

OTAY WATER DISTRICT

BOARD OF DIRECTORS MEETING
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

WEDNESDAY
August 7, 2013
3:30 P.M.

AGENDA

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. APPROVE THE MINUTES OF THE REGULAR MEETING OF JULY 3, 2013 AND SPECIAL MEETING OF JUNE 13, 2013
5. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

CONSENT CALENDAR

6. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:
 - a) APPROVE CHANGE ORDER NO. 3 TO THE EXISTING CONTRACT WITH LAYFIELD ENVIRONMENTAL SYSTEMS CORPORATION FOR A CREDIT IN THE AMOUNT OF <\$39,618.43> FOR THE 624-1 RESERVOIR FLOATING COVER REPLACEMENT PROJECT
 - b) AWARD A PROFESSIONAL CONTRACT FOR AS-NEEDED PLAN REVIEW, INSPECTION, AND PROJECT MANAGEMENT SERVICES TO AEGIS ENGINEERING MANAGEMENT, INC. FOR DEVELOPER POTABLE AND RECYCLED WATER PROJECTS IN AN AMOUNT NOT-TO-

EXCEED \$350,000 FOR A PERIOD OF TWO (2) FISCAL YEARS (FYs 2014 AND 2015)

- c) APPROVE A PROFESSIONAL COATING INSPECTION SERVICES CONTRACT WITH HARPER & ASSOCIATES ENGINEERING, INC. IN AN AMOUNT NOT-TO-EXCEED \$75,160 FOR A PERIOD OF ONE (1) YEAR (AUGUST 2013 THROUGH JULY 2014)
- d) APPROVE TWO (2) AGREEMENTS WITH BMB TOWER HOLDINGS, LLC, AN OKLAHOMA LIMITED LIABILITY COMPANY, FOR THE INSTALLATION OF A COMMUNICATIONS FACILITIES AT THE 485-1 AND 458-1 RESERVOIR SITES
- e) DECLARE THE IDENTIFIED VEHICLES AND EQUIPMENT AS SURPLUS TO THE DISTRICT'S NEEDS
- f) APPROVE A ONE-YEAR FIXED WITH FOUR OPTION YEAR RENEWALS (FIVE-YEAR TERM) AGREEMENT WITH PAYMENTUS TO PROVIDE PHONE PAYMENT SERVICES IN AN AMOUNT NOT-TO-EXCEED \$250,000 (\$50,000 ANNUALLY)

ACTION ITEMS

7. ENGINEERING AND WATER OPERATIONS

- a) APPROVE RECOMMENDATIONS IN THE PUBLIC HEALTH GOAL REPORT (PHG) THAT NO FURTHER ACTIONS ARE NECESSARY TO REDUCE THE LEVELS OF THE SEVEN CONSTITUENTS LISTED IN THE REPORT TO LEVELS AT OR BELOW THE PHG's (STALKER)

8. BOARD

- a) DISCUSSION OF 2013 BOARD MEETING CALENDAR

REPORTS

9. GENERAL MANAGER'S REPORT

- a) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

10. DIRECTORS' REPORTS/REQUESTS

11. PRESIDENT'S REPORT/REQUESTS

RECESS TO CLOSED SESSION

12. CLOSED SESSION

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

1 CASE

- b) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION [GOVERNMENT CODE §54956.9(a)]

THE AFFORDABLE HOUSING COALITON OF SAN DIEGO CO. v. SAND-OVAL, et. al.; CASE NO. 34-2012-80001158-CU-WM-GD

RETURN TO OPEN SESSION

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

14. ADJOURNMENT

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

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

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

Certification of Posting

I certify that on August 2, 2013, 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 August 2, 2013.

/s/ Susan Cruz, District Secretary

AGENDA ITEM 4

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE OTAY WATER DISTRICT July 3, 2013

1. The meeting was called to order by President Lopez at 3:46 p.m.

2. ROLL CALL

Directors Present: Gonzalez, Lopez, Robak, and Thompson

Directors Absent: Director Croucher

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

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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

Ayes: Directors Gonzalez, Lopez, Robak, and Thompson

Noes: None

Abstain: None

Absent: Director Croucher

to approve the agenda.

5. APPROVE THE MINUTES OF THE REGULAR MEETING OF JUNE 5, 2013
AND SPECIAL MEETING OF MAY 14, 2013

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

Ayes: Directors Gonzalez, Lopez, Robak, and Thompson

Noes: None

Abstain: None

Absent: Director Croucher

to approve the minutes of the regular meeting of June 5, 2013 and special meeting of May 14, 2013.

6. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

No one wished to be heard.

CONSENT CALENDAR

7. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:

Director Robak pulled Items 6c, APPROVE THE WATER SUPPLY ASSESSMENT AND VERIFICATION REPORT DATED MAY 2013 FOR THE OTAY RANCH PLANNING AREA 12 FREEWAY COMMERCIAL PROJECT, for discussion.

Upon a motion by Director Gonzalez, seconded by Director Robak and carried with the following vote:

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

to approve the following consent calendar items:

- a) APPROVE CHANGE ORDER NO. 3 TO THE EXISTING CONTRACT WITH BASILE CONSTRUCTION, INC. IN THE AMOUNT OF \$19,289.50 FOR THE 12-INCH POTABLE WATER PIPELINE IN ORANGE AVENUE I-805 CROSSING PROJECT
- b) APPROVE UTILITY AGREEMENT NO. 33592 WITH CALTRANS FOR SR-11, SEQUENCE I UTILITY RELOCATIONS PROJECT
- d) APPROVE LEASE AMENDMENTS WITH SPRINT PCS ASSETS, LLC, A DELAWARE LIMITED LIABILITY COMPANY (SPRINT PCS) FOR MODIFICATIONS TO SIX (6) EXISTING COMMUNICATIONS FACILITIES LOCATED THROUGHOUT THE DISTRICT
- e) ADOPT RESOLUTION NO. 4211 TO CONTINUE WATER AND SEWER AVAILABILITY CHARGES FOR DISTRICT CUSTOMERS FOR FISCAL YEAR 2013-2014 TO BE COLECTED THROUGH PROPERTY TAX BILLS
- f) ADOPT RESOLUTION NO. 4212 TO ESTABLISH THE TAX RATE FOR IMPROVEMENT DISTRICT NO. 27 AT \$0.005 FOR FISCAL YEAR 2013-2014

- g) ADOPT RESOLUTION NO. 4215 FOR THE ELECTION OF FOUR (4) CANDIDATES FOR THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S (SDRMA) BOARD OF DIRECTORS
- h) APPROVE INFORMATION TECHNOLOGY CONTRACTS FOR PHONE SERVICES, MANAGED SERVICES FOR THE DATA CENTER AND GPS TRACKING

President Lopez presented item 6c for discussion:

- c) APPROVE THE WATER SUPPLY ASSESSMENT AND VERIFICATION REPORT DATED MAY 2013 FOR THE OTAY RANCH PLANNING AREA 12 FREEWAY COMMERCIAL PROJECT

Engineering Manager Kennedy presented the Water Supply Assessment and Verification Report dated May 2013 for the Otay Ranch Planning Area 12 Freeway Commercial Project for the Board's approval. Please reference the Committee Action notes (Attachment A) attached to staffs' report for the details of his report.

Director Robak commented on the variance between the District's original demand estimate and current demand estimate. Mr. Kennedy stated that although the demand for this Project is 127 AFY, which is higher than the demand estimate in the District's 2010 Urban Water Management Plan (UWMP), the increase is accounted for through the Accelerated Forecasted Growth demand increment of the San Diego County Water Authority's (CWA) 2010 UWMP. It was noted that based on the findings from the District's and CWA's 2010 UWMPs, this Project will result in no unanticipated demands.

In response to a question from Director Robak, Mr. Kennedy stated that the Rosarito Desalination Project and the Rancho del Rey Groundwater Well Project are not factored into the District's water supply mix at this time. Both Projects are included in the District's 2010 UWMP, but only to provide an update on their status. General Manager Watton stated that as projects get closer to completion and are more defined, they are considered "fully entitled" and are then factored into the water supply mix.

Director Thompson inquired with regard to the Carlsbad Desalination Project, if a financial commitment determines a project's inclusion in the supply mix. Mr. Kennedy stated that all of the environmental documents approved related to the Carlsbad Desalination Project have been approved. Therefore, it was felt that the project was far enough along to be included in CWA's 2010 UWMP supply portfolio. General Manager Watton stated that a financial commitment to a project does not determine if the project should be included in a supply mix, a project just needs to be identified as a supply resource.

Director Robak inquired about the water supply plans for the next 20 years and industry discussions regarding the uncertainty of water supply for California in the future. General Manager Watton stated that California's water supply from the

Colorado River is pretty much secure through transfer rights that include water supply from a reliable source, the Imperial Irrigation District. As to Director Robak's concerns with climate impacts that may affect water supply, General Manager Watton stated that there will likely be more agriculture to urban transfers in the future. He believes that 20 years of water supply is secure as CWA, MWD, and other resources from water districts in the region are prepared to provide supply.

Upon a motion by Director Robak, seconded by Director Gonzalez and carried with the following vote:

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

to approve staffs' recommendation.

ACTION ITEMS

8. ENGINEERING AND WATER OPERATIONS

a) APPROVE THE ADOPTION OF A MITIGATED NEGATIVE DECLARATION FOR THE REGULATORY SITE ACCESS ROAD IMPROVEMENTS PROJECT

Environmental Compliance Specialist Lisa Coburn-Boyd provided a report on the Mitigated Negative Declaration (MND) for the Regulatory Site Access Road Improvements Project. Please reference the Committee Action notes (Attachment A) attached to staffs' report for the details of her report.

General Manager Watton indicated that the District had quite a bit of interaction with the Valle de Oro Planning group regarding the project and had addressed their concerns. Mr. Watton also indicated that the District plans to pay a portion of the MND costs from its Mitigation Bank allocation.

Legal Counsel Richard Romero indicated that at the June 19, 2013 Engineering, Operations and Water Resources Committee meeting, Director Croucher recused himself from discussing this item because of his employment with the San Miguel Fire Protection District (SMFPD) and the agency's involvement with the Regulatory Site Access Road Improvement Project.

General Manager Watton indicated that SMFPD plans to fund the access road once it is approved by all parties involved with this Project. He stated that the road will provide better access for District staff as it will not require staff to make a u-turn in order to access the regulatory site.

In response to a question from Director Robak, General Manager Watton stated that the construction of the access road will be placed on hold until SMFPD is

able to fund it. SMFPD is looking for charitable contributions that will go towards the construction of the access road.

In response to several questions from Director Robak, Environmental Compliance Specialist Lisa Coburn-Boyd stated that although SMFPD did not participate in the cost for the preparation of the MND, they plan to pay for the remaining construction of the access road. Ms. Coburn-Boyd stated that construction of the access road has also been delayed to avoid disturbing migrating birds during the nesting season.

Upon a motion by Director Gonzalez, seconded by Director Thompson and carried with the following vote:

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

to approve staffs' recommendation.

- b) APPROVE THE WATER SUPPLY ASSESSMENT AND VERIFICATION REPORT DATED MAY 2013 FOR THE CITY OF SAN DIEGO OTAY MESA COMMUNITY PLAN UPDATE

Engineering Manager Kennedy provided a report on the Water Supply Assessment and Verification Report dated May 2013 for the City of San Diego Otay Mesa Community Plan Update. Please reference the Committee Action notes (Attachment A) attached to staff's report for the details of his report.

In response to Director Robak's inquiry about shifting water use from single-family to multi-family units, Mr. Kennedy stated that SANDAG maintains its projections for each planning area and also assigns density to each community. It is not certain what the water use is for Multi-family, but the District's per capita use is approximately 135. Director Robak indicated he believes that the District's projection is generous and stated that he felt the figures were good because it is better to calculate more than less with the uncertainty of the future projection for the number of people residing in a household.

Director Thompson indicated that he agreed with Director Robak that it is better to be generous with the District's per capita use estimates to assure that the District meets water supply needs. He inquired if estimated projections are updated at some point in time to reflect actual water usage. Mr. Kennedy stated that the District updates project estimates in its Water Resources Master Plan every 5 years and makes adjustments based on development. He also shared that the District revisits population data as well.

In response to several inquiries from Director Robak, General Manager Watton stated that the Otay Water District would be the responsible party to construct the pipelines and provide water service to the Otay Mesa Community Plan Area . He

indicated that there was a possibility that the City of San Diego could acquire the District's jurisdictional boundary after the District has constructed its portion of the infrastructure. However, such action would be time-consuming as it would need to go through LAFCO for approval and would involve de-annexing from the District and annexing to the City. He noted that there are areas in Otay Mesa (in the area of Brownfield) that the District is providing water service to the City of San Diego through a mutual agreement as the City did not have adequate water supplies. The City then serves this water to their customers and handles the billing services.

Upon a motion by Director Robak, seconded by Director Gonzalez and carried with the following vote:

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

to approve staffs' recommendation.

- c) CERTIFY THE FINAL SUPPLEMENTAL PROGRAM ENVIRONMENTAL IMPACT REPORT (SPEIR) FOR THE 2013 WASTEWATER MANAGEMENT PLAN (WWMP) AND FIND THAT THE POTENTIALLY SIGNIFICANT EFFECTS OF THE DISTRICT'S WWMP WILL BE AVOIDED THROUGH THE ADOPTION OF FEASIBLE MITIGATION MEASURES SHOWN IN THE SPEIR; AND APPROVE THE 2013 WWMP AS A FINAL PLAN AND DOCUMENT

Both Environmental Compliance Specialist Lisa Coburn-Boyd and Engineering Manager Bob Kennedy provided a report on this agenda item. Please reference the Committee Action notes (Attachment A) attached to staffs' report for the details of their report.

Ms. Coburn-Boyd noted that the District decided to perform a Supplemental PEIR for the 2009 WRMP because the planning area for the WWMP was covered in the previous PEIR plan and the environmental impacts analyzed in that plan have not changed, however, it required coverage for the waste water projects that were identified in the WWMP. Thus, most of the existing PEIR is incorporated by reference in the Supplemental PEIR. The changes are in the list of projects in the waste water collection and treatment projects.

Director Thompson had several inquiries regarding the partnership with the City of Chula Vista and the possibility of a regional Water Reclamation Facility as an option for potential additional recycled water supply. In response, Mr. Kennedy stated that the District and the City of Chula Vista have equally contributed to the cost of drafting a study for a potential 2MG/day MBR Plant that would provide recycled water supplies to the District and provide additional capacity to the City of Chula Vista. General Manager Mark Watton indicated that the City of Chula Vista's original purpose for considering the MBR Plant was to obtain additional

capacity for increasing development years ago. Now that development has slowed, the City wants to preserve the option to use it as a potential resource.

He stated the City of Chula Vista's preferred option is to have additional capacity in the City of San Diego's Metro system. The Otay WD then would get additional recycled water capacity from the City of San Diego's South Bay Water Reclamation Plant. Mr. Watton stated that if the preferred option did not work out, then Plan B is the MBR Plant. In order for the MBR Plant to be feasible, it would need to produce 4 MGD. The water produced would go into the District's existing recycled distribution system and the additional capacity for sewer processing would be provided to the City of Chula Vista. Currently, recycled water is used by new development in the City of Chula Vista and it is anticipated that it will be used by future new development in the City of Chula Vista and recycled services would be expanded to the Otay Mesa area. In summary, General Manager Watton stated that the City of Chula Vista is researching the cost for additional capacity from the Metro system versus the cost of establishing a new MBR Plant. The nexus/partnership between the City and the Otay Water District is the possibility of utilizing the recycled water from the new MBR Plant in the District's service area.

Director Thompson commented that the District's projection for water supply included a conservation estimate and inquired if recycled water was included in that estimate. Engineering Manager Kennedy stated that conservation is considered to be more of an offset and structural element that forces customers to use less water. However, the District is considering the use of recycled water at institutional establishments for toilet/urinal flushing which will offset potable water use.

Director Robak indicated that he reviewed the District's WWMP options and commented that, at one point in time, he thought there was discussion of pushing at the state level the possibility of Direct Potable Reuse (DPR). He stated that he was disappointed that this possibility was not considered as a supply option in the District's WSA. Mr. Kennedy stated that there is an incremental cost each time you treat IPR and DPR water. He stated that if the water will be utilized outside for landscaping purposes, it is much less expensive to take it off tertiary treated water than to treat it through an RO system, etc. to potable level. It would be best to utilize the water through the recycled system as it would save a lot of money. General Manager Watton also noted that the region does not have the facilities to distribute DPR and if an IPR pipe is connected to San Vicente, it would cost approximately \$200 million. Director Robak indicated that such a pipe would be a waste of money. It would be more cost effective to distribute DPR water directly into the raw water system.

Director Thompson inquired about the purpose of DPR when there is a demand for recycled water. He stated that he felt it would be more cost effective to use purple pipelines. Director Robak indicated that it is anticipated that purple pipes will go away in the future and that he felt that there was no need for the District to continue building them. He stated he believes that the District should start

looking into DPR as an option as it is heading in that direction in the future. Eventually it will become all one system.

General Manager Watton stated that in the South Bay area, the opportunity to go to an IPR or DPR system is much more limited for the foreseeable future. Continuing to construct purple pipe and utilize recycled water still make sense. In the North City area, the City of San Diego wishes to build a 15 million gallon system, and the region is suggesting 80 million gallon system.

Upon a motion by Director Thompson, seconded by Director Lopez and carried with the following vote:

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

to approve staffs' recommendation.

9. ADMINISTRATIVE SERVICE, FINANCE AND INFORMATION TECHNOLOGY
 - a) RECEIVE THE DISTRICT'S INVESTMENT POLICY (POLICY 27) FOR REVIEW, AND ADOPT RESOLUTION NO. 4213 AMENDING THE POLICY AND RE-DELEGATING AUTHORITY FOR ALL INVESTMENT RELATED ACITIVITIES TO THE CHIEF FINANCIAL OFFICER IN ACCORDANCE WITH GOVERNMENT CODE SECTION §53607

Finance Manager Kevin Koeppen provided a report for this agenda item. Please reference the Committee Action notes (Attachment A) attached to staff's report for the details of his report.

Mr. Koeppen indicated that at the last Finance, Administration and Communications (FA&C) Committee meeting, there was a discussion to consider if the District should implement a restriction for government agencies (section 8.03) whose government implied guarantee has been reduced or eliminated. Subsequently, staff recommended adding the following statement to the District's Policy 27 in relation to government agencies (section 8.03):

"Government agencies whose implied guarantee has been reduced or eliminated shall require an "A" rating or higher by a nationally recognized statistical rating organization."

It was noted that the condition requiring an "A" rating or higher is consistent with the limitations governing commercial paper and medium-term notes set forth in California Government Code Section §53601

Mr. Koeppen noted that a slide was added to staff's PowerPoint presentation with information about investments allowed/not allowed under the District's current Policy (California Government Code vs. OWD).

Mr. Kevin Koeppen shared that the FA&C Committee discussed the possibility of reducing the short-term commercial debt limit to 10% (the current limit is 15%) and review all limitations for their alignment with Management's current practice. In response to the Committee's comments, staff added two alternative options for investment limits:

Alternative Option A: Reduce the allowable investment in commercial notes and debt categories to 10%

Alternative Option B: Remove commercial notes and debt instruments as allowable investments (Policy Section 8.05 and 8.06)

Director Thompson indicated that the FA&C Committee felt that the risk in investing in commercial notes is higher than other investment options and recommended that the District's allowable investment in commercial notes be reduced to a level that is lower than what is allowed by State Code (State Code allows 15%) as the Committee believes that the District should be more restrictive. Director Thompson also shared that the Committee and staff discussed concerns with government sponsored enterprises (GSE) investments which the Federal Government does not support. With the Federal Government considering reducing guarantees and partial guarantees, and weaning itself off the GSE investments, the Committee and staff felt the need to look into alternative investment options. If the Federal Government reduced its guarantees, it is believed that the District would still maintain its investment objectives and a good credit rating. Director Thompson thanked staff for their alternative option that makes sense for the District's investment policy.

With no further discussion by the Board, staff recommended the following:

- 1) Select Alternative Option A (Reduce the allowable commercial notes and debt categories to 10%)
- 2) Adopt Resolution No. 4213 to amend Investment Policy No. 27 using the selected Alternative Option A
- 3) Re-delegate authority for all investment related activities to the Chief Financial Officer

Upon a motion by Director Thompson, seconded by Director Gonzalez and carried with the following vote:

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

to approve staffs' recommendation.

10. BOARD

- a) CONSIDER CASTING A VOTE TO ELECT A MEMBER TO THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION'S BOARD OF DIRECTORS

General Manager Mark Watton provided a report on this item and indicated that the Finance, Administration and Communications Committee recommended that the District's vote be cast for Mr. George McManigle, a Rainbow Municipal Water District board member.

Upon a motion by Director Gonzalez, seconded by Director Thompson and carried with the following vote:

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

to approve staffs' recommendation.

- b) DISCUSSION OF 2013 BOARD MEETING CALENDAR

There were no changes to the board meeting calendar.

REPORTS

11. GENERAL MANAGER'S REPORT

General Manager Mark Watton shared that there were discussions in Sacramento as to how the water bond should be configured. He stated that CWA drafted its *2014 Water Bond Priorities* and a copy has been provided to each member of the board. He suggested that the board support CWA's *Water Bond Priorities*.

General Manager Watton provided an update on the latest City of San Diego Recycled Water Cost of Service Study (COSS) which was released on June 20, 2013 without notice from city staff. The study was reviewed at an IROC Committee meeting held June 24, 2013. He stated that District staff had a limited review of the COSS and drafted a list of comments which was brought to the IROC Committee meeting. Mr. Watton indicated that the IROC Committee made a motion for the COSS to be brought back at a later time for further review. The COSS will also be considered at a meeting of the City of San Diego Committee on Natural Resources and Culture (NRC) on July 10, 2013. District staff plans to bring forth the District's issues with the COSS at that meeting as well. Mr. Watton stated that it was a surprise to District staff that the City did not honor its promise to allow time for review and comments by affected parties; it was also a surprise that the COSS was not done at industry standard level. Mr. Watton

indicated that the COSS was completed by Raftelis Financial Consultants. He stated that the City is proposing a recycled rate increase of 180%, effective January 1, 2014; which means the District would see its recycled services rate increase from \$350 to \$1,500 in a year's time. It is likely that this proposed rate increase will encourage less recycled water use. Mr. Watton also shared, to further complicate this issue, that Mr. Roger Bailey, the City's Director of Public Utilities, will be leaving the City to take another position.

