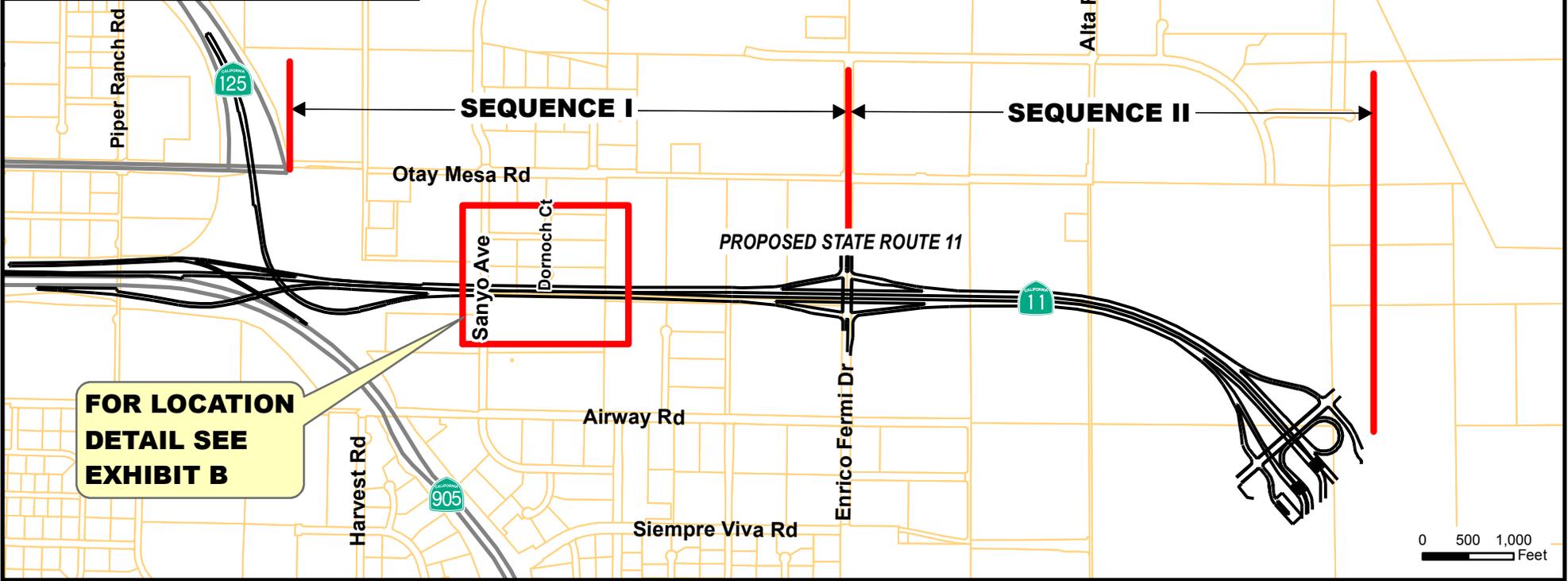
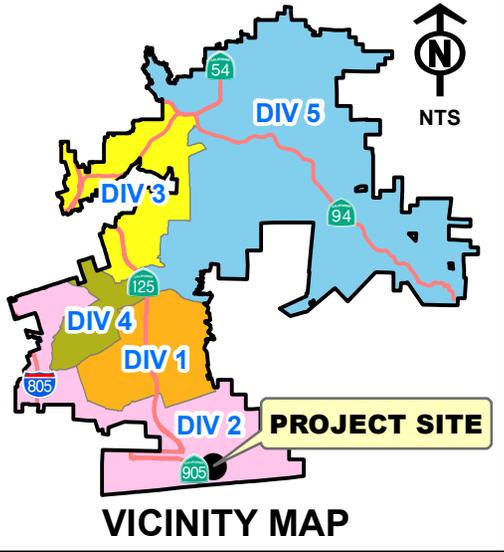
Following the discussion, the EO&WR Committee supported staffs' recommendation and presentation to the full board as a consent item.



ATTACHMENT B – Budget Detail

SUBJECT/PROJECT: P2453-002102	Award of a Construction Contract to Coffman Specialties, Inc. for SR-11 Potable Water Utility Relocations-Sequence 1
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Otay Water District					Date Updated: 11/14/2013
p2453-SR-11 Utility Relocations					
Budget	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor/Comments
2,250,000					
Planning					
Standard Salaries	10,205	10,205	-	10,205	STAFF LABOR
Total Planning	10,205	10,205	-	10,205	
Design					
Standard Salaries	80,804	80,804	-	80,804	STAFF LABOR
Consultant Contracts	77,325	58,101	19,224	77,325	ATKINS
	2,763	2,763	-	2,763	V & A CONSULTING ENGINEERS
	970	970	-	970	ALTA LAND SURVEYING INC
	4,901	4,901	-	4,901	NARASIMHAN CONSULTING SERVICES
	2,561	2,561	-	2,561	CPM PARTNERS INC
Professional Legal Fees	101	101	-	101	STUTZ ARTIANO SHINOFF
Service Contracts	2,765	-	2,765	2,765	UNDERGROUND SOLUTIONS INC
	1,382	1,382	-	1,382	US BANK
	1,382	1,382	-	1,382	US BANK CORPORATE PAYMENT
	3,197	1,697	1,500	3,197	MAYER REPROGRAPHICS INC
	84	84	-	84	SAN DIEGO DAILY TRANSCRIPT
Total Design	178,235	154,746	23,488	178,235	
Construction					
Standard Salaries	51,814	11,814	40,000	51,814	STAFF LABOR
Consultant Contracts	5,000	-	5,000	5,000	ATKINS CONSTRUCTION SUPPORT
	30,000	-	30,000	30,000	ALYSON CONSULTING
Construction Contract	992,380	-	992,380	992,380	COFFMAN SPECIALTIES
	24,063	-	24,063	24,063	CLOSEOUT
Reimbursement Agreement	(961,521)	-	(961,521)	(961,521)	CALTRANS UTILITY AGREEMENT
	(285,380)	-	(285,380)	(285,380)	FUTURE CALTRANS AMENDMENT
Total Construction	(143,644)	11,814	(155,458)	(143,644)	
Grand Total	44,796	176,765	(131,970)	44,796	



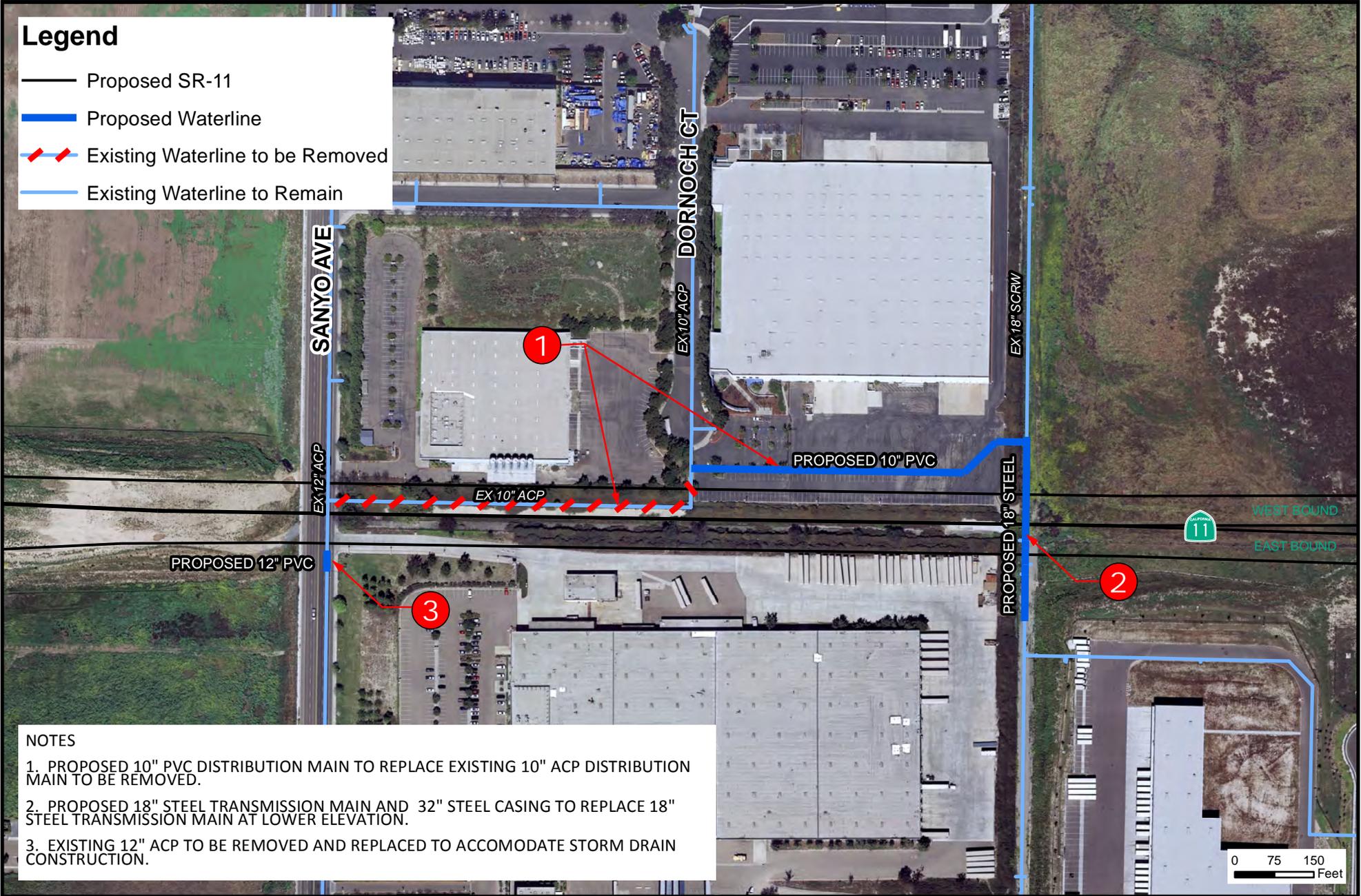
OTAY WATER DISTRICT
SR-11 UTILITY RELOCATIONS
LOCATION MAP



EXHIBIT A

Legend

- Proposed SR-11
- Proposed Waterline
- Existing Waterline to be Removed
- Existing Waterline to Remain



NOTES

1. PROPOSED 10" PVC DISTRIBUTION MAIN TO REPLACE EXISTING 10" ACP DISTRIBUTION MAIN TO BE REMOVED.
2. PROPOSED 18" STEEL TRANSMISSION MAIN AND 32" STEEL CASING TO REPLACE 18" STEEL TRANSMISSION MAIN AT LOWER ELEVATION.
3. EXISTING 12" ACP TO BE REMOVED AND REPLACED TO ACCOMODATE STORM DRAIN CONSTRUCTION.



OTAY WATER DISTRICT

SR-11 UTILITY RELOCATIONS - SEQUENCE 1

LOCATION DETAIL MAP



AGENDA ITEM 20d



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 7, 2014		
SUBMITTED BY:	Bob Kennedy Engineering Manager	PROJECT:	S2027-001103	DIV. NO.	3
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief, Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager				
SUBJECT:	Authorization to Execute a Reimbursement Agreement between the San Diego County Sanitation District and the Otay Water District for Project Costs Associated with the Rancho San Diego Pump Station Rehabilitation Project				

GENERAL MANAGER'S RECOMMENDATION:

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

1. Increase the budget for S2027 by \$600,000 (increase overall CIP budget from \$2,900,000 to \$3,500,000).
2. Authorize the General Manager to execute an Agreement between the San Diego County Sanitation District (County) and the District for reimbursement to the County for design and construction costs associated with the Rancho San Diego Pump Station (RSDPS) Rehabilitation Project (see Exhibit A for Project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To increase the budget for S2027 and to obtain Board authorization for the General Manager to execute an Agreement (Exhibit B) with the County for costs associated with the Rancho San Diego Pump Station Rehabilitation Project. The Agreement provides that the District will reimburse the County for up to \$3,300,000.

ANALYSIS:

The San Diego County Sanitation District, as successor to the Spring Valley Sanitation District, entered into an agreement with the District for joint use and cost sharing of sewer facilities in 1997, as documented in the County Sanitation Minute Order No. 3. The Rancho San Diego Pump Station is one of the shared facilities and is identified in the Minute Order as the RSDPS. Costs for the RSDPS are to be split equally between the County and District.

The RSDPS requires improvements to existing pumps, piping, pipe accessories, and electrical facilities. The improvements will be implemented in two phases: Design and Construction. The design of the improvements is currently underway. The District has participated in a 30% design review of the improvements, and will review the Construction Documents at the 70% and 100% levels of completion. Black & Veatch is completing the design and is scheduled to have the Construction Documents ready for construction bids in April 2014.

The County will be responsible for all aspects of design, bidding, award, and construction of the RSDPS improvements. Project completion is projected for March 2016.

The attached agreement (Exhibit B) provides for reimbursement to the County to cover the actual design and construction costs for the improvements. Design costs are currently estimated at \$800,000, which includes County administration costs. Construction is currently estimated at \$5,800,000, which includes construction contract and construction support costs. The District will share in 50% of these costs for a not-to-exceed maximum of \$3,300,000 without prior written agreement by the parties.

FISCAL IMPACT: Joseph Beachem, Chief Financial Officer

The total budget for CIP S2027, as approved in the FY 2014 budget, is \$2,900,000. Expenditures to date are \$45,782. Total expenditures, plus outstanding commitments and forecast, is are \$3,369,547, as shown in Attachment B - Budget Detail for CIP S2027.

Based on a review of the financial budget, the Project Manager anticipates that with a budget increase of \$600,000 the Project will be completed within the new budget amount of \$3,500,000.

Currently, it is anticipated that the Sewer reserves are sufficient to cover this additional expenditure. However, this will increase

the amount of debt funding that is already anticipated in fiscal year 2016. The added borrowing will add upward pressure on the sewer rates. Staff has already begun to explore the options available to obtain debt financing and does not foresee any problem with obtaining the additional funding.

STRATEGIC GOAL:

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

LEGAL IMPACT:

The District's General Council and the County's Attorney have reviewed and accepted the Agreement as to form and legality.

BK:jf

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



ATTACHMENT A

SUBJECT/PROJECT: S2027-001103	Authorization to Execute a Reimbursement Agreement between the San Diego County Sanitation District and the Otay Water District for Project Costs Associated with the Rancho San Diego Pump Station Rehabilitation Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on December 9, 2013, and the following comments were made:

- Staff recommended that the Board increase the budget for S2027 by \$600,000 (increase overall CIP budget from \$2,900,000 to \$3,500,000); and authorize the General Manager to execute an Agreement between the San Diego County Sanitation District (County) and the District for reimbursement to the County for design and construction costs associated with the Rancho San Diego Pump Station (RSDPS) Rehabilitation Project.
- It was indicated that the pump station was originally built in 1989 and modifications were made in 1995.
- The San Diego County Sanitation District, as successor to the Spring Valley Sanitation District, entered into an agreement with the District for joint use and cost sharing of sewer facilities in 1995.
- Staff stated that the pump station requires improvement to existing pumps, piping, pipe accessories, and electrical facilities.
- Staff indicated that the County will be responsible for all aspects of design, bidding, award, and construction of the RSDPS improvements. It is anticipated that the Project will be completed by March 2016.
- It was noted that the District will share in 50% of the Project's costs, not-to-exceed a maximum of \$3,300,000 without prior written agreement by the parties.

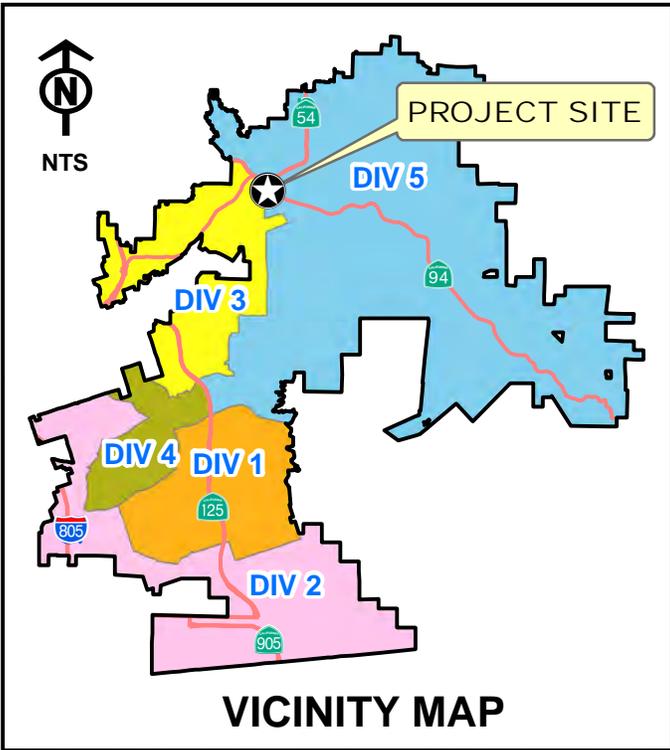
Following the discussion, the EO&WR Committee supported staffs' recommendation and presentation to the full board as a consent item.



ATTACHMENT B – Budget Detail

SUBJECT/PROJECT: S2027-001103	Authorization to Execute a Reimbursement Agreement between the San Diego County Sanitation District and the Otay Water District for Project Costs Associated with the Rancho San Diego Pump Station Rehabilitation Project
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Otay Water District					Date Updated: 11/06/2013
s2027-Rancho San Diego Pump Station Rehabilitation Project					
<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
2,900,000					
Planning					
Professional Legal Fees	420	420	-	420	STUTZ ARTIANO SHINOFF
Standard Salaries	38,375	38,375	-	38,375	
Total Planning	38,795	38,795	-	38,795	
Design					
Standard Salaries	45,000	4,073	40,927	45,000	
Interagency Reimbursement Cost	400,000	-	400,000	400,000	SD COUNTY SANITATION DISTRICT
Total Design	445,000	4,073	440,927	445,000	
Construction					
Standard Salaries	116,205	-	116,205	116,205	
Interagency Reimbursement Cost	2,900,000	-	2,900,000	2,900,000	SD COUNTY SANITATION DISTRICT
Total Construction	3,016,205	-	3,016,205	3,016,205	
Grand Total	3,500,000	42,868	3,457,132	3,500,000	



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OTAY WATER DISTRICT
REIMBURSEMENT AGREEMENT WITH
COUNTY OF SAN DIEGO FOR THE
RANCHO SAN DIEGO PUMP STATION IMPROVEMENTS



EXHIBIT B

REIMBURSEMENT AGREEMENT FOR PROJECT COSTS FOR THE RANCHO SAN DIEGO PUMP STATION IMPROVEMENTS BY AND BETWEEN THE OTAY WATER DISTRICT AND THE SAN DIEGO COUNTY SANITATION DISTRICT

THIS REIMBURSEMENT AGREEMENT FOR PROJECT COSTS FOR THE RANCHO SAN DIEGO PUMP STATION IMPROVEMENTS ("Agreement"), dated _____, 2014, is entered into by and between the Otay Water District ("Otay") and the San Diego County Sanitation District ("Sanitation District"). Otay and Sanitation District may be referred to herein individually as "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Sanitation District, as the successor in interest of the Spring Valley Sanitation District, and Otay entered into an agreement in 1997 for the joint use of sewer facilities entitled "Agreement Between Spring Valley Sanitation District and Otay Water District for Joint Use of Sewer Facilities and Cost Sharing," on file with the Clerk of the Board of Supervisors for San Diego County, California as approved by Sanitation Minute Order No. 3 on July 22, 1997 (hereinafter "Joint Use Agreement").

WHEREAS, in accordance with the Joint Use Agreement, the Sanitation District and Otay agreed to share the cost of repairing and improving joint use facilities, including the Rancho San Diego Pump Station, which is identified in the Joint Use Agreement individually as the "RSPDS" and with other facilities as part of the "RSD Interceptor."

WHEREAS, Sanitation District wishes to make improvements to the Rancho San Diego Pump Station for the benefit of Otay and Sanitation District, which will include the replacement of pumps, mechanical piping, electrical components and other improvements (hereinafter "Rancho San Diego Pump Station Improvements").

WHEREAS, in accordance with Section 7(c) of the Joint Use Agreement, Otay and Sanitation District have determined that the cost of the Rancho San Diego Pump Station Improvements should be split equally between the Parties.

AGREEMENT

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

EXHIBIT B

ARTICLE I. DEFINITIONS

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

“Agreement” means this “Reimbursement Agreement for Project Costs for the Rancho San Diego Pump Station Improvements.”

“Construction Contract” means the construction contract awarded by the Sanitation District to the lowest responsible and responsive bidder for the Project.

“Construction Documents” means the design plans, specifications and cost estimate to be approved by Otay in accordance with Article II of this Agreement which approval shall be deemed to satisfy the approval requirements of Section 9 of the Joint Use Agreement.

“Emergency” means an unexpected or unforeseen event that may pose a risk to the public or significantly increase Project costs as a result of delay or for other reasons and is used in the Agreement in the context of authorizing Construction Contract change orders or extra work.

“Joint Use Agreement” refers to the agreement between the Sanitation District, as the successor in interest of the Spring Valley Sanitation District, and Otay entered into in 1997 for the joint use of sewer facilities entitled “Agreement Between Spring Valley Sanitation District and Otay Water District for Joint Use of Sewer Facilities and Cost Sharing,” on file with the Clerk of the Board of Supervisors for San Diego County, California as approved by Sanitation Minute Order No. 3 on July 22, 1997.

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

"Project" means the Rancho San Diego Pump Station Improvements.

"Project Costs" means the total dollar amount of costs associated with the Project that are recoverable pursuant to Section 7(c)(2) of the Joint Use Agreement, including, but not limited to labor, oversight, bidding, permits, design consultants, easement acquisition, construction contracts, environmental review and change orders.

EXHIBIT B

"Rancho San Diego Pump Station Improvements" mean, collectively, the replacement of pumps, mechanical piping, electrical components and other improvements to the Rancho San Diego Pump Station as will be more particularly detailed in the Construction Documents.

"Sanitation District " means the San Diego County Sanitation District, a sewer district formed and operating pursuant to the County Sanitation District Act, California Health & Safety Code § 4700 et seq., and the successor in interest to the Spring Valley Sanitation District by virtue of a change of organization approved by the San Diego Local Agency Formation Commission effective July 1, 2011.

ARTICLE II. DESIGN/BIDDING

2.1 Design Phase. Sanitation District shall submit the Construction Documents for Project to Otay to review and provide comments. Otay shall provide comments within thirty (30) days of the receipt of the Construction Documents. This requirement shall be deemed satisfied if Otay is given the opportunity to comment on Construction Documents at the 30%, 70%, and 100% design. The Sanitation District estimates that the design phase will cost \$800,000, which includes design consultant and staff support costs.

2.2 Construction Documents/Project Construction.

2.2.1 Approval. Prior to advertisement of a construction contract, an authorized representative of Otay shall approve and sign the final Construction Plans. Otay shall not unreasonably condition or delay final approval. Only the final approved Construction Plans shall be included in the Sanitation District's Request for Bids for the Project.

2.2.2 Bidding and Award. Sanitation District shall be responsible for all aspects of the design, bidding and award of a contract for the construction and installation of the Project.

2.2.2.1 Bid Package. Sanitation District shall be responsible for preparing and circulation of the bid package.

2.2.2.2 Meetings. Sanitation District shall organize all pre-bid meetings and shall inform Otay of the time and date of such meeting, so that a representative of Otay may be present.

2.2.2.3 Selection of Lowest Responsible Bidder. Sanitation District, at its sole discretion, shall determine the lowest responsible bidder, which determination shall be binding on Otay. Sanitation District shall be solely responsible for its determination and agrees to protect, defend, and indemnify

EXHIBIT B

Otay with respect to any claims or litigation arising from or related to said determination.

- 2.2.2.4 Execution of Construction Contract. Sanitation District shall be responsible for executing the Construction Contract on the behalf of itself and Otay and ensure that Otay is identified as a third-party beneficiary of such agreement with the same rights and remedies as the Sanitation District.

ARTICLE III. CONSTRUCTION

- 3.1 Project Completion and Warranty. Otay and Sanitation District anticipate that Project will be completed on or about March 2016. Project, however, will not be deemed completed or accepted until Sanitation District has accepted the work. The contractor shall warrant all work for a period of no less than one (1) year from the date of acceptance. Acceptance will be evidenced by the filing of a Notice of Completion by the Sanitation District with the County of San Diego Recorder. The Construction Contract shall include this definition of project completion and acceptance. The Sanitation District estimates the construction phase will cost \$5,800,000, which includes construction contract and construction support costs.

ARTICLE IV. REIMBURSEMENT OF COSTS

- 4.1 Project Cost Reimbursement. Sanitation District will invoice Otay on an annual basis for the actual costs of the project. In accordance with Section 7(c)(2) of the Joint Use Agreement, within forty-five (45) calendar days of receiving a bill from the Sanitation District detailing the Project Costs, Otay will be responsible for fifty percent of the total Project Costs incurred, not to exceed \$3.3 million without prior written agreement by the Parties.

ARTICLE V. CHANGE ORDERS

- 5.1 Emergencies. Sanitation District may authorize contractor under the Construction Contract to proceed with any proposed construction changes and/or change orders, without consulting with Otay, in the event of an Emergency, as determined in the sole discretion of the Sanitation District. Notwithstanding the foregoing Sanitation District shall use its best efforts to notify Otay, as soon as reasonably possible, of the changes. Further, in all instances not constituting an emergency, Sanitation District shall notify and consult with Otay on any proposed change order as soon as reasonably possible.
- 5.2 Errors and Omissions. Sanitation District shall not make payment to design consultants or contractor or charge Otay for any costs or expenses of a change

EXHIBIT B

order resulting from an error or omission for which the design consultants or contractor is solely responsible.

ARTICLE VI. INSPECTION

- 6.1 Inspection Team. If reasonably required by the circumstances, Sanitation District will provide a full time inspector(s) to manage and monitor the Project during the construction phase.
- 6.2 Inspection Stages and Obligations. Otay shall have the right to conduct inspections of the Project during construction.
- 6.3 Inspection Costs. All inspection costs incurred by Otay will be borne by Otay.
- 6.4 Notification. Otay shall notify Sanitation District of any requested inspections at least twenty-four (24) hours prior to the inspection or such other shorter time as Otay and District may agree to in writing.

ARTICLE VII. INSURANCE

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

ARTICLE VIII. INDEMNITY

- 8.1 Indemnity. Each Party hereto agrees to defend, indemnify, protect, and hold harmless ("Indemnitor") the other Party, its agents, officers, and employees ("Indemnitees") from and against any and all claims asserted or liability established for damages or injuries to any property or person, including death or dismemberment, which arise from or are caused by the negligent acts or omissions or willful misconduct of the Indemnitor's agents, officers or employees, in performing the work or services herein and all expenses of investigation and defending against same; provided, however, that each

EXHIBIT B

Party's duty to defend, indemnify and hold harmless the other shall not include any claims or liability arising from the sole negligence or willful misconduct of the other Indemnitee, its agents, officers or employees. Otay and Sanitation District agree that in the event of any joint or concurrent negligence, they will apportion any established or agreed upon liability proportionate to their respective degree of fault. For the purposes of this provision, the Sanitation District's contractor shall not be considered an agent of the Sanitation District or Otay. Claims related to the actions or omissions of the Sanitation District's contractor shall be addressed through provisions in the Construction Contract, which provisions shall include indemnity, defense, and hold harmless provisions from the Sanitation District's contractor in favor of both the Sanitation District and Otay.

ARTICLE IX. RECORDS

- 9.1 Retention of Records. Sanitation District shall require the Project contractor to maintain records related to this Construction Contract for a period of not less than four (4) years following notice of completion of the Project.
- 9.2 Audit of Records. Sanitation District shall make available and shall require that its contractor make available to Otay for examination at reasonable locations within the County of San Diego and at any time during normal business hours and as often as Otay deems necessary, all of the records with respect to all matters covered by this Agreement and the Construction Contract. Sanitation District and contractor will permit Otay to make audits of all invoices, materials, payrolls, records of personnel, and other records relating to all matters covered by this Agreement and the Construction Contract. Otay shall be solely responsible for the costs of any audits requested by it.

ARTICLE X. NOTICES

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

EXHIBIT B

10.3.1 Otay:

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

10.3.2 Sanitation District:

San Diego County Sanitation District
Department Of Public Works, Wastewater Section
5500 Overland Avenue, Suite 315
San Diego, California 92123
Attention: Sanitation District Project Manager

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

ARTICLE XI. MISCELLANEOUS

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

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

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

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

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

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

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- 11.7 Severability. The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render any other provision of this Agreement unenforceable, invalid, or illegal.
- 11.8 Drafting Ambiguities. The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether or not to seek advice of counsel with respect to this Agreement is a decision that is the sole responsibility of each Party. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the Agreement.
- 11.9 Conflicts Between Terms. If a conflict or inconsistency exists between this Agreement, the Joint Use Agreement and any laws, rules, regulations, orders, or codes, the conflict shall be resolved in a manner that best effects the intent of the Parties to ensure an equal allocation of Project Costs. Each Party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this Agreement.
- 11.10 Prompt Performance. Time is of the essence of each covenant and condition set forth in this Agreement.
- 11.11 Good Faith Performance. The parties shall cooperate with each other in good faith, and assist each other in the performance of the provisions of this Agreement.
- 11.12 Further Assurances. Sanitation District and Otay each agree to execute and deliver such additional documents as may be required to effectuate the purposes of this Agreement. Approval of this Agreement by the Board of Directors of the Sanitation District shall be deemed to include a delegation authority to the Director, Department of Public Works, or his designee to execute and deliver such additional documents.
- 11.13 Controlling Law. The laws of the State of California shall govern and control the terms and conditions of this Agreement.
- 11.14 Jurisdiction, Venue, and Attorney Fees. The venue for any suit or proceeding concerning this Agreement, the interpretation or application of any of its terms, or any related disputes shall be in the County of San Diego, State of California.
- 11.15 Agency/Municipal Powers. Nothing contained in this Agreement shall be construed as a limitation upon the powers of Otay or the Sanitation District.
- 11.16 Third Party Relationships. Nothing in this Agreement shall create a contractual relationship with any third party; however, the Sanitation District shall ensure

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that Otay is an intended third party beneficiary of the Construction Contract and shall share all of the rights and benefits of the Sanitation District with respect to the contractor.

- 11.17 **Limitation on Otay Remedies and Waiver of Claims.** Otay understands that the sole purpose of this Agreement is to establish a method to reimburse the Sanitation District for obligations of Otay for payment of Project Costs. In accordance with such purpose, Otay agrees that its sole remedy for construction defects, breach by contractor of the Construction Contract, damage to property or persons, including death, to Otay personnel or any third parties, or other claims arising out of or related to the work performed to install and/or construct Project improvements shall be against the Sanitation District's contractor or its subcontractors and agents, and, hereby, waives any and all claims it may hereafter have against the Sanitation District, arising out of the same, except for those claims arising out of the negligence or willful misconduct of the County. This waiver extends to and includes a waiver of any rights Otay may have by virtue of California Civil Code § 1542.
- 11.18 **Non-Assignment.** Except as it relates to the Construction Contract, the Sanitation District shall not assign the obligations under this Agreement without the consent of Otay, which consent shall not be unreasonably withheld.
- 11.19 **Successors in Interest.** This Agreement and all rights and obligations created by this Agreement shall be in force and effect whether or not any Parties to the Agreement have been succeeded by another entity, and all rights and obligations created by this Agreement shall be vested and binding on any Party's successor in interest.
- 11.20 **No Waiver.** No failure of either the Sanitation District or Otay to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement, shall constitute a waiver of any such breach of such covenant, term or condition. No waiver of any breach shall affect or alter this Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect to any existing or subsequent breach.
- 11.21 **Administrative Claims Requirements and Procedures.** The Parties shall meet and confer in good faith prior to initiating any claims, actions or other proceedings against one another related to this Agreement. The alternative dispute resolution proceedings in the Joint Use Agreement shall apply to any disputes arising from this Agreement.
- 11.22 **Administration of Contract.** Sanitation District hereby designates Mark Perrett as the Sanitation District Project Manager for the Project and as the primary

EXHIBIT B

contact for all matters relating to this Agreement, including the submittal of Sanitation District invoices for reimbursement.

Otay hereby designates Kevin Schmidt, as the Otay Project Manager and as the primary contact for all matters relating to this Agreement, including the processing, documenting, and approval of Sanitation District invoices.

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

11.24 Impact on Joint Use Agreement. The terms of this Agreement shall prevail over any contrary provisions in the Joint Use Agreement with respect to those matters related to the sharing of Project Costs. This Agreement shall not otherwise be interpreted to modify or amend the Joint Use Agreement.

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

San Diego County Sanitation District

Otay Water District

Dated: _____

Dated: _____

By: _____

By: _____

Mark Watton, General Manager

APPROVED AS TO FORM:

Legal Counsel



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 7, 2014
SUBMITTED BY:	Armando Buelna, Communications Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
SUBJECT:	2014 Legislative Program Guidelines		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors adopt the 2014 Otay Water District Legislative Program Guidelines.

PURPOSE:

To provide direction to staff and the District's Legislative Advocates in the formulation of the District's response to legislative initiatives on issues affecting the District during the 2014 legislative session.

COMMITTEE ACTION:

See Attachment A

BACKGROUND

The Otay Water District maintains a set of legislative policy guidelines to direct staff and legislative advocates on issues important to the District. The legislative guidelines are updated annually with the proposed updates presented to the Otay Water District's Board of Directors for review and adoption. The attached draft 2014 Legislative Program represents policy positions on legislation for the Board's consideration.

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

The draft 2014 Legislative Program establishes guidelines and policy direction that can be used by staff in monitoring

legislative activity to facilitate actions that can be taken quickly in response to proposed bills. The guidelines provide a useful framework for staff when evaluating the potential impact of state or federal legislation on the District. This is particularly helpful when a timely response is necessary to address a last minute amendment to legislation and should calls or letters of support or opposition be needed. While the Legislative Program provides useful guidelines, sensitive or controversial policy matters will nevertheless be brought to the full Board of Directors for its deliberation and direction.

FISCAL IMPACT: _____

None.

LEGAL IMPACT: _____

None.

General Manager

Attachments:

- A - Committee Action Report*
- B - 2014 Otay Water District Legislative Program*
- C - 2014 Otay Water District Legislative Program Redline*

ATTACHMENT A

SUBJECT/PROJECT:	2014 Legislative Program Guidelines
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on December 10, 2013 and the following comments were made:

- The District maintains a set of legislative policy guidelines to direct staff on issues important to the District. The legislative guidelines were first developed in 2003 and are updated annually and the updates are presented to committee and the Board of Directors for review and adoption.
- The 2014 Legislative Program guidelines represent policy positions on potential legislation and are used by staff in monitoring legislative activity. They are useful when evaluating the potential impact of state or federal legislation on the District. They are particularly helpful when a timely response is necessary to address a last minute amendment to a piece of legislation and should calls or letters be needed.
- Staff noted that any controversial/sensitive matters or that are not within the guidelines would be presented to the board for discussion and to provide direction to staff.
- At the request of the committee, the Legislative Program was reorganized last year to place like items together. For instance, all items related to the Sacramento-San Joaquin Bay Delta are now all listed together.
- There are a few changes to the program that includes the addition of items to keep Otay in alignment with the Water Authority's Legislative Guidelines and policy positions,

and those of other San Diego water agencies on topics important to the region and to codify positions the board has taken over the past year. The changes can be easily identified by referencing the redline version in the packet.

- In response to a question from the committee with regard to item "d" under, "Recycled Water," staff indicated that this is related to Senator Hueso's legislation to encourage the State Health Department to look at the restrictions on the use of recycled water and push for the support of direct potable reuse.

Following the discussion, the committee supported presentation to the board as a consent item.

Otay Water District Legislative Program | 2014

Effective Date: 01/08/2014

Legislative Policy Guidelines

The Otay Water Legislative Policy Guidelines for the 2014 Legislative Session includes the following:

Sacramento-San Joaquin Bay Delta (Bay-Delta)

Support efforts to:

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

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

Oppose efforts that:

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

Recycled Water

Support efforts to:

- a. Reduce restrictions on recycled water usage or promote consistent regulation of recycled water projects to reduce impediments to the increased use of recycled water.
- b. Reduce restrictions on injecting recycled water into basins where there is no direct potable use.
- c. Provide financial incentives for recharge of groundwater aquifers using recycled water.
- d. Make recycled water regulations clear, consolidated, and understandable to expedite related project permitting.
- e. Promote recycled water as a sustainable supplemental source of water.
- f. Allow the safe use of recycled water.
- g. Facilitate development of technology aimed at improving water recycling.
- h. Increasing funding for water recycling projects.
- i. Increase awareness of the ways recycled water can help address the region's water supply challenges.

Oppose efforts that:

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

Water Services

Support efforts to:

- a. Provide for a comprehensive state water plan that balances California's competing water needs, achieves the co-equal goals of water supply reliability and environmental restoration, and results in a reliable supply of high-quality water for the San Diego region.
- b. Provide financial support to projects designed to mitigate the potential negative impacts of Global Climate Change on water supply reliability.
- c. Promote the coordination and integration of local, state and federal climate change policies and practices to the greatest extent feasible.
- d. Support ongoing implementation of the Quantitative Settlement Agreement.
- e. Provide reliable water supplies to meet California's short and long-term needs.
- f. Support legislation that reduces impediments for willing sellers and buyers to engage in water transfer agreements.
- g. Promote desalination pilot studies and projects.
- h. Encourage feasibility studies of water resource initiatives.
- i. Increase funds for infrastructure and grant programs for construction, modernization or expansion of water, wastewater treatment, reclamation facilities and sewer systems including water recycling, groundwater recovery and recharge, surface water development projects and seawater desalination.
- j. Mandate uniform or similar regulations and procedures by state agencies in the processing and administering of grants and programs.
- k. Streamline grant application procedures.
- l. Promote or assist voluntary water transfers between willing buyers and willing sellers and move those transactions through without delay.
- m. Streamline the permitting and approval process for implementing water transfers.
- n. Establish reasonable statewide approaches to sewer reporting standards.
- o. Generate greater efficiencies, better coordinate program delivery, and eliminate duplication in programs for source water protection without lessening the focus on public health of the state's Drinking Water Program.
- p. Target efforts to fix specific issues with water supplies within the state's Drinking Water Program.

Oppose efforts that:

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

- i. Change the focus of the state's Drinking Water Program or weaken the parts of the program that work well.
- j. Lessen the focus on public health of the state's Drinking Water Program.

Financial

Support efforts to:

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

Oppose efforts that:

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

Governance/Local Autonomy

Support efforts to:

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

Oppose efforts that:

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

Conservation

Support efforts to:

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

Oppose efforts that:

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

Safety, Security and Information Technology

Support efforts to:

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

Oppose efforts that:

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

Optimize District Effectiveness

Support efforts to:

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

Oppose efforts that:

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

Bi-National Initiatives

Support efforts to:

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

Oppose efforts that:

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

Water Bonds

Support efforts to:

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

Oppose efforts that:

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

Otay Water District Legislative Program | 2014

Effective Date: 01/08/2014

Legislative Policy Guidelines

The Otay Water Legislative Policy Guidelines for the 2014 Legislative Session includes the following:

Sacramento-San Joaquin Bay Delta (Bay-Delta)

Support efforts to:

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

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

Oppose efforts that:

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

Recycled Water

Support efforts to:

- a. Reduce restrictions on recycled water usage or promote consistent regulation of recycled water projects to reduce impediments to the increased use of recycled water.
- b. Reduce restrictions on injecting recycled water into basins where there is no direct potable use.
- c. Provide financial incentives for recharge of groundwater aquifers using recycled water.
- d. Make recycled water regulations clear, consolidated, and understandable to expedite related project permitting.
- e. Promote recycled water as a sustainable supplemental source of water.
- f. Allow the safe use of recycled water.
- g. Facilitate development of technology aimed at improving water recycling.
- h. Increasing funding for water recycling projects.
- e.i. Increase awareness of the ways recycled water can help address the region's water supply challenges.

Oppose efforts that:

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

Water Services

Support efforts to:

- a. Provide for a comprehensive state water plan that balances California's competing water needs, achieves the co-equal goals of water supply reliability and environmental restoration, and results in a reliable supply of high-quality water for the San Diego region.
- b. Provide financial support to projects designed to mitigate the potential negative impacts of Global Climate Change on water supply reliability.
- c. Promote the coordination and integration of local, state and federal climate change policies and practices to the greatest extent feasible.
- d. Support ongoing implementation of the Quantitative Settlement Agreement.
- e. Provide reliable water supplies to meet California's short and long-term needs.
- f. Support legislation that reduces impediments for willing sellers and buyers to engage in water transfer agreements.
- g. Promote desalination pilot studies and projects.
- h. Encourage feasibility studies of water resource initiatives.
- i. Increase funds for infrastructure and grant programs for construction, modernization or expansion of water, wastewater treatment, reclamation facilities and sewer systems including water recycling, groundwater recovery and recharge, surface water development projects and seawater desalination.
- j. Mandate uniform or similar regulations and procedures by state agencies in the processing and administering of grants and programs.
- k. Streamline grant application procedures.
- l. Promote or assist voluntary water transfers between willing buyers and willing sellers and move those transactions through without delay.
- m. Streamline the permitting and approval process for implementing water transfers.
- n. Establish reasonable statewide approaches to sewer reporting standards.
- o. Generate greater efficiencies, better coordinate program delivery, and eliminate duplication in programs for source water protection without lessening the focus on public health of the state's Drinking Water Program.
- n.p. Target efforts to fix specific issues with water supplies within the state's Drinking Water Program.

Oppose efforts that:

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

- i. Change the focus of the state's Drinking Water Program or weaken the parts of the program that work well.
- h.j. Lessen the focus on public health of the state's Drinking Water Program.

Financial

Support efforts to:

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

Oppose efforts that:

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

Governance/Local Autonomy

Support efforts to:

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

Oppose efforts that:

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

m. _____

Conservation

Support efforts to:

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

Oppose efforts that:

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

Safety, Security and Information Technology

Support efforts to:

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

Oppose efforts that:

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

Optimize District Effectiveness

Support efforts to:

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

Oppose efforts that:

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

Bi-National Initiatives

Support efforts to:

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

Oppose efforts that:

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

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Water Bonds

Support efforts to:

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

Oppose efforts that:

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

AGENDA ITEM 20f



STAFF REPORT

TYPE MEETING: Regular Board

MEETING DATE: January 7, 2014

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: Adopt Ordinance No. 540 Amending the District's Code of Ordinances Section 3.06(C), Withdrawal of Funds, to Allow for Delegates Approval of the Release of Payments Which Will Increase the Efficiency and Practicality of District Operations

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Ordinance No. 540 amending the District's Code of Ordinances Section 3.06(C), Withdrawal of Funds, to allow for delegates approval of the release of payments which will increase the efficiency and practicality of District operations.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To request that the Board amend Section 3.06(C), as presented in Exhibit 1, to increase the efficiency and practicality of District operations. In addition, the amendment will grant the General Manager and Chief Financial Officer the authority to delegate approval to release payments in situations when they are unavailable to complete the task.

ANALYSIS:

The District reviews and amends the Code of Ordinances and related policies from time to time to keep them current. A recent review of the Code of Ordinances has identified changes to Section 3.06(C) that

are needed to allow for efficiency and practicality of District operations.

The code states, "Checks will not be released until approved by the General Manager and the Chief Financial Officer." Language has been added to authorize the General Manager and Chief Financial Officer to designate alternative individuals with authorization to approve the release of checks.

The revised language will establish an alternative approval process allowing the continued release of payments in the event that the General Manager or Chief Financial Officer are unavailable to approve the release of checks.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

None.

STRATEGIC GOAL:

Eliminate process inefficiencies.

LEGAL IMPACT:

None.

Attachments: Attachment A - Committee Action
 Attachment B - Ordinance No. 540
 Exhibit 1 - Strike-through Section 3.06(C)
 Exhibit 2 - Proposed Section 3.06(C)



ATTACHMENT A

SUBJECT/PROJECT:	Adopt Ordinance No. 540 Amending the District's Code of Ordinances Section 3.06(C), Withdrawal of Funds, to Allow for Delegates Approval of the Release of Payments Which Will Increase the Efficiency and Practicality of District Operations
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on December 10, 2013, and the following comments were made:

- Staff recommended that the Board adopt Ordinance No. 540 amending the District's Code of Ordinances Section 3.06(C), Withdrawal of Funds, to allow for delegates approval of the release of payments which will increase the efficiency and practicality of District operations.
- It was indicated that the current code states, "Checks will not be released until approved by the General Manager and the Chief Financial Officer."
- Staff stated that the code, as currently written, is often times not practical and inefficient in instances where one or both individuals are not available to approve the release of payments.
- Staff noted that the amended code will grant authorization to the General Manager and Chief Financial Officer to delegate the process of approving the release payments, which staff believes will increase the efficiency and practicality of District operations.
- Staff indicated that this amendment is primarily for check registers that need authorization to pay vendors. Currently, approval of check registers is required by both the General Manager AND the Chief Financial Officer; if one is not available, it prolongs the release of payments.
- It was discussed that the Assistant General Manager would be a delegate in the absence of the General Manager or the Chief Financial Officer to approve the release of payments.

- The Committee recommended that staff add the word "respectively" to the District's Code of Ordinances Section 3.06(c) to make clear that both the General Manager and the Chief Financial Officer have the respective authority to delegate the responsibility of releasing payments.

"All checks drawn against the General Accounts or payroll account must be executed using a facsimile signature or require the signatures of two signers. Checks will not be released until approved by the General Manager and the Chief Financial Officer; or individuals designated by the General Manager or Chief Financial Officer, **respectively.**"

Following discussion, the FA&C Committee supported staffs' recommendation and presentation to the full board as a consent item.

ORDINANCE NO. 540

AN ORDINANCE OF THE BOARD OF DIRECTORS OF
THE OTAY WATER DISTRICT
AMENDING SECTION 3.06(C), WITHDRAWAL OF FUNDS, OF THE
DISTRICT'S CODE OF ORDINANCES

BE IT ORDAINED by the Board of Directors of Otay Water District that the District's Code of Ordinances Section 3.06(C), Withdrawal of Funds, be amended as per Exhibit 1 (attached).

NOW, THEREFORE, BE IT RESOLVED that the new proposed Section 3.06(C), Withdrawal of Funds, (Exhibit 2) of the Code of Ordinances shall become effective January 7, 2014.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting duly held this 7th day of January 2014, by the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

President

ATTEST:

District Secretary

CHAPTER 3 DISTRICT FINANCIAL MATTERS

SECTION 3 DISTRICT BANKING AND OTHER FINANCIAL MATTERS3.01 DESIGNATION OF DEPOSITORY

The Board of Directors shall designate a depository or depositories to have custody of District funds, which depositories shall give the District sufficient collateralization to secure the District against possible loss, as required by law. Only such person or persons authorized by the Board may sign checks to withdraw funds from any of such depositories.

The General Manager, Secretary, Treasurer, -Chief Financial Officer, and all other employees or assistants of the District who may be required to do so by the Board of Directors, shall give such fidelity or performance bonds to the District as the Board may from time to time require. The premium for such bonds shall be paid by the District.

3.02 DEPOSIT OF CASH

All funds received by the District from any source whatsoever shall be promptly deposited in one of the time or demand bank accounts established by resolution of the Board of Directors. It shall be the responsibility of the Chief Financial Officer of the District and of his/her deputies, who have been or may be appointed, to assure such prompt deposit of funds.

3.03 TYPES OF ACCOUNTS AND INVESTMENT ACCOUNTS

A. The following types of bank accounts and investment accounts shall be established and maintained for District funds as directed or approved by the Board of Directors:

1. Demand Deposit Account. All funds, when first received, shall be deposited in one of the demand deposit accounts established under Section 3.02. However, the- Chief Financial Officer, or his/her designee, shall cause those funds for which an early demand is not foreseen, to be transferred

to a time deposit account or to an investment account to produce an interest return as soon as practicable.

2. Time Deposit Account. Funds for which an early demand is not foreseen shall be transferred from a demand deposit account to a time deposit account or invested in an investment authorized under 3 of this Section 3.03.
3. Investments. As an alternative to placing funds in a time deposit account, funds may be invested in the form of securities authorized by Section 53601 of the California Government Code and District Policy No. 27.

3.04 CLASSES OF BANK ACCOUNTS

A. The following classes of accounts shall be established and maintained for the District:

1. General Accounts. All District funds shall be placed in one or more of the types of accounts or investments listed under Section 3.03. Such funds shall be designated "Otay Water District, General Account" except for funds which are to be placed in special accounts as may be directed by the Board of Directors or as otherwise authorized in this Section 3.04. Such special accounts may be any one of the types listed in Section 3.03.
2. Payroll Account. One special demand deposit account, designated "Otay Water District, Payroll Account," shall be maintained for the sole purpose of paying wages, salaries and taxes for District employees. No funds shall be deposited in this account except funds withdrawn by check or transfer from a General Account.

3.05 TRANSFER OF FUNDS FROM ONE ACCOUNT TO ANOTHER

A. The Chief Financial Officer of the District or his/her designee is authorized and is delegated the responsibility of directing banking institutions to transfer funds from one type of account to another type in

a financial institution which has been approved by the Board of Directors. For the purpose of such transfers the types of accounts designated "Demand Deposits," "Time Deposits," and "Investment Accounts" shall be interchangeable at the direction of the Chief Financial Officer or his/her designee with after-the-fact approval of the Board.

3.06 WITHDRAWAL OF FUNDS

A. Funds may be withdrawn from any class of demand deposit by issuance of a check or by means of a wire transfer which must be approved by two authorized signers.

B. All checks drawn against the General Accounts shall be listed in numerical order on a list of demands that shall be included in a report to the Board of Directors on a regular basis.

C. All checks drawn against the General Accounts or payroll account must be executed using a facsimile signature or require the signatures of two signers. Checks will not be released until approved by the General Manager and the Chief Financial Officer; or individuals designated by the General Manager or Chief Financial Officer, respectively.

3.07 DIRECTIONS PERTAINING TO DEMAND DEPOSITS

Each demand deposit account shall be established only by resolution which shall contain directions therein as to the persons who may sign checks on the account.

3.08 FISCAL YEAR

The fiscal year of the District shall be the period beginning July 1 of each calendar year through June 30 of the next calendar year.

3.09 CLOSING OF BOOKS OF ACCOUNT

Within 30 days after the last day of each fiscal year, the Chief Financial Officer shall cause all final entries for such fiscal year to be made in the District books of

account, prepare them for examination by the external Auditor, and notify the Auditor that the books of account are ready for audit.

3.10 APPOINTMENT OF AN AUDITOR FOR ANNUAL AUDIT OF
BOOKS OF ACCOUNT

The Auditor for the District shall be appointed by the Board of Directors and shall serve thereafter until such time as the Auditor may resign, the appointment may be revoked by the Board, or a successor has been appointed by the Board.

Within 60 days after the books of account have been prepared for the Auditor's use, as provided in Section 3.09, the Auditor shall perform and submit the annual audit of said books of account to the District.

CHAPTER 3 DISTRICT FINANCIAL MATTERS

SECTION 3 DISTRICT BANKING AND OTHER FINANCIAL MATTERS3.01 DESIGNATION OF DEPOSITORY

The Board of Directors shall designate a depository or depositories to have custody of District funds, which depositories shall give the District sufficient collateralization to secure the District against possible loss, as required by law. Only such person or persons authorized by the Board may sign checks to withdraw funds from any of such depositories.

The General Manager, Secretary, Treasurer, -Chief Financial Officer, and all other employees or assistants of the District who may be required to do so by the Board of Directors, shall give such fidelity or performance bonds to the District as the Board may from time to time require. The premium for such bonds shall be paid by the District.

3.02 DEPOSIT OF CASH

All funds received by the District from any source whatsoever shall be promptly deposited in one of the time or demand bank accounts established by resolution of the Board of Directors. It shall be the responsibility of the Chief Financial Officer of the District and of his/her deputies, who have been or may be appointed, to assure such prompt deposit of funds.

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A. The following types of bank accounts and investment accounts shall be established and maintained for District funds as directed or approved by the Board of Directors:

1. Demand Deposit Account. All funds, when first received, shall be deposited in one of the demand deposit accounts established under Section 3.02. However, the- Chief Financial Officer, or his/her designee, shall cause those funds for which an early demand is not foreseen, to be transferred

to a time deposit account or to an investment account to produce an interest return as soon as practicable.

2. Time Deposit Account. Funds for which an early demand is not foreseen shall be transferred from a demand deposit account to a time deposit account or invested in an investment authorized under 3 of this Section 3.03.
3. Investments. As an alternative to placing funds in a time deposit account, funds may be invested in the form of securities authorized by Section 53601 of the California Government Code and District Policy No. 27.

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A. The following classes of accounts shall be established and maintained for the District:

1. General Accounts. All District funds shall be placed in one or more of the types of accounts or investments listed under Section 3.03. Such funds shall be designated "Otay Water District, General Account" except for funds which are to be placed in special accounts as may be directed by the Board of Directors or as otherwise authorized in this Section 3.04. Such special accounts may be any one of the types listed in Section 3.03.
2. Payroll Account. One special demand deposit account, designated "Otay Water District, Payroll Account," shall be maintained for the sole purpose of paying wages, salaries and taxes for District employees. No funds shall be deposited in this account except funds withdrawn by check or transfer from a General Account.

3.05 TRANSFER OF FUNDS FROM ONE ACCOUNT TO ANOTHER

A. The Chief Financial Officer of the District or his/her designee is authorized and is delegated the responsibility of directing banking institutions to transfer funds from one type of account to another type in

a financial institution which has been approved by the Board of Directors. For the purpose of such transfers the types of accounts designated "Demand Deposits," "Time Deposits," and "Investment Accounts" shall be interchangeable at the direction of the Chief Financial Officer or his/her designee with after-the-fact approval of the Board.

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C. All checks drawn against the General Accounts or payroll account must be executed using a facsimile signature or require the signatures of two signers. Checks will not be released until approved by the General Manager and the Chief Financial Officer; or individuals designated by the General Manager or Chief Financial Officer, respectively.

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Each demand deposit account shall be established only by resolution which shall contain directions therein as to the persons who may sign checks on the account.

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The fiscal year of the District shall be the period beginning July 1 of each calendar year through June 30 of the next calendar year.

3.09 CLOSING OF BOOKS OF ACCOUNT

Within 30 days after the last day of each fiscal year, the Chief Financial Officer shall cause all final entries for such fiscal year to be made in the District books of

account, prepare them for examination by the external Auditor, and notify the Auditor that the books of account are ready for audit.

3.10 APPOINTMENT OF AN AUDITOR FOR ANNUAL AUDIT OF
 BOOKS OF ACCOUNT

The Auditor for the District shall be appointed by the Board of Directors and shall serve thereafter until such time as the Auditor may resign, the appointment may be revoked by the Board, or a successor has been appointed by the Board.

Within 60 days after the books of account have been prepared for the Auditor's use, as provided in Section 3.09, the Auditor shall perform and submit the annual audit of said books of account to the District.



AGENDA ITEM 20g

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 7, 2014
		W.O./G.F. NO:	DIV. NO.
SUBMITTED BY:	Adolfo Segura, Information Technology Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Geoff Stevens, Chief Information Officer		
	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager		
	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	REPLACEMENT OF NETWORK EQUIPMENT AND SERVICES		

GENERAL MANAGER'S RECOMMENDATION:

That the Board approve the issuance of a purchase order to Nexus Inc. in the amount of \$204,850 for purchase of IT network equipment and services.

Committee Action:

See "Attachment A".

Purpose:

To authorize the purchase of replacement of network equipment and services.

Analysis:

The District's network infrastructure is the backbone for all essential day-to-day data, voice, video, and security and customer services. One of the most critical elements of this network is core network switching and connectivity equipment, which allows electronic information to reliably and securely flow throughout the District's Offices, remote sites and to-and-from the external environment. This is a tactical upgrade with network equipment being replaced only where needed and limited professional services. Equipment with existing useful life will remain.

The District's current switch and general connectivity equipment was purchased incrementally beginning in 2004. Network management best practices recommend upgrades of enterprise network equipment at five, seven and ten years of life. Vendor support costs for this equipment past the recommended lifecycle stage is at a premium, with replacement parts typically being recycled or refurbished with

limited performance and reliability warranty offerings. With the District's ever-growing need and dependency of technology services, maintaining the network infrastructure current is essential to sustain current and future electronic service demands.

Another critical item is the District's manual tape back-up mode process, which is labor intensive, costly, and does not properly leverage new storage alternatives such as the cloud and incremental backup.

The 2012 - 2014 Strategic Plan identified the need to "Improve the operating cost and efficiency of data center and network services" (3.1.2.10); in order to achieve this objective, staff conducted an extensive analysis of current and future networking requirements and developed a list of specifications. Staff solicited quotes from six (6) vendors for the required equipment and services and only received one (1) qualified quote from Nexus Inc., \$204,850. Staff also evaluated the quote against both the California Multiple Award Schedules (CMAS) and Regional Public Pricing Agreement through Western State Contracting Alliance (WSCA) to ensure the District received adequate quotes. In both cases, the quote received in the Nexus Inc. bid was lower than the quote the District would have received just following the competitively approved contracts available to public agencies. CMAS quoted \$228,159.99, and WSCA quoted \$235,182.49.

Fiscal Impact **Joe Beachem, Chief Financial Officer**

The approved capital budget is \$350,000 for FY14 for CIP P2469 Information Technology Network and Hardware. Current expenditures are \$56,316, leaving an available balance of \$293,684. This expenditure of \$204,850 will leave a remaining balance of \$88,834 in CIP P2469. The Project Manager anticipates, based on financial analysis, that the budget will be sufficient to support this project. Finance has determined that 60% of the funding is available from the Replacement Fund and 40% from the Expansion Fund.

Strategic Goal

This project will, in part, achieve the strategic objective "Improve the operating cost and efficiency of data center and network services" (3.1.2.10).

LEGAL IMPACT:

None.

Attachments: Attachment A - Committee Action



ATTACHMENT A

SUBJECT/PROJECT:	REPLACEMENT OF NETWORK EQUIPMENT AND SERVICES
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee met on December 10, 2013 to review this item and the following comments were made:

- Staff recommended that the Board approve the issuance of a purchase order to Nexus Inc. in the amount of \$204,850 for purchase of IT network equipment and services.
- Staff indicated that the staff report was revised for accuracy by reflecting a change in the current expenditures and available balance of \$56,316 and \$293,684, respectively. It was noted that the expenditure of \$204,850, if approved, will leave a remaining balance of \$88,834 in CIP P2469.
- Staff stated that the District's current network equipment was purchased incrementally beginning in 2004. The network management best practices recommend upgrades of enterprise network equipment at five, seven and ten years of life.
- Staff indicated that the 2012-2014 Strategic Plan identified the need to "Improve the operating cost and efficiency of data center and network services" (3.1.2.10).
- Staff discussed the solicitation process that is detailed on page 2 of the staff report and indicated that Nexus Inc. was the only firm who provided a bid.
- A visual of the District's network system was provided to the Committee.
- In response to a question by the Committee, staff believes the District received only one bid because of the competition between manufacturers and vendors.