In response to a question from Director Robak, General Manager Watton stated that the District would prefer to work through the necessary steps prior to taking any legal actions concerning the COSS.

In response to a question from Director Thompson, General Manager Watton stated that the following individuals are on the NRC Committee: City Councilmembers David Alvarez, Scott Sherman, Lorie Zapf, and Marti Emerald.

General Manager Watton presented additional information from his report that included the District's Landscape Contest, 2012 CAFR Award, and that the California Water Environment Association (CWEA) – San Diego Section had hosted a meeting at the Otay WD on June 20, 2013. He indicated Otay WD staff provided several presentations to CWEA on several of the District's projects and also provided a tour of the Chapman Facility to its members.

General Manager Watton stated that CWA is continuing with routine business, and is starting to move forward with contracts and activities related to the Poseidon Desalination Project. He reminded the board that the District had taken a "no" position on the Project and that he and Director Croucher would like to be consistent with the District's decision. As the minority on CWA's board with regard to this project, both have decided to leave CWA meetings prior to voting on the Project's contracts to avoid any discord.

12. DIRECTORS' REPORTS/REQUESTS

Director Robak commented on the low pressure incident in his Division and thanked staff for resolving the incident. He also inquired about the copy of the Proposition 218 Notice provided to the board on the dias, which Communications Officer Armando Buelna stated was an additional Notice sent to individuals who own land within the District's service area, but who do not currently have an account, but may potentially have one in the future. Mr. Buelna also indicated that at the request of the board, additional information was added to the Notices to include conservation information and impacts (i.e. Carlsbad Desalination Project) that impacted the District's rates.

Director Thompson thanked staff for the facilities tour held last month and for all their efforts and good work.

Director Gonzalez reported that he attended a Metro Commission meeting where they discussed potable water alternatives. He stated that the meeting was very informative and he anticipates positive outcomes from the meeting.

President Lopez requested a briefing on the Metro Commission meeting the Director Gonzalez attended.

13. PRESIDENT'S REPORT

President Lopez reported on meetings he attended during the month of June 2013 (a list of meetings he attended is attached).

He also noted that he attended a Water Conservation Garden Board Meeting on June 12, 2013, where they considered the Garden's financials for FY 2014. He shared that one of the agencies has indicated that they may terminate their membership with the Garden. President Lopez stated that the Garden is a great institution that is prioritizing its long-term strategic plan.

RECESS TO CLOSED SESSION

14. CLOSED SESSION

The board recessed to closed session at 5:42 p.m. to discuss the following matter:

- b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION [GOVERNMENT CODE §54956.9]

1 CASE

RETURN TO OPEN SESSION

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

The board reconvened at 6:37 p.m. and Attorney Richard Romero indicated that no reportable actions were taken in closed session.

16. ADJOURNMENT

With no further business to come before the Board, President Lopez adjourned the meeting at 6:39 p.m.

President

ATTEST:

District Secretary

President's Report
July 3, 2013 Board Meeting

A) Meetings attended during the Month of June 2013:

- 1) **June 5: Attended the District's Regular Board Meeting**
- 2) **June 12: Water Conservation Garden Board Meeting**
- 3) **June 13:**
 - a. **Special Board Meeting.** The members of the board were provided a tour of the Ralph W. Chapman Water Recycling Facility and the Hillsdale and Copps Lane Pump Stations.
 - b. **Committee Agenda Briefing.** Met with Director Thompson and General Manager Watton to review items that will be presented at the June Committee meetings.
- 4) **June 24: Attended the District's Finance, Administration and Communications Committee.** Reviewed, discussed, and made recommendation on items that will be presented at the June Committee Meetings.
- 5) **June 25:**
 - a. **Attended the District's Desalination Project Committee Meeting.** Discussed the Rosarito Desalination Project. Also in attendance were the various consultants for the project:
 - i. Dr. Michael Welch who is a prominent expert on water quality
 - ii. Mr. Pete Silva, Silva-Silva International, former Presidential appointee to the Environmental Protection Agency (EPA). He also has connections with the International Boundary and Water Commission (IBWC) and will assist the District with the Federal permitting process.
 - iii. Mr. Dan McFarlan, AECOM Project Manager, who is involved with the planning and design of the District's facilities in the United States, the permitting process, and preparation of Project Environmental Impact Report.

- b. **Board Agenda Briefing.** Met with Director Thompson, General Manager Watton, General Counsel Dan Shinoff and Attorney Richard Romero to review items that will be presented at the July Board Meeting.
- 6) **June 26: Completed a Webinar on Sexual Harassment Training.** The District is working to attain the designation as a "District of Distinction" from the Special District Leadership Foundation. One of the criteria is all board members must receive Sexual Harassment Training. All board members have been tasked to take the online training.

AGENDA ITEM 4

**MINUTES OF THE
SPECIAL MEETING OF THE
BOARD OF DIRECTORS
OTAY WATER DISTRICT
June 13, 2013**

1. The meeting was called to order by President Lopez at 9:04 a.m.

2. ROLL CALL

Directors Present: Gonzalez, Lopez, Robak (met the group at the Ralph W. Chapman Water Recycling Facility at 9:40 a.m.) and Thompson

Directors Absent: Croucher (due to a work commitment)

Staff Present: General Manager Mark Watton, General Counsel Dan Shinoff, Asst. GM German Alvarez, Chief of Operations, Pedro Porras, Chief of Engineering Rod Posada, System Operations Manager Gary Stalker, District Secretary Susan Cruz and others per attached list.

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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

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

to approve the agenda.

5. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

No one wished to be heard.

TOUR

6. TOUR OF RALPH W. CHAPMAN WATER RECYCLING FACILITY

Upon arrival at the Ralph W. Chapman Water Recycling Facility, the tour group was asked to sign the visitor sign-in log sheet. Chief of Operations Pedro Porras then introduced the recycling facility staff members who included Mr. Gene Palop, Reclamation Plant Supervisor; Mr. Damon Newman, Lead Reclamation Plant Operator; Mr. E.J. Colia, Reclamation Plant Operator III; Rob Leigh, Reclamation Plant Operator III; and Ms. Alma Ortega-Carrillo, Laboratory Analyst. As standard procedure, the group was provided a review of safety and evacuation procedures prior to the tour. The review is mandatory should an emergency occur during the tour.

Staff toured the group through the Water Testing Laboratories for both potable and recycled. They also demonstrated the SCADA System and how it is utilized to monitor the District's sewer system. It was indicated that should the District's reclamation plant be shut down for any reason, the sewage flow would be pumped to the City of San Diego's Metro System for processing.

Staff then took the group through the treatment plant and explained the treatment process from sewage to recycled water and the recently completed upgrades to the facility. It was indicated that it takes approximately 20 hours to treat sewer water to the level of recycled water from inlet to outlet. The water is then utilized to irrigate commercial and public landscape areas within the eastern areas of the City of Chula Vista and the Otay Mesa.

7. TOUR OF THE HILLSDALE AND COPPS LANE PUMP STATIONS

The group then toured the Hillsdale and Copps Lane pump stations within the District's Regulatory Site. Chief of Operations Porras introduced Operations staff members Mr. Don Henderson, Pump/Electrical Supervisor, and Mr. Jake Vaclavek, Water Systems Supervisor. Staff indicated that treated water comes into the District's system through its Regulatory Site. It is then pumped throughout the District's northern distribution system. Mr. Vaclavek walked the group through the pump stations including the pump stations' control room and back-up power generation facilities.

Director Robak departed at 11:20 a.m.

It was discussed that a new access road is also being considered to the Regulatory Site. The access road point of entry is located at the traffic light near Skyline Church and will pass the new Sherriff's substation. This will provide better access and District staff will no longer need to u-turn at the Jamacha Road and Campo Road intersection to access the Regulatory Site.

8. ADJOURNMENT

With no further business to come before the Board, President Lopez adjourned the meeting at 11:44 a.m.

President

ATTEST:

District Secretary

AGENDA ITEM 6a



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 7, 2013
SUBMITTED BY:	Dan Martin Engineering Manager	PROJECT:	P2477- DIV. NO. 1 001103
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:	Approve Change Order No. 3 to the Contract with Layfield Environmental Systems Corporation for the 624-1 Reservoir Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) approve Change Order No. 3 to the existing contract with Layfield Environmental Systems Corporation (Layfield) for a credit in the amount of <\$39,618.43> for the Floating Cover Replacement at the 624-1 Reservoir Project (see Exhibit A for Project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to approve Change Order No. 3 (see Exhibit B) to the existing contract with Layfield for a credit in an amount of <\$39,618.43> for the Floating Cover Replacement at the 624-1 Reservoir Project.

ANALYSIS:

At the October 9, 2012 Board Meeting, the Board awarded a construction contract in an amount not-to-exceed of \$497,050 to Layfield to replace the 624-1 Reservoir floating cover and protect, clean, and inspect the existing liner for this 12.0 MG reservoir.

Since the award of the construction contract, two contract change orders have been approved. The Board approved contract change order No. 1 in the amount of \$183,026.00 to replace the existing liner which was found to be unsuitable for reuse during construction. Change Order No. 2 was a no cost change and was approved to reconcile time associated with the liner replacement.

Change Order No. 3 (Exhibit B) which serves as a close-out Change Order for the contract, consists of credit items including reconciling unused allowances associated with Allowance Bid Item 7 "Repair Existing Liner" and Item 8 "Replace rather than reuse BID ITEM #2 components" and a credit for the re-use of existing vent screens determined suitable for re-use. Additionally, Change Order No. 3 provides for a reimbursement of lost water costs associated with a leaking underwater fitting until the Contractor corrected the problem with a diver. A complete breakdown of these credit and reimbursement items is included in Exhibit B.

Change Order No. 3 also adds 3 calendar days due to the weather impacts on the Project's progress. In summary, Change Order No. 3 results in a credit in the amount of <\$39,618.43> and adds 3 days time for a total contract amount of \$640,457.57 with a contract duration of 211 calendar days.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

The Fiscal Year 2014 budget for CIP P2477 is \$1,000,000. Total expenditures, plus outstanding commitments and forecast, including this contract change order, are \$906,967. See Attachment B for budget detail.

Based on a review of the financial budget, the Project Manager anticipates that these budgets will be sufficient to support the Project.

Finance has determined that 100% of the funding is available from the Replacement Fund for CIP P2477.

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.

DM/RP:jf

P:\WORKING\CIP P2477 Reservoir Cover Replacement\Staff Reports\CO #3\BD 8-7-13, Staff Report, 624-1 Res Floating Cvr Repl CO #3.docx

Attachments: Attachment A - Committee Action
Attachment B - Budget Detail
Exhibit A - Location Map
Exhibit B - Change Order No. 3



ATTACHMENT A

SUBJECT/PROJECT: P2477-001103	Approve Change Order No. 3 to the Contract with Layfield Environmental Systems Corporation for the 624-1 Reservoir Project
---	--

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on July 24, 2013, and the following comments were made:

- Staff requested that the Board approve Change Order No. 3 to the existing contract with Layfield Environmental Systems Corporation (Layfield) for a credit in the amount of <\$39,618.43> for the Floating Cover Replacement at the 624-1 Reservoir Project.
- Staff provided a background of the Project and indicated that two contract change orders have been approved since the award of the contract. Details of the two change orders are provided on page 2 of the staff report.
- Staff indicated that Change Order No. 3 serves as a close-out Change Order for the contract and consists of credit items that are listed on page 2 of Attachment B. Staff noted that Change Order No. 3 also adds 3 calendar days due to weather impacts.
- In summary, Change Order No. 3 results in a credit amount of <\$39,618.43> and adds 3 days time for a total contract amount of \$640,457.57 with a contract duration of 211 calendar days.
- In response to a question by the Committee regarding project contingency, staff stated that Change Order No. 3 included credits for the unused bid items and that Change Order No. 1 that was approved by the Board expended the construction contract contingency.

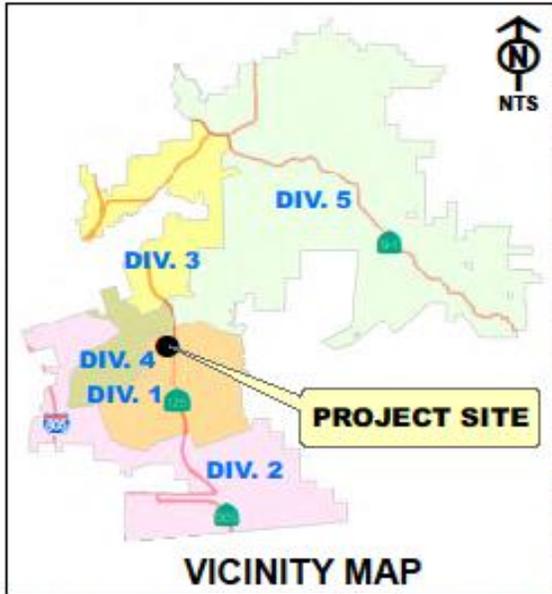
Following the discussion, the committee supported staffs' recommendation and presentation to the full board as a consent item.



ATTACHMENT B – Budget Detail

SUBJECT/PROJECT:	Approve Change Order No. 3 to the Contract with Layfield Environmental Systems Corporation for the 624-1 Reservoir Project
P2477-001103	

Otay Water District					Date Updated: 6/28/2013
p2477-Res - 624-1 Reservoir Cover Replacement					
<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
1,000,000					
Planning					
Regulatory Agency Fees	50	50	-	50	PETTY CASH CUSTODIAN
Service Contracts	4,000	4,000	-	4,000	FIRST AMERICAN TITLE CO
Standard Salaries	18,083	18,083	-	18,083	
Total Planning	22,133	22,133	-	22,133	
Design					
Consultant Contracts	70,620	70,620	-	70,620	ATKINS
	1,810	1,810	-	1,810	ALTA LAND SURVEYING INC
Service Contracts	84	84	-	84	SAN DIEGO DAILY TRANSCRIPT
	1,823	1,547	276	1,823	MAYER REPROGRAPHICS INC
	1,062	1,062	-	1,062	LAYFIELD ENVIRONMENTAL SYSTEMS
Standard Salaries	45,175	45,175	-	45,175	
Total Design	120,574	120,298	276	120,574	
Construction					
Consultant Contracts	26,400	6,450	19,950	26,400	ALYSON CONSULTING
	195	195	-	195	ATKINS
Professional Legal Fees	1,883	1,883	-	1,883	STUTZ ARTIANO SHINOFF
Service Contracts	2,000	2,000	-	2,000	DIVE/CORR INC
	696,180	645,010	51,170	696,180	LAYFIELD ENVIRONMENTAL SYSTEMS
	(39,618)		(39,618)	(39,618)	Change Order No. 3
Standard Salaries	77,221	67,221	10,000	77,221	
0	-	-	-	-	0
0	-	-	-	-	0
Total Construction	764,261	722,759	41,502	764,260	
Grand Total	906,967	865,189	41,778	906,967	



P:\WORK\GICIP P2477 Reservoir Cover Replacement\Map\Site-Plan\Exhibit A Location Map.mxd



OTAY WATER DISTRICT
624-1 RESERVOIR FLOATING COVER REPLACEMENT
LOCATION MAP

CIP P2477

EXHIBIT A

OTAY WATER DISTRICT

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

CONTRACT/P.O. CHANGE ORDER No. 3

PROJECT/ITEM: Reservoir 624-1 Floating Cover Replacement Project

CONTRACTOR/VENDOR: Layfield Environmental Systems **REF.CIP No.:** P2477-001103

APPROVED BY: Board

REF. P.O. No: 716855

DATE: 06/20/13

DESCRIPTION:

See attached page 2 of 2 for continuation.

REASON:

See attached page 2 of 2 for continuation.

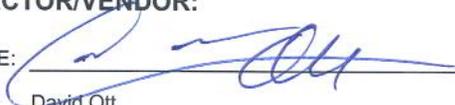
CHANGE P.O. TO READ:

Revise Contract to credit \$39,618.43 and add 3 days time for a total Contract amount of \$640,457.57 with a Contract Duration of 211 Calendar Days.

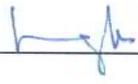
ORIGINAL CONTRACT/P.O. AMOUNT:	\$	497,050.00
ADJUSTED AMOUNT FROM PREVIOUS CHANGE:	\$	183,026.00
TOTAL COST OF THIS CHANGE ORDER:	\$	(39,618.43)
NEW CONTRACT/P.O. AMOUNT IS:	\$	640,457.57
ORIGINAL CONTRACT COMPLETION DATE:		04/05/13
CONTRACT/P.O. TIME AFFECTED BY THIS CHANGE:		Yes
REVISED CONTRACT COMPLETION DATE:		06/15/13

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

CONTRACTOR/VENDOR:

SIGNATURE: 
NAME: David Ott
TITLE: Project Manager DATE: 6/25/13
COMPANY & ADDRESS: Layfield Environmental Systems
2500 Sweetwater Springs Blvd
Spring Valley, CA 91978

STAFF APPROVALS:

PROJ. MGR:  DATE: 06/24/2013
DIV. MGR: _____ DATE: _____
CHIEF: _____ DATE: _____
ASST. GM: _____ DATE: _____
DISTRICT APPROVAL:
GEN. MANAGER: _____ DATE: _____

COPIES: FILE (Orig.), CONTRACTOR/VENDOR, CHIEF-ENGINEERING, CHIEF-FINANCE, ENGR. MGR.
 ACCTS PAYABLE, INSPECTION, PROJ. MGR., ENGR. SECRETARY, PURCHASING, PROJECT BINDER

Description of Work

<u>Description</u>	<u>Increase</u>	<u>Decrease</u>	<u>Time</u>
<u>Item No. 1:</u> This Change Order adds 3 calendar days due to weather impacts per Contract Specifications 00700-8.5.	\$0.00	\$0.00	3
<u>Item No. 2:</u> This Change Order decreases the amount allocated for Bid Item 7, Repair Existing Liner Allowance by \$20,000.00 to a new authorized amount of \$0.00.		\$20,000.00	0
<u>Item No. 3:</u> This Change Order decreases the amount allocated for Bid Item 8, Replace rather than reuse BID ITEM NO. 2 components Allowance by \$18,111.20 to a new authorized amount of \$0.00.		\$18,111.20	0
<u>Item No. 4:</u> This Change Order provides a credit for re-use of existing vent screens as identified in Submittal 003.		\$566.05	0
<u>Item No. 5:</u> This Change Order provides for reimbursement of lost water costs associated with a leaking underwater fitting until correction was implemented.		\$941.18	0
Sub Total Amount	\$0.00	\$39,618.43	3
Total Net Change Order Amount	(\$39,618.43)		

Revisions to: BID SCHEDULE

Item #	Description	Quantity	Unit	Unit Price	Amount
7	Repair Existing Liner	1	LS	Allowance	\$0.00
8	Replace rather than reuse BID ITEM NO. 2 components	1	LS	Allowance	\$1,888.80

Reason:

- Item No. 1:
Contract Documents Section 00700-8.5 provides for no cost time extensions due to weather impacts on the project progress. Weather impacted the project three (3) days between April 2013 and June 2013. April 15, 2013 and May 6 and 24, 2013.
- Item No. 2:
The Contract Bid Item No. 7, Repair Existing Liner Allowance, was utilized to the maximum practical extent in the performance of the contract work and is no longer required.
- Item No. 3:
The Contract Bid Item No. 8, Replace rather than reuse BID ITEM #2 components Allowance, was utilized to the maximum practical extent in the performance of the contract work and is no longer required.
- Item No. 4:
Subsequent to demolition it was determined that the existing vent screen material was suitable for reuse as identified during the submittal 003 review process. This discovery resulted in the decision to reuse the existing material and realize a credit to the contract.
- Item No. 5:
Subsequent to reservoir filling it was discovered that an underwater fitting was not secured properly resulting in loss of District provided water until the Contractor corrected the problem with a diver. This change is necessary to allow the District to recover the additional expenditures incurred.

CHANGE ORDER LOG

Reservoir 624-1 Floating Cover Replacement

P2477-001103

C.O.	AMOUNT	APPROVED		DESCRIPTION	TYPE C.O.
		BY	DATE		
1	\$183,026.00	Board	3/7/2013	Replace Existing Liner	
2	\$0.00	Chief	4/19/2013	Time Extension	
3	(\$39,618.43)	Board		Closeout	
4					
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39					
40					

Total C.O.'s To Date: \$143,407.57 28.9%

Original Contract Amount: \$497,050.00

Current Contract Amount: \$640,457.57

Change Order Breakdown for the Month:

Month	Net C.O.\$	Limit	Authorization	Absolute C.O.\$	Absolute C.O. %
6/13	\$0.00	\$5,000/5%	PM/Supervisor	\$0.00	0.0%
		\$10,000/10%	Manager	\$0.00	0.0%
		\$15,000/20%	Chief	\$0.00	0.0%
		\$50,000/30%	GM	\$0.00	0.0%

AGENDA ITEM 6b



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 7, 2013
SUBMITTED BY:	Dan Martin Engineering Manager	PROJECT NO./ SUBPROJECT:	P1438- DIV. NO. ALL 010000
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 As-Needed Plan Review, Inspection, and Project Management Services for Developer Potable and Recycled Water Projects Contract for Fiscal Years 2014 and 2015		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) award a professional As-Needed Plan Review, Inspection, and Project Management Services for Developer Potable and Recycled Water Projects contract to Aegis Engineering Management, Inc. (AegisEM) and authorize the General Manager to execute an agreement with AegisEM in an amount not-to-exceed \$350,000, for a period of two (2) fiscal years (FY 2014, FY 2015).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to enter into a professional As-Needed Plan Review, Inspection, and Project Management Services for Developer Potable and Recycled Water Projects agreement with AegisEM in an amount not-to-exceed \$350,000, for a period of two (2) fiscal years (FY 2014, FY 2015).