- The Committee requested these notes to reflect that staff made multiple efforts to receive more than one bid. Also, as outlined in the staff report, staff also evaluated Nexus, Inc.'s quote against both the California Multiple Award Schedules (CMAS) and Regional Public Pricing Agreement through Western State Contracting Alliance (WSCA). Staff believes these efforts meet the District's Policy. In both cases, the bid received by Otay from Nexus was better than pricing Otay would have received utilizing these State approved contracts.
- Staff indicated that the District was able to save a considerable amount of money by performing 3 different rounds of negotiations with Nexus Inc. before reaching a deal.

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

AGENDA ITEM 20h



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 7, 2014
		PROJECT:	Various
		DIV. NO:	ALL
SUBMITTED BY:	Adolfo Segura Information Technology Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Geoff Stevens, Chief Information Officer <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	REPLACEMENT OF WORK MANAGEMENT SYSTEM		

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to negotiate and enter into agreements with:

- 1) Azteca Systems Inc., for a three (3) year licensing agreement in an amount not-to-exceed \$230,000, for a Cityworks software license; and
- 2) The Timmons Group, in an amount not-to-exceed \$370,000, for implementation services for the replacement of the District's work management system.

COMMITTEE ACTION:

See "Attachment A".

PURPOSE:

To obtain Board authorization for the General Manager to negotiate and enter into agreements for the purchase of license fees and implementation services to replace the District's work management information system.

ANALYSIS:

Work management is a critical discipline for a water utility. The District implemented its initial Computerized Maintenance Management System (CMMS) in 2006 (GBA Work Master). Although this system has served us well, the District continues to experience growing issues with lack of integration capabilities, slowly making it a legacy stand-alone system. Given limited integration capabilities and enterprise asset management needs, GBA is no longer meeting the District's emerging needs of work order management, permitting, financial integration, and overall asset management. Industry best practice strongly recommends a central geographic database architecture, which includes precise position and related data for all water distribution assets as the foundation for a work management system. In anticipation of this system change, the District established objective 3.1.2.9 to implement a Geographic Information System (GIS) based work management system in the 2012 - 2014 Strategic Plan.

The District has conducted extensive research in GIS-based work management systems. While there are a number of different work order systems in the market targeting small to large client base, staff concluded that Cityworks by Azteca is a proven and good fit for the District. As reinforcement and alignment of our recommendation, Azteca is a key partner of ESRI, our GIS system vendor, and Cityworks has also been integrated with the District's existing financial system, Eden. Following staff's research and conclusion, an RFP was prepared for this service and software, targeting capable system integration vendors with extensive experience implementing Cityworks in water utilities.

To that end, staff conducted a formal RFP process for the implementation services. Staff solicited proposals from five (5) vendors, however, ultimately received only three (3). A cross-functional panel from Operations, Engineering and IT staff evaluated the three (3) qualified proposals, and interviewed and evaluated two (2) finalists. The selection committee recommends The Timmons Group, which had the overall highest ratings for both proposal and presentation, and the added benefit of being the lowest cost provider (see attachment B for evaluation and pricing).

Staff also negotiated a three (3) year licensing agreement with Cityworks as the software license fee is a separate annual cost and is paid directly to Cityworks, not the implementation vendor. While the off the shelf price for a three (3) year agreement is \$360,000, staff negotiated a 37% discount of \$230,000 with Cityworks, payable

in three (3) payments of \$65,000, \$75,000, and \$90,000 over three (3) years.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

The approved budget is \$700,000 for CIP P2540 (Work Management System Replacement) for FY 2014 - 2016. Planned expenditures to date are \$0. The license fee will be charged to the capital budget in year one (1) as it is part of the implementation process, but will become operational and utilized in years two (2) and three (3), which will be charged directly to the operating budget. Consequently, total costs will be \$435,000 (\$370,000 for implementation fees and \$65,000 for year one [1] licensing), leaving a balance of \$265,000. The Project Manager anticipates, based on financial analysis, that the budget will be sufficient to support this project. In anticipation of this replacement, the District discontinued software maintenance fees and consulting support for the existing GBA work order system, with minimal break/fix cost being incurred. This action achieved a savings of approximately \$100,000. In addition, the District also saved approximately \$100,000 by not contracting for GBA system customization and data correction for the purpose of GIS integration.

Finance has determined that 60% of the funding is available from the Replacement Fund and 40% from the Expansion Fund.

STRATEGIC GOAL:

This project will achieve objective 3.1.2.9, "Implement a GIS based work order system."

LEGAL IMPACT:

None.

Attachments: Attachment A - Committee Action Report
 Attachment B - Evaluation/Pricing Matrix
 Attachment C - PowerPoint Presentation



ATTACHMENT A

SUBJECT/PROJECT:	REPLACEMENT OF WORK MANAGEMENT SYSTEM
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on December 10, 2013, and the following comments were made:

- Staff recommended that the Board authorize the General Manager to negotiate and enter into agreements with Azteca Systems Inc., for a three (3) year licensing agreement in an amount not-to-exceed \$230,000, for a Cityworks software license; and the Timmons Group, in an amount not-to-exceed \$370,000, for implementation services for the replacement of the District's work management system.
- A PowerPoint presentation was provided to the Committee that included information such as the current background of the District's work management system, a visual of the water industry best practice, critical importance of a work management system, why change systems, why Cityworks, Cityworks highest rated CMMS by Water Foundation Research Organization (WFRO), why Timmons Group, accomplished vendor/excellent water industry experience, and costs.
- Staff stated that the District's work management process first computerized in 2005 with the implementation of GBA Master Series Software. The product has worked well, met all initial needs in converting from paper based/card based system, and has greatly expanded its Geographical Information System (GIS) capabilities and implemented an asset management program. The current system is at end-of-life and does not support the District's current requirements; it continues to experience growing issues with the lack of integration capabilities, slowly making it a legacy stand-alone system.
- Staff stated that the Cityworks software meets the District's requirements and is a best in class system, built directly to use GIS database as the core work management database (one database, no synchronizing).

- Staff discussed the soliciting and selection process that is detailed on Page 2 of the staff report. Staff believes Cityworks by Azteca is a proven and good fit for the District and noted that Azteca is a key partner of ESRI, the District's GIS system vendor. Cityworks has also been integrated with the District's existing financial system (Eden).
- In response to a question by the Committee, staff stated that there is a request in the Scope of Work for Cityworks to migrate existing data. Staff noted that Cityworks' software is compatible with the District's existing data system, which is a benefit as it will save the District money. Staff will decide on what data to migrate.
- Staff noted that District's current software (GBA) was not compatible with the District's data system and therefore the District had to spend approximately \$50,000 to \$60,000 annually to sync GBA's software to the District's data system. Two years ago, the District decided to move away from this process resulting in a savings of about \$200,000.

Following discussion, the FA&C Committee supported staffs' recommendation and presentation to the full board as a consent item.

**OTAY WATER DISTRICT
SUMMARY OF CITYWORKS' PROPOSAL RANKINGS**

SCORING CRITERIA:

Firms Qualifications
Project Team
Project Approach
Project Cost
Organization Fit
Vendor Presentation

	Woolpert*	Power Engineer	TIMMONS Group*	OneGIS	Westin
				N/A	N/A
Proposal Score (70%)	3.2	2.5	3.9		
Cost Score (30%)	3.0	1.0	4.5		
Weighted Score	3.1	2.1	4.1		
Rank	2	3	1		
Interview Score (85%)	3.0		4.0		
Clarifications Score (5%)	3.5		4.0		
References Score (10%)	4.0		4.2		
Weighted Score	3.1		4.0		
Rank	2		1		
Final Combined Score	3.1		4.1		
Final Rank	2	N/A	1	N/A	N/A

*Final interviewees

CITYWORKS' PROPOSAL COST SUMMARY

ID	Company	Software	Services	Total
A	Woolpert	\$65,000	\$645,141	\$710,141
B	Power Engineer	\$65,000	\$908,111	\$973,111
C	TIMMONS Group	\$65,000	\$370,000	\$435,000
D	OneGIS			
E	Westin			



Attachment C

IT SYSTEMS REPLACEMENT PROJECTS

Cityworks

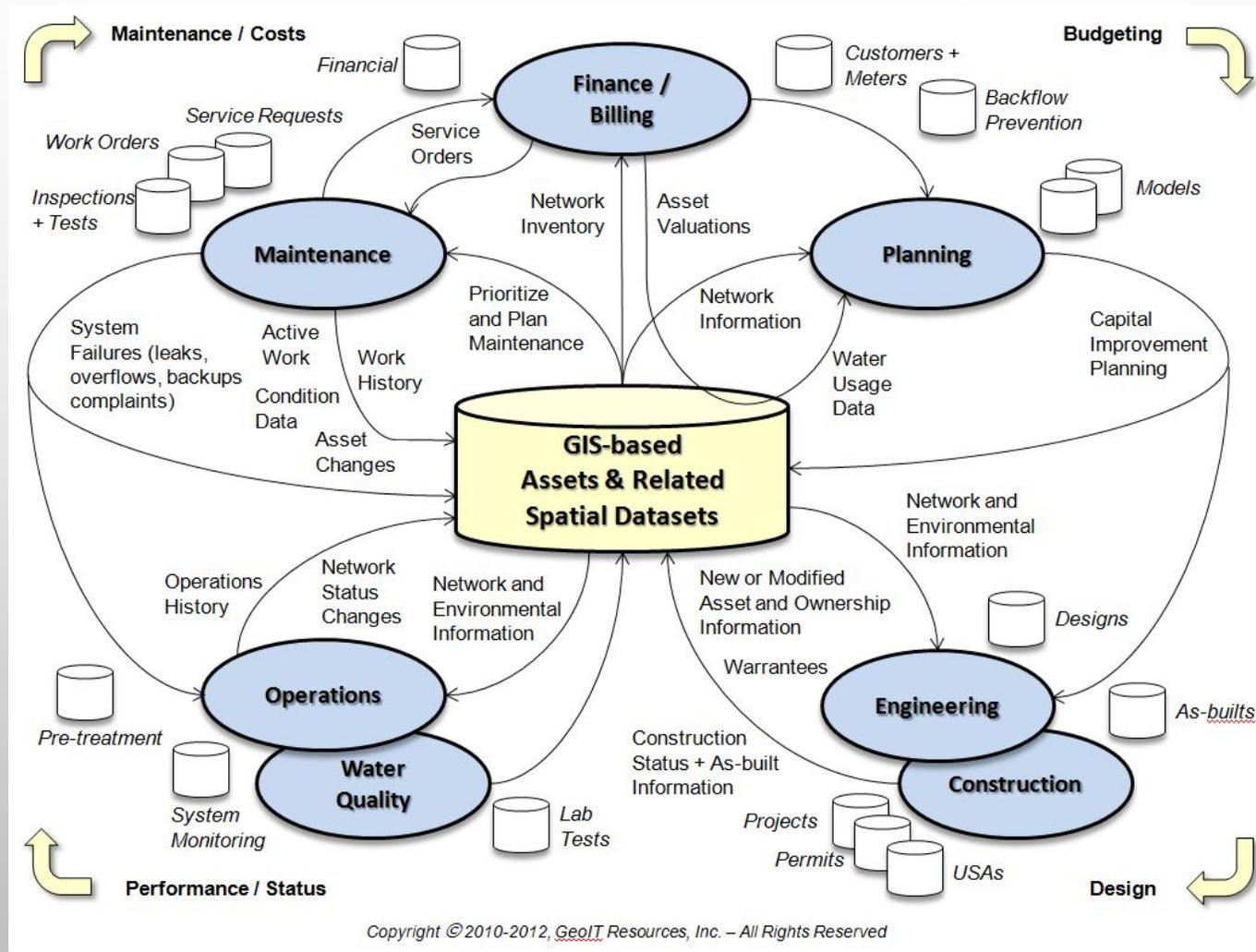
OTAY WATER DISTRICT
BOARD PRESENTATION
JANUARY 7, 2014



BACKGROUND

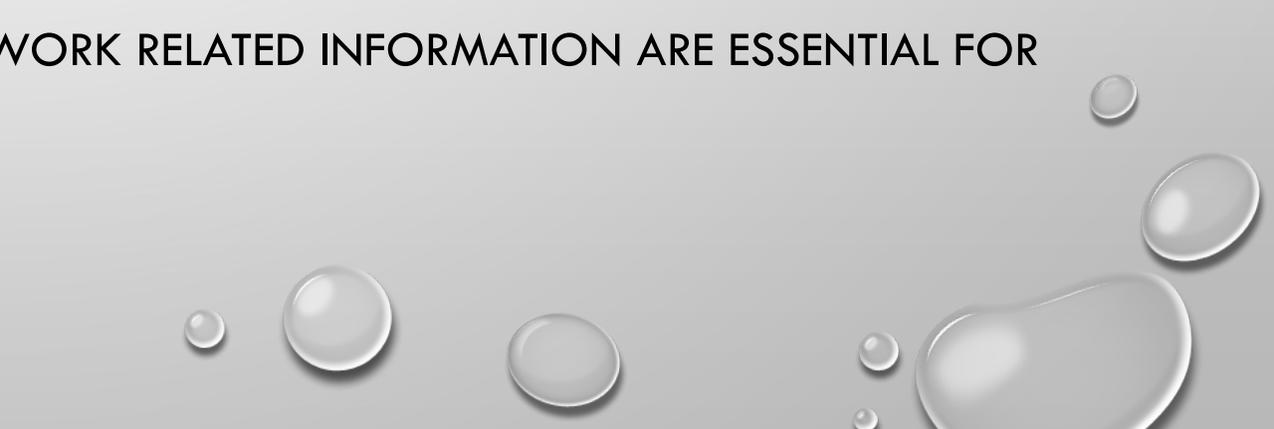
- WORK MANAGEMENT PROCESS FIRST COMPUTERIZED IN 2005 WITH IMPLEMENTATION OF GBA MASTER SERIES SOFTWARE
- PRODUCT HAS WORKED WELL AND MET ALL INITIAL NEEDS IN CONVERTING FROM PAPER BASED/CARD BASED SYSTEM
- SINCE 2005, OTAY HAS GREATLY EXPANDED ITS GIS CAPABILITIES AND IMPLEMENTED AN ASSET MANAGEMENT PROGRAM
- CURRENT SYSTEM IS AT END-OF-LIFE AND DOES NOT SUPPORT CURRENT REQUIREMENTS

WATER INDUSTRY BEST PRACTICE





CRITICAL IMPORTANCE OF A WORK MANAGEMENT SYSTEM

- FY12-14 STRATEGIC PLAN IDENTIFIED THIS NEED AS CRITICAL FOR FUTURE OPERATIONAL SUCCESS
 - WORK MANAGEMENT TRACKS ALL COSTS AND ALL ACTIVITIES RELATED TO UTILITY WATER ASSETS
 - WORK ORDERS ARE THE PRIMARY DAILY PLANNING TOOL FOR ORGANIZING WORK
 - LINKAGE BETWEEN GIS AND WORK ORDERS ENABLES HIGH QUALITY ASSET MANAGEMENT PRACTICES
 - MOBILE COMMUNICATION AND HIGH QUALITY WORK RELATED INFORMATION ARE ESSENTIAL FOR FIELD STAFF
- 

WHY CHANGE SYSTEMS?

- EXISTING SYSTEM DOES NOT LEVERAGE SHARED GIS DATABASE BUT MUST SYNCHRONIZE ITS OWN DATABASE TO GIS (LABOR INTENSIVE AND EXPENSIVE)
- WORK ORDERS DO NOT CURRENTLY TRACK ENGINEERING OR PERMITTING ACTIVITIES
- EXISTING SYSTEM DOES NOT ADEQUATELY SUPPORT IN-FIELD WORK
(IF NOT CONNECTED TO NETWORK, WORK IS LOST OR HAS TO BE ENTERED AT END OF DAY)
- VENDOR HAS NO PLANS TO CONVERT EXISTING SYSTEM TO GIS CENTRIC MODEL

WHY Cityworks?

- BEST IN CLASS SYSTEM, BUILT DIRECTLY TO USE GIS DATABASE AS THE CORE WORK MANAGEMENT DATABASE (ONE DATABASE, NO SYNCHRONIZING)
- ENDORSED BY ESRI AS SYSTEM OF CHOICE FOR CMMS (WORK MANAGEMENT)
- OVER 20 YEARS OF EXPERIENCE IN GIS BASED WORK MANAGEMENT SYSTEM
- FINANCIALLY STRONG SOFTWARE VENDOR WITH EXCELLENT REFERENCES



Cityworks HIGHEST RATED CMMS BY WATER FOUNDATION RESEARCH ORGANIZATION (WFRO)

Software	Functional Score	Price Score*
Cityworks	99	91
Oracle	94	79
Maximo	93	78
Accela	92	82
Infor/Hansen	89	79
Energov	88	82
Cartegraph	87	81
Lucity (GBA)	82	78
Pubworks	65	68
Maintenance	61	61
Vueworks	61	61
Agile Assets	52	58
Elements	50	56
Cityview	33	42

WHY TIMMONS GROUP?

Timmons Group Overview

- 250+ Person, Full-Service Technology & Engineering Consulting Firm
- Geospatial and Technology Consulting
- Serving Government and Private Industry (50+ Years)
- 50+ GIS Analysts and Programmers
- Multiple Award Winning Esri Business Partner
- Cityworks® Gold Implementation Partner
- Cityworks® Strategic Development Partner

Timmons Group/Azteca Partnership

Ten+ years of achieving client satisfaction

- Longstanding partnership
 - Multiple successful projects
 - Joint development efforts
- Industry leaders
 - Geospatial and Asset Management
 - Systems integration
- Our firms' share common values
 - Client satisfaction
 - Discipline, Integrity, Team Work

ACCOMPLISHED VENDOR/EXCELLENT WATER INDUSTRY EXPERIENCE

**Designed systems throughout US including
California, Nevada, Arizona, Utah, New Mexico:**

- ✓ Hyperion Wastewater Treatment Plant, Los Angeles, California
- ✓ East Bay Municipal Utility District Wastewater Treatment Plant, Oakland, California
- ✓ Marine Corps Air Station Wastewater Treatment Plant, 29 Palms, California
- ✓ Central Valley Water Reclamation Facility, Salt Lake City, Utah
- ✓ Salt Lake City Water Reclamation Facility, Salt Lake City, Utah
- ✓ Water Reclamation Facility, Snowflake, Arizona
- ✓ Wastewater Treatment Plant, City of Elko, Nevada
- ✓ Aquifer Storage and Recovery (ASR) Effluent Storage System, City of Elko, Nevada
- ✓ Courtland Water Reclamation Facility, Southampton, Virginia
- ✓ Wastewater Treatment Plant, Southampton County, Virginia
- ✓ Wastewater Treatment Plant, WINCO, Idaho National Engineering Laboratory, Idaho

COST

- APPLICATION INTEGRATION SERVICES: \$370,000
- SOFTWARE LICENSE FEES YEARS 1, 2, 3: \$65,000, \$75,000, \$90,000 RESPECTIVELY
- 2ND PLACE BID: \$650,000, 3RD PLACE BID: \$1.1 MIL
- APPROXIMATELY \$200,000 OF AVOIDED COSTS (STOPPED SPENDING ON GBA IN FY11)
- 37% LICENSE DISCOUNT (\$230,000 VS PUBLISHED RATE OF \$360,000)
- ORIGINAL CIP ESTIMATE: \$700,000
- BUDGETED ITEM IN 2012-2014 STRATEGIC PLAN

QUESTIONS ?





AGENDA ITEM 21a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 7, 2014
SUBMITTED BY:	Adolfo Segura	W.O./G.F. NO:	DIV. NO.
	Information Technology		
	Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Geoff Stevens, Chief Information Officer		
	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager		
	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	REPLACEMENT OF SCADA SYSTEM		

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to negotiate and enter into agreement with Techknowsion Inc., for a three year licensing agreement for GE iFIX SCADA system and implementation services for the replacement of the District's SCADA system in an amount not-to-exceed \$415,000.00.

Committee Action:

See "Attachment A".

Purpose:

To obtain Board authorization for the General Manager to negotiate into an agreement for the purchase of license fees and implementation services to replace the District's SCADA information system.

Analysis:

The SCADA system, which is one of the District's most critical systems, provides direct electronic connection and monitoring services to all essential District water infrastructures, and in particular, major equipment responsible for managing, moving, treating, and distribution of water for potable, recycled and wastewater. The original SCADA system (Factory Link) was installed in 1994 and since then, staff has updated and managed that system but it has now reached end of life. Consequently, staff recognized, as part

of the 2012-2014 Strategic Plan, that it was necessary to replace the SCADA system (3.1.2.16 - Replace SCADA Software).

The District conducted extensive research into potential SCADA system replacements. The market is mature and there are many vendors and systems capable of providing quality systems and services. In consultation with industry experts and the District's Purchasing Department, staff determined that the best approach was to conduct a competitive RFP process allowing system integrators to propose what they believe is the best solution based on Otay's requirements. The District hired CGR Management Consultant LLC to assist in the development of a detailed "requirements" matrix as well as in the vendor selection process. A cross-functional selection team from Operations and IT was also assembled to help validate and complete the scope and "requirements" matrix. In turn, the scope document was made available to any system vendor that wished to be considered. The RFP was also placed on the District's web site. The District initially received eight proposals, but through a scoring criteria, narrowed it down to four vendors. Staff reached consensus on a recommended vendor after conducting on-site interviews, scripted software demonstrations and a final scoring process, to include reference checks. (See Attachment B).

After scoring results, staff recommends the selection of Technowsion as the vendor of choice and General Electric (GE) iFIX as the desired solution. Technowsion has extensive knowledge of Otay's existing SCADA system, as they have maintained it during the last ten years. Besides offering the highest rated proposal, Techknowsion also provided the lowest overall project cost. The GE iFIX solution has desired work order management system integration capabilities and the ability to use existing field monitoring devices, therefore, minimizing additional hardware expenditures. This benefit reinforces the recommendation of GE iFIX as a best fit for Otay's technology needs. While Technowsion is the smallest firm among the vendors, they have a strong support relationship with GE iFIX software division, and they are able to provide additional support from their large technical bench if needed. In addition, given the large market share of the GE iFIX solution, future support can be provided by other vendors should we desire. Software license fees will be paid directly to Technowsion and are included in the proposal. This is being done primarily to leverage the vendor's integration buying power and associated discounts, which will benefit Otay. Post implementation support costs for SCADA will be an O&M budget item in FY15 and beyond.

Fiscal Impact **Joe Beachem, Chief Financial Officer**

The approved capital budget is \$1,846,000.00 for CIP P2485 (SCADA Replacement Project). Planned expenditures to date are \$823,746.00

leaving an existing balance of \$1,022,253.00. Total costs will be \$415,000.00 leaving a balance of \$607,253.00. The Project Manager anticipates, based on financial analysis, that the budget will be sufficient to support this project.

Finance has determined that 60% of the funding is available from the Replacement Fund and 40% from the Expansion Fund.

Strategic Goal

This project will achieve objective 3.1.2.16 Replace Scada System.

Legal Impact:

None.

Attachments:

- Attachment A - Committee Action
- Attachment B - Matrix
- Attachment C - PowerPoint Presentation



ATTACHMENT A

SUBJECT/PROJECT:	REPLACEMENT OF SCADA SYSTEM
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee met on December 10, 2013 to review this item and the following comments were made:

- Staff recommended that the Board authorize the General Manager to negotiate and enter into agreement with Techknowsion Inc., for a three year licensing agreement for GE iFIX SCADA system and implementation services for the replacement of the District's Supervisory Control and Data Acquisition (SCADA) system in an amount not-to-exceed \$415,000.00.
- It was noted that the original SCADA system was installed in 1986 and is one of the District's most critical systems that provides direct electronic connection and monitoring services to all essential District water infrastructures. The SCADA system has been updated and managed since it's installation, but has now reached end of life.
- As part of the District's 2012-2014 Strategic Plan, it was necessary to replace the SCADA system (3.1.2.16 - Replace SCADA Software). Staff stated that the system replacement provides the opportunity for added functionality, such as support for automation, sophisticated data monitoring, and enhanced decision making and analytical support.
- Staff discussed the solicitation and selection process, which is detailed on page 2 of the staff report. Staff stated that after scoring results, staff recommends the selection of Techknowsion Inc. as the vendor of choice and General Electric (GE) iFIX as the desired solution.
- A PowerPoint presentation was provided to the Committee that included a background of the District's current SCADA

system, what is SCADA, SCADA system benefits delivered by GE-iFIX (Proficy), cost of system, and why Techknowsion.

- Staff stated that the SCADA system provides the ability to conduct remote collection, monitoring and control function of water assets; everything is connected electronically.
- In response to a question by the Committee, staff stated that the District originally estimated a \$600,000 cost for the proposed SCADA system. Staff noted that Techknowsion submitted the lowest qualified bid. Staff stated that a reference check was performed on Techknowsion. All references were positive. The Committee asked what California water clients Techknowsion supports. In response to this request, staff has identified 7 references, Padre Dam MWD, Delta Diablo Canyon, Lawrence Livermore National Laboratory, Golden State Water Company, the City of Santa Cruz, City of Benicia, and Oro Loma Sanitary District as Techknowsion supported SCADA clients.
- The Committee commented that technology is clearly a critical element to increase efficiencies for daily operations and that this system replacement was an important element.
- In response to a question by the Committee, Staff stated that other agencies have SCADA systems and the level of their system depends on the needs. CWA has a complex SCADA system that monitors many miles of pipeline, whereas Helix Water District has recently upgraded its SCADA system but may not be as complex as CWA's system.

Following discussion, the FA&C Committee supported staffs' recommendation and presentation to the full board as an action item.

**OTAY WATER DISTRICT
SUMMARY OF SCADA PROPOSAL RANKINGS**

SCORING CRITERIA
Firms Qualifications
Project Team
Project Approach
Organization Fit
Vendor Presentation
Project Cost

	Systems Int.	Telvent	Trimax	Glenmount	TECHKNOWSION	HydroScientific	Wunderlich	South Coast
Proposal Score (70%)	3.7	3.4	3.6	3.8	4.0	2.8	2.9	3.4
Cost Score (30%)	4.3	3.8	4.6	3.9	4.9	1.0	2.6	5.0
Weighted Score	3.9	3.5	3.9	3.9	4.3	2.3	2.8	3.8
Rank	3	6	2	4	1	8	7	5
Interview Score (85%)	4.0		3.4	3.6	4.3			
Clarifications Score (5%)	3.8		3.7	3.7	4.4			
References Score (10%)	4.3		4.6	4.2	4.8			
Weighted Score	4.0		3.6	3.7	4.3			
Rank	2		4	3	1			
Final Combined Score	3.9		3.7	3.8	4.3			
Final Rank	2		4	3	1			

SCADA PROPOSAL COST SUMMARY

ID	Company	Software	Hardware	Services	Total	Year 1	Year 2	Year 3	3 Year Total
A	South Coast Systems, Inc.	\$ 122,367	\$ -	\$ 170,578	\$ 292,945	-	-	-	\$ 292,945
B	TECHKNOWSION, Inc.	\$ 94,720	\$ 2,300	\$ 195,620	\$ 292,640	\$ 18,200	\$ 19,040	\$ 19,935	\$ 349,815
C	Trimax	\$ 49,973	\$ -	\$ 324,480	\$ 374,453	\$ 33,432	\$ 33,432	\$ 33,432	\$ 474,749
D	Systems Integrated	\$ 64,275	\$ -	\$ 498,900	\$ 563,175	\$ 4,275	\$ 4,275	\$ 4,275	\$ 576,000
E	Glenmount Global Solutions	\$ 10,100	\$ 134,350	\$ 512,320	\$ 656,770	\$ 29,110	\$ 34,110	\$ 37,140	\$ 757,131
F	Telvent USA, LLC	\$ 101,548	\$ 8,928	\$ 614,224	\$ 724,700	\$ 24,108	\$ 24,853	\$ 25,599	\$ 799,260
G	Wunderlich-Malec	\$ 121,500	\$ -	\$ 968,425	\$ 1,089,925	\$ 52,350	\$ 56,250	\$ 59,750	\$ 1,258,275
H	HydroScientific West	\$ 387,298	\$ -	\$ 1,245,760	\$ 1,633,058	\$ 98,687	\$ 98,687	\$ 98,687	\$ 1,929,119



ATTACHMENT C

IT SYSTEMS REPLACEMENT PROJECTS

SCADA

OTAY WATER DISTRICT

BOARD PRESENTATION

JANUARY 7, 2014

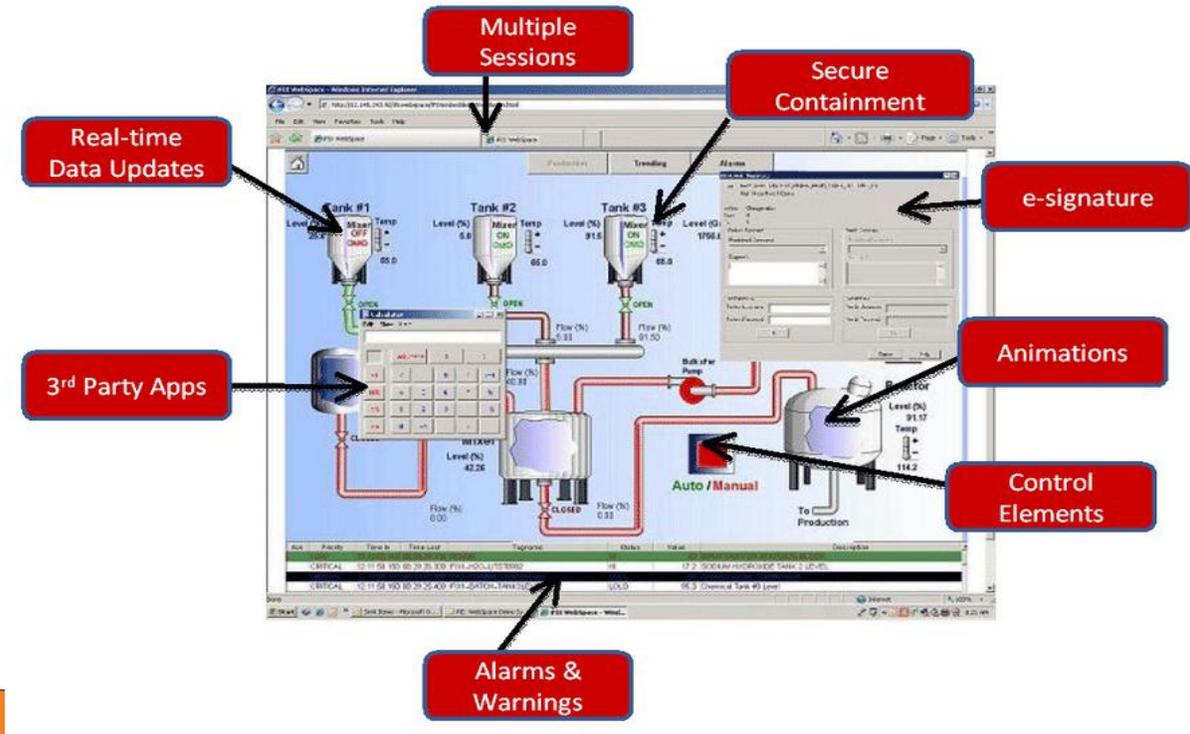
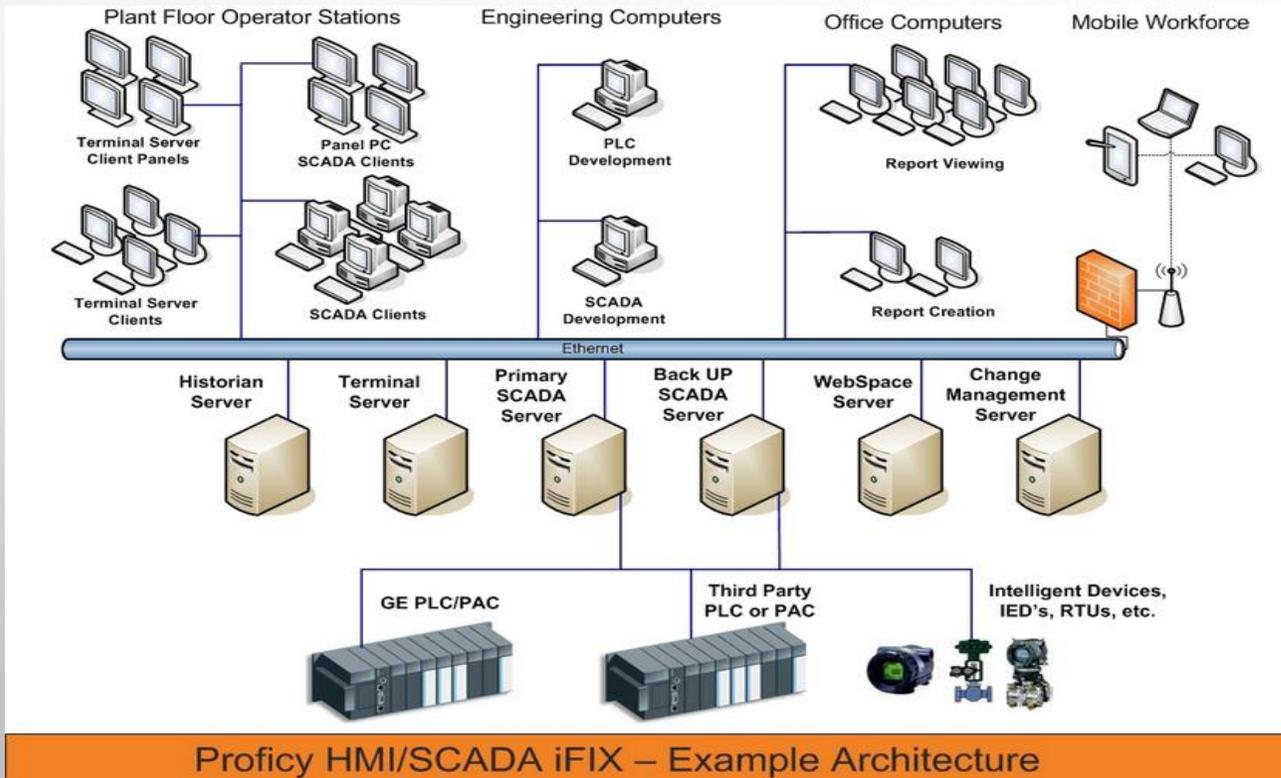


BACKGROUND

- SCADA FIRST COMPUTERIZED IN EARLY 1990'S WITH IMPLEMENTATION OF FACTORY LINK.
- PRODUCT PERFORMED WELL BUT IS HAS REACHED END OF LIFE AND LOSING VENDOR SUPPORT .
- SYSTEM REPLACEMENT PROVIDES OPPORTUNITY FOR ADDED FUNCTIONALITY:
 - SUPPORT FOR AUTOMATION
 - SOPHISTICATED DATA MONITORING
 - ENHANCED DECISION MAKING AND ANALYTICAL SUPPORT

WHAT IS SCADA?

Ability to conduct remote collection, monitoring and control function of water assets



Proficy HMI/SCADA iFIX – Example Architecture

SCADA SYSTEM BENEFITS DELIVERED BY GE-IFIX (PROFICITY)

- Flexibility and reliability of connecting and presenting data
- Scalability from isolated sensor to company-wide integration
- Best-in-class information analysis, real-time data management and control
- Adherence to industry standards for improved consistency, quality & compliance
- A foundational platform that enables tools for advanced analysis, work process management, operational excellence & more

COST

- APPLICATION INTEGRATION SERVICES \$415,000.00, INCLUDING SOFTWARE LICENSE FEE (YEAR ONE)
- SELECTED SOLUTION IS THE LOWEST COST OPTION
- ORIGINAL CIP ESTIMATE \$600,000.00 +
- THIS IS A BUDGETED ITEM FOR 2012-2014 STRATEGIC PLAN

WHY TECHKNOWSION

- LOWEST COST BID
- BEST OVERALL PRESENTATION TO COMMITTEE
- EXTENSIVE KNOWLEDGE OF EXISTING SYSTEM (TEN YEARS)
- LOCAL AND SMALLER FIRM, BUT A DEEP BENCH SUPPORT FROM GE

QUESTIONS ?



AGENDA ITEM 21b



STAFF REPORT

TYPE MEETING: Regular Board

MEETING DATE: January 7, 2014

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: Selection of Auditor for Fiscal Year Ending June 30, 2014

GENERAL MANAGER'S RECOMMENDATION:

That the Board approve the Finance, Administration and Communications (FA&C) Committee's selection of an accounting firm to serve as the District's auditors for the fiscal year ending June 30, 2014. The contract will be for one year, with four (4) one-year options, with each option year subject to Board review and approval.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To retain the services of an accounting firm to serve as the District's auditors for the fiscal year ending June 30, 2014. The District is required to retain the services of an independent auditing firm each fiscal year to perform an audit of the District's financial statements.

The FA&C Committee also serves the Board as the Audit Committee (the Committee). The purpose of the Committee is to review the reports of external auditors, to include management letters and internal control

recommendations, and ensure implementation by management. The Committee also has the opportunity to recommend an accounting firm to the Board to perform the annual audit.

Staff has reviewed proposals from four accounting firms and is recommending that the Committee interview the four firms, and select one firm to be recommended as the District's auditor for the fiscal year ending June 30, 2014. The interview process is an opportunity for committee members to personally speak to the accountants who will be working on the audit.

ANALYSIS:

For the past five years, the District has retained the services of White Nelson Diehl Evans LLP. The District's practice, which is also a sound business practice, is to rotate auditors every five years. Therefore, the District has issued Request for Proposals (RFP) for services related to the fiscal year 2014 financial audit. The services related to the financial audit include performing the financial audit procedures, preparation of the audited financial statements, preparation of the State Controller's Report and performing Agreed upon Procedures related to the District's Investment Policy.

On October 14, 2013, staff sent an RFP to five accounting firms to solicit interest in performing the audit of the District's financial statements for the fiscal year ending June 30, 2014, along with related services stated in the preceding paragraph. All five firms confirmed receipt of the RFP. The District received proposals from four audit firms. Macias, Gini & O'Connell, LLP did not respond to the District's request for proposal. Below is a brief summary of each firm that the District received a proposal from.

Leaf & Cole, LLP - A small San Diego based CPA firm was founded in 1960 and employs approximately 30 individuals. They have experience serving similar water districts in Southern California and San Diego County. The engagement partner, Michael Zizzi, has experience auditing other CWA member agencies. Leaf & Cole was engaged previously by the District to perform audit procedures in fiscal years 1996-2000 with Mr. Zizzi serving on the engagement. The District was satisfied with their performance.

Moss Adams LLP - A mid-size national CPA firm, with a local office in San Diego, was founded in 1913 and employs over 2,000 individuals across the country. They have broad experience auditing municipal-owned utilities throughout the west coast.

The engagement partner, Julie Desimone, is Moss Adams' National Practice Leader for energy and utility services. Moss Adams has not been engaged previously by the Otay Water District to perform auditing services.

Rogers, Anderson, Malody & Scott, LLP - A small Southern California CPA firm, which was founded in 1948 and is based in San Bernardino. The firm employs approximately 38 individuals and has experience auditing similar agencies in Southern California and San Diego County. The engagement partner, Scott Manno, has experience auditing other CWA member agencies. Anderson, Malody & Scott has not been engaged previously by the Otay Water District to perform auditing services.

Teaman, Ramirez & Smith, Inc. - A small Southern California CPA firm, which was founded around 1929 and is based in Riverside. The firm employs approximately 30 individuals and has experience auditing similar agencies in Southern California and San Diego County. Teaman, Ramirez & Smith was engaged previously by the District to perform audit procedures in fiscal years 2004-2008 with Mr. Teaman serving on the engagement. The District was satisfied with their performance.

Technical proposals representing each of the four firms were reviewed and they are all qualified to perform the requested services. The result of this process is our recommendation that the Committee interview the four firms to select which firm to recommend to the Board as the District's auditor for the fiscal year ending June 30, 2014.

The following is a tentative planning schedule for the major activities involved in completing the FY-2014 financial audit:

- Apr-2014: Interim field work (5 days).
- Aug-2014: Final field work (5 days).
- Oct-2014: Finance Committee presentation of audited financials.
- Nov-2014: Board presentation of audited financials.
- Dec-2014: Completed CAFR.

FISCAL IMPACT:

Joe Beachem, Chief Financial Officer

Audit services for the previous audit performed for Fiscal Year 2013 were \$35,000. Below is a listing of the four firms along with their proposed fees for performing the Fiscal Year 2014 financial audit and related services.

- \$33,300 Leaf & Cole, LLP
- \$48,254 Moss Adams LLP
- \$36,000 Rogers, Anderson, Malody & Scott, LLP
- \$25,800* Teaman, Ramirez & Smith, Inc.

*Teaman's proposed fees of \$29,300 included \$3,500 for fees associated with performing a single audit. The other firms' fee proposals excluded single audit fees; therefore, the \$3,500 was removed from Teaman's proposal for purposes of this comparison. The District currently does not anticipate that a single audit will be required for FY2014.

STRATEGIC GOAL:

Required by law.

LEGAL IMPACT:

Compliance with the laws governing the District.

Attachments:

- Attachment A - Committee Action
- Attachment B - Leaf & Cole, LLP Audit & Fee Proposal
- Attachment C - Moss Adams LLP Audit & Fee Proposal
- Attachment D - Rogers, Anderson, Malody & Scott, LLP Audit & Fee Proposal
- Attachment E - Teaman, Ramirez & Smith, Inc. Audit & Fee Proposal



ATTACHMENT A

SUBJECT/PROJECT:	Selection of Auditor for Fiscal Year Ending June 30, 2014
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on December 10, 2013, and the following comments were made:

- Staff recommended that the Board approve the Finance, Administration and Communications Committee's recommendation of an accounting firm to serve as the District's auditors for the fiscal year ending June 30, 2014. The contract will be for one year, with four (4) one-year options, with each option year subject to Board review and approval.
- Staff stated that the District is required to have an audit of its financial statements performed annually.
- It was noted that the FA&C Committee serves the Board as the Audit Committee whose purpose is to review the external auditor reports and recommend an accounting firm to the Board to perform the annual audit.
- Staff indicated that White Nelson Diehl Evans (WNDE) LLP completed a five-year agreement and the District's process is to rotate auditors every five years.
- The District issued 5 Requests for Proposals to firms based on a review of CWA agency auditors of similar District's, a review of previous Otay auditors and competitive alternative with similar industry experience. They are as follows:
 - Leaf & Cole: Small local firm; Audited OWD from 96-00 and the District was satisfied with their performance; Proposed fee - \$33,300
 - Teaman Ramirez: Small Southern CA firm; Audited OWD from 04-08 and the District was satisfied with their performance; Proposed fee - \$25,800
 - Rogers Anderson Malody & Scott: Small Southern CA firm; No previous OWD experience; Proposed fee - \$36,000

- o Moss Adams: Mid-size regional firm (with local office); No previous OWD experience; Proposed fee - \$48,254
 - o Macias, Gini & O'Connell: Mid-size regional firm (with local office); No previous OWD experience; Did not respond to RFP request.
- Based on a review of the proposals received and research performed, staff concluded that the four (4) firms submitting proposals were qualified to perform the District's financial audit.
 - It was recommended that the FA&C Committee interview the four (4) firms and recommend a firm to the Board to perform the District's annual audit.
 - In response to a question by the Committee, staff stated that WNDE's service fee for the fiscal year 2013 audit was \$35,000. Staff also stated that Teaman Ramirez's proposed fee of \$25,800 includes a first-year discount of \$8,600; without the discount, it would be \$34,400. It was noted that some of the proposals include an annual negotiation to increase fees up to a maximum of 3%.
 - The first to be interviewed was Leaf & Cole, LLP. Mr. Mike Zizzi, Partner, and Mr. Joe Spense, Lead Auditor, provided a history of the firm. Mr. Zizzi indicated that the firm was established in 1960 and provides service to special districts, affordable housing, and non-profit organizations. There are approximately 32 employees with the firm who provide tax and audit services. Leaf & Cole, LLP, is one of the largest local firms in San Diego. There are five (5) partners, with 20 CPAs on staff, and all staff are up-to-date with the continuing education requirements. Mr. Zizzi indicated that the firm has previously worked with the Otay Water District. The firm does not audit cities or counties. Mr. Zizzi stated that the firm looks at internal controls and is always adapting to the current environment, and stated that procedures for the District will be based on its risk assessment. If there are any issues, the firm assures that facts are in place, works their way through the appropriate levels of authority to upper management, and provides any suggestions to make sure issues are resolved; communication is key to the firm. In response to the Committee's question regarding new audit or accounting pronouncements, Mr. Zizzi stated that the District will be impacted by GASB 68 requirements, but noted that other agencies will experience this issue as well. It was discussed that Mr. Zizzi, Mr. Joe Spense, and two (2) staff accountants would perform audit services. The firm's fee is what is proposed and typically adjusts annually according to the Consumer Price

Index. In response to a question about auditing introductory beginning balances, Mr. Zizzi stated that they would rely on a review of the District's previous reports and not recreate them.

- Moss & Adams LLP was the next to be interviewed with Olga Darlington, CPA, Senior Manager and Laura Roos, Audit Partner, at the Committee meeting. Julie Desimone, CPA, Partner, participated in the interview via phone conference. Ms. Darlington indicated that the firm currently serves cooperative organizations in California, Washington, Oregon, Hawaii, Idaho, Alaska, Arizona, and New Mexico. It also serves water utility clients such as the Imperial Irrigation District. The firm's procedures for evaluating internal controls includes; looking at spreadsheets from previous audits, speaking with employees on processes, and testing controls. When evaluating control deficiency versus material weakness, the firm considers quantitative/qualitative factors versus the dollar amount. In identifying a deficiency, the firm works with management to resolve the issue. The firm commented on the District's CAFR and indicated that it is a very good document as it includes all required disclosures and all necessary information. It was discussed that the District will be subject to implementing the new accounting standard, GASB 68 - Pension Standard, for which the firm has partners and managers who are very knowledgeable about GASB 68 standards. It is anticipated that in 2014 the firm will work with approximately 16-20 clients in California that will be involved with implementing the GASB 68 accounting standard. It was discussed that the firm's staff will work with District staff by planning, establishing timelines, expectations, open and constant communications, and requesting/providing feedback. There will be a manager and two (2) staff members on-site, and Olga Darlington will be on-site 2-3 days every week. The firm will bring value through its team members who are experts, have knowledge about the District's industry, efficient audit process, known for their specialties, application of knowledge learned from other clients, provide webinars to staff for educational purposes, and stay in touch with clients not only during the audit process, but throughout the year. The proposed fee of \$48,254 will pretty much stay flat, with a possible 1-3% annual increase based on the Consumer Price Index. In response to a question regarding auditing the opening balances, the firm relies on examining working papers from the prior auditor and inquiring of the District management; it was indicated that most of the time there are no issues.

- Rogers, Anderson, Malody & Scott, LLP was the next to be interviewed. Mr. Scott Manno, Partner, provided a history of the firm that was established in 1948 and is based in San Bernardino,

California. Mr. Manno has been with the firm since 2001 in which his main focus is in governmental auditing. Mr. Brad Welebir, CPA, is a manager with the firm and has about 10 years of public accounting experience, with a 75% focus in governmental auditing. A list of the firm's clients are listed on Page 2 of its proposal, which includes Helix Water District and Vista Irrigation District. The firm's process for internal controls is to schedule interim field work, gather information, interview staff, provide a sample list of what is needed, develop an audit plan for year-end, and constant communication. With material weaknesses, the firm's process is to consider if the weakness is abusive, communicate with staff and get facts, bring the issue to the attention of managers, and provide input to improve process. It was discussed that the firm has looked at the District's CAFR and is believes it complies with government standards. The firm did indicate that the District will be impacted by the new accounting pronouncement, GASB 68 - Pension Liabilities, that will impact all government agencies. The firm has approximately 50 clients that will be affected by GASB 68. In working with agencies, the firm's initial year is to make contact with staff and arrange a time to be on-site for an audit visit. The firm's staff would include Mr. Manno, Mr. Welebir, a senior accountant and two (2) staff accountants. The firm adds value by understanding the District's staff personalities, interaction, and valuable time of clients/staff. The firm's annual fee will be increased based on the Consumer Pricing Index. In response to a question regarding open audit balances, the firm's process is to request schedules that are prepared by staff and also look at prior auditor's workpapers.

- Teaman, Ramirez & Smith, Inc. was the last to be interviewed. Mr. Richard Teaman, CPA, indicated that he has been with the firm for 30 years and that the firm specializes in government and non-profit organizations. Mr. Richard Gallo, Jr., Manager, stated that he has been with the firm for 12 years. The firm has previously worked with the District. The firm's internal control review procedures begin with a questionnaire and obtaining various documents to review. Any internal control concerns are immediately brought to the attention of management staff. Material weaknesses are a judgment call and the auditor needs to consider if they are a systemic or isolated issue. It was discussed that the firm is aware of the new accounting pronouncement, GASB 68 - Pension Liabilities, that will impact the District's pension accounting. In response to a question by the Committee, the firm stated that it has no issues servicing its clients; that is one of the reasons it remains a smaller firm, to provide quality service versus having a large quantity of clients. Mr. Teaman would be the lead auditor overseeing the

audit team and will be on-site working with the District's staff. The firm adds value through its staff that has many years of auditing experience. In response to a question regarding open audit balances, the firm's procedure is to communicate with prior auditors, review their paperwork, and obtain input. The fee of \$25,800 is the firm's proposal, with a possible 1-3% annual increase based on the Consumer Price Index.

- The Committee stated that all firms were qualified and would work well with the District's staff, and did not identify any reason for not selecting the lowest bidder.

Following discussion and interviews, the FA&C recommended that board consider Teaman, Ramirez & Smith, Inc. to serve as the District's auditors for the fiscal year ending June 30, 2014. The contract will be for one year, with four (4) one-year options, with each option year subject to Board review and approval.

OTAY WATER DISTRICT
AUDIT PROPOSAL FOR THE YEARS ENDED
JUNE 30, 2014 THROUGH 2018

PREPARED BY

LEAF & COLE, LLP

CERTIFIED PUBLIC ACCOUNTANTS

CONTACT PARTNER

MICHAEL J. ZIZZI
2810 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 294-7200
mjzizzi@leaf-cole.com

NOVEMBER 4, 2013



Leaf & Cole, LLP
Certified Public Accountants

LEAF & COLE, LLP
CERTIFIED PUBLIC ACCOUNTANTS
REQUEST FOR PROPOSALS
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Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

Steven W. Northcote, C.P.A.
Michael S. Schreiberman, C.P.A.
Michael J. Zizzi, C.P.A.
Julie A. Firl, C.P.A.
Nicholas M. Gines, C.P.A.

Members
American Institute of Certified Public Accountants
California Society of Certified Public Accountants

November 4, 2013

To the Board of Directors
Otay Water District

Thank you for giving us the opportunity to submit our proposal for the audit of Otay Water District. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits contained in Government Auditing Standards issued by the Comptroller of the United States of America and the State Controller's minimum audit requirements for California Special Districts. Leaf & Cole, LLP is committed to completing these services within a time frame that will meet your needs. Our proposal includes the audit of the Otay Water District, as well as the reports on internal control and compliance anticipated under Government Auditing Standards. In addition we will issue a report applying agreed-upon procedures on the District's compliance with its investment policy as described in the District's request for proposal. We will assist with the preparation of the annual report of financial transactions to the State Controller and offer technical assistance with the preparation of the comprehensive annual financial report. We feel uniquely qualified to provide the services required by the Otay Water District.

- Since 1960 Leaf & Cole, LLP has developed a reputation for being responsive to its clients needs while providing a quality product. We believe our high ratio of partners to staff allows us to better understand and anticipate our clients' needs.
- The partners of Leaf & Cole, LLP have made a strategic commitment to devote top quality talent and the resources necessary to ensure that the firm is viewed as a leader for accounting professionals in the special district industry. Our special district practice is charged with keeping our clients and our own professionals informed of significant developments in the industry. This is accomplished through participation in industry associations and conferences, continuing education and special programs.
- Over the past thirty years Leaf & Cole, LLP has provided services similar to those required by Otay Water District to other special districts in the Amador, Los Angeles, Orange, Riverside, Sacramento, San Bernardino, San Diego and San Luis Obispo counties.
- Currently, Leaf & Cole, LLP provides accounting and auditing services to approximately fifteen special districts. We are proud of our commitment to staying abreast of emerging issues and providing our clients with timely reporting. However, our experience in the industry is not limited to auditing financial statements. Services we provide to our clients include single audit reports, agreed-upon procedures, arbitrage rebate calculations, State Controller's report, parity (net revenue) calculations, Government Finance Officers Association award assistance and guidance and bond offering-official statement preparation assistance.

- We have completed our seventh peer review. This review included services provided to similar districts.
- Turnover of audit staff is one of the strongest objections voiced by auditees. At the date of this proposal, all staff scheduled have previous experience with similar special districts, including key personnel assigned to this engagement. This should dramatically reduce the time required and burden placed upon the District's staff.

Leaf & Cole, LLP is proud of its history of service provided to the special districts of California, and has included references for you to call upon. We feel the items noted above render us unsurpassed in the quality of service provided to our clients. This proposal is a firm and irrevocable offer until March 4, 2014.

Any questions concerning this proposal should be directed to Michael J. Zizzi who will be happy to meet with district representatives to provide additional information.

Very truly yours,

LEAF & COLE, LLP

A handwritten signature in black ink, appearing to read "Michael J. Zizzi", written in a cursive style.

Michael J. Zizzi

INDEPENDENCE

Leaf & Cole, LLP is independent of the Otay Water District as defined by the standards established by the American Institute of Certified Public Accountants, as well as the standards set forth for financial audits in the U.S. General Accounting Office Government Auditing Standards. For the past five years, Leaf & Cole, LLP has provided no services to Otay Water District. Therefore this engagement does not constitute a conflict of interest.

LICENSE TO PRACTICE IN CALIFORNIA

Leaf & Cole, LLP and all professional staff assigned to the Otay Water District audit are properly licensed to practice in the State of California. Following is a list of current licenses with the State Board of Accountancy of the firm and key personnel:

Leaf and Cole	PAR 984
Steven W. Northcote	28780E
Michael J. Zizzi	55110E
Joseph D. Spence	111165

FIRM QUALIFICATIONS AND EXPERIENCE

Leaf & Cole, LLP is one of the largest single office accounting firms in San Diego with a staff of approximately 30 individuals, including over 20 professionals and 5 partners. This high ratio of partners to professional staff permits us to be extremely responsive to our clients while providing a quality product.

Our governmental audit staff consists of fifteen accountants, including three partners. Our experience in the industry and particularly with the water districts of California allows us to be quite certain of our staffing needs. Fieldwork will be completed by an audit partner or manager, with a staff accountant. Every staff accountant at Leaf & Cole, LLP has substantial special district experience. We believe that by assigning partners or managers who will participate in the fieldwork on the engagement, our clients receive the highest quality of service. Steven W. Northcote, the managing partner, has extensive experience with similar districts and devotes time as needed for planning, research and review.

Steven W. Northcote has successfully completed the American Institute of Certified Public Accountants, AICPA's Governmental Accounting and Auditing Certificate of Educational Achievement Program. This program includes reporting requirements for the Government Finance Officers Association Certificate of Achievement award. Michael J. Zizzi has attended the American Institute of Certified Public Accountant's national governmental and not-for-profit training program. Michael J. Zizzi has also received the Certificate of Professional Development from the Government Finance Officers Association of the United States and Canada. This program includes the reporting requirements for the Government Finance Officers Association Certificate of Achievement Award. Leaf & Cole, LLP believes this type of continued education provides our governmental clients with the best quality of service available.

Leaf & Cole, LLP successfully completed a seventh peer review. This peer review did include specific examination of our governmental auditing practice. A copy of our most recent peer review report has been included in this proposal.

Leaf & Cole, LLP has not been the object of any disciplinary action in the entire history of the firm.

PARTNER AND SUPERVISORY STAFF QUALIFICATIONS

Effective and efficient client service depends upon the strength of the engagement team. We believe the key factors of that strength are the availability, responsiveness, experience and commitment of the team members. Leaf & Cole, LLP is committed to providing an exceptional level of service to all clients. We have outlined the qualifications and experience of the key personnel assigned to Otay Water District.

The quality of staff assigned to the job can most certainly be assured. All individuals mentioned in the following pages have been assigned to similar special district audits for several years. Since turnover of audit staff is one of the strongest objections voiced by auditees, we believe Leaf & Cole, LLP can offer a unique and beneficial continuity vital to a successful audit, by assigning partners and managers to play a significant role, in the fieldwork of the engagement.

STEVEN W. NORTHCOTE

MANAGING PARTNER

Education

San Diego State University, Bachelor of Science in Accounting, 1975.

Professional Organizations

American Institute of Certified Public Accountants, Licensed 1979.

Former Board Vice-Chairman, Finance Chairman and Director of the United Way of San Diego County.

Former Chairman of the Board, Treasurer and Director of the Combined Health Agencies of San Diego.

Former Officer and Director of the American Lung Association of San Diego and Imperial Counties.

Work Experience

Leaf & Cole, LLP (36 years).

Professional Experience

Director of the accounting and auditing department of Leaf & Cole, LLP which includes the preparation and review of compiled, reviewed and audited financial statements. Responsible for the firm's quality control and peer review functions.

Professional experience includes supervision and preparation of audited financial statements with a concentration in nonprofit organizations, governmental agencies and federally assisted housing projects. Extensive experience in the compliance with single audits in accordance with OMB Circular A-133 Audits of States, Local Governments and Nonprofit Organizations@.

Provides management advisory services to clients on topics such as governmental financing, taxation of nonprofit organizations and agreed-upon procedures.

Instructor for the Special District Board Management Institute which provides professional education for board members and managers of California Special Districts.

Continuing Education

Exceeds 120 hours during the past three years including the AICPA's National Governmental Training Program. Specific courses included Financial Accounting Standards Board Pronouncements (FASB), Governmental Accounting Standards Board Pronouncements (GASB) and Emerging Issues With the Office of Management and Budget (OMB).

Successful completion of both the AICPA's Governmental Accounting and Auditing and Nonprofit Accounting and Auditing Certificate of Educational Achievement Programs.

Special District Experience

Templeton Community Services District (20 years)
Rancho California Water District (16 years)
West and Central Basin Financing Authority (13 years)
Otay Water District (12 years)
Central Basin Municipal Water District (10 years)
West Basin Municipal Water District (10 Years)
Vallecitos Water District (9 years)
Padre Dam Municipal Water District (7 years)
Community Services District No. 88-3 of the Rancho California
Water District (7 years)
Santa Rosa Community Services District (7 years)
Joshua Basin Water District (7 years)
Pico Water District (7 years)
Trabuco Canyon Water District (6 years)
Arcade Water District (5 years)
Mesa Consolidated Water District (4 years)
Rainbow Municipal Water District (3 years)
Murrieta County Water District (3 years)
Amador Water Agency (3 years)
Orange County Water District (3 years)
Descanso Community Water District (2 years)
Riverview Water District (2 years)
Yorba Linda Water District (2 years)
Templeton Cemetery District (2 years)

MICHAEL J. ZIZZI

AUDIT PARTNER

Education

California Polytechnic University San Luis Obispo, Bachelor of Science in Accounting, 1986.