ANALYSIS:

The District will require the services of a consulting firm in support of developer projects to provide professional services for Plan Review, Inspection, and Project Management for Developer Potable and Recycled Water Projects. The Consultant assists the Public Services Division of the Engineering Department in processing and performing plan check review, approvals, inspection, and project close-out for both developer and retrofit projects. The inspection services require the Consultant to be a Cross-Connection Control Specialist certified through the American Water Works Association (AWWA) or American Backflow Prevention Association (ABPA). Proof of certification was required at the time of proposal. The inspection services shall coordinate coverage testing as well as cross-connection tests, as mandated by the California Department of Public Health. It is anticipated that the Consultant will review and inspect approximately fifty (50) projects or more. Over the same period, staff estimates the cost to perform this responsibility will not exceed \$350,000.

On February 6, 2013, the District initially solicited for Plan Review Inspection and Project Management Services for Developer Potable and Recycled Water Projects by placing an advertisement on the District's website and several other publications, including the San Diego Daily Transcript. Eleven (11) firms submitted a letter of interest and a statement of qualifications. The Request for Proposal (RFP) for Plan Review, Inspection, and Project Management Services for Developer Potable and Recycled Water Projects was sent to the eleven (11) firms resulting in four (4) proposals received by March 13, 2013 from the following firms:

- AEGIS Engineering Management
- Krazan & Associates
- Brady
- Atkins

The seven (7) firms that chose not to propose are Valley Cooper & Associates, Jacobs, PSOMAS, J.C. Heden & Associates, Nuera Contracting and Consulting, The "G" Crew, and Alyson Consulting. Of the four (4) proposals received, only one (1) was found to be responsive with respect to the District's requirement for AWWA or ABPA cross-connection control specialist certification. The remaining seven (7) declined to propose due to various reasons including expressing difficulty with finding inspectors with AWWA or ABPA certified cross-connection control specialist certifications.

As a result, staff decided to strengthen the procurement outreach and re-advertize.

On April 8, 2013, the District re-solicited Plan Review Inspection and Project Management Services for Developer Potable and Recycled Water Projects by placing an advertisement on the District's website and several other publications, including the East County Gazette and San Diego Daily Transcript. Staff also reached out to firms to notify them of the contracting opportunity. Additionally, the advertisement included notification of the AWWA or ABPA certified cross-connection control specialist certification requirement. Six (6) firms submitted a letter of interest and a statement of qualifications. The Request for Proposal (RFP) for Plan Review, Inspection, and Project Management Services for Developer Potable and Recycled Water Projects was sent to six (6) firms resulting in three (3) proposals received by May 13, 2013 from the following firms:

- AEGIS Engineering Management
- Brady
- Atkins

The three (3) firms that chose not to participate were Wallace and Associates Consulting, Alyson Consulting, and PSOMAS.

In accordance with the District's Policy 21, Staff evaluated and scored all written proposals and interviewed the three (3) firms on June 17 and June 18, 2013. AegisEM received the highest score for their services based on their experience, understanding of the scope of work, proposed method to accomplish the work, and their composite hourly rate. AegisEM was the most qualified with the best overall rating or ranking. A summary of the complete evaluation is shown in Attachment B.

AegisEM submitted the Company Background Questionnaire, as required by the RFP, and staff did not find any significant issues. Staff checked their references and performed an internet search on the company. Staff found the references to be excellent and did not find any outstanding issues with the internet search.

AegisEM's project manager and inspector listed in the proposal are AWWA or ABPA certified cross-connection control specialists and have vast plan checking, inspection, and retrofitting experience.

Staff estimated that an average of \$7,000 will be needed per project to perform the plan check review and inspections. The District recuperates these funds by billing directly to the developer.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

Plan check and inspection services are an on-going effort provided by the District to developers. This particular expense is completely funded by developer deposits and does not affect the District's operating budget.

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.

DM/RP:jf

P:\Public-s\STAFF REPORTS\2013\BD 08-07-13\As-Needed Plan_Inspect_PM for Recycled\BD 08-07-13, Staff Report, Award Contract for Plan Check Inspection (Recy-PoT-Retro).doc

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



ATTACHMENT A

SUBJECT/PROJECT: P1438-010000	Award of As-Needed Plan Review, Inspection, and Project Management Services for Developer Potable and Recycled Water Projects Contract for Fiscal Years 2014 and 2015
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on July 24, 2013 and the following comments were made:

- Staff requested that the Board award a professional As-Needed Plan Review, Inspection, and Project Management Services for Developer Potable and Recycled Water Projects contract to Aegis Engineering Management, Inc. (AegisEM) and authorize the General Manager to execute an agreement with AegisEM in an amount not-to-exceed \$350,000, for a period of two (2) fiscal years.
- Staff indicated that the Consultant would assist Public Services Division of the Engineering Department in processing and performing plan check review, approvals, inspection, and project close-out for developer projects.
- Staff stated that the inspection services shall coordinate coverage testing as well as cross-connection tests, as mandated by the California Department of Public Health. It was noted that inspection services require the Consultant to be a Cross-Connection Control Specialist certified through the American Water Works Association (AWWA) or the American Backflow Prevention Association (ABPA).
- Staff stated that it is estimated that the Consultant will review and inspect approximately fifty (50) projects over the term of this contract.
- Staff provided a background of the Request for Proposal process that was originally advertised on February 6, 2013. With only one firm found to be responsive with respect to the District's requirement for AWWA or ABPA cross-connection control specialist certification, staff decided to strengthen the procurement outreach and re-advertise.

- Staff stated that the District re-advertised a Request for Proposal on April 8, 2013 that included notification of the AWWA or ABPA certified cross-connection control specialist certification requirement. Results of the April 8, 2013 Request for Proposal are shown in Attachment B of the staff report.
- Staff indicated that AegisEM received the highest score for their services based on experience, understanding of the scope of work, proposed method to accomplish work, and their composite hourly rate. AegisEM was the most qualified with the best overall rating or ranking. Staff checked their references and performed an internet search on the company and found their references to be excellent and did not find any outstanding issues with the internet search.

Following the discussion, the committee supported staffs' recommendation and presentation to the full board as a consent item.

ATTACHMENT B

**SUMMARY OF PROPOSAL RANKINGS
AS-NEEDED PLAN REVIEW, INSPECTION, AND PROJECT MANAGEMENT
CONSULTING SERVICES**

	WRITTEN								ORAL				TOTAL SCORE	REFERENCES		
	Qualifications of Team	Responsiveness, Project Understanding	Technical and Management Approach	INDIVIDUAL SUBTOTAL - WRITTEN	AVERAGE SUBTOTAL - WRITTEN	Proposed Rates*	Consultant's Commitment to DBE	AVERAGE TOTAL WRITTEN	Additional Creativity and Insight	Strength of Project Manager	Presentation, Communication Skills	Quality of Response to Questions			INDIVIDUAL TOTAL - ORAL	AVERAGE TOTAL ORAL
MAXIMUM POINTS	30	25	30	85	85	15	Y/N	100	15	15	10	10	50	50	150	Poor/Good/Excellent
Aegis	BOB KENNEDY	27	22	27	76	15	Y	93	14	14	9	9	46	46	139	Excellent
	JEFF MARCHIORO	28	23	28	79				14	14	9	9	46			
	ROGER HOLLY	28	24	28	80				15	14	9	9	47			
	JOSE MARTINEZ	27	23	28	78				14	13	9	8	44			
	BRANDON DIPIETRO	27	24	26	77				15	14	9	9	47			
Brady	BOB KENNEDY	25	20	24	69	8	Y	76	12	12	7	7	38	37	113	
	JEFF MARCHIORO	25	19	25	69				11	11	8	6	36			
	ROGER HOLLY	22	21	22	65				11	11	7	7	36			
	JOSE MARTINEZ	23	21	23	67				11	13	7	5	36			
	BRANDON DIPIETRO	25	22	22	69				12	14	7	7	40			
Atkins	BOB KENNEDY	26	21	26	73	1	Y	73	13	13	8	8	42	41	114	
	JEFF MARCHIORO	27	22	25	74				11	12	9	7	39			
	ROGER HOLLY	24	23	23	70				12	12	7	8	39			
	JOSE MARTINEZ	25	23	25	73				13	12	9	7	41			
	BRANDON DIPIETRO	26	22	23	71				13	14	8	8	43			

RATES SCORING CHART			
Consultant	Proposed Rates	Position	Score
Aegis	\$700	lowest	15
Brady	\$800		8
Atkins	\$900	highest	1

*The fees were evaluated by comparing rates for seven positions. The sum of these seven rates are noted on the table to the left.
Note: The Review Panel does not see or consider rates when scoring other categories. Rates are scored by the PM, who is not on the Review Panel.

AGENDA ITEM 6c



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 7, 2013
SUBMITTED BY:	Kevin Cameron Assistant Civil Engineer II	PROJECT:	P2493-001103 P2535-001103
	Bob Kennedy Engineering Manager	DIV. NOs.:	2, 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 a Professional Services Agreement with Harper & Associates Engineering, Inc. for Coating Inspection Services on the 624-2 and 458-2 Reservoir Coating Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) award a professional Coating Inspection Services contract to Harper & Associates Engineering, Inc. (Harper) and to authorize the General Manager to execute an agreement with Harper in an amount not-to-exceed \$75,160 for a period of one (1) year (August 2013 through July 2014) (see Exhibits A-1 & A-2 for Project locations).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to enter into a professional services agreement with Harper in an amount not-to-exceed \$75,160 for a period of one (1) year (August 2013 through July 2014) for coating inspection services on the 624-2 Reservoir Interior/Exterior Coating (CIP 2493) and the 458-2 Reservoir Interior Coating (CIP P2535) Projects.

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, and the 458-2 Reservoir is due to be recoated on the interior only. The exterior coating of the 458-2 was replaced in 2004.

The coating replacement on steel reservoirs requires specialty inspection to ensure the application is applied according to the manufacturer's specifications and complies with state health regulations. In the past, the District has used the as-needed corrosion engineer to perform coating inspection, and many of the corrosion engineers have to sub-contract the work of coating inspection. By contracting directly with the coating inspector, the District is expected to get the best value for each dollar spent.

The District solicited coating inspection services by placing an advertisement on the Otay Water District's website on May 13, 2013 with various other publications including the San Diego Daily Transcript. Eight (8) firms submitted a letter of interest and a statement of qualifications. The Request for Proposal (RFP) for Coating Inspection Services was sent to the eight (8) firms resulting in four (4) proposals received by June 18, 2013 from the following firms:

- Bay Area Coating Consultants, Inc.
- Corrpro Companies, Inc.
- CSI Services
- Harper & Associates Engineering, Inc.

The four (4) firms that chose not to propose were HDR, MCS Inspection Group, Shawn Pablo, and Tank Industry Consultants.

In accordance with the District's Policy 21, staff evaluated and scored all written proposals. Harper received the highest score for their services based on their experience, understanding of the scope of work, proposed method to accomplish the work, and their hourly rate. Harper was the most qualified consultant with the best overall rating or ranking score. A summary of the complete evaluation is shown in Exhibit B.

Harper submitted the Company Background Questionnaire as required by the RFP and staff did not find any outstanding issues. In addition, staff checked their references and performed an internet search on the company. Staff found the references to be excellent and did not find any outstanding issues with the internet search. Staff has worked with Harper on numerous occasions over the last twenty years, and they have performed at a high level.

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 \$1,883,726.

The total budget for CIP P2535, as approved in the FY 2014 budget, is \$425,000. Total expenditures, plus outstanding commitments and forecast, are \$401,434.

Based on a review of the financial budget, the Project Manager anticipates that both budgets are sufficient to support the Project. See Attachment B-1 for the budget detail for CIP P2493 and Attachment B-2 for the budget detail for CIP P2535.

Finance has determined that 100% of the funding is available from the Replacement Fund for both CIP P2493 and CIP P2535.

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\BD 08-07-13, Staff Report, Coating Inspection Services for 624-2 & 458-2 Reservoirs (KC-BK).docx

- Attachments:
- Attachment A - Committee Action
 - Attachment B-1 - Budget Detail for CIP P2493
 - Attachment B-2 - Budget Detail for CIP P2535
 - Exhibit A-1 - Location Map for CIP P2493
 - Exhibit A-2 - Location Map for CIP P2535
 - Exhibit B - Summary of Proposal Rankings



ATTACHMENT A

SUBJECT/PROJECT: P2493-001103 P2535-001103	Award a Professional Services Agreement with Harper & Associates Engineering, Inc. for Coating Inspection Services on the 624-2 and 458-2 Reservoir Coating Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on July 24, 2013 and the following comments were made:

- Staff requested that the Board award a professional Coating Inspection Services contract to Harper & Associates Engineering, Inc. (Harper) and to authorize the General Manager to execute an agreement with Harper in an amount not-to-exceed \$75,160 for a period of one (1) year (August 2013 through July 2014).
- Staff indicated that the District's 2013 Corrosion Control Program (CCP) shows the 624-2 Reservoir is due to be recoated in the interior and exterior surfaces and the 458-2 Reservoir is due to be recoated on the interior surface. The existing coatings on both tanks are 20 years old and at the end of their useful life. The exterior coating of the 458-2 Reservoir was replaced in 2004 and it is not needed to be rehabilitated at this time.
- Staff noted that the coating replacement on steel reservoirs requires specialty inspection to ensure the application is in accordance to the manufacturer's specifications and the process complies with all State health regulations. The inspector ensures that the coatings are mixed properly, applied at the specified thicknesses, and allowed the appropriate times to cure.
- Staff discussed the selection process and indicated that the process was performed in accordance of the District's Policy 21. Results of the analysis are shown in Attachment B of the staff report. Staff indicated that Harper received the highest score.
- Staff performed a reference check and internet search on Harper and did not find any significant issues. Staff indicated that

the District has successfully worked with Harper in the past and noted that the company has performed multiple steel tank evaluations over the last 20 years.

- In response to a question by the Committee, staff indicated that the 458-1 Reservoir tank was last coated (interior) in 2008. Replacement coatings for both 458-1 and 458-2 Reservoir tanks are done staggered because it is more efficient as it allows the District to maintain water supply in one tank while the other one is being maintained.

Following the discussion, the committee supported staffs' recommendation and presentation to the full board as a consent item.



ATTACHMENT B-1 – Budget Detail

SUBJECT/PROJECT: P2493-001103 P2535-001103	Award a Professional Services Agreement with Harper & Associates Engineering, Inc. for Coating Inspection Services on the 624-2 and 458-2 Reservoir Coating Project
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Otay Water District
P2493-624-2 Reservoir Interior Coating & Upgra

Date Updated: - 7/1/2013

<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	569	569	-	569	
Total Planning	569	569	-	569	
Design					
Standard Salaries	27,827	7,827	20,000	27,827	
Professional Legal Fees	239	239	-	239	STUTZ ARTIANO SHINOFF
Consultant Contracts	2,743	-	2,743	2,743	CSI SERVICES INC
Total Design	30,809	8,066	22,743	30,809	
Construction					
Standard Salaries	76,416	1,416	75,000	76,416	
Construction Contract	1,600,000	-	1,600,000	1,600,000	CONSTRUCTION CONTRACTOR (ENGR. EST.)
Service Contracts	47	47	-	47	SAN DIEGO DAILY TRANSCRIPT
	50,160	-	50,160	50,160	HARPER & ASSOCIATES
	30,000	-	30,000	30,000	CONSTRUCTION MANAGEMENT
Equipment Rental	725	725	-	725	HORIZON CRANE SERVICE LLC
Project Closeout	15,000	-	15,000	15,000	CLOSEOUT
Project Contingency	80,000	-	80,000	80,000	5% CONTINGENCY
Total Construction	1,852,348	2,188	1,850,160	1,852,348	
Grand Total	1,883,726	10,823	1,872,903	1,883,726	



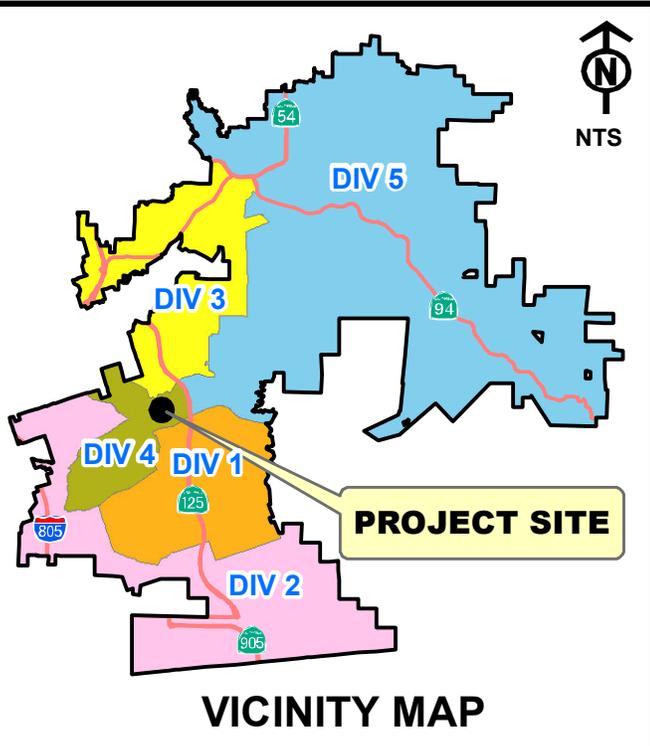
ATTACHMENT B-2 – Budget Detail

SUBJECT/PROJECT:	Award a Professional Services Agreement with Harper & Associates Engineering, Inc. for Coating Inspection Services on the 624-2 and 458-2 Reservoir Coating Project
P2493-001103	
P2535-001103	

Otay Water District
P2535-458-2 Reservoir Interior Coating

Date Updated: - 7/1/2013

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
425,000					
Planning					
Standard Salaries	-	-	-	-	
Total Planning	-	-	-	-	
Design					
Standard Salaries	19,134	4,134	15,000	19,134	
Consultant Contracts	2,743	-	2,743	2,743	CSI SERVICES INC
Total Design	21,877	4,134	17,743	21,877	
Construction					
Standard Salaries	35,760	760	35,000	35,760	
Service Contracts	47	47	-	47	SAN DIEGO DAILY TRANSCRIPT
Construction Contract	275,000	-	275,000	275,000	CONSTRUCTION CONTRACTOR (ENGR. EST.)
	25,000	-	25,000	25,000	HARPER & ASSOCIATES
	15,000	-	15,000	15,000	CONSTRUCTION MANAGEMENT
Project Closeout	15,000	-	15,000	15,000	CLOSEOUT
Project Contingency	13,750	-	13,750	13,750	5% CONTINGENCY
Total Construction	379,557	807	378,750	379,557	
Grand Total	401,434	4,941	396,493	401,434	

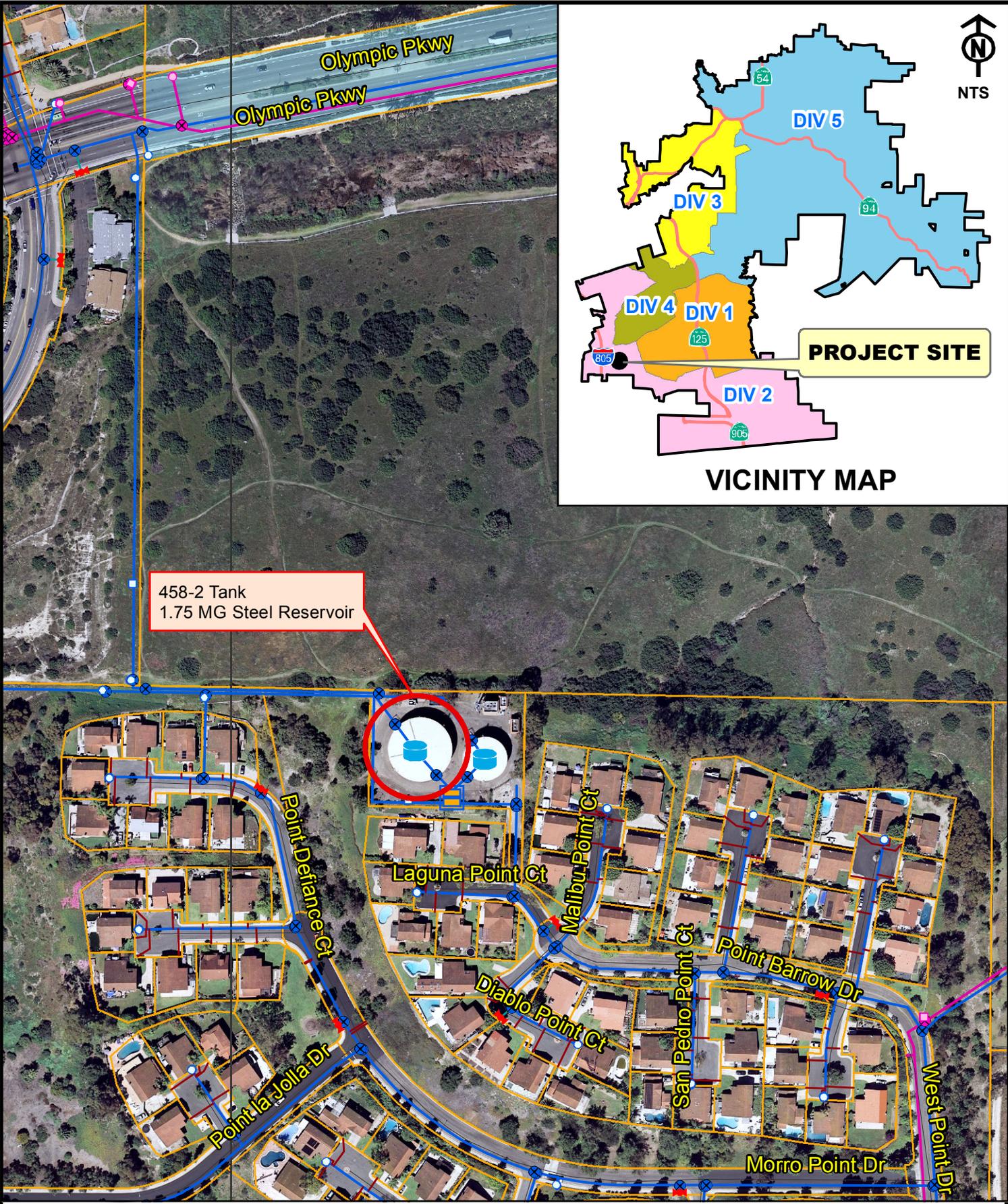


624-2 Tank
8.0 MG Steel Reservoir

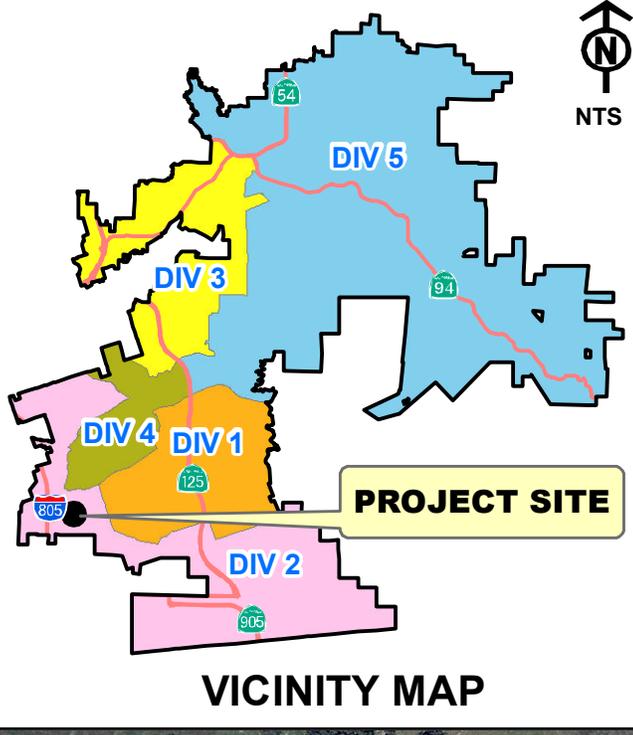
OTAY WATER DISTRICT
624-2 Reservoir Interior/Exterior
Coating and Upgrades