Professional Organizations

American Institute of Certified Public Accountants, Licensed 1990.

Work Experience

Leaf & Cole, LLP (22 years).

KPMG, Peat Marwick (3 years).

Professional Experience

Specializes in audits of special districts such as water and housing authorities and nonprofit organizations, including compliance with OMB Circular A-133 AAudits of States, Local Governments and Nonprofit Organizations@. Also has done extensive work for federally assisted real estate projects and small business auditing, accounting and consulting.

Responsible for the firm's quality control and peer review functions.

Instructor for the Special District Board Management Institute which provides professional education for board members and managers of California Special Districts.

Coordinates the calculating or rebateable arbitrage earnings for clients with bond offerings subject to the appropriate regulations.

Assists special districts in the gathering and preparation of data in bond offering documents.

Continuing Education

Exceeds 120 hours during the last three years including extensive concentration in the statements issued by the Governmental Accounting Standards Board (GASB), Analysis of U.S. General Accounting Office Government Auditing Standards (Yellow Book) and Statements of Auditing Standards issued by the American Institute of Certified Public Accountants.

MICHAEL J. ZIZZI

AUDIT PARTNER

Special District Experience

- De Luz Community Services District (18 years)
- Joshua Basin Water District (13 years)
- Pico Water District (9 years)
- Otay Water District (9 years)
- Encina Wastewater Authority (9 years)
- Valley Center Municipal Water District (9 years)
- Arcade Water District (8 years)
- South Coast Water District (8 years)
- Carmichael Water District (7 years)
- San Elijo Joint Powers Authority (7 years)
- Vallecitos Water District (6 years)
- Amador Water Agency (6 years)
- Santa Fe Irrigation District (6 years)
- Otay Water District (5 years)
- Rainbow Municipal Water District (5 years)
- Vista Irrigation District (5 years)
- Rancho California Water District (4 years)
- Community Service District No. 88-3 of the Rancho California Water District (4 years)
- Lake Arrowhead Community Services District (3 years)
- Fairbanks Ranch Community Services District (3 years)
- Descanso Water District (2 years)
- Southeast San Diego Redevelopment Agency (2 years)
- Trabuco Canyon Water District (2 years)
- Yorba Linda Water District (1 year)

JOSEPH D. SPENCE

AUDIT SENIOR

Education

University of California, Santa Barbara, Bachelor of Arts in Business Economics with an Emphasis in Accounting, 2007.

Professional Organizations

California Society of Certified Public Accountants.

American Institute of Certified Public Accountants, Licensed 2011.

Work Experience

Leaf & Cole, LLP (2 years)

Green, Hasson & Janks, LLP (4 years).

Professional Experience

Focuses on audits of special districts such as water and wastewater authorities, performing compliance testing for OMB Circular A-133 "Audits of States, Local Governments and Nonprofit Organizations".

Performs and presents a wide variety of financial audits and attestation services to management and Board of Directors including Government compliance testing, agreed upon procedures, forensic analysis and growth projections.

Coordinates phases of audit and reporting process with management to provide effective and efficient audit procedures while ensuring proper due diligence with scope and objectives at hand.

Continuing Education

Exceeds 100 hours during the last three years including the AICPA's national governmental and not-for-profit training program with an extensive concentration in Analysis of U.S. General Accounting Office Government Auditing Standards (Yellow Book) and Statements of Auditing Standards issued by the American Institute of Certified Public Accountants on compliance auditing applicable to governmental entities and other recipients of governmental financial assistance.

JOSEPH D. SPENCE

AUDIT SENIOR

Special District Experience

Lake Arrowhead Community Services District (2 years)

Carmichael Water District (2 years)

Encina Wastewater Authority (2 years)

San Elijo Joint Powers Authority (2 years)

De Luz Community Services District (2 years)

Southeast San Diego Redevelopment Agency (2 years)

Fairbanks Ranch Community Services District (2 years)

SIMILAR ENGAGEMENTS WITH OTHER SPECIAL DISTRICTS OR GOVERNMENT ENTITIES

Following is a detail of similar governmental engagements in the last five years:

- ***Santa Fe Irrigation District***

Jeanne Deaver - Administrative Manager
(858) 756-5970

Scope of Work - Audited Financial Statements and Agreed-Upon Procedures.

Date - June 30, 2007 to Present

Engagement Partner - Michael J. Zizzi

Total Hours - Audit 250 Hours, Other Engagements as Required

- ***Vista Irrigation District***

Eldon Boone - Director of Finance
(760) 597-3139

Scope of Work - Audited Basic Financial Statements under GASB Statement No. 34.

Engagement Partner - Michael J. Zizzi

Date - June 30, 2000 to 2004

- ***South Coast Water District***

Carolyn Rynda, Controller
(949) 499-4555 Ext. 3151

Scope of Work - Accounting Services for the Joint Regional Water Supply System.

Date - June 30, 2004 to Present

Engagement Partner - Michael J. Zizzi

Total Hours - Audit 150 Hours or as Needed

SIMILAR ENGAGEMENTS WITH OTHER SPECIAL DISTRICTS OR GOVERNMENT ENTITIES

- ***De Luz Community Services District***
Cher Ruzek, Office Administrator
(951)696-0060 Ext. 201

Scope of Work - Audited Financial Statements, State Controller's Report, Single Audit Reports.

Date - June 30, 1993 to Present

Engagement Partner - Michael J. Zizzi

Total Hours - Audit 160 Hours, Other Engagements as Required

- ***San Elijo Point Powers Authority***
Paul Kinkel, Finance Director
(760) 753-6203 Ext. 73

Scope of Work - Audited Financial Statements, State Controller's Report, Single Audit Reports.

Date - June 30, 2005 to Present

Engagement Partner - Michael J. Zizzi

Total Hours - Audit 120 Hours, Other Engagements as Required

SPECIFIC AUDIT APPROACH

Planning the Audit

Audit planning involves developing an overall strategy for the expected conduct and scope of the audit. The nature, extent and timing of planning will be based on our experience. In planning the audit we will consider, among other matters:

- a. Reviewing correspondence files, prior auditor's working papers, financial statements, annual budget reports, board of directors' minutes, permanent files and current year's budget.
- b. Discussing the type, scope and timing of the audit with management of the District and/or the board of directors.
- c. Discussing matters that may affect the audit with District personnel responsible for nonaccounting services.
- d. Considering the effect of applicable accounting and auditing pronouncements.
- e. Coordinating the assistance of District personnel in data preparation.
- f. Obtain from District personnel an understanding of internal control sufficient to plan the audit.

Audit Objectives

We will develop specific audit objectives for each material account balance or class of transactions listed below in the following broad categories:

- a. *Existence of Occurrence:*

Reported assets and liabilities actually existed at the balance sheet date and transactions reported in the statement of revenues, expenses and changes in net position actually occurred during the period covered.

- b. *Completeness:*

All transactions and accounts that should be included in the financial statements are included and there are no material undisclosed assets, liabilities or transactions.

- c. *Rights and Obligations:*

The District owns and has clear title to the assets, the liabilities and obligations of the District, and the District was actually a party to reported transactions.

- d. *Valuation or Allocation:*

The assets and liabilities are valued properly and the revenues and expenses are measured properly.

- e. *Presentation and Disclosure:*

The assets, liabilities, revenues and expenses are properly described and disclosed in the financial statements.

SPECIFIC AUDIT APPROACH

Audit Sampling

Sampling is one of the principal methods used to control audit risk. From a statistical sample we are able to quantify the risk that conclusions drawn are correct within a specified level of precision.

The Otay Water District has a multitude of transactions that could be sampled, however, not all populations are equally important. Therefore, we use a sampling approach that reasonably relates the extent of sampling to the audit risk involved. Our approach provides a method for assessing the principal sources of audit risk and deciding where sampling is needed and how much to do. Factors considered in this model include: the nature of audit procedures to be performed, the relative costs and benefits, and the potential for material error. Sample sizes are determined objectively and vary depending upon these factors. Sampling is used only where it is determined to be the most efficient way to meet the audit objectives.

Our tests of laws and regulations will be designed to test the laws and regulations that if not complied with could have a direct and material effect on the financial statements under audit. We will obtain information on the applicable laws and regulations from the District's management. We will review long-term debt covenants, and investment requirements from the California Government Code.

We will assess for each material requirement, the risk that material noncompliance could occur. This includes consideration and assessment of the internal control in place to assure compliance with laws and regulations. Based on the assessment we will design steps and procedures to test compliance with laws and regulations to provide reasonable assurance of detecting both unintentional and intentional instances of non-compliance that could have a material effect on the financial statements.

Internal Control

Our approach to internal control is to obtain an understanding of each of the components of internal control sufficient to plan the audit, by performing procedures to understand the design of controls relevant to an audit of the financial statements and whether they have been placed in operation. In obtaining this understanding we consider such things as materiality, our knowledge of the industry, and the complexity and sophistication of your operations and systems. This information is compiled, and our procedures are tailored specifically to your organization.

Experience With Computer System Controls

As a normal part of planning, Leaf & Cole, LLP considers the methods used to process accounting information because such methods influence the design of the internal control structure. In every audit, we determine the extent to which computer processing is used in significant accounting applications, as well as the complexity of that processing; as these may influence the nature timing and extent of audit procedures. In a computerized financial reporting system, the decision to obtain further understanding of computer controls is based on the degree of the client's dependence on the computer in its financial reporting system. If the client depends heavily on the computer in its financial reporting system, such as the computer initiating transactions or accounting entries or the computer processes and controls substantially all of the information in one or more significant applications with little user involvement, then we would need to obtain a further understanding of the computer controls.

Analytical Procedures

Analytical procedures are but one of many financial audit processes which help us to understand your organization and changes to your organization as well as help us identify potential risk areas and to plan other audit procedures. Analytical procedures are used as substantive tests whenever appropriate as determined by auditor judgment.

SPECIFIC AUDIT APPROACH

Audit and Analytical Procedures

In designing our audit program we need to select audit procedures necessary to achieve the specified objectives developed above. Factors that influence the procedures to be implemented, include the nature and materiality of the account, the reliance on internal accounting controls and the expected effectiveness of possible audit procedures. A representative listing of audit procedures, their description and an example of their use follows:

<u>Procedure</u>	<u>Description</u>	<u>Examples</u>
Physical Examination	Identification of an item's quantity and sometimes its quality.	Tests counts of inventory, cash count, securities count, fixed assets count.
Confirmation	Correspondence directly with independent parties outside the District.	Confirming accounts receivable, standard bank confirmations, notes payable and attorney's letters.
Vouching	Inspection of documents that support recorded transactions or amounts.	Agreeing recorded transactions with billing documents for revenues and invoices for disbursements.
Tracing	Tracing source documents to the amounts in the accounting records.	Tracing vendor invoices to recorded disbursements in the accounting records.
Reperformance	Auditor repetition of client routines such as calculating and bookkeeping functions.	Determining that journal entries have been posted to the proper accounts, re-computing client depreciation calculations.
Scanning	A visual scrutiny of accounting records, reports and schedules to detect unusual items or inconsistencies.	Scanning the charges to the repairs expense account for capital items.
Inquiry	Questioning management and employees (response to which may be oral or written).	Obtain a client representation letter, determining work order status.
Inspection	Looking at documents in other than vouching or tracing procedures.	Inspection of notes, contracts, insurance policies, leases and board minutes.
Analytical Procedures	Systematical analysis and comparison of relationships among absolute amounts, trends and ratios.	Comparing sales with budget and prior years.
Observation	Visually reviewing client activities or locations.	Observation of bookkeeping routines, tour of facilities, etc.

SPECIFIC AUDIT APPROACH

Scope of the Audit

The audit of the District will be divided into separate and distinct phases. Preliminary fieldwork, the first phase, will be conducted by an audit manager and staff accountant and will take place at a mutually agreed-upon time prior to or near year end and will consist of the following areas:

- a. Internal control
- b. Cash disbursements and purchases
- c. Cash receipts
- d. Payroll
- e. Capital assets
- f. Noncurrent liabilities

Next, year-end cutoff of selected accounts is a short but important step. Cash and investment cutoff, capital assets and inventory observation (if material), and purchase and sales cutoff should be completed by June 30 to adequately insure a proper cutoff of transactions.

The fieldwork phase of an audit is the most comprehensive and time consuming portion of the audit. Leaf & Cole, LLP would begin fieldwork promptly upon completion of the District's June 30, 2013 financial statements (currently anticipated to be August 25, 2014). During this phase our work will include the following accounts:

- a. Completion of testing started in June
- b. Cash and investments
- c. Accounts receivable
- d. Water sales
- e. Taxes and availability charges
- f. Accrued interest receivable
- g. Prepaid expenses
- h. Inventory
- i. Restricted assets
- j. Other noncurrent assets such as the net OPEB asset
- k. Accounts payable
- l. Accrued payroll and other liabilities
- m. Accrued interest payable
- n. Customer deposits
- o. Unearned revenue
- p. Payable from restricted assets (if any)
- q. Noncurrent liabilities, including general obligation bonds, COP's and revenue bonds
- r. Contributed capital
- s. Net position
- t. Revenues and expenses

In preparation of the supporting documentation, it is anticipated that the District will supply a supporting schedule for each and every balance sheet account and, where applicable, one that rolls forward from the previous year.

Preparing the financial statements and issuing the report are the final product of an audit engagement. Although these steps are the last to be completed, they are evolving throughout the entire audit engagement. Based on the work schedule discussed above, Leaf & Cole, LLP will provide the District with a draft independent auditor's report in sufficient time to present the final draft at the October 20, 2014 meeting of the audit committee.

Identification of Anticipated Potential Audit Problems

Leaf & Cole, LLP anticipates no potential problems in completing the 2014 audit. However, the District should be prepared to implement GASB Statement No. 68 "Accounting and Financial Reporting for Pensions.

APPENDIX C

PROPOSER GUARANTEES

- I. The Proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.

Signature of Official: 

Name (Typed): Michael J. Zizzi

Title: Partner

Firm: Leaf & Cole, LLP

Date: November 4, 2013

APPENDIX D

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of California laws with respect to foreign (non-state of California) corporations.
- B. Proposer warrants that it is willing and able to provide proof of insurance covering the following areas: 1) general liability; 2) worker's compensation; 3) errors and omissions providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the District.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official:



Name (Typed):

Michael J. Zizzi

Title:

Partner

Firm:

Leaf & Cole, LLP

Date:

November 4, 2013

CHIANG, HAMMON & COMPANY
Certified Public Accountants
2007 W. Hedding Street, Suite 209 San Jose, CA 95128
(408) 244-2002 (408) 244-2333 Fax

System Review Report

December 23, 2011

To the Partners Leaf & Cole, LLP
and the Peer Review Committee of the CalCPA

We have reviewed the system of quality control for the accounting and auditing practice of Leaf & Cole, LLP in effect for the year ended June 30, 2011. Our peer review was conducted in accordance with the Standards for Performing and reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards and Employee Benefit Plans*;

In our opinion, the system of quality control for the accounting and auditing practice of Leaf & Cole, LLP in effect for the year ended June 30, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of conforming with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Leaf & Cole, LLP has received a peer review rating of *pass*.


Chris Hammon & Company

***SEALED DOLLAR COST BID PROPOSAL FOR
OTAY WATER DISTRICT
FOR PROFESSIONAL AUDITING SERVICES FOR THE
FISCAL YEAR ENDING JUNE 30, 2014***

PREPARED BY

LEAF & COLE, LLP

CERTIFIED PUBLIC ACCOUNTANTS

CONTACT PARTNER

MICHAEL J. ZIZZI
2810 CAMINO DEL RIO SOUTH, SUITE 200
SAN DIEGO, CALIFORNIA 92108
(619) 294-7200
mjzizzi@leaf-cole.com

November 4, 2013



Leaf & Cole, LLP
Certified Public Accountants



Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

Steven W. Northcote, C.P.A.
Michael S. Schreiberman, C.P.A.
Michael J. Zizzi, C.P.A.
Julie A. Firl, C.P.A.
Nicholas M. Gines, C.P.A.

Members
American Institute of Certified Public Accountants
California Society of Certified Public Accountants

November 4, 2013

To the Board of Directors
Otay Water District

Leaf & Cole, LLP's fees are based on the estimated time spent on the engagement and the billing rates of the individuals assigned. We have strong credentials in the special district industry. Based on our experience with other special districts, our total all-inclusive maximum price for the 2014 engagement is \$34,300. Our fees for the additional services would be billed at our standard hourly rates. Fees in future years would be adjusted to reflect changes in the Consumer Price Index, currently estimated to be 3%

Michael J. Zizzi is entitled to represent Leaf & Cole, LLP, empowered to submit the proposal, and authorized to sign the contract with Otay Water District.

Very truly yours,

LEAF & COLE, LLP

Michael J. Zizzi

APPENDIX E

**SWCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE JUNE 30, 2014 FINANCIAL STATEMENTS
GENERAL PURPOSE FINANCIAL STATEMENTS, AGREED UPON PROCEDURES
AND CAFR REVIEW**

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	45	220	\$ 220	\$ 9,900
Managers	135	120	120	16,200
Staff	90	90	90	8,100
Word Processing	40	70	70	2,800
Subtotal				<u>37,000</u>
Professional Discount				<u>(3,700)</u>
Total All-inclusive Cost for 2014, Audit				<u>\$ 33,300</u>

APPENDIX E

**SWCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE JUNE 30, 2014 FINANCIAL STATEMENTS
SUPPORTING SCHEDULE FOR STATE CONTROLLER'S REPORT**

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	1	220	\$ 220	\$ 220
Managers	3	120	120	360
Staff	4	90	90	360
Subtotal				<u>940</u>
Word Processing				<u>60</u>
Total price for State Controller's Report				<u><u>\$ 1,000</u></u>

MOSS ADAMS LLP

Certified Public Accountants | Business Consultants

Acumen. Agility. Answers.



Date: November 4, 2013

PROPOSAL FOR
Otay Water District

Prepared by:

Olga Darlington, CPA, Senior Manager

Julie Desimone, CPA, Partner

Moss Adams LLP

9665 Granite Ridge Drive, Suite 600

San Diego, CA 92123

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November 1, 2013

Otay Water District
Kevin Koeppen, Finance Manager
2554 Sweetwater Springs Boulevard
Spring Valley, CA 91978-2004

Dear Mr. Koeppen:

We are pleased to present this proposal for external audit services to the Otay Water District (“the District”) for the fiscal year ending June 30, 2014, with the possible option of auditing its financial statements for each of the four subsequent fiscal years. We believe our qualifications in serving utility entities are unmatched by any other firm, and we encourage you to contact our existing clients to discuss our capabilities. Moss Adams offers the following to the District:

- **Deep specialty in serving municipal-owned utilities.** Moss Adams is committed to serving municipal water utilities and governmental entities. We serve as independent auditor to many governments and municipal utilities, including the Southern California Public Power Authority, Imperial Irrigation District, Transmission Agency of Northern California, Northern California Power Agency, Seattle Public Utilities, Eugene Water & Electric Board, King County Water Quality Enterprise Fund, and City of Portland Water Fund. We understand Governmental Accounting Standards, the State of California reporting standards, and the accounting and operational issues facing the District.
- **Commitment to communication and on time delivery.** We will meet with the District management prior to the start of the audit to determine the most effective communication method for the District, and we are committed to maintaining a high level of communication throughout the audit period and meeting your deadlines.
- **A strong local presence.** The staff on our service team for the District are all local to this region. We have a strong presence in this industry group and a “deep bench” of experience.

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The following proposal is a firm and irrevocable offer until March 4, 2014 (120days). We hope this proposal expresses our enthusiasm and desire to provide services to Otay Water District. We are confident that you will be pleased with our industry strength and business insights. We welcome any questions you may have about this proposal and thank you again for your consideration of Moss Adams.

Sincerely,



Olga Darlington, CPA, Senior Manager
For Moss Adams LLP
425-551-5712
Olga.Darlington@mossadams.com



Julie Desimone, CPA, Partner
For Moss Adams LLP
503-478-2101
Julie.Desimone@mossadams.com

INDEPENDENCE AND LICENSING

OUR FIRM'S INDEPENDENCE

Moss Adams has always worked to embody the highest ethical standards, and we demonstrate our commitment to such standards daily. As an independent audit firm properly licensed for public practice, Moss Adams meets the independence standards as defined by Generally Accepted Auditing Standards and the U.S. Government Accountability Office.

Prior to accepting a client relationship with the District, we will conclude our initial review of independence. This review will include a circularization through the firm to ensure that there are no circumstances that might impair our independence. To ensure that we maintain our independence of the District, we will formally reassess our independence every year.

Additionally, every year, each partner and client service staff, including associates and interns, is required upon initial employment and annually to acknowledge his or her independence with respect to our clients. The Independence Compliance Representation is focused on the independence of the individual, and is designed to result in personal representations about matters that may impair independence. In this way, we routinely monitor our firm's independence from our attest clients.

We welcome any questions you may have regarding our review of independence.

RELATIONSHIPS WITH THE DISTRICT

At this time, we are not aware of any relationships our firm has had involving the District for the past five (5) years.

FIRM LICENSING – CALIFORNIA

With offices in San Francisco, Silicon Valley, Los Angeles, Woodland Hills, San Diego, Sacramento, Stockton, Santa Rosa, and Irvine, Moss Adams LLP is duly licensed to practice public accountancy in the state of California. All members of the audit team who reside in California are individually licensed in California. All members of the audit team who do not reside in California are duly licensed in their state of residence and have appropriate designation to practice in California. All team members proposed are full-time employees.

Our firm's California State License number is 4524.

FIRM QUALIFICATIONS AND EXPERIENCE

Firm Background

Moss Adams LLP provides accounting, tax, and consulting services to public and private middle-market enterprises in many different industries. Founded in 1913 and headquartered in Seattle, Moss Adams has 22 locations in Washington, Oregon, California, Arizona, New Mexico, and Kansas.

Our assurance services include audits, accounting, internal controls, business risk management, royalty compliance, and employee benefit plans. Our tax services include federal, state, and local tax planning and compliance; international tax planning and compliance; cost segregation; and research and development tax credits. We also provide consulting and advisory services for mergers and acquisitions, corporate finance, valuations, business owner succession, business planning, litigation and forensic accounting, information technology integration and reviews, and compensation.

We offer additional services such as investment banking and asset management by drawing on our two affiliate companies, Moss Adams Capital LLC and Moss Adams Wealth Advisors LLC.

Moss Adams is one of the 15 largest accounting and consulting firms in the United States. Our staff of more than 2,000 includes approximately 265 partners. Moss Adams is also a founding member of Praxity, AISBL, a global alliance of independent accounting firms providing clients with local expertise in the major markets of North America, South America, Europe, and Asia.

MOSS ADAMS LLP

by the numbers

16,510 clients across the nation

100 years in business	33 industries served	344 million dollars in revenue
265 partners	4.8 staff to partner ratio	96 countries served*

Data as of 10/2013 | *Through Praxity, AISBL

MOSS ADAMS LLP **100** THAT COUNTS 1913-2013 years

MUNICIPAL WATER UTILITY EXPERIENCE

Our Energy and Utility Practice is focused on delivering high-level accounting, tax, and consulting services for municipal water, wastewater, solid waste utilities, and public power generation, transmission, and distribution markets. We currently serve public utility districts, municipal entities, mutual corporations, joint powers entities, independent power producers, and cooperative organizations in California, Washington, Oregon, Hawaii, Idaho, Alaska, Arizona, and New Mexico.

Our utility practice professionals are well versed in the issues pertaining to municipal water utilities such as GASB 62 Regulatory Assets and Liabilities (formerly known as SFAS 71); environmental remediation liabilities; large construction projects of infrastructure and the related issues such as construction in progress accounting, classification and tracking, capitalized interest, application of overhead, and depreciation; and bond-related accounts such as arbitrage liability, debt defeasance and refundings, and covenant compliance. Virtually all of our large public utilities face similar issues. We'll provide the District with a dedicated team of utility specialists on your engagement that is up-to-speed on all the latest trends and occurrences in your industry.

In addition to our core audit and tax services, our Moss Adams Advisory Services consulting group offers information technology, business feasibility, rate work, restructuring and workflow design, performance audits, and strategic planning. Clients include public utility districts, regional utility planning associations, and cooperatives.

Below is a representative sampling of our water utility clients:

Partial List of Moss Adams' Water Utility Clients	
• City of McMinnville Water & Light	• Imperial Irrigation District
• City of Portland–Water Fund	• King County Metro Water Quality Fund
• City of Riverside Public Utilities	• Klickitat County Public Utility District
• City of Seattle Public Utilities	• Pend Oreille County Public Utility District
• City of Tacoma Public Utilities	• Southern California Public Power Authority
• Clark County Public Utilities	• Springfield Utility Board
• Eugene Water and Electric Board	• Truckee Donner Public Utility District
• Firgrove Mutual Inc.	• Tualatin Valley Water District



EXPERIENCE WITH GOVERNMENT ORGANIZATIONS

Our Government, Not-for-Profit & Regulated Entities Group is a firm-wide team of more than 200 professionals, the vast majority of whom specialize primarily—if not exclusively—in serving governmental entities.

Our robust and ever-growing Government Audit and Accounting Service Practice offers experienced partners and senior managers who lead audit engagements for state agencies, cities and counties, special purpose governments, public retirement funds, and others. Listed below is a summary of our experience with governments:

Service	Our Experience
Audits of Financial Statements & CAFRs / Management Recommendation Letters	Over 1,100 tax-exempt organizations, including more than 200 governmental entities
OMB Circular A-133 Audit	Over 2,200 Single Audits conducted for clients since 1997
Audits of Bond Funds, expertise with tax-exempt municipal debt	Audit numerous entities in several states, including many cities, ports and airports, counties, and universities that issue bonds
GFOA Certificate of Excellence in Financial Reporting program	We have assisted all our clients involved in the CAFR program, including City of Riverside, City of Portland, and Port of Seattle
Implementation of Governmental Accounting Standards Board (GASB) Pronouncements	We have assisted many of our clients with early implementation of new accounting standards, including GASB Statement No. 45, 49, 51, 60, 61, 62, and 63. We are not recommending that our clients early implement GASB No. 68, because as a result of our national involvement, we are aware of the significant implementation concerns that will be faced first by State pension systems, and it is not likely they will be able to provide all the information necessary for individual employers that will be required for them to successfully implement GASB No. 68.



Our Involvement in the Industry

The firm is a member of the American Institute of Certified Public Accountants (AICPA)'s Government Audit Quality Center (GAQC). The GAQC is responsible for assisting practitioners nationwide in delivering the highest quality governmental audits. One of our partners, Erica Forhan, is an executive member of the GAQC's steering committee. Other Moss Adams partners served in this role from 2006 to 2012.

Jim Lanzarotta, national leader of our City and State Government Practice, recently accepted an appointment to the Financial Accounting Foundation's Government Accounting Standards Advisory Council (GASAC) as the AICPA representative responsible for working with GASB on setting their agenda, and providing feedback on all proposed standards. In addition, Jim just completed six years as a member and chair of the AICPA State & Local Government Expert Panel (SLG Panel), which is responsible for working with the GASB, Auditing Standards Board, and Government Accountability Office (GAO) on proposed governmental accounting and auditing issues. It is responsible for discussing all proposed governmental accounting and auditing standards, as well as other current practice issues, and provides feedback to the GASB and the GAO.

Another national policy-setting entity we have been affiliated with is the Government Finance Officers Association (GFOA). Laurie Tish, leader of our firm's Government, Not-for-Profit & Regulated Entities Group, currently serves as a special technical reviewer of the Comprehensive Annual Financial Reports Certificate of Excellence in Financial Reporting for the GFOA and also serves on the GASB Recognition and Measurement Task Force. Two of your other proposed service team members, Julie Desimone and Olga Darlington, also currently serve on the GFOA Special Review Committee as technical reviewers.

Jeff Bridgens, a senior manager, recently completed a two-year term with the GASB as a Practice Fellow. While at GASB, he was responsible for research, writing, and presentation of accounting and financial reporting issues for the board's consideration of incorporating into authoritative guidance for state and local governments.

Expertise with Municipal Debt

As a nationally recognized firm, we are accustomed to addressing issues pertaining to the capital markets and, specifically, the tax-exempt bond market. We have extensive local experience assisting our clients with tax-exempt and municipal bond offerings, and with the audit and accounting issues related to the tax-exempt debt. Issues pertaining to tax-exempt bonds have become increasingly complex in recent years and include such items as arbitrage liability, debt defeasance and refundings, conduit debt disclosure and reporting, interest rate swaps on variable

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rate debt, testing of covenant compliance, and capitalized interest, just to name a few. A significant number of our government clients hold more than \$1 billion in municipal debt.

The professionals who will serve the District are intimately familiar with these issues and continually receive technical updates and education on these complicated topics. Many of our partners and senior managers, including those on your service team, are nationally recognized speakers, instructors, and practitioners in this specific area.

A-133 AUDIT EXPERIENCE

Moss Adams is an experienced firm in conducting audits in accordance with the Single Audit Act and Office of Management and Budget (OMB) Circular A-133 (A-133 Audit). According to the U.S. Census Bureau's Single Audit Database, as of 2012 we had performed more than 2,240 A-133 Audits for our clients in the last 16 years. The vast majority of these audits have been conducted by the 200-plus members of our firm-wide Government, Not-for-Profit & Regulated Entities Group, which includes all of the members of the audit team that would be serving you.

A Firm Highly Experienced With A-133 Audits

The table below shows the number of A-133 audits conducted by our firm since 1997 (the year the federal government began record keeping of these audits). This information can be found on the Web at the Single Audit Database: <http://harvester.census.gov/sac>.

Fiscal Year	Single Audits Conducted	Total Federal Expenditures Audited
1997–2004	1,038	\$10.7 billion
2005	146	\$2.6 billion
2006	153	\$5.5 billion
2007	142	\$5.7 billion
2008	138	\$8.9 billion
2009	140	\$9.5 billion
2010	156	\$11.5 billion
2011	173	\$12.1 billion
2012*	158	\$6.9 billion (reported to date)
16-Year Total	2,244	\$73.4 billion

*as of July 31, 2013

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Our professionals have conducted A-133 Audits for many types of organizations and program types. This makes them well-suited to anticipate and solve potential problems and complete these audits in a timely manner.

OUR LOCAL OFFICE AND ENGAGEMENT TEAM STAFFING PLANS

We plan to staff your engagement with one partner, one senior manager, one senior, and one staff—all of whom will be involved with the audit on a full-time basis and have governmental audit experience. You can read about key members of your engagement team in the “Partner, Supervisory, and Staff Qualifications and Experience” section of this proposal.

Our San Diego office will be the primary office dedicated to your engagement; however, because we have a “firm without walls” philosophy, we are pulling in technical professionals from other locations who have expertise in the governmental utility industry. The San Diego office is home to 48 professionals who provide a variety of services within the business assurance, tax, and consulting areas. We serve many industries and service groups, specializing in not-for-profits, governments, higher education, manufacturing and distribution, technology, construction, real estate, and auto dealers.

PEER REVIEW

Moss Adams participates in the AICPA Peer Review Program, as administered by the AICPA National Peer Review Committee. Through the peer review program, our system of quality control over the accounting and auditing practice applicable to non-SEC issuers is reviewed by another CPA firm every three years. We were first subject to a peer review under the AICPA Peer Review Program in 1980 and have been reviewed every third year since 1986. We do not maintain specific records of the engagements selected for review; however, every year, at least one (typically several) government audit has been selected for review. Since the inception of the AICPA’s Peer Review Program, we have always achieved a “pass” opinion. A full copy of our most recent report is provided in Appendix A of this proposal.

FEDERAL AND STATE DESK REVIEWS

Similar to other accounting firms that provide audit services to entities receiving government funds, Moss Adams’ work for such clients is occasionally subject to quality control reviews by applicable state and federal authorities. To date, none of these reviews have generated any adverse results, nor have there been any findings that would affect Moss Adams’ ability to provide the requested services.



DISCIPLINARY ACTION

As with any large firm, Moss Adams is occasionally involved in addressing legal and regulatory issues. However, no action, suit, proceeding, inquiry, or investigation before or by any court or federal, state, municipal, or other governmental authority is pending, or to our knowledge is threatened against Moss Adams, related to or which would have a material effect upon the services contemplated herein.

PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE



Julie Desimone, Business Assurance Partner and National Practice Leader for Energy and Utility Services

Role: Concurring Reviewer

Currently has designation to practice public accounting in California

Julie Desimone is a business assurance partner and national practice leader for Energy and Utility Services. Julie graduated from Washington State University with a Bachelor of Arts, Accounting in 2000 and since that time has been working in public accounting and serving utility entities. In addition to being a licensed certified public accountant, Julie has recently been appointed to serve on the Moss Adams Assurance Services Committee, is a member of the Washington State University Business Advisory Board, serves as an AICPA peer reviewer, and is a member of the American Institute of Certified Public Accountants and Washington Society of Certified Public Accountants. She is also a regular contributor of articles to the *NWPPA Bulletin* and a presenter for Northwest Public Power Authority courses on subjects including utility accounting and utility budgeting.

Julie is responsible for numerous audit engagements, and has performed many consulting projects and speaking engagements covering technical and operational issues. Some specific areas of her professional experience include advanced utility accounting and cooperative matters, technical auditing services including A-133, FERC chart of accounts, technical accounting issues, contracting issues, and internal control evaluation. In addition to her work in the energy and utility industry, Julie has extensive experience in retirement plan audits.

A representative list of the clients Julie continues to serve include Southern California Public Power Authority; Riverside Public Utilities; Tacoma Public Utilities; City of Portland – Water and Hydro Funds; McMinnville Water & Light; Public Utility District No. 1 of Clark County; and Eugene Water & Electric Board.

CPE: In the last three years Julie has completed in excess of the required continuing professional education necessary to maintain her license.



Olga A. Darlington, Business Assurance Senior Manager

Role: Engagement Senior Manager

Currently has designation to practice public accounting in California

Olga has practiced public accounting since 1997 and started with Moss Adams in 2005. Olga's practice includes audit and consulting projects of municipal utilities, transit agencies, and port districts. She manages all phases of complex assurance engagements, recognizes technical accounting issues, identifies alternatives for accounting treatment and reporting, and communicates resolutions with client personnel. She also has extensive experience leading large and complex A-133 audits. She is recognized for her technical expertise and has assisted many clients with implementation of new accounting standards.

Olga serves as a technical reviewer of the comprehensive annual financial reports for the Government Finance Officers Association. She also serves on the Government Accounting and Auditing Committee for the Washington Society of CPAs.

A representative list of the clients Olga continues to serve include Tacoma Public Utilities, Public Utility District No. 1 of Pend Oreille County, Northern California Power Agency, Firgrove Water Mutual, Inc., Public Utility District No. 1 of Clark County; and Eugene Water & Electric Board.

CPE: In the last three years, Olga has completed in excess of the required continuing professional education necessary to maintain her license.

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Matthew Dinsdale, CPA, Senior

Role: Engagement In-Charge

Currently is licensed to practice public accounting in California

Matt graduated from San Diego State University and has been in public accounting since 2008 and with Moss Adams LLP since 2010. His focus is providing assurance services to not-for-profit organizations, foundations, universities, research institutions, and government entities. He has significant experience conducting audits in accordance with Government Auditing Standards and the Single Audit Act, as well as providing assurance services for various types of employee benefit plans. Matt's experience includes working with universities such as University of San Diego, Vanguard University, Thomas Jefferson School of Law, and San Diego Jewish Academy, as well as research institutes such as Salk Institute, The J. David Gladstone Institute, and La Jolla Institute of Allergy and Immunology. Matt is a member of the American Institute of Certified Public Accountants and California Society of Certified Public Accountants.

CPE: In the last three years, Matthew has completed in excess of the required continuing professional education necessary to maintain his license.

Audit Staff

We will use audit staff from our San Diego office who are knowledgeable with respect to governmental accounting standards and municipal utilities.

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Quality Service and Staff

At Moss Adams, our goal is to hire and keep people who believe in, and demonstrate, a sincere passion for excellence in their work, and a deep commitment to interacting with every colleague and client with respect. This goal cannot be achieved without well-trained, highly motivated people who are continually challenged and growing in their professional abilities. We have improved our capacity and capabilities by becoming more effective at recruiting, performance feedback and coaching programs, retaining our best people, and training a new generation of leaders.



In recent years, we have made progress as demonstrated by an ever-increasing number of newly admitted partners who have spent many years at Moss Adams. Our firm values a balance between ambitious professional goals and a well-lived life. We know these values have helped us to retain quality staff, and make us different from other firms.

Engagement Team Continuity

Less turnover means less time wasted retraining a new engagement team and more time spent focusing on your day-to-day business during the audit. By keeping your audit team consistent from year to year, we can complete the audit more efficiently and in a timely manner because the team members already know the details of the District through their past experience.

Our policy is to not rotate staff from an engagement team unless absolutely necessary. Typically, this would happen because the staff member has left the firm or has elected to change his or her professional focus to a different industry group. Neither situation is very common, especially since we have a high retention rate. Below are retention statistics for our firm for the past three years:

Group	2012 Retention	2011 Retention	2010 Retention
Client Service Professionals	78.3%	80.4%	74.6%
Administrative Staff	81.8%	85.6%	85.5%

Audit team continuity is the hallmark of a stable and efficient audit firm and, with an overall retention rate averaging over 80 percent firm-wide over the past three years, we are in a strong position to maintain your engagement team continuity. Still, if it were to become necessary to change members of your engagement team, we pledge to:

- Discuss any changes with you first

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- Replace departing staff members with people of comparable skill and experience
- Take all the steps we can to lessen the change’s impact on you

Continuing Professional Education

At Moss Adams, we have a rigorous continuing education expectation in which staff members are regularly enrolled in programs to continuously stay on top of the latest technical updates while increasing their understanding of standards, policies, and trends in the industry. The required Continuing Professional Education (CPE) sessions hosted by our internal training and development team include the annual Government, Not-for-Profit & Regulated Entities Group conference featuring timely and relevant topics on audits of governments, not-for-profit organizations, higher education institutions, and other tax-exempt entities. These sessions have been presented by representatives from the AICPA, the GASB, the Financial Accounting Standards Board (FASB), the (GAO), and other standard-setting institutions.



Training and Development Topics	
Annual A-133 Audit Technical Update	Internal Controls
Annual FASB Update	International Operations, Taxes & Investments
Annual GASB Update	IRS Form 990 Changes and Amendments
Annual Yellow Book Update	National Single Audit Sampling Project
Auditing Alternative Investments	Not-for-Profit Tax Issues
Auditing Investments	OMB: Single Audit Update
Common Financial Reporting Deficiencies	Performance Auditing Overview
Compensation Reporting	Project Management
Consolidation for Related Entities	Quality Control and GA Standards
Employee Benefit Plans for Nonprofits	Risk Assessment Standards
Ethics	Sustainability
Executive Compensation	UPMIFA Review and Clarification
Fraud Investigation and Forensic Accounting	Yellowbook Updates

Our Energy and Utility Services Practice requires at least 16 hours of industry-specific training annually, as well as the required industry reading.



SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

The final measure of an accounting firm’s capability to deliver on its promises lies not in what is said in its proposal but in the testimony of the companies it has served. We encourage you to contact our references for feedback about the quality of service we provide and level of satisfaction. Each of these clients have been with Moss Adams for more than four years and receive similar services as those proposed to the District:

Client Name / Contact Information		
Relevant Funds	Scope of Work	Reference for
<ul style="list-style-type: none"> • Electric Fund • Water Fund 	<p>Imperial Irrigation District, California Greg Broeking, CFO; Ph: (760) 339-9304 Total staff hours: 500; Client since 2009</p> <ul style="list-style-type: none"> • Financial Audit • Internal Control Review • A-133 Single Audit • 401(a) Audit 	Julie Desimone
<ul style="list-style-type: none"> • Electric Fund • Water Fund • Sewer Fund • Solid Waste Fund 	<p>Tacoma Public Utilities Bill Gaines, Utility Director; Ph: (253) 502–8100 Total staff hours: 1,025; Client since 2003</p> <ul style="list-style-type: none"> • Financial statement audit • Agreed-upon procedures • Accounting training 	Julie Desimone Olga Darlington
<ul style="list-style-type: none"> • Water Fund 	<p>King County Metro Water Quality Fund Tim Aratani, Finance Manager; Ph: (206) 263-6565 Total staff hours: 800, Client since 2009</p> <ul style="list-style-type: none"> • Financial statement audit 	Olga Darlington
<ul style="list-style-type: none"> • Electric Fund • Renewable Energy Fund • Natural Gas Fund 	<p>Southern California Public Power Authority, California Therese Savery, CFO; Ph: (626) 793-9364 Total staff hours: 1,100; Client since 2005</p> <ul style="list-style-type: none"> • Financial audit • A-133 audit • General consulting • GASB training 	Julie Desimone

SPECIFIC AUDIT APPROACH

INTEGRATED AUDIT APPROACH

The District will benefit from our customized, risk-based audit approach that emphasizes a top-down approach and timely and effective communication and coordination of audit activities. With dedicated and ongoing involvement from our senior-level professionals, the audit will be planned and executed by an experienced team that understands your industry. During the audit, your Moss Adams audit partner will be in the field to review the work in progress and address any issues with management. This reduces time spent on post-audit procedures and wrap-up.

Our emphasis on tailoring an integrated audit to focus on the areas of significant risks allows us to complete the audit in an efficient and effective manner. Our audit will include the following:

- Plan the engagement based on a thorough understanding of your business risks and transactions
- Communicate and coordinate activities with management based on an agreed-upon timeline
- Conduct continuous audit procedures to increase efficiency and reduce the burden on your personnel at year-end
- Work with management to resolve any complex accounting or reporting issues as early as possible in the audit process
- Provide recommendations to management of areas for improvement

Segmentation

Service Segmentation	Partner	Senior Manager	Manager	Senior In-Charge	Staff	Total
Planning	2	3	5	10	8	28
Interim & Internal Controls Testing	1	8	13	20	34	76
Substantive Testing	2	18	20	42	48	130
Reporting	1	8	12	10	5	36
Agreed-Upon Procedures	1	2	5	0	7	15
State Controller Report	1	1	5	0	8	15
Total	8	40	60	82	110	300

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Sampling

We will select a sample of transactions in order to perform tests of your internal controls. Our sample sizes generally range from 3 walkthroughs for a low level of assurance to 75 for a high level of assurance with 3 deviations tolerated. Our most common approach for internal control testing is moderate assurance on controls with no expected deviations, which is a sample size of 18. For A-133 control testing, we use sample sizes that allow us to achieve a low control risk assessment, usually 25 to 40 items. For substantive compliance testing, we use the same sample sizes or alternatively use stratified testing or approaches. Sampling in other areas will be dependent on the results of control testing, evidence gained through substantive analytical procedures, and our ability to use automated tools to audit balances and/or transactions. Our general audit approach is to gain as much assurance from internal controls, analytical procedures, and directed testing. Our general audit process does not include a great degree of assurance on statistical sampling, although this will be dependent on the the District's internal controls and ability to produce financial information.

Analytical Procedures

As required, analytical procedures are conducted during the planning and final phases of the audit. In addition, we use analytical procedures in order to test several financial statement balances. In particular, we use analytical procedures in testing revenue and certain costs. For example, in the utility funds, we plan on evaluating your revenue and costs by customer and CCF. This is an efficient and effective means of obtaining audit evidence and providing useful feedback to management.

Internal Control Assessment

The main objective of this phase of testing is to assess the adequacy of the District's internal controls including financial, operational, and general computer controls. As required, we obtain an understanding of the design and implementation of the control environment; perform risk assessment; and test control activities, information, communication, and monitoring as appropriate. The results of these tests enable us to determine the number and level of substantive tests to use. This assessment includes:

- Obtain knowledge of the design and implementation of controls relevant to financial reporting and compliance with laws and regulations that have direct and material effect on determination of financial statement amounts.

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- Obtain copies of system, policy, and procedure documentation from various departments. We retain these copies in our permanent working paper files and update them annually.
- Our tests of internal controls will be conducted in the most efficient manner possible and combined into the work order/utility plant section as much as possible. For example, when testing additions to utility plant, we will incorporate tests of the payroll, accounts payable, purchasing, overhead, and capitalized interest systems.
- Our information technology audit specialists will evaluate general computer controls. General computer controls provide assurance that data and programs that process the data are protected from unauthorized modification and processed in accordance with management's intentions, and that confidentiality is maintained.

For a water district like Otay Water District, we would anticipate testing and obtaining some level of assurance from the following transaction cycles: cash management, customer billing and collections; disbursements and expenditures; payroll; workorder and utility plant; and budgeting and rate setting.

Any significant matters relating to the internal control structure that are noted during the audit will be communicated to management and will be included in our letter of recommendations that will be provided to the board and management at the completion of our audit.

Additionally, if we identify areas where controls could be strengthened or where we have seen other best practices with similar utilities, we will share these insights with management during the course of the audit.

Laws and Regulations

For State laws, we review the sections of the California Government Code, California Public Utilities Code, and California Administrative Code, as well as the applicable California statutes, public purchasing, local budget law, and certain other sections addressing fiscal matters. We supplement this with management inquiries and a review of internal controls in place for each program. Audit guides and practice aids from national and state accounting bodies are also reviewed.

Substantive Testing

The extent of substantive testing is dependent upon the results of our internal control assessment and testing. This testing includes tests of balances and/or transactions, confirmations, etc., and certain testing will be performed before year-end to ensure that we meet your delivery expectations.

In an audit for a utility like Otay Water District, we typically find it is efficient and effective to complete certain substantive procedures, principally confirming balances or activity with third parties, for certain account balances like cash, investments, bonds and notes payable, revenue, and derivative instruments. Additionally, we perform other substantive procedures, such as testing subsequent-year cash receipts and cash disbursements, to obtain evidence related to the existence and completeness of receivables, payables, and accrued balances. We would anticipate using a similar approach with Otay Water District, depending on our overall audit plan.

Identification of Anticipated Potential Audit Problems

Based on our previous audit experience with similar governmental audits, there may be potential problems relating to accounting consistency, record availability, other accounting audit trail difficulties, as well as resource issues. The following are a few examples:

Problem 1: Delays in obtaining “Provided By Client” lists in locating source documentation, or providing adequate assistance due to personnel shortages.

Solution 1: We train our personnel to always be polite and flexible in working with client personnel and to keep our management team apprised of any difficulties encountered that could potentially delay a project. Once we identify the need for additional assistance, we contact and work with the audit coordinator. Despite some delays, we have built flexibility into our schedule and have the ability to add personnel to complete the audit on time.

Problem 2: Project personnel needs fluctuate from low to high levels with little notice because of unforeseen project delays. For example, the audit identifies a control weakness that requires additional research and documentation.

Solution 2: We have experience where an audit area is delayed or postponed until additional support can be obtained. In these instances, we may shift work to other audit steps that were scheduled for a later date or reduce staffing levels temporarily, and then increase staffing when additional documentation is provided. To ensure quality work for each major audit area, we will assign a core management team (managers, seniors, and staff, as appropriate) to supervise, train, and provide timely review.

We understand that problems may arise or project needs may change. We believe that our audit approach, hands-on management team, internal quality control review procedures, and budget and milestone monitoring procedures allow us to properly plan and manage resources throughout each engagement to ensure that the most efficient means of contract execution are applied.



Management Letters

It is one of our own best practices to generate a comprehensive management letter communicating certain matters of concern to your leadership team. In it, we will highlight every point unless the matter is clearly inconsequential. Among the items we typically include are best practices to follow, exceptions we encountered during our testing, deficiencies in internal control that are not reportable conditions, immaterial violations of contracts or grant agreements, immaterial abuse, and recommended areas of improvement.



A TIMELY WORK PLAN

Audit Schedule	Proposed Timing
Auditor Transition	
Schedule to meet with your prior auditor to review their working papers.	March/April 2014
Audit Planning	
Meet with management for pre-audit planning, and to obtain an understanding of systems, internal controls, and current-year issues.	March/April 2014
Provide management with a detailed listing of items needed to perform the audit, including the timing of when items are needed.	March/April 2014
Audit Fieldwork	
Perform interim audit fieldwork and tests of internal controls.	May/June 2014
Send confirmations of cash, investment, and other accounts as deemed necessary.	May/June 2014
Perform substantive audit fieldwork.	August 25–29, 2014
Report Preparation	
Present draft of financial statements, audit report, and management letter to senior management.	September 3, 2014
Issuance of auditor and agreed-upon procedures reports.	October 3, 2014
Present financial statements, audit report, and management letter to the audit committee.	October 20, 2014
Board Communications	
Present final audit report, financial statements, and management letter to the board.	November 5, 2014

*This timeline is a tentative outline of the key milestones for your audit. It can be modified as appropriate to meet your needs.



Open, Timely, and Effective Communication

Part of the value we provide to your organization is a commitment to maintaining close and regular contact with you throughout the year. We're not once-a-year auditors who disappear for many months, only to return in time for the next audit. We're a constant resource for questions and advice, with a quick response time.

We want you to notice a superior level of service based on your expectations—not on our assumptions. From the initial transition to Moss Adams to routine phone calls about immediate issues of concern, we're hands-on partners with a bias for action. We won't keep you waiting or wondering. Instead, we'll take the lead in suggesting meetings with you, setting up training sessions with your internal accounting staff, and delivering presentations to management.

In addition, you require proactive communications about our engagement findings. We'll raise any issues as we find them, and not when it's too late for you to act on them. We'll also notify the District immediately of any emerging accounting, tax, and regulatory matters or concerns, further helping to ensure there are no surprises.

INSIGHTS AND RESOURCES

ONLINE PUBLICATIONS

Keeping you informed about changes in the financial landscape is one of our top priorities. We closely monitor regulatory agencies, participate in industry and technical forums, and write about a wide range of general as well as industry-specific accounting, tax, and business issues. The goal? To provide you with actionable information and guidance to help your organization succeed.



This information comes in three main forms:

- **Alert.** Time-sensitive news about accounting and regulatory changes e-mailed to you.
- **Insight.** The big picture on accounting and business topics delivered to your inbox.
- **Moss Adams Insights.** A roundup of articles, videos, and more on our free app for iOS and Android.

We also offer government-specific newsletters:



Government Finance Quarterly delivers updates on state and local government issues, webcasts, and Moss Adams–sponsored or –hosted events.

WEBCASTS

Continuing education is vitally important to us, and we’re happy to share our knowledge with you and your staff. We frequently offer a wide range of topical online seminars, many of which are archived and available on demand, allowing you to watch them on your schedule. Play, pause, or resume later—no log-in required.



Currently available on demand:

- Fraud: The Other Fringe Benefit
- Government Accounting, Auditing, and Regulatory Update
- Government Pension Standards
- Managing Cash Flow in a Difficult Economy



Visit www.mossadams.com/nfpeducation for dates and registration or for the on-demand versions.

The 2013 Government webcast series offers the following topics:

- AICPA State & Local Government Audit Guide review
- Annual Government A&A update
- Mobile computing
- Government pension standards

Other topics covered in the 2012 webcast series included:

- Cloud computing
- Construction audits
- Forensic accounting
- Performance audits

Seminars and Events

You'll be invited to attend a number of conferences and networking events presented by Moss Adams and distinguished guest speakers. Our events are an opportunity for you and your staff to meet our professionals, share best practices with industry peers, and earn CPE.

Upcoming events:

In 2013, professionals from our Government Practice have and will participate in the following events:

- AICPA Governmental A&A conference
- AICPA Governmental and Not-for-Profit Training Program
- AICPA National Governmental A&A Update conference
- American Public Power Association Business and Financial Conference
- Association of Government Accountants – local chapters
- GFOA annual conference

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CONNECT WITH US

We offer a variety of fast and easy ways to help you stay up to date on accounting topics, events, webcasts, and more, right from your PC, tablet, or smartphone:



Like us on Facebook to stay informed about events, seminars, webcasts, and more:
www.facebook.com/mossadamsllp



We frequently tweet about events, regulatory changes, and more.
Follow us: @Moss_Adams



Connect with our firm and our people on the world's largest professional network:
www.linkedin.com/company/moss-adams-llp



Get the latest insights, resources, and event announcements from Moss Adams, delivered right to your inbox: www.mossadams.com/subscribe



Insights, resources, and more, available through your RSS reader:
www.mossadams.com/RSS



Watch educational whiteboard sessions, webcasts, and other informative videos:
<http://www.youtube.com/mossadamsllp>



Your phone may be smart, but does it have Insights? Read articles, watch videos, and more on our free app for iOS and Android: <http://www.mossadams.com/app>

EXHIBIT A

PEER REVIEW



System Review Report

To the Partners of MOSS ADAMS LLP
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of MOSS ADAMS LLP (the Firm) applicable to non-SEC issuers in effect for the year ended April 30, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*; audits of employee benefit plans, audits of carrying broker dealers and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of MOSS ADAMS LLP applicable to non-SEC issuers in effect for the year April 30, 2011, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. MOSS ADAMS LLP has received a peer review rating of *pass*.

Clifton Gunderson LLP

August 26, 2011

10700 Research Dr., Suite 200
Milwaukee, Wisconsin 53226
tel: 414.476.1880
fax: 414.476.7286

www.cliftoncpa.com



Peer Review Report (Cont.)



AICPA Peer Review Program
Administered by the
National Peer Review Committee

September 15, 2011

Rick J Anderson, CPA
Moss Adams LLP
999 3rd Ave Ste 3300
Seattle, WA 98104

Dear Mr. Anderson:

It is my pleasure to notify you that on September 14, 2011 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is October 31, 2014. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,



Betty Jo Charles
Chair—NPRC
nprc@aicpa.org 919 402-4502

cc: Scott Tracy, CPA

Firm Number: 10050024 Review Number: 321877

American Institute of Certified Public Accountants
220 Leigh Farm Road, Durham, NC 27707 • (919) 402-4500 • fax (919) 402-4505 • www.aicpa.org
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EXHIBIT B

RFP APPENDIX C

APPENDIX C

PROPOSER GUARANTEES

- I. The Proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.

Signature of Official: 

Name (typed): Julie Desimone

Title: Partner

Firm: Moss Adams LLP

Date: November 4, 2013

RFP APPENDIX D

APPENDIX D

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of California laws with respect to foreign (non-state of California) corporations.
- B. Proposer warrants that it is willing and able to provide proof of insurance covering the following areas: 1) general liability; 2) worker's compensation; 3) errors and omissions providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the District.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: 

Name (typed): Julie Desimone

Title: Partner

Firm: Moss Adams LLP

Date: November 4, 2013

RFP APPENDIX F

APPENDIX F

FORMATION OF CONTRACT; ADDITIONAL CONTRACT PROVISIONS

1. This Request for Proposal (RFP), together with proposer’s signed offer (Proposal) and the Otay Water District’s written acceptance thereof, including any contract provisions approved by the parties pursuant to subsequent negotiations, if any, shall constitute a binding contract (collective, the “Contract”). The Contract shall only be amended or modified annually, upon approval by the District of an updated Appendix E or pursuant to a written amendment signed by both parties.

2. Conflict of Interest
 - a. Auditor has received and reviewed a copy of the District’s Conflict of Interest Code (the “COI”), set forth under Division I, Chapter 5, Section 6 of the District’s Code of Ordinance. Auditor understands that, to the extent it (i) conducts research and arrives at conclusions concerning advice, recommendations or information independently from the District; and (ii) renders information, advice, recommendations or counsel to the District, it may be required to file a disclosure statement in accordance with the COI.

 - b. No officer or employee of the District shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his or her financial interest or the financial interest of any corporation, partnership or association in which he or she has a financial interest if such participation would be in violation of any State statute or regulation.

 - c. Auditor, its officers, managers, related entities, affiliates, business associates, and their respective relatives or living trusts or other similar entities or persons (each, a “Related Person”) shall avoid any relationship with District or any contractor of District that constitutes or may constitute a conflict of interest in connection with services provided under this Agreement.

 - d. Prior to entering into this Agreement and during the term, Auditor shall have a duty to disclose to the District any and all circumstances that pose an actual or potential conflict of interest.

 - e. Auditor shall not obtain for itself or any Related Person any financial gain from the services other than as specified in this Agreement. Auditor represents that neither Auditor nor any Related Person has an existing financial interest and that neither will acquire any such interest, direct or indirect, that conflicts in any manner or degree with the performance of services required under this Agreement and that no person having any such interest shall be subcontracted in connection

RFP Appendix F (continued)

with this agreement, or employed by Auditor. Auditor shall not enter into this Agreement if such a conflict of interests exists at present.

- f. If an actual or potential conflict of interest issue arises, Auditor agrees to fully cooperate in any inquiry and to provide the District with all documents or other information reasonably necessary to enable the District to determine whether or not a conflict of interest existed or exists.
 - g. Auditor shall not conduct or solicit any non-District business while on District property or time.
 - h. Failure to comply with the provisions of this section shall constitute grounds for immediate termination of this Agreement, in addition to whatever other remedies the District may have.
3. The Contract shall be interpreted and enforced pursuant to the laws of the State of California, without regard to any conflict of laws principles. Disputes which cannot be resolved by mutual agreement or by the terms and condition of this Contract shall be resolved by a court of competent jurisdiction in the County of San Diego, State of California.

Signature of Official: 

Name (typed): Julie Desimone

Title: Partner

Firm: Moss Adams LLP

Date: November 4, 2013

MOSS ADAMS LLP

Certified Public Accountants | Business Consultants

Acumen. Agility. Answers.



SEALED COST SUBMITTAL
Otay Water District
For Professional Auditing Services

Prepared by:

Olga Darlington, Senior Manager

Julie Desimone, Partner

Moss Adams LLP

9665 Granite Ridge Drive, Suite 600

San Diego, CA 92123

MOSS ADAMS_{LLP}

November 1, 2013

Otay Water District
Kevin Koeppen, Finance Manager
2554 Sweetwater Springs Boulevard
Spring Valley, CA 91978-2004

Dear Mr. Koeppen:

I, Julie Desimone, am entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the District.

Moss Adams is committed to competitive fees that are commensurate with the experience and necessary level of service described in this proposal. At all times, we want you to feel that the dollars you spend for our professional services bring you exceptional value.

Our fees are based upon our assessment of the audit scope, our knowledge of the industry issues, the risks inherent in your business, and the effort required to complete a thorough audit. Based on our understanding of your service needs and the nature of your operations we have prepared the following fee estimate.

The total all-inclusive maximum price for the 2014 engagement is \$48,254.

We acknowledge that changing auditors can be disruptive to your staff's routine, since a new audit team needs to spend time learning your systems. Because of this assimilation period, fees associated with the first year with a new audit firm tend to be higher than normal. We have absorbed the first-year start-up costs of our fee estimate.

Thank you for your consideration.