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458-2 Tank
1.75 MG Steel Reservoir



VICINITY MAP



OTAY WATER DISTRICT
458-2 Reservoir Interior
Coating and Upgrades



CIP P2535

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EXHIBIT B
SUMMARY OF PROPOSAL RANKINGS
Coating Inspection Services For the 624-2 & 458-2 Reservoir Coating (P2493 & P2535)

		WRITTEN							REFERENCES	
		Qualifications of Team	Responsiveness and Project Understanding	Technical and Management Approach	INDIVIDUAL SUBTOTAL - WRITTEN	AVERAGE SUBTOTAL - WRITTEN	Proposed Rates*	Consultant's Commitment to DBE		TOTAL SCORE
MAXIMUM POINTS		30	25	30	85	85	15	Y/N	100	Poor/Good/Excellent
Bay Area Coating Consultants	Dan Martin	26	23	28	77	75	1	Y	76	
	Bob Kennedy	26	23	28	77					
	Brandon DiPietro	28	23	26	77					
	Jeff Marchioro	29	20	23	72					
	Kevin Schmidt	24	22	25	71					
Corrpro	Dan Martin	24	22	24	70	69	4	Y	73	
	Bob Kennedy	24	22	25	71					
	Brandon DiPietro	25	22	24	71					
	Jeff Marchioro	26	18	23	67					
	Kevin Schmidt	22	20	23	65					
CSI Services	Dan Martin	25	22	25	72	69	12	Y	81	
	Bob Kennedy	21	20	21	62					
	Brandon DiPietro	25	22	25	72					
	Jeff Marchioro	24	22	26	72					
	Kevin Schmidt	24	21	21	66					
Harper & Associates	Dan Martin	27	23	29	79	76	15	Y	91	
	Bob Kennedy	26	23	28	77					
	Brandon DiPietro	27	23	25	75					
	Jeff Marchioro	27	23	27	77					
	Kevin Schmidt	24	23	26	73					

RATES SCORING CHART			
Consultant	Rate	Position	Score
Bay Area Consultants	\$105.70	highest	1
Corrpro	\$100.00		4
CSI Services	\$86.50		12
Harper & Associates	\$82.00	lowest	15

*The fees were evaluated by comparing hourly rates for NACE Level III Coating Inspector position. The sum of these rates are noted in the above table.

Note: Review Panel does not see or consider rates when scoring other categories. Rates are scored by the PM, who is not on Review Panel.

AGENDA ITEM 6d



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 7, 2013
SUBMITTED BY:	Dan Martin Engineering Manager	PROJECT/ SUBPROJECT:	AS588- DIV. NO. 2, CS0001 4 & AS588- CS0002
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:	Request to Approve Two (2) Agreements with BMB Tower Holdings, LLC, an Oklahoma Limited Liability Company, for the Installation of a Communications Facility at the 485-1 & 458-1 Reservoir Sites		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) authorize the General Manager to execute two (2) agreements with BMB Tower Holdings, LLC, an Oklahoma Limited Liability Company, (BMB) for the installation of a communications facility at the 485-1 & 458-1 Reservoir Sites (see Exhibit A for Project location).

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To obtain Board approval authorizing the General Manager to execute two (2) agreements (see Attachments B-1 and B-2) with BMB that allows the installation of a communications facility at the 485-1 & 458-1 Reservoir Sites. The agreement will grant BMB the right to use approximately 177 square feet of leased area at the 458-1 Reservoir Site and approximately 147 square feet of leased area at the 485-1 Reservoir Site.

ANALYSIS:

The District currently has two lease agreements with BMB, as reflected in Exhibit A:

1. Point Barrow Drive (458-1 Reservoir)
2. East H Street (485-1 Reservoir)

The original leases for the sites were signed in September 2006 between the District and Cricket Communications (Cricket). Subsequently, in April 2011 the leases were assigned from Cricket to Global Tower Partners, LLC (GTP). Lastly, in June 2011, the leases were assigned from GTP to BMB.

In June 2012, the District was made aware that BMB was subleasing both the Point Barrow Drive site and the East H Street site back to Cricket. The agreements that BMB assumed under the assignment specifically prohibit subleasing of the sites without the District's prior written consent. As a result, letters were sent to BMB notifying them of the default of the agreement for each site along with a request to cure.

As a requirement to cure the agreements, the District has requested that BMB enter into new lease agreements for the both sites. The new agreements will memorialize the change in ownership, provide for a sublease only to Cricket, and strengthen the terms of the existing leases with language that reflects the current District lease terms.

The language in the proposed lease agreements includes terms for the following:

- Security Deposit equal to the sum of two months' rent.
- Elimination of pro-rating language to simplify the billing process.
- 20 percent penalties for late payment.
- Non-curable Event of Default for failure to pay rent.
- Magnetic mount or other non-destructive alternative attachment requirement.
- Utilities and back-up power provisions.
- New Assignment of Lease requirement to assist in documenting change of ownership.
- Assessment of a one-time payment of \$1,000.00.

As part of the lease agreements, the Rent shall be increased on each calendar anniversary of the Commencement Date at a rate of four percent (4%) per annum. At the beginning of an extension term or

additional term the rent will be adjusted to the rate of four percent (4%) per annum or the annual Consumer Price Index change ("CPI"), whichever is greater.

The lease agreements also include a non-refundable administrative fee of \$4,500 for each amendment that will be due within (30) days of the date of execution of the lease agreements by both parties to reimburse the District for administrative expenses and costs related to the District's supervision and assistance of the lease default cure.

FISCAL IMPACT: Joseph Beachem, Chief Financial Officer

The District will continue to receive rent which will now be subject to an annual inflation adjustment of four percent effective upon the execution of the lease agreements.

STRATEGIC GOAL:

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

LEGAL IMPACT:

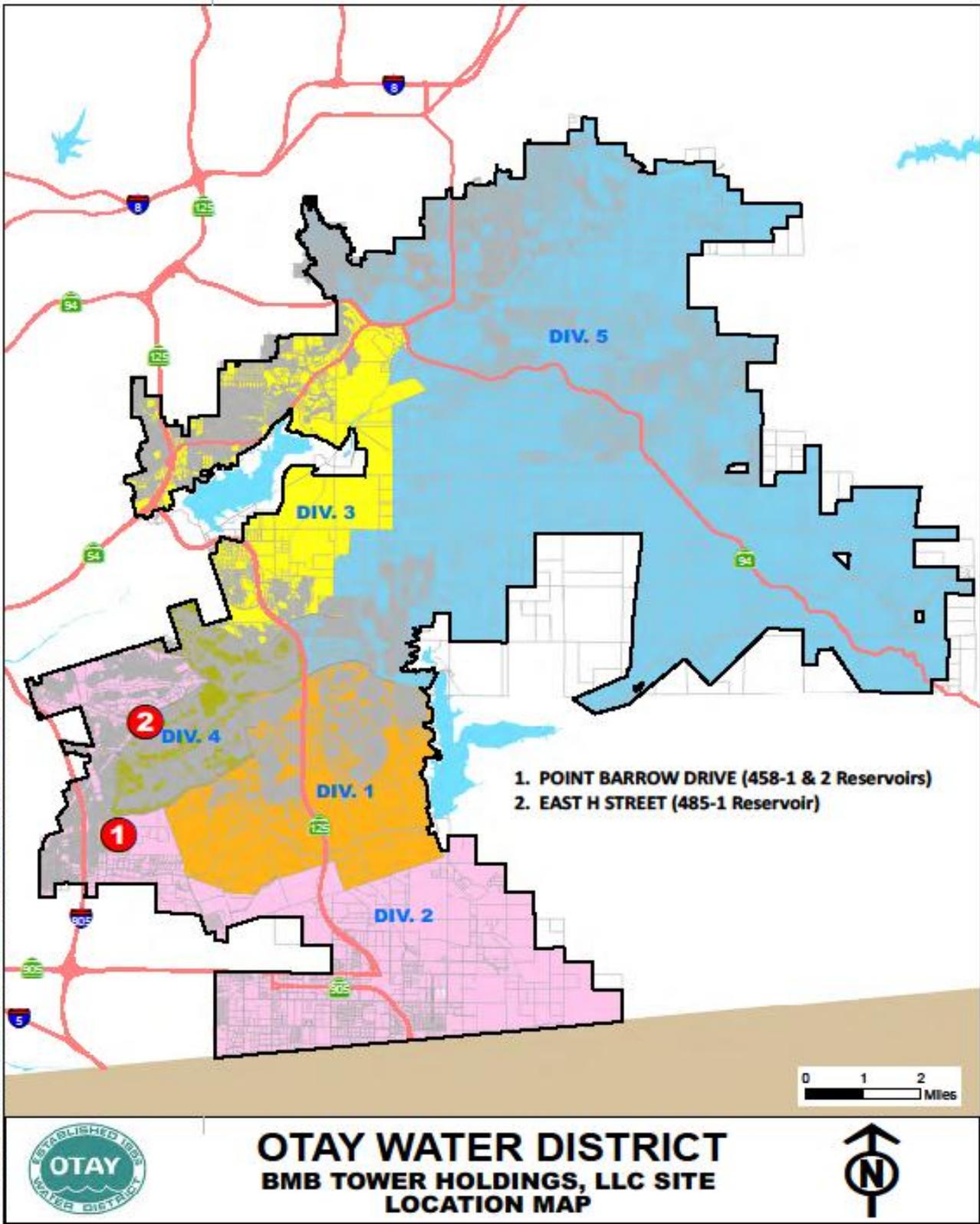
The agreement has been reviewed and approved by District General Counsel for content and form.

DJM/RP:jf

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Attachments: Exhibit A - Location Map
 Attachment A - Committee Action
 Attachment B-1 - 458-1 Reservoir Agreement
 Attachment B-2 - 485-1 Reservoir Agreement

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OTAY WATER DISTRICT

BMB TOWER HOLDINGS, LLC SITE LOCATION MAP



EXHIBIT A



ATTACHMENT A

SUBJECT/PROJECT: AS588-CS0001 AS588-CS0002	Request to Approve Two (2) Agreements with BMB Tower Holdings, LLC, an Oklahoma Limited Liability Company, for the Installation of a Communications Facility at the 485-1 & 458-1 Reservoir Sites
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee (Committee) reviewed this item at a meeting held on July 23, 2013 and the following comments were made:

- Staff is requesting that the Board approve two (2) agreements with BMB Tower Holdings, LLC for communications facilities at the 485-1 and 458-1 Reservoir Sites.
- The original leases for the sites were signed in September 2006 between the District and Cricket Communications (Cricket). In April 2011 the leases were assigned from Cricket to Global Tower Partners, LLC (GTP) and in June 2011, the leases were assigned from GTP to BMB Tower Holdings, LLC.
- In June 2012, the District became aware that BMB was subleasing both sites back to Cricket. The agreement that BMB had assumed under the assignment specifically prohibits the subleasing of the sites without the District's prior written consent. As a requirement to "cure" the existing agreements, the District requested that BMB enter into new lease agreements for both sites which will memorialize the change in ownership, provide for a sublease only to Cricket, and strengthen the terms of the existing leases with language that reflects the District's current lease terms as discussed in staffs' report.
- The District will continue to receive rent which will now be subject to an annual inflation adjustment of four (4) percent or the annual Consumer Price Index change ("CPI"), whichever is greater, effective upon the execution of the lease amendments.

- In response to an inquiry from the committee, staff indicated that Cricket had sold off some of its lease sites. BMB is the current owner and is subleasing the sites back to Cricket. This provided an opportunity to negotiate a new lease with the latest lease terms. It was noted that Otay's attorney has reviewed the latest agreement language.
- Staff indicated in response to another inquiry from the committee, that they became aware of the subleasing agreement between BMB and Cricket through the vendor's request for access to the sites for maintenance purposes. This triggered an investigation into the lease ownership.

Upon completion of the discussion, the Committee supported presentation to the full Board as a consent item.

AGREEMENT BETWEEN BMB TOWER HOLDINGS,
 LLC AND OTAY WATER DISTRICT TO LOCATE A
 COMMUNICATIONS FACILITY AT OTAY'S 458-1
 RESERVOIR SITE
 (651 Pt. Barrows Drive, Chula Vista CA, 91911)

This Telecommunication Facility Agreement (the "Agreement") is entered into and effective on the date specified in the signature page (the "Commencement Date"), by and between the Otay Water District, a municipal water district organized and operated pursuant to the Water Code Section 71000, et seq. ("Otay"), and BMB Tower Holdings, LLC ("Tenant"). Special terms and conditions are set forth on Exhibit A.

R E C I T A L S

A. Otay owns a site on which it has constructed water facilities known as the "458-1 RESERVOIR SITE," as depicted on Attachment A to Exhibit B (the "Reservoir Site").

B. On September 14, 2006, Otay entered into that certain lease agreement (the "Original Lease") with Cricket Communications, Inc., a Delaware corporation for the Reservoir Site.

C. On or about April 14, 2011 Otay consented to an assignment of the Original Lease from Cricket Communications Inc. to Global Tower Partners, LLC ("GTP").

D. On or about June 6, 2011 Otay consented to an assignment of the Original Lease from GTP Communications Inc. to BMB Tower Holdings, LLC ("BMB").

E. On or before April 19, 2012 BMB subleased of a portion of the Original Lease space without Otay's consent and failed to pay rent in a timely manner in violation of the terms of the Original Lease and subsequent assignments.

F. Tenant has cured the Original Lease defaults including a one-time payment to Otay of \$1,000.00.

G. Tenant has requested Otay to allow it to continue the use of the Property for location of a communications facility and transmitting and receiving antennas at the Reservoir Site pursuant to the terms and conditions set forth herein.

H. Otay is willing to allow Tenant to locate the Facilities (defined below) at the Reservoir Sites pursuant to the terms and conditions set forth herein.

A G R E E M E N T

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

1. Premises. Otay owns the real property described in Attachment B to Exhibit B (the "Property"). Otay agrees to lease to Tenant, for the installation of antennas and related telecommunications equipment within the Property, as more particularly described on Attachment C to Exhibit B (the "Premises").

2. Grant of Non-Exclusive Trench and Utility Easement(s). Upon written request from Tenant, Otay agrees to grant a non-exclusive easement, as legally described and depicted in Exhibit C to this Agreement (the "Easement"), for certain agreed-upon portions of the Property for the purpose of trenching and for the installation and maintenance of the Otay approved utilities needed by Tenant for the Facilities. It is expressly agreed that any such Easement shall

only be valid if signed by the parties and, if so, it shall run concurrently with this Agreement and shall terminate automatically if this Agreement is terminated or ceases to exist for any reason. Tenant agrees, holding Otay harmless for any cost or expense, to return any such Easement and any portions of the Property disturbed in connection with the Facilities or any Tenant activity to their original condition, or any other condition acceptable to Otay, as evidenced in advance of the work in a writing signed by Otay representatives.

Tenant acknowledges that the Property is used in connection with Otay's storage and delivery of water and other services to the public, and agrees that such uses by Otay are superior in all respects to all uses by Tenant. Upon six-months written notice from Otay (or less if six-months notice cannot be reasonably given), Tenant shall at its sole expense relocate its Easement to another mutually agreeable location within the Property. Otay and Tenant shall reasonably cooperate in such relocation, however if no such suitable location can be agreed-upon, either party may terminate this Agreement without further liability to the other party.

Non-exclusive means, in connection with the Easement described and defined in this Section 2, that Otay or any person or entity authorized by Otay may utilize the easement area for any purpose which does not interfere with Tenant's use, including a purpose similar to Tenant's. Otay shall provide Tenant with advance notice of any intention to use, or authorize a third party to use, the easement area.

3. Use of the Premises. The Premises may be used by Tenant only for the purpose of installing, constructing, housing, operating, maintaining and repairing its own, Otay-approved telecommunication equipment, including appurtenant antennas and electronic equipment, as further described and conditioned in this Agreement (collectively, the "Facilities"), for the lawful provision of communication services. Tenant may not sublease, sublicense or permit another entity any use of space at the Premises or the Facilities, except as provided in Section 12, below.

4. Access. Subject to compliance with the conditions set forth below, Otay agrees to provide access over pre-identified portions of the Property to the Premises to Tenant, Tenant's employees, agents, contractors and subcontractors (collectively, "Tenant Parties"), 24 hours a day, seven days a week, at no additional charge to Tenant. Neither Tenant nor Tenant Parties shall wander off into other portions of the Property or attempt to use or access any Otay facility. If access to the Premises is available without or with minimum intrusion into any portion of the Property, such access shall be the preferred route and Otay may require the Tenant, at the Tenant's cost, to fence the Facilities so as to separate them from the rest of the Property and all other improvements.

a. Ingress and Egress. Otay hereby grants to Tenant and Tenant Parties such rights of ingress and egress over the Property as may be necessary and consistent with the authorized use of the Premises as outlined by Otay Operations; provided, however, that such access shall at all times be in compliance with and subject to Otay's rules, policies and regulations and shall not, at any time, interfere with Otay operations or cause or threaten to cause any contamination of Otay facilities or the Property.

b. Parking by Tenant. Subject to the foregoing, Otay agrees to permit Tenant and Tenant Parties to park vehicles on the Property as necessary and consistent with the authorized use of the Premises. No vehicle or trailer of any type shall be left unattended at any time or parked overnight, by Tenant or Tenant Parties, on any portion of the Property, including the Premises. Upon Otay's request, Tenant shall immediately cause to be relocated any vehicle,

trailer, or any other blockage of any type (other than Otay-approved Facilities), belonging to Tenant or any Tenant Party.

c. Maintenance of Access. Otay shall, at its expense, maintain all access roadways or driveways from the nearest public roadway to the Property, in a manner reasonably sufficient to allow access. Otay may assess a charge on Tenant to reimburse Otay for the full cost of any damage or excessive wear caused by Tenant and Tenant Parties.

d. Additional Access. Tenant is responsible for, at no cost to Otay, obtaining and maintaining all permits, licenses or easements from the owners of any affected real property (whether adjacent to the Property or not), as may be necessary for Tenant to have any and all access to and from the Property required in connection with this Agreement and the Facilities. Tenant shall provide copies of these documents to Otay prior to the start of construction.

5. Term. The term of this Agreement shall be five (5) years (the "Initial Term"), commencing on the Commencement Date. Tenant shall have the right to extend the term of the Agreement for three (3) additional terms of five (5) years each (each, an "Extension Term") by giving Otay written notice of its intention to do so at least 120 days prior to the date that the then current term would otherwise end. Failure to give such notice entitles Otay to, at its option, terminate this Agreement at the end of the then current Initial Term or Extension Term. In addition, so long as Tenant is in full compliance with the terms and conditions of this Agreement, Tenant may request up to two (2) additional extensions of five (5) years each, which Otay may grant or deny at its sole discretion (each, an "Additional Term" and together with the Initial Term and Extension Term, or individually, as the context requires, the "Term"); such request(s) shall be in writing and received by Otay no less than 120 days prior to the expiration of the then current Extension Term or Additional Term, as applicable.