Sincerely,



Olga Darlington, CPA, Senior Manager
For Moss Adams LLP
425-551-5712
Olga.Darlington@mossadams.com



Julie Desimone, CPA, Partner
For Moss Adams LLP
503-478-2101
Julie.Desimone@mossadams.com



RATES BY PARTNER, SPECIALIST, AND SUPERVISORY STAFF

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE JUNE 30, 2014, FINANCIAL STATEMENTS

GENERAL PURPOSE FINANCIAL STATEMENTS, AGREED-UPON PROCEDURES & CAFR REVIEW

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partner	7	425	288	2,016
Senior Manager	39	335	228	8,892
Manager	55	250	170	9,350
Senior	82	185	125	10,250
Staff	102	160	108	11,016
Subtotal	285			\$41,524

SUPPORTING SCHEDULE FOR STATE CONTROLLER'S REPORT

	Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partner	1	425	288	288
Senior Manager	1	335	228	228
Manager	5	250	170	850
Staff	8	160	108	864
Subtotal	15			\$2,230

Any costs incurred by us to become acquainted with the systems, records, and procedures will be borne by Moss Adams because we consider these costs to be an investment in our clients.

Out-of-Pocket Expenses: Estimated not-to-exceed \$4,500

Meals and lodging: Most of the audit team will be coming from our San Diego office, so we will have limited lodging costs.

Transportation: Most of the audit team will be coming from our San Diego office, so the transportation costs will be limited to mileage and parking.

Other (specify): Our out-of-pocket expenses are billed using per diem rates.



ADDITIONAL INFORMATION

Year Round Service

Part of the value we provide to your business is a commitment to maintaining close and regular contact with you throughout the year. We’re not once-a-year auditors who disappear for many months, only to return in time for the next audit. We’re a constant resource for questions and advice, with a quick response time. Our policy is to not charge for short telephone calls seeking miscellaneous advice, unless those consultations require significant additional work or research. If a matter requires further follow-up, we will discuss a fee estimate with you before incurring significant time. Our fee also includes board presentations.

Subject	The Details
Client Acceptance Procedures	The scope of work and fee quotes are subject to our client acceptance process, which 1) verifies that all parties understand the specific services we are being asked to perform, 2) ensures contract terms are acceptable to both parties and in agreement with professional standards, and 3) confirms that we have staffed the engagement with individuals qualified with the necessary experience to fulfill our commitments to our prospective client.
Cost Overruns	During the course of the audit, we will measure our progress against our planned budget. If situations arise that are significantly different than our expectations, we will bring them to your attention immediately and discuss various options before we proceed. We meet weekly during the course of fieldwork with the appropriate parties to ensure there are open lines of communication between our organizations.
Progress Billing	Progress billings are based on hours and expenses completed at the time of billing. Bills are due upon receipt. A one-percent finance charge accrues monthly for accounts over 30 days.
Routine Phone Calls and E-mails	Our policy is to not charge for short telephone calls seeking miscellaneous advice, unless those consultations require significant additional work or research. If a matter requires further follow-up, we will discuss a fee estimate with you before incurring significant time.
Minor Research and Consultation	If we are requested to provide minor research or consultation service, we will estimate the number of hours necessary to provide the requested services. We will then provide a fee quote for your approval before commencing any work. Our fees for these services are generally at our standard billing rates.

This Proposal is contingent upon completion of the Moss Adams new client acceptance process, satisfaction of applicable professional standards (including SAS 84 communications with the prior auditors), and negotiation of a mutually acceptable contract. We have successfully signed professional services agreements with thousands of clients, including many public utility districts, and we commit to issuing an engagement agreement on a timely basis should we be awarded this contract.

APPENDIX E

APPENDIX E

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SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE JUNE 30, 2014 FINANCIAL STATEMENTS

GENERAL PURPOSE FINANCIAL STATEMENTS, AGREED UPON PROCEDURES & CAFR REVIEW

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	<u>7</u>	<u>425</u>	<u>288</u>	<u>2,016</u>
Managers	<u>55</u>	<u>250</u>	170	9,350
Supervisory Staff	<u>82</u>	<u>185</u>	<u>125</u>	<u>10,250</u>
Staff	<u>102</u>	<u>160</u>	<u>108</u>	<u>11,016</u>
Other (specify): Senior Manager	<u>39</u>	<u>335</u>	<u>228</u>	<u>8,892</u>
Subtotal	<u>285</u>	<u> </u>	<u> </u>	<u>41,524</u>

Out-of-pocket expenses: Estimated not-to-exceed \$4,500

Meals and lodging: Most of the audit team will be coming from our San Diego office, so we will have limited lodging costs.
 Transportation: Most of the audit team will be coming from our San Diego office, so the transportation costs will be limited to mileage and parking.
 Other (specify): Our out-of-pocket expenses are billed using per diem rates.

Total all-inclusive maximum price for 2014 audit: \$46,024

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX E

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SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

FOR THE AUDIT OF THE 2014 FINANCIAL STATEMENTS:

SUPPORTING SCHEDULE FOR STATE CONTROLLER'S REPORT

	<u>Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partners	<u>1</u>	<u>425</u>	<u>288</u>	<u>288</u>
Managers	<u>5</u>	<u>250</u>	<u>170</u>	<u>850</u>
Supervisory Staff	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Staff	<u>8</u>	<u>160</u>	<u>108</u>	<u>864</u>
Other (specify): Senior manager	<u>1</u>	<u>335</u>	<u>228</u>	<u>228</u>
Subtotal	<u>15</u>	<u> </u>	<u> </u>	<u>2,230</u>

Out-of-pocket expenses: \$0

Meals and lodging: \$0

Transportation: \$0

Other (specify): \$0

Total price for State Controller's Report: \$2,230

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

OTAY WATER DISTRICT

Proposal for Professional Auditing Services

***For the fiscal year ending June 30, 2014
(with four one year extentions)***

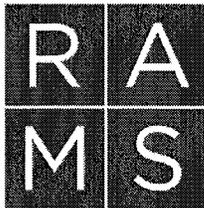
PREPARED BY:

ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS

735 E. Carnegie Drive, Suite 100
San Bernardino, California 92408
(909) 889-0871

CONTACT: SCOTT MANNO, PARTNER
smanno@ramscpa.net

ALTERNATE CONTACT: TERRY SHEA, PARTNER
tshea@ramscpa.net



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

November 4, 2013

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

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November 4, 2013

Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, CA 91978-2004

For 65 years, Rogers, Anderson, Malody & Scott, LLP (RAMS) has been providing honest, accurate, objective results to all of our clients, including governmental organizations such as yours. Our experience has helped us understand the complex requirements and issues encountered in such organizations. We also understand the desire for the timely delivery of accurate reports and for a quality audit performed in a competent and efficient manner.

We are aware that the District has other proposals to consider. We believe that RAMS would be the appropriate choice for the audit engagement for the following reasons, which are provided in more detail in our proposal:

- RAMS has an established reputation in the governmental and not-for-profit accounting and auditing community for providing excellent, timely service and high quality reporting to our clients.
- RAMS currently provides auditing services to over 50 governmental entities and not-for-profit organizations, including over 20 cities, most of which have enterprise activities.
- We understand that the audit process, as a whole, can be a taxing experience for you and your staff; we understand that you will have other commitments and your regular workloads during the audit period. We make every effort to ensure the audit process, from the interim field work to the preparation of the required financial reports, will be as trouble-free as possible for you and your staff. We accomplish this through comprehensive planning of the audit and utilizing our staff in the most efficient and effective manner.
- The RAMS audit team members are personable and easy to work with. Through open and responsive communication with all parties involved in the audit process, we work to have the most efficient audit possible by minimizing operational distractions of your staff, while maximizing quality service and products.
- Our audit team members are proficient in the use of information technology. We utilize a comprehensive audit software system that allows us to have a paperless audit. This system yields much efficiency, including the ability to quickly exchange documents with our clients.

- Our firm provides extensive training and continuing education to all of our audit staff through a combined use of in-house instruction and third-party providers. Our audit team members are experienced with and receive regular training in performing Single Audits in accordance with Federal OMB Circulars A-21 and A-133.
- We are committed to helping you meet all reporting/auditing deadlines, resolving any issues encountered during your audit (e.g., accounting or auditing, new pronouncements, etc.), and providing you with quality audit services.
- We demonstrate our commitment to our client's success by sharing noted opportunities to improve the efficiency and effectiveness of your operations, including industry best practices.
- We have an extensive quality control review process to ensure your financial reports meet the highest standards. In addition to the preparation of financial reports by the engagement team and review by the engagement manager, each report is also examined by 2 partners and 2 professional proofreaders.
- We have assisted many of our clients with the preparation of their Comprehensive Annual Financial Reports, and all of our clients that have submitted their reports for the Government Finance Officers Association (GFOA) or California Society of Municipal Finance Officers (CSMFO) awards have received the awards. Our participation as a GFOA reviewer also indirectly benefits our clients in the quality review process.
- We are a full service firm, with specialists in auditing, reviews and compilations, tax planning and preparation, and business consulting. The diverse experience and accessibility of the professionals in these areas help us to provide a comprehensive approach to a wide variety of needs.
- We believe that our fee estimate and arrangement provides a fair and reasonable cost, commensurate with the experience of the audit team members, to perform the annual audit and tax services for the District.

We understand the scope of the work to be performed, auditing standards to be followed, and the reports to be issued, as described in the District's *Request for Proposal*. In addition, we will be committed to performing the work within the proposed time period. This proposal is a firm and irrevocable offer for 120 days.

Mr. Manno and Mr. Shea, Partners, are authorized to act on behalf of Rogers, Anderson, Malody & Scott, LLP. They can be reached at: 735 E. Carnegie Drive, Suite 100, San Bernardino, CA 92408, (909) 889-0871, smanno@ramscpa.net or tshea@ramscpa.net.

Thank you for the opportunity to serve the Otay Water District. We look forward to having a long and mutually beneficial association.

Respectfully yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP



Scott W. Manno, CPA, CGMA
Partner

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Independence and License to practice in California

Independence

Rogers, Anderson, Malody & Scott, LLP is independent of the Otay Water District as defined by general standard number two of the generally accepted auditing standards.

We are also independent of the Otay Water District as defined by the second general standard for government auditing in the U.S. Government Accountability Office's *Government Auditing Standards* (2011).

We have not had any professional relationships with the District in the past five (5) years.

License to practice in California

Rogers, Anderson, Malody & Scott, LLP is licensed to practice in the State of California. The key professional staff, which includes the partners and managers, are all certified public accountants licensed to practice in the State of California.

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Firm qualifications and experience

About our firm

Rogers, Anderson, Malody & Scott, LLP is a local firm and was founded in 1948. We are located at 735 E. Carnegie Drive, Suite 100, San Bernardino, California. We are one of the oldest CPA firms in Southern California, with over 65 years of public practice experience, specializing in governmental agency auditing, accounting and management advisory services. Over *fifteen thousand hours per year* are devoted to this area of our practice, which includes cities, water districts, other special districts, nonprofit corporations and joint power authorities.

Our firm has a total staff of thirty-eight people, which includes fifteen certified public accountants. Our staff consists of six partners, four managers, eleven supervisors/senior accountants, thirteen staff accountants and four support staff. Our audit staff consists of twenty-one members who devote over 80% of their time to municipal/not-for-profit engagements. Tentatively, the audit team assigned to the District's engagement will consist of the following full-time staff: two audit partners, one audit manager, one audit senior and two staff auditors. All personnel are located in our San Bernardino office.

As governmental auditors, we understand that the District desires its auditors to have a thorough understanding of the complex accounting and compliance issues confronting governmental entities such as yours. Our firm is committed to providing our clients with the highest quality service at the most reasonable fee. The professionals assigned to the District financial audit have each made providing quality services their priority.

As stated earlier, our firm has a long history of governmental accounting and auditing. Over the years, we have gained valuable experience, acquired an in-depth knowledge and obtained the technical expertise needed for governmental accounting and auditing. Our firm's partners and professional staff assigned to the District have performed audits, various accounting services and management advisory services for many governmental agencies like yours.

Relevant audit experience

The following is a listing of current clients for whom we provide audits similar to the type requested:

*Rossmoor Community
Services District
Vista Irrigation District
Crestline-lake Arrowhead
Water Agency
Big Bear Area Regional
Wastewater Agency
Idyllwild Water District
Twentynine Palms Water
District*

*San Bernardino Valley
Municipal Water District
Saticoy Sanitary District
Ventura Regional
Sanitation District
Helendale Community
Services District
Pine Cove Water District*

*Crestline Village Water
District
Valley Water District
Western Municipal Water
District
Inland Empire Resource
Conservation District
Helix Water District*

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Firm qualifications and experience (continued)

We have also performed audits for redevelopment agencies, pension plans, and compliance requirements in accordance with *OMB Circular A-133*. In addition, we have provided audit and consulting services for various private enterprises.

The firm provides various other services to governmental agencies. Services to these governments, in addition to auditing services, include:

- Study/evaluation of financial condition and fiscal policies
- Financial projections
- Organizational studies
- System design, analysis, and review
- Job classification and compensation studies
- Accounting policies and procedures
- Capital improvement program procedures and policies
- Financing and public bond offering assistance
- Assistance in development of internal audit programs
- Employee benefit consulting
- Investment policy reviews
- Franchise agreement assistance (ambulance, cable, television, refuse, etc.)

We also provide audit, tax, and consulting services to various not-for-profit and for-profit enterprises.

External quality control examinations

As a member of the AICPA Private Companies Practice Section, our firm has participated in "Peer Review" since 1993 and has been examined every three years since that date. During participation in this program, the firm has received unqualified opinions from the peer reviewers. A copy of our most recent external quality control review dated May 31, 2012 for the year ended November 30, 2011 (Attachment A) is attached. The latest review included reviews of specific governmental agencies.

The firm is not aware of any federal or state desk reviews or field reviews of its audits during the last three years. The firm **has never** had any disciplinary action taken or pending against it with state regulatory bodies or professional organizations, nor has it ever had any pending or settled litigation, civil or criminal investigations. Our firm does not have a record of substandard work.

Single audit experience

Over the past several years, many of our government clients have been subject to an audit in accordance with OMB A-133. A current audit client of ours receives approximately 90% of its revenues from Federal, State, and local grants. We perform between 10-20 single audits a year.

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory and staff qualifications and experience

The quality of service you receive is dependent on the capabilities of the individuals assigned to the engagement and the manner in which those personnel resources are organized to efficiently focus their abilities on providing you with the requested audit services.

Our engagement team will provide significant experience coupled with an extensive, practical understanding of governmental accounting and auditing. These professionals are highly trained and knowledgeable and have a thorough understanding of the environment in which governmental entities operate.

Partner and supervisory staff involvement

All partners and supervisory staff are working professionals and are actively and continually involved in all aspects of their engagements. We believe that partner and supervisory level staff personnel involvement in all areas of the audit is a key aspect of the overall audit process. This involvement includes being on-site for interim and year-end fieldwork, thus; facilitating a proper, efficient and effective audit, with minimal disruption of the District's staff. In addition, the time spent on-site by the partners and supervisory staff ensures they gain an understanding of all the District's accounting processes and procedures. This understanding will enable them to evaluate and develop opportunities for efficiency as well as offer practical and functional advice for improving your accounting processes and procedures.

Continuity of audit staff is a principal concern with our firm. Therefore, we plan to provide staff continuity from year to year, which is in the best interest of the District and our firm. Continuity ensures an orderly, efficient, and less disruptive audit experience by competent professionals. Since we cannot guarantee staff will remain with us, principal supervisory and management staff, including engagement partners, managers, other supervisory staff, and specialists, may be changed if those personnel leave the firm or are promoted.

In summary, we want to emphasize the credentials of the above professionals who will be directly responsible for the quality of service the District will receive. Additionally, our audit team has another attribute that is very important, even though it is intangible, the professionals assigned to the District's audit have worked together as a multi-disciplined team, thus ensuring a smooth, efficient and effective audit. We are committed to allocating the necessary resources to ensure that we provide continuity of personnel throughout the term of our relationship with the District.

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory and staff qualifications and experience (continued)

Assigned personnel

It is our goal to provide the District with capable, competent, and personable individuals who offer an extensive background, not only in governmental accounting and auditing, but also in general business practices. We offer practical solutions, as well as provide technical support. This enables you to stay at the forefront of governmental accounting and provides you with the support you need in dealing with the complex issues confronting governments such as yours.

In addition, our engagement team has the managerial and supervisory experience to provide the District with a comprehensive audit of the highest quality, while still focusing on personal service. The following individuals will be assigned to the engagement for the entire contract period:

Scott Manno, CPA, CGMA, Audit Partner – Engagement Partner

Mr. Scott Manno, CPA, CGMA, is a municipal audit partner with the firm and will be the engagement partner. Mr. Manno has been in public accounting for 17 years serving local governments such as yours. As the engagement partner, he will be responsible for overall engagement quality, as well as ensuring that the engagement is performed in the most effective and efficient manner. He will review all work-papers prepared during the engagement, in addition to all required reports.

Mr. Manno has assisted the following cities in their endeavors to obtain the CSMFO and/or GFOA awards for outstanding financial reporting: Town of Yucca Valley, Elsinore Valley Municipal Water District, Rincon del Diablo Municipal Water District, City of Lake Elsinore, City of Ontario, the Ventura Regional Sanitary District, the City of Norco, Vista Irrigation District, and the City of Twentynine Palms. From 1997-2000, Mr. Manno served as a technical reviewer under the CSMFO award program.

Mr. Manno has served as a volunteer on the California Special Districts Association Audit Committee since 2010. In addition, Mr. Manno is a reviewer for the national GFOA award program.

Terry Shea, CPA – Quality Control Partner

Mr. Terry Shea, CPA, will be the quality control partner. He is licensed to practice as a certified public accountant in the State of California. Mr. Shea has been in public accounting for 31 years serving local governments such as yours. As the quality control partner, he will be responsible for engagement quality and will review all required reports.

Mr. Shea has assisted the following cities in their endeavors to obtain the CSMFO and/or GFOA awards for outstanding financial reporting: City of Goleta, City of Mission Viejo, City of Norco, City of Redondo Beach, the Ventura Regional Sanitary District and the City of Twentynine Palms. He currently serves as the Contract Finance Director for two Riverside County Cities and one Los Angeles County city.

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory and staff qualifications and experience (continued)

Both Mr. Manno and Mr. Shea are working partners and will be actively and continually involved in all aspects of the engagement.

Brad A. Welebir, CPA, MBA, Manager

Mr. Brad A. Welebir, CPA, is a manager with the firm. He is licensed to practice as a certified public accountant in the State of California. Mr. Welebir has over nine years of public accounting experience. He has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various nonprofit organizations. He will be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all work-papers prepared for the engagement. In addition, he will also be responsible for the preparation of any required reports.

Continuing professional education

All professionals at our firm participate in continuing professional education (CPE) programs which are sponsored by various organizations including the Government Finance Officers Association, the American Institute of Certified Public Accountants, the California State Society of Certified Public Accountants, the California Society of Municipal Finance Officers, and the Association of Government Accountants. Participation in these classes helps us to ensure that our clients are receiving the best trained and proficient government auditors and accountants available. In addition, we provide in-house training taught by our partners and senior level staff using published resources.

In accordance with our Firm's Quality Control document and *Government Auditing Standards (GAS)*, all staff members who work on audits subject to GAS are required to complete CPE in accordance GAS standards.

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Similar engagements with other Government entities

Similar engagements with other Government entities

1. *Entity:* **WESTERN MUNICIPAL WATER DISTRICT**
 Scope of work: Financial Audit/CAFR/Single Audit
 Date: Years ending June 30, 2011 through 2013
 Total hours: 375
 Contact person: Mr. Kevin Mascaro, Director of Finance, (951) 571-7100

2. *Entity:* **CRESTLINE-LAKE ARROWHEAD WATER AGENCY**
 Scope of work: Financial Audit
 Date: Years ending June 30, 1996 through 2013
 Total hours: 300
 Contact person: Ms. Roxanne Holmes, General Manager, (909) 338-1779

3. *Entity:* **HELIX WATER DISTRICT**
 Scope of work: Financial Audit/CAFR
 Date: Years ending June 30, 2012 through 2013
 Total hours: 275
 Contact person: Ms. Jennifer Bryant, Finance Manager, (619) 466-05854.

4. *Entity:* **VISTA IRRIGATION DISTRICT**
 Scope of work: Financial Audit/CAFR
 Date: Years ending June 30, 2011 through 2013
 Total hours: 250
 Contact person: Mrs. Marlene Kelleher, Accounting Manager
 (760) 597-3100

5. *Entity:* **TWENTYNINE PALMS WATER DISTRICT**
 Scope of work: Financial Audit
 Date: Years ending June 30, 2012 through 2013
 Total hours: 200
 Contact person: Ms. Cindy Byerrum, Contract Finance Director,
 (909) 204-8858

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit strategy (audit approach)

Specific audit strategy

The following is a summary of the audit team's approach for the Otay Water District engagement. The audit will be divided (segmented) into the following phases:

Interim phase – planning, pre-audit administration and internal control testing:

During this phase of the audit, our principal objectives will be as follows:

- ✓ Discuss the dates of the interim and year-end fieldwork.
- ✓ Perform risk assessment procedures by completing the following procedures:
 - Gather information about the District and its control environment(s),
 - Evaluate the design and effectiveness of the District's internal controls and determine whether they have been implemented,
 - Perform walkthroughs of all significant transaction classes,
 - Perform tests of controls, if applicable and
- ✓ Perform single audit testing procedures, if applicable.

In order to achieve the desired objectives of this phase of the audit, we will:

- Meet with the District's Chief Financial Officer and key accounting staff in order to determine convenient dates for the District in which we can begin our audit and to discuss the assistance to be provided by them. Also, we will discuss the prior year audit and the interim work to be performed.
- Review and evaluate the District's accounting and reporting processes by reviewing the prior year audit work-papers, any District prepared documents such as budgets, in-house financial reports, policies and procedures manuals, minutes of board meetings, etc. and by using various analytical procedures. Analytical procedures will enhance our understanding of the District and will help us identify areas that may need further assessment and additional testing.
- Review and retain copies of any pertinent local, state, and federal statutes, regulations, or charters that apply to the District. We will also review and retain copies of any agreements or contractual obligations (e.g., bond and grant documents, lease agreements, contracts for deposit of monies, revenue agreements, etc).
- Evaluate the design of controls that are relevant to the audit by obtaining a thorough understanding of the District's internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiring of the District's personnel, and observing and reviewing key supporting documentation (a more thorough explanation of this process is discussed later in the technical proposal: understanding of internal control).
- Hold brainstorming sessions with engagement team members to discuss the susceptibility of the District's financial statements to material misstatement and fraud.

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit strategy (audit approach)(continued)

- Review and analyze supporting data and determine what reliance will be placed on internal controls and assess control risk.
- Test controls, if control risk is assessed below the maximum, by selecting a sample of transactions within the audit area being tested and reviewing supporting documentation, evaluating the completeness of the documentation tested, as well as the adequacy of support and approvals as they appear on the support.
- Document and review with management any findings noted during the testing of internal controls and provide a preliminary management letter that will include our recommendations for improving any weaknesses in operations noted during our internal control analysis and tests of controls. The letter will also include suggestions for improving the efficiency of the District's operations.

This phase of the engagement will take approximately 85 hours and be performed by the senior accountant and two staff accountants with direct supervision by the audit manager and partner.

Year-end phase I – substantive testing:

During this phase of the audit, our principal objectives will be as follows:

- ✓ Assess the risk of material misstatement at the financial statement level and specific assertions.
- ✓ Design overall responses to assessed risks and further audit procedures.
- ✓ Perform substantive tests as needed and complete the audit.
- ✓ Evaluate audit findings, if applicable.

In order to achieve the desired objectives of this phase of the audit, we will:

- Determine whether our testing supports the assessed level of risk initially assigned at the financial statement level and at the assertion level.
- Identify significant risks.
- Develop a detailed audit plan.
- Design substantive tests of balances, designed and modified specifically for the District's operations and assessed level of risk. Substantive procedures could, depending on our risk assessment, consist of the following:
 - Testing of cash and investment reconciliations
 - Testing GASB 40 disclosures
 - Perform subsequent receipt testing for significant receivables
 - Determine if receivables are valued properly and perform tests of balances in conjunction with the testing of revenues
 - Test significant inventory accounts
 - Test additions and deletions to capital assets, including CIP accounts
 - Perform search for unrecorded liabilities
 - Test significant liability and accrued liability accounts

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit strategy (audit approach)(continued)

- Review the valuation of claims payable balances
- Test revenues through either analytical procedures and/or detailed testing
- Test expenses through either analytical procedures and/or detailed testing
- Test net asset classifications
- Review subsequent events
- Read minutes of board meetings
- Test for compliance with the District's investment policy
- Test for significant commitments to be disclosed in the financial statements
- Confirm with legal counsel any significant litigation
- Review significant employee contracts
- Ensure financial statements meet GFOA requirements for award

The above list is not all-inclusive. After our detailed risk assessment procedures, we will determine which procedures to perform relative to the audit. All of our audits are customized by client helping to ensure a complete, effective, and efficient audit.

This phase of the engagement will take approximately 160 hours and be performed by the senior accountant and two staff accountants with direct supervision by the audit manager and partner.

Year-end phase II – reporting/audit conclusion:

During this phase of the audit, our principal objectives will be as follows:

- ✓ Evaluate whether financial statements, taken as a whole, are free from material misstatement.
- ✓ Form an opinion and issue the audit report.

In order to achieve the desired objectives of this phase of the audit, we will:

- Meet with Chief Financial Officer and key accounting personnel to summarize results of fieldwork and review significant findings, if any.
- Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. This will provide the basis for our opinion.
- Review all audit work-papers by the engagement partner and manager to ensure that the audit was performed in accordance with the required standards (GAAS, GAGAAS, etc.).

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit strategy (audit approach)(continued)

- Prepare drafts of all required reports by the agreed upon dates.
- Conduct an independent review of financial statements draft by firm's managing partner.
- Issue all reports by agreed upon date.
- Attend audit committee and Board meeting as necessary.

This phase of the engagement will take approximately 75 hours and be performed by the senior accountant and two staff accountants with direct supervision by the audit manager and partner.

Sample sizes

Our sample sizes will be determined in accordance with the AICPA *Audit and Accounting Guide, Audit Sampling*. Our methods are designed to provide the most audit coverage without expending excess time. Our sample sizes will depend upon our preliminary assessment of control risk, as well as our planned substantive testing and analytical procedures.

Computer technology in the audit

Our firm has adopted a paperless audit approach. Using our engagement software, all team members are linked to each other using a local router which enables them to share information at an almost real time speed. In addition, once your trial balances are entered into our software (your financial statements as well), we are able to observe your statements in the field allowing us to notice any variances and deal with them at your office. With this in mind, we would prefer all audit information in an electronic format, particularly trial balances and general ledgers. If electronic formatting is not available, all audit teams have laptops, portable scanners, and printers while on location at the clients'. In addition, we can access our accounting and auditing resources through either a wireless or wired internet connection.

Analytical procedures

We will utilize analytical review procedures throughout our audit of the District. During the *interim* phase of our audit, we will compare current and prior year unadjusted balances to determine areas that may need additional analysis; we will also compare current year actual amounts to the District's annual budget. During the *final* phase of our audit, we will perform procedures similar to those mentioned above as well as compare certain financial ratios for current and prior years. We will also conduct certain "reasonableness" tests. Finally, after we have completed our fieldwork, we will compare current and prior year audited balances, keeping in mind expected relationships obtained from our knowledge of the District and various other entities.

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit strategy (audit approach)(continued)

Approach in determining applicable laws and regulations

As governmental auditors, we realize the importance of laws and regulations in planning an audit of a local government agency. As part of our audit process, our audit team will obtain an understanding of the laws that will have a direct and material effect on the District's financial statements. In determining which laws and regulations are applicable to the District's financial statement audit; we will consult the following sources:

- ◆ AICPA Audit and Accounting Guide, *Audits of State and Local Governments*
- ◆ California Code of Regulations *Minimum Audit Requirements and Reporting Guidelines for Special Districts*
- ◆ State of California *Water Code*
- ◆ U. S. Government Accountability Office's *Government Auditing Standards* (The Yellow Book), 2011 Revision
- ◆ Applicable contracts/grants of the Otay Water District
- ◆ The Single Audit Act Amendments of 1996
- ◆ Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*
- ◆ OMB Circular A-87, *Cost Principles for State and Local Governments*
- ◆ OMB's Circular A-133, *Compliance Supplement*

After consulting the applicable sources, we will design our audit to provide reasonable assurance of detecting material instances of noncompliance.

Approach in drawing samples for compliance testing

Our approach to be taken in drawing audit samples for purposes of tests of compliance will depend on the number of transactions, the amounts of financial assistance provided (as applicable) and the District's internal controls over its respective programs. We will select samples that will provide sufficient evidence of the District's compliance with the laws and regulations that will have a material effect on compliance with laws and regulations.

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit strategy (audit approach)(continued).

Understanding of internal control

Our approach to obtaining an understanding of the District's internal control over financial reporting will be performed in accordance with professional standards as promulgated by the American Institute of Certified Public Accountants -- our understanding will include the *Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring*. Our approach is as follows:

Control Environment: Through inquiry of the District's personnel, prompted by questionnaires, personal knowledge, and review of the minutes of the District board meetings, we will obtain an understanding of management's and the District board's attitudes, awareness and actions concerning the control environment, focusing on the substance of the controls rather than their form.

Risk Assessment: Again, through inquiry of the District's personnel and the use of questionnaires, we will obtain sufficient knowledge of the District's risk assessment process to understand how management considers risks relevant to financial reporting objectives and decides upon actions to address those risks. This will include understanding how management identifies risks, estimates the significance of these risks, assesses the likelihood of their occurrence, and relates them to financial reporting.

Control Activities: Certain procedures will be documented during our analysis of the control environment and the accounting system. However, many specific control procedures will still need to be documented (and walk-through(s) performed) that will focus primarily on the District's significant transaction cycles. As mentioned above, we will test the District's control procedures which we intend to rely on for safeguarding assets from unauthorized use or disposition and detecting/preventing unauthorized transactions. Any flow charts, organizational charts, and any other manuals, programs and financial and management information systems will be analyzed during this process.

Information and Communication: Again, through inquiry of the District's personnel, we will identify the major types of transactions (and significant transaction classes) processed by the District. Next, we will become familiar with the treatment of those transactions, including how the transactions are initiated, the related accounting records and the manner of processing the transactions. Finally, we will obtain an understanding of the District's financial reporting process used to prepare financial reports, including the approaches used to make accounting estimates and disclosures.

Monitoring: With the use of questionnaires we will obtain sufficient knowledge of the major types of activities the District uses to monitor internal control over financial reporting. We will also determine how those activities are used to initiate corrective actions.

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Identification of anticipated potential audit problems

Identification of anticipated potential audit problems

Currently, we do not anticipate any potential audit problems.

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Resumes of key engagement personnel

Scott W. Manno, CPA, CGMA ***Audit Partner – Engagement Partner***

Professional experience

Mr. Manno began his career with Thomas, Bigbie and Smith in 1995. He spent six years with the firm primarily working on audits of municipalities, special districts and redevelopment agencies as well as various non-profit organizations. He joined Rogers, Anderson, Malody & Scott, LLP in July 2001.

Education

Bachelor of Science degree from California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Governmental agencies that Mr. Manno has served include the following (*includes enterprise fund accounting):

Ventura Regional Sanitation District	Goleta Sanitary District
Elsinore Valley Municipal Water District	Western Municipal Water District
Vista Irrigation District	Rincon del Diablo Municipal Water District
East Valley Water District	Crestline Village Water District
Helix Water District	Idyllwild Water District
Big Bear Area Regional Wastewater Agency	San Geronio Pass Water Agency
San Bernardino Valley Municipal Water District	Running Springs Water District
City of Lake Elsinore*	City of Goleta

Continuing professional education

Mr. Manno has completed approximately 170 hours of continuing professional education courses over the past two years of which the following select courses are relevant to this engagement:

- ◆ Texas Tech University, *Governmental Accounting, Reporting and Auditing*
- ◆ Texas Tech University, *Governmental Accounting, Reporting and Auditing - Update*
- ◆ American Institute of Certified Public Accountants, *Applying A-133 to Nonprofit and Governmental Organizations*
- ◆ Thomson Reuters, *Audits of State and Local Governments*

Professional affiliations

Mr. Manno is a member of the following organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CSCPA)
- ◆ Association of Certified Fraud Examiners (ACFE)
- ◆ Association of Government Accountants (AGA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Resumes of key engagement personnel (continued)

Terry P. Shea, CPA ***Quality Control Partner***

Professional experience

Mr. Shea began his career with Thomas, Byrne and Smith in 1981. He spent six years with the firm primarily working on audits of municipalities, special districts, redevelopment and other governmental agencies. He joined our firm in 1987 and has completed governmental audits including municipalities and has provided financial consulting services for various cities.

Education

Bachelor of Arts degree from California State University, Fullerton
Certified Public Accountant – State of California

Related professional experience

Governmental agencies that Mr. Shea has served include the following (*includes enterprise fund accounting):

City of El Cajon*	City of Fontana*	City of Goleta
City of Grand Terrace*	City of Loma Linda	Joshua Basin Water District
City of Twentynine Palms	City of Palm Desert*	City of Riverside*
City of Corona*	City of San Jacinto*	City of Indian Wells
City of Norco*	Crestline Lake Arrowhead	
City of Indio*	Water Agency	
Ventura Regional Sanitation District	Yucaipa Valley Water District	
	Town of Yucca Valley	

Mr. Shea served as the Interim Finance Director for the City of Perris from July 1998 to October 2001. He currently serves as the Contract Finance Director for two Riverside County cities and one Los Angeles County City.

Continuing professional education

Mr. Shea has completed approximately 80 hours of continuing professional education courses in the past three years, of which, the following select courses are relevant to this engagement:

- ◆ Thomson Reuters, *Audits of State and Local Governments*
- ◆ American Institute of Certified Public Accountants, *Foundations in Governmental Accounting*
- ◆ California CPA Education Foundation, *Governmental Auditing Skills*
- ◆ American Institute of Certified Public Accountants, *Governmental and Not-for Profit Conference*

Professional affiliations

Mr. Shea is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CSCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

OTAY WATER DISTRICT

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Resumes of key engagement personnel (continued)

Brad A. Welebir, CPA, MBA ***Audit Manager***

Professional experience

Mr. Welebir joined Rogers, Anderson, Malody & Scott, LLP in January 2004. He works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations. Prior to joining our firm, he began his career with Sam's Club, where he was the operations manager. He then worked for La Sierra Academy as an accountant.

Education

Masters of Business Administration – Accounting Emphasis from California State University, Fullerton in June 2003
Bachelor of Arts in Business Administration from La Sierra University in 1996
Certified Public Accountant – State of California

Related professional experience

Organizations that Mr. Welebir has served include the following:

- Vista Irrigation District
- Western Municipal Water District
- Crestline Village Water District
- Lake Elsinore & San Jacinto Watersheds Authority
- San Bernardino Municipal Water District
- Running Springs Water District
- Santa Ana Watershed Project Authority
- West Valley Water District

Continuing professional education

Mr. Welebir has completed 81 hours of continuing professional education courses in the past two years of which the following select courses are relevant to this engagement:

- ◆ Thomson Reuters, *Audits of State and Local Governments*
- ◆ American Institute of Certified Public Accountants, *Foundations in Governmental Accounting*
- ◆ California Society of CPAs Education Foundation, *Governmental Accounting and Auditing Update*
- ◆ American Institute of Certified Public Accountants, *Applying A-133 to Nonprofit and Governmental Organizations*

Professional affiliations

Mr. Welebir is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CSCPA)

FOUNDERS

Lawrence S. Timpson, CPA (1891-1974)
LeVerne W. Garcia, CPA (1904-1983)

PARTNERS

Dennis S. Kaneshiro, CPA
Elaine Lee Kawasaki, CPA
William E. Moy, CPA

FIRM ADMINISTRATOR

Liz Davis

System Review Report

May 31, 2012

To the Owners of
Rogers, Anderson, Malody & Scott, LLP
and the Peer Review Committee of the
California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of **Rogers, Anderson, Malody & Scott, LLP** (the firm) in effect for the year ended November 30, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a *System Review* are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of **Rogers, Anderson, Malody & Scott, LLP** in effect for the year ended November 30, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. **Rogers, Anderson, Malody & Scott, LLP** has received a peer review rating of *pass*.

Timpson Garcia, LLP

Current governmental clients

<u>Client</u>	<u>Years Served</u>	<u>CSMFO/ GFOA Awards</u>	<u>Successor Agency</u>	<u>Housing Authority</u>
City of Norco	06/30/04 to 06/30/13	Yes	Yes	No
City of Grand Terrace	06/30/04 to 06/30/13		Yes	Yes
City of El Cajon	06/30/07 to 06/30/13	Yes	Yes	Yes
City of Fillmore	06/30/08 to 06/30/13		Yes	Yes
Town of Yucca Valley	06/30/08 to 06/30/13	Yes	Yes	Yes
City of San Juan Capistrano	06/30/11 to 06/30/13	Yes	Yes	Yes
City of La Verne	06/30/11 to 06/30/13	Yes	Yes	Yes
City of San Jacinto	06/30/11 to 06/30/13		Yes	Yes
City of Twentynine Palms	06/30/11 to 06/30/13	Yes	Yes	Yes
City of Chino	06/30/11 to 06/30/13	Yes	Yes	Yes
City of La Mesa	06/30/11 to 06/30/13		Yes	Yes
City of Rosemead	06/30/11 to 06/30/13	Yes	Yes	Yes
City of Moorpark	06/30/12 to 06/30/13	Yes	Yes	Yes
City of Mission Viejo	06/30/12 to 06/30/13	Yes	Yes	Yes
City of Capitola	06/30/12 to 06/30/13	Yes	Yes	Yes
City of Redondo Beach	06/30/12 to 06/30/13	Yes	Yes	Yes
City of Sierra Madre	06/30/12 to 06/30/13		Yes	Yes
Crestline Village Water District	04/30/96 to 04/30/13			
Crestline-Lake Arrowhead Water	06/30/98 to 06/30/13			
San Bdn Valley Muni Water Dist	06/30/04 to 06/30/13			
Ventura Regional Sanitation District	06/30/07 to 06/30/13	Yes		
Saticoy Sanitary District	06/30/07 to 06/30/13			
Helendale CSD	06/30/10 to 06/30/13			
Pine Cove Water District	06/30/10 to 06/30/13			
Western Municipal Water District	06/30/11 to 06/30/13	Yes		
WRCRWA	06/30/11 to 06/30/13			
Vista Irrigation District	06/30/11 to 06/30/13	Yes		
Idyllwild Water District	06/30/11 to 06/30/13			
Helix Water District	06/30/12 to 06/30/13	Yes		
29 Palms Water District	06/30/12 to 06/30/13			
Big Bear Area Regional Wastewater	06/30/12 to 06/30/13	Yes		
Inland Empire Resource Cons Dist	06/30/04 to 06/30/13			
Rossmoor CSD	06/30/05 to 06/30/13			
Rim of the World Park & Rec Dist	06/30/06 to 06/30/13			
Ventura County Regional Energy	06/30/07 to 06/30/13			
Heartlands Communications Fac Auth	06/30/07 to 06/30/13			
Heartlands Fire Training Auth	06/30/07 to 06/30/13			
Santa Ana Watershed Assoc	12/31/09 to 12/31/12			
Idyllwild Fire Protection District	06/30/11 to 06/30/13			

Attachment B

Capistrano Bay CSD	to 06/30/13
Ventura County Public Fin Auth	06/30/12 to 06/30/13
CSUSB - Student Union	06/30/05 to 06/30/13
CSUSB - Associated Students Incorp	06/30/10 to 06/30/13
CSUSB - Philanthropic Foundation	06/30/11 to 06/30/13
CSUSB - University Enterprise Corp	06/30/11 to 06/30/13

Our firm also provides contract Finance Director services/accounting support for the following entities:

Running Springs Water District
City of Canyon Lake
City of Eastvale
City of Rolling Hills

PROPOSER GUARANTEES

- I. The Proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.

Signature of Official: 

Name (typed): Scott Manno

Title: Partner

Firm: Rogers Anderson Maloy & Scott LLP

Date: 10/31/13

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State and California laws with respect to foreign (non-state of California) corporations.
- B. Proposer warrants that it is willing and able to provide proof of insurance covering the following areas: 1) general liability; 2) worker's compensation; 3) errors and omissions providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the District.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: 

Name (typed): Scott Mann

Title: Partner

Firm: Rogers Anderson Melby & Scott LLP

Date: 10/31/13

Otay Water District

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

DOLLAR COST BID

FOR THE YEAR ENDING JUNE 30, 2014

PREPARED BY:

ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS

November 4, 2013

Total all-inclusive maximum price for the 2014 engagement \$36,000

Certification: Scott W. Manno is entitled to represent Rogers, Anderson, Malody & Scott, LLP, empowered to submit the bid, and is authorized to sign a contract with the Otay Water District.

Our proposed all-inclusive maximum fee for the 2014 audit of the Otay Water District is as follows

Rates for additional professional services:

<u>Position</u>	<u>Hourly rate</u>
Partner	\$ 245
Manager	180
Senior accountant	125
Staff accountant	75

Otay Water District
Schedule of professional fees and expenses
For the audit of the June 30, 2014 Financial Statements
General Purpose Financial Statements, Agreed-upon Procedures
CAFR Review

	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Hours</u>	<u>Total</u>
Partners	\$ 255	\$ 245	20	\$ 4,900
Manager	190	180	35	6,300
Senior	135	125	75	9,375
Staff	85	75	<u>190</u>	<u>14,250</u>
			<u>320</u>	
Total for audit services				34,825
Out-of-pocket expenses				-
Meals and lodging				-
Transportation				-
Other (specify): _____				<u>-</u>
Total all-inclusive maximum price for 2014 audit				<u>\$ 34,825</u>

Otay Water District
Schedule of professional fees and expenses
For the audit of the June 30, 2014 Financial Statements
Supporting Schedule for State Controllers Report

	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Hours</u>	<u>Total</u>
Partners	\$ 255	\$ 245	<u>1</u>	<u>\$ 245</u>
Manager	190	180	1	180
Senior	135	125	-	-
Staff	85	75	<u>10</u>	<u>750</u>
			<u>12</u>	
Total for audit services				1,175
Out-of-pocket expenses				-
Meals and lodging				-
Transportation				-
Other (specify): _____				<u>-</u>
Total price for 2014 State Controllers Report				<u>\$ 1,175</u>

**OTAY WATER DISTRICT
PROPOSAL TO PERFORM ANNUAL AUDITS**

November 4, 2013

Proposal to Perform Annual Audits for the

OTAY WATER DISTRICT

Submitted by:



Contact – Richard A. Teaman, CPA
4201 Brockton Avenue, Suite 100
Riverside, California 92501
Telephone No. (951) 274-9500
E-mail: rteaman@trscpas.com

November 4, 2013

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November 4, 2013

Kevin Koeppen, CPA
Finance Manager
Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, California 91978-2096

Thank you for inviting Teaman, Ramirez & Smith, Inc. to submit our proposal to perform professional services for the Otay Water District (the "District"). We hope this proposal conveys our strong desire and qualifications to fulfill your requirements. We understand this proposal is to audit the District's financial statements for the fiscal year ending June 30, 2014, with the option of extending the engagement for an additional four years.

Teaman, Ramirez & Smith, Inc. is well qualified to provide these services for the following major reasons:

- 1) Commitment to deliver quality audit reports on time so requirements of the District can be met in a timely manner.
- 2) Ability to provide experienced personnel for year-to-year continuity.
- 3) Local CPA firm responsiveness and attentiveness. We are proactive in helping clients achieve a high level of financial reporting, including the implementation of new accounting pronouncements.
- 4) Thorough understanding of the reporting requirements of the District. We have assisted many governments in achieving the GFOA and/or CSMFO financial statement awards for financial reporting.

Teaman, Ramirez & Smith, Inc. will take a proactive role in providing professional services to the Otay Water District. Not only will we respond to specific requests and needs in a timely manner, we also will take the initiative to assist you in planning and seeking out opportunities to improve overall efficiency and control. This will enable District staff to deliver the best and most cost effective service to the citizens of Spring Valley.

We will provide an audit team to perform the audit at the District with a strong background in governmental accounting and auditing. Our audit team will be readily available all year to serve the District. Also, our proposed team will be committed to providing excellent service and quality reports within the time frame necessary for the District to meet its requirements.

In addition to our audit team's work, a municipal audit manager independent of the audit team and a municipal audit partner will review all work papers and reports upon completion of the audit to ensure the quality of the audit.

Quality communication is an integral part of our approach to the services we provide, as is committing to meet your deadlines. During the engagement we will remain in contact with the District's designated representatives to keep the District informed of the status of the engagement. To ensure we are meeting the District's needs, we will ask you, after each engagement, to evaluate our services. It will be our utmost priority to meet the District's needs and goals in the performance of these audits. This proposal is a firm and irrevocable offer until March 4, 2014 (120 days).

Should you have any questions regarding our proposal or desire additional information, please call Richard A. Teaman, Partner, at (951) 274-9500.

Respectfully submitted,



Richard A Teaman, CPA

OTAY WATER DISTRICT

Firm Profile

Teaman, Ramirez & Smith, Inc., founded in approximately 1929, has specialized in auditing governmental agencies in excess of eighty years. The firm's audit partners have over 35 years of combined experience auditing California governments. The firm is a local firm based in Riverside, California and totals thirty people, including 3 partners. The government audit staff consists of eight members who devote approximately 80% of their time to government audits. Our goal is to maintain continuity of staff throughout the audit contract. The audit for the District will be conducted by the following full-time audit staff:

- 1 - Municipal Audit Partner
- 1 - Municipal Audit Manager
- 1 - Municipal Audit Senior Accountant
- 2 - Municipal Staff Accountants

License and Independence

Our firm, all partners and key professional staff are licensed by the California State Board of Accountancy to practice in the State of California. Our firm is independent of the Otay Water District and its component units in accordance with generally accepted auditing standards as promulgated by Rule 101 of the American Institute of Certified Public Accountants Code of Professional Ethics, generally accepted government auditing standards promulgated by the U.S. General Accounting Office (GAO), and the rules of the California State Board of Accountancy and Accounting Oversight Board.

We will provide the District with written notice of any professional relationships entered into during the period of our engagement that may impair our independence.

We have not had any professional relationships involving the Otay Water District for the past five years. We will provide the District with written notice of any professional relationships entered into during the period of our engagement that may impair our independence, if necessary.

As part of the firm's quality control system, the firm maintains a library which contains the authoritative rules on independence. All professional employees are required to review the firm's client list and sign a representation letter annually that acknowledges their familiarity and compliance with the firm's independence, integrity and objectivity policies and procedures. New clients are announced periodically as new clients are obtained.

OTAY WATER DISTRICT

Participation in Peer Review Program

Our firm underwent peer reviews by the American Institute of Certified Public Accountants in July 1990, August 1993, June 1996, July 1999, June 2002, June 2005, August 2008, and November 2011, and the State Controller's Office in August 1990 and received unqualified opinions on each review, which included reviews of specific government engagements. There have been no disciplinary or regulatory actions taken against our firm. A copy of our most recent peer review report is included in **Appendix A**.

Range of Activities

The firm's range of activities, besides municipal audits, includes commercial audits, reviews, compilations, fraud examinations, financial services, all types of tax returns and tax planning, accounting systems assistance, and management advisory services. In addition, over the years, our firm has advised local governments on various issues including real estate transactions, self-insurance reserves, bond issues and the implementation of new accounting standards. We compiled financial statements for 22 assessment districts and community facilities districts for the County of Riverside during the late 1990s and early 2000 years. Our firm has advised many local governments on various issues, including the implementation of new accounting pronouncements, along with a variety of other services, including the following:

- Agreed upon procedure engagements relating to dissolution of RDA's.
- Special agreed upon procedures engagements relating to golf course receipts and other activities.
- Audit of contract refuse hauler companies seeking rate increases.
- Special gross receipts audits for compliance with City business license tax.
- Special audits of motels and hotels for compliance with payment of transient occupancy tax.
- Assistance with payroll tax related matters.
- Assistance with recording activities resulting from the issuance of bonds.
- Preparation of appropriations limit resolutions and documentation relative to Government Code Section 7902 (a) and 7910.
- Preparation of street reports, and various State Controller's Reports.
- Internal Control evaluations and recommendations, assistance with fraud prevention programs.

Audit Staff Technical Qualifications and Experience

We plan to provide continuity of audit staff from year to year, which is in the best interest of the District and is most efficient from our firm's perspective. Additionally, the audit partner assigned to this engagement is a working partner and therefore will be involved with much of the engagement each year.

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The audit staff represents highly trained government auditors. While staff training is a continual process, because of our high level of audit supervision, we avoid putting our clients in a position of having to “train” the auditors. All audit staff are required to complete at least 80 hours of continuing education every 2 years, with a majority of these hours relating specifically to government accounting and auditing subjects. Continuing education requirements are met through classes put on by professional organizations, such as the CSCP, GFOA, the AICPA, along with an intensive in-house training program devoted to government accounting and auditing subjects.

Resumes for the key individuals serving your District are included at **Appendix B**.

Prior Engagements with the Otay Water District

Although not currently under contract, we have been the District’s auditor in the past. We have not had any professional relationships involving the Otay Water District for the past five years. We will provide the District with written notice of any professional relationships entered into during the period of our engagement that may impair our independence, if necessary.

Current Municipal Audit Clients and References

The Otay Water District understandably desires that its auditors have proven experience, in-depth knowledge and technical expertise in dealing with the unique issues facing governmental entities. Our practice has been active in the audit of governmental entities for over 80 years. The following is a partial list of current municipal audit clients:

City of Adelanto
Town of Apple Valley*
Apple Valley Redevelopment Agency
City of Banning*
City of Buena Park* @
Banning Redevelopment Agency
Banning Transit System
City of Big Bear Lake*
Big Bear Lake Fire Protection District
Big Bear Lake Improvement Agency
City of Blythe*#
Blythe Financing Authority#
Blythe Redevelopment Agency
City of Capitola@
Capitola Redevelopment Agency
Carpinteria Sanitary District#
Central Basin Municipal Water District* @
Channel Islands Beach Community Services
District#

City of Chino*
Chino Redevelopment Agency
Citrus Pest Control
District No. 2#
City of Coachella*
Coachella Fire Protection District
Coachella Redevelopment Agency
Coachella Sanitary District
Coachella Valley Association of Governments
Coachella Valley Joint
Powers Insurance Authority
Coachella Valley Mosquito and
Vector Control District
Coachella Valley Public Cemetery District#
Coachella Valley Recreation and Park District
Coachella Valley Resource Conservation
District
Coachella Water Authority
City of Colton*

OTAY WATER DISTRICT

Colton Redevelopment Agency
City of Corona*
City of Corona Dial-A-Ride Fund
Corona Parking Authority
Corona Redevelopment Agency
Cove Communities Public Safety Commission
City of Dana Point*
City of Desert Hot Springs
Desert Hot Springs Redevelopment Agency
Desert Resorts Regional Airport Authority
City of Diamond Bar*
City of Eastvale@
East Valley Resource Conservation District
City of El Segundo*
Elsinore Valley Municipal Water District*
Encina Wastewater Authority@
City of Escondido*
Escondido Community Development
Commission
Fern Valley Water District#
City of Galt@
Galt Redevelopment Agency
Goleta Sanitary District
City of Grand Terrace*
Grand Terrace Redevelopment Agency
City of Hemet*
Hemet Redevelopment Agency
City of Highland
Home Gardens Sanitary District
Idyllwild Water District
City of Indian Wells
Indian Wells Redevelopment Agency
City of Indio*
Indio Civic Center Authority
Indio Public Financing Authority
Indio Redevelopment Agency
Inland Empire West Resource Conservation
District*
City of King City*
King City Redevelopment Agency
City of Lake Elsinore*
Lake Elsinore Public Financing Authority
Lake Elsinore Recreation Authority
Lake Elsinore Redevelopment Agency
Lake Elsinore Transit System
City of La Puente*
@

La Puente Redevelopment Agency
Lee Lake Water District
City of Loma Linda*
Loma Linda Redevelopment Agency
Mammoth Community Water District#
March Inland Port Airport Authority#
March Joint Powers Authority*
March Joint Powers – Caretaker
March Joint Powers Redevelopment Agency
March Joint Powers Utility Authority#
Mojave Desert and Mountain Integrated Waste
Management Authority
City of Moorpark*
Moorpark Redevelopment Agency
City of Murrieta*
City of Needles*
Needles Public Financing Authority
Needles Redevelopment Agency
Newhall County Water District
City of Norco
OMNITRANS
City of Ontario*
Ontario Industrial Development Authority
Ontario Redevelopment Agency
Ontario Redevelopment Financing Authority
Otay Water District@
City of Palm Desert*
Palm Desert Redevelopment Agency
Palm Springs Civic Center Authority
Palo Verde Cemetery District
Palos Verdes Peninsula Transit Authority
Palos Verde Valley Transit Agency
City of Perris*
Perris Housing Authority#
Perris Joint Powers Authority#
Perris Public Financing Authority#
Perris Redevelopment Agency
Perris Utility Authority#
Pine Cove Water District
Pinyon Pines County Water District
City of Rancho Mirage*
Rancho Mirage Redevelopment Agency
Rancho Mirage Transit Fund
City of Riverside*
Riverside Redevelopment Agency
County of Riverside*

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Riverside Civic Center Authority
Riverside County A.D.s 159 & 161
Riverside County Asset Forfeiture Accounts
Riverside County C.F.D.s 88-8 & 87-1
Riverside County Desert Judicial District
Riverside County Economic Development Agency (RDA & Successor to RDA) #
Riverside County Flood Control & Water Conservation District#@
Riverside County Habitat Conservation Agency
Riverside County Judicial District
Riverside County Money Purchase Pension Plan
Riverside County Regional Park & Open Spaces District
Riverside County Sheriff's Department Asset Forfeiture Accounts
Riverside County Transportation Commission
Riverside Parking Authority
Riverside - San Bernardino Housing & Finance Agency
Riverside Transit Agency*
Riverside Transit Fund
Running Springs Water District
City of San Bernardino*
San Bernardino Associated Governments
San Bernardino County-Chino Civic Center Authority
San Bernardino County-Needles Public Facilities Authority
City of San Jacinto*
San Jacinto Redevelopment Agency
San Jacinto Mountain Area Water Study Agency*
City of Santa Paula* @
Santa Paula Redevelopment Agency
City of Santee* @#
Santee Public Finance Authority#
Saticoy Sanitary District
City of Solvang@
City of South El Monte*
South Orange County Wastewater Authority
Southern Coachella Valley Community Services District#
Sunline Transit Agency*
City of Tehachapi*

Tehachapi-Cummings County Water District@
Thermal Sanitary District
Triunfo Sanitation District@
City of Twentynine Palms@
Twentynine Palms Water District
Valley Sanitary District
Van Horn Regional Treatment Facility
Ventura Regional Sanitation District@
Victor Valley Economic Development Authority
Victor Valley Wastewater Reclamation Authority*
Water Replenishment District of Southern California
West Valley Vector Control District
Western Municipal Water District
City of Yucaipa*
Town of Yucca Valley* @
Yucca Valley Community Center Authority
Yucca Valley Financing Authority
Yucca Valley Redevelopment Agency

* - Single Audit Procedures Performed (in accordance with OMB Circular A-133)

- Current Clients

@ - Participated in CSMFO and/or GFOA award programs

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The following are audit client references for which similar services have been provided:

- 1) Ron Carr, Finance Director
City of Perris
(951) 943-2906
101 North D Street
Perris, California 92570

Engagement partner: Rich Teaman

Total Hours: Approx. 1200/year

- a. The City of Perris incorporated in 1911 as a General Law City and provides the following services: general administrative services, public safety (police and fire), highways and streets, culture-recreation, community development (planning, building, zoning), water, sewer and sanitation. Our firm conducted the annual audit of the City of Perris for the years ended June 30, 1998 through 2013 (including Single Audit in each of those years except 2005, 2006 & 2007), and provided assistance with the State Controller's Report preparation, Street Report preparation, implementation of GASB 34, conversion to a full CAFR format, assistance in obtaining the GFOA and CSMFO awards of excellence in financial reporting and other areas as requested by the City.
- b. The Perris Redevelopment Agency consisted of three project areas and annual expenditures of approximately \$15 million. We performed the audit of the Agency for the years ended June 30, 1998 through 2011 including preparation of the Annual Report of Financial Transactions to the State Controller (State Controller's Report), Statement of Indebtedness preparation, implementation of GASB 34 and performance of agreed upon procedures engagements relating to the transfer to the successor agency. We audited the Successor Agency as part of the City upon dissolution of the RDA in January 2012 and for June 30, 2013.
- c. We have audited the Perris Public Financing Authority since 1998. Our services included preparation of the Annual Report of Financial Transactions to the State Controller (State Controller's Report) and implementation of GASB 34.
- d. We have audited the Perris Utility Authority since 2009. Our services included preparation of the Annual Report of Financial Transactions to the State Controller (State Controller's Report) and implementation of GASB 34.
- e. We have audited the Perris Housing Authority for 2013, the year of its creation. Our services included preparation of the Annual Report of Financial Transactions to the State Controller (State Controller's Report) and implementation of GASB 34.

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- f. We have audited the Perris Joint Powers Authority for 2013, the year of its creation. Our services included preparation of the Annual Report of Financial Transactions to the State Controller (State Controller's Report) and implementation of GASB 34.

- 2) Peggy Sanchez, Fiscal Manager
Successor Agency to Riverside County Redevelopment Agency
(951) 955-8916
4080 Lemon Street, 4th Floor
Riverside, California 92501

Engagement Partner: Rich Teaman
Total Hours: Approx. 260/year

The Redevelopment Agency for the County of Riverside was formed under Section 33,000 ET. Seq. of the Health and Safety Code and consists of five separate project areas. The Agency assisted the County in elimination blight from designated areas and attempts to achieve desired development, reconstruction and rehabilitation including but not limited to: residential, commercial, industrial and retail. Our firm conducted the annual audit for the Agency for the years ended June 30, 1992 through January 31, 2012. Our services included assistance with the recording of certain bond issues and performance of agreed upon procedures engagements relating to the transfer to the successor agency. We have been contracted to perform an audit of the separate financial statements of the successor agency for June 30, 2013.

- 3) Mammoth Community Water District
Sandra Hageman, Finance Manager
(760) 934-2596
1315 Meridian Blvd
Mammoth Lakes, CA 93546

Engagement Partner: Rich Teaman
Total Hours: Approx. 320/year

The Mammoth Community Water District was formed in 1957 for the purpose of providing water distribution services as well as wastewater collection and treatment facilities for the residents and businesses of the Mammoth Lakes area, serving more than 2,500 customers. Our firm conducted the annual audit for the District for the years ended March 31, 2005 through March 31, 2013. Our services included assistance in preparing the State Controller's report and an appropriations review report.

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- 4) Fern Valley Water District
Jessica Priefer, Accounting Manager
(951) 659-2200
55790 South Circle
Idyllwild, CA 92549

Engagement Partner: Rich Teaman
Total Hours: Approx. 85/year

The Fern Valley Water District was formed in 1958 under section 30,000 et. Seq. of the Water Code for the purpose of providing water and water treatment to the Idyllwild service area, serving more than 3,000 customers. Our firm conducted the annual audit for the District for the years ended June 30, 2004 through June 30, 2013. Our services included assistance in preparing the State Controller's report and an appropriations review report.

- 5) Hamid Hosseini, Finance Director
Carpinteria Sanitary District
(805) 684-7214
5300 Sixth Street
Carpinteria, California 93013

Engagement Partner: Rich Teaman
Total Hours: Approx. 115/year

The Carpinteria Sanitary District was formed in April 1928, for the purpose of operation and maintenance of sewer collection, transmission and treatment facilities serving the southern part of Santa Barbara County. Our firm conducted the annual audit for the District for the years ended June 30, 2006 through June 30, 2013. Our services included assistance in preparing the State Controller's report, assistance in obtaining the GFOA award of excellence in financial reporting and an appropriations review report.

Single Audits (in accordance with OMB Circular A-133)

As indicated in the above list of clients, our firm performs single audits in accordance with OMB Circular A-133 for several clients each year. In addition to the above list, our firm has performed single audits for numerous other clients, involving many different federal programs. The Partner in charge of the District's audits has 30 years of experience performing single audits. We will take into account the "ARRA" Single Audit requirements during our audit.

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GFOA Award Program for Financial Statements

Our firm has been providing assistance to California governments in obtaining the GFOA and/or CSMFO awards for financial reporting for many years. We have helped various governments obtain the awards for the first time, and in addressing comments from previous years. We would be glad to assist the District in obtaining the GFOA award, if desired. To date, all of our clients' attempts to obtain these awards have been successful.

Audit Approach

The engagement partner is a working partner and will be involved in much of the audit. He will assume overall responsibility for services provided to the District and its component units. He will also serve as a technical consultant to the Finance Department. He will provide overall guidance to the audit staff. The engagement partner will be responsible for the primary portion of the field audit, including preparation of all audit reports. The senior accountant and staff accountants will perform audit field work under the supervision of the manager and engagement partner.

Our past experience, relating to our approach to the audits, has indicated that the most important service that can be rendered to clients is to be available at all times during the year. This approach allows the clients the opportunity to consult with the auditors about technical problems and alternative approaches to accounting issues that arise during the year.

We take a customized approach to each and every audit. We will apply the recently adopted "Risk Assessment" audit standards to your audits. An overriding objective throughout the planning process is the identification of risks that should be assessed as to whether they could result in material misstatement of the financial statements. We perform risk assessment procedures to provide a satisfactory basis for the assessment of risks at the financial statement and relevant assertion levels.

Obtaining an in-depth understanding of the entity and its environment, including its internal control, is an essential aspect of the consideration of risk. We use a variety of risk assessment procedures when obtaining this understanding, including observation and inspection (walkthroughs), and inquiries of management and others, discussions among the engagement team, and preliminary analytical procedures. Some aspects of the risk assessment procedures can only be determined after information is gathered about the entity and its environment; and therefore, we tailor our procedures in response to the information gathered. The results of our risk assessment determine of the nature, timing, and extent of further audit procedures to be performed in response to those risks.

Additionally, we have incorporated SAS (Statement on Auditing Standard) No. 99, Consideration of Fraud in a Financial Statement Audit, into our audit process. As a result, we will specifically: 1) evaluate whether programs and controls address identified fraud risks and whether the controls are suitably designed and placed in operation and; 2) assess the fraud risks, taking into account our evaluation, to

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determine whether an audit response is required. As part of this assessment we will discuss how fraud could possibly occur and be prevented with various District personnel. Additionally, we will examine adjusting journal entries as part of our assessment. Under SAS 99 we are required to review and assess the District's operations with regard to fraud. Realizing the sensitivity of such a subject, we will conduct our procedures in such a way as to not cause alarm. We will take the time to explain the reasoning of why we are asking such questions and that they are not meant to be accusatory but rather are necessary for us to complete our assignment. This requirement applies to all financial statement auditors but we believe our communicative approach is superior to others.

Our sampling methods are designed to provide the most coverage possible without expending excess time where impractical. We also concentrate efforts towards those areas known to be susceptible to error. Sample sizes will depend upon our preliminary assessment of control risk and the extent of our planned substantive tests and analytical procedures.

Shortly after our appointment as auditors, we will schedule a preaudit planning meeting during which we will discuss any special concerns, needs and the timing of the audit with appropriate members of the District's staff. We will also schedule audit progress meetings and an exit conference with the appropriate District staff during our engagement to discuss any findings and issues we encountered during the audit. All of our recommendations will be discussed with appropriate personnel in a timely manner. Drafts of all financial reports and management letters will be submitted prior to the issuance of final reports.

We are aware of the amount of additional work and inconvenience the annual audit brings to the District's staff. However, we feel our service approach, and the experience level of the Partner and staff assigned to your audit, will eliminate many of the common problems experienced during an audit, such as:

- recommendations made without a thorough understanding of the feasibility of the recommendation;
- "year-end surprises;"
- new and inexperienced audit staff each year, without adequate supervision.

The fieldwork will normally be coordinated with District staff and begin as soon as the District's books and records are in auditable form. This normally takes place in two stages. Each year we will update our knowledge of your major internal accounting control systems and test such systems (risk assessment). At the same time, District staff will be interviewed in order to assist in resolving any shortcomings before performing the field work portion of the audit. This generally is completed prior to year-end and often leads to worthwhile suggestions for improving internal controls as well as the efficiency and effectiveness of accounting operations and procedures. All of our recommendations will be discussed

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with appropriate District personnel in a timely manner, and if appropriate, in a formal written management letter at the conclusion of the audit. In addition, we will complete as much of the single audit compliance, if applicable, in this stage of the audit. We will review the minutes of the District Board meetings during both stages of the audit.

We use models based on statistical sampling theories to help determine sample sizes using nonstatistical sampling methods as necessary for our substantive tests of balances and transactions, tests of controls and tests of compliance. The objective of tests of compliance is to determine whether an organization has complied with laws and regulations that may have a material effect on each major program.

Therefore, we select samples that will provide sufficient evidence for that purpose. After defining the population, we determine sample sizes and select samples from each major program. Factors that may affect the sample sizes include the following:

- a) The amount of expenditures for the program and the individual awards;
- b) The newness of the program or changes in its conditions;
- c) Prior experience with the program, particularly as revealed in audits and other evaluations;
- d) The extent to which the program is carried out through subrecipients;
- e) The level to which the program is already subject to program reviews or other forms of independent oversight;
- f) The adequacy of controls for ensuring compliance;
- g) The expectation of adherence or lack of adherence to the applicable laws and regulations; and
- h) The potential impact of adverse findings.

The audit team will have laptop computers onsite during the audit fieldwork utilizing state-of-the-art software. We utilize programs such as Microsoft Excel, CS Engagement, Checkpoint and Firm Flow to assist in our audit procedures and provide for greater efficiency and effectiveness. All audit staff have significant experience working with many various accounting systems in our government audits.

Analytical procedures will be performed in the planning stage of the audit (risk assessment process) and in our substantive testing, based on the results of our risk assessment. These procedures will include comparing account balances to the prior year and to the current period's budget, and consideration of expected relationships among the accounts and periods. Analytical procedures will also be performed in the overall review stage of the audit.

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Our audit approach recognizes the importance of laws and regulations in planning the audit of a local governmental entity. As a part of the audit, our firm obtains an understanding of those laws and regulations that have a direct and material effect on the determination of financial statement amounts. We then design the audit to provide reasonable assurance of detecting material instances of noncompliance. We obtain our understanding of applicable laws and regulations by becoming familiar with the following:

The terms and provisions of grant agreements and contracts.

State and federal restrictions affecting funding received by the District; i.e., gas tax law, etc.

The Municipal Code of the District.

State laws regarding authorized investments, spending limits, debt limits, etc.

District policies regarding investments, purchasing, budgets, and the establishment of funds.

Bond covenants of outstanding issues.

Personnel Policies adopted by the District.

Other laws and regulations as appropriate in the circumstances.

Our review of the internal control will be by questionnaire and procedural write-up of your accounting system. Each of the approaches requires inquiry and observation of District personnel and operations. We will also utilize the District's budget, organizational charts, financial reports, policies and procedures, and other applicable documents. Comments and recommendations relating to the accounting system will be discussed with appropriate District personnel and where appropriate they may be included in our reports. Our recommendations will be directed at safeguarding District assets, improving the effectiveness of District procedures, and improving the reporting of financial information, as applicable.

The second stage of the audit is primarily concerned with auditing the final numbers and disclosures that will appear in the District's financial statements and will begin as soon as the District's books and records are ready for audit. Drafts of all financial reports and management letters will be submitted prior to the issuance of final reports. We have a proven track record of delivering reports on time. Each year we will initiate an exit conference to discuss any suggestions, which either of us may have for improving the conduct of the annual audit process, management letters, or any other matters of interest. Throughout the year we are always available for meetings or discussions in order to meet your needs. Findings and reports shall be kept confidential and reported only to the District.

OTAY WATER DISTRICT

In the event that any irregularity in records indicates the District may have suffered or will suffer a monetary loss, we will report such loss to the appropriate District personnel immediately upon discovery in the form of a written report.

Responses to District notifications will be prompt and all reports will be remitted in a timely manner to meet your needs. We make it a practice to be proactive in providing guidance and assistance to our audit clients throughout each fiscal year to ensure proper and timely implementation of new and significant accounting pronouncements, and also with laws and regulations.

The following includes the proposed segmentation of the audit engagement, and the level of staff involved for each segment:

Description	Level of Staff	Estimated Hours
Preaudit planning with District staff. Detail audit plan provided.	Partner, Senior	4
Entrance conferences and auditors perform interim audit procedures, including Single Audit procedures.	Partner, Senior, Staff	143
Progress conference (interim work complete).	Partner, Senior	2
Auditors mail all necessary audit confirmations.	Senior, Staff	4
District Staff provides trial balances and supporting schedules for audit. Auditors commence final examination procedures.	Partner, Senior, Staff	168
Exit conference where auditors propose AJE's and discuss internal control and compliance findings from the audit, as applicable.	Partner, Senior	1
Auditors prepare draft financial statements and reports, including single audit and management letter.	Partner, Manager, Senior, Staff	50
District staff reviews draft financial statements and reports provided by auditors.	Applicable District Staff	N/A
All reports are finalized and submitted.	Partner, Senior	8
Presentations to Audit Committee and BOD	Partner	4

Assistance expected from District staff will include providing us with documents and information included in our comprehensive request list provided at the start of the audit process, answering operational and procedural type questions, and preparing confirmation letters.

OTAY WATER DISTRICT

Scope of Services

The scope of the audits will be to perform the audits in accordance with generally accepted auditing standards; the A.I.C.P.A. industry audit guide, Audits of State and Local Governmental Units, as amended; the Government Finance Officers Publication, Governmental Accounting, Auditing and Financial Reporting, as amended; the standards for financial audits contained in the U.S. General Accounting Office publication Government Auditing Standards, the Single Audit Act, as amended, and the Office of Management and Budget Circular A-133, applicable State Audit Guides, as applicable to the issuance of the reports listed in the RFP.

The engagement will include assistance with the preparation of Annual Report of Financial Transactions to the State Controller and a report on Applying Agreed Upon Procedures in relation to the District's Investment Policy.

Identification of Anticipated Potential Audit Problems

We do not anticipate any significant audit problems for this engagement, other than the extra work normally required for a first-year audit in obtaining applicable documents and information. We will provide a detailed request list early in the audit process to ensure the audit progresses in a timely manner. Should any other issues arise, we will discuss them with appropriate District staff at that time.

APPENDIX A



DAMORE
HAMRIC &
SCHNEIDER,
INC.

CERTIFIED PUBLIC ACCOUNTANTS

SYSTEM REVIEW REPORT

November 10, 2011

To the Shareholders
Teaman, Ramirez & Smith, Inc.
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Teaman, Ramirez & Smith, Inc. (the firm) in effect for the year ended May 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under Government Auditing Standards; and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Teaman, Ramirez & Smith, Inc. in effect for the year ended May 31, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail. Teaman, Ramirez & Smith, Inc. has received a peer review rating of pass.



DAMORE, HAMRIC & SCHNEIDER, INC.
Certified Public Accountants

2856 Arden Way, Suite 200
Sacramento, CA 95825-1379
Tel (916) 481-2856
Fax (916) 488-4428
<http://www.dhscpa.com>

APPENDIX B

AUDIT TEAM RESUMES

Richard A. Teaman, CPA, CGFM, CGMA, Audit Partner

Rich Teaman has thirty years' experience auditing California organizations. He is a member of the American Institute of Certified Public Accountants, the Association of Government Accountants, the California Society of Municipal Finance Officers, the California Society of Certified Public Accountants (CSCPA), California Special Districts Association, the Government Finance Officers Association, the Association of Local Government Auditors, the Association of Certified Fraud Examiners and was the chairman of the Governmental Accounting and Auditing Committee of the Citrus Belt Chapter (now the Inland Empire Chapter) of the California Society of Certified Public Accountants from 1991 to April 1997. He was the chairman of the Governmental Accounting and Auditing committee of the California Society of Certified Public Accountants at the state level from 2004 to 2006. He was the Co-Chairman of the California Committee on Municipal Accounting (a joint committee of representatives of the League of California Cities and the California Society of Certified Public Accountants) from 2006 to 2009. He was part of a five-person final review board that evaluated financial statements under the California Award Program of the Professional and Technical Standards Committee of CSMFO and, as such, was responsible for the revision of the reviewer's checklist from 1993 to 1996. He was also the President for the Citrus Belt Chapter of the California Society of Certified Public Accountant for the 1999-00 fiscal year, Vice President during the 1997-98 and 1998-99 fiscal years, Treasurer during the 1996-97 fiscal year and Board Member during the 1995-96 fiscal year. Mr. Teaman is also an instructor for our in-house continuing education program and has been an instructor for the California Society of Certified Public Accountants.

Mr. Teaman received his Bachelor of Science Degree in Business Administration with a concentration in Accounting from California State University, San Bernardino. He is currently licensed to practice as a CPA in California.

Mr. Teaman's governmental auditing experience includes the following cities, redevelopment agencies and special districts:

<u>Client Name</u>	<u>Fiscal Year(s)</u>	<u>Client Name</u>	<u>Fiscal Year(s)</u>
City of Banning*	94-95 thru 96-97	Mammoth Community Water District	04-05 thru 12-13
Banning Redevelopment Agency	94-95 thru 96-97	March Inland Port Airport Authority	97-98 thru 11-12
City of Big Bear Lake*	83-84 thru 89-90	March Joint Powers Authority	94-95 thru 12-13
Big Bear Lake Fire Protection District	83-84 thru 89-90	March Joint Powers – Caretaker	96-97 thru 04-05
Big Bear Lake Improvement Agency	83-84 thru 89-90	March Joint Powers – RDA	96-97 thru 11-12
City of Blythe	92-93 thru 11-13	March Joint Powers Utility Authority	03-04 thru 12-13
Blythe Public Finance Authority	97-98 thru 11-13	City of Needles*	88-89 thru 92-93
Blythe Redevelopment Agency	92-93 thru 11-12	Needles Public Financing Authority	91-92 thru 92-93
Carpinteria Sanitary District	05-06 thru 12-13	Needles Redevelopment Agency	88-89 thru 92-93
Channel Islands Beach Community Services District	00-01 thru 11-13	City of Ontario*	94-95 thru 96-97
Citrus Pest Control District	98-99 thru 12-13	Ontario Redevelopment Agency	94-95 thru 96-97
City of Coachella*	06-07 and 07-08	Ontario Redevelopment Financing Authority	94-95 thru 96-97

Coachella Fire Protection District	06-07 and 07-08	Otay Water District	03-04 thru 07-08
Coachella Redevelopment Agency	06-07 and 07-08	City of Palm Desert*	84-85 thru 90-91
Coachella Sanitary District	06-07 and 07-08	Palm Desert Redevelopment Agency	84-85 thru 90-91
Coachella Water Authority	06-07 and 07-08	Palm Springs Civic Center Authority	84-85 thru 88-89
Coachella Valley Association of Governments	83-84 thru 87-88	Palo Verde Cemetery District	02-03 thru 06-07
Coachella Valley Joint Powers Insurance Authority	85-86 thru 88-89	Palos Verdes Peninsula Transit Authority	92-93 thru 93-94
Coachella Valley Mosquito Abatement District	84-85 thru 92-93	City of Perris	97-98 thru 12-13
Coachella Valley Mosquito and Vector Control District	96-97 thru 97-98	Perris Housing Authority	12-13
Coachella Valley Public Cemetery District	93-94 thru 06-07	Perris Joint Powers Authority	12-13
Coachella Valley Recreation and Park District*	84-85 thru 90-91	Perris Public Financing Authority	97-98 thru 12-13
City of Colton*	84-85 thru 87-88	Perris Redevelopment Agency	97-98 thru 11-12
Colton Redevelopment Agency	84-85 thru 87-88	Perris Utility Authority	08-09 thru 12-13
City of Corona*	83-84 thru 89-90	Perris Valley Cemetery District	08-09 thru 12-13
Corona Redevelopment Agency	83-84 thru 89-90	Pine Cove Water District	83-84 thru 07-08
City of Dana Point	97-98 thru 99-00	City of Rancho Mirage*	88-89 thru 90-91
Desert Resorts Regional Airport Authority	98-00 thru 05-06	Rancho Mirage Parkview Villas	90-91 thru 94-95
City of Diamond Bar	89-90 thru 93-94	Rancho Mirage Redevelopment Agency	88-89 thru 90-91
City of Eastvale	& 12-13	Retired Senior Volunteer Program	1985 thru 1991
East Valley Resource Conservation District	97-98 thru 99-00	City of Riverside*	83-84 thru 86-87
City of El Sugundo	96-97 thru 98-99	Riverside Civic Center Authority	96-97 thru 01-02
Elsinore Valley Municipal Water District	95-96 thru 02-03	Riverside County Desert Judicial District	87-88 thru 88-89
City of Escondido	98-99	Riverside County Flood Control & Water Conservation District	04-05 thru 07-08 & 12-13
Escondido Community Development Commission	98-99	Riverside County Redevelopment Agency	91-92 thru 11-12
Fern Valley Water District	02-03 thru 12-13	Riverside County Judicial District	88-89 thru 89-90
City of Galt	97-98	Riverside County Regional Park & Open Space District	91-92 thru 07-08
Galt Redevelopment Agency	97-98	Riverside County Transportation Commission	84-85
Goleta Sanitary District	97-98 thru 11-12	Riverside Parking Authority	84-85 thru 85-86
City of Grand Terrace	92-93 thru 94-95	Riverside-San Bernardino Housing & Finance Agency	02-03 thru 85-86
Grand Terrace Redevelopment Agency	92-93 thru 94-95	Riverside Transit Agency*	84-85 thru 85-86
City of Hemet*	92-93 thru 94-95	City of San Bernardino*	83-84 thru 84-85
Hemet Redevelopment Agency	84-85 thru 85-86	San Bernardino County Chino Civic Center Authority	84-85 thru 00-01
Home Gardens Sanitary District	84-85 thru 86-87	San Bernardino Associated Governments	83-84 thru 85-86
Idyllwild Water District	84-85 thru 88-89	City of SanJacinto*	83-84 thru 87-88
City of Indian Wells	83-84 thru 86-87	San Jacinto Redevelopment Agency	83-84 thru 87-88
Indian Wells Redevelopment Agency	83-84 thru 86-87	San Jacinto Mountain Area Water Study Agency*	83-84 thru 88-89
City of Indio	84-85 thru 90-91	City of Santee	12-13
Indio Civic Center Authority	84-85 thru 88-89	Santee Public Finance Authority	12-13
Indio Redevelopment Agency	84-85 thru 90-91	City of Solvang	97-98
Jacqueline Cochran Regional Airport Authority	03-04 thru 12-13	Southern Coachella Valley Community Services District	87-88 thru 12-13
City of Lake Elsinore*	93-94 thru 03-04 & 12-13	Successor Agency to Riverside County Redevelopment Agency	12-13
Lake Elsinore Redevelopment Agency	93-94 thru 03-04	Sunline Transit Agency *	84-85 thru 87-88
Lake Elsinore Public Financing Authority	93-94 thru 03-04 & 12-13	Twentynine Palms Water District	96-97 thru 07-08
		Valley Sanitary District	91-92 thru 07-08
		Ventura Regional Sanitation District	94-95 thru 00-01
		Victor Valley Wastewater Reclamation Authority	89-90 thru 95-96
		Western Municipal Water District	96-97 thru 98-99

Lake Elsinore Recreation Authority	96-97 thru 03-04 & 12-13	Town of Yucca Valley Yucca Valley Community Center Authority	95-96 thru 00-01 95-96 thru 00-01
City of Loma Linda*	83-84 thru 89-90	Yucca Valley Financing Authority	95-96 thru 00-01
Loma Linda Redevelopment Agency	83-84 thru 89-90	Yucca Valley Redevelopment Agency Yuima Municipal Water District	95-96 thru 00-01 07-08 thru 12-13

* = Single Audit Procedures performed

Mr. Teaman has for the licensing period (licenses are renewed every two years) beginning September 1, 2012, 145 hours of continuing professional education (CPE) with 26 hours in government training. Included in this training were , the AICPA’s Government Audit Quality Center Annual Update, the AICPA’s class on The New Data Collection Form & Important Clearinghouse System Changes and California Society of Certified Public Accountants classes, Accounting and auditing Update, Fraud in the Governmental & Not for Profit Environments, A-133 Workshop, Employee Benefit Plans: Audit, Accounting Essentials, Audit Standards Update: Clarity Standards Overview, Governmental Accounting and Auditing Conference, Financial Statement Disclosures, Revised Auditing Standards, Audits of 401K Plans and Accounting and Auditing Conference.

During the prior licensing period Mr. Teaman had 214 hours of continuing professional education (CPE) with 51 hours in governmental training. Included in this training was the GFOA Annual Governmental GAAP Update, the AICPA’s Government Audit Quality Center Annual Update, the AICPA’s Advanced Workshop; Practical Guidance for Peer Reviewers and California Society of Certified Public Accountants classes, California Fraud Case Studies, Accounting & Auditing Conference, Advanced Compilation & Review, The Basics of Accounting Analysis, Internal Control: Your #1 Defense Against Errors & Fraud, Fraud in the Government & Not For Profit Environments: What a Steal, FASB Update, The New Yellow Book: What you Need to Know, and Audit update 2012.

More detailed information can be provided upon request.

Richard A. Gallo, Jr., Manager

Mr. Gallo has eleven years of experience auditing California governmental agencies. Mr. Gallo serves as an instructor for our in-house continuing education program. Mr. Gallo received his Bachelor of Science Degree in Business Administration, with a concentration in accounting, from the University of California, Riverside.

Mr. Gallo's governmental auditing experience includes the following cities, redevelopment agencies and special districts:

<u>Client Name</u>	<u>Fiscal Year(s)</u>	<u>Client Name</u>	<u>Fiscal Year(s)</u>
Apple Valley, Town of*	2002-03	Perris, City of*	2000-01 to 2012-13
Blythe, City of*	2001-02 & 2003-04 to 2012-13	Perris Housing Authority	2012-13
Blythe PFA, City of	2001-02 & 2003-04 to 2012-13	Perris Joint Powers Authority	2012-13
Blythe RDA, City of	2001-02 & 2003-04 to 2011-12	Perris RDA, City of	2000-01 to 2011-12
Channel Islands Beach Community Services District	2000-01, 2001-02, & 2003-04 to 2011-13	Perris PFA, City of	2000-01 to 2012-13
Chino Civic Center Authority	2000-01	Perris Utility Authority	2008-09 to 2012-13
Citrus Pest Control District No. 2	2003-04, 2004-05	Perris Valley Cemetery District	2008-09 to 2009-10
Coachella Valley Public Cemetery District	2003-04 to 2006-07	Pine Cove Water District	2002-03 to 2003-04
Eastvale, City of	2012-13	Riverside Civic Center Authority	2000-01 to 2001-02
Elsinore Valley Municipal Water District	2002-03	Riverside City Hall Authority	2001-01 to 2001-02
Fern Valley Water District	2002-03 to 2011-12	Riverside County Economic Development Agency	2003-04 to 2011-12
Goleta Sanitary District	2000-01 to 2001-02	Riverside County Flood & Water Conservation District	2005-06 to 2007-08 & 2012-13
Lake Elsinore, City of*	2001-02 to 2003-04 & 2012-13	Riverside County Open Space and Park District	2005-06
Lake Elsinore PFA, City of	2001-02 to 2003-04 & 2012-13	San Bernardino County Library	2000-01
Lake Elsinore RA, City of	2001-02 to 2003-04 & 2012-13	San Jacinto Mountain Area Water Study Agency	2004-05 to 2005-06
Lake Elsinore RDA, City of	2001-02 to 2003-04	Santee, City of	2012-13
Mammoth Community Water District	2004-05 to 2012-13	Santee Public Finance Authority	2012-13
March Inland Port Airport Authority	2000-01 to 2012-13	Shafter, City of*	2007-08 to 2009-10
March Joint Powers Authority*	2000-01 to 2012-13	Shafter Community Development Agency	2007-08 to 2009-10
March Joint Powers Caretaker	2000-01 to 2001-02	Shafter Joint Powers Financing Authority	2007-08 to 2009-10
March Joint Powers RDA	2000-01 to 2010-11	Solvang, City of	2002-03
March Joint Powers Utility Authority	2003-04 to 2012-13	Southern Coachella Valley Community Services District	2002-03 to 2006-07
Otay Water District*	2004-05 to 2007-08	Successor Agency to Riverside County Redevelopment Agency	2012-13
Palo Verde Cemetery District	2003-04 to 2004-05	Twentynine Palms, City of*	2007-08 to 2009-10
		Twentynine Palms Redevelopment Agency	2007-08 to 2009-10
		Twentynine Palms Water District	2001-02 thru 2003-04
		Valley Sanitary District	2001-02
		Western Municipal Water District	2000-01
		Yuima Municipal Water District	2007-08 to 2012-13

* = Single Audit Procedures Performed

Mr. Gallo has for the calendar year ending, as of December 31, 2012, 43 hours of CPE with 22 hours in governmental training.

Joshua Calhoun, Senior Accountant

Joshua Calhoun has four years experience auditing governments in California. He is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants (CalCPA).

Mr. Calhoun received his Bachelor of Science Degree in Business Administration with a concentration in Accounting and minor in Finance from California State University, San Bernardino. He is actively studying to be licensed to practice as a CPA in California.

Mr. Calhoun's governmental auditing experience includes the following cities, redevelopment agencies and special districts:

<u>Client Name</u>	<u>Fiscal Year(s)</u>	<u>Client Name</u>	<u>Fiscal Year(s)</u>
City of Blythe*	08-09 thru 12-13	Perris Valley Cemetery District	08-09 thru 12-13
Blythe Public Financing Authority	08-09 thru 12-13	City of Perris*	08-09 thru 12-13
Blythe Redevelopment Agency	08-09 thru 11-12	Perris Redevelopment Agency	08-09 thru 11-12
Channel Islands Beach Community Service District	08-09 thru 11-12	Perris Public Financing Authority	08-09 thru 12-13
Citrus Pest Control District	12-13	Perris Utility Authority	08-09 thru 12-13
Jacqueline Cochrane Regional Airport Authority	08-09 thru 11-12	Perris Valley Cemetery District	12-13
Fern Valley Water District	08-09 thru 12-13	Riverside County Redevelopment Agency	08-09 thru 11-12
March Joint Powers Authority	08-09 thru 10-11	City of Shafter	08-09 thru 09-10
March Joint Powers Redevelopment Agency	08-09 thru 10-11	Shafter Community Development Agency	08-09 thru 09-10
March Joint Powers Utility Authority	08-09 thru 11-12	City of Twentynine Palms	08-09 thru 09-10
March Inland Port Airport Authority	08-09 thru 11-12	Twentynine Palms Redevelopment Agency	08-09 thru 09-10
Mammoth Community Water District	09-10 thru 10-11	Yuima Municipal Water District	08-09 thru 11-12

* = Single Audit Procedures performed

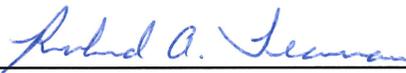
Mr. Calhoun has over 205 hours of continuing professional education (CPE) with 130 hours in government training. Included in this training were the GFOA Annual Governmental GAAP Update, Accounting and Auditing with Excel updates, Audit Risk Assessment Standards, and the Governmental Accounting and Auditing Conference, and American Institute of Certified Public Accountant classes.

More detailed information can be provided upon request.

APPENDIX C

PROPOSER GUARANTEES

- A. The proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.

Signature of Firm Representative: 

Name, Title: Richard A. Teaman, Partner, CPA

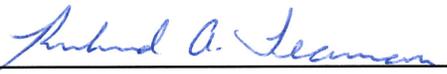
Firm: Teaman, Ramirez & Smith, Inc.

Date: November 4, 2013

APPENDIX D

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of California laws with respect to foreign (non-state of California) corporations.
- B. Proposer warrants that it is willing and able to provide proof of insurance covering the following areas: 1) general liability 2) worker's compensation; 3) professional liability insurance providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the District.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Firm Representative: 

Name, Title: Richard A. Teaman, Partner, CPA

Firm: Teaman, Ramirez & Smith, Inc.

Date: November 4, 2013

OTAY WATER DISTRICT

November 4, 2013

DOLLAR COST BID

November 4, 2013

Kevin Koeppen, CPA
 Finance Manager
 Otay Water District
 2554 Sweetwater Springs Boulevard
 Spring Valley, California 91978-2096

We are pleased to present this audit cost proposal. We have provided you with a significant amount of information about our firm, our service approach to auditing and the individuals who will serve you. We are committed to provide the highest level of service to the Otay Water District at a reasonable cost. However, costs should not be overemphasized in selecting a firm of independent public accountants with which you plan to establish a continuing relationship. We urge you to select the firm you believe is most qualified to provide you with all the services you require – now and in the future – in a dedicated and responsive manner.

The total maximum price for the audit services to be provided to the Otay Water District for the June 30, 2014 is as follows:

<u>Service</u>	<u>Total All- Inclusive Price</u>
Audit of Financial Statements	\$ 22,000
CAFR Assistance	\$ 1,500
Single Audit, if necessary	\$ 3,500
State Controller's Report	\$ 800
AUP Investments	<u>\$ 1,500</u>
Total	<u>\$ 29,300</u>

The above fees include a Single Audit, as necessary. This fee is proposed under the assumption that the Single Audit will include no more than two major programs. This Single Audit fee will be increased by \$1,500 for each additional major federal program (above the two) required to be audited in accordance with OMB Circular A-133.

This proposal is made with the assumption that the District's books and records will be in a reasonably balanced condition and reconciled at the start of the audit and that the representations made to us during this proposal process will remain effective throughout our engagement. The balance of this audit cost proposal details the breakdown of the annual maximum price.

Thank you for providing us the opportunity to present our proposal for audit services as we would like very much to become the District's auditors. We certify that Richard A. Teaman is entitled to represent the firm, empowered to submit this bid and authorized to sign a contract with the Otay Water District. Should you have any questions regarding our proposal or desire additional information, please call, Rich Teaman, Partner, at (951) 274-9500.

Respectfully Presented,

TEAMAN, RAMIREZ & SMITH, INC.



Richard A. Teaman
Certified Public Accountant

OTAY WATER DISTRICT
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE JUNE 30, 2014 FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

	<u>Estimated Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	40	\$ 170-250	\$ 175	\$ 7,000
Managers	10	121-165	130	1,300
Supervisory Staff	80	96-120	110	8,800
Staff	150	65-95	90	<u>13,500</u>
Subtotal				30,600
Out-of-Pocket Expenses				0
Fee Discount				<u>(8,600)</u>
Total all-inclusive maximum price for 2014				<u>\$ 22,000</u>

OTAY WATER DISTRICT
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE JUNE 30, 2014 FINANCIAL STATEMENTS
SUPPORTING SCHEDULE FOR CAFR ASSISTANCE

	<u>Estimated Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	4	\$ 170-250	\$ 175	\$ 700
Managers	0	121-165	130	0
Supervisory Staff	10	96-120	110	1,100
Staff	5	65-95	90	<u>450</u>
Subtotal				2,250
Out-of-Pocket Expenses				0
Fee Discount				<u>(750)</u>
Total all-inclusive maximum price for 2014				<u>\$ 1,500</u>

OTAY WATER DISTRICT
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE JUNE 30, 2014 FINANCIAL STATEMENTS
SUPPORTING SCHEDULE FOR SINGLE AUDIT

	<u>Estimated Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	4	\$ 170-250	\$ 175	\$ 700
Managers	0	121-165	130	0
Supervisory Staff	25	96-120	110	2,750
Staff	30	65-95	90	<u>2,700</u>
Subtotal				6,150
Out-of-Pocket Expenses				0
Fee Discount				<u>(2,650)</u>
Total all-inclusive maximum price for 2014				<u>\$ 3,500</u>

OTAY WATER DISTRICT
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE JUNE 30, 2014 FINANCIAL STATEMENTS
SUPPORTING SCHEDULE FOR STATE CONTROLLER'S REPORT

	<u>Estimated Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	1	\$ 170-250	\$ 175	\$ 175
Managers	0	121-165	130	0
Supervisory Staff	2	96-120	110	220
Staff	7	65-95	90	<u>630</u>
Subtotal				1,025
Out-of-Pocket Expenses				0
Fee Discount				<u>(225)</u>
Total all-inclusive maximum price for 2014				<u>\$ 800</u>

OTAY WATER DISTRICT
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE JUNE 30, 2014 FINANCIAL STATEMENTS
SUPPORTING SCHEDULE FOR AUP INVESTMENTS

	<u>Estimated Hours</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>	<u>Total</u>
Partner	1	\$ 170-250	\$ 175	\$ 175
Managers	0	121-165	130	0
Supervisory Staff	5	96-120	110	550
Staff	10	65-95	90	<u>900</u>
Subtotal				1,625
Out-of-Pocket Expenses				0
Fee Discount				<u>(125)</u>
Total all-inclusive maximum price for 2014				<u>\$ 1,500</u>

**OTAY WATER DISTRICT
DOLLAR COST BID**

We agree the District may broaden the scope of our engagement and we agree to hold ourselves available to perform such additional work as the District may desire. Progress billings, on the basis of hours of work completed during the course of the engagement, will be submitted. Interim billings shall cover a period not less than a calendar month. A final billing will be submitted upon delivery of all required reports. Our fees for services rendered will be based on our quoted hourly rates and actual time expended. No billings will be made for out-of-pocket expenses or any other expenses such as typing, clerical, printing or travel costs.

Below is our Hourly Rate Schedule for hourly charges for professional services rendered in relation to any additional services that may be requested by the District. Most often, larger additional projects have **negotiated maximums**. Should you require such services, we would be pleased to discuss them with you.

<u>Staff Category</u>	<u>Standard Hourly Rates</u>	<u>Quoted Hourly Rates</u>
Partner	\$ 170 - 250	\$ 175
Manager	121 - 165	130
Supervisory Staff	96 - 120	110
Professional Staff	65 - 95	90

AGENDA ITEM 21c



STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	January 7, 2014
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 2014 Calendar of Meetings		

GENERAL MANAGER'S RECOMMENDATION:

At the request of the Board, the attached Board of Director's meeting calendar for 2014 is being presented for discussion.

PURPOSE:

This staff report is being presented to provide the Board the opportunity to review the 2014 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 2014

**Board of Directors, Workshops
and Committee Meetings
2014**

Regular Board Meetings:

January 7, 2014
February 5, 2014
March 5, 2014
April 2, 2014
May 7, 2014
June 4, 2014
July 2, 2014
August 6, 2014
September 3, 2014
October 1, 2014
November 5, 2014
December 3, 2014

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

January 21, 2014
February 19, 2014
March 19, 2014
April 16, 2014
May 21, 2014
June 18, 2014
July 16, 2014
August 20, 2014
September 17, 2014
October 15, 2014
November 19, 2014
December 17, 2014

SPECIAL BOARD MEETINGS:

BOARD WORKSHOPS:

AGENDA ITEM 22a



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 7, 2014
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Wales Benham Senior Accountant		
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:	Director's Expenses for the 1st Quarter of Fiscal Year 2014		

GENERAL MANAGER'S RECOMMENDATION:

This is an informational item only.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To inform the Board of the Director's expenses for the 1st quarter of Fiscal Year 2014.

ANALYSIS:

The Directors' expense information is being presented in order to comply with Otay's Board of Directors Policy 8, requiring staff to create a quarterly report showing expenses for the Directors. In addition, California Government Code Section 53065.5 requires special districts, at least annually, to disclose any reimbursement paid by a district within the immediately preceding fiscal year. The disclosure requirement shall be fulfilled by including the reimbursement information in a document published or printed, at least annually by

a date determined by that district, and shall be made available for public inspection. (See Attachment B for the Summary and C-H for Details.)

FISCAL IMPACT:

None.

STRATEGIC GOAL:

Prudently manage District funds.

LEGAL IMPACT:

Compliance with state law.

Attachments: Attachment A Committee Action
Attachment B Director's Expenses and per Diems
Attachment C-H Director's Expenses Detail



ATTACHMENT A

SUBJECT/PROJECT:	Director's Expenses for the 1st Quarter of Fiscal Year 2014
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COMMITTEE ACTION:

This item was presented to the Finance, Administration and Communications Committee at a meeting held on December 10, 2013. The expenses for each director from July 1, 2013 thru September 30, 2013 was presented. It was indicated that directors' expenses totaled \$6,849.08 for the first quarter of Fiscal Year 2014. It was projected that directors expenses for Fiscal Year 2014 would total approximately \$27,400 based on the first three months of actual expenses. The committee received staffs' report and recommended presentation to the full board as an informational item.

**BOARD OF DIRECTORS'
EXPENSES AND PER-DIEMS**

**FINANCE, ADMINISTRATION AND
COMMUNICATIONS COMMITTEE MEETING
December 10, 2013**

Policy 8 requires that staff present the Expenses and Per-Diems for the Board of Directors on a Quarterly basis:

- Fiscal Year 2014, 1st Quarter.
- The expenses are shown in detail by Board member, month and expense type.
- This presentation is in alphabetical order.
- This information is to be presented to the Finance, Administration, and Communications Committee on December 10, 2013.

Board of Directors' Expenses and Per-Diems
Fiscal Year 2014 Quarter 1 (Jul 2013 - Sep 2013)

Director Croucher	\$200.00
Director Gonzalez	\$2,078.20
Director Lopez	\$2,348.74
Director Robak	\$646.42
Director Thompson	\$1,575.72
Total	\$6,849.08

Director Croucher

Fiscal Year 2014 Quarter 1

	Jul 2013	Aug 2013	Sep 2013
Business Meetings	0.00	0.00	0.00
Director's Fees	0.00	100.00	100.00
Mileage Business	0.00	0.00	0.00
Conferences and Seminars	0.00	0.00	0.00
Travel	0.00	0.00	0.00
Monthly Totals	<u>0.00</u>	<u>100.00</u>	<u>100.00</u>
Quarterly Total			<u>\$200.00</u>

Fiscal Year-to-Date 2014 (Jul 2013-Sep 2013)	\$200.00
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Meetings Attended	0	1	1
Meetings Paid	0	1	1

Director Gonzalez

Fiscal Year 2014 Quarter 1

	Jul 2013	Aug 2013	Sep 2013
Business Meetings	0.00	0.00	0.00
Director's Fees	300.00	200.00	200.00
Mileage Business	0.00	0.00	0.00
Conferences and Seminars	0.00	0.00	1,040.00
Travel	0.00	0.00	338.20
Monthly Totals	<u>300.00</u>	<u>200.00</u>	<u>1,578.20</u>
Quarterly Total			<u>\$2,078.20</u>

Fiscal Year-to-Date 2014 (Jul 2013-Sep 2013)	\$2,078.20
---	-------------------

Meetings Attended	3	2	4
Meetings Paid	3	2	2

Director Lopez

Fiscal Year 2014 Quarter 1

	Jul 2013	Aug 2013	Sep 2013
Business Meetings	0.00	225.00	0.00
Director's Fees	400.00	800.00	700.00
Mileage Business	0.00	83.62	3.39
Mileage Commuting	45.20	22.60	68.93
Conferences, Seminars, and Travel	0.00	0.00	0.00
Monthly Totals	<u>445.20</u>	<u>1,131.22</u>	<u>772.32</u>
Quarterly Total			<u>\$2348.74</u>

Fiscal Year-to-Date 2014 (Jul 2013-Sep 2013)	\$2,348.74
---	-------------------

Meetings Attended	4	10	10
Meetings Paid	4	8	7

Director Robak

Fiscal Year 2014 Quarter 1

	Jul 2013	Aug 2013	Sep 2013
Business Meetings	20.00	0.00	75.00
Director's Fees	100.00	200.00	200.00
Mileage Business	3.39	34.47	6.78
Mileage Commuting	2.26	2.26	2.26
Conferences, Seminars, and Travel	0.00	0.00	0.00
Monthly Totals	<u>125.65</u>	<u>236.73</u>	<u>284.04</u>
Quarterly Total			<u>\$646.42</u>

Fiscal Year-to-Date 2014 (Jul 2013-Sep 2013)	\$646.42
---	-----------------

Meetings Attended	3	3	2
Meetings Paid	1	2	2

Director Thompson

Fiscal Year 2014 Quarter 1

	Jul 2013	Aug 2013	Sep 2013
Business Meetings	0.00	0.00	0.00
Director's Fees	200.00	500.00	700.00
Mileage Business	41.81	6.78	38.99
Mileage Commuting	14.69	29.38	44.07
Conferences, Seminars, and Travel	0.00	0.00	0.00
Monthly Totals	<u>256.50</u>	<u>536.16</u>	<u>783.06</u>
Quarterly Total			<u>\$1,575.72</u>

Fiscal Year-to-Date 2014 (Jul 2013-Sep 2013)	\$1,575.72
---	-------------------

Meetings Attended	2	5	8
Meetings Paid	2	5	7

Board of Directors' Expenses and Per Diems
Fiscal Year 2014 **Projected** (July 2013- June 2014)

Director Croucher	\$800.00
Director Gonzalez	\$8,300.00
Director Lopez	\$9,400.00
Director Robak	\$2,600.00
Director Thompson	\$6,300.00
Total	\$27,400.00

Based on three months of actuals

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2013 THROUGH SEPTEMBER 30, 2013**

DIRECTOR'S NAME: CROUCHER, GARY

ATTACHMENT D

Account Name	Date	Descriptions	SECTION D Amount
Director's Fee	8/20/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	\$ 100.00
	9/4/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
Director's Fee Total			200.00
Grand Total			\$ 200.00

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2013 THROUGH SEPTEMBER 30, 2013**

DIRECTOR'S NAME: GONZALEZ, DAVID

ATTACHMENT E

Account Name	Date	Descriptions	SECTION E Amount
Director's Fee	7/3/2013	REGULAR BOARD OF DIRECTORS MEETING	\$ 100.00
	7/19/2013	COMMITTEE AGENDA BRIEFING	100.00
	7/24/2013	COMMITTEE MEETING	100.00
	8/7/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/20/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	9/4/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/23/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
Director's Fee Total			700.00
Travel	9/24/2013	AIRFARE TO HOUSTON TEXAS - WATER & ENERGY CONFERENCE	338.20
Travel Total			338.20
Conferences and Seminars	9/5/2013	REGISTRATION - MEXICAN AMERICAN BUSINESS PROFESSIONALS ASSOC. MEETING HELD ON SEPTEMBER 5, 2013	25.00
	9/6/2013	REGISTRATION - ABONDIGAS MONTHLY MEETING SEPTEMBER 6, 2013	15.00
	9/25/2013	REGISTRATION - SEPT 25-26, 2013 WATER & ENERGY CONFERENCE	1,000.00
Conferences and Seminars Total			1,040.00
Grand Total			\$ 2,078.20

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2013 THROUGH SEPTEMBER 30, 2013**

DIRECTOR'S NAME: LOPEZ, JOSE

ATTACHMENT F

Account Name	Date	Descriptions	SECTION F Amount
Director's Fee	7/3/2013	REGULAR BOARD OF DIRECTORS MEETING	\$ 100.00
	7/11/2013	MEETING WITH DISTRICT'S AUDITOR - DAVID FOREMAN	100.00
	7/19/2013	COMMITTEE AGENDA BRIEFING	100.00
	7/23/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	8/1/2013	BOARD AGENDA BRIEFING - GENERAL MANAGER & COUNSEL	100.00
	8/7/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/9/2013	SEMINAR "BOARD ROLE IN FINANCE & FISCAL ACCOUNTABILITY"	100.00
	8/13/2013	WEBINAR "UNDERSTANDING BOARD MEMBER & DISTRICT LIABILITY"	100.00
	8/14/2013	AGENDA DEVELOPER FOR JOINT WATER SUMMIT MEETING	100.00
	8/21/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	8/27/2013	JOINT WATER SUMMIT MEETING	100.00
	8/30/2013	BOARD AGENDA BRIEFING - GENERAL MANAGER & COUNSEL	100.00
	9/4/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/11/2013	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	9/17/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	9/23/2013	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	9/25/2013	JOHN BOLTHOUSE - WATER CONSERVATION GARDEN	100.00
	9/26/2013	DESALINATION MEETING IN TIJUANA	100.00
	9/27/2013	BOARD AGENDA BRIEFING - GENERAL MANAGER & COUNSEL	100.00
Director's Fee Total			1,900.00
Mileage - Commuting	7/31/2013	MEETING - JULY 3, 11,19, & 23 2013	45.20
	8/31/2013	MEETING - AUG. 7 & 21, 2013	22.60
	9/30/2013	MEETING - SEPTEMBER 4, 11,17, 23, 25, & 26 2013	68.93
Mileage - Commuting Total			136.73
Mileage - Business	8/31/2013	MEETING - AUG. 1, 9, 14, 27 & 30, 2013	83.62
	9/27/2013	MEETING - SEPTEMBER 27, 2013	3.39
Mileage - Business Total			87.01
Business meetings	8/9/2013	CALIFORNIA SPECIAL DISTRICT	225.00
Business meetings Total			225.00
Grand Total			2,348.74

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2013 THROUGH SEPTEMBER 30, 2013**

DIRECTOR'S NAME: ROBAK, MARK

ATTACHMENT G

Account Name	Date	Descriptions	SECTION G Amount
Director's Fee	7/3/2013	REGULAR BOARD OF DIRECTORS MEETING	\$ 100.00
	8/7/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/20/2013	COUNCIL OF WATER UTILITIES	100.00
	9/4/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/12/2013	SDCWA - DISCUSSION OF BAY DELTA ALTERNATIVES	100.00
Director's Fee Total			500.00
Mileage - Commuting	7/31/2013	MEETING - JULY 3, 2013	2.26
	8/31/2013	MEETING - AUG. 7, 2013	2.26
	9/30/2013	MEETING - SEPT. 4, 2013	2.26
Mileage - Commuting Total			6.78
Mileage - Business	7/31/2013	MEETING - JULY 3, 2013	3.39
	8/31/2013	MEETING - AUG. 7 & 20, 2013	34.47
	9/30/2013	MEETING - SEPT. 4 & 12, 2013	6.78
Mileage - Business Total			44.64
Business meetings	7/1/2013	SD EAST COUNTY CHAMBER OF COMMERCE FIRST FRIDAY JULY 2013	20.00
	9/17/2013	COUNCIL OF WATER UTILITIES	50.00
	9/25/2013	REGISTRATION - SD EAST COUNTY CHAMBER OF COMMERECE	25.00
Business meetings Total			95.00
Grand Total			\$ 646.42

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2013 THROUGH SEPTEMBER 30, 2013**

DIRECTOR'S NAME: THOMPSON, MITCHELL

ATTACHMENT H

Account Name	Date	Descriptions	SECTION H Amount
Director's Fee	7/3/2013	REGULAR BOARD OF DIRECTORS MEETING	\$ 100.00
	7/16/2013	COUNCIL OF SD COUNTY WATER AGENCIES MONTHLY MEETING	100.00
	8/7/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/13/2013	MEETING WITH SWEETWATER AND OTAY WATER DISTRICT	100.00
	8/21/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	8/27/2013	JOINT WATER SUMMIT MEETING	100.00
	8/28/2013	SEXUAL HARRASSMENT FOR SUPERVISORS TRAINING	100.00
	9/3/2013	AB1234 ETHICS TRAINING FOR PUBLIC OFFICIALS	100.00
	9/4/2013	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/11/2013	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	9/13/2013	AGENDA BREIFING MEETING	100.00
	9/17/2013	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	9/23/2013	REDEVELOPMENT OVERSIGHT BOARD MEETING	100.00
	9/25/2013	JOHN BOLTHOUSE - WATER CONSERVATION GARDEN	100.00
Director's Fee Total			1,400.00
Mileage - Commuting	7/31/2013	MEETING - JULY 3, 2013	14.69
	8/31/2013	MEETING - AUGUST 7 & 21, 2013	29.38
	9/30/2013	MEETING - SEPTEMBER 4, 17, & 25, 2013	44.07
Mileage - Commuting Total			88.14
Mileage - Business	7/31/2013	MEETING - JULY 16, 2013	41.81
	8/31/2013	MEETING - AUGUST 13 & 27, 2013	6.78
	9/30/2013	MEETING - SEPTEMBER 11,13, 23, & 26 2013	38.99
Mileage - Business Total			87.58
Grand Total			\$ 1,575.72



A15 000 · 113 3000 · 2101 · 528101

300.00

EXHIBIT B

OTAY WATER DISTRICT
BOARD OF DIRECTORS
PER-DIEM AND MILEAGE CLAIM FORM

Pay To: Gary Croucher

Period Covered:

Employee Number: 7011

From: Aug 8 To: Oct

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1	✓ 8/20	Committee	EO Committee	0	0
✓ 2	9/4	Board	SEPT Board Meeting	0	0
✓ 3	10/2	Board	OCT Board Meeting	0	0
4					
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16					
17					
18					

Per Diems

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300 * 00 *

Total Meeting Per Diem: \$ 300
(\$100 per meeting)

Total Mileage Claimed: 0 miles

[Signature]
(Director's Signature)

GM Receipt: [Signature]

Date: 10/9/2013

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____



AB000-134000-2101-528101
AB000-134000-2101-5211 2

700.00
EXHIBIT B 45.20

OTAY WATER DISTRICT
BOARD OF DIRECTORS
PER-DIEM AND MILEAGE CLAIM FORM

Pay To: Jose Lopez

Period Covered:

Employee Number: 7010

From: 07/01/13 To: 07/31/13

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1.	07/03	OWD	REGULAR BOARD MEETING	20	
✓ 2.	07/11	OWD	Meeting with District's Auditor David Foreman	20	
✓ 3.	07/19	OWD	Committee Agenda Briefing	20	
✓ 4.	07/23	OWD	Finance, Admin & Communications Committee mtg	20	
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per diem
 mileage

Total Meeting Per Diem: \$400
(\$100 per meeting)

Total Mileage Claimed: 80 miles

(Director's Signature)

GM Receipt:

Date: 8/8/13

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

13 AUG 8 PM 4:55

8/8/13
8-9-13



AB 000 - 1B 4000 - 2101 - 528101 800.00
 AB 000 - 1B 4000 - 2101 - 521102 22.60

EXHIBIT B

OTAY WATER DISTRICT
 BOARD OF DIRECTORS
 PER-DIEM AND MILEAGE CLAIM FORM

Pay To: Jose Lopez

Period Covered:

Employee Number: 7010

From: 08/01/13 To: 08/31/13

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1.	08/01	OWD	Board Agenda Briefing - Gen Mgr. & Counsel		6 ✓
2.	08/01	JPA	Metro Commission Wastewater Mtg (No charge)		
✓ 3.	08/07	OWD	Regular Board Meeting	20 ✓	
✓ 4.	08/09	OWD	Seminar " Board Role in Fin. & Fiscal Accountability"		110 ✓
✓ 5.	08/13	OWD	Webinar "Understanding Board Mem & Dist Liability"		
6.	08/14	OWD	Committee Agenda Briefing -Gen Mgr (No Charge)		8 X
✓ 7.	08/14	OWD	Agenda Dev for Joint Water Summit Meeting		12 ✓
✓ 8.	08/21	OWD	Finance, Admin, & Communications committee mtg	20 ✓	
✓ 9.	08/27	OWD	Joint Water Summit Meeting		12 ✓
✓ 10.	08/30	OWD	Board Agenda Briefing - Gen Mgr. & Counsel		8 ✓
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Per Diem
 Mileage

Total Meeting Per Diem: \$800
 (\$100 per meeting)

Total Mileage Claimed: 196 miles

Jose A. Lopez
 (Director's Signature)

Date: 9/6/2013

GM Receipt: [Signature]

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

✓
 9.10.13

3 SEP 10 AM 8:17

AB000-1B4000-2101-528101 700.00
 AB000-1B4000-2101-521102 68.93



EXHIBIT B

**OTAY WATER DISTRICT
 BOARD OF DIRECTORS
 PER-DIEM AND MILEAGE CLAIM FORM**

Pay To: Jose Lopez

Period Covered:

Employee Number: 7010

From: 09/01/13 To: 09/30/13

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1.	09/04	OWD	Regular Board meeting	20	
2.	09/07	OWD	Otay Employees Picnic (No charge)		
✓ 3.	09/11	JPA	Water Conservation Garden meeting	22	
✓ 4.	09/17	OWD	Finance, Admin & Communications Committee	20	
✓ 5.	09/23	OWD	Engineering and Operations Committee	20	
✓ 6.	09/25	OWD	John Bolthouse-Water Conservation Garden	20	
7.	09/25	OWD	Otay Employee Recognition (no Charge)		
✓ 8.	09/26	OWD	Hector Mares, Hernardo Duron, Gen Mgr (Tijuana)	20	
9.	09/26	EDC	EDC - Elected Officials Reception (No Charge)		
✓ 10.	09/27	OWD	Board Agenda Briefing - Gen Mgr. & Counsel		6
11.					
12.					
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18.					

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Per Diem

Mileage

Total Meeting Per Diem: \$700
 (\$100 per meeting)

Total Mileage Claimed: 128 miles

Jose Lopez
 (Director's Signature)

GM Receipt: *[Signature]*

Date: 10/9/2013

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

13 OCT 14 AM 11:58

AB000.1B5000.2101.528101 500.00



AB000.1B5000.2101.521102 6.78

OTAY WATER DISTRICT BOARD OF DIRECTORS PER-DIEM AND MILEAGE CLAIM FORM

Pay To: Mark Robak

Period Covered:

Employee Number: 7014

From: 7/3/13 To: 9-15-13

3217 Fair Oaks Lane, Spring Valley, CA 91978

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1	7-3	Monthly Otay Board Meeting	General District Business	4	6
2	7-9	East County Chamber of Commerce	Land Use Committee – NO CHARGE	0	0
3	7-12	East County Chamber of Commerce	Monthly Mixer – NO CHARGE	0	0
✓ 4	8-7	Monthly Otay Board Meeting	General District Business	4	6
✓ 5	8-20	Council of Water Utilities	Discussion of Colorado River Issues	0	55
6	8-29	Lakeside Chamber of Commerce	Monthly Mixer – NO CHARGE	0	0
✓ 7	9-4	Monthly Otay Board Meeting	General District Business	4	6
✓ 8	9-12	San Diego County Water Authority	Discussion of Bay Delta alternatives	0	6
				12	79

Total Meeting Per Diem: \$500
(\$100 per meeting)

Total Mileage Claimed: 91

GM Approval: *[Signature]*

Per Diem
0.00
5.00
100.00 =
500.00 *

Mark Robak
(Director's Signature)
Date: 9/16/2013

FOR OFFICE USE: TOTAL MILEAGE REIM

Mileage
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4.00
4.00
12.00
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0.00
5.73 *

No Robak September
13 SEP 18 PM 4:43



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AB000-1B2000-2101-521102 14.69

OTAY WATER DISTRICT

BOARD OF DIRECTORS

PER-DIEM AND MILEAGE CLAIM FORM

Pay To: Mitchell Thompson

Period Covered:

Employee Number: 1807

From: 7/1/2013 To: 7/31/2013

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1					
2	7/3/13	OWD Board Mtg*	Agenda	26	
3	7/16/13	Council of SD Co Water Agencies Monthly Breakfast*	Agenda		74
4					
5					
6					
7					
8					
9					
10					

Per diem

Mileage

0.*
2.*
100.00=
200.00*
0.*
25.*
0.5000=
14.69*

Total \$200 *
(\$100 per meeting)

Total Mileage Claimed: 101 miles

Mitchell Thompson

(Director's Signature)

GM Receipt: *[Signature]*

Date: 8/8/2013

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

INSTRUCTIONS ON REVERSE



AB000. 102000. 2101. 521101 SW00
AB000. 1B2000. 2101. 521102 29.38

**OTAY WATER DISTRICT
BOARD OF DIRECTORS
PER-DIEM AND MILEAGE CLAIM FORM**

Pay To: Mitchell Thompson

Period Covered:

Employee Number: 1807

From: 8/1/2013 To: 8/31/2013

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE	
				HOME to OWD OWD to HOME	OTHER LOCATIONS
1					
✓ 2	8/7/13	OWD Board Mtg*	Agenda	26	
✓ 3	8/13/13	Mtg with Sweetwater & Otay*	Planning Mtg for joint meeting on 8-27		12
✓ 4	8/21/13	FA&C Committee Mtg *	Agenda	26	
✓ 5	8/27/13	Joint Mtg SWA, OWD, CV, NC & County	Agenda		
✓ 6	8/28/13	Sexual Harassment for Supervisors Training*			
7					
8					
9					
10					

Total \$500 *
(\$100 per meeting)

Total Mileage Claimed: 74 miles

(Director's Signature)

GM Receipt:

Date: 8/28/2013

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

Per diem 0.*
5.*
100.00=
500.00*
Mileage 0.*
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0.5550=
29.38*

INSTRUCTIONS ON REVERSE

2
9.5.13



AB 000. 1B2000. 2101. 528101
AB 000. 1B2000. 2101. 521102

700.00
44.07

OTAY WATER DISTRICT
BOARD OF DIRECTORS
PER-DIEM AND MILEAGE CLAIM FORM

Pay To: Mitchell Thompson

Period Covered:

Employee Number: 1807

From: 9/1/2013 To: 9/30/2013

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1	9/3/2013	AB1234 Ethics training for public officials*	State mandated training		
✓ 2	9/4/13	OWD Board Mtg*	Agenda	26	
✓ 3	9/11/13	Water Conservation Garden JPA Mtg*	Agenda		35
✓ 4	9/17/13	FA&C Committee Mtg * Redev Oversight Bd Mtg*	Agenda	26	
✓ 5	9/23/13	Agenda Briefing Mtg*	Go over agenda with GM		10
✓ 6	9/13/133	John Bolthouse - Conservation Garden*	Discuss conservation programs	26	12
7	9/25/13	Millenia Groundbreaking	Community Event		12
8	9/26/13				
9					
10					

0.*
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100.00 =
700.00*
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0.5550 =
44.07*

for items

Mitchell Thompson

Total 700 *
(\$100 per meeting)

Total Mileage Claimed: 147 miles

Mitchell Thompson

(Director's Signature)

GM Receipt: *[Signature]*

Date: 9/30/2013

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

1300T 2 09/12/08

INSTRUCTIONS ON REVERSE

AGENDA ITEM 23



STAFF REPORT

TYPE		MEETING			
MEETING:	Regular Board	DATE:	January 7, 2014		
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				

ADMINISTRATIVE SERVICES:

Purchasing, Facilities, and Water Conservation:

- Fire Suppression System - A & D Fire Sprinkler, Inc. has been retained to inspect and provide a to-do list to re-certify the Administration building sprinkler system for 5 years. While additional maintenance work will be required on the system, the re-certification will provide the District with sufficient time to plan, budget and perform needed work.
- Purchase Orders - There were 59 purchase orders processed in November 2013 for a total of \$2,052,106.15, and 54 purchased orders in December 2013 for a total of \$295,611.72.