6. Payment of Costs; Deposit and Administrative Fees. Tenant agrees to pay all costs and expenses incurred by Otay in connection with the Facilities and this Agreement, including negotiation and processing hereof, plan checking and inspection of Tenant facilities, costs of inspection, repairs or replacement of any Otay facilities affected or damaged, and all other costs or expenses of Otay attributable to the matters herein contemplated, plus a reasonable amount for Otay's overhead costs in connection therewith.

a. Deposit. Tenant has made a deposit, concurrent with its application, and has agreed to make any additional deposits required in connection with Otay's review of the application, negotiation of this Agreement, including legal review, site visits, review of drawings and other costs relating such matters incurred by Otay up to the time this Agreement is executed. Tenant forfeits any claim to such deposits except to the extent Otay determines after this Agreement is executed that amounts in excess of the District's costs and expenses have been paid. Any such excess amounts may, at the sole discretion of the District, be credited toward administrative fees or any other costs then due by Tenant, if any. If no amounts are due, excess deposits will be reimbursed to Tenant.

b. Administrative Fees. An initial administrative fee of \$4,500 shall be paid to Otay on or prior to the date of execution of this Agreement to defray costs relating to review and processing of Tenant's conditional use permits, inspection of the Facilities during construction and other related costs. In addition, administrative fees may be charged at Otay's discretion during the Term to recover costs and expenses incurred by Otay, including attorneys and consultant's fees, if any, in connection with any Tenant activity that requires Otay staff to spend time in supervision, inspection, investigation or other review; such costs include but are

not limited to any amendments to this Agreement, any default or any failure of Tenant to secure or renew any permit, approval, license or easement and any investigation Otay deems reasonably required in connection with the Premises or the Facilities, including without limitation any investigation of a potential contamination of any portion of the Property due to any Tenant activity or improvement.

c. Security Deposit. Concurrently upon execution of this Agreement, Tenant shall pay to Otay a sum equal to two months' rent as a deposit ("Security Deposit") to secure the Tenant's performance of the covenants contained herein. Tenant shall maintain the Security Deposit balance equal to the amount established herein over the life of the agreement. If Otay applies any portion of the Security Deposit, Tenant shall within 30 days after demand by Otay, deposit an amount sufficient to restore the Security Deposit to its original amount. No part of the Security Deposit is to be considered as an advance payment of rent, including last months' rent, nor is it to be used or refunded prior to the leased premises being permanently and totally vacated by the Tenant. After the Tenant has vacated the premises, Otay shall furnish Tenant with an itemized written statement of the basis for, and the amount of, any of the security deposit retained by Otay. Otay may withhold that portion of Tenant's security deposit necessary (a) to remedy any default by Tenant in the payment of rent or any other provision of this Agreement, (b) to repair damages to the premises or any expense, loss, or damage that Otay may suffer because of Tenant's default, (c) to restore the premises to meet Otay's standards, (d) any amount that Otay may incur or become obligated to spend in exercising Otay's rights under this Agreement or available at law. The unused portion of this deposit shall be returned to the Tenant without interest no later than 60 days after termination of this Agreement.

Tenant waives the provisions of California Civil Code §1950.7, and all other provisions of law now in force or that become in force after the date of execution of this Agreement, that provide that Otay may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of accrued Rent, to repair damage caused by Tenant, or to clean the Premises. Otay and Tenant agree that Otay may, in addition, claim those sums reasonably necessary to compensate Otay for any other foreseeable or unforeseeable loss or damage caused by the act or omission of Tenant or Tenant's officers, agents, employees, Independent contractors, or invitees, including future rent payments.

d. None of the deposits or other payment of costs or administrative fees constitutes or shall be considered Rent (defined below).

7. Rent. Beginning on the Commencement Date, Tenant shall pay Otay as rent the sum of \$2,705.72 per month ("Rent") payable on the first day of each month in advance. If the Commencement Date is prior to the fifteenth day of the month of commencement, the full month's Rent will be due on the Commencement Date. If the Commencement Date is on or after the fifteenth day of the month of commencement, payment of Rent will begin the first day of the following month.

Tenant may make Rent payments up to 5 days past due date without penalty, unless continual late payments for two consecutive months occur. A fee shall be imposed after the 5th day and shall be 20% of the amount currently due. Failure to pay Rent within ten (10) calendar days of the first of the month shall be an Event of Default as provided by Section 17. Failure to pay Rent on the due date for more than two (2) consecutive months or four (4) times over any twelve (12) month period shall be a non-curable Event of Default without the necessity of any notice or cure period. At District's sole discretion, immediately following such a non-curable Event of Default, District may terminate the Agreement and seek any remedy available by this

Agreement or at law. If Tenant tenders a check, which is dishonored by a banking institution, than the Tenant shall tender cash or cashier's check only for all future payments, which shall continue until such time as written consent is obtained from Otay. In addition, Tenant shall be liable in the sum of \$25 for each dishonored check that is returned to Otay.

a. Rent Increases. The rent shall be increased on each calendar anniversary of the Commencement Date at a rate of four percent (4%) per annum. However, at the beginning of each Extension Term or Additional Term, if any, Otay may, at its sole and absolute discretion, choose to adjust the annual rent, effective on the first year of said Extension Term or Additional Term, by an amount equal to the greater of: (i) four percent (4%); or (ii) the amount necessary to ensure that the rent equals the amount it would have been if each annual increase during the previous Term had been calculated based on the average percentage increases in the consumer price index published by the United States Department of Labor, Bureau of Labor Statistics (1982-1984 = 100) (the "CPI") for "All Items - All Urban Consumers" for the San Diego Metropolitan Statistical Area for the immediately preceding 5 year period. If the publication of the Consumer Price Index is discontinued, or if the Consumer Price Index is altered in some material manner, including changing the name of the index, the geographic area covered, the consumers or workers so included, or the base year, the Parties must use their reasonable best efforts to agree on a substitute index or procedure that reasonably reflects and monitors consumer prices in the greater San Diego metropolitan area. After such an adjustment, the rent shall increase at a rate of four percent (4%) per annum for the rest of the applicable Extension Term or Additional Term, if any. Otay shall also have the discretion to adjust the base rent to then current market rent in the Additional Term if said market rent is greater than the CPI increase provided for in the above formula. The "then current market rent" shall be defined as the most recent rent transaction entered into by Otay with other similar tenants for the same or similar purposes.

8. Environmental. Otay represents that to the best of its knowledge the Premises have not been used for the generation, storage, treatment or disposal of hazardous materials other than those materials normally used by Otay for its usual purposes and that there is no known hazardous waste on the Premises. Tenant shall not bring any hazardous materials onto the Premises except for those contained in its back-up power facilities (e.g. sealed batteries and diesel fuel) and properly stored, reasonable quantities of common materials used in telecommunications operations (e.g. cleaning solvents); provided that Tenant shall use best efforts to ensure that NONE of any such contaminants come into contact with ANY soil on the Premises or the Property or with any portion or any Otay facilities. Tenant shall handle, store and dispose of all hazardous materials it brings onto the Premises in accordance with all federal, state and local laws and regulations ("Laws"). "Hazardous materials" means any substance, chemical, pollutant or waste that is identified, at the time the contamination or spill occurs, as hazardous, toxic or dangerous under any applicable federal, state or local law or regulation and specifically includes, but is not limited to asbestos and asbestos containing materials, polychlorinated biphenyl's (PCBs) and petroleum or other fuels (including crude oil or any fraction or derivative thereof). Tenant shall indemnify, defend (with counsel acceptable to Otay) and hold Otay, its directors, officers, employees, agents, consultants, successors attorneys and assigns (each an "Otay Party" and collectively, "Otay Parties") harmless for any damages, claims, liabilities, suits, actions or proceedings of any kind arising in connection with Tenant's use or storage of hazardous materials.

a. Remediation. If Tenant, Tenant activities or Tenant Facilities in any way cause contamination of any portion of the Property or any Otay equipment or facility, Tenant shall immediately notify Otay and, without cost or expense to Otay, Tenant shall completely remediate and shall cause the legal removal and disposal all contaminants and any contaminated soil and materials within 24 hours of notice from Otay. If remediation cannot be completed within such time, it must be commenced and diligently pursued to Otay's satisfaction to avoid a default hereunder. Tenant shall also, holding Otay harmless for any cost or expense, immediately cause the repair of any and all damage arising from the contamination or the remediation. Any and all contractors or workers associated with the removal of the hazardous materials and clean-up of contaminated soils or facilities must be certified the Contractors State License Board ("HAZ" Certification) pursuant to Business and Professions Code 7058.7 et seq. and proof of the required certification, insurance, and a business license is demanded and required. All remediation activities must be performed with Otay's representative(s) present.

b. Indemnity for Contamination. Tenant shall hold Otay and Otay Parties harmless from any and all costs, expenses, losses, claims, fines, penalties, forfeitures, liabilities, expenses and damages, whether constitutional, statutory, in contract, tort or strict liability (including but not limited to personal injury, death at any time and property damage), incurred, arising from or any way related to any such contamination or remediation, including without limitation all costs and expenses relating to the clean-up or replacement, by or at Otay's direction by persons or entities acceptable to Otay, of any contaminated soil, water and/or facilities and including without limitation defending Otay and Otay Parties (with legal counsel, investigators and subject matter experts acceptable to Otay) in any administrative or criminal proceeding, claim, action or litigation arising from or related to such contamination, payment of any and all fines imposed on Otay or Otay Parties, and payment of any awards or settlements. Tenant agrees to reimburse Otay for its cost relating to such remediation pursuant to Section 6.b of this Agreement.

c. Tenant's obligation to remediate and indemnify Otay for any such contamination and remediation shall survive the termination of this Agreement for any cause.

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

a. Installation of the Facilities. Tenant's design and installation of all portions of the Facilities shall be done, at no cost to Otay, according to plans approved by Otay, provided that such approval shall not be unreasonably withheld. Tenant shall not locate or attach any antennas or other equipment to any of Otay's facilities without the prior written approval of Otay of the method of attachment at Otay's sole discretion. If such Facilities are to be attached or mounted to a water tank, Tenant shall use an installation method such as a magnetic mount or other, non-destructive alternative. The Tenant shall be responsible for painting its antennas and/or equipment to match Otay's facility. Otay will provide Tenant with specifications regarding paint type, color and application method to accomplish this requirement. Painting/coating submittals shall be provided to Otay by the Tenant prior to receiving permission to begin painting. Otay may specify a camouflage design if not inconsistent with requirements of the city or county within which the Facilities are located. These camouflage designs may include but are not limited to faux palm trees, pine trees, cypress trees, broadleaf trees, and flag poles, unipoles, and other camouflaged antenna and antenna supports.

b. *Record Drawings.* Within thirty (30) days after completion of the Facilities, Tenant shall provide Otay with "record" (also called "as-built") drawings of the Facilities showing and identifying all the equipment and improvements installed on the Premises. Said drawings shall be accompanied by a complete and detailed inventory of all equipment, including without limitation all personal property and antennas located on the Premises and any such property of Tenant located in the Easement. No property of Tenant other than such identified property shall be located on the Premises or the Property at any time. Upon acceptance by Otay of Tenant's record drawings, in form and content satisfactory to Otay, such drawings shall replace and supersede any similar drawings contained in any exhibit attached hereto.

c. *Alterations.* Tenant shall not alter or change its Facilities in a material manner without the prior approval of Otay, such approval not to be unreasonably withheld. "Material" refers to any physical change that could affect the building structure, antenna support, interconnecting facilities or its appearance or any change that requires access to the Premises for installation of new equipment, removal of old equipment, trenching or digging or that could disrupt Otay's workplace or communications in any way or any change that requires a renewed or amended easement, permit or approval. All of Tenant's construction and installation work shall be performed at Tenant's sole cost and expense in a good and workmanlike manner and fully compliant with all government permit and code requirements. Tenant shall have the right to remove all facilities it installs at its sole expense on or before the expiration or termination of this Agreement, but must at such time restore the ground and surface underlying the removed facilities to its pre-installation condition, wear and tear excepted, and to the reasonable satisfaction of Otay.

d. *Improvements to Facilities / Additional Space.* If, at any time during the Term, Tenant requests permission from Otay to add improvements requiring construction to its then existing Facilities, the then current Administrative Fees shall be paid to Otay before any such changes are negotiated. In addition, if the requested Tenant improvements include additional area, a new agreement or, at Otay's discretion, an amendment for the additional lease space must be executed prior to start of construction and Tenant shall comply with Otay's requirements then in effect, including payment of additional rent, if any, for the additional area.

e. *Permits and Compliance with Applicable Laws.* During the Term, and prior to commencing any construction or installation of any improvements or equipment, as applicable, Tenant shall obtain all necessary approvals, permits and access easements or licenses, all of which shall be maintained in full force and effect at all times in accordance with all applicable laws, rules and regulations.

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

ii. From time to time, as required by law or regulation in connection with the normal operation of the Facilities or as needed due to improvements or alterations to the same, Tenant shall provide Otay with updated permits, licenses and/or approvals, including without limitation written evidence, satisfactory to Otay, of all FCC approvals and other governmental permits and approvals, including but not limited to compliance with the FCC's electromagnetic radiation rules, set forth at 47 C.F.R. § 1.1307 et seq. and FCC Office of Engineering and Technology Bulletin 65, each as hereafter amended.

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

f. *Utilities.* Tenant shall be authorized to install utilities for the Premises and the Facilities at Tenant's expense and to improve the present utilities on or near the Premises (including, but not limited to the installation of an emergency back-up power) subject to Otay's approval of the location, route, design and capacity, which approval shall not be unreasonably withheld. Tenant shall fully and promptly pay for all utilities furnished to the Premises for the use, operation and maintenance of Tenant's facilities. If inadequate electrical power is available to provide for the Facilities, or additional electrical power is required to be installed on the Premises by Otay in its sole discretion, such installation shall be at Tenant's sole expense. The location, route, design and capacity of the additional power facility shall be approved by Otay, which shall not be unreasonably withheld.

g. *Repair of Otay's Improvements/Systems.* Any damage done to the Property or to any Otay improvement, facility or system in connection with the construction, installation, maintenance, repair, improvement, replacement or operation of the Facilities shall be repaired or replaced immediately at Tenant's expense and to Otay's reasonable satisfaction by Otay staff or contractors approved by Otay. Tenant shall not locate or attach any antennas or other equipment to any of Otay's facilities without the prior written approval of Otay. Tenant shall pay all costs and expenses in relation to maintaining the integrity of Otay's facilities, improvements and systems affected in any way by Tenant's Facilities or its use of the Property or the Premises.

h. *Maintenance and Repair.* At all time during the Term, Tenant shall maintain the Premises and the Facilities in a manner acceptable to Otay. Tenant's use of its facilities shall not at any time or in any way adversely impact, impede or interfere with Otay's access to, use or operation of, its improvements, equipment or systems.

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

j. *Security.* Tenant recognizes and agrees that the Premises and the Reservoir Site are a sensitive area and that Otay's operations and services are highly sensitive and regulated. Tenant shall provide for the proper supervision of all Tenant Parties assigned or allowed by Tenant to enter and do work at the Premises. Tenant also agrees, holding Otay harmless for any cost or expense, to comply with any and all security measures instituted by Otay from time to time.

10. Maintenance, Repair or Replacement of Otay's Improvements. At any time while this Agreement remains in effect, Otay may, at its option and upon One Hundred Twenty (120) days prior written notice to Tenant, remove or cause Tenant to remove all or any portion of its Facilities at Tenant's expense, in order for Otay to paint, repair, or make replacements to any or all its improvements on the Premises (the "Maintenance or Replacement Work"), as deemed necessary by Otay in its sole discretion. Tenant agrees to fully cooperate with Otay's efforts in connection with any Maintenance or Replacement Work, including without limitation timely, and at Tenant's cost, removing and re-installing any portion of the Facilities, as requested by Otay.

a. *Temporary Facilities.* During the Maintenance or Replacement Work, Tenant may, holding Otay harmless from any cost or expense, install temporary antennas on the Premises subject to Otay's approval of the location and type of replacement facilities, such

approval shall not be unreasonably withheld or delayed. Once the Maintenance or Replacement Work is completed by Otay, Tenant agrees to promptly dismantle any temporary facilities and to relocate the facilities to their original location or to any other location approved by Otay. All work related to the removal of any portion of the Facilities, installation of temporary facilities, dismantling, relocation to their original location and any related work, shall be done at Tenant's sole cost and expense and in good and workmanlike manner.

b. *Repair of damage.* Tenant shall repair any damage caused by Tenant in connection with the installation, maintenance, operation or removal of any temporary facilities or the Facilities, and Tenant shall restore any distributed portions of the Property to their condition immediately prior to the installation of the temporary facilities.

c. *Otay's option to remove temporary facilities.* If any temporary facilities are not removed within thirty (30) days from the date the Maintenance or Replacement Work is completed, Otay shall have the right, but not the duty, to remove the temporary facilities at Tenant's cost and expense.

d. *Painting of the Facilities.* If the Maintenance or Replacement Work includes the painting, or any work affecting the surface of Otay's improvements, the Tenant shall be responsible for repainting or performing other surface treatment of its antennas and equipment to match Otay's. Otay will provide specifications to the Tenant regarding the treatment, paint type, color and application method to accomplish this requirement. The Tenant shall be required to obtain approval of specifications from Otay prior to commencing work on this requirement. Subject to Otay's prior written consent, Tenant may substitute an alternate treatment, paint type and application method if it reasonably determines that Otay's selection will adversely affect or otherwise degrade Tenant's wireless signal from the Reservoir Site.

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

12. Co-Location by Tenant - Subleasing/Encumbrance. Tenant shall not sub-lease or sub-license or otherwise encumber the Premises or any portion of the Facilities without Otay's prior written consent, which may be granted or denied at Otay's sole discretion. Any sub-lease or other encumbrance shall require an amendment to this Agreement and shall specify the terms and conditions, including making provision for rent and increases thereto for the sub-lease or other encumbrance.

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

cease immediately upon notice of termination or upon the expiration of the applicable term, whichever is earlier.

14. Interference. Tenant shall not use, nor shall Tenant permit any Tenant Party or sub-lessee to use any portion of the Premises in a manner which interferes with Otay's use of the Reservoir Site for its intended purpose including communications facilities relating to Otay's operation, now existing or hereafter installed. This limitation on Tenant's use does not apply to interference with communication facilities of a tenant of Otay whose use did not "pre-exist" this Agreement; except as to communications facilities agreed to by Tenant in connection with the co-location of any subsequent tenant's facilities. If Tenant's operation in any way interferes with Otay's communications facilities, Tenant will have five (5) business days to correct the problem after notice from Otay, except as to interference with Otay's telemetry radio equipment which must be corrected within one (1) calendar day after notice from Otay. Tenant acknowledges that interference that continues beyond the number of days specified in this Section may cause irreparable injury to Otay and, therefore, Otay has the right, without further liability, to terminate the Agreement immediately upon notice to Tenant of failure to correct the problem within the specified time.

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

16. Termination.

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

(i) Tenant delivers to Otay 30-day written notice at any time prior to commencing any work at the Premises in connection with the installation of any Facilities, for any reason or no reason;

(ii) Tenant gives Otay sixty (60) days notice of Tenant's determination that a governmental or non-governmental license, permit, consent, approval, easement or waiver necessary to enable Tenant to construct, install or operate the Facilities cannot be obtained or renewed at reasonable expense or in reasonable time period for wireless sites at water reservoirs in metropolitan areas within San Diego County. If this notice is given, Tenant must immediately cease any and all transmissions through and from the Premises and shall promptly remove, within a period of time not to exceed ten (10) business days, any and all Tenant's personal property and improvements from the Property. This Agreement and any related easements shall automatically expire upon the earlier of removal of the Tenant's improvements or the 60th day from the notice; excepting only Tenant's indemnities and liabilities hereunder, including the obligation to pay Rent for any holdover period. Tenant agrees that Otay may, without any liability or recourse against Otay, commit to re-let the Premises to other parties immediately upon receipt of the notice herein contemplated.

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

Extension Term or Additional Term, as applicable; and Tenant agrees that Otay may, without any liability or recourse against Otay, commit to re-let the Premises to other parties immediately upon receipt of the notice herein contemplated;

(iv) Otay commits a default under this Agreement and fails to cure pursuant to Section 17, below;

(v) The Property or the Premises are totally or partially destroyed by fire or other casualty (not caused by Tenant) so as to hinder Tenant's normal operations and Otay does not provide to Tenant within thirty (30) days after the casualty occurs a suitable temporary relocation site for Tenant's facility pending repair and restoration of the Premises; or

(vi) If Tenant and Otay cannot reasonably agree on the location of a replacement Easement pursuant to Section 2 herein.

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

(i) Tenant commits a default under this Agreement and fails to cure such default pursuant to Section 17, below;

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

(iii) If Tenant and Otay cannot reasonably agree on the location of a replacement Easement pursuant to Section 2 herein.

17. Default.

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

(i) Tenant shall default in the payment of Rent, or any other amounts due Otay hereunder, and said default shall continue for ten (10) days after the same becomes due; or

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

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

c. *Cure Rights.* An Event of Default shall not exist unless written notice has been given in accordance with this Agreement, and the defaulting party has had the opportunity to cure as provided herein. The defaulting party shall cure the alleged default within the manner provided herein; provided however, that if the nature of an alleged default is such that it cannot reasonably be cured within such thirty (30) day period, the defaulting party shall not be in breach of this Agreement if it diligently commences a cure within such period, and thereafter diligently proceeds with the actions necessary to complete such cure.

18. Destruction of Premises or Property. If the Premises or the Property is destroyed or damaged in a manner that prevents their use for economic, environmental or technological

reasons, Tenant may elect to terminate this Agreement as of the date of the damage or destruction by so notifying Otay no more than thirty (30) days following the date of destruction damage, provided Otay does not provide to Tenant, within such thirty (30) days period, a suitable temporary relocation site for the Facilities pending repair and restoration of the Premises and the Property. If the Property or Otay's improvements thereon are destroyed, Otay may terminate this Agreement by providing Tenant up to sixty (60) days notice, as reasonably prudent under the circumstances.

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

20. Insurance. Tenant shall maintain the following insurance:

- a. Commercial general liability with limits of \$5,000,000 per occurrence which may be satisfied by a primary policy with a limit of no less than \$2,000,000 and an umbrella policy of excess liability in the amount of no less than \$5,000,000;
- b. Automobile liability with the combined single limit of \$1,000,000 per accident;
- c. Worker's compensation, as required by law;
- d. Employer's liability with limits of \$1,000,000 per occurrence.

Tenant shall name Otay as an additional insured on each of the aforementioned insurance policies and the policies shall state that they are primary and that any policies Otay maintains shall be noncontributory. Tenant shall provide Otay with written certificates of insurance evidencing such coverage. Said policies shall expressly provide that the policies shall not be canceled or altered without at least thirty (30) days prior written notice to Otay. Said policies shall be with insurance companies with an A.M. Best rating of AVII or better. Each policy limit herein shall be increased by Tenant, upon request by Otay, to the amount Otay increases its policy limits for other contracts.