Human Resources:

- Extended Open Enrollment - The District provided a special open enrollment for the Flexible Benefits plans due to some recent IRS updates that allowed for employees to carry over up to \$500 for the pre-tax health accounts. In addition, due to our change in life insurance carriers, employees were offered a special open enrollment to either enroll or update existing life insurance benefits. These open enrollment periods ended December 13th.
- Streamlined Flexible Benefits Program - During the month of December, HR worked with Finance to help streamline the funding process of our Flexible Benefits Program. The transition went very smoothly.

- Injury Reporting Procedure - Human Resources worked with the Safety and Security Specialist to update the Injury and Illness Prevention Program's Injury Reporting Procedures to ensure proper and safe transportation of injured employees.
- Recruitments/New Hires - HR is currently recruiting for Purchasing and Facilities Manager, Utility Maintenance Supervisor, and Construction Inspector I/II.
- New Hires - We had one new hire in November: Water Systems Operator I; there were no new hires in December.

Safety & Security:

- Hazardous Communications Program - Global Harmonization System (GHS) training of all affected employees was completed. Signs with the new chemical safety data sheet symbols and descriptions were ordered and posted at District's safety boards, and wallet card size of the same were distributed to employees completing the training.
- County's Cal/ARP Inspections - A response to the County's inspections for the Regulatory, 30 MG, and Central sites was completed. All required corrective actions were completed. Including updating the site maps and training staff in reading site maps and the associated symbols; develop an SOP for checking, adjusting and calibrating the ammonia sensors; and provide the County a copy of the public document "Risk Management Plan".
- Injury and Illness Reporting Procedures and Fall Protection Program - A review and update of the District's reporting procedures for injuries and illness while at work, and the Fall Protection Program, was completed. The approved updated versions are located on SharePoint's Document Center, under the Safety Manual section.
- District Electric Gates - All District electric gates were checked and verified for having functional safety stop and detect mechanisms.

INFORMATION TECHNOLOGY AND STRATEGIC PLANNING:

- Strategic Plan - The Senior Team has completed the definition of a revised mission, vision, and values for the FY 15-17 Strategic Plan. A draft key challenge statement has been approved. Individual department meetings will be held in January to further refine the plan's objectives and measurement strategies and it is anticipated that a draft

plan will be presented to the board in mid-February for comment and direction.

- New SharePoint Site - Staff has developed a revised SharePoint site to further consolidate District information and processes. IT staff will be coordinating with individual departments to further improve specific areas, with an initial emphasis on Safety, Finance, and IT.
- Windows Software - Staff is updating the current Windows software (Office 2013) and moving to the most recent version. At times, the process involves some extensive testing with specific applications to ensure that the system functions as planned.
- GPS Insight - End-user training for the new GPS fleet tracking software (GPS Insight) is in progress. This system will provide better and more accessible data regarding the location and performance of our fleet vehicles.

FINANCE:

- Capacity and Annexation Fee Study - The contract with HDR has been signed and a kick-off meeting for the Water and Sewer Capacity and Annexation Fee Study will be scheduled for early January. The work is expected to continue through March or April of 2014.
- 2010 A&B Bonds Arbitrage Rebate Calculation - In accordance with the 2010 A&B bond documents, the District must perform an annual arbitrage rebate calculation and remit any excess arbitrage to the IRS. Arbitrage, as it applies to the District, is the process of taking advantage of borrowing money at low tax-exempt rates and investing it in higher yielding instruments. The rebate calculation has been completed and the District has received the results. The District has no rebate liability to the IRS for arbitrage related to the 2010 A&B bonds issuance.
- CAFR - Staff is wrapping up the Fiscal Year 2013 Comprehensive Annual Financial Report (CAFR), which was completed ahead of the December 31st deadline.
- GFOA Award - Finance will be submitting the application for the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association (GFOA) for the FY 2013 CAFR. This will be the

10th consecutive year the District has applied for this prestigious award.

- **The financial reporting for November 30, 2013 is as follows:**

For the five months ended November 30, 2013, there are total revenues of \$39,387,033 and total expenses of \$37,958,051. The revenues exceeded expenses by \$1,428,982.

- **The financial reporting for investments for November 30, 2013 is as follows:**

The market value shown in the Portfolio Summary and in the Investment Portfolio Details as of November 30, 2013 total \$79,783,120.10 with an average yield to maturity of 0.37%. The total earnings year-to-date are \$120,117.25.

ENGINEERING AND WATER OPERATIONS:

Engineering:

- **Rosarito Desalination Project** - The District has begun the permitting process and has submitted a request to the United States Department of State (State Department) requesting the State Department to act as the NEPA lead agency on the project and process a Presidential Permit to authorize the construction, operation, and maintenance of a new border crossing pipeline to import desalinated seawater from the U.S./Mexico International Border subject to State Department jurisdiction. With this application, the District has taken the lead to secure a new water supply source in southern California that supports a major metropolitan area. Its intent is to improve water reliability, meet future demands, and reduce the need for other traditional water supply sources. The Presidential Permit application referenced the International Boundary and Water Commission issued Minute No. 319, "Interim International Cooperative Measures in the Colorado River Basin through 2017 and Extension of Minute 318 Cooperative Measures to Address the Continued Effects of the April 2010 Earthquake in the Mexicali Valley, Baja California." This Minute includes opportunities for International Projects, specifically, "New Water Sources Projects" that identified a Binational Desalination Plant project in Rosarito Beach, Baja California, Mexico. The District is also working on its environmental compliance documents for both Federal (NEPA) and State (CEQA). (P2451)
- **30-Inch, 980 Zone, Hunte Parkway - Proctor Valley/Use Area:** This project consists of the installation of approximately

2,240 linear-feet of 30-inch steel pipe and appurtenances on Hunte Parkway at Proctor Valley Road, at the entrance to the Salt Creek Golf Course, in the City of Chula Vista. The contract has been accepted and the Notice of Completion was filed with the County of San Diego on July 1, 2013. The contractor, Sepulveda Construction, has submitted change requests and claims for additional compensation. Staff has evaluated these requests and has provided entitlement decisions indicating "no merit" on these requests based on the information submitted by Sepulveda Construction. Sepulveda has requested mediation of the submitted claims. Mediation began on December 11, 2013. The project is within budget and construction is completed. (P2514)

- **Otay 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. District staff is working with Sweetwater Authority staff to develop technical concepts to share corridors with future Sweetwater Authority pipelines. District staff is also working with Caltrans regarding pump station parcels identified in the DEIR. Staff presented at the Ames Ranch HOA board meeting on November 18, 2013 regarding the possibility of constructing the pipeline in the horse trail between San Miguel Road and Central Avenue. (P2511)
- **927-1 Reservoir Liner and Cover Replacement:** This project consists of replacing the liner and floating cover on the 927-1 recycled water reservoir which is also known as Pond 4 located in the Salt Creek Golf Course. The existing liner and cover have reached the end of their useful life and are in need of replacement. The project was awarded to Layfield Environmental Systems Corporation and a Notice to Proceed was issued on November 18, 2013. The project is within budget and anticipated to be complete in April 2014. (R2108)
- **944-1R Recycled Water Pump Station Upgrades and System Enhancement:** This project consists of the installation of a new pump, reconfiguration of the suction header piping, upgrades to the instrumentation, SCADA system, and equipment at the 944-1R pump station. The project also includes the installation of three (3) Pressure Reducing Stations (PRS) on Olympic Parkway, Eastlake Parkway, and Otay Lakes Road. Sepulveda submitted a claim for additional compensation. Staff has evaluated this request and has provided an entitlement decision indicating "no merit" based on the information submitted by Sepulveda Construction. Sepulveda has requested mediation of the submitted claims. Mediation

began on December 11, 2013. The project is within budget and acceptance of the construction contract is anticipated in December 2013. (R2091)

- **803-3 & 832-2 Reservoirs Interior/Exterior Coatings and Upgrades:** This project consists of removing and replacing the interior and exterior coatings of the 803-3 Reservoir 2.0 MG and the 832-2 Reservoir 2.0 MG, 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. The Contractor, Advanced Industrial Services (AIS), has completed all work on the project. On November 23rd, the 832-2 tank was put back into service. The 803-3 tank was put back into service on December 13th. The final item of work is final walk-through and project close-out. Project acceptance is anticipated in January 2014. (P2518 & P2519)
- **624-2 Reservoir Interior/Exterior Coatings & Upgrades:** This project consists of removing and replacing the interior and exterior coatings of the 624-2 8.0 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. Staff recommends to award a construction contract to Advanced Industrial Services (AIS) in the amount of \$1,199,000. This item will be presented on the consent calendar for the January 2014 Board Meeting for approval. (P2493)
- **Regulatory Site Access Road:** This project will improve the existing access road from the Rancho San Diego Sheriff Substation to the reservoir site. San Miguel Fire Department (San Miguel) does not have funding in place for the construction of the road, or for the maintenance of the Skyline Church (Church) entrance. Due to the limited traffic counts (5) allowed at the Church entrance, and the limited access due to the hard right hand turn through the Sheriff's entrance, San Miguel and Heartland Fire decided the only access feasible for access to the Fire Training Facility is through Otay's existing entrance off SR-94. San Miguel will no longer be contributing to the road construction, and therefore, the project will be put on hold. (P2504)
- **Administration Building Fire Sprinkler Replacement:** This project consists of removing and replacing the existing fire sprinkler system in the Administration Building. A recent inspection of the fire sprinkler system identified corrosion throughout the systems as the cause for leaks the District

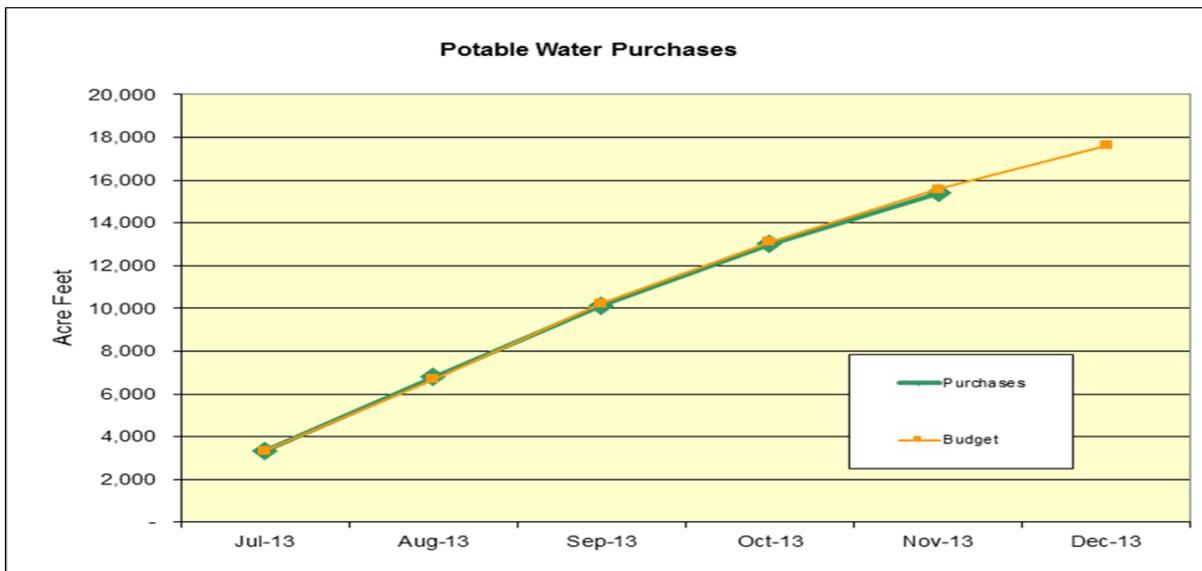
experienced last year. After researching the corrosion problem, Staff determined that replacing the entire fire protection system was costly and unnecessary. Staff requested a second opinion to rectify the corrosion issue with the fire protection system. A second inspection was performed on December 4th by A&D Fire Sprinkler, Inc. They recommend replacing the visually corroded fixtures as a first phase, and as a second phase, installing an automated system to inject a chemical solution that will treat the corrosion. Completion of the first phase would be mid-January 2014, and upon completion, the District will receive a 5 year certification on the Administration Building. Phase II budget planning and request for proposals will begin in early spring 2014. (P2538)

- **County Water Authority Request for Electrical Service:** The San Diego County Water Authority (Water Authority) has requested the District to provide electrical power for a new acoustic assessment system to be installed in an existing Water Authority vault that is currently receiving electrical power from an existing District metering facility on Ruxton Road. The Water Authority has offered to pay the entire electricity bill for the District facility. The new acoustic system is anticipated to be on-line for three (3) years. The Water Authority is drafting a letter agreement for District staff to review.
- For the month of November 2013, the District sold 35 meters (39.5 EDUs) generating \$363,591 in revenue. Projection for this period was 17.5 meters (29.5 EDUs) with budgeted revenue of \$266,447. Total revenue for Fiscal Year 2014 through November 2013 is \$980,998 against the annual budget of \$3,197,767.
- The following table summarizes Engineering's project purchases issued during the period of October 10, 2013 through December 16, 2013 that were within staff signatory authority:

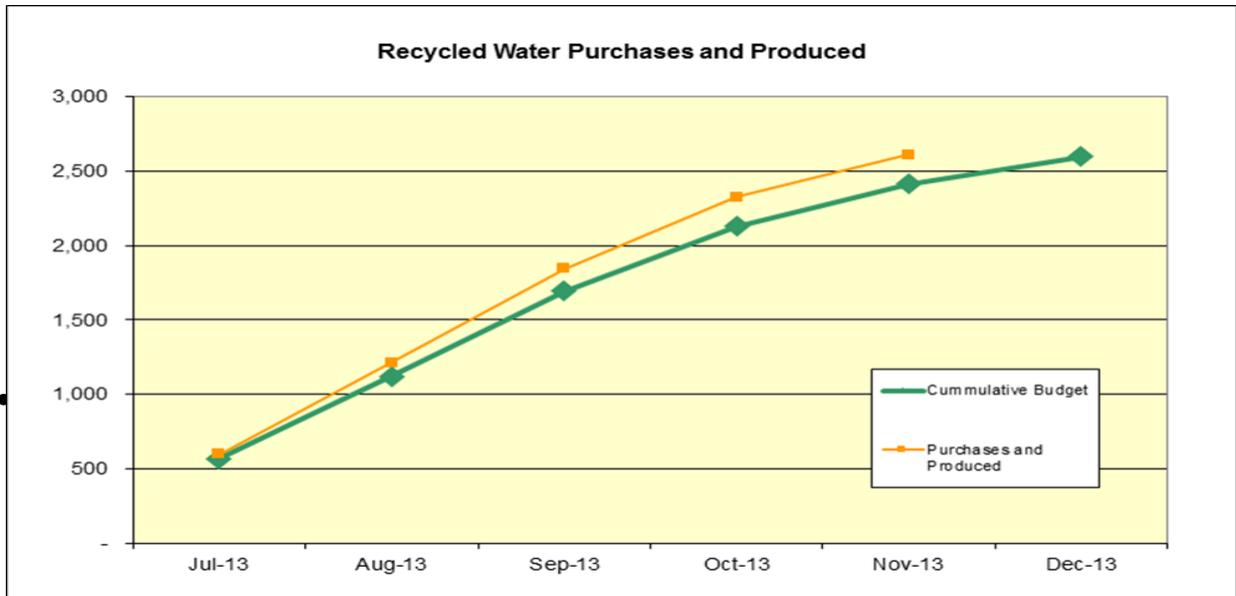
Date	Action	Amount	Contractor/ Consultant	Project
10/11/13	P.O.	\$1,300.00	Southern California Title Co.	624 Pressure Zones PRSs (P2541)
10/29/13	P.O.	\$2,000.00	Engineering Partners Inc.	944-1R Recycled Water Pump Station Upgrades and System Enhancements (R2091)
12/3/13	Credit Card	\$1,050.00	American Arbitration Assoc.	Sepulveda Const. Mediation (P2514 & R2091)
12/16/13	P.O.	\$4,830.00	Underground Solutions, Inc.	624 Pressure Zones PRSs (P2541)

Water Operations:

- Otay Water District is working with San Diego County Water Authority, Metropolitan Water District, and the International Boundary and Water Commission to reinstate the agreement that provides flows to Mexico for the next five years. This information will be discussed at the next District Committee Meeting.
- Total number of potable water meters is 49,154.
- The November potable water purchases were 2377.2 acre-feet which is 2.7% below the budget of 2,444.3 acre-feet. The cumulative purchases through November is 15,398.4 acre-feet which is 1.1% below the cumulative budget of 15,567.4 acre-feet.



- The November recycled water purchases and production was 282.4 acre-feet which is 0.9% below the budget of 285.1 acre-feet. The cumulative production and purchases through November is 2,609.1 acre-feet which is 8.1% above the cumulative budget of 2,413.6 acre-feet.



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

Total consumption was 431.1 acre-feet or 140,410,072 gallons and the average daily consumption was 4,680,336 gallons per day.

Total recycled water consumption as of November for FY 2014 is 2,640.0 acre-feet.

Total number of recycled water meters is 711.

- Wastewater flows for the month of November were as follows:
 - Total basin flow, gallons per day: 1,671,497.
 - Spring Valley Sanitation District Flow to Metro, gallons per day: 553,736.
 - Total Otay flow, gallons per day: 1,117,761.
 - Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 1,121,657.
 - Flow to Metro from Otay Water District, not including solids, was zero gallons per day.
- By the end of November there were 6,084 wastewater EDUs.

**OTAY
Portfolio Management
Portfolio Summary
October 31, 2013**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Issues- Callable	40,735,000.00	40,732,318.95	40,736,166.01	53.13	917	647	0.382	0.387
Certificates of Deposit - Bank	81,326.80	81,326.80	81,326.80	0.11	731	82	0.280	0.284
Local Agency Investment Fund (LAIF)	14,632,930.80	14,641,232.35	14,632,930.80	19.09	1	1	0.262	0.266
San Diego County Pool	21,216,572.36	21,160,000.00	21,216,572.36	27.67	1	1	0.402	0.408
Investments	76,665,829.96	76,614,878.10	76,666,995.97	100.00%	489	344	0.365	0.370
Cash								
Passbook/Checking (not included in yield calculations)	4,599,529.89	4,599,529.89	4,599,529.89		1	1	0.047	0.048
Total Cash and Investments	81,265,359.85	81,214,407.99	81,266,525.86		489	344	0.365	0.370

Total Earnings	October 31 Month Ending	Fiscal Year To Date
Current Year	24,236.28	95,293.20
Average Daily Balance	78,631,186.58	81,234,290.93
Effective Rate of Return	0.36%	0.35%

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 July 3, 2013. The market value information provided by Interactive Data Corporation. The investments provide sufficient liquidity to meet the cash flow requirements of the District for the next six months of expenditures.


Joseph Beachem, Chief Financial Officer

11-21-13

**OTAY WATER DISTRICT
INVESTMENT PORTFOLIO REVIEW
October 31, 2013**

INVESTMENT OVERVIEW & MARKET STATUS:

The federal funds rate has remained constant now for over 4 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 October 30, 2013. They went on to say: "*The Committee decided to keep the target range for the federal funds rate at 0 to 1/4 percent and currently anticipates that this exceptionally low range for the federal funds rate will be appropriate at least as long as the unemployment rate remains above 6-1/2 percent, inflation between one and two years ahead is projected to be no more than a half percentage point above the Committee's 2 percent longer-run goal, and longer-term inflation expectations continue to be well anchored.*"

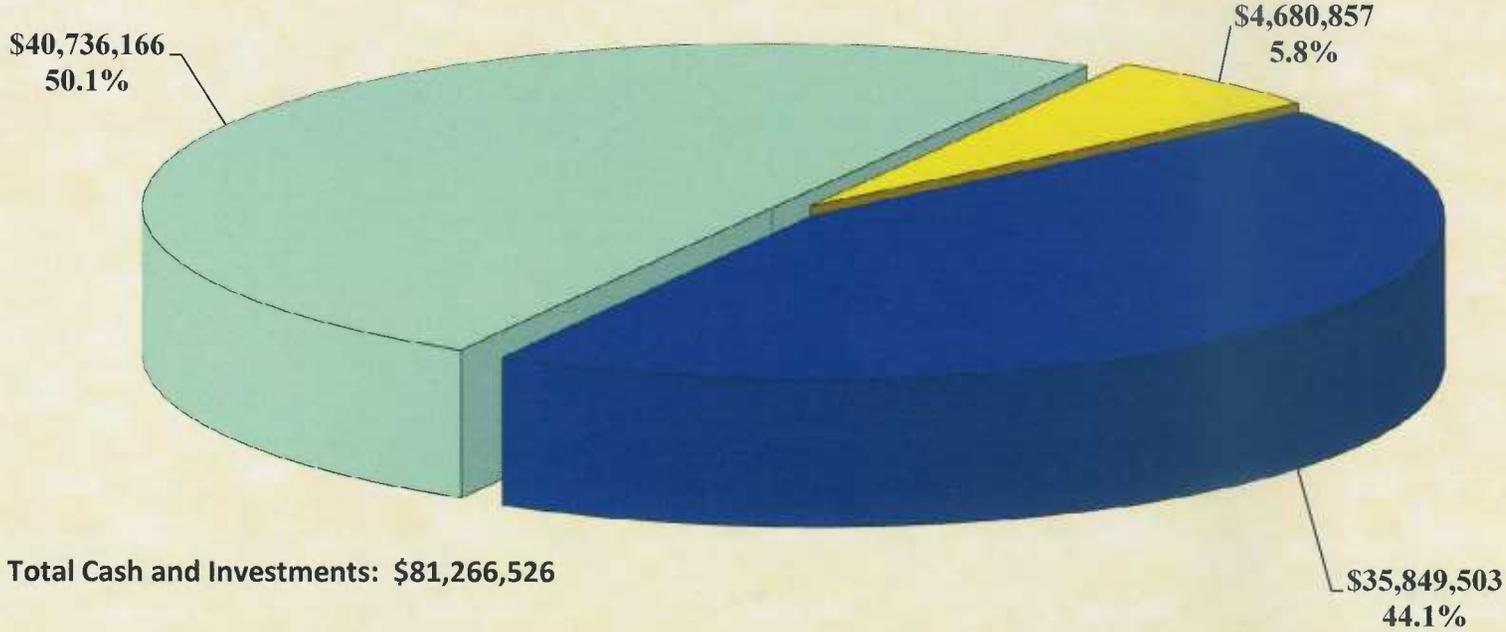
Despite the large drop in available interest rates, the District's overall effective rate of return at October 31, 2013 was 0.36%, which was two basis points below the previous month. At the same time the LAIF return on deposits has improved over the previous month, reaching an average effective yield of 0.266% for the month of October 2013. 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: October 31, 2013

<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	\$10.5 Million
8.02: Local Agency Investment Fund (Bonds)	100%	100%	5.03%
8.03: Federal Agency Issues	100%	100%	50.13%
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%	26.11%
12.0: Maximum Single Financial Institution	100%	50%	5.66%

Otay Water District Investment Portfolio: 10/31/2013



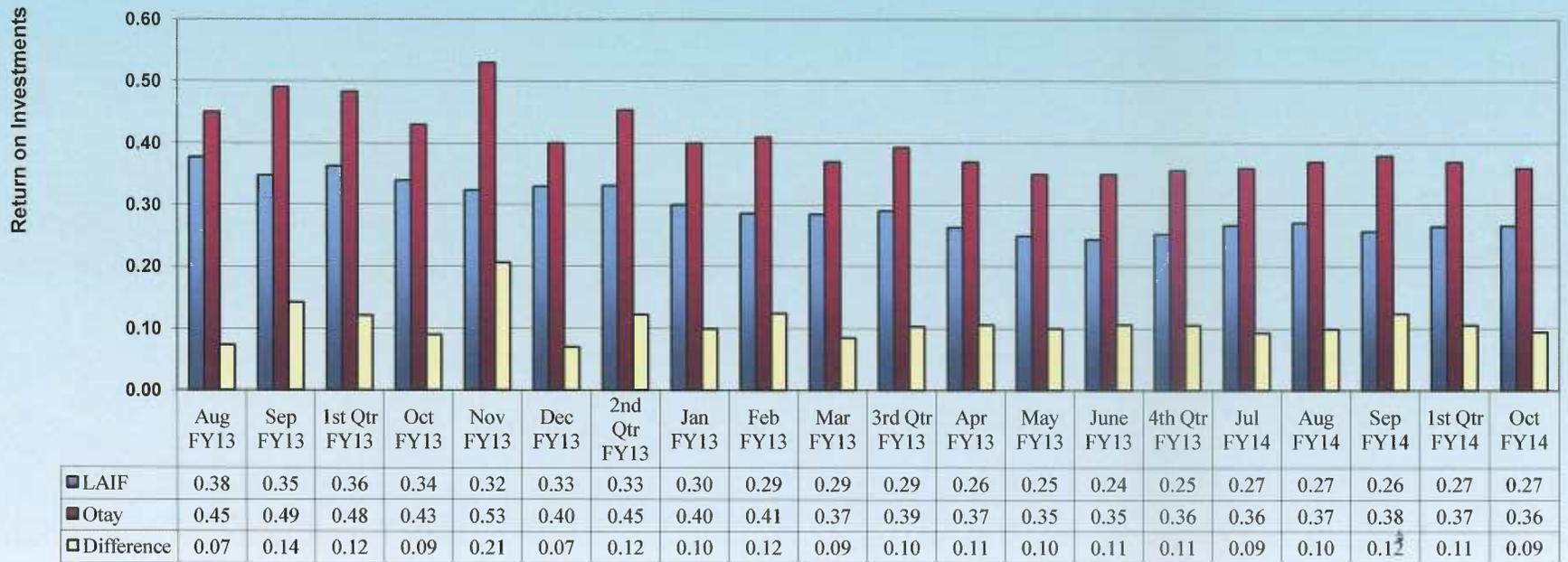
■ Banks (Passbook/Checking/CD)

■ Pools (LAIF & County)

■ Agencies & Corporate Notes

Performance Measure FY-14 Return on Investment

Target: Meet or Exceed 100% of LAIF



OTAY
Portfolio Management
Portfolio Details - Investments
October 31, 2013

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity	Maturity Date
Federal Agency Issues- Callable												
31315PWT2	2267	Federal Agricultural Mortgage		04/25/2013	2,000,000.00	1,997,740.00	2,000,000.00	0.400		0.395	815	01/25/2016
3135G0SQ7	2257	Fannie Mae		12/24/2012	3,000,000.00	3,001,140.00	3,000,000.00	0.400	AA	0.395	600	06/24/2015
3135GOXR9	2269	Fannie Mae		06/06/2013	2,000,000.00	1,995,420.00	2,000,000.00	0.550	AA	0.542	1,040	09/06/2016
3133EAU30	2253	Federal Farm Credit Bank		10/26/2012	3,000,000.00	3,000,060.00	2,999,455.02	0.320	AA	0.336	496	03/12/2015
3133EC2L7	2255	Federal Farm Credit Bank		11/13/2012	3,000,000.00	3,000,330.00	3,000,000.00	0.440	AA	0.434	742	11/13/2015
3133EC6F6	2258	Federal Farm Credit Bank		12/05/2012	3,000,000.00	3,003,090.00	3,000,000.00	0.350	AA	0.345	577	06/01/2015
3133EC7H1	2260	Federal Farm Credit Bank		12/17/2012	3,000,000.00	3,000,930.00	3,000,000.00	0.340		0.335	654	08/17/2015
3133ECA61	2261	Federal Farm Credit Bank		12/18/2012	3,000,000.00	3,000,060.00	2,999,510.83	0.320		0.325	594	06/18/2015
3133762C8	2254	Federal Home Loan Bank		11/09/2012	3,000,000.00	3,000,600.00	3,000,329.33	0.375	AA	0.220	26	11/27/2013
313382R39	2265	Federal Home Loan Bank		04/22/2013	2,705,000.00	2,706,541.85	2,705,000.00	0.375	AA	0.370	720	10/22/2015
313382R39	2266	Federal Home Loan Bank		04/22/2013	1,030,000.00	1,030,587.10	1,030,000.00	0.375	AA	0.370	720	10/22/2015
313382YY3	2268	Federal Home Loan Bank		05/22/2013	2,000,000.00	1,996,260.00	2,000,000.00	0.350	AA	0.345	843	02/22/2016
313383EE7	2270	Federal Home Loan Bank		06/19/2013	2,000,000.00	1,995,160.00	2,000,000.00	0.500	AA	0.493	1,053	09/19/2016
3134G3Y61	2256	Federal Home Loan Mortgage		12/10/2012	3,000,000.00	3,000,660.00	3,000,000.00	0.375	AA	0.370	404	12/10/2014
3134G32R0	2259	Federal Home Loan Mortgage		12/24/2012	3,000,000.00	3,001,140.00	3,000,000.00	0.400	AA	0.394	692	09/24/2015
3134G4HV3	2272	Federal Home Loan Mortgage		10/29/2013	2,000,000.00	2,002,600.00	2,001,870.83	0.625		0.578	910	04/29/2016
Subtotal and Average			45,024,940.34		40,735,000.00	40,732,318.95	40,736,166.01			0.382	647	
Certificates of Deposit - Bank												
2050003183-5	2229	California Bank & Trust		01/22/2012	81,326.80	81,326.80	81,326.80	0.280		0.280	82	01/22/2014
Subtotal and Average			81,326.80		81,326.80	81,326.80	81,326.80			0.280	82	
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	10,546,841.64	10,552,825.07	10,546,841.64	0.266		0.262	1	
LAIF BABS 2010	9012	STATE OF CALIFORNIA		04/21/2010	4,086,089.16	4,088,407.28	4,086,089.16	0.266		0.262	1	
Subtotal and Average			15,354,481.92		14,632,930.80	14,641,232.35	14,632,930.80			0.262	1	
San Diego County Pool												
SD COUNTY POOL	9007	San Diego County		07/01/2004	21,216,572.36	21,160,000.00	21,216,572.36	0.408		0.402	1	
Subtotal and Average			16,367,682.86		21,216,572.36	21,160,000.00	21,216,572.36			0.402	1	

OTAY
Portfolio Management
Portfolio Details - Investments
October 31, 2013

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity
Total and Average			78,631,186.58		76,665,829.96	76,614,878.10	76,666,995.97			0.365	344

OTAY
Portfolio Management
Portfolio Details - Cash
October 31, 2013

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity
Union Bank											
UNION MONEY	9002	STATE OF CALIFORNIA		07/01/2004	3,710,004.96	3,710,004.96	3,710,004.96	0.010		0.010	1
PETTY CASH	9003	STATE OF CALIFORNIA		07/01/2004	2,950.00	2,950.00	2,950.00			0.000	1
UNION OPERATING	9004	STATE OF CALIFORNIA		07/01/2004	729,090.28	729,090.28	729,090.28	0.250		0.247	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2004	27,592.60	27,592.60	27,592.60			0.000	1
RESERVE-10 COPS	9010	STATE OF CALIFORNIA		04/20/2010	2,620.54	2,620.54	2,620.54	0.010		0.010	1
RESERVE-10 BABS	9011	STATE OF CALIFORNIA		04/20/2010	7,493.29	7,493.29	7,493.29	0.010		0.010	1
UBNA-2010 BOND	9013	STATE OF CALIFORNIA		04/20/2010	99,496.36	99,496.36	99,496.36			0.000	1
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA		01/01/2011	20,281.86	20,281.86	20,281.86			0.000	1
Average Balance			0.00								
Total Cash and Investments			78,631,186.58		81,265,359.85	81,214,407.99	81,266,525.86			0.365	344

OTAY
Portfolio Management
Interest Earnings Summary
October 31, 2013

	October 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	20,814.63	52,089.63
Plus Accrued Interest at End of Period	39,753.32	39,753.32
Less Accrued Interest at Beginning of Period	(45,396.73)	(29,749.47)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	15,171.22	62,093.48
Adjusted by Premiums and Discounts	-306.60	-1,213.89
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	14,864.62	60,879.59
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	24,055.35	48,879.08
Plus Accrued Interest at End of Period	9,395.08	9,395.08
Less Accrued Interest at Beginning of Period	(24,078.77)	(23,860.55)
Interest Earned during Period	9,371.66	34,413.61
Total Interest Earned during Period	24,542.88	96,507.09
Total Adjustments from Premiums and Discounts	-306.60	-1,213.89
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	24,236.28	95,293.20

**OTAY
Activity Report
Sorted By Issuer
October 1, 2013 - October 31, 2013**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Issuer: STATE OF CALIFORNIA									
Union Bank									
UNION MONEY	9002	STATE OF CALIFORNIA			0.010		10,702,824.30	7,002,819.44	
UNION OPERATING	9004	STATE OF CALIFORNIA			0.250		867,499.03	1,214,532.30	
PAYROLL	9005	STATE OF CALIFORNIA					200.00	0.00	
RESERVE-10 COPS	9010	STATE OF CALIFORNIA			0.010		1,931.25	0.00	
RESERVE-10 BABS	9011	STATE OF CALIFORNIA			0.010		5,071.88	0.00	
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA					19.23	6,997.84	
Subtotal and Balance				1,246,333.78			11,577,545.69	8,224,349.58	4,599,529.89
Local Agency Investment Fund (LAIF)									
LAIF	9001	STATE OF CALIFORNIA			0.266		8,206,781.17	7,500,000.00	
LAIF BABS 2010	9012	STATE OF CALIFORNIA			0.266		2,641.34	0.00	
Subtotal and Balance				13,923,508.29			8,209,422.51	7,500,000.00	14,632,930.80
Issuer Subtotal				23.666%	15,169,842.07		19,786,968.20	15,724,349.58	19,232,460.69
Issuer: California Bank & Trust									
Certificates of Deposit - Bank									
Subtotal and Balance				81,326.80					81,326.80
Issuer Subtotal				0.100%	81,326.80		0.00	0.00	81,326.80
Issuer: Federal Agricultural Mortgage									
Federal Agency Issues- Callable									
Subtotal and Balance				2,000,000.00					2,000,000.00
Issuer Subtotal				2.461%	2,000,000.00		0.00	0.00	2,000,000.00
Issuer: Fannie Mae									

OTAY
Activity Report
October 1, 2013 - October 31, 2013

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Issuer: Fannie Mae									
Federal Agency Issues- Callable									
				5,000,000.00					5,000,000.00
				5,000,000.00			0.00	0.00	5,000,000.00
Issuer: Federal Farm Credit Bank									
Federal Agency Issues- Callable									
				15,000,000.00					15,000,000.00
				15,000,000.00			0.00	0.00	15,000,000.00
Issuer: Federal Home Loan Bank									
Federal Agency Issues- Callable									
313381UR4	2262	Federal Home Loan Bank			0.375	10/30/2013	0.00	3,000,000.00	
3133822N2	2263	Federal Home Loan Bank			0.350	10/21/2013	0.00	3,000,000.00	
				16,735,000.00			0.00	6,000,000.00	10,735,000.00
				16,735,000.00			0.00	6,000,000.00	10,735,000.00
Issuer: Federal Home Loan Mortgage									
Federal Agency Issues- Callable									
3134G4C48	2271	Federal Home Loan Mortgage			1.050	10/22/2013	0.00	2,000,000.00	
3134G4HV3	2272	Federal Home Loan Mortgage			0.625	10/29/2013	2,000,000.00	0.00	
				8,000,000.00			2,000,000.00	2,000,000.00	8,000,000.00
				8,000,000.00			2,000,000.00	2,000,000.00	8,000,000.00
Issuer: San Diego County									
San Diego County Pool									
SD COUNTY POOL	9007	San Diego County			0.408		5,014,344.29	0.00	
				16,202,228.07			5,014,344.29	0.00	21,216,572.36
				16,202,228.07			5,014,344.29	0.00	21,216,572.36

OTAY
Activity Report
October 1, 2013 - October 31, 2013

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value	Current Rate	Transaction Date	Purchases or Deposits	Par Value	Ending Balance
				Beginning Balance				Redemptions or Withdrawals	
		Total	100.000%	78,188,396.94			26,801,312.49	23,724,349.58	81,265,359.85

OTAY
GASB 31 Compliance Detail
Sorted by Fund - Fund
October 1, 2013 - October 31, 2013

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
LAIF	9001	99	Fair Value		9,842,748.84	0.00	8,206,781.17	7,500,000.00	0.00	3,295.06	10,552,825.07
UNION MONEY	9002	99	Amortized		10,000.10	0.00	10,702,824.30	7,002,819.44	0.00	0.00	3,710,004.96
PETTY CASH	9003	99	Amortized		2,950.00	0.00	0.00	0.00	0.00	0.00	2,950.00
UNION OPERATING	9004	99	Amortized		1,076,123.55	0.00	867,499.03	1,214,532.30	0.00	0.00	729,090.28
PAYROLL	9005	99	Amortized		27,392.60	0.00	200.00	0.00	0.00	0.00	27,592.60
SD COUNTY POOL	9007	99	Fair Value		16,120,000.00	0.00	5,014,344.29	0.00	0.00	25,655.71	21,160,000.00
RESERVE-10 COPS	9010	99	Amortized		689.29	0.00	1,931.25	0.00	0.00	0.00	2,620.54
RESERVE-10 BABS	9011	99	Amortized		2,421.41	0.00	5,071.88	0.00	0.00	0.00	7,493.29
LAIF BABS 2010	9012	99	Fair Value		4,084,563.45	0.00	2,641.34	0.00	0.00	1,202.49	4,088,407.28
UBNA-2010 BOND	9013	99	Amortized		99,496.36	0.00	0.00	0.00	0.00	0.00	99,496.36
UBNA-FLEX ACCT	9014	99	Amortized		27,260.47	0.00	19.23	6,997.84	0.00	0.00	20,281.86
2050003183-5	2229	99	Amortized	01/22/2014	81,326.80	0.00	0.00	0.00	0.00	0.00	81,326.80
3133EAU30	2253	99	Fair Value	03/12/2015	3,000,090.00	0.00	0.00	0.00	0.00	-30.00	3,000,060.00
3133762C8	2254	99	Fair Value	11/27/2013	3,001,380.00	0.00	0.00	0.00	0.00	-780.00	3,000,600.00
3133EC2L7	2255	99	Fair Value	11/13/2015	2,998,650.00	0.00	0.00	0.00	0.00	1,680.00	3,000,330.00
3134G3Y61	2256	99	Fair Value	12/10/2014	3,001,230.00	0.00	0.00	0.00	0.00	-570.00	3,000,660.00
3135G0SQ7	2257	99	Fair Value	06/24/2015	3,001,140.00	0.00	0.00	0.00	0.00	0.00	3,001,140.00
3133EC6F6	2258	99	Fair Value	06/01/2015	3,001,320.00	0.00	0.00	0.00	0.00	1,770.00	3,003,090.00
3134G32R0	2259	99	Fair Value	09/24/2015	2,996,040.00	0.00	0.00	0.00	0.00	5,100.00	3,001,140.00
3133EC7H1	2260	99	Fair Value	08/17/2015	2,997,840.00	0.00	0.00	0.00	0.00	3,090.00	3,000,930.00
3133ECA61	2261	99	Fair Value	06/18/2015	2,998,920.00	0.00	0.00	0.00	0.00	1,140.00	3,000,060.00
313381UR4	2262	99	Fair Value	07/30/2015	2,998,500.00	0.00	0.00	3,000,000.00	0.00	1,500.00	0.00
3133822N2	2263	99	Fair Value	02/20/2015	3,000,300.00	0.00	0.00	3,000,000.00	0.00	-300.00	0.00
313382R39	2265	99	Fair Value	10/22/2015	2,701,754.00	0.00	0.00	0.00	0.00	4,787.85	2,706,541.85
313382R39	2266	99	Fair Value	10/22/2015	1,028,764.00	0.00	0.00	0.00	0.00	1,823.10	1,030,587.10
31315PWT2	2267	99	Fair Value	01/25/2016	1,994,500.00	0.00	0.00	0.00	0.00	3,240.00	1,997,740.00
313382YY3	2268	99	Fair Value	02/22/2016	1,990,280.00	0.00	0.00	0.00	0.00	5,980.00	1,996,260.00
3135GOXR9	2269	99	Fair Value	09/06/2016	1,988,380.00	0.00	0.00	0.00	0.00	7,040.00	1,995,420.00
313383EE7	2270	99	Fair Value	09/19/2016	1,987,000.00	0.00	0.00	0.00	0.00	8,160.00	1,995,160.00
3134G4C48	2271	99	Fair Value	07/22/2016	2,000,820.00	0.00	0.00	2,000,000.00	0.00	-820.00	0.00
3134G4HV3	2272	99	Fair Value	04/29/2016	0.00	2,001,875.00	0.00	0.00	0.00	725.00	2,002,600.00

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	
				Subtotal	78,061,880.87	2,001,875.00	24,801,312.49	23,724,349.58	0.00	73,689.21	81,214,407.99
				Total	78,061,880.87	2,001,875.00	24,801,312.49	23,724,349.58	0.00	73,689.21	81,214,407.99

OTAY
Interest Earnings
Sorted by Fund - Fund
October 1, 2013 - October 31, 2013
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
Fund: Treasury Fund												
LAIF	9001	99	LA1	10,546,841.64	9,840,060.47	10,546,841.64		0.266	0.305	2,546.00	0.00	2,546.00
UNION MONEY	9002	99	PA1	3,710,004.96	10,000.10	3,710,004.96		0.010	0.578	4.91	0.00	4.91
UNION OPERATING	9004	99	PA1	729,090.28	1,076,123.55	729,090.28		0.250	0.247	226.11	0.00	226.11
SD COUNTY POOL	9007	99	LA3	21,216,572.36	16,202,228.07	21,216,572.36		0.408	0.412	5,671.74	0.00	5,671.74
RESERVE-10 COPS	9010	99	PA1	2,620.54	689.29	2,620.54		0.010	0.017	0.01	0.00	0.01
RESERVE-10 BABS	9011	99	PA1	7,493.29	2,421.41	7,493.29		0.010	0.019	0.04	0.00	0.04
LAIF BABS 2010	9012	99	LA1	4,086,089.16	4,083,447.82	4,086,089.16		0.266	0.266	922.85	0.00	922.85
2050003183-5	2229	99	BCD	81,326.80	81,326.80	81,326.80	01/22/2014	0.280	0.284	19.61	0.00	19.61
3133EAU30	2253	99	MC1	3,000,000.00	2,999,402.45	2,999,455.02	03/12/2015	0.320	0.335	800.00	52.57	852.57
3133762C8	2254	99	MC1	3,000,000.00	3,000,709.33	3,000,329.33	11/27/2013	0.375	0.219	937.50	-380.00	557.50
3133EC2L7	2255	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	11/13/2015	0.440	0.432	1,100.00	0.00	1,100.00
3134G3Y61	2256	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	12/10/2014	0.375	0.368	937.50	0.00	937.50
3135G0SQ7	2257	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	06/24/2015	0.400	0.392	1,000.00	0.00	1,000.00
3133EC6F6	2258	99	MC1	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
3134G32R0	2259	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	09/24/2015	0.400	0.392	1,000.00	0.00	1,000.00
3133EC7H1	2260	99	MC1	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
3133ECA61	2261	99	MC1	3,000,000.00	2,999,485.83	2,999,510.83	06/18/2015	0.320	0.324	800.00	25.00	825.00
313381UR4	2262	99	MC1	0.00	3,000,000.00	0.00	07/30/2015	0.375	0.380	906.25	0.00	906.25
3133822N2	2263	99	MC1	0.00	3,000,000.00	0.00	02/20/2015	0.350	0.337	553.17	0.00	553.17
313382R39	2265	99	MC1	2,705,000.00	2,705,000.00	2,705,000.00	10/22/2015	0.375	0.368	845.31	0.00	845.31
313382R39	2266	99	MC1	1,030,000.00	1,030,000.00	1,030,000.00	10/22/2015	0.375	0.368	321.87	0.00	321.87
31315PWT2	2267	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	01/25/2016	0.400	0.392	666.66	0.00	666.66
313382YY3	2268	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	02/22/2016	0.350	0.343	583.34	0.00	583.34
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
313383EE7	2270	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	09/19/2016	0.500	0.491	833.34	0.00	833.34
3134G4C48	2271	99	MC1	0.00	2,000,000.00	0.00	07/22/2016	1.050	1.065	1,225.00	0.00	1,225.00
3134G4HV3	2272	99	MC1	2,000,000.00	0.00	2,001,870.83	04/29/2016	0.625	-0.025	0.00	-4.17	-4.17
Subtotal				81,115,039.03	78,030,895.12	81,116,205.04		0.374		24,542.88	-306.60	24,236.28

OTAY
Interest Earnings
October 1, 2013 - October 31, 2013

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Annualized Rate	Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
			Total	81,115,039.03	78,030,895.12	81,116,205.04			0.374	24,542.88	-306.60	24,236.28

OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 10/31/2013

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
3134G32R0	2259	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	3,001,140.00	4000000	0.394	0.324	09/24/2015	1.888
3134G4HV3	2272	99	Federal Home Loan Mortgage	Fair	2,001,870.83	2,000,000.00	2,002,600.00	6250000	0.578	0.572	04/29/2016	2.471
3134G3Y61	2256	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	3,000,660.00	3750000	0.370	0.331	12/10/2014	1.103
3133762C8	2254	99	Federal Home Loan Bank	Fair	3,000,329.33	3,000,000.00	3,000,600.00	3750000	0.220	0.335	11/27/2013	0.071
313382R39	2265	99	Federal Home Loan Bank	Fair	2,705,000.00	2,705,000.00	2,706,541.85	3750000	0.370	0.346	10/22/2015	1.966
313383EE7	2270	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,995,160.00	5000000	0.493	0.585	09/19/2016	2.852
313382R39	2266	99	Federal Home Loan Bank	Fair	1,030,000.00	1,030,000.00	1,030,587.10	3750000	0.370	0.346	10/22/2015	1.966
313382YY3	2268	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,996,260.00	3500000	0.345	0.432	02/22/2016	2.294
3133EC2L7	2255	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	3,000,330.00	4400000	0.434	0.435	11/13/2015	2.018
3133EAU30	2253	99	Federal Farm Credit Bank	Fair	2,999,455.02	3,000,000.00	3,000,060.00	3200000	0.336	0.319	03/12/2015	1.359
3133EC7H1	2260	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	3,000,930.00	3400000	0.335	0.278	08/17/2015	1.787
3133EC6F6	2258	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	3,003,090.00	3500000	0.345	0.285	06/01/2015	1.576
3133ECA61	2261	99	Federal Farm Credit Bank	Fair	2,999,510.83	3,000,000.00	3,000,060.00	3200000	0.325	0.319	06/18/2015	1.622
3135G0SQ7	2257	99	Fannie Mae	Fair	3,000,000.00	3,000,000.00	3,001,140.00	4000000	0.395	0.377	06/24/2015	1.638
3135GOXR9	2269	99	Fannie Mae	Fair	2,000,000.00	2,000,000.00	1,995,420.00	5500000	0.542	1.010	09/06/2016	2.812
31315PWT2	2267	99	Federal Agricultural Mortgage	Fair	2,000,000.00	2,000,000.00	1,997,740.00	4000000	0.395	0.451	01/25/2016	2.220
2050003183-5	2229	99	California Bank & Trust	Amort	81,326.80	81,326.80	81,326.80	2800000	0.280	0.280	01/22/2014	0.223
LAIF BABS 2010	9012	99	STATE OF CALIFORNIA	Fair	4,086,089.16	4,086,089.16	4,088,407.28	2660000	0.262	0.266		0.000
LAIF	9001	99	STATE OF CALIFORNIA	Fair	10,546,841.64	10,546,841.64	10,552,825.07	2660000	0.262	0.266		0.000
LAIF COPS07	9009	99	STATE OF CALIFORNIA	Fair	0.00	0.00	0.00	0000001	0.000	0.000		0.000
SD COUNTY	9007	99	San Diego County	Fair	21,216,572.36	21,216,572.36	21,160,000.00	4080000	0.402	0.408		0.000
Report Total					76,666,995.97	76,665,829.96	76,614,878.10			0.378		0.937

OTAY WATER DISTRICT
COMPARATIVE BUDGET SUMMARY
 FOR FIVE MONTHS ENDED NOVEMBER 30, 2013

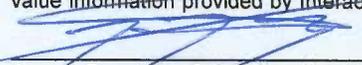
	Annual Budget	YTD Actual	YTD Budget	YTD Variance	Var %
REVENUES:					
Water Sales	\$ 42,668,400	\$ 21,282,452	\$ 21,689,900	\$ (407,448)	(1.9%)
Energy Charges	1,958,100	957,425	965,000	(7,575)	(0.8%)
System Charges	11,184,200	4,621,682	4,614,000	7,682	0.2%
MWD & CWA Fixed Charges	10,399,700	3,954,099	3,945,500	8,599	0.2%
Penalties	823,100	387,648	399,000	(11,352)	(2.8%)
Total Water Sales	<u>67,033,500</u>	<u>31,203,306</u>	<u>31,613,400</u>	<u>(410,094)</u>	<u>(1.3%)</u>
Recycled Water Sales	8,340,100	5,113,986	4,743,300	370,686	7.8%
Sewer Charges	2,701,600	1,143,658	1,108,500	35,158	3.2%
Meter Fees	81,600	35,793	34,000	1,793	5.3%
Capacity Fee Revenues	1,291,200	440,194	538,000	(97,806)	(18.2%)
Betterment Fees for Maintenance	776,700	247,334	233,010	14,324	6.1%
Non-Operating Revenues	1,846,000	775,595	743,500	32,095	4.3%
Tax Revenues	3,597,100	250,367	248,600	1,767	0.7%
Interest	69,100	25,000	28,800	(3,800)	(13.2%)
Transfer from OPEB	149,800	62,400	62,400	-	0.0%
General Fund Draw Down	61,600	25,700	25,700	-	0.0%
Transfer from General Fund	152,800	63,700	63,700	-	0.0%
Total Revenues	<u>\$ 86,101,100</u>	<u>\$ 39,387,033</u>	<u>\$ 39,442,910</u>	<u>\$ (55,877)</u>	<u>(0.1%)</u>
EXPENSES:					
Potable Water Purchases	\$ 33,028,900	\$ 16,368,606	\$ 16,508,200	\$ 139,595	0.8%
Recycled Water Purchases	1,599,500	998,344	1,022,050	23,706	2.3%
CWA-Infrastructure Access Charge	1,856,100	766,605	766,500	(105)	(0.0%)
CWA-Customer Service Charge	1,753,600	718,240	718,000	(240)	(0.0%)
CWA-Emergency Storage Charge	4,515,500	1,812,110	1,812,000	(110)	(0.0%)
MWD-Capacity Res Charge	531,000	193,600	193,500	(100)	(0.1%)
MWD-Readiness to Serve Charge	1,740,500	725,213	725,500	287	0.0%
Subtotal Water Purchases	<u>45,025,100</u>	<u>21,582,717</u>	<u>21,745,750</u>	<u>163,033</u>	<u>0.7%</u>
Power Charges	2,693,300	1,236,498	1,281,900	45,402	3.5%
Payroll & Related Costs	18,675,500	7,533,971	7,439,043	(94,928)	(1.3%)
Material & Maintenance	3,532,900	1,428,996	1,416,242	(12,755)	(0.9%)
Administrative Expenses	4,702,600	1,427,631	1,444,652	17,021	1.2%
Legal Fees	380,000	126,638	148,333	21,696	14.6%
Expansion Reserve	3,428,000	1,428,300	1,428,300	-	0.0%
Betterment Reserve	125,000	52,100	52,100	-	0.0%
Replacement Reserve	4,230,000	1,762,500	1,762,500	-	0.0%
Sewer General Fund	152,800	63,700	63,700	-	0.0%
OPEB Trust	1,242,900	517,900	517,900	-	0.0%
Potable General Fund	1,913,000	797,100	797,100	-	0.0%
Total Expenses	<u>\$ 86,101,100</u>	<u>\$ 37,958,051</u>	<u>\$ 38,097,520</u>	<u>\$ 139,469</u>	<u>0.4%</u>
EXCESS REVENUES(EXPENSE)	<u>\$ -</u>	<u>\$ 1,428,982</u>	<u>\$ 1,345,390</u>	<u>\$ 83,593</u>	

**OTAY
Portfolio Management
Portfolio Summary
November 30, 2013**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Issues- Callable	39,735,000.00	39,742,766.65	39,735,851.75	50.83	967	688	0.414	0.420
Certificates of Deposit - Bank	81,326.80	81,326.80	81,326.80	0.10	731	52	0.280	0.284
Local Agency Investment Fund (LAIF)	17,132,930.80	17,142,650.65	17,132,930.80	21.92	1	1	0.259	0.263
San Diego County Pool	21,216,572.36	21,299,000.00	21,216,572.36	27.14	1	1	0.407	0.413
Investments	78,165,829.96	78,265,744.10	78,166,681.71	100.00%	493	350	0.378	0.384
Cash								
Passbook/Checking (not included in yield calculations)	1,517,376.00	1,517,376.00	1,517,376.00		1	1	0.173	0.175
Total Cash and Investments	79,683,205.96	79,783,120.10	79,684,057.71		493	350	0.378	0.384

Total Earnings	November 30 Month Ending	Fiscal Year To Date
Current Year	24,649.89	120,117.25
Average Daily Balance	81,101,173.48	81,208,189.47
Effective Rate of Return	0.37%	0.35%

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 July 3, 2013. The market value information provided by Interactive Data Corporation. The investments provide sufficient liquidity to meet the cash flow requirements of the District for the next six months of expenditures.


Joseph Beachem, Chief Financial Officer

12-17-13

Reporting period 11/01/2013-11/30/2013

Run Date: 12/16/2013 - 10:53

Portfolio OTAY
AP
PM (PRF_PM1) 7.3.0
Report Ver. 7.3.3b

**OTAY WATER DISTRICT
INVESTMENT PORTFOLIO REVIEW
November 30, 2013**

INVESTMENT OVERVIEW & MARKET STATUS:

The federal funds rate has remained constant now for over 4 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 October 30, 2013. They went on to say: "*The Committee decided to keep the target range for the federal funds rate at 0 to 1/4 percent and currently anticipates that this exceptionally low range for the federal funds rate will be appropriate at least as long as the unemployment rate remains above 6-1/2 percent, inflation between one and two years ahead is projected to be no more than a half percentage point above the Committee's 2 percent longer-run goal, and longer-term inflation expectations continue to be well anchored.*"

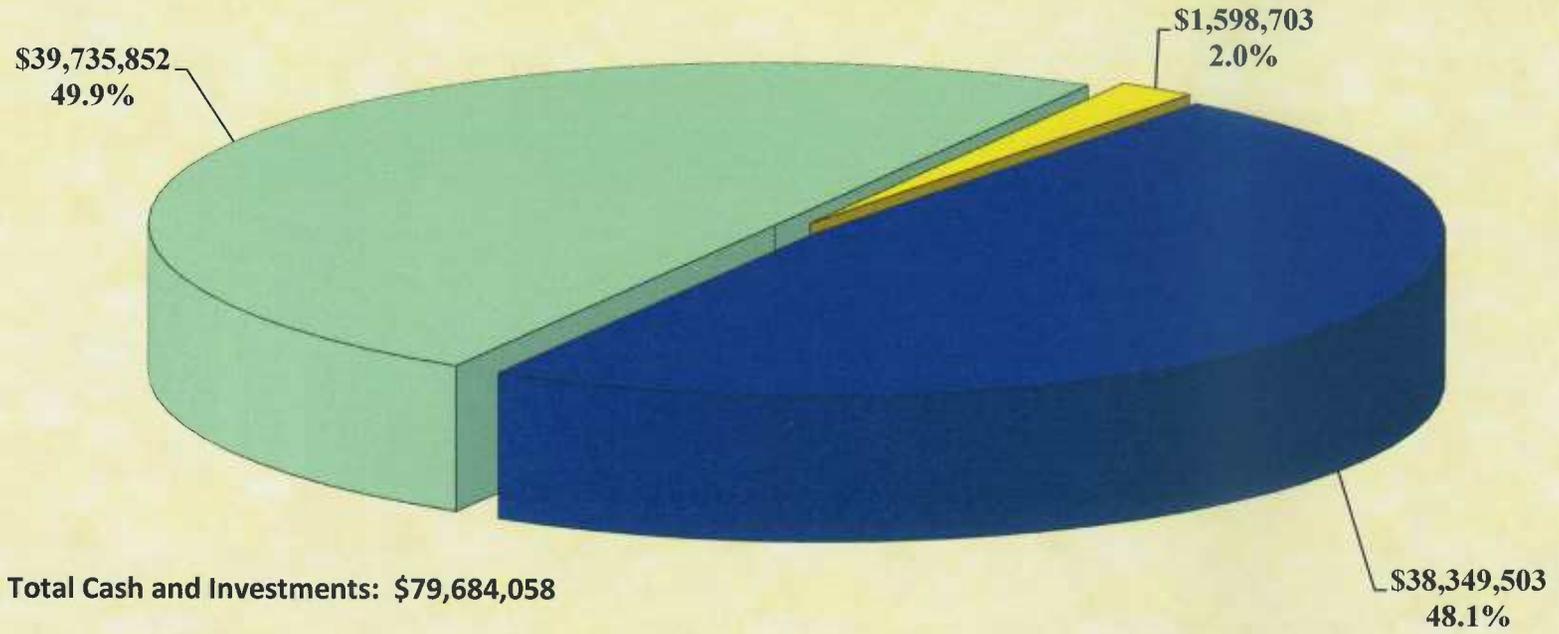
Despite the large drop in available interest rates, the District's overall effective rate of return at November 30, 2013 was 0.37%, which was a basis point above the previous month. At the same time the LAIF return on deposits has declined over the previous month, reaching an average effective yield of 0.263% for the month of November 2013. 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: November 30, 2013

	<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	\$13.0 Million
8.02:	Local Agency Investment Fund (Bonds)	100%	100%	5.13%
8.03:	Federal Agency Issues	100%	100%	49.87%
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%	26.63%
12.0:	Maximum Single Financial Institution	100%	50%	1.90%

Otay Water District Investment Portfolio: 11/30/2013



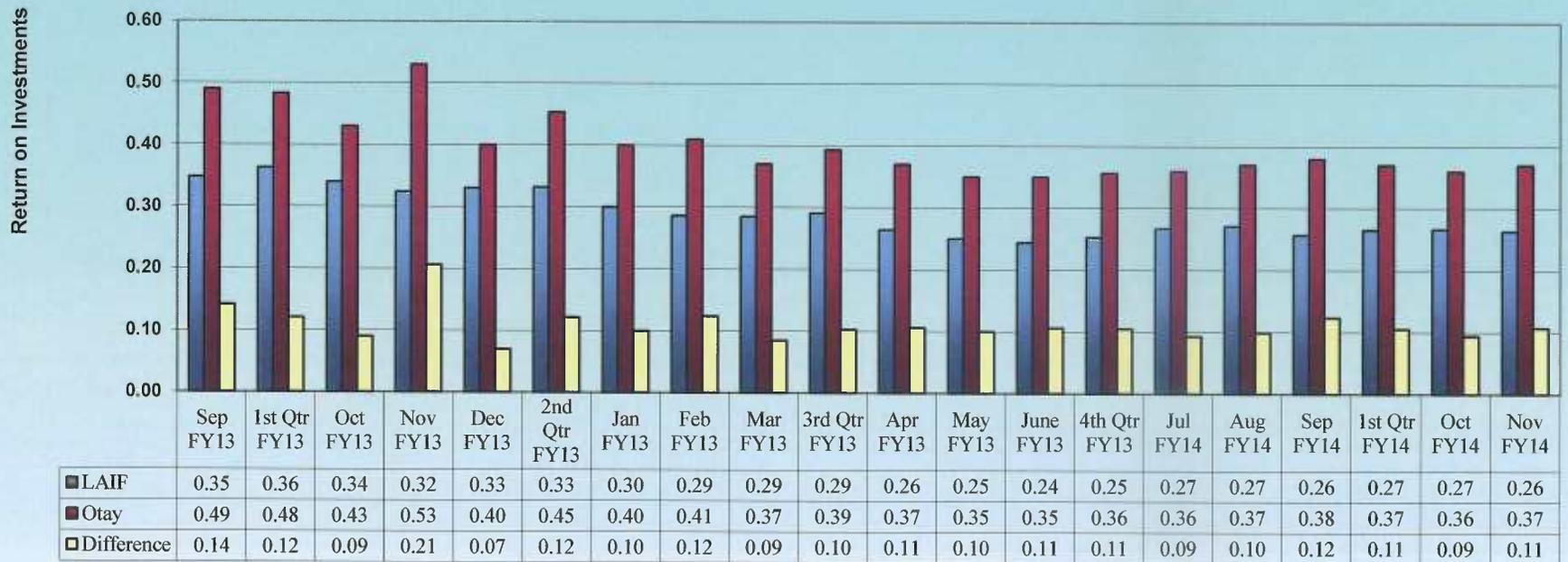
■ Banks (Passbook/Checking/CD)

■ Pools (LAIF & County)

■ Agencies & Corporate Notes

Performance Measure FY-14 Return on Investment

Target: Meet or Exceed 100% of LAIF



OTAY
Portfolio Management
Portfolio Details - Investments
November 30, 2013

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity	Maturity Date
Federal Agency Issues- Callable												
31315PWT2	2267	Federal Agricultural Mortgage		04/25/2013	2,000,000.00	1,999,940.00	2,000,000.00	0.400		0.395	785	01/25/2016
3135G0SQ7	2257	Fannie Mae		12/24/2012	3,000,000.00	3,000,420.00	3,000,000.00	0.400	AA	0.395	570	06/24/2015
3135GOXR9	2269	Fannie Mae		06/06/2013	2,000,000.00	1,997,900.00	2,000,000.00	0.550	AA	0.542	1,010	09/06/2016
3133EAU30	2253	Federal Farm Credit Bank		10/26/2012	3,000,000.00	3,000,030.00	2,999,507.59	0.320	AA	0.336	466	03/12/2015
3133EC2L7	2255	Federal Farm Credit Bank		11/13/2012	3,000,000.00	3,000,060.00	3,000,000.00	0.440	AA	0.434	712	11/13/2015
3133EC6F6	2258	Federal Farm Credit Bank		12/05/2012	3,000,000.00	3,004,020.00	3,000,000.00	0.350	AA	0.345	547	06/01/2015
3133EC7H1	2260	Federal Farm Credit Bank		12/17/2012	3,000,000.00	3,002,130.00	3,000,000.00	0.340		0.335	624	08/17/2015
3133ECA61	2261	Federal Farm Credit Bank		12/18/2012	3,000,000.00	3,000,030.00	2,999,535.83	0.320		0.325	564	06/18/2015
313382R39	2265	Federal Home Loan Bank		04/22/2013	2,705,000.00	2,706,054.95	2,705,000.00	0.375	AA	0.370	690	10/22/2015
313382R39	2266	Federal Home Loan Bank		04/22/2013	1,030,000.00	1,030,401.70	1,030,000.00	0.375	AA	0.370	690	10/22/2015
313382YY3	2268	Federal Home Loan Bank		05/22/2013	2,000,000.00	1,997,540.00	2,000,000.00	0.350	AA	0.345	813	02/22/2016
313383EE7	2270	Federal Home Loan Bank		06/19/2013	2,000,000.00	1,996,440.00	2,000,000.00	0.500	AA	0.493	1,023	09/19/2016
3134G3Y61	2256	Federal Home Loan Mortgage		12/10/2012	3,000,000.00	3,000,150.00	3,000,000.00	0.375	AA	0.370	374	12/10/2014
3134G32R0	2259	Federal Home Loan Mortgage		12/24/2012	3,000,000.00	3,000,450.00	3,000,000.00	0.400	AA	0.394	662	09/24/2015
3134G4HV3	2272	Federal Home Loan Mortgage		10/29/2013	2,000,000.00	2,003,020.00	2,001,808.33	0.625		0.578	880	04/29/2016
3136G1WT2	2273	Federal National Mortgage Assoc		11/21/2013	2,000,000.00	2,004,180.00	2,000,000.00	0.800	AA	0.789	1,086	11/21/2016
Subtotal and Average			41,002,648.37		39,735,000.00	39,742,766.65	39,735,851.75			0.414	688	
Certificates of Deposit - Bank												
2050003183-5	2229	California Bank & Trust		01/22/2012	81,326.80	81,326.80	81,326.80	0.280		0.280	52	01/22/2014
Subtotal and Average			81,326.80		81,326.80	81,326.80	81,326.80			0.280	52	
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	13,046,841.64	13,054,243.37	13,046,841.64	0.263		0.259	1	
LAIF BABS 2010	9012	STATE OF CALIFORNIA		04/21/2010	4,086,089.16	4,088,407.28	4,086,089.16	0.263		0.259	1	
Subtotal and Average			17,386,264.13		17,132,930.80	17,142,650.65	17,132,930.80			0.259	1	
San Diego County Pool												
SD COUNTY POOL	9007	San Diego County		07/01/2004	21,216,572.36	21,299,000.00	21,216,572.36	0.413		0.407	1	
Subtotal and Average			21,216,572.36		21,216,572.36	21,299,000.00	21,216,572.36			0.407	1	

OTAY
Portfolio Management
Portfolio Details - Investments
November 30, 2013

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity
Total and Average			81,101,173.48		78,165,829.96	78,265,744.10	78,166,681.71			0.378	350

OTAY
Portfolio Management
Portfolio Details - Cash
November 30, 2013

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity
Union Bank											
UNION MONEY	9002	STATE OF CALIFORNIA		07/01/2004	315,625.87	315,625.87	315,625.87	0.010		0.010	1
PETTY CASH	9003	STATE OF CALIFORNIA		07/01/2004	2,950.00	2,950.00	2,950.00			0.000	1
UNION OPERATING	9004	STATE OF CALIFORNIA		07/01/2004	1,048,274.86	1,048,274.86	1,048,274.86	0.250		0.247	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2004	27,592.60	27,592.60	27,592.60			0.000	1
RESERVE-10 COPS	9010	STATE OF CALIFORNIA		04/20/2010	2,620.54	2,620.54	2,620.54	0.040		0.039	1
RESERVE-10 BABS	9011	STATE OF CALIFORNIA		04/20/2010	7,493.29	7,493.29	7,493.29	0.040		0.039	1
UBNA-2010 BOND	9013	STATE OF CALIFORNIA		04/20/2010	99,496.36	99,496.36	99,496.36			0.000	1
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA		01/01/2011	13,322.48	13,322.48	13,322.48			0.000	1
Average Balance			0.00								
Total Cash and Investments			81,101,173.48	79,683,205.96		79,783,120.10	79,684,057.71			0.378	350

OTAY
Portfolio Management
Interest Earnings Summary
November 30, 2013

	November 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	12,225.00	64,314.63
Plus Accrued Interest at End of Period	41,375.59	41,375.59
Less Accrued Interest at Beginning of Period	(39,753.32)	(29,749.47)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	13,847.27	75,940.75
Adjusted by Premiums and Discounts	-314.26	-1,528.15
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	13,533.01	74,412.60
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	405.18	49,284.26
Plus Accrued Interest at End of Period	20,280.94	20,280.94
Less Accrued Interest at Beginning of Period	(9,569.24)	(23,860.55)
Interest Earned during Period	11,116.88	45,704.65
Total Interest Earned during Period	24,964.15	121,645.40
Total Adjustments from Premiums and Discounts	-314.26	-1,528.15
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	24,649.89	120,117.25

OTAY
Activity Report
Sorted By Issuer
November 1, 2013 - November 30, 2013

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Issuer: STATE OF CALIFORNIA									
Union Bank									
UNION MONEY	9002	STATE OF CALIFORNIA			0.010		5,512,225.87	8,906,604.96	
UNION OPERATING	9004	STATE OF CALIFORNIA			0.250		912,807.31	593,622.73	
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA					0.00	6,959.38	
Subtotal and Balance				4,599,529.89			6,425,033.18	9,507,187.07	1,517,376.00
Local Agency Investment Fund (LAIF)									
LAIF	9001	STATE OF CALIFORNIA			0.263		9,100,000.00	6,600,000.00	
Subtotal and Balance				14,632,930.80			9,100,000.00	6,600,000.00	17,132,930.80
Issuer Subtotal				23.406%	19,232,460.69		15,525,033.18	16,107,187.07	18,650,306.80
Issuer: California Bank & Trust									
Certificates of Deposit - Bank									
Subtotal and Balance				81,326.80					81,326.80
Issuer Subtotal				0.102%	81,326.80		0.00	0.00	81,326.80
Issuer: Federal Agricultural Mortgage									
Federal Agency Issues- Callable									
Subtotal and Balance				2,000,000.00					2,000,000.00
Issuer Subtotal				2.510%	2,000,000.00		0.00	0.00	2,000,000.00
Issuer: Fannie Mae									
Federal Agency Issues- Callable									
Subtotal and Balance				5,000,000.00					5,000,000.00
Issuer Subtotal				6.275%	5,000,000.00		0.00	0.00	5,000,000.00

OTAY
Activity Report
November 1, 2013 - November 30, 2013

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Issuer: Federal Farm Credit Bank									
Federal Agency Issues- Callable									
				15,000,000.00					15,000,000.00
			18.825%	15,000,000.00			0.00	0.00	15,000,000.00
Issuer: Federal Home Loan Bank									
Federal Agency Issues- Callable									
3133762C8	2254	Federal Home Loan Bank			0.375	11/27/2013	0.00	3,000,000.00	
				10,735,000.00			0.00	3,000,000.00	7,735,000.00
			9.707%	10,735,000.00			0.00	3,000,000.00	7,735,000.00
Issuer: Federal Home Loan Mortgage									
Federal Agency Issues- Callable									
				8,000,000.00					8,000,000.00
			10.040%	8,000,000.00			0.00	0.00	8,000,000.00
Issuer: Federal National Mortgage Assoc									
Federal Agency Issues- Callable									
3136G1WT2	2273	Federal National Mortgage Assoc			0.800	11/21/2013	2,000,000.00	0.00	
				0.00			2,000,000.00	0.00	2,000,000.00
			2.510%	0.00			2,000,000.00	0.00	2,000,000.00
Issuer: San Diego County									
San Diego County Pool									
				21,216,572.36					21,216,572.36
			26.626%	21,216,572.36			0.00	0.00	21,216,572.36
		Total	100.000%	81,265,359.85			17,525,033.18	19,107,187.07	79,683,205.96

OTAY
GASB 31 Compliance Detail
Sorted by Fund - Fund
November 1, 2013 - November 30, 2013

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
LAIF	9001	99	Fair Value		10,552,825.07	0.00	9,100,000.00	6,600,000.00	0.00	1,418.30	13,054,243.37
UNION MONEY	9002	99	Amortized		3,710,004.96	0.00	5,512,225.87	8,906,604.96	0.00	0.00	315,625.87
PETTY CASH	9003	99	Amortized		2,950.00	0.00	0.00	0.00	0.00	0.00	2,950.00
UNION OPERATING	9004	99	Amortized		729,090.28	0.00	912,807.31	593,622.73	0.00	0.00	1,048,274.86
PAYROLL	9005	99	Amortized		27,592.60	0.00	0.00	0.00	0.00	0.00	27,592.60
SD COUNTY POOL	9007	99	Fair Value		21,160,000.00	0.00	0.00	0.00	0.00	139,000.00	21,299,000.00
RESERVE-10 COPS	9010	99	Amortized		2,620.54	0.00	0.00	0.00	0.00	0.00	2,620.54
RESERVE-10 BABS	9011	99	Amortized		7,493.29	0.00	0.00	0.00	0.00	0.00	7,493.29
LAIF BABS 2010	9012	99	Fair Value		4,088,407.28	0.00	0.00	0.00	0.00	0.00	4,088,407.28
UBNA-2010 BOND	9013	99	Amortized		99,496.36	0.00	0.00	0.00	0.00	0.00	99,496.36
UBNA-FLEX ACCT	9014	99	Amortized		20,281.86	0.00	0.00	6,959.38	0.00	0.00	13,322.48
2050003183-5	2229	99	Amortized	01/22/2014	81,326.80	0.00	0.00	0.00	0.00	0.00	81,326.80
3133EAU30	2253	99	Fair Value	03/12/2015	3,000,060.00	0.00	0.00	0.00	0.00	-30.00	3,000,030.00
3133762C8	2254	99	Fair Value	11/27/2013	3,000,600.00	0.00	0.00	3,000,000.00	0.00	-600.00	0.00
3133EC2L7	2255	99	Fair Value	11/13/2015	3,000,330.00	0.00	0.00	0.00	0.00	-270.00	3,000,060.00
3134G3Y61	2256	99	Fair Value	12/10/2014	3,000,660.00	0.00	0.00	0.00	0.00	-510.00	3,000,150.00
3135G0SQ7	2257	99	Fair Value	06/24/2015	3,001,140.00	0.00	0.00	0.00	0.00	-720.00	3,000,420.00
3133EC6F6	2258	99	Fair Value	06/01/2015	3,003,090.00	0.00	0.00	0.00	0.00	930.00	3,004,020.00
3134G32R0	2259	99	Fair Value	09/24/2015	3,001,140.00	0.00	0.00	0.00	0.00	-690.00	3,000,450.00
3133EC7H1	2260	99	Fair Value	08/17/2015	3,000,930.00	0.00	0.00	0.00	0.00	1,200.00	3,002,130.00
3133ECA61	2261	99	Fair Value	06/18/2015	3,000,060.00	0.00	0.00	0.00	0.00	-30.00	3,000,030.00
313382R39	2265	99	Fair Value	10/22/2015	2,706,541.85	0.00	0.00	0.00	0.00	-486.90	2,706,054.95
313382R39	2266	99	Fair Value	10/22/2015	1,030,587.10	0.00	0.00	0.00	0.00	-185.40	1,030,401.70
31315PWT2	2267	99	Fair Value	01/25/2016	1,997,740.00	0.00	0.00	0.00	0.00	2,200.00	1,999,940.00
313382YY3	2268	99	Fair Value	02/22/2016	1,996,260.00	0.00	0.00	0.00	0.00	1,280.00	1,997,540.00
3135GOXR9	2269	99	Fair Value	09/06/2016	1,995,420.00	0.00	0.00	0.00	0.00	2,480.00	1,997,900.00
313383EE7	2270	99	Fair Value	09/19/2016	1,995,160.00	0.00	0.00	0.00	0.00	1,280.00	1,996,440.00
3134G4HV3	2272	99	Fair Value	04/29/2016	2,002,600.00	0.00	0.00	0.00	0.00	420.00	2,003,020.00
3136G1WT2	2273	99	Fair Value	11/21/2016	0.00	2,000,000.00	0.00	0.00	0.00	4,180.00	2,004,180.00
Subtotal					81,214,407.99	2,000,000.00	15,525,033.18	19,107,187.07	0.00	150,866.00	79,783,120.10

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	
				Total	81,214,407.99	2,000,000.00	15,525,033.18	19,107,187.07	0.00	150,866.00	79,783,120.10

OTAY
Interest Earnings
Sorted by Fund - Fund
November 1, 2013 - November 30, 2013
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	
Fund: Treasury Fund													
LAIF	9001	99	LA1	13,046,841.64	10,546,841.64	13,046,841.64		0.263	0.332	2,875.02	0.00	2,875.02	
UNION MONEY	9002	99	PA1	315,625.87	3,710,004.96	315,625.87		0.010	0.001	4.26	0.00	4.26	
UNION OPERATING	9004	99	PA1	1,048,274.86	729,090.28	1,048,274.86		0.250	0.254	152.00	0.00	152.00	
SD COUNTY POOL	9007	99	LA3	21,216,572.36	21,216,572.36	21,216,572.36		0.413	0.413	7,202.01	0.00	7,202.01	
RESERVE-10 COPS	9010	99	PA1	2,620.54	2,620.54	2,620.54		0.040	0.037	0.08	0.00	0.08	
RESERVE-10 BABS	9011	99	PA1	7,493.29	7,493.29	7,493.29		0.040	0.039	0.24	0.00	0.24	
LAIF BABS 2010	9012	99	LA1	4,086,089.16	4,086,089.16	4,086,089.16		0.263	0.263	883.27	0.00	883.27	
2050003183-5	2229	99	BCD	81,326.80	81,326.80	81,326.80	01/22/2014	0.280	0.284	18.98	0.00	18.98	
3133EAU30	2253	99	MC1	3,000,000.00	2,999,455.02	2,999,507.59	03/12/2015	0.320	0.346	800.00	52.57	852.57	
3133762C8	2254	99	MC1	0.00	3,000,329.33	0.00	11/27/2013	0.375	0.226	812.50	-329.33	483.17	
3133EC2L7	2255	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	11/13/2015	0.440	0.446	1,100.00	0.00	1,100.00	
3134G3Y61	2256	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	12/10/2014	0.375	0.380	937.50	0.00	937.50	
3135G0SQ7	2257	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	06/24/2015	0.400	0.406	1,000.00	0.00	1,000.00	
3133EC6F6	2258	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	06/01/2015	0.350	0.355	875.00	0.00	875.00	
3134G32R0	2259	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	09/24/2015	0.400	0.406	1,000.00	0.00	1,000.00	
3133EC7H1	2260	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	08/17/2015	0.340	0.345	850.00	0.00	850.00	
3133ECA61	2261	99	MC1	3,000,000.00	2,999,510.83	2,999,535.83	06/18/2015	0.320	0.335	800.00	25.00	825.00	
313382R39	2265	99	MC1	2,705,000.00	2,705,000.00	2,705,000.00	10/22/2015	0.375	0.380	845.31	0.00	845.31	
313382R39	2266	99	MC1	1,030,000.00	1,030,000.00	1,030,000.00	10/22/2015	0.375	0.380	321.88	0.00	321.88	
31315PWT2	2267	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	01/25/2016	0.400	0.406	666.67	0.00	666.67	
313382YY3	2268	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	02/22/2016	0.350	0.355	583.33	0.00	583.33	
3135GOXR9	2269	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	09/06/2016	0.550	0.558	916.66	0.00	916.66	
313383EE7	2270	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	09/19/2016	0.500	0.507	833.33	0.00	833.33	
3134G4HV3	2272	99	MC1	2,000,000.00	2,001,870.83	2,001,808.33	04/29/2016	0.625	0.595	1,041.67	-62.50	979.17	
3136G1WT2	2273	99	MC1	2,000,000.00	0.00	2,000,000.00	11/21/2016	0.800	0.811	444.44	0.00	444.44	
Subtotal				79,539,844.52	81,116,205.04	79,540,696.27				0.369	24,964.15	-314.26	24,649.89
Total				79,539,844.52	81,116,205.04	79,540,696.27				0.369	24,964.15	-314.26	24,649.89

OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 11/30/2013

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
3134G32R0	2259	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	3,000,450.00	.4000000	0.394	0.370	09/24/2015	1.804
3134G3Y61	2256	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	3,000,150.00	.3750000	0.370	0.365	12/10/2014	1.020
3134G4HV3	2272	99	Federal Home Loan Mortgage	Fair	2,001,808.33	2,000,000.00	2,003,020.00	.6250000	0.578	0.562	04/29/2016	2.388
3136G1WT2	2273	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,004,180.00	.8000000	0.789	0.729	11/21/2016	2.931
313382R39	2266	99	Federal Home Loan Bank	Fair	1,030,000.00	1,030,000.00	1,030,401.70	.3750000	0.370	0.354	10/22/2015	1.883
313383EE7	2270	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,996,440.00	.5000000	0.493	0.564	09/19/2016	2.769
313382YY3	2268	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,997,540.00	.3500000	0.345	0.406	02/22/2016	2.212
313382R39	2265	99	Federal Home Loan Bank	Fair	2,705,000.00	2,705,000.00	2,706,054.95	.3750000	0.370	0.354	10/22/2015	1.883
3133ECA61	2261	99	Federal Farm Credit Bank	Fair	2,999,535.83	3,000,000.00	3,000,030.00	.3200000	0.325	0.319	06/18/2015	1.540
3133EC2L7	2255	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	3,000,060.00	.4400000	0.434	0.439	11/13/2015	1.939
3133EC6F6	2258	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	3,004,020.00	.3500000	0.345	0.391	06/01/2015	1.494
3133EC7H1	2260	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	3,002,130.00	.3400000	0.335	0.198	08/17/2015	1.704
3133EAU30	2253	99	Federal Farm Credit Bank	Fair	2,999,507.59	3,000,000.00	3,000,030.00	.3200000	0.336	0.319	03/12/2015	1.276
3135GOXR9	2269	99	Fannie Mae	Fair	2,000,000.00	2,000,000.00	1,997,900.00	.5500000	0.542	0.761	09/06/2016	2.733
3135G0SQ7	2257	99	Fannie Mae	Fair	3,000,000.00	3,000,000.00	3,000,420.00	.4000000	0.395	0.391	06/24/2015	1.554
31315PWT2	2267	99	Federal Agricultural Mortgage	Fair	2,000,000.00	2,000,000.00	1,999,940.00	.4000000	0.395	0.401	01/25/2016	2.138
2050003183-5	2229	99	California Bank & Trust	Amort	81,326.80	81,326.80	81,326.80	.2800000	0.280	0.280	01/22/2014	0.142
LAIF COPS07	9009	99	STATE OF CALIFORNIA	Fair	0.00	0.00	0.00	.0000001	0.000	0.000		0.000
LAIF BABS 2010	9012	99	STATE OF CALIFORNIA	Fair	4,086,089.16	4,086,089.16	4,088,407.28	.2630000	0.259	0.263		0.000
LAIF	9001	99	STATE OF CALIFORNIA	Fair	13,046,841.64	13,046,841.64	13,054,243.37	.2630000	0.259	0.263		0.000
SD COUNTY	9007	99	San Diego County	Fair	21,216,572.36	21,216,572.36	21,299,000.00	.4130000	0.407	0.413		0.000
Report Total					78,166,681.71	78,165,829.96	78,265,744.10			0.382		0.950



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 7, 2014
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:

SUMMARY FOR PERIOD 10/24/2013 - 12/18/2013	NET DEMANDS
CHECKS (2038547 - 2039018)	\$ 2,884,818.11
VOID CHECKS (14)	(\$ 3,736.97)
TOTAL CHECKS	<u>\$ 2,881,081.14</u>
WIRE TO:	
CALPERS - OTHER POST EMPLOYMENT BENEFITS (MONTHLY)	\$ 171,250.00
CITY OF CHULA VISTA - BI-MONTHLY SEWER CHARGES (SEPT-OCT 2013)	\$ 2,969,529.10
CITY TREASURER - METROPOLITAN SEWERAGE SYSTEM (QUARTERLY)	\$ 255,431.00
CITY TREASURER - RECLAIMED WATER PURCHASE (SEPT 2013)	\$ 188,210.12
DELTA DENTAL OF CALIFORNIA - DENTAL & COBRA CLAIMS (NOV 2013)	\$ 15,767.20
DELTA DENTAL OF CALIFORNIA - DENTAL & COBRA CLAIMS (OCT 2013)	\$ 17,871.35
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 700.00
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 693.00
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 707.00
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 707.00
SAN DIEGO COUNTY WATER AUTH - CAPACITY FEES COLLECTED (7/1/13-9/30/13)	\$ 266,828.00
SAN DIEGO COUNTY WATER AUTH - WATER DELIVERIES & CHARGES (OCT 2013)	\$ 3,660,251.48
SAN DIEGO COUNTY WATER AUTH - WATER DELIVERIES & CHARGES (SEPT 2013)	\$ 4,173,331.08
SPECIAL DISTRICT RISK - HEALTH ADMINISTRATION (DEC 2013)	\$ 257,501.52
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 919.03
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 831.23
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 831.23
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 919.03

STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 831.23
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 735.23
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 831.23
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 735.23
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 135,569.83
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 148,721.83
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 130,551.76
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 142,471.69
UNION BANK NA - COPS 96 (MONTHLY)	\$ 795.18
UNION BANK NA - COPS 96 (MONTHLY)	\$ 651.42
TOTAL CASH DISBURSEMENTS	\$ 15,426,204.90

RECOMMENDED ACTION:

That the Board received the attached list of demands.

Jb/Attachment

CHECK REGISTER
Otay Water District
Date Range: 10/24/2013 - 11/20/2013

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2038547	10/30/13	08488	ABLEFORCE INC	3973	10/01/13	PROGRAMMING SERVICES (8/19/13-9/25/13)	1,187.50	1,187.50
2038657	11/13/13	12174	AECOM TECHNICAL SERVICES INC	11	10/25/13	DISINFECTION SYSTEM (ENDING 9/27/13)	41,322.33	41,322.33
2038548	10/30/13	11462	AEGIS ENGINEERING MGMT INC	1206	10/04/13	AS NEEDED DESIGN SVCS (8/31/13-9/27/13)	16,700.00	
				1134	10/04/13	DEVELOPER PLANCHECKS (8/31/13-9/27/13)	5,012.22	
				1046	10/04/13	PLAN CHECKING (8/31/13-9/27/13)	3,301.74	25,013.96
2038658	11/13/13	11462	AEGIS ENGINEERING MGMT INC	1302	10/16/13	RECYCLED PLAN CHECKS (8/31/13-9/27/13)	6,716.99	6,716.99
2038549	10/30/13	07732	AIRGAS SPECIALTY PRODUCTS INC	131307789	10/07/13	AQUA AMMONIA	3,159.65	
				131307788	10/07/13	AQUA AMMONIA	1,574.64	
				131307790	10/07/13	AQUA AMMONIA	441.29	5,175.58
2038659	11/13/13	14811	ALARMS UNLIMITED INC	156201	10/24/13	ALARM MAINTENANCE	292.80	
				155505	10/22/13	SECURITY MAINTENANCE	181.08	473.88
2038550	10/30/13	14811	ALARMS UNLIMITED INC	155402	10/09/13	BATTERY REPLACEMENT	544.58	544.58
2038606	11/06/13	15223	ALEGRIA REAL ESTATE FUND	Ref002431049	11/04/13	UB Refund Cst #0000195961	399.61	399.61
2038723	11/20/13	15245	ALEGRIA REAL ESTATE FUND	Ref002431246	11/18/13	UB Refund Cst #0000195795	179.75	179.75
2038724	11/20/13	15250	ALEGRIA REAL ESTATE FUND II	Ref002431251	11/18/13	UB Refund Cst #0000203672	439.17	439.17
2038725	11/20/13	15253	ALEGRIA REAL ESTATE FUND III	Ref002431254	11/18/13	UB Refund Cst #0000204701	33.21	33.21
2038607	11/06/13	15225	ALEXANDRA VINSON	Ref002431051	11/04/13	UB Refund Cst #0000197650	39.52	39.52
2038726	11/20/13	15247	ALEXANDRA VINSON	Ref002431248	11/18/13	UB Refund Cst #0000198636	20.20	20.20
2038660	11/13/13	02362	ALLIED WASTE SERVICES # 509	0509005359244	10/25/13	TRASH SERVICES (NOV 2013)	530.33	
				0509005360891	10/25/13	TRASH SERVICES (NOV 2013)	67.49	597.82
2038661	11/13/13	06166	AMERICAN MESSAGING	L1109570NK	11/01/13	PAGER SERVICES (OCT 2013)	162.00	162.00
2038551	10/30/13	00002	ANSWER INC	9033	10/22/13	ANSWERING SERVICES (MONTHLY)	1,100.00	1,100.00
2038662	11/13/13	08967	ANTHEM BLUE CROSS EAP	41175	10/25/13	EMPLOYEE ASSISTANCE PROGRAM (NOV 2013)	316.66	316.66
2038608	11/06/13	11232	ARCHIE KELLEMS	Ref002431034	11/04/13	UB Refund Cst #0000016673	22.37	22.37
2038663	11/13/13	05758	AT&T	082164572810251	10/25/13	ACCESS TRANSPORT SVCS (10/25/13-11/24/13)	2,277.32	2,277.32
2038664	11/13/13	05758	AT&T	61969851401013	10/24/13	LONG DISTANCE (MONTHLY)	37.52	37.52
2038609	11/06/13	05758	AT&T	61942256051013	10/20/13	ACCESS TRANSPORT SVCS (MONTHLY)	69.38	69.38

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Otay Water District

Date Range: 10/24/2013 - 11/20/2013

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2038552	10/30/13	05758	AT&T	61967053091013	10/15/13	LONG DISTANCE (MONTHLY)	37.52	37.52
2038553	10/30/13	12810	ATKINS	1178779	10/11/13	W & S RATE STRUCTURE (6/3/13-9/29/13)	1,922.25	1,922.25
2038665	11/13/13	12810	ATKINS	1179467	10/17/13	DESIGN SERVICES (ENDING SEPT 2013)	1,875.00	1,875.00
2038727	11/20/13	15243	BAILEY RSD SELF STORAGE LP	Ref002431244	11/18/13	UB Refund Cst #0000194898	1,663.68	1,663.68
2038728	11/20/13	15254	BARRETE FAMILY TRUST	Ref002431255	11/18/13	UB Refund Cst #0000204757	15.51	15.51
2038729	11/20/13	06285	BARTEL ASSOCIATES LLC	13582	10/14/13	ACTUARIAL SERVICES (SEPT 2013)	11,500.00	11,500.00
2038730	11/20/13	14577	BASILE CONSTRUCTION INC	00014411	09/20/13	RETAINAGE RELEASE	44,564.49	44,564.49
2038666	11/13/13	01630	BEARCOM	4244261	10/21/13	RADIO REPAIR	195.00	195.00
2038554	10/30/13	10970	BRENNTAG PACIFIC INC	BPI352569	10/07/13	SODIUM HYPOCHLORITE	2,177.81	
				BPI351866	10/04/13	SODIUM HYPOCHLORITE	2,052.45	
				BPI353623	10/10/13	SODIUM HYPOCHLORITE	1,566.32	
				BPI352568	10/07/13	SODIUM HYPOCHLORITE	1,200.07	
				BPI352567	10/07/13	SODIUM HYPOCHLORITE	1,002.80	
				BPI353624	10/10/13	SODIUM HYPOCHLORITE	892.71	
				BPI351495	10/03/13	SODIUM HYPOCHLORITE	479.61	9,371.77
2038667	11/13/13	10970	BRENNTAG PACIFIC INC	BPI359338	10/28/13	SODIUM HYPOCHLORITE	2,492.81	
				BPI359111	10/28/13	SODIUM HYPOCHLORITE	1,578.31	
				BPI355964	10/17/13	SODIUM HYPOCHLORITE	1,257.84	
				BPI356860	10/21/13	SODIUM HYPOCHLORITE	985.35	
				BPI356626	10/21/13	SODIUM HYPOCHLORITE	957.01	
				BPI354430	10/14/13	SODIUM HYPOCHLORITE	945.02	
				BPI359337	10/28/13	SODIUM HYPOCHLORITE	924.32	
				BPI354429	10/14/13	SODIUM HYPOCHLORITE	713.94	
				BPI358736	10/24/13	SODIUM HYPOCHLORITE	636.56	
				BPI359110	10/28/13	SODIUM HYPOCHLORITE	577.69	
				BPI356625	10/21/13	SODIUM HYPOCHLORITE	547.17	
				BPI358102	10/24/13	SODIUM HYPOCHLORITE	502.47	
				BPI355965	10/17/13	SODIUM HYPOCHLORITE	486.14	12,604.63
2038610	11/06/13	03341	CA DEPT OF CONSUMER AFFAIRS	626121013	10/29/13	LICENSE RENEWAL	120.00	120.00
2038668	11/13/13	02401	CAJON VALLEY UNION SCHOOL DIST	12283	10/21/13	GARDEN TOURS (10/17/13-10/18/13)	160.00	160.00
2038611	11/06/13	10206	CALIF DEPT OF PUBLIC HEALTH	O0000000046	11/04/13	CERTIFICATE RENEWAL	140.00	140.00

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Otay Water District

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2038555	10/30/13	02989	CALIFORNIA MUNICIPAL	13100707	10/07/13	DEBT STATEMENT	500.00	500.00
2038556	10/30/13	01004	CALOLYMPIC SAFETY	321109	10/07/13	CAL- GAS 34L	744.16	744.16
2038731	11/20/13	00848	CASS CONSTRUCTION INC	T131000003	10/31/13	EMERGENCY WATER MAIN BREAK	33,346.23	33,346.23
2038612	11/06/13	15209	CHARLES F MC KEOWN	Ref002431033	11/04/13	UB Refund Cst #0000012432	30.00	30.00
2038557	10/30/13	01788	CHAVARELA, GERARDO	38178	10/24/13	CERTIFICATION REIMBURSEMENT	80.00	80.00
2038558	10/30/13	02026	CHULA VISTA ELEM SCHOOL DIST	AR042353	10/09/13	GARDEN TOUR (9/10/13)	270.00	270.00
2038732	11/20/13	15248	CIPRIAN INVESTMENTS LLC	Ref002431249	11/18/13	UB Refund Cst #0000203330	119.94	119.94
2038613	11/06/13	05837	CITY OF SAN DIEGO	O0000000045	10/29/13	POLICE REPORT REQUEST	12.00	12.00
2038559	10/30/13	11520	CLINICAL LABORATORY OF	931214	10/04/13	LABORATORY ANALYSIS (8/28/13-9/25/13)	682.50	682.50
2038733	11/20/13	11696	COFFIN, SHANNON	111913	11/19/13	TUITION REIMBURSEMENT	70.00	70.00
2038560	10/30/13	08160	COMPLETE OFFICE	15452640		CREDIT MEMO	-35.16	
				15431320	10/14/13	COPY PAPER	1,071.01	
				15425700	10/11/13	TONER	1,002.23	
				15431380	10/14/13	2014 CALENDARS	391.28	2,429.36
2038669	11/13/13	08160	COMPLETE OFFICE	15457230	10/25/13	PLOTTER TONER	3,181.68	3,181.68
2038734	11/20/13	08160	COMPLETE OFFICE	15454790	10/22/13	CALENDARS	1,489.00	
				15454710	10/22/13	OFFICE SUPPLIES	763.48	2,252.48
2038735	11/20/13	12334	CORODATA MEDIA STORAGE INC	DS1260224	10/31/13	TAPE STORAGE (OCT 2013)	415.28	415.28
2038670	11/13/13	00099	COUNTY OF SAN DIEGO	DPWAROTAYMW	10/17/13	EXCAVATION PERMITS (SEPT 2013)	2,578.50	2,578.50
2038561	10/30/13	00184	COUNTY OF SAN DIEGO	DEH140101D11	10/16/13	SHUT DOWN TEST (9/16/13)	355.00	
				DEH140075D11	10/16/13	SHUT DOWN TEST (9/25/13)	213.00	
				DEH140094D11	10/16/13	SHUT DOWN TEST (9/25/13)	142.00	
				DEH140093D11	10/16/13	SHUT DOWN TEST (9/25/13)	142.00	
				DEH140089D11	10/16/13	SHUT DOWN TEST (9/4/13)	142.00	
				DEH140083D11	10/16/13	SHUT DOWN TEST (9/25/13)	142.00	
				DEH140082D11	10/16/13	SHUT DOWN TEST (9/11/13)	142.00	
				DEH140080D11	10/16/13	SHUT DOWN TEST (9/24/13)	142.00	1,420.00
2038671	11/13/13	02756	COX COMMUNICATIONS SAN DIEGO	27171013	10/30/13	INTERNET SERVICES (10/29/13-11/28/13)	1,500.00	
				28811013	10/30/13	INTERNET SERVICES (10/29/13-11/28/13)	1,500.00	3,000.00

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Otay Water District

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2038736	11/20/13	00693	CSDA, SAN DIEGO CHAPTER	111513	11/20/13	QUARTERLY MEETING (11/21/13)	156.00	156.00
2038562	10/30/13	11797	D & H WATER SYSTEMS INC	2013387	10/01/13	TACHOMETER	525.62	525.62
2038672	11/13/13	04073	DATA BUSINESS SYSTEMS INC	95431	10/15/13	TAX FORMS	160.28	160.28
2038737	11/20/13	15236	DAVID HAPPE	Ref002431236	11/18/13	UB Refund Cst #0000014191	39.83	39.83
2038738	11/20/13	15239	DEAN JOHNSON	Ref002431239	11/18/13	UB Refund Cst #0000069282	122.12	122.12
2038673	11/13/13	01797	DELL ENTERPRISES	193531	10/28/13	RETIREMENT PLAQUE	64.26	64.26
2038614	11/06/13	00319	DEPARTMENT OF PUBLIC HEALTH	6279841013	10/30/13	DISTRIBUTION CERTIFICATE REQUEST	80.00	80.00
2038615	11/06/13	15230	DIAZ MARITAL TRUST	Ref002431056	11/04/13	UB Refund Cst #0000203475	70.88	70.88
2038616	11/06/13	03417	DIRECTV	21606108818	10/19/13	SATELLITE TV (10/18/13-11/17/13)	6.00	6.00
2038739	11/20/13	03417	DIRECTV	21726687885	11/05/13	SATELLITE TV (11/4/13-12/3/13)	18.00	18.00
2038674	11/13/13	02447	EDCO DISPOSAL CORPORATION	1554581013	10/31/13	RECYCLING SERVICES (OCT 2013)	95.00	95.00
2038740	11/20/13	15252	EMERALD HOLDINGS, INC	Ref002431253	11/18/13	UB Refund Cst #0000204327	153.19	153.19
2038563	10/30/13	08023	EMPLOYEE BENEFIT SPECIALISTS	0062218IN	09/30/13	EMPLOYEE BENEFITS (SEPT 2013)	687.50	687.50
2038675	11/13/13	03227	ENVIROMATRIX ANALYTICAL INC	3100983	10/28/13	RECYCLED WATER ANALYSIS (10/10/13-10/16/13)	755.00	
				3100787	10/18/13	RECYCLED WATER ANALYSIS (10/3/13-10/9/13)	600.00	
				3100651	10/21/13	RECYCLED WATER ANALYSIS (9/27/13-10/2/13)	400.00	1,755.00
2038564	10/30/13	03227	ENVIROMATRIX ANALYTICAL INC	3100483	10/07/13	RECYCLED WATER ANALYSIS (9/19/13-9/26/13)	1,005.00	1,005.00
2038676	11/13/13	07596	ENVIRONMENTAL EXPRESS INC	1000325082	10/16/13	LABORATORY SUPPLIES	1,229.26	1,229.26
2038741	11/20/13	04986	FARR, STEVEN	O000000000050	11/18/13	CERTIFICATE RENEWAL	80.00	80.00
2038677	11/13/13	13123	FAVELA PRINTING INC	1120	10/14/13	FY 2014 BUDGETS	820.80	820.80
2038565	10/30/13	00645	FEDEX	243729936	10/18/13	MAIL SERVICES (10/14/13)	9.34	9.34
2038742	11/20/13	00645	FEDEX	245912685	11/08/13	MAIL SERVICES (10/31/13 & 11/4/13)	14.92	14.92
2038566	10/30/13	03546	FERGUSON WATERWORKS # 1083	04507361	10/08/13	INVENTORY	243.00	243.00
2038678	11/13/13	03546	FERGUSON WATERWORKS # 1083	0452814	10/18/13	HAND HOLES	638.71	
				0452816	10/21/13	HAND HOLES	288.36	927.07
2038679	11/13/13	04066	FIRST CHOICE SERVICES - SD	008672	10/21/13	COFFEE SUPPLIES	574.66	574.66
2038567	10/30/13	04066	FIRST CHOICE SERVICES - SD	007973	10/07/13	COFFEE SUPPLIES	352.82	352.82

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2038568	10/30/13	02591	FITNESS TECH	8718	10/01/13	EQUIPMENT MAINTENANCE (OCT 2013)	135.00	135.00
2038569	10/30/13	11962	FLEETWASH INC	x186513	10/11/13	FLEET VEHICLE WASHING	183.96	183.96
2038680	11/13/13	11962	FLEETWASH INC	x190316	10/18/13	FLEET VEHICLE WASHING	203.67	
				x192121	10/25/13	FLEET VEHICLE WASHING	111.69	315.36
2038743	11/20/13	01612	FRANCHISE TAX BOARD	Ben2431333	11/21/13	BI-WEEKLY PAYROLL DEDUCTION	90.00	90.00
2038617	11/06/13	01612	FRANCHISE TAX BOARD	Ben2431106	11/07/13	BI-WEEKLY PAYROLL DEDUCTION	90.00	90.00
2038618	11/06/13	02344	FRANCHISE TAX BOARD	Ben2431108	11/07/13	BI-WEEKLY PAYROLL DEDUCTION	81.00	81.00
2038744	11/20/13	02344	FRANCHISE TAX BOARD	Ben2431335	11/21/13	BI-WEEKLY PAYROLL DEDUCTION	81.00	81.00
2038570	10/30/13	07224	FRAZEE INDUSTRIES INC	9530271506520	10/11/13	PAINT	587.83	587.83
2038745	11/20/13	13563	FRIENDS OF THE WATER	177	10/22/13	GARDEN TOURS (OCT 2013)	3,100.00	3,100.00
2038619	11/06/13	15229	G A P S REVOCABLE TRUST	Ref002431055	11/04/13	UB Refund Cst #0000203291	70.88	70.88
2038620	11/06/13	15232	GAPS TRUST	Ref002431058	11/04/13	UB Refund Cst #0000204310	76.30	76.30
2038571	10/30/13	15207	GEORGE LANGFORD	UB904001011	10/24/13	CUSTOMER REFUND	170.92	170.92
2038621	11/06/13	15216	GILBERT B RODRIGUEZ	Ref002431042	11/04/13	UB Refund Cst #0000127645	342.18	342.18
2038746	11/20/13	12673	GONZALEZ, DAVID	17960913	11/07/13	REGISTRATION FEES (SEPT 2013)	40.00	40.00
2038572	10/30/13	12907	GREENRIDGE LANDSCAPE INC	11310	10/03/13	IRRIGATION REPAIRS	675.00	675.00
2038681	11/13/13	02630	HAAKER EQUIPMENT COMPANY	M03554	10/25/13	CIP ITEM #3, REPLACEMENT VACTOR	366,967.80	366,967.80
2038573	10/30/13	00174	HACH COMPANY	8492578	09/23/13	HACH ANALYZERS	3,234.81	3,234.81
2038682	11/13/13	00174	HACH COMPANY	8539701	10/23/13	HACH APA6000 COLORIMETER ASSY	1,739.35	
				8545014	10/25/13	HACH APA6000 REPAIR FEE	1,216.39	
				8545016	10/25/13	HACH APA6000 REPAIR FEE	1,181.00	4,136.74
2038683	11/13/13	00201	HARRINGTON INDL PLASTICS LLC	004E0089	10/23/13	CPVC FITTINGS	169.86	169.86
2038747	11/20/13	02795	HARTFORD INSURANCE CO, THE	Ben2431321	11/21/13	MONTHLY CONTRIBUTION TO LTD	5,507.32	5,507.32
2038622	11/06/13	04472	HECTOR I MARES-COSSIO	103	10/28/13	BI-NATIONAL CONSULTANT SVCS (SEPT 2013)	3,600.00	
				104	11/04/13	BI-NATIONAL CONSULTANT SVCS (OCT 2013)	3,600.00	7,200.00
2038748	11/20/13	09457	HEMANT NIRMAL	Ref002431240	11/18/13	UB Refund Cst #0000140056	63.42	63.42

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2038623	11/06/13	15226	HERITAGE BUILDING & DEV	Ref002431052	11/04/13	UB Refund Cst #0000198162	9.35	9.35
2038574	10/30/13	00713	HEWLETT-PACKARD COMPANY	68283963	10/11/13	SUPPORT SERVICE	2,766.86	2,766.86
2038575	10/30/13	12335	HP ENTERPRISE SERVICES LLC	U3119966	10/11/13	IVR PAYMENT SERVICES	2,022.55	2,022.55
2038576	10/30/13	08969	INFOSEND INC	72892	10/02/13	BILL PRINTING SERVICES (SEPT 2013)	1,959.37	1,959.37
2038684	11/13/13	02372	INTERIOR PLANT SERVICE INC	6175	10/20/13	PLANT SERVICES (OCT 2013)	205.00	205.00
2038749	11/20/13	13899	INTERMEDIA.NET INC	2013089448	11/01/13	EMAIL SERVICES (10/2/13-11/2/13)	3,159.50	3,159.50
2038577	10/30/13	03077	JANI-KING OF CALIFORNIA INC	SDO09130166	09/01/13	JANITORIAL SERVICES (SEPT 2013)	1,135.50	1,135.50
2038578	10/30/13	10563	JCI JONES CHEMICALS INC	597632		CREDIT MEMO	-3,000.00	
				597583	10/02/13	CHLORINE	4,684.65	1,684.65
2038624	11/06/13	15210	JEANNE CESENA	Ref002431035	11/04/13	UB Refund Cst #0000024176	180.69	180.69
2038685	11/13/13	02269	JENAL ENGINEERING CORP	10149	10/16/13	MAINTENANCE SUPPLIES & LABOR	448.33	448.33
2038625	11/06/13	15215	JERRY EDWARDS	Ref002431040	11/04/13	UB Refund Cst #0000075751	16.73	16.73
2038750	11/20/13	15237	JOHN OLSON	Ref002431237	11/18/13	UB Refund Cst #0000056278	226.24	226.24
2038626	11/06/13	15227	JOHN PARK	Ref002431053	11/04/13	UB Refund Cst #0000198309	618.27	618.27
2038686	11/13/13	03172	JONES & STOKES ASSOCIATES INC	0097040	10/18/13	ENVIRONMENTAL CONSULTING (8/24/13-9/30/13)	3,305.65	3,305.65
2038687	11/13/13	15234	KATHIE YENTER	110813	11/08/13	CUSTOMER REFUND	104.57	104.57
2038627	11/06/13	15233	KENTON LAYNE MCGOWEN	110113	11/01/13	REIMBURSE FINGERPRINTING SVCS	20.00	20.00
2038751	11/20/13	15251	KIEWIT BUILDING GROUP	Ref002431252	11/18/13	UB Refund Cst #0000203743	2,046.00	2,046.00
2038579	10/30/13	05840	KIRK PAVING INC	5450	10/01/13	AS NEEDED PAVING SERVICES FY14	13,919.80	
				5458	10/09/13	AS NEEDED PAVING SERVICES FY14	3,151.60	17,071.40
2038628	11/06/13	15217	KORY ANGLESEY	Ref002431043	11/04/13	UB Refund Cst #0000141836	127.36	127.36
2038688	11/13/13	14036	KRATOS / HBE	SM44075	10/17/13	ALARM MONITORING #1 (OCT 2013)	55.00	
				SM44076	10/17/13	ALARM MONITORING #2 (OCT 2013)	55.00	
				SM44077	10/17/13	ALARM MONITORING #3 (OCT 2013)	40.00	150.00
2038629	11/06/13	15211	LALIT SAWH	Ref002431036	11/04/13	UB Refund Cst #0000047776	37.87	37.87
2038752	11/20/13	05632	LARSON, BRAD	O0000000048	11/14/13	SAFETY BOOT REIMBURSEMENT	137.32	137.32
2038580	10/30/13	12843	LAWTON GROUP, THE	50833	10/18/13	INTERNSHIP AGREEMENT (10/7/13-10/13/13)	270.00	270.00

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2038753	11/20/13	12843	LAWTON GROUP, THE	50926	11/01/13	INTERNSHIP AGREEMENT (10/14/13-10/20/13)	270.00	
				50943	11/08/13	INTERNSHIP AGREEMENT (10/28/13-11/3/13)	270.00	
				50987	11/15/13	INTERNSHIP AGREEMENT (11/4/13-11/10/13)	270.00	810.00
2038581	10/30/13	07784	LICON, HECTOR	O0000000044	10/24/13	SAFETY BOOT REIMBURSEMENT	150.00	150.00
2038630	11/06/13	06273	LIEBERT CASSIDY WHITMORE	103013	10/30/13	WEBINAR REGISTRATION FEE	55.00	55.00
2038631	11/06/13	15212	LINDA WHITTINGTON	Ref002431037	11/04/13	UB Refund Cst #0000053831	49.45	49.45
2038754	11/20/13	07294	LLERENAS, JESUS	111913	11/20/13	COMPUTER LOAN	1,197.92	1,197.92
2038755	11/20/13	03019	LOPEZ, JOSE	70101013	11/07/13	MILEAGE REIMBURSEMENT (OCT 2013)	6.78	
				70100913	10/09/13	MILEAGE REIMBURSEMENT (SEPT 2013)	3.39	10.17
2038632	11/06/13	15228	LUIS CORRALES	Ref002431054	11/04/13	UB Refund Cst #0000199330	59.64	59.64
2038582	10/30/13	01054	LYNN'S LOCKSMITH SERVICE	283024	10/08/13	RE-KEY PUMP STATIONS	565.00	565.00
2038756	11/20/13	15244	MANASES INVESTMENTS	Ref002431245	11/18/13	UB Refund Cst #0000195620	180.68	180.68
2038633	11/06/13	15222	MANUEL HERNANDEZ	Ref002431048	11/04/13	UB Refund Cst #0000194266	12.83	12.83
2038583	10/30/13	02902	MARSTON & MARSTON INC	201310	10/01/13	COMMUNITY OUTREACH (SEPT 2013)	5,000.00	5,000.00
2038689	11/13/13	02882	MAYER REPROGRAPHICS INC	0082933IN	11/01/13	REPROGRAPHICS SERVICES	105.30	
				0082658IN	10/21/13	REPROGRAPHICS SERVICES	102.60	
				0082902IN	10/31/13	REPROGRAPHICS SERVICES	91.80	299.70
2038634	11/06/13	02882	MAYER REPROGRAPHICS INC	0082467IN	10/09/13	REPROGRAPHICS SERVICES	2,615.47	
				0082606IN	10/17/13	REPROGRAPHICS SERVICES	1,500.35	4,115.82
2038635	11/06/13	01183	MCMASTER-CARR SUPPLY CO	59855263	09/12/13	BURLAP BAGS	726.50	726.50
2038690	11/13/13	01183	MCMASTER-CARR SUPPLY CO	63536803	10/28/13	AIR ELIMINATOR	110.72	110.72
2038757	11/20/13	15241	MEDICAL CLAIMS RESOLUTION	Ref002431242	11/18/13	UB Refund Cst #0000177631	138.09	138.09
2038691	11/13/13	01824	MERKEL & ASSOCIATES INC	13101501	10/15/13	ENVIRONMENTAL SERVICES (8/1/13-9/30/13)	29,012.68	29,012.68
2038758	11/20/13	15242	MICHELLE WALSH	Ref002431243	11/18/13	UB Refund Cst #0000182411	5.73	5.73
2038759	11/20/13	15235	MIKE KELLEY	Ref002431235	11/18/13	UB Refund Cst #0000008551	7.90	7.90
2038636	11/06/13	00237	MISSION JANITORIAL & ABRASIVE	38328100	10/11/13	JANITORIAL SUPPLIES	841.92	841.92
2038692	11/13/13	01363	MISSION LINEN & UNIFORM	S340254080	10/28/13	SAFETY JACKETS	84.67	84.67

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2038584	10/30/13	15136	MISSION UNIFORM SERVICE	340253222	10/14/13	UNIFORM SERVICES	389.04	
				340252128	10/07/13	UNIFORM SERVICES	378.60	
				340253221	10/14/13	UNIFORM SERVICES	141.65	
				340252127	10/07/13	UNIFORM SERVICES	130.17	
				340253225	10/14/13	UNIFORM SERVICES	83.19	
2038693	11/13/13	15136	MISSION UNIFORM SERVICE	340255387	10/28/13	UNIFORM SERVICES	392.38	
				340254318	10/21/13	UNIFORM SERVICES	389.04	
				340254317	10/21/13	UNIFORM SERVICES	130.17	
				340255386	10/28/13	UNIFORM SERVICES	95.73	
				340255390	10/28/13	UNIFORM SERVICES	88.93	
				340254320	10/21/13	UNIFORM SERVICES	83.19	
2038637	11/06/13	15214	MITA SCHUMACHER	Ref002431039	11/04/13	UB Refund Cst #0000066048	273.40	273.40
2038638	11/06/13	15221	MONICA VILLA	Ref002431047	11/04/13	UB Refund Cst #0000194223	5.67	5.67
2038760	11/20/13	15240	MWANGI SMOG CHECK INC	Ref002431241	11/18/13	UB Refund Cst #0000163023	52.64	52.64
2038585	10/30/13	12908	NARASIMHAN CONSULTING SERVICES	039012	10/05/13	HYDRAULIC MODELING SVCS (7/1/13-9/20/13)	5,323.00	5,323.00
2038761	11/20/13	03523	NATIONAL DEFERRED COMPENSATION	Ben2431329	11/21/13	BI-WEEKLY DEFERRED COMP PLAN	7,743.73	7,743.73
2038639	11/06/13	03523	NATIONAL DEFERRED COMPENSATION	Ben2431102	11/07/13	BI-WEEKLY DEFERRED COMP PLAN	7,743.73	7,743.73
2038694	11/13/13	08531	NEWEST CONSTRUCTION	201307	10/18/13	LG DRUM SCREEN MAINTENANCE	3,663.00	3,663.00
2038695	11/13/13	14856	NEXUS IS INC	JC634742	10/16/13	CATALYST SWITCHES	21,079.60	21,079.60
2038696	11/13/13	00510	OFFICE DEPOT INC	680249243001	10/28/13	OFFICE SUPPLIES	176.44	176.44
2038586	10/30/13	00510	OFFICE DEPOT INC	676603713001	10/02/13	HEAVY DUTY STAPLER	72.53	
				666813536001	10/09/13	OFFICE SUPPLIES	50.54	
2038697	11/13/13	14954	PACIFIC TRANS ENVIRONMENTAL	42027	08/15/13	HAZARDOUS WASTE DISPOSAL	532.80	532.80
2038587	10/30/13	15208	PAULA PEARSON	WO102513	10/25/13	WORK ORDER REFUND D0900-090155 (Ck Voided)	1,312.87	1,312.87
2038698	11/13/13	15208	PAULA PEARSON	WO102513	10/25/13	WORK ORDER REFUND D0900-090155	1,312.87	1,312.87
2038762	11/20/13	15249	PGI INVESTMENTS LLC	Ref002431250	11/18/13	UB Refund Cst #0000203392	232.88	232.88
2038699	11/13/13	03351	POSADA, ROD	110613	11/06/13	REIMBURSE MEETING EXPENSES (11/6/13)	121.27	121.27
2038640	11/06/13	01733	PRICE TRONCONE &	12719	08/15/13	ANTENNA SUBLEASE (OCT-NOV 2013)	4,128.00	4,128.00
2038588	10/30/13	13059	PRIORITY BUILDING SERVICES	36633	09/01/13	JANITORIAL SERVICES (SEPT 2013)	3,664.00	3,664.00

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2038589	10/30/13	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2430890	10/24/13	BI-WEEKLY PERS CONTRIBUTION	161,836.74	161,836.74
2038700	11/13/13	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2431098	11/07/13	BI-WEEKLY PERS CONTRIBUTION	161,569.72	161,569.72
2038641	11/06/13	10294	QWIKPRINTS	133051437	11/01/13	FINGERPRINTING SERVICES (10/18/13)	20.00	20.00
2038590	10/30/13	01342	R J SAFETY SUPPLY CO INC	31795201	10/02/13	SAFETY SUPPLIES	867.89	
				31795202	10/09/13	SAFETY SUPPLIES	48.60	916.49
2038763	11/20/13	15238	REBECCA AYYAD	Ref002431238	11/18/13	UB Refund Cst #0000069168	333.14	333.14
2038701	11/13/13	00521	RICK POST WELDING &	9567	10/21/13	WELDING- REPAIR	1,644.00	1,644.00
2038642	11/06/13	13401	ROBERT JARDESTEN	Ref002431041	11/04/13	UB Refund Cst #0000094769	30.95	30.95
2038643	11/06/13	15219	ROSA LOPEZ	Ref002431045	11/04/13	UB Refund Cst #0000172827	79.74	79.74
2038702	11/13/13	05130	SAFARI MICRO INC	236980	10/22/13	HEADSET	348.62	348.62
2038764	11/20/13	15246	SAFEGUARD PROPERTIES	Ref002431247	11/18/13	UB Refund Cst #0000196865	18.85	18.85
2038644	11/06/13	15231	SAMI IBRAHIM	Ref002431057	11/04/13	UB Refund Cst #0000203484	10.07	10.07
2038591	10/30/13	11596	SAN DIEGO CONSTRUCTION WELDING	9091	10/09/13	WELDING SERVICES	1,240.00	1,240.00
2038703	11/13/13	11596	SAN DIEGO CONSTRUCTION WELDING	9107	10/23/13	DRUM SCREEN BRACKET	1,150.00	1,150.00
2038592	10/30/13	02586	SAN DIEGO COUNTY ASSESSOR	2013101	10/09/13	ASSESSOR DATA (MONTHLY)	125.00	125.00
2038593	10/30/13	00003	SAN DIEGO COUNTY WATER AUTH	0000000870	10/09/13	SOCAL WATERSMART (AUG 2013)	429.96	429.96
2038765	11/20/13	00003	SAN DIEGO COUNTY WATER AUTH	0000000872	10/24/13	SOCAL WATERSMART (SEPT 2013)	245.00	245.00
2038645	11/06/13	00247	SAN DIEGO DAILY TRANSCRIPT	398687	10/07/13	BID ADVERTISEMENT	117.90	
				398685	10/07/13	BID ADVERTISEMENT	96.20	214.10
2038704	11/13/13	00247	SAN DIEGO DAILY TRANSCRIPT	400022	10/15/13	BID ADVERTISEMENT	83.80	83.80
2038705	11/13/13	00121	SAN DIEGO GAS & ELECTRIC	110413	11/04/13	UTILITY EXPENSES (MONTHLY)	58,171.03	58,171.03
2038646	11/06/13	00121	SAN DIEGO GAS & ELECTRIC	102813	10/28/13	UTILITY EXPENSES (MONTHLY)	65,720.49	
				101813	10/18/13	UTILITY EXPENSES (MONTHLY)	36,644.39	
				102413a	10/24/13	UTILITY EXPENSES (MONTHLY)	31,677.32	
				102413	10/24/13	UTILITY EXPENSES (MONTHLY)	18,051.86	
				102313	10/23/13	UTILITY EXPENSES (MONTHLY)	799.35	152,893.41
2038766	11/20/13	03514	SANTOS, MARCIANO	111313	11/13/13	TUITION REIMBURSEM,ENT	95.00	95.00