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

21. Indemnity. Tenant specifically agrees that it shall hold harmless, defend (with counsel, and if needed experts, reasonably acceptable to Otay), indemnify and otherwise protect Otay and each Otay Party, from and against all claims, suits or actions of any kind and description relating to (a) Tenant's obligations under this Agreement and any amendment hereto or (b) Tenant or Tenant Parties use of, and access to, the Premises, the Facilities or the Property. These obligations extend to and include without limitation any and all costs and expenses (including attorneys fees and court costs) incurred by Otay or the Otay Parties in connection with (i) damage to property (including the Premises, the Property or any personal property of Otay or

any third party), (ii) any action or proceeding (including an enforcement action or criminal proceeding) related in any way to any permit (governmental or otherwise), approval or easement obtained by or required of Tenant in connection with this Agreement or the Facilities; and (iii) personal injury or death, except to the extent that such claims, suits or actions directly arise from the gross negligence or willful misconduct of Otay or an Otay Party. This indemnification clause in no way limits any other specific indemnities given by Tenant under other provisions of this Agreement.

Nothing contained herein shall prohibit Otay, in its sole discretion, from participating in the defense of any demand, claim, action, proceeding, or litigation. In no event shall Otay's participation in the defense of any demand claim, action, proceeding, or litigation affect the obligations imposed upon Tenant herein.

This and all other Tenant indemnities shall survive the termination of this Agreement and shall remain in effect for as long as the underlying claim or action remains viable.

22. Estoppel Certificate. Tenant shall, at any time and from time to time upon not less than thirty (30) days prior request by Otay, deliver to Otay a statement in writing certifying that (a) this Agreement is unmodified and in full force, or if there have been modifications, that the Agreement is in full force as modified and identifying the modifications; (b) the dates to which rent and other charges have been paid; (c) as far as the person making the certificate knows, Otay is or is not in default under any provisions of the Agreement; and (d) such other matters as Otay may reasonably request.

23. Assignment. Tenant shall not assign this Agreement or any portion of its rights or obligations hereunder without Otay's prior written consent, except to an affiliated parent entity, subsidiary, purchaser of at least 50% of the aggregate of the assets of Tenant ("assets" means and includes without limitation any and all real, personal or financial property or thing owned or controlled by Tenant or over which Tenant has an interest) or holder of Tenant's FCC license.

a. If during the Term hereof, Tenant requests the written consent of Otay to any assignment, and upon demonstration satisfactory to Otay of the proposed assignee's legal, financial, and technical qualifications to assume all of the Tenant's duties and obligations herein, Otay's consent thereto shall not unreasonably be withheld. Consent to one assignment shall not be deemed consent to any subsequent assignment.

b. Any attempted assignment not permitted under the first paragraph of this Section 23, without Otay's prior consent as set forth in Section 23(a), shall be void and, at Otay's option, shall constitute a termination of this Agreement for which a termination fee as described in Section 16(iii) shall be immediately due.

c. Any assignment of this Agreement shall require an executed "Assignment of Lease" whether or not the Consent of Otay is required pursuant to this section 23 or any other provision of this Agreement. A sample form of the "Assignment of Lease" is attached to this Agreement as Exhibit F which may be amended or modified in Otay's sole discretion.

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

25. Bankruptcy. Otay and the Tenant hereby expressly agree and acknowledge that it is the intention of both parties that in the event that during the term of this Lease, either party shall become a debtor in any voluntary or involuntary bankruptcy proceeding (a Proceeding)

under the United States Bankruptcy Code, 11 U.S.C. 101, et seq. (the Code), this Lease is and shall be treated as an unexpired lease of nonresidential real property for purposes of Section 365 of the Code, 11 U.S.C. 365 (as may be amended), and, accordingly, shall be subject to the provisions of subsections (d)(3) and (d)(4) of said Section 365 (as may be amended).

26. Choice of Law and Venue; Resolution of Disputes.

a. This Agreement shall be interpreted in accordance with the laws of the State of California, without regard to its conflict of laws principles.

b. Any disputes not subject to resolution via arbitration, shall be referred to a court of competent jurisdiction in San Diego County, California. It is the intent of the parties, however, that all controversies or claims arising out of or relating to this Agreement shall be resolved by submission to final and binding arbitration, in accordance with then current rules, at the offices of the American Arbitration Association ("AAA") located in San Diego, California.

27. Attorney's Fees. In the event that either party commences any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any term, covenant, or condition of this Agreement, the party prevailing in said action or proceeding shall be entitled to recover, in addition to court or arbitration costs, reasonable attorneys' fees to be fixed by the court or arbitration official.

28. No Liability of Public Officials. No elected official, officer, employee, agent, or volunteer of Otay shall be personally liable for any default or liability whatsoever under this Agreement.

29. Public Document. Tenant acknowledges that this Agreement and all documents relating hereto are "public records" (as defined in Section 6252(e) of the California Government Code), except for any documents relating to Tenant's financial condition or otherwise exempt from such status pursuant to law, and that public records, with limited exemptions, are subject to public disclosure pursuant to the provisions of California Government Code, commencing with Section 6250.

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

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

32. Survival. Terms and conditions of this Agreement which by their sense and context survive the termination or expiration of this Lease Agreement will so survive.

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

34. Waiver. Waiver of any provision or term of this Agreement, or of any breach or default hereunder, shall not constitute a waiver of any other term, condition, breach or default, or

of a subsequent applicability of a term or condition, or a waiver of a subsequent breach or default, nor shall it constitute an amendment to the term, condition or provision that is waived.

35. Notice. All notices, requests, demands and communications hereunder will be given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid, to be effective when properly sent and received, refused or returned undelivered. Notices may be given by facsimile or email and shall be effective when sent if proof of transmission is retained and duplicate notices are sent by one of the other methods herein described. Notices shall be sent to the addresses set forth below:

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

TENANT: Bms Tower Holdings
 Attn : _____
 Re: Cell Site #: _____
 Cell Site Name: _____
 Fixed Asset No: _____

With a copy sent concurrently to Tenant's legal department, or counsel, as follows:

Attn : _____
Re: Cell Site #: _____
Cell Site Name: _____
Fixed Asset No: _____

Otay or Tenant may from time to time designate any other addressees and addresses and fax telephone numbers for notices or deliveries by written notice to the other party.

36. Corporate Authority. The persons executing this Agreement on behalf of the Tenant warrant that (i) Tenant is duly organized and legally existing, (ii) he/she/they are duly authorized to execute and deliver this Agreement on behalf of Tenant, (iii) by so executing this Agreement, Tenant is formally bound to the provisions hereof, and (iv) entering into this Agreement does not violate any provision of any other Agreement to which Tenant is bound.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK. THE SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the 18 day of June, 2013. This date is referred to as the Commencement Date in the Agreement.
(Tenant's Legal Name)

By: [Signature]
Name: John S. Maguire
Its: _____

Approved as to Form:

Tenant's Counsel

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

By: _____
Name: _____
Its: _____

Approved as to Form:

Otay's General Counsel

ALL-PURPOSE ACKNOWLEDGMENT

State of Oklahoma

County of Oklahoma

On June 18 2013 before me, Linda J. Hodges
DATE NAME OF NOTARY PUBLIC

personally appeared John S Maguire
NAME(S) OF SIGNER(S)

personally known to me OR proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Place Notary Seal or Stamp Here

Linda J. Hodges
SIGNATURE OF NOTARY

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it may prove valuable to persons relying on this Acknowledgment and could prevent fraudulent reattachment of this certificate to another document.

DESCRIPTION OF ATTACHED DOCUMENT

**THIS CERTIFICATE
MUST BE ATTACHED
TO THE DOCUMENT
DESCRIBED AT RIGHT**

Communications Tower Site Lease
TITLE OR TYPE OF DOCUMENT

17
NUMBER OF PAGES

June 2013
DATE OF DOCUMENT

Otay Water District
SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT A
SPECIAL TERMS AND CONDITIONS ADDED TO
AGREEMENT BETWEEN _____ AND
OTAY TO LOCATE COMMUNICATION FACILITIES AT
OTAY'S _____ RESERVOIR SITE, DATED
_____, _____ (THE "AGREEMENT")

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

SPECIAL TERMS AND CONDITIONS

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

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

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

- a. **Waiver of Otay's Lien.** With respect to any such financing entity, Otay waives any lien rights it may have concerning the Facilities, which is deemed Tenant's personal property and not fixtures attached to the Property and Tenant or, if appropriate, the financing entity has the right to remove the same at any time without Otay's consent; provided that Tenant's obligation to pay rent shall not terminate unless, upon removal of the Facilities, Otay elects to terminate the Agreement in which case, Tenant shall pay Otay the termination fee specified in Section 16(iii) of the Agreement. The financing entity shall not have the right to

operate the Facilities without Otay's prior written consent, which may be denied at Otay's discretion for any reason or no reason.

- b. **Collateral.** Tenant may enter into a financing arrangement including promissory notes and financial and security agreements for the financing of the Facilities ("Collateral") with a third party financing entity (and may in the future enter into additional financing arrangements with other financing entities). In connection therewith, Otay (i) consents to the installation of the Collateral in compliance with all requirements of the Agreement; (ii) disclaims any interest in the Collateral, as fixtures or otherwise; and (iii) agrees that the Collateral shall be exempt from execution, foreclosure, sale, levy, attachment, or distress for any Rent due or to become due and that such Collateral may be removed at any time without recourse to legal proceedings; except as set forth in paragraph (a) above.
- c. **Disposition of Collateral.** Notwithstanding paragraphs a. and b., above, if Tenant fails to remove the Collateral, or any component thereof, within five (5) days of the termination of this Agreement, said failure shall constitute abandonment. If thereafter, Tenant or any holder of Collateral, lender or assignee, whether or not notification was provided to Otay, fails to claim and remove the same, within thirty (30) calendar days of the date of termination of this Agreement, Otay is hereby specifically authorized to remove and dispose of the Collateral, or any component thereof, so abandoned at Tenant's sole cost and expense and without incurring any liability to Tenant, or any lender or any other party with any interest in all or any part of the Collateral or the Agreement. Tenant shall pay Otay, upon demand, the termination fee specified in Section 16(iii) of the Agreement.
- d. **No privity or obligation.** Otay does not have privity with any financing entity and specifically disclaims any obligation to any such entity, including any obligation to provide copies of any notices of default or right to cure under the Agreement.

EXHIBIT B

**TO AGREEMENT BETWEEN _____ AND
OTAY TO LOCATE COMMUNICATION FACILITIES AT
OTAY'S _____ RESERVOIR SITE, DATED
_____, _____ (THE "AGREEMENT")**

List of Attachments to Exhibit B:

- ATTACHMENT A. DEPICTION OF RESERVOIR FACILITIES
- ATTACHMENT B. LEGAL DESCRIPTION OF THE PROPERTY
- ATTACHMENT C. LEGAL DESCRIPTION OF THE PREMISES

EXHIBIT C
TO AGREEMENT BETWEEN _____ AND
OTAY TO LOCATE COMMUNICATION FACILITIES AT
OTAY'S _____ RESERVOIR SITE, DATED
_____, _____ (THE "AGREEMENT")

DEPICTION AND LEGAL DESCRIPTION OF EASEMENT

Easement Requested? Yes No
Easement Granted? Yes No

If Easement granted, complete the following information (if recording requested, format appropriately and attach copy of instrument of record):

For good and valuable consideration, receipt of which is hereby acknowledged, the Otay Water District, as Grantor, hereby grants to _____, a [_____] [corporation] [limited liability company]], as Tenant, an Easement to excavate, remove dirt and do any act necessary to install, operate and maintain power lines and connection lines as required in connection with the communications facilities and the antenna to be located on the Premises. The legal description of the land subject to the Easement is as follows:

[Insert Description][See Attachment A]

A drawing depicting the Easement is attached hereto as **Attachment []**. Tenant may not sell, transfer or assign the Easement herein granted to Tenant. Tenant's rights under the Easement are specifically limited to the installation, maintenance and operation of such power lines, transmission lines and other communications lines and accessories as required to efficiently operate Tenant's communication facilities on the Premises as previously approved by Grantor. Following initial installation, Tenant shall not have a right to trench or excavate to repair, modify or replace any approved items without Grantor's prior written consent.

The Easement shall **automatically terminate** on the earlier of **thirty (30) years** from the date hereof **or the day the Agreement is terminated for any reason**. On such date, the Easement shall become unenforceable and, for all purposes, terminate, whether or not a termination or quitclaim is recorded.

Grantor reserves the right to use the lands that are subject to the Easement in any manner and for any purpose that does not materially interfere with Tenant's use thereof.

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

Tenant shall defend, indemnify and hold Grantor and its elected and appointed officials, officers, agents, employees, and volunteers free and harmless from and against any and all losses, claims, liabilities, damages, actions, causes of action, costs and expenses including attorney's fees and costs of court, and injuries, including personal injuries or death (collectively or individually, "Losses") arising out of or in connection with Tenant's access to, installation, occupation, use, operation, maintenance or repair of its Facilities at the Premises, except Losses directly resulting from the willful act or misconduct of Grantor. This indemnity provision shall survive the expiration, cancellation or expiration of this Easement.

EXHIBIT D

**TO AGREEMENT BETWEEN _____ AND
OTAY TO LOCATE COMMUNICATION FACILITIES AT
OTAY'S _____ RESERVOIR SITE, DATED
_____, _____ (THE "AGREEMENT")**

List of Attachments to Exhibit D:

Attachment A. Depiction of the Telecommunication Facilities

Attachment B. Permits

EXHIBIT E

**TO AGREEMENT BETWEEN _____ AND OTAY
TO LOCATE COMMUNICATION FACILITIES AT
OTAY'S _____ RESERVOIR SITE, DATED
_____, _____ (THE "AGREEMENT")**

Memorandum of Agreement

Check one option.

- None.
- See Attached.

EXHIBIT F

ASSIGNMENT OF LEASE

THIS ASSIGNMENT OF LEASE ("Assignment") is made this _____ day of _____, 20____, by and between _____, (hereinafter referred to as "Assignor"), _____ and _____, (hereinafter referred to as "Assignee").

WHEREAS, Assignor is the holder of the tenant's interest under that certain Telecommunication Facility Agreement (the "Lease") dated _____, 20____, and all other documents pertaining thereto between ("Otay") and Assignor covering the land located at _____, City of _____, County of _____, California and more particularly described in the Lease attached hereto and incorporated herein by this reference; and

WHEREAS, Assignor desires to transfer, assign and set over to Assignee and Assignee desires to acquire all of Assignor's right, title and interest in, to and under the Lease.

NOW THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, the parties hereby mutually consent as follows:

1. Assignor hereby sells, transfers and assigns to Assignee all of Assignor's right, title and interest in and to the Lease including, without limitation, the deposit(s), if any, held by Otay.
2. Assignee hereby accepts the foregoing assignment and transfer and specifically assumes and agrees to pay, perform and observe each and every covenant, agreement and condition to be paid, performed or observed by the lessee pursuant to the Lease.

IN WITNESS WHEREOF, the parties hereto have duly executed this Assignment as of the day and year first hereinabove written. This instrument may be executed in any number of counterpart copies, each of which counterpart copy shall be deemed an original for all purposes.

ASSIGNOR: _____

OTAY's Consent: Required
 Not Required

ASSIGNEE: _____

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

By: _____
Name: _____
Its: _____

[Add Notary Acknowledgement]

AGREEMENT BETWEEN BMB TOWER HOLDINGS,
LLC AND OTAY WATER DISTRICT TO LOCATE A
COMMUNICATIONS FACILITY AT OTAY'S 485-1
RESERVOIR SITE
(996 East H Street, Chula Vista, CA 91910)

This Telecommunication Facility Agreement (the "Agreement") is entered into and effective on the date specified in the signature page (the "Commencement Date"), by and between the Otay Water District, a municipal water district organized and operated pursuant to the Water Code Section 71000, et seq. ("Otay"), and BMB Tower Holdings, LLC ("Tenant"). Special terms and conditions are set forth on Exhibit A.

R E C I T A L S

- A. Otay owns a site on which it has constructed water facilities known as the "485-1 RESERVOIR SITE," as depicted on Attachment A to Exhibit B (the "Reservoir Site").
- B. On September 14, 2006, Otay entered into that certain lease agreement (the "Original Lease") with Cricket Communications, Inc., a Delaware corporation for the Reservoir Site.
- C. On or about April 14, 2011 Otay consented to an assignment of the Original Lease from Cricket Communications Inc. to Global Tower Partners, LLC ("GTP").
- D. On or about June 6, 2011 Otay consented to an assignment of the Original Lease from GTP Communications Inc. to BMB Tower Holdings, LLC ("BMB").
- E. On or before April 19, 2012 BMB subleased of a portion of the Original Lease space without Otay's consent and failed to pay rent in a timely manner in violation of the terms of the Original Lease and subsequent assignments.
- F. Tenant has cured the Original Lease defaults including a one-time payment to Otay of \$1,000.00.
- G. Tenant has requested Otay to allow it to continue the use of the Property for location of a communications facility and transmitting and receiving antennas at the Reservoir Site pursuant to the terms and conditions set forth herein.
- H. Otay is willing to allow Tenant to locate the Facilities (defined below) at the Reservoir Sites pursuant to the terms and conditions set forth herein.

A G R E E M E N T

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

1. Premises. Otay owns the real property described in Attachment B to Exhibit B (the "Property"). Otay agrees to lease to Tenant, for the installation of antennas and related telecommunications equipment within the Property, as more particularly described on Attachment C to Exhibit B (the "Premises").
2. Grant of Non-Exclusive Trench and Utility Easement(s). Upon written request from Tenant, Otay agrees to grant a non-exclusive easement, as legally described and depicted in Exhibit C to this Agreement (the "Easement"), for certain agreed-upon portions of the Property for the purpose of trenching and for the installation and maintenance of the Otay approved utilities needed by Tenant for the Facilities. It is expressly agreed that any such Easement shall

only be valid if signed by the parties and, if so, it shall run concurrently with this Agreement and shall terminate automatically if this Agreement is terminated or ceases to exist for any reason. Tenant agrees, holding Otay harmless for any cost or expense, to return any such Easement and any portions of the Property disturbed in connection with the Facilities or any Tenant activity to their original condition, or any other condition acceptable to Otay, as evidenced in advance of the work in a writing signed by Otay representatives.

Tenant acknowledges that the Property is used in connection with Otay's storage and delivery of water and other services to the public, and agrees that such uses by Otay are superior in all respects to all uses by Tenant. Upon six-months written notice from Otay (or less if six-months notice cannot be reasonably given), Tenant shall at its sole expense relocate its Easement to another mutually agreeable location within the Property. Otay and Tenant shall reasonably cooperate in such relocation, however if no such suitable location can be agreed-upon, either party may terminate this Agreement without further liability to the other party.

Non-exclusive means, in connection with the Easement described and defined in this Section 2, that Otay or any person or entity authorized by Otay may utilize the easement area for any purpose which does not interfere with Tenant's use, including a purpose similar to Tenant's. Otay shall provide Tenant with advance notice of any intention to use, or authorize a third party to use, the easement area.

3. Use of the Premises. The Premises may be used by Tenant only for the purpose of installing, constructing, housing, operating, maintaining and repairing its own, Otay-approved telecommunication equipment, including appurtenant antennas and electronic equipment, as further described and conditioned in this Agreement (collectively, the "Facilities"), for the lawful provision of communication services. Tenant may not sublease, sublicense or permit another entity any use of space at the Premises or the Facilities, except as provided in Section 12, below.

4. Access. Subject to compliance with the conditions set forth below, Otay agrees to provide access over pre-identified portions of the Property to the Premises to Tenant, Tenant's employees, agents, contractors and subcontractors (collectively, "Tenant Parties"), 24 hours a day, seven days a week, at no additional charge to Tenant. Neither Tenant nor Tenant Parties shall wander off into other portions of the Property or attempt to use or access any Otay facility. If access to the Premises is available without or with minimum intrusion into any portion of the Property, such access shall be the preferred route and Otay may require the Tenant, at the Tenant's cost, to fence the Facilities so as to separate them from the rest of the Property and all other improvements.

a. Ingress and Egress. Otay hereby grants to Tenant and Tenant Parties such rights of ingress and egress over the Property as may be necessary and consistent with the authorized use of the Premises as outlined by Otay Operations; provided, however, that such access shall at all times be in compliance with and subject to Otay's rules, policies and regulations and shall not, at any time, interfere with Otay operations or cause or threaten to cause any contamination of Otay facilities or the Property.

b. Parking by Tenant. Subject to the foregoing, Otay agrees to permit Tenant and Tenant Parties to park vehicles on the Property as necessary and consistent with the authorized use of the Premises. No vehicle or trailer of any type shall be left unattended at any time or parked overnight, by Tenant or Tenant Parties, on any portion of the Property, including the Premises. Upon Otay's request, Tenant shall immediately cause to be relocated any vehicle,

trailer, or any other blockage of any type (other than Otay-approved Facilities), belonging to Tenant or any Tenant Party.

c. Maintenance of Access. Otay shall, at its expense, maintain all access roadways or driveways from the nearest public roadway to the Property, in a manner reasonably sufficient to allow access. Otay may assess a charge on Tenant to reimburse Otay for the full cost of any damage or excessive wear caused by Tenant and Tenant Parties.

d. Additional Access. Tenant is responsible for, at no cost to Otay, obtaining and maintaining all permits, licenses or easements from the owners of any affected real property (whether adjacent to the Property or not), as may be necessary for Tenant to have any and all access to and from the Property required in connection with this Agreement and the Facilities. Tenant shall provide copies of these documents to Otay prior to the start of construction.

5. Term. The term of this Agreement shall be five (5) years (the "Initial Term"), commencing on the Commencement Date. Tenant shall have the right to extend the term of the Agreement for three (3) additional terms of five (5) years each (each, an "Extension Term") by giving Otay written notice of its intention to do so at least 120 days prior to the date that the then current term would otherwise end. Failure to give such notice entitles Otay to, at its option, terminate this Agreement at the end of the then current Initial Term or Extension Term. In addition, so long as Tenant is in full compliance with the terms and conditions of this Agreement, Tenant may request up to two (2) additional extensions of five (5) years each, which Otay may grant or deny at its sole discretion (each, an "Additional Term" and together with the Initial Term and Extension Term, or individually, as the context requires, the "Term"); such request(s) shall be in writing and received by Otay no less than 120 days prior to the expiration of the then current Extension Term or Additional Term, as applicable.