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2038594	10/30/13	12333	SCHINDLER ELEVATOR CORPORATION	8103540080	09/01/13	ELEVATOR MAINTENANCE (SEPT 2013)	416.00	416.00
2038767	11/20/13	12904	SEPULVEDA CONSTRUCTION INC	15	10/28/13	PUMP STATION UPGRADES (ENDING 10/18/13)	14,250.00	14,250.00
2038647	11/06/13	15213	SHAWN MEADOWS	Ref002431038	11/04/13	UB Refund Cst #0000056415	100.00	100.00
2038706	11/13/13	15048	SIEMENS WATER TECHNOLOGIES LLC	901388426	09/06/13	MICRO 2000 PARTS	1,923.23	1,923.23
2038595	10/30/13	15048	SIEMENS WATER TECHNOLOGIES LLC	901422446	10/01/13	DEIONIZED WATER TANKS	124.80	124.80
2038768	11/20/13	15048	SIEMENS WATER TECHNOLOGIES LLC	901435291	10/14/13	DEIONIZED WATER TANKS	119.20	119.20
2038648	11/06/13	13327	SILVA-SILVA INTERNATIONAL	1311	11/01/13	PROJECT CONSULTANT (OCT 2013)	4,000.00	4,000.00
2038707	11/13/13	12281	SIR SPEEDY PRINTING	5409	10/24/13	BUSINESS CARDS	38.72	38.72
2038596	10/30/13	12281	SIR SPEEDY PRINTING	5304	10/01/13	BUSINESS CARDS	38.72	38.72
2038649	11/06/13	15218	SONYA BROWN	Ref002431044	11/04/13	UB Refund Cst #0000160369	47.30	47.30
2038708	11/13/13	11618	SOUTH COAST COPY SYSTEMS	CM11747 AR138808	10/28/13	CREDIT MEMO COPIER MAINTENANCE (NOV 2013)	-353.25 1,682.59	1,329.34
2038597	10/30/13	03103	SOUTHCOAST HEATING &	C52045 C52049	10/14/13 10/14/13	AC MAINTENANCE AC MAINTENANCE	1,068.00 480.00	1,548.00
2038709	11/13/13	15176	SOUTHCOAST HEATING &	J10972	10/17/13	REPLACEMENT A/C UNIT	7,761.00	7,761.00
2038598	10/30/13	15176	SOUTHCOAST HEATING &	C52046	10/14/13	IT AC MAINTENANCE	205.00	205.00
2038710	11/13/13	06853	SOUTHERN CALIFORNIA SOIL	365430	10/15/13	GEOTECHNICAL SERVICES (10/1/13-10-15-13)	1,541.60	1,541.60
2038650	11/06/13	03760	SPANKY'S PORTABLE SERVICES INC	966256 965568	10/10/13 10/02/13	PORTABLE TOILET RENTAL (10/10/13-11/6/13) PORTABLE TOILET RENTAL (10/2/13-10/29/13)	98.17 79.98	178.15
2038769	11/20/13	03760	SPANKY'S PORTABLE SERVICES INC	968860 967654 967570 967571 967572	10/31/13 10/21/13 10/18/13 10/18/13 10/18/13	PORTABLE TOILET RENTAL (10/30/13-11/26/13) PORTABLE TOILET RENTAL (10/19/13-11/15/13) PORTABLE TOILET RENTAL (10/18/13-11/14/13) PORTABLE TOILET RENTAL (10/18/13-11/14/13) PORTABLE TOILET RENTAL (10/18/13-11/14/13)	79.98 79.98 79.98 79.98 79.98	399.90
2038770	11/20/13	03516	SPECIAL DISTRICT RISK	PD131400552500	11/07/13	PROPERTY DEDUCTIBLE	500.00	500.00
2038599	10/30/13	02354	STANDARD ELECTRONICS	19184	10/09/13	MONTHLY MONITORING (OCT 2013)	1,352.50	1,352.50
2038711	11/13/13	02354	STANDARD ELECTRONICS	19262	10/24/13	DETECTOR MAINTENANCE (10/23/13)	95.00	95.00
2038712	11/13/13	00274	STATE OF CALIFORNIA	545041013	11/13/13	LICENSE RENEWAL	115.00	

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				83141013	10/19/13	LICENSE RENEWAL	115.00	230.00
2038771	11/20/13	01460	STATE WATER RESOURCES	WD000089707	10/30/13	ANNUAL PERMIT FEE INDEX #197390	1,940.00	1,940.00
2038651	11/06/13	12809	STUTZ ARTIANO SHINOFF	93367	10/29/13	LEGAL SERVICES (SEPT 2013)	32,371.50	32,371.50
2038600	10/30/13	10339	SUPREME OIL COMPANY	390864	10/09/13	UNLEADED FUEL	13,585.93	
				390865	10/09/13	DIESEL FUEL	7,708.22	21,294.15
2038713	11/13/13	02188	TALLEY COMMUNICATIONS	10148884	10/24/13	FIRETIDE DUSTCAP	264.97	264.97
2038772	11/20/13	02188	TALLEY COMMUNICATIONS	10148542	10/22/13	FIRETIDE DUSTCAP	104.68	104.68
2038601	10/30/13	14177	THOMPSON, MITCHELL	18071013	10/23/13	MILEAGE REIMBURSEMENT (OCT 2013)	65.54	65.54
2038714	11/13/13	08601	TICOR TITLE COMPANY	110713	11/07/13	CUSTOMER REFUND	473.94	473.94
2038715	11/13/13	00870	TRANSCAT INC	801491	10/15/13	FLUKE 789 CALIBRATION	205.52	205.52
2038716	11/13/13	14641	TREBOR SHORING RENTALS	863913	10/16/13	SHORING RENTALS	2,197.00	2,197.00
2038602	10/30/13	00427	UNDERGROUND SERVICE ALERT OF	920130469	10/01/13	UNDERGROUND ALERTS (OCT 2013)	426.00	426.00
2038717	11/13/13	00427	UNDERGROUND SERVICE ALERT OF	820130473	09/01/13	UNDERGROUND ALERTS (SEPT 2013)	472.50	472.50
2038773	11/20/13	00350	UNITED STATES POSTAL SERVICE	104339511113	11/18/12	PREPAID POSTAGE MACHINE	6,000.00	6,000.00
2038774	11/20/13	07662	UNITEDHEALTHCARE SPECIALTY	133190000655	11/20/13	AD&D & SUPP LIFE INS (DEC 2013)	5,660.77	5,660.77
2038775	11/20/13	07674	US BANK	O0000000049	10/22/13	CAL CARD EXPENSES (MONTHLY)	43,610.11	
				SC1013	10/22/13	CAL CARD EXPENSES (MONTHLY)	1,644.15	
				E000048	10/22/13	CAL CARD EXPENSES (MONTHLY)	285.00	45,539.26
2038718	11/13/13	07674	US BANK	MW102213	10/22/13	CAL CARD EXPENSES (MONTHLY)	132.85	132.85
2038603	10/30/13	07674	US BANK	O0000000043	10/24/13	CAL CARD EXPENSES (MONTHLY)	39,958.23	39,958.23
2038652	11/06/13	07674	US BANK	E000045	10/29/13	CAL CARD EXPENSES (MONTHLY)	23.60	23.60
2038604	10/30/13	06829	US SECURITY ASSOCIATES INC	314069	09/30/13	ALARM RESPONSE (SEPT 2013)	329.50	329.50
2038776	11/20/13	06829	US SECURITY ASSOCIATES INC	351020	10/31/13	MONITORING (OCT 2013)	131.95	131.95
2038653	11/06/13	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2431096	11/07/13	BI-WEEKLY DEFERRED COMP PLAN	11,452.40	11,452.40
2038777	11/20/13	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2431323	11/21/13	BI-WEEKLY DEFERRED COMP PLAN	11,500.60	11,500.60
2038778	11/20/13	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2431331	11/21/13	BI-WEEKLY 401A PLAN	737.82	737.82

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2038654	11/06/13	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2431104	11/07/13	BI-WEEKLY 401A PLAN	737.82	737.82
2038719	11/13/13	03329	VERIZON WIRELESS	9713642397	10/21/13	VERIZON SERVICES (9/22/13-10/21/13)	5,843.93	5,843.93
2038655	11/06/13	15220	VICTORIA LEY	Ref002431046	11/04/13	UB Refund Cst #0000175583	43.59	43.59
2038720	11/13/13	15158	VILLA, JOSE RAUL	110813	11/08/13	TUITION REIMBURSEMENT	546.59	
				O0000000047	11/12/13	CERTIFICATE RENEWAL	92.00	638.59
2038605	10/30/13	14879	WATER CONSERVATION GARDEN	1113	10/01/13	GARDEN COSTS (2ND QTR FY 13-14)	24,961.75	24,961.75
2038779	11/20/13	03781	WATTON, MARK	111413	11/14/13	MILEAGE REIMBURSEMENT (OCT 2013)	358.21	358.21
2038721	11/13/13	03781	WATTON, MARK	110513	11/05/13	MILEAGE REIMBURSEMENT (OCT 2013)	361.60	361.60
2038780	11/20/13	14544	WEBCAMPROSHOP.COM	2639	10/10/13	SOFTWARE LICENSE	3,653.64	3,653.64
2038722	11/13/13	07780	WEBER SCIENTIFIC	614262	10/21/13	LABORATORY SUPPLIES	1,114.04	1,114.04
2038656	11/06/13	15224	WEICHERT REALTORS	Ref002431050	11/04/13	UB Refund Cst #0000197368	28.85	28.85
2038781	11/20/13	13483	WHITE NELSON DIEHL EVANS LLP	111213	11/12/13	SEMINAR REGISTRATION FEES	590.00	590.00
Amount Pd Total:							1,562,138.83	
Check Grand Total:							1,562,138.83	

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2038842	12/04/13	15280	24 K INT'L REALTY	Ref002431493	12/03/13	UB Refund Cst #0000204522	25.18	25.18
2038782	11/27/13	08488	ABLEFORCE INC	4028	11/11/13	PROGRAMMING SERVICES (10/30/13-11/7/13)	875.00	875.00
2038843	12/04/13	12006	ADVANCED WEB OFFSET INC	132797	10/09/13	FALL 2013 NEWSLETTER PRINTING	2,224.80	2,224.80
2038904	12/11/13	11462	AEGIS ENGINEERING MGMT INC	1303	11/07/13	DEVELOPER PROJECTS (9/29/13-11/1/13)	9,911.24	
				1047	11/07/13	PLAN CHECKS (9/28/13-11/1/13)	3,004.28	
				1135	11/11/13	PLAN CHECKS (9/28/13-11/1/13)	2,262.90	15,178.42
2038783	11/27/13	07732	AIRGAS SPECIALTY PRODUCTS INC	131311247	11/05/13	AQUA AMMONIA	3,385.80	
				131311246	11/05/13	AQUA AMMONIA	2,056.10	5,441.90
2038784	11/27/13	13753	AIRGAS USA LLC	9913608251	10/31/13	BREATHING AIR	41.75	41.75
2038785	11/27/13	15024	AIRX UTILITY SURVEYORS INC	1	10/31/13	LAND SURVEYING (9/30/13-10/31/13)	9,522.00	9,522.00
2038786	11/27/13	14811	ALARMS UNLIMITED INC	156233	10/30/13	MAINTENANCE WORK (10/28/13)	321.80	
				156332	11/08/13	SECURITY REPAIRS (11/5/13)	299.00	
				156300	11/06/13	SECURITY REPAIRS (11/1/13)	269.00	
				156242	10/30/13	MAINTENANCE WORK (10/24/13)	149.00	1,038.80
2038905	12/11/13	14811	ALARMS UNLIMITED INC	156393	11/15/13	ALARM MAINTENANCE (11/12/13)	212.00	212.00
2038906	12/11/13	06261	ALCANTARA, CYNTHIA	120213	12/02/13	EMPLOYEE PROGRAM	402.80	402.80
2038844	12/04/13	15271	ALEGRIA REAL ESTATE FUND II LL	Ref002431484	12/03/13	UB Refund Cst #0000195501	41.88	41.88
2038845	12/04/13	15267	ALEXANTROS SKLAVENITIS	Ref002431480	12/03/13	UB Refund Cst #0000185292	36.40	36.40
2038787	11/27/13	14256	ALLIANT INSURANCE SERVICES INC	67132	09/03/13	CONSULTING SERVICES (OCT 2013 / QRTLTY)	6,750.00	6,750.00
2038907	12/11/13	02362	ALLIED WASTE SERVICES # 509	0509005416749	11/25/13	TRASH SERVICES (DEC 2013)	530.33	
				0509005418378	11/25/13	TRASH SERVICES (DEC 2013)	67.49	597.82
2038788	11/27/13	12911	ALTA LAND SURVEYING INC	31	11/04/13	SURVEY SERVICES (ENDING 8/30/13)	840.00	840.00
2038789	11/27/13	14462	ALYSON CONSULTING	CM201319	11/03/13	MGMT/INSP - R2091 (9/1/13-10/31/13)	6,600.00	
				CM201318	11/03/13	MGMT/INSP - P2514 (9/1/13-10/31/13)	4,800.00	
				CM20120	11/03/13	MGMT/INSP - P2518 & P2519 (9/1/13-10/31/13)	4,500.00	
				CM201321	11/03/13	MGMT/INSP - R2108 (10/30/13-10/31/13)	600.00	16,500.00
2038846	12/04/13	15269	AMANDA STRIPLIN	Ref002431482	12/03/13	UB Refund Cst #0000192559	15.85	15.85
2038847	12/04/13	06166	AMERICAN MESSAGING	L1109570NL	12/01/13	PAGER SERVICES	304.28	304.28
2038848	12/04/13	15278	AMERICAN PRIDE GENERAL ENG INC	Ref002431491	12/03/13	UB Refund Cst #0000203468	3,825.44	3,825.44

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2038790	11/27/13	02518	AMERICAN WATER WORKS ASSN	0000810418	10/28/13	CORROSION MANUAL	71.50	71.50
2038849	12/04/13	15263	ANA CONTRERAS	Ref002431476	12/03/13	UB Refund Cst #0000169245	27.89	27.89
2038850	12/04/13	00002	ANSWER INC	9165	11/22/13	ANSWERING SERVICES (MONTHLY)	1,100.00	1,100.00
2038908	12/11/13	08967	ANTHEM BLUE CROSS EAP	41182	11/25/13	EMPLOYEE ASSISTANCE PROGRAM	321.12	321.12
2038979	12/18/13	12175	APPLE INC	120513	12/05/13	COMPUTER LOAN	853.80	853.80
2038909	12/11/13	13174	ARC IMAGING RESOURCES	772186	09/19/13	GIS PRINTER	14,776.56	14,776.56
2038851	12/04/13	15273	ARMANDO ALFARO	Ref002431486	12/03/13	UB Refund Cst #0000195675	32.70	32.70
2038980	12/18/13	15305	ARNOLD ALVARADO	Ref002431764	12/16/13	UB Refund Cst #0000205441	19.81	19.81
2038791	11/27/13	05758	AT&T	33784130451113	11/07/13	ACCESS TRANSPORT SVCS (11/7/13-12/6/13)	31.65	31.65
2038852	12/04/13	05758	AT&T	61942256051113	11/20/13	ACCESS TRANSPORT SVCS (11/20/13-12/19/13)	69.21	69.21
2038853	12/04/13	05758	AT&T	61967053091113	11/15/13	LONG DISTANCE (MONTHLY)	37.52	37.52
2038910	12/11/13	05758	AT&T	082164572811251	11/25/13	ACCESS TRANSPORT SVCS (11/25/13-12/24/13)	2,277.32	2,277.32
2038911	12/11/13	05758	AT&T	61969851401113	11/24/13	LONG DISTANCE (MONTHLY)	37.52	37.52
2038854	12/04/13	07785	AT&T	000004874512	11/01/13	CALNET 2 PHONE SVCS ADJ (10/1/13-10/31/13)	13,656.46	
				000004832405	11/02/13	CALNET 2 PHONE SVCS (10/2/13-11/1/13)	5,687.37	
				000004834622	11/02/13	CALNET 2 PHONE SVCS (10/2/13-11/1/13)	15.85	19,359.68
2038912	12/11/13	07785	AT&T	000004918249	12/01/13	CALNET 2 PHONE SVCS (NOV 2013)	1,104.29	1,104.29
2038981	12/18/13	15299	AUGUST HUNTER	Ref002431758	12/16/13	UB Refund Cst #0000195942	49.24	49.24
2038913	12/11/13	11285	AZTEC FIRE & SAFETY INC	50069	11/20/13	STORAGE LOCKER MAINTENANCE	395.71	395.71
2038914	12/11/13	03526	BALDWIN COOKE	3744060	11/12/13	2014 PLANNERS	172.69	172.69
2038915	12/11/13	00145	BARRETT ENGINEERED PUMPS	087623	11/07/13	SAMPLE PUMP	1,827.74	
				087350	10/17/13	SAMPLE PUMP	541.92	2,369.66
2038916	12/11/13	06285	BARTEL ASSOCIATES LLC	13646	11/18/13	ACTUARIAL SERVICES (OCT 2013)	5,200.00	5,200.00
2038917	12/11/13	01630	BEARCOM	4250649	11/12/13	RADIO REPAIR	146.06	146.06
2038982	12/18/13	15300	BEN SANCHEZ	Ref002431759	12/16/13	UB Refund Cst #0000197128	132.84	132.84
2038855	12/04/13	02434	BLACK BOX CORPORATION	IN0042742	10/14/13	FIBER OPTIC CONVERTER	626.22	626.22
2038983	12/18/13	13860	BRENDAN SMITH	UB153632	12/11/13	CUSTOMER REFUND	3.38	3.38

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2038984	12/18/13	05408	BRENNAN & ASSOCIATES	UB141221	12/13/13	CUSTOMER REFUND	265.26	265.26
2038918	12/11/13	10970	BRENNTAG PACIFIC INC	BPI365292	11/18/13	SODIUM HYPOCHLORITE	1,693.84	
				BPI365085	11/18/13	SODIUM HYPOCHLORITE	933.04	
				BPI363396	11/12/13	SODIUM HYPOCHLORITE	887.25	
				BPI366767	11/21/13	SODIUM HYPOCHLORITE	712.86	
				BPI363397	11/12/13	SODIUM HYPOCHLORITE	632.20	
				BPI363398	11/12/13	SODIUM HYPOCHLORITE	603.85	
				BPI365460	11/18/13	SODIUM HYPOCHLORITE	492.68	
				BPI367779	11/25/13	SODIUM HYPOCHLORITE	439.27	
				BPI364175	11/14/13	SODIUM HYPOCHLORITE	362.96	6,757.95
2038792	11/27/13	10970	BRENNTAG PACIFIC INC	BPI362812	11/08/13	SODIUM HYPOCHLORITE	1,492.20	
				BPI361251	11/04/13	SODIUM HYPOCHLORITE	957.01	
				BPI361250	11/04/13	SODIUM HYPOCHLORITE	761.90	
				BPI362620	11/08/13	SODIUM HYPOCHLORITE	610.39	
				BPI360435	10/31/13	SODIUM HYPOCHLORITE	491.59	
				BPI362407	11/01/13	SODIUM HYPOCHLORITE	383.67	4,696.76
2038856	12/04/13	14609	C B R E FAMILY TRUST	UB160290	12/03/13	CUSTOMER REFUND	572.02	572.02
2038793	11/27/13	02401	CAJON VALLEY UNION SCHOOL DIST	12291	10/31/13	GARDEN TOUR (10/15/13)	80.00	80.00
2038857	12/04/13	14365	CALIFORNIA ENVIRONMENTAL	6595	10/16/13	APCD RETROFIT	15,663.53	15,663.53
2038858	12/04/13	05211	CALIFORNIA FOUNDATION ON THE	111513	11/26/13	SPONSORSHIP (10/29/13-10/30/13)	3,000.00	3,000.00
2038859	12/04/13	01004	CALOLYMPIC SAFETY	322315	11/04/13	GASTECH 02 & BATTERY	465.24	
				320733	09/16/13	EYEWASH BOWLS	327.51	792.75
2038794	11/27/13	04071	CAPITOL WEBWORKS LLC	25913	10/31/13	ELECTRONIC FILING FEE (QUARTERLY)	45.00	45.00
2038985	12/18/13	15296	CAPRI WEBB	Ref002431755	12/16/13	UB Refund Cst #0000188888	35.94	35.94
2038795	11/27/13	14781	CARDIAC SCIENCE CORPORATION	1595260	10/30/13	SAFETY EQUIPMENT	1,113.60	1,113.60
2038919	12/11/13	11057	CAREY, ANDREA	120413120513	12/06/13	TRAVEL EXPENSES (12/4/13-12/5/13)	132.00	132.00
2038920	12/11/13	02758	CARMEL BUSINESS SYSTEMS INC	7734	11/25/13	DESTRUCTION SERVICES (11/20/13)	59.50	59.50
2038921	12/11/13	15286	CAROLANN ESKRIDGE	UB63721	12/09/13	CUSTOMER REFUND	496.57	496.57
2038922	12/11/13	15177	CAROLLO ENGINEERS INC	131817	10/31/13	DESIGN 870-2 PS (10/16/13-10/31/13)	11,130.00	11,130.00
2038986	12/18/13	15301	CENTRAL MORTGAGE	Ref002431760	12/16/13	UB Refund Cst #0000197158	76.39	76.39

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2038923	12/11/13	04349	CHAMBERS, JONATHAN	E000052	12/09/13	SAFETY BOOTS REIMBURSEMENT	127.52	127.52
2038924	12/11/13	01719	CHULA VISTA CHAMBER OF	13169	08/20/13	MEMBERSHIP RENEWAL	175.00	175.00
2038987	12/18/13	05837	CITY OF SAN DIEGO	O0000000052	12/16/13	REQUEST POLICE REPORT	12.00	12.00
2038796	11/27/13	04119	CLARKSON LAB & SUPPLY INC	69951	10/31/13	BACTERIOLOGICAL TESTING SVCS	660.00	
				70146	10/31/13	BACTERIOLOGICAL TESTING SVCS	660.00	
				70148	10/31/13	BACTERIOLOGICAL TESTING SVCS	660.00	
				70147	10/31/13	BACTERIOLOGICAL TESTING SVCS	415.00	
				70145	10/31/13	BACTERIOLOGICAL TESTING SVCS	141.00	
				70149	10/31/13	BACTERIOLOGICAL TESTING SVCS	141.00	
				70160	10/31/13	BACTERIOLOGICAL TESTING SVCS	141.00	2,818.00
2038925	12/11/13	11520	CLINICAL LABORATORY OF	932110	11/14/13	LABORATORY ANALYSIS (10/2/13-11/6/13)	1,356.00	1,356.00
2038988	12/18/13	11696	COFFIN, SHANNON	O0000000055	12/16/13	CERTIFICATION REIMBURSEMENT	85.00	85.00
2038797	11/27/13	08160	COMPLETE OFFICE	15509970	11/08/13	2014 CALENDARS	312.72	
				15464400	10/31/13	OFFICE SUPPLIES	48.55	361.27
2038860	12/04/13	08160	COMPLETE OFFICE	15486750	10/31/13	TONER	1,669.57	1,669.57
2038926	12/11/13	08160	COMPLETE OFFICE	15557820	11/25/13	CALENDARS	537.41	
				15542340	11/19/13	INK JET CARTRIDGES	281.93	819.34
2038798	11/27/13	03288	COMPUTER PROTECTION	18131PMA	11/04/13	PREVENTATIVE MAINTENANCE	4,503.00	4,503.00
2038927	12/11/13	12334	CORODATA MEDIA STORAGE INC	DS1260644	11/30/13	TAPE STORAGE (NOV 2013)	409.18	409.18
2038861	12/04/13	12026	CO'S TRAFFIC CONTROL INC	00045506	10/28/13	SAFETY SIGNS	3,504.77	3,504.77
2038989	12/18/13	00099	COUNTY OF SAN DIEGO	DPWAROTAYMW	11/20/13	EXCAVATION PERMITS (OCT 2013)	730.04	730.04
2038862	12/04/13	00184	COUNTY OF SAN DIEGO	DEH140133D11	11/08/13	SHUT DOWN TEST (10/1/13 & 10/31/13)	1,633.00	
				DEH140129D11	11/08/13	SHUT DOWN TEST (10/1/13)	284.00	
				DEH140121D11	11/08/13	SHUT DOWN TEST (10/14/13)	142.00	
				DEH140131D11	11/08/13	SHUT DOWN TEST (10/16/13)	142.00	
				DEH140132D11	11/08/13	SHUT DOWN TEST (10/16/13)	142.00	2,343.00
2038928	12/11/13	00184	COUNTY OF SAN DIEGO	DEH2005HUPFP2	12/05/13	UPFP PERMIT RENEWAL (12/31/13-12/31/14)	405.00	
				DEH2005HUPFP2	12/05/13	UPFP PERMIT RENEWAL (12/31/13-12/31/14)	292.00	
				DEH2005HUPFP2	12/05/13	UPFP PERMIT RENEWAL (12/31/13-12/31/14)	292.00	
				DEH2005HUPFP2	12/05/13	UPFP PERMIT RENEWAL (12/31/13-12/31/14)	292.00	

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				DEH2005HUPFP2	12/05/13	UPFP PERMIT RENEWAL (12/31/13-12/31/14)	292.00	1,573.00
2038990	12/18/13	00184	COUNTY OF SAN DIEGO	DEH14-0167-D11	12/16/13	SHUT DOWN TEST (11/8/2013)	142.00	142.00
2038929	12/11/13	02122	COUNTY OF SAN DIEGO	201309270928	12/09/13	PERMIT FEES # 09281 (DEC 2013-DEC 2014)	8,625.00	
				2013101409276	10/14/13	PERMIT FEES # 09276 (DEC 2013-DEC 2014)	3,272.00	
				2013092701989	09/27/13	PERMIT FEES # 01989 (DEC 2013-DEC 2014)	1,314.00	
				2013092703231	09/27/13	PERMIT FEES # 03231 (DEC 2013-DEC 2014)	565.00	
				2013092700233	09/27/13	PERMIT FEES # 00233 (DEC 2013-DEC 2014)	561.00	
				2013092709503	09/27/13	PERMIT FEES # 09503 (DEC 2013-DEC 2014)	514.00	
				2013092709291	09/27/13	PERMIT FEES # 09291 (DEC 2013-DEC 2014)	467.00	
				2013092709289	09/27/13	PERMIT FEES # 09289 (DEC 2013-DEC 2014)	356.00	
				2013092710565	09/27/13	PERMIT FEES # 10565 (DEC 2013-DEC 2014)	309.00	
				2013092709290	09/27/13	PERMIT FEES # 09290 (DEC 2013-DEC 2014)	309.00	
				2013092709283	09/27/13	PERMIT FEES # 09283 (DEC 2013-DEC 2014)	309.00	
				2013092709288	09/27/13	PERMIT FEES # 09288 (DEC 2013-DEC 2014)	309.00	
				2013092709287	09/27/13	PERMIT FEES # 09287 (DEC 2013-DEC 2014)	309.00	
				2013092709286	12/09/13	PERMIT FEES # 09286 (DEC 2013-DEC 2014)	309.00	
				2013092709279	09/27/13	PERMIT FEES # 09279 (DEC 2013-DEC 2014)	309.00	
				2013092709285	09/27/13	PERMIT FEES # 09285 (DEC 2013-DEC 2014)	309.00	
				2013092709277	09/27/13	PERMIT FEES # 09277 (DEC 2013-DEC 2014)	309.00	
				2013092704983	09/27/13	PERMIT FEES # 04983 (DEC 2013-DEC 2014)	309.00	
				2013092709280	09/27/13	PERMIT FEES # 09280 (DEC 2013-DEC 2014)	298.00	19,062.00
2038930	12/11/13	02122	COUNTY OF SAN DIEGO	APCD2013NOV00	12/03/13	VACTOR TRUCK INSPECTION	800.00	800.00
2038931	12/11/13	02756	COX COMMUNICATIONS SAN DIEGO	28811113	11/29/13	INTERNET SERVICES (11/29/13-12/28/13)	1,500.00	
				27171113	11/29/13	INTERNET SERVICES (11/29/13-12/28/13)	1,500.00	3,000.00
2038863	12/04/13	15283	CUSTOM POWDER FINISHING	Ref002431496	12/03/13	UB Refund Cst #0000026122	30.90	30.90
2038991	12/18/13	15292	DARRYL SUASI	Ref002431751	12/16/13	UB Refund Cst #0000095677	60.17	60.17
2038864	12/04/13	15275	DAVID COLLINGS	Ref002431488	12/03/13	UB Refund Cst #0000198678	49.34	49.34
2038799	11/27/13	00319	DEPARTMENT OF PUBLIC HEALTH	1360514	09/30/13	WATER SYSTEMS FEES #3710034	15,736.75	15,736.75
2038800	11/27/13	00319	DEPARTMENT OF PUBLIC HEALTH	O0000000051	11/21/13	CERTIFICATION APPLICATION	120.00	120.00
2038992	12/18/13	00319	DEPARTMENT OF PUBLIC HEALTH	O0000000053	12/16/13	CERTIFICATION RENEWAL	60.00	60.00
2038865	12/04/13	15260	DIANA TORRES GIMENEZ	Ref002431473	12/03/13	UB Refund Cst #0000126560	39.05	39.05
2038866	12/04/13	03417	DIRECTV	21828820048	11/19/13	SATELLITE TV (11/18/13-12/17/13)	6.00	6.00

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2038932	12/11/13	03417	DIRECTV	21948066425	12/05/13	SATELLITE TV (12/4/13-1/3/14)	18.00	18.00
2038867	12/04/13	15274	DOUGLAS SHIELDS	Ref002431487	12/03/13	UB Refund Cst #0000198226	43.18	43.18
2038933	12/11/13	02447	EDCO DISPOSAL CORPORATION	1554581113	11/30/13	RECYCLING SERVICES (NOV 2013)	95.00	95.00
2038993	12/18/13	15293	EFRAIN SALVADOR	Ref002431752	12/16/13	UB Refund Cst #0000134063	10.08	10.08
2038801	11/27/13	08023	EMPLOYEE BENEFIT SPECIALISTS	0062531IN	10/31/13	EMPLOYEE BENEFITS (OCT 2013)	687.50	687.50
2038802	11/27/13	00331	EMPLOYMENT DEVELOPMENT DEPT	925023841113	11/19/13	UNEMPLOYMENT INSURANCE (7/1/13-9/30/13)	11,151.00	11,151.00
2038934	12/11/13	03227	ENVIROMATRIX ANALYTICAL INC	3110866	11/25/13	RECYCLED WATER ANALYSIS (11/8/13-11/13/13)	620.00	
				3110669	11/18/13	RECYCLED WATER ANALYSIS (11/1/13-11/7/13)	600.00	1,220.00
2038803	11/27/13	03227	ENVIROMATRIX ANALYTICAL INC	3110555	11/11/13	RECYCLED WATER ANALYSIS (10/25/13-10/31/13)	970.00	
				3110389	11/04/13	RECYCLED WATER ANALYSIS (10/17/13-10/24/13)	645.00	1,615.00
2038804	11/27/13	02259	ENVIRONMENTAL RESOURCE	704157	11/08/13	LABORATORY CERTIFICATION	256.72	
				704298A	11/11/13	LABORATORY CERTIFICATION	139.32	396.04
2038935	12/11/13	03725	ENVIRONMENTAL SYSTEMS RESEARCH	92739218	10/31/13	SERVICE PROGRAM (8/6/13-8/5/14)	25,000.00	25,000.00
2038868	12/04/13	15262	ERIC CARLSON	Ref002431475	12/03/13	UB Refund Cst #0000153793	75.51	75.51
2038805	11/27/13	14320	EUROFINS EATON ANALYTICAL INC	L0142011	10/29/13	OUTSIDE LAB SERVICES (10/8/13)	255.00	255.00
2038869	12/04/13	13123	FAVELA PRINTING INC	1120	10/14/13	FY 2014 BUDGETS	820.80	820.80
2038936	12/11/13	00645	FEDEX	248821587	12/06/13	MAIL SERVICES (12/3/13)	8.23	
				248166114	11/29/13	MAIL SERVICES (11/20/13)	6.24	14.47
2038937	12/11/13	03546	FERGUSON WATERWORKS # 1083	0455537	11/12/13	INVENTORY	3,113.28	
				0455536	11/12/13	INVENTORY	2,434.21	5,547.49
2038870	12/04/13	03546	FERGUSON WATERWORKS # 1083	0451996	10/24/13	CLMC PIPE	2,875.39	
				0452815	10/30/13	PLUGS FOR HAND HOLES	905.04	
				0453398	11/07/13	PSI REGULATOR	389.03	4,169.46
2038806	11/27/13	03546	FERGUSON WATERWORKS # 1083	04528161	10/30/13	HAND HOLES GSKT	113.40	
				04528141	10/30/13	HAND HOLES	68.69	182.09
2038938	12/11/13	04066	FIRST CHOICE SERVICES - SD	010492	11/18/13	COFFEE SUPPLIES	536.77	536.77
2038807	11/27/13	04066	FIRST CHOICE SERVICES - SD	009860	11/05/13	COFFEE SUPPLIES	427.38	427.38
2038939	12/11/13	00035	FISHER SCIENTIFIC	1500159	11/18/13	LABORATORY SUPPLIES	308.07	

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				1402320	11/15/13	LABORATORY SUPPLIES	296.66	604.73
2038940	12/11/13	11962	FLEETWASH INC	x201218	11/15/13	FLEET VEHICLE WASHING	157.68	157.68
2038808	11/27/13	11962	FLEETWASH INC	x195648	11/01/13	FLEET VEHICLE WASHING	275.94	
				x198383	11/08/13	FLEET VEHICLE WASHING	65.70	341.64
2038871	12/04/13	01612	FRANCHISE TAX BOARD	Ben2431516	12/05/13	BI-WEEKLY PAYROLL DEDUCTION	90.00	90.00
2038994	12/18/13	01612	FRANCHISE TAX BOARD	Ben2431826	12/19/13	BI-WEEKLY PAYROLL DEDUCTION	90.00	90.00
2038872	12/04/13	02344	FRANCHISE TAX BOARD	Ben2431518	12/05/13	BI-WEEKLY PAYROLL DEDUCTION	81.00	81.00
2038995	12/18/13	02344	FRANCHISE TAX BOARD	Ben2431828	12/19/13	BI-WEEKLY PAYROLL DEDUCTION	81.00	81.00
2038873	12/04/13	13563	FRIENDS OF THE WATER	174	09/30/13	GARDEN TOURS (SEPT 2013)	620.00	620.00
2038996	12/18/13	15303	GIOVANNA CASTRO	Ref002431762	12/16/13	UB Refund Cst #0000199345	26.72	26.72
2038941	12/11/13	00131	GOVERNMENT FIN OFFICERS ASSN	120913	12/09/13	APPLICATION FEE	505.00	505.00
2038874	12/04/13	15284	GRACIELA GUERRERO	Ref002431497	12/03/13	UB Refund Cst #0000075887	23.05	23.05
2038875	12/04/13	00101	GRAINGER INC	9254504955	09/26/13	WAREHOUSE SUPPLIES	141.53	141.53
2038942	12/11/13	00101	GRAINGER INC	9301719093	11/21/13	WAREHOUSE BATTERIES	367.64	367.64
2038943	12/11/13	12907	GREENRIDGE LANDSCAPE INC	11379	10/30/13	LANDSCAPING SERVICES (OCT 2013)	8,909.50	8,909.50
2038876	12/04/13	15276	GREGORY MAGNO	Ref002431489	12/03/13	UB Refund Cst #0000198964	25.49	25.49
2038997	12/18/13	15290	H MCDANIEL	Ref002431749	12/16/13	UB Refund Cst #0000062956	66.95	66.95
2038944	12/11/13	00174	HACH COMPANY	8578543	11/19/13	HACH ANALYZERS	3,234.81	
				8575208	11/15/13	HACH COLORIMITER	1,216.39	4,451.20
2038877	12/04/13	00174	HACH COMPANY	8531476	10/17/13	LABORATORY SUPPLIES	3,814.56	
				8533436	10/18/13	LABORATORY SUPPLIES	596.16	4,410.72
2038945	12/11/13	02350	HARPER & ASSOCIATES	ENG4828	11/12/13	INSPECTION SERVICES (10/1/13-11/1/13)	1,080.00	1,080.00
2038809	11/27/13	00201	HARRINGTON INDL PLASTICS LLC	004E0372	10/31/13	CPVC FITTINGS	556.50	556.50
2038878	12/04/13	15265	HAZARD CONSTRUCTION CO	Ref002431478	12/03/13	UB Refund Cst #0000176658	1,875.48	1,875.48
2038946	12/11/13	14076	HDS WHITE CAP CONST SUPPLY	50000647937	11/11/13	FILTER/CCB SEALANT	165.42	165.42
2038998	12/18/13	00062	HELIX WATER DISTRICT	174639861213	12/09/13	WATER PURCHASE (10/7/13-12/5/13)	46.06	
				178540011213	12/09/13	WATER PURCHASE (10/7/13-12/5/13)	42.93	88.99

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2038879	12/04/13	15261	HIDEKI YASUOKA	Ref002431474	12/03/13	UB Refund Cst #0000143844	9.28	9.28
2038947	12/11/13	12335	HP ENTERPRISE SERVICES LLC	U3124670	11/12/13	IVR PAYMENT SERVICES (OCT 2013)	2,251.50	2,251.50
2038999	12/18/13	15298	HUD	Ref002431757	12/16/13	UB Refund Cst #0000194173	128.06	128.06
2039000	12/18/13	15302	HUD	Ref002431761	12/16/13	UB Refund Cst #0000198359	18.19	18.19
2038810	11/27/13	08969	INFOSEND INC	73675	10/31/13	BILL PRINTING SERVICES (OCT 2013)	12,484.49	
				73674	10/31/13	BILL PRINTING SERVICES (OCT 2013)	3,925.41	
				73969	11/04/13	BILL PRINTING SERVICES (OCT 2013)	1,988.39	
				74105	11/04/13	SUPPLEMENTAL NEWSLETTER PRINTING	1,581.55	19,979.84
2038948	12/11/13	13899	INTERMEDIA.NET INC	2013162655	12/01/13	EMAIL SERVICES (11/2/13-12/2/13)	3,457.59	3,457.59
2038811	11/27/13	11514	INTERNATIONAL RIGHT OF WAY	269736	09/26/13	IRWA MEMBERSHIP RENEWAL	225.00	225.00
2038880	12/04/13	15266	JACOB MIKANELEHAAHA WHIGHAM	Ref002431479	12/03/13	UB Refund Cst #0000176803	25.54	25.54
2038812	11/27/13	03077	JANI-KING OF CALIFORNIA INC	SDO10130166	10/01/13	JANITORIAL SERVICES (OCT 2013)	1,135.50	1,135.50
2038813	11/27/13	10563	JCI JONES CHEMICALS INC	599699		CREDIT MEMO	-3,000.00	
				599666	10/24/13	CHLORINE	4,684.65	1,684.65
2038949	12/11/13	10563	JCI JONES CHEMICALS INC	602082		CREDIT MEMO	-3,000.00	
				602051	11/19/13	CHLORINE	4,684.65	1,684.65
2038814	11/27/13	02269	JENAL ENGINEERING CORP	10288	11/04/13	MAINTENANCE	243.72	243.72
2038881	12/04/13	15264	JESSICA NEWMAN	Ref002431477	12/03/13	UB Refund Cst #0000174140	12.22	12.22
2038950	12/11/13	01010	JOBS AVAILABLE INC	1324034	11/19/13	JOB POSTING	385.00	
				1324033	11/19/13	JOB POSTING	367.50	752.50
2038951	12/11/13	03172	JONES & STOKES ASSOCIATES INC	0097557	11/13/13	ENVIRONMENTAL CONSULTING (10/1/13-10/25/13)	4,890.00	
				0097562	11/13/13	ENVIRONMENTAL CONSULTING (9/17/13-10/25/13)	3,600.49	
				0097563	11/13/13	ENVIRONMENTAL CONSULTING (10/1/13-10/25/13)	1,744.00	10,234.49
2039001	12/18/13	15294	JOSEPH SALVI	Ref002431753	12/16/13	UB Refund Cst #0000139610	40.70	40.70
2039002	12/18/13	15304	JUST CONSTRUCTION INC	Ref002431763	12/16/13	UB Refund Cst #0000205296	1,465.60	1,465.60
2038882	12/04/13	15277	KAILENE EDWARDS	Ref002431490	12/03/13	UB Refund Cst #0000203235	28.93	28.93
2038883	12/04/13	15272	KATHIE RANKIN	Ref002431485	12/03/13	UB Refund Cst #0000195623	13.06	13.06
2038815	11/27/13	05840	KIRK PAVING INC	5471	11/08/13	AS NEEDED PAVING SERVICES FY14	5,016.10	5,016.10

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2038816	11/27/13	04996	KNOX ATTORNEY SERVICE INC	4018575	10/31/13	DELIVERY SERVICES (9/27/13-10/18/13)	199.50	199.50
2038952	12/11/13	12276	KONECRANES INC	SDG00846935	11/14/13	HOIST INSPECTION (NOV 2013)	500.00	500.00
2038953	12/11/13	14036	KRATOS / HBE	SM44600	11/19/13	ALARM MONITORING #2 (NOV 2013)	55.00	
				SM44599	11/19/13	ALARM MONITORING #3 (NOV 2013)	55.00	
				SM44601	11/19/13	ALARM MONITORING #1 (NOV 2013)	40.00	150.00
2038884	12/04/13	12843	LAWTON GROUP, THE	51019	11/22/13	INTERNSHIP AGREEMENT (11/11/13-11/17/13)	270.00	270.00
2039003	12/18/13	12843	LAWTON GROUP, THE	51077	12/06/13	INTERNSHIP AGREEMENT (11/18/13-12/1/13)	486.00	
				51112	12/13/13	INTERNSHIP AGREEMENT (12/2/13-12/8/13)	270.00	756.00
2038817	11/27/13	03607	LEE & RO INC	LR16026	11/01/13	INTERCONNECTION (9/1/13-10/25/13)	8,190.50	8,190.50
2038885	12/04/13	15270	LILY ABSTON GARCIA	Ref002431483	12/03/13	UB Refund Cst #0000195472	15.49	15.49
2039004	12/18/13	15288	MAGEE, STEVEN	O0000000054	12/16/13	CERTIFICATION REIMBURSEMENT	90.00	90.00
2038954	12/11/13	13228	MARK PULLEN	UB69251	09/10/13	CUSTOMER REFUND	478.17	478.17
2038818	11/27/13	02902	MARSTON & MARSTON INC	201311	11/01/13	COMMUNITY OUTREACH (OCT 2013)	5,000.00	5,000.00
2038955	12/11/13	05329	MASTER METER INC	114196	10/07/13	3G REGISTERS	4,039.40	4,039.40
2038819	11/27/13	02882	MAYER REPROGRAPHICS INC	0083022IN	11/08/13	P2453 ADDENDUM #3	145.80	
				0083058in	11/08/13	P2453 ADDENDUM #4	145.80	291.60
2038956	12/11/13	01183	MCMASTER-CARR SUPPLY CO	65920660	11/18/13	MISC HARDWARE SUPPLIES	191.23	191.23
2038957	12/11/13	03169	MENDEZ-SCHOMER, ALICIA	120413120513	12/09/13	TRAVEL EXPENSES (12/4/13-12/5/13)	132.00	132.00
2038958	12/11/13	01824	MERKEL & ASSOCIATES INC	13112002	11/20/13	ENVIRONMENTAL SERVICES (10/1/13-10/31/13)	14,422.37	14,422.37
2038886	12/04/13	15268	MICHAEL PAYNE	Ref002431481	12/03/13	UB Refund Cst #0000188921	40.04	40.04
2038820	11/27/13	00237	MISSION JANITORIAL & ABRASIVE	38561000	10/30/13	JANITORIAL SUPPLIES	1,085.52	1,085.52
2038821	11/27/13	15136	MISSION UNIFORM SERVICE	340256499	11/04/13	UNIFORM SERVICES	389.04	
				340256498	11/04/13	UNIFORM SERVICES	130.17	
				340256502	11/04/13	UNIFORM SERVICES	88.93	608.14
2038959	12/11/13	15136	MISSION UNIFORM SERVICE	340258667	11/18/13	UNIFORM SERVICES	394.78	
				340259741	11/25/13	UNIFORM SERVICES	394.78	
				340258666	11/18/13	UNIFORM SERVICES	130.17	
				340259740	11/25/13	UNIFORM SERVICES	130.17	
				340258570	11/18/13	UNIFORM SERVICES	88.93	

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				340259744	11/25/13	UNIFORM SERVICES	88.93	
				340252130	10/07/13	UNIFORM SERVICES	83.19	1,310.95
2038887	12/04/13	03523	NATIONAL DEFERRED COMPENSATION	Ben2431512	12/05/13	BI-WEEKLY DEFERRED COMP PLAN	7,743.73	7,743.73
2039005	12/18/13	03523	NATIONAL DEFERRED COMPENSATION	Ben2431822	12/19/13	BI-WEEKLY DEFERRED COMP PLAN	8,228.36	8,228.36
2038888	12/04/13	15282	NOBLE REAL ESTATES SERVICES	Ref002431495	12/03/13	UB Refund Cst #0000205801	46.23	46.23
2038822	11/27/13	00510	OFFICE DEPOT INC	681163679001	11/01/13	OFFICE SUPPLIES	967.87	
				682232251001	11/08/13	OFFICE SUPPLIES	160.17	
				681165585001	11/01/13	OFFICE SUPPLIES	56.46	1,184.50
2038960	12/11/13	00510	OFFICE DEPOT INC	687845710001	11/25/13	BACK SUPPORT	237.04	
				678078060001	09/25/13	OFFICE SUPPLIES	113.30	350.34
2039006	12/18/13	15291	OLIVER AGUILAR	Ref002431750	12/16/13	UB Refund Cst #0000073552	41.96	41.96
2038823	11/27/13	03149	ON SITE LASER LLC	48037	11/06/13	PRINTER SERVICES (11/5/13)	123.00	
				48025	11/01/13	PRINTER SERVICES (10/31/13)	69.00	192.00
2038889	12/04/13	03149	ON SITE LASER LLC	48079	11/25/13	PRINTER SERVICES (11/25/13)	59.00	59.00
2038824	11/27/13	14812	PARKWAY SIGNS	14052	11/08/13	CHLORINE SAFETY SIGN	76.80	76.80
2038825	11/27/13	05497	PAYPAL INC	27540861	10/31/13	PHONE PAYMENT SVCS (OCT 2013)	54.10	54.10
2038890	12/04/13	00137	PETTY CASH CUSTODIAN	120313	12/03/13	PETTY CASH REIMBURSEMENT	736.89	736.89
2039007	12/18/13	02264	PLASTERER, MICHAEL	O0000000056	12/16/13	SAFETY BOOT REIMBURSEMENT	150.00	150.00
2038891	12/04/13	03351	POSADA, ROD	111313111513	12/02/13	TRAVEL EXPENSES (11/13/13-11/15/13)	932.63	932.63
2039008	12/18/13	03351	POSADA, ROD	120313120513	12/16/13	TRAVEL EXPENSES (12/3/13-12/5/13)	1,115.72	1,115.72
2038961	12/11/13	07346	PRIME ELECTRICAL SERVICES INC	12176	11/15/13	CONDUIT INSTALLATION	2,144.00	2,144.00
2038826	11/27/13	13059	PRIORITY BUILDING SERVICES	36963	10/01/13	JANITORIAL SERVICES (OCT 2013)	3,664.00	3,664.00
2038827	11/27/13	06641	PRUDENTIAL OVERALL SUPPLY	31006129	11/11/13	UNIFORM SERVICES	4,524.00	4,524.00
2038962	12/11/13	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2431508	12/05/13	BI-WEEKLY PERS CONTRIBUTION	162,936.43	162,936.43
2038828	11/27/13	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2431325	11/21/13	BI-WEEKLY PERS CONTRIBUTION	161,953.29	161,953.29
2038963	12/11/13	01342	R J SAFETY SUPPLY CO INC	31963400	11/20/13	FACE MASK CERTIFICATION	215.99	215.99
2038892	12/04/13	15258	RAUL MENDOZA	Ref002431471	12/03/13	UB Refund Cst #0000010518	19.39	19.39

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2039009	12/18/13	15295	RAYMOND ALVAREZ	Ref002431754	12/16/13	UB Refund Cst #0000175335	1,553.45	1,553.45
2038829	11/27/13	02950	RDO EQUIPMENT CO	526905	10/31/13	REPLACEMENT BACKHOE	94,159.11	94,159.11
2038893	12/04/13	15281	REAL ESTATE BY OBIEN	Ref002431494	12/03/13	UB Refund Cst #0000204580	40.26	40.26
2039010	12/18/13	15289	RICHARD CRUMLISH	Ref002431748	12/16/13	UB Refund Cst #000015520	117.81	117.81
2038894	12/04/13	15279	ROBERT CLARK	Ref002431492	12/03/13	UB Refund Cst #0000204070	12.46	12.46
2038895	12/04/13	15259	ROBERT MICHAELS	Ref002431472	12/03/13	UB Refund Cst #0000045549	31.52	31.52
2038964	12/11/13	02620	ROTORK CONTROLS INC	CI07308	10/30/13	FILTER ROTORK	4,889.70	
				CI07309	10/30/13	FREIGHT FOR ACTUATOR	107.75	4,997.45
2038830	11/27/13	05130	SAFARI MICRO INC	237559	11/06/13	PRINTER	671.42	671.42
2038965	12/11/13	05130	SAFARI MICRO INC	237783	11/13/13	PHONE HEADSET	298.39	298.39
2038966	12/11/13	11596	SAN DIEGO CONSTRUCTION WELDING	9133	11/12/13	WELDING SERVICES	680.00	680.00
2038831	11/27/13	02586	SAN DIEGO COUNTY ASSESSOR	2013112	11/07/13	ASSESSOR DATA (MONTHLY)	125.00	125.00
2038832	11/27/13	00003	SAN DIEGO COUNTY WATER AUTH	0000000885	11/01/13	HOME WATER USE EVALUATION	1,312.50	1,312.50
2038967	12/11/13	00003	SAN DIEGO COUNTY WATER AUTH	0000000906	11/21/13	SOCAL WATERSMART	245.00	245.00
2038968	12/11/13	00121	SAN DIEGO GAS & ELECTRIC	120413	12/04/13	UTILITY EXPENSES (MONTHLY)	82,435.17	82,435.17
2038896	12/04/13	00121	SAN DIEGO GAS & ELECTRIC	112613	11/26/13	UTILITY EXPENSES (MONTHLY)	58,196.28	
				112213	11/22/13	UTILITY EXPENSES (MONTHLY)	46,952.90	
				111813	11/18/13	UTILITY EXPENSES (MONTHLY)	30,246.77	
				112013	11/20/13	UTILITY EXPENSES (MONTHLY)	15,345.33	
				112113	11/21/13	UTILITY EXPENSES (MONTHLY)	172.52	150,913.80
2039011	12/18/13	07676	SAN MIGUEL FIRE PROTECTION	111913	11/19/13	TEMPORARY LABOR (OCT 2013)	6,817.68	
				101713	10/17/13	TEMPORARY LABOR (SEPT 2013)	6,772.13	13,589.81
2038833	11/27/13	12421	SCS ENGINEERS	0221221	10/31/13	RISK MGMT CONSULTING SVCS (OCT 2013)	3,300.00	3,300.00
2038969	12/11/13	13327	SILVA-SILVA INTERNATIONAL	1312	12/01/13	PROJECT CONSULTANT (NOV 2013)	4,000.00	4,000.00
2038897	12/04/13	03760	SPANKY'S PORTABLE SERVICES INC	969876	11/08/13	PORTABLE TOILET RENTAL (11/7/13-12/4/13)	98.17	
				970643	11/18/13	PORTABLE TOILET RENTAL (11/16/13-12/13/13)	79.98	
				970422	11/15/13	PORTABLE TOILET RENTAL (11/15/13-12/12/13)	79.98	
				970424	11/15/13	PORTABLE TOILET RENTAL (11/15/13-12/12/13)	79.98	
				970423	11/15/13	PORTABLE TOILET RENTAL (11/15/13-12/12/13)	79.98	418.09

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2039012	12/18/13	03760	SPANKY'S PORTABLE SERVICES INC	973883	12/05/13	PORTABLE TOILET RENTAL (12/5/13-1/1/14)	98.17	
				971911	11/27/13	PORTABLE TOILET RENTAL (11/27/13-12/24/13)	79.98	178.15
2038970	12/11/13	03516	SPECIAL DISTRICT RISK	45671	12/02/13	WORKERS' COMPENSATION (1/1/14-3/31/14)	56,639.00	56,639.00
2038971	12/11/13	02354	STANDARD ELECTRONICS	19424	11/25/13	ALARM SERVICES (11/19/13)	159.80	
				19388	11/19/13	ALARM SERVICES (11/13/13)	142.50	302.30
2038834	11/27/13	02354	STANDARD ELECTRONICS	19320	11/08/13	MONTHLY MONITORING (NOV 2013)	1,352.50	1,352.50
2038835	11/27/13	00274	STATE OF CALIFORNIA	68982	11/18/13	P.E. RENEWAL J. MARCHIORO	115.00	115.00
2038836	11/27/13	01460	STATE WATER RESOURCES	WD0092225	10/30/13	ANNUAL PERMIT FEE	13,875.00	
				WD0087917	10/30/13	ANNUAL PERMIT FEE	2,062.00	15,937.00
2038972	12/11/13	12809	STUTZ ARTIANO SHINOFF	93564	11/25/13	LEGAL SERVICES (OCT 2013)	23,347.33	23,347.33
2039013	12/18/13	14576	SWIATKOWSKI, KEITH	O01000000057	12/16/13	SAFETY BOOTS REIMBURSEMENT	98.09	98.09
2038973	12/11/13	02376	TECHKNOWSION INC	2481	11/25/13	SCADA SUPPORT SVCS (MAY 2013-OCT 2013)	9,050.00	
				2480	11/25/13	PLC PROGRAMMING	7,896.00	16,946.00
2038898	12/04/13	08601	TICOR TITLE COMPANY	110713	11/07/13	CUSTOMER REFUND	473.94	473.94
2038899	12/04/13	15257	TRUESDALE, DENNIS	E000049	12/02/13	SAFETY BOOTS REIMBURSEMENT	130.79	130.79
2038837	11/27/13	00427	UNDERGROUND SERVICE ALERT OF	1020130483	11/01/13	UNDERGROUND ALERTS (OCTOBER 2013)	478.50	478.50
2038974	12/11/13	14181	UNITED RENTALS (NORTH AMERICA)	115347013001	10/31/13	CONCRETE	159.84	159.84
2038900	12/04/13	14181	UNITED RENTALS (NORTH AMERICA)	115310139001	10/30/13	CONCRETE	118.80	118.80
2038901	12/04/13	07674	US BANK	E000051	11/22/13	CAL CARD (MONTHLY)	184.73	184.73
2039014	12/18/13	07674	US BANK	A000051	10/22/13	CAL-CARD EXPENSES (MONTHLY)	16,341.10	
				E000053	11/22/13	CAL CARD EXPENSES (MONTHLY)	1,542.10	
				MW1113	11/22/13	CAL CARD EXPENSES (MONTHLY)	287.45	18,170.65
2038975	12/11/13	06829	US SECURITY ASSOCIATES INC	387630	11/30/13	ALARM RESPONSE (NOV 2013)	131.95	131.95
2038976	12/11/13	11606	USA BLUE BOOK	209958	11/25/13	ROYCE METER	1,701.37	1,701.37
2038902	12/04/13	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2431506	12/05/13	BI-WEEKLY DEFERRED COMP PLAN	11,505.94	11,505.94
2039015	12/18/13	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2431816	12/19/13	BI-WEEKLY DEFERRED COMP PLAN	11,608.37	11,608.37
2038903	12/04/13	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2431514	12/05/13	BI-WEEKLY 401A PLAN	612.82	612.82
2039016	12/18/13	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2431824	12/19/13	BI-WEEKLY 401A PLAN	634.71	634.71

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2039017	12/18/13	12686	VANTAGEPOINT TRANSFER AGENTS	Ben2431814	12/19/13	401A TERMINAL PAY	27,426.16	27,426.16
2038977	12/11/13	03329	VERIZON WIRELESS	9715344789	11/21/13	VERIZON SERVICES (10/22/13-11/21/13)	6,296.24	6,296.24
2039018	12/18/13	15297	VICTOR BETANCOURT	Ref002431756	12/16/13	UB Refund Cst #0000193837	84.88	84.88
2038978	12/11/13	03781	WATTON, MARK	110113113013	12/09/13	MILEAGE REIMBURSEMENT (NOV 2013)	137.30	137.30
2038838	11/27/13	15175	WESSPUR TREE EQUIPMENT INC	CM56096		CREDIT MEMO	-869.00	
				IN80465	10/10/13	SAFETY EQUIPMENT	815.00	
				IN80669	10/22/13	SAFETY EQUIPMENT	292.00	238.00
2038839	11/27/13	02849	WHITAKER BROTHERS BUSINESS	INV0223930	11/05/13	DATE STAMP MACHINE	594.42	594.42
2038840	11/27/13	13483	WHITE NELSON DIEHL EVANS LLP	138095	10/31/13	AUDIT SERVICES FOR FY2013 (ENDING 10/31/13)	27,000.00	27,000.00
2038841	11/27/13	15181	WILLDAN FINANCIAL SERVICES	01022544	11/11/13	ARBITRAGE REBATE SERVICES	2,000.00	
				01022543	11/11/13	ARBITRAGE REBATE SERVICES	2,000.00	4,000.00
Amount Pd Total:							1,322,679.28	1,322,679.28
Check Grand Total:							1,322,679.28	1,322,679.28

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