6. Payment of Costs; Deposit and Administrative Fees. Tenant agrees to pay all costs and expenses incurred by Otay in connection with the Facilities and this Agreement, including negotiation and processing hereof, plan checking and inspection of Tenant facilities, costs of inspection, repairs or replacement of any Otay facilities affected or damaged, and all other costs or expenses of Otay attributable to the matters herein contemplated, plus a reasonable amount for Otay's overhead costs in connection therewith.

a. Deposit. Tenant has made a deposit, concurrent with its application, and has agreed to make any additional deposits required in connection with Otay's review of the application, negotiation of this Agreement, including legal review, site visits, review of drawings and other costs relating such matters incurred by Otay up to the time this Agreement is executed. Tenant forfeits any claim to such deposits except to the extent Otay determines after this Agreement is executed that amounts in excess of the District's costs and expenses have been paid. Any such excess amounts may, at the sole discretion of the District, be credited toward administrative fees or any other costs then due by Tenant, if any. If no amounts are due, excess deposits will be reimbursed to Tenant.

b. Administrative Fees. An initial administrative fee of \$4,500 shall be paid to Otay on or prior to the date of execution of this Agreement to defray costs relating to review and processing of Tenant's conditional use permits, inspection of the Facilities during construction and other related costs. In addition, administrative fees may be charged at Otay's discretion during the Term to recover costs and expenses incurred by Otay, including attorneys and consultant's fees, if any, in connection with any Tenant activity that requires Otay staff to spend time in supervision, inspection, investigation or other review; such costs include but are

not limited to any amendments to this Agreement, any default or any failure of Tenant to secure or renew any permit, approval, license or easement and any investigation Otay deems reasonably required in connection with the Premises or the Facilities, including without limitation any investigation of a potential contamination of any portion of the Property due to any Tenant activity or improvement.

c. Security Deposit. Concurrently upon execution of this Agreement, Tenant shall pay to Otay a sum equal to two months' rent as a deposit ("Security Deposit") to secure the Tenant's performance of the covenants contained herein. Tenant shall maintain the Security Deposit balance equal to the amount established herein over the life of the agreement. If Otay applies any portion of the Security Deposit, Tenant shall within 30 days after demand by Otay, deposit an amount sufficient to restore the Security Deposit to its original amount. No part of the Security Deposit is to be considered as an advance payment of rent, including last months' rent, nor is it to be used or refunded prior to the leased premises being permanently and totally vacated by the Tenant. After the Tenant has vacated the premises, Otay shall furnish Tenant with an itemized written statement of the basis for, and the amount of, any of the security deposit retained by Otay. Otay may withhold that portion of Tenant's security deposit necessary (a) to remedy any default by Tenant in the payment of rent or any other provision of this Agreement, (b) to repair damages to the premises or any expense, loss, or damage that Otay may suffer because of Tenant's default, (c) to restore the premises to meet Otay's standards, (d) any amount that Otay may incur or become obligated to spend in exercising Otay's rights under this Agreement or available at law. The unused portion of this deposit shall be returned to the Tenant without interest no later than 60 days after termination of this Agreement.

Tenant waives the provisions of California Civil Code §1950.7, and all other provisions of law now in force or that become in force after the date of execution of this Agreement, that provide that Otay may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of accrued Rent, to repair damage caused by Tenant, or to clean the Premises. Otay and Tenant agree that Otay may, in addition, claim those sums reasonably necessary to compensate Otay for any other foreseeable or unforeseeable loss or damage caused by the act or omission of Tenant or Tenant's officers, agents, employees, Independent contractors, or invitees, including future rent payments.

d. None of the deposits or other payment of costs or administrative fees constitutes or shall be considered Rent (defined below).

7. Rent. Beginning on the Commencement Date, Tenant shall pay Otay as rent the sum of \$2,705.72 per month ("Rent") payable on the first day of each month in advance. If the Commencement Date is prior to the fifteenth day of the month of commencement, the full month's Rent will be due on the Commencement Date. If the Commencement Date is on or after the fifteenth day of the month of commencement, payment of Rent will begin the first day of the following month.

Tenant may make Rent payments up to 5 days past due date without penalty, unless continual late payments for two consecutive months occur. A fee shall be imposed after the 5th day and shall be 20% of the amount currently due. Failure to pay Rent within ten (10) calendar days of the first of the month shall be an Event of Default as provided by Section 17. Failure to pay Rent on the due date for more than two (2) consecutive months or four (4) times over any twelve (12) month period shall be a non-curable Event of Default without the necessity of any notice or cure period. At District's sole discretion, immediately following such a non-curable Event of Default, District may terminate the Agreement and seek any remedy available by this

Agreement or at law. If Tenant tenders a check, which is dishonored by a banking institution, than the Tenant shall tender cash or cashier's check only for all future payments, which shall continue until such time as written consent is obtained from Otay. In addition, Tenant shall be liable in the sum of \$25 for each dishonored check that is returned to Otay.

a. Rent Increases. The rent shall be increased on each calendar anniversary of the Commencement Date at a rate of four percent (4%) per annum. However, at the beginning of each Extension Term or Additional Term, if any, Otay may, at its sole and absolute discretion, choose to adjust the annual rent, effective on the first year of said Extension Term or Additional Term, by an amount equal to the greater of: (i) four percent (4%); or (ii) the amount necessary to ensure that the rent equals the amount it would have been if each annual increase during the previous Term had been calculated based on the average percentage increases in the consumer price index published by the United States Department of Labor, Bureau of Labor Statistics (1982-1984 = 100) (the "CPI") for "All Items - All Urban Consumers" for the San Diego Metropolitan Statistical Area for the immediately preceding 5 year period. If the publication of the Consumer Price Index is discontinued, or if the Consumer Price Index is altered in some material manner, including changing the name of the index, the geographic area covered, the consumers or workers so included, or the base year, the Parties must use their reasonable best efforts to agree on a substitute index or procedure that reasonably reflects and monitors consumer prices in the greater San Diego metropolitan area. After such an adjustment, the rent shall increase at a rate of four percent (4%) per annum for the rest of the applicable Extension Term or Additional Term, if any. Otay shall also have the discretion to adjust the base rent to then current market rent in the Additional Term if said market rent is greater than the CPI increase provided for in the above formula. The "then current market rent" shall be defined as the most recent rent transaction entered into by Otay with other similar tenants for the same or similar purposes.

8. Environmental. Otay represents that to the best of its knowledge the Premises have not been used for the generation, storage, treatment or disposal of hazardous materials other than those materials normally used by Otay for its usual purposes and that there is no known hazardous waste on the Premises. Tenant shall not bring any hazardous materials onto the Premises except for those contained in its back-up power facilities (e.g. sealed batteries and diesel fuel) and properly stored, reasonable quantities of common materials used in telecommunications operations (e.g. cleaning solvents); provided that Tenant shall use best efforts to ensure that NONE of any such contaminants come into contact with ANY soil on the Premises or the Property or with any portion or any Otay facilities. Tenant shall handle, store and dispose of all hazardous materials it brings onto the Premises in accordance with all federal, state and local laws and regulations ("Laws"). "Hazardous materials" means any substance, chemical, pollutant or waste that is identified, at the time the contamination or spill occurs, as hazardous, toxic or dangerous under any applicable federal, state or local law or regulation and specifically includes, but is not limited to asbestos and asbestos containing materials, polychlorinated biphenyl's (PCBs) and petroleum or other fuels (including crude oil or any fraction or derivative thereof). Tenant shall indemnify, defend (with counsel acceptable to Otay) and hold Otay, its directors, officers, employees, agents, consultants, successors attorneys and assigns (each an "Otay Party" and collectively, "Otay Parties") harmless for any damages, claims, liabilities, suits, actions or proceedings of any kind arising in connection with Tenant's use or storage of hazardous materials.

a. Remediation. If Tenant, Tenant activities or Tenant Facilities in any way cause contamination of any portion of the Property or any Otay equipment or facility, Tenant shall immediately notify Otay and, without cost or expense to Otay, Tenant shall completely remediate and shall cause the legal removal and disposal all contaminants and any contaminated soil and materials within 24 hours of notice from Otay. If remediation cannot be completed within such time, it must be commenced and diligently pursued to Otay's satisfaction to avoid a default hereunder. Tenant shall also, holding Otay harmless for any cost or expense, immediately cause the repair of any and all damage arising from the contamination or the remediation. Any and all contractors or workers associated with the removal of the hazardous materials and clean-up of contaminated soils or facilities must be certified the Contractors State License Board ("HAZ" Certification) pursuant to Business and Professions Code 7058.7 et seq. and proof of the required certification, insurance, and a business license is demanded and required. All remediation activities must be performed with Otay's representative(s) present.

b. Indemnity for Contamination. Tenant shall hold Otay and Otay Parties harmless from any and all costs, expenses, losses, claims, fines, penalties, forfeitures, liabilities, expenses and damages, whether constitutional, statutory, in contract, tort or strict liability (including but not limited to personal injury, death at any time and property damage), incurred, arising from or any way related to any such contamination or remediation, including without limitation all costs and expenses relating to the clean-up or replacement, by or at Otay's direction by persons or entities acceptable to Otay, of any contaminated soil, water and/or facilities and including without limitation defending Otay and Otay Parties (with legal counsel, investigators and subject matter experts acceptable to Otay) in any administrative or criminal proceeding, claim, action or litigation arising from or related to such contamination, payment of any and all fines imposed on Otay or Otay Parties, and payment of any awards or settlements. Tenant agrees to reimburse Otay for its cost relating to such remediation pursuant to Section 6.b of this Agreement.

c. Tenant's obligation to remediate and indemnify Otay for any such contamination and remediation shall survive the termination of this Agreement for any cause.

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

a. Installation of the Facilities. Tenant's design and installation of all portions of the Facilities shall be done, at no cost to Otay, according to plans approved by Otay, provided that such approval shall not be unreasonably withheld. Tenant shall not locate or attach any antennas or other equipment to any of Otay's facilities without the prior written approval of Otay of the method of attachment at Otay's sole discretion. If such Facilities are to be attached or mounted to a water tank, Tenant shall use an installation method such as a magnetic mount or other, non-destructive alternative. The Tenant shall be responsible for painting its antennas and/or equipment to match Otay's facility. Otay will provide Tenant with specifications regarding paint type, color and application method to accomplish this requirement. Painting/coating submittals shall be provided to Otay by the Tenant prior to receiving permission to begin painting. Otay may specify a camouflage design if not inconsistent with requirements of the city or county within which the Facilities are located. These camouflage designs may include but are not limited to faux palm trees, pine trees, cypress trees, broadleaf trees, and flag poles, unipoles, and other camouflaged antenna and antenna supports.

b. *Record Drawings.* Within thirty (30) days after completion of the Facilities, Tenant shall provide Otay with "record" (also called "as-built") drawings of the Facilities showing and identifying all the equipment and improvements installed on the Premises. Said drawings shall be accompanied by a complete and detailed inventory of all equipment, including without limitation all personal property and antennas located on the Premises and any such property of Tenant located in the Easement. No property of Tenant other than such identified property shall be located on the Premises or the Property at any time. Upon acceptance by Otay of Tenant's record drawings, in form and content satisfactory to Otay, such drawings shall replace and supersede any similar drawings contained in any exhibit attached hereto.

c. *Alterations.* Tenant shall not alter or change its Facilities in a material manner without the prior approval of Otay, such approval not to be unreasonably withheld. "Material" refers to any physical change that could affect the building structure, antenna support, interconnecting facilities or its appearance or any change that requires access to the Premises for installation of new equipment, removal of old equipment, trenching or digging or that could disrupt Otay's workplace or communications in any way or any change that requires a renewed or amended easement, permit or approval. All of Tenant's construction and installation work shall be performed at Tenant's sole cost and expense in a good and workmanlike manner and fully compliant with all government permit and code requirements. Tenant shall have the right to remove all facilities it installs at its sole expense on or before the expiration or termination of this Agreement, but must at such time restore the ground and surface underlying the removed facilities to its pre-installation condition, wear and tear excepted, and to the reasonable satisfaction of Otay.

d. *Improvements to Facilities / Additional Space.* If, at any time during the Term, Tenant requests permission from Otay to add improvements requiring construction to its then existing Facilities, the then current Administrative Fees shall be paid to Otay before any such changes are negotiated. In addition, if the requested Tenant improvements include additional area, a new agreement or, at Otay's discretion, an amendment for the additional lease space must be executed prior to start of construction and Tenant shall comply with Otay's requirements then in effect, including payment of additional rent, if any, for the additional area.

e. *Permits and Compliance with Applicable Laws.* During the Term, and prior to commencing any construction or installation of any improvements or equipment, as applicable, Tenant shall obtain all necessary approvals, permits and access easements or licenses, all of which shall be maintained in full force and effect at all times in accordance with all applicable laws, rules and regulations.

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

ii. From time to time, as required by law or regulation in connection with the normal operation of the Facilities or as needed due to improvements or alterations to the same, Tenant shall provide Otay with updated permits, licenses and/or approvals, including without limitation written evidence, satisfactory to Otay, of all FCC approvals and other governmental permits and approvals, including but not limited to compliance with the FCC's electromagnetic radiation rules, set forth at 47 C.F.R. § 1.1307 et seq. and FCC Office of Engineering and Technology Bulletin 65, each as hereafter amended.

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

f. *Utilities.* Tenant shall be authorized to install utilities for the Premises and the Facilities at Tenant's expense and to improve the present utilities on or near the Premises (including, but not limited to the installation of an emergency back-up power) subject to Otay's approval of the location, route, design and capacity, which approval shall not be unreasonably withheld. Tenant shall fully and promptly pay for all utilities furnished to the Premises for the use, operation and maintenance of Tenant's facilities. If inadequate electrical power is available to provide for the Facilities, or additional electrical power is required to be installed on the Premises by Otay in its sole discretion, such installation shall be at Tenant's sole expense. The location, route, design and capacity of the additional power facility shall be approved by Otay, which shall not be unreasonably withheld.

g. *Repair of Otay's Improvements/Systems.* Any damage done to the Property or to any Otay improvement, facility or system in connection with the construction, installation, maintenance, repair, improvement, replacement or operation of the Facilities shall be repaired or replaced immediately at Tenant's expense and to Otay's reasonable satisfaction by Otay staff or contractors approved by Otay. Tenant shall not locate or attach any antennas or other equipment to any of Otay's facilities without the prior written approval of Otay. Tenant shall pay all costs and expenses in relation to maintaining the integrity of Otay's facilities, improvements and systems affected in any way by Tenant's Facilities or its use of the Property or the Premises.

h. *Maintenance and Repair.* At all time during the Term, Tenant shall maintain the Premises and the Facilities in a manner acceptable to Otay. Tenant's use of its facilities shall not at any time or in any way adversely impact, impede or interfere with Otay's access to, use or operation of, its improvements, equipment or systems.

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

j. *Security.* Tenant recognizes and agrees that the Premises and the Reservoir Site are a sensitive area and that Otay's operations and services are highly sensitive and regulated. Tenant shall provide for the proper supervision of all Tenant Parties assigned or allowed by Tenant to enter and do work at the Premises. Tenant also agrees, holding Otay harmless for any cost or expense, to comply with any and all security measures instituted by Otay from time to time.

10. Maintenance, Repair or Replacement of Otay's Improvements. At any time while this Agreement remains in effect, Otay may, at its option and upon One Hundred Twenty (120) days prior written notice to Tenant, remove or cause Tenant to remove all or any portion of its Facilities at Tenant's expense, in order for Otay to paint, repair, or make replacements to any or all its improvements on the Premises (the "Maintenance or Replacement Work"), as deemed necessary by Otay in its sole discretion. Tenant agrees to fully cooperate with Otay's efforts in connection with any Maintenance or Replacement Work, including without limitation timely, and at Tenant's cost, removing and re-installing any portion of the Facilities, as requested by Otay.

a. *Temporary Facilities.* During the Maintenance or Replacement Work, Tenant may, holding Otay harmless from any cost or expense, install temporary antennas on the Premises subject to Otay's approval of the location and type of replacement facilities, such

approval shall not be unreasonably withheld or delayed. Once the Maintenance or Replacement Work is completed by Otay, Tenant agrees to promptly dismantle any temporary facilities and to relocate the facilities to their original location or to any other location approved by Otay. All work related to the removal of any portion of the Facilities, installation of temporary facilities, dismantling, relocation to their original location and any related work, shall be done at Tenant's sole cost and expense and in good and workmanlike manner.

b. *Repair of damage.* Tenant shall repair any damage caused by Tenant in connection with the installation, maintenance, operation or removal of any temporary facilities or the Facilities, and Tenant shall restore any distributed portions of the Property to their condition immediately prior to the installation of the temporary facilities.

c. *Otay's option to remove temporary facilities.* If any temporary facilities are not removed within thirty (30) days from the date the Maintenance or Replacement Work is completed, Otay shall have the right, but not the duty, to remove the temporary facilities at Tenant's cost and expense.

d. *Painting of the Facilities.* If the Maintenance or Replacement Work includes the painting, or any work affecting the surface of Otay's improvements, the Tenant shall be responsible for repainting or performing other surface treatment of its antennas and equipment to match Otay's. Otay will provide specifications to the Tenant regarding the treatment, paint type, color and application method to accomplish this requirement. The Tenant shall be required to obtain approval of specifications from Otay prior to commencing work on this requirement. Subject to Otay's prior written consent, Tenant may substitute an alternate treatment, paint type and application method if it reasonably determines that Otay's selection will adversely affect or otherwise degrade Tenant's wireless signal from the Reservoir Site.

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

12. Co-Location by Tenant - Subleasing/Encumbrance. Tenant shall not sub-lease or sub-license or otherwise encumber the Premises or any portion of the Facilities without Otay's prior written consent, which may be granted or denied at Otay's sole discretion. Any sub-lease or other encumbrance shall require an amendment to this Agreement and shall specify the terms and conditions, including making provision for rent and increases thereto for the sub-lease or other encumbrance.

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

cease immediately upon notice of termination or upon the expiration of the applicable term, whichever is earlier.

14. Interference. Tenant shall not use, nor shall Tenant permit any Tenant Party or sub-lessee to use any portion of the Premises in a manner which interferes with Otay's use of the Reservoir Site for its intended purpose including communications facilities relating to Otay's operation, now existing or hereafter installed. This limitation on Tenant's use does not apply to interference with communication facilities of a tenant of Otay whose use did not "pre-exist" this Agreement; except as to communications facilities agreed to by Tenant in connection with the co-location of any subsequent tenant's facilities. If Tenant's operation in any way interferes with Otay's communications facilities, Tenant will have five (5) business days to correct the problem after notice from Otay, except as to interference with Otay's telemetry radio equipment which must be corrected within one (1) calendar day after notice from Otay. Tenant acknowledges that interference that continues beyond the number of days specified in this Section may cause irreparable injury to Otay and, therefore, Otay has the right, without further liability, to terminate the Agreement immediately upon notice to Tenant of failure to correct the problem within the specified time.

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

16. Termination.

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

(i) Tenant delivers to Otay 30-day written notice at any time prior to commencing any work at the Premises in connection with the installation of any Facilities, for any reason or no reason;

(ii) Tenant gives Otay sixty (60) days notice of Tenant's determination that a governmental or non-governmental license, permit, consent, approval, easement or waiver necessary to enable Tenant to construct, install or operate the Facilities cannot be obtained or renewed at reasonable expense or in reasonable time period for wireless sites at water reservoirs in metropolitan areas within San Diego County. If this notice is given, Tenant must immediately cease any and all transmissions through and from the Premises and shall promptly remove, within a period of time not to exceed ten (10) business days, any and all Tenant's personal property and improvements from the Property. This Agreement and any related easements shall automatically expire upon the earlier of removal of the Tenant's improvements or the 60th day from the notice; excepting only Tenant's indemnities and liabilities hereunder, including the obligation to pay Rent for any holdover period. Tenant agrees that Otay may, without any liability or recourse against Otay, commit to re-let the Premises to other parties immediately upon receipt of the notice herein contemplated.

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

Extension Term or Additional Term, as applicable; and Tenant agrees that Otay may, without any liability or recourse against Otay, commit to re-let the Premises to other parties immediately upon receipt of the notice herein contemplated;

(iv) Otay commits a default under this Agreement and fails to cure pursuant to Section 17, below;

(v) The Property or the Premises are totally or partially destroyed by fire or other casualty (not caused by Tenant) so as to hinder Tenant's normal operations and Otay does not provide to Tenant within thirty (30) days after the casualty occurs a suitable temporary relocation site for Tenant's facility pending repair and restoration of the Premises; or

(vi) If Tenant and Otay cannot reasonably agree on the location of a replacement Easement pursuant to Section 2 herein.

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

(i) Tenant commits a default under this Agreement and fails to cure such default pursuant to Section 17, below;

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

(iii) If Tenant and Otay cannot reasonably agree on the location of a replacement Easement pursuant to Section 2 herein.

17. Default.

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

(i) Tenant shall default in the payment of Rent, or any other amounts due Otay hereunder, and said default shall continue for ten (10) days after the same becomes due; or

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

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

c. *Cure Rights.* An Event of Default shall not exist unless written notice has been given in accordance with this Agreement, and the defaulting party has had the opportunity to cure as provided herein. The defaulting party shall cure the alleged default within the manner provided herein; provided however, that if the nature of an alleged default is such that it cannot reasonably be cured within such thirty (30) day period, the defaulting party shall not be in breach of this Agreement if it diligently commences a cure within such period, and thereafter diligently proceeds with the actions necessary to complete such cure.

18. Destruction of Premises or Property. If the Premises or the Property is destroyed or damaged in a manner that prevents their use for economic, environmental or technological

reasons, Tenant may elect to terminate this Agreement as of the date of the damage or destruction by so notifying Otay no more than thirty (30) days following the date of destruction damage, provided Otay does not provide to Tenant, within such thirty (30) days period, a suitable temporary relocation site for the Facilities pending repair and restoration of the Premises and the Property. If the Property or Otay's improvements thereon are destroyed, Otay may terminate this Agreement by providing Tenant up to sixty (60) days notice, as reasonably prudent under the circumstances.

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

20. Insurance. Tenant shall maintain the following insurance:

- a. Commercial general liability with limits of \$5,000,000 per occurrence which may be satisfied by a primary policy with a limit of no less than \$2,000,000 and an umbrella policy of excess liability in the amount of no less than \$5,000,000;
- b. Automobile liability with the combined single limit of \$1,000,000 per accident;
- c. Worker's compensation, as required by law;
- d. Employer's liability with limits of \$1,000,000 per occurrence.

Tenant shall name Otay as an additional insured on each of the aforementioned insurance policies and the policies shall state that they are primary and that any policies Otay maintains shall be noncontributory. Tenant shall provide Otay with written certificates of insurance evidencing such coverage. Said policies shall expressly provide that the policies shall not be canceled or altered without at least thirty (30) days prior written notice to Otay. Said policies shall be with insurance companies with an A.M. Best rating of AVII or better. Each policy limit herein shall be increased by Tenant, upon request by Otay, to the amount Otay increases its policy limits for other contracts.

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

21. Indemnity. Tenant specifically agrees that it shall hold harmless, defend (with counsel, and if needed experts, reasonably acceptable to Otay), indemnify and otherwise protect Otay and each Otay Party, from and against all claims, suits or actions of any kind and description relating to (a) Tenant's obligations under this Agreement and any amendment hereto or (b) Tenant or Tenant Parties use of, and access to, the Premises, the Facilities or the Property. These obligations extend to and include without limitation any and all costs and expenses (including attorneys fees and court costs) incurred by Otay or the Otay Parties in connection with (i) damage to property (including the Premises, the Property or any personal property of Otay or

any third party), (ii) any action or proceeding (including an enforcement action or criminal proceeding) related in any way to any permit (governmental or otherwise), approval or easement obtained by or required of Tenant in connection with this Agreement or the Facilities; and (iii) personal injury or death, except to the extent that such claims, suits or actions directly arise from the gross negligence or willful misconduct of Otay or an Otay Party. This indemnification clause in no way limits any other specific indemnities given by Tenant under other provisions of this Agreement.

Nothing contained herein shall prohibit Otay, in its sole discretion, from participating in the defense of any demand, claim, action, proceeding, or litigation. In no event shall Otay's participation in the defense of any demand claim, action, proceeding, or litigation affect the obligations imposed upon Tenant herein.

This and all other Tenant indemnities shall survive the termination of this Agreement and shall remain in effect for as long as the underlying claim or action remains viable.

22. Estoppel Certificate. Tenant shall, at any time and from time to time upon not less than thirty (30) days prior request by Otay, deliver to Otay a statement in writing certifying that (a) this Agreement is unmodified and in full force, or if there have been modifications, that the Agreement is in full force as modified and identifying the modifications; (b) the dates to which rent and other charges have been paid; (c) as far as the person making the certificate knows, Otay is or is not in default under any provisions of the Agreement; and (d) such other matters as Otay may reasonably request.

23. Assignment. Tenant shall not assign this Agreement or any portion of its rights or obligations hereunder without Otay's prior written consent, except to an affiliated parent entity, subsidiary, purchaser of at least 50% of the aggregate of the assets of Tenant ("assets" means and includes without limitation any and all real, personal or financial property or thing owned or controlled by Tenant or over which Tenant has an interest) or holder of Tenant's FCC license.

a. If during the Term hereof, Tenant requests the written consent of Otay to any assignment, and upon demonstration satisfactory to Otay of the proposed assignee's legal, financial, and technical qualifications to assume all of the Tenant's duties and obligations herein, Otay's consent thereto shall not unreasonably be withheld. Consent to one assignment shall not be deemed consent to any subsequent assignment.

b. Any attempted assignment not permitted under the first paragraph of this Section 23, without Otay's prior consent as set forth in Section 23(a), shall be void and, at Otay's option, shall constitute a termination of this Agreement for which a termination fee as described in Section 16(iii) shall be immediately due.

c. Any assignment of this Agreement shall require an executed "Assignment of Lease" whether or not the Consent of Otay is required pursuant to this section 23 or any other provision of this Agreement. A sample form of the "Assignment of Lease" is attached to this Agreement as Exhibit F which may be amended or modified in Otay's sole discretion.

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

25. Bankruptcy. Otay and the Tenant hereby expressly agree and acknowledge that it is the intention of both parties that in the event that during the term of this Lease, either party shall become a debtor in any voluntary or involuntary bankruptcy proceeding (a Proceeding)

under the United States Bankruptcy Code, 11 U.S.C. 101, et seq. (the Code), this Lease is and shall be treated as an unexpired lease of nonresidential real property for purposes of Section 365 of the Code, 11 U.S.C. 365 (as may be amended), and, accordingly, shall be subject to the provisions of subsections (d)(3) and (d)(4) of said Section 365 (as may be amended).

26. Choice of Law and Venue; Resolution of Disputes.

a. This Agreement shall be interpreted in accordance with the laws of the State of California, without regard to its conflict of laws principles.

b. Any disputes not subject to resolution via arbitration, shall be referred to a court of competent jurisdiction in San Diego County, California. It is the intent of the parties, however, that all controversies or claims arising out of or relating to this Agreement shall be resolved by submission to final and binding arbitration, in accordance with then current rules, at the offices of the American Arbitration Association ("AAA") located in San Diego, California.

27. Attorney's Fees. In the event that either party commences any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any term, covenant, or condition of this Agreement, the party prevailing in said action or proceeding shall be entitled to recover, in addition to court or arbitration costs, reasonable attorneys' fees to be fixed by the court or arbitration official.

28. No Liability of Public Officials. No elected official, officer, employee, agent, or volunteer of Otay shall be personally liable for any default or liability whatsoever under this Agreement.

29. Public Document. Tenant acknowledges that this Agreement and all documents relating hereto are "public records" (as defined in Section 6252(e) of the California Government Code), except for any documents relating to Tenant's financial condition or otherwise exempt from such status pursuant to law, and that public records, with limited exemptions, are subject to public disclosure pursuant to the provisions of California Government Code, commencing with Section 6250.

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

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

32. Survival. Terms and conditions of this Agreement which by their sense and context survive the termination or expiration of this Lease Agreement will so survive.

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

34. Waiver. Waiver of any provision or term of this Agreement, or of any breach or default hereunder, shall not constitute a waiver of any other term, condition, breach or default, or

of a subsequent applicability of a term or condition, or a waiver of a subsequent breach or default, nor shall it constitute an amendment to the term, condition or provision that is waived.

35. Notice. All notices, requests, demands and communications hereunder will be given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid, to be effective when properly sent and received, refused or returned undelivered. Notices may be given by facsimile or email and shall be effective when sent if proof of transmission is retained and duplicate notices are sent by one of the other methods herein described. Notices shall be sent to the addresses set forth below:

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

TENANT: _____
 Attn : _____
 Re: Cell Site #: _____
 Cell Site Name: _____
 Fixed Asset No: _____

With a copy sent concurrently to Tenant's legal department, or counsel, as follows:

Attn : _____
Re: Cell Site #: _____
Cell Site Name: _____
Fixed Asset No: _____

Otay or Tenant may from time to time designate any other addressees and addresses and fax telephone numbers for notices or deliveries by written notice to the other party.

36. Corporate Authority. The persons executing this Agreement on behalf of the Tenant warrant that (i) Tenant is duly organized and legally existing, (ii) he/she/they are duly authorized to execute and deliver this Agreement on behalf of Tenant, (iii) by so executing this Agreement, Tenant is formally bound to the provisions hereof, and (iv) entering into this Agreement does not violate any provision of any other Agreement to which Tenant is bound.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK. THE SIGNATURE PAGE FOLLOWS.]

IN, WITNESS WHEREOF, the parties have executed this Agreement as of the 18 day of June, 2013. This date is referred to as the Commencement Date in the Agreement.
(Tenant's Legal Name)

By: 
Name: JOHN S. WAGNER
Its: MANAGER

Approved as to Form:

Tenant's Counsel

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

By: _____
Name: _____
Its: _____

Approved as to Form:

Otay's General Counsel

ALL-PURPOSE ACKNOWLEDGMENT

State of Oklahoma

County of Oklahoma

On June 18 2013 before me, _____
DATE

Linda J. Hodges
NAME OF NOTARY PUBLIC

personally appeared John S Maguire
NAME(S) OF SIGNER(S)

personally known to me OR proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), an that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Place Notary Seal or Stamp Here

Linda J. Hodges
SIGNATURE OF NOTARY

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it may prove valuable to persons relying on this Acknowledgment and could prevent fraudulent reattachment of this certificate to another document.

DESCRIPTION OF ATTACHED DOCUMENT

THIS CERTIFICATE
MUST BE ATTACHED
TO THE DOCUMENT
DESCRIBED AT RIGHT

Communications Tower Site Lease
TITLE OR TYPE OF DOCUMENT

17
NUMBER OF PAGES

June 2013
DATE OF DOCUMENT

Otay Water District
SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT A
SPECIAL TERMS AND CONDITIONS ADDED TO
AGREEMENT BETWEEN _____ AND
OTAY TO LOCATE COMMUNICATION FACILITIES AT
OTAY'S _____ RESERVOIR SITE, DATED
_____, _____ (THE "AGREEMENT")

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

SPECIAL TERMS AND CONDITIONS

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

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

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

- a. **Waiver of Otay's Lien.** With respect to any such financing entity, Otay waives any lien rights it may have concerning the Facilities, which is deemed Tenant's personal property and not fixtures attached to the Property and Tenant or, if appropriate, the financing entity has the right to remove the same at any time without Otay's consent; provided that Tenant's obligation to pay rent shall not terminate unless, upon removal of the Facilities, Otay elects to terminate the Agreement in which case, Tenant shall pay Otay the termination fee specified in Section 16(iii) of the Agreement. The financing entity shall not have the right to

operate the Facilities without Otay's prior written consent, which may be denied at Otay's discretion for any reason or no reason.

- b. **Collateral.** Tenant may enter into a financing arrangement including promissory notes and financial and security agreements for the financing of the Facilities ("Collateral") with a third party financing entity (and may in the future enter into additional financing arrangements with other financing entities). In connection therewith, Otay (i) consents to the installation of the Collateral in compliance with all requirements of the Agreement; (ii) disclaims any interest in the Collateral, as fixtures or otherwise; and (iii) agrees that the Collateral shall be exempt from execution, foreclosure, sale, levy, attachment, or distress for any Rent due or to become due and that such Collateral may be removed at any time without recourse to legal proceedings; except as set forth in paragraph (a) above.
- c. **Disposition of Collateral.** Notwithstanding paragraphs a. and b., above, if Tenant fails to remove the Collateral, or any component thereof, within five (5) days of the termination of this Agreement, said failure shall constitute abandonment. If thereafter, Tenant or any holder of Collateral, lender or assignee, whether or not notification was provided to Otay, fails to claim and remove the same, within thirty (30) calendar days of the date of termination of this Agreement, Otay is hereby specifically authorized to remove and dispose of the Collateral, or any component thereof, so abandoned at Tenant's sole cost and expense and without incurring any liability to Tenant, or any lender or any other party with any interest in all or any part of the Collateral or the Agreement. Tenant shall pay Otay, upon demand, the termination fee specified in Section 16(iii) of the Agreement.
- d. **No privity or obligation.** Otay does not have privity with any financing entity and specifically disclaims any obligation to any such entity, including any obligation to provide copies of any notices of default or right to cure under the Agreement.

EXHIBIT B

**TO AGREEMENT BETWEEN _____ AND
OTAY TO LOCATE COMMUNICATION FACILITIES AT
OTAY'S _____ RESERVOIR SITE, DATED
_____, _____ (THE "AGREEMENT")**

List of Attachments to Exhibit B:

- ATTACHMENT A. DEPICTION OF RESERVOIR FACILITIES
- ATTACHMENT B. LEGAL DESCRIPTION OF THE PROPERTY
- ATTACHMENT C. LEGAL DESCRIPTION OF THE PREMISES

EXHIBIT C
TO AGREEMENT BETWEEN _____ AND
OTAY TO LOCATE COMMUNICATION FACILITIES AT
OTAY'S _____ RESERVOIR SITE, DATED
_____, _____ (THE "AGREEMENT")

DEPICTION AND LEGAL DESCRIPTION OF EASEMENT

Easement Requested? Yes No
Easement Granted? Yes No

If Easement granted, complete the following information (if recording requested, format appropriately and attach copy of instrument of record):

For good and valuable consideration, receipt of which is hereby acknowledged, the Otay Water District, as Grantor, hereby grants to _____, a [_____] [corporation] [limited liability company]], as Tenant, an Easement to excavate, remove dirt and do any act necessary to install, operate and maintain power lines and connection lines as required in connection with the communications facilities and the antenna to be located on the Premises. The legal description of the land subject to the Easement is as follows:

[Insert Description][See Attachment A]

A drawing depicting the Easement is attached hereto as **Attachment []**. Tenant may not sell, transfer or assign the Easement herein granted to Tenant. Tenant's rights under the Easement are specifically limited to the installation, maintenance and operation of such power lines, transmission lines and other communications lines and accessories as required to efficiently operate Tenant's communication facilities on the Premises as previously approved by Grantor. Following initial installation, Tenant shall not have a right to trench or excavate to repair, modify or replace any approved items without Grantor's prior written consent.

The Easement shall **automatically terminate** on the earlier of **thirty (30) years** from the date hereof **or the day the Agreement is terminated for any reason**. On such date, the Easement shall become unenforceable and, for all purposes, terminate, whether or not a termination or quitclaim is recorded.

Grantor reserves the right to use the lands that are subject to the Easement in any manner and for any purpose that does not materially interfere with Tenant's use thereof.

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

Tenant shall defend, indemnify and hold Grantor and its elected and appointed officials, officers, agents, employees, and volunteers free and harmless from and against any and all losses, claims, liabilities, damages, actions, causes of action, costs and expenses including attorney's fees and costs of court, and injuries, including personal injuries or death (collectively or individually, "Losses") arising out of or in connection with Tenant's access to, installation, occupation, use, operation, maintenance or repair of its Facilities at the Premises, except Losses directly resulting from the willful act or misconduct of Grantor. This indemnity provision shall survive the expiration, cancellation or expiration of this Easement.

EXHIBIT D

**TO AGREEMENT BETWEEN _____ AND
OTAY TO LOCATE COMMUNICATION FACILITIES AT
OTAY'S _____ RESERVOIR SITE, DATED
_____, _____ (THE "AGREEMENT")**

List of Attachments to Exhibit D:

Attachment A. Depiction of the Telecommunication Facilities

Attachment B. Permits

EXHIBIT E

TO AGREEMENT BETWEEN _____ AND OTAY
TO LOCATE COMMUNICATION FACILITIES AT
OTAY'S _____ RESERVOIR SITE, DATED
_____, _____ (THE "AGREEMENT")

Memorandum of Agreement

Check one option.

- None.
- See Attached.

AGENDA ITEM 6e



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 7, 2013
SUBMITTED BY:	Stephen Dobra Purchasing Manager	PROJECT:	Various DIV. NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Rom Sarno, Chief of Administrative Services <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	DECLARATION OF SURPLUS VEHICLES AND EQUIPMENT		

GENERAL MANAGER'S RECOMMENDATION:

That the Board declare the identified vehicles and equipment as surplus to the District's needs.

COMMITTEE ACTION:

See "Attachment A".

PURPOSE:

To present a list of vehicles and equipment and obtain Board declaration that the items identified on the list are surplus to the District's needs.

ANALYSIS:

Listed below are various vehicles and equipment that have been determined by the user departments to be of no use, obsolete (spare parts and service not available), beyond useful life, and/or not cost-effective to repair or operate and therefore, surplus to the District's needs.

Vehicles Identified as Surplus

<u>Item</u>	<u>Qty</u>	<u>Description</u>	<u>Reason for Declaration</u>
1	1	Unit 135, 2001 Ford Expedition, FA#8135, VIN 1FMPU16L11LB51855, 126,700 miles	No longer cost-effective to maintain and operate. Vehicle is no longer required.
2	1	Unit 134, 2002 Ford F-250 Utility Truck, FA#8134, VIN 1FTNF20L02EA58304, 51,000 miles	No longer cost-effective to maintain and operate. Vehicle is no longer required.
3	1	Unit 115, 2000 Ford Ranger Pickup Truck, FA#8115, VIN 1FTYR14X8YPA21493, 50,000 miles	No longer cost-effective to maintain and operate. Vehicle is no longer required.

Equipment Identified as Surplus

<u>Item</u>	<u>Qty</u>	<u>Description</u>	<u>Reason for Declaration</u>
4	4	Chlorinators, Pennwalt Wallace & Tiernan, SN's An-16274, AN-16299, AK-16113, AL-16304	No longer supported by the manufacturer, no longer cost-effective to maintain and operate, and is no longer required.
5	4	Chlorine Analyzers Pennwalt Wallace & Tiernan, SN's AL-28284, AK-15975, AN-16304, AN-16303	No longer supported by the manufacturer, no longer cost-effective to maintain and operate, and is no longer required.
6	1	Survey Base Station FA# 3987, consisting of Trimble 4800 receivers SN 220179258 and SN 220156335, Trimble Trimmak IIE Base and Repeater SN 220154847, Trimble TSCI Data Collector SN 220149134, and associated wires and antennas	No longer required.
7	3	GPS Receiver, Geo Explorer XT, SN's 4511E00029, 4423E00088, 4423E00179	Inoperable, no longer supported by manufacturer, and no longer serviceable.
8	3	GPS Receiver, Geo Explorer XH, SN's 4625482501, 4626483207, 4623478371	No longer required.
9	3	Right Angle Gear Drives, SN's 154977, 154975, 154974	No longer required.

10	2	Caterpillar Diesel Engines, Model No. 3406, FA #1512, and SN 17727	No longer supported by manufacturer, no longer cost-effective to maintain and operate. Engines no longer meet APCD requirements.
11	1	Auto Crane Brand Truck Mounted Crane, SN 320304-228BT-0598	No longer required.
12	2	Lamson Process Air Blower, SN's 911825, 911810	Broken and inoperable and no longer required.
13	1	NEC PBX phone system, hand sets, and associated hardware and cables	No longer required, replaced.

Before vehicles and equipment (where the individual acquisition cost exceeded \$5,000) can be disposed of, the Board must first declare the items as surplus (*ref: Purchasing Manual, Section 12*).

The District's Purchasing Manual identifies the process for disposing of material, equipment, and supplies that have been declared surplus. Typically, items declared surplus are disposed of by sale through public auction.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

The salvage value and associated gain or loss on items is not determined until their disposal. Therefore, the fiscal impact of the recommended action is not known at this time.

STRATEGIC GOAL:

This action supports the District's goal to ensure financial health through efficient operations.

LEGAL IMPACT:

None.

Attachments:

Attachment A - Committee Action Report



ATTACHMENT A

SUBJECT/PROJECT:	DECLARATION OF SURPLUS VEHICLES AND EQUIPMENT
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee (Committee) reviewed this item at a meeting held on July 23, 2013 and the following comments were made:

- Staff presents annually a list of vehicles and equipment that has been identified as surplus to the District's needs.
- Staff is requesting that the board declare the listed vehicles and equipment on pages two (2) and three (3) of staffs' report as surplus.
- In response to an inquiry from the committee, staff indicated that about the same amount of vehicles is being surplused this year as last year. It is felt that there will be less vehicles surplused next year as the District tends to rotate vehicles. The District has reduced the amount of staff in some areas like the treatment plant, but some vehicles will still need to be replaced. Staff indicated that the number of surplused vehicles will not always be the same. It is dependent on need as staffing is adjusted.

Upon completion of the discussion, the Committee supported presentation to the full Board as a consent item.



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 7, 2013
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Andrea Carey Customer Service Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Joseph R. Beachem, Chief Financial Officer <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Authorize the General Manager to Negotiate and Enter into an Agreement with Paymentus for Phone Payment Services		

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to negotiate and enter into a one-year fixed with four option year renewals (five-year term) agreement with Paymentus to provide phone payment services in an amount not to exceed \$250,000 (\$50,000 annually).

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To authorize the General Manager to negotiate and enter into an agreement with Paymentus to provide phone payment services.

ANALYSIS:

The District accepts approximately 2,000 payments per month through the automated phone system. In 2010, the District began offering customers the option to pay by phone at no charge to the customer. Prior to that, the cost to the customer was a \$4.80 flat fee per phone payment transaction. The decision to absorb the cost of this service was made to provide a greater range of free payment methods to customers and to take advantage of credit card discount programs through Visa and MasterCard. The District receives approximately \$1,000,000 in Visa and MasterCard payments per month through the District's web payment portal, the phone payment service and the

front desk. Visa and MasterCard each offer a utility discount to qualified businesses. This discount reduces the fees charged by Visa and MasterCard to the District from an average of 1.8% to approximately 1%. In order to receive the discounted rate, the District cannot charge a convenience fee to its customers for initiating a payment through any payment portal (i.e. web, phone, front desk). The discounted rates from Visa and MasterCard save the District approximately \$8,000 per month in credit card fees; outweighing the costs incurred by the District to offer payment over the phone at no charge. In order to evaluate the cost effectiveness of our current vendor, HP Enterprises, Inc., a request for proposal (RFP) to provide phone payment services for the District was sent to seven vendors.

The District received proposals from three vendors. Evaluation criteria consisted of the vendor's ability to meet District specifications; number of years experience in this type of business with accounts similar to Otay in size; competence and customer service; on time experience in delivery of comparable goods and services; financial stability; and cost.

The phone payment services listed below are based on 30,000 credit card payments per year. This number reflects a higher average than the current 2,000 phone transactions processed monthly. This higher number reflects the historical annual increases in phone payments and the added option to pay using a bank account which is not currently available to customers.

Vendor	Annual Price
Paymentus	\$49,500
Billtrust	\$55,200
Alacriti	\$59,400

Otay is currently paying HP Enterprises, Inc. approximately \$2.40 per phone payment. With Paymentus, Otay will pay approximately \$1.65 per phone payment, resulting in a 30% cost savings to the District. The savings may be greater as the cost to the District is less if customers use their bank account or a debit card instead of credit card to pay.

Paymentus handles payment processing for over 60 utilities in California, including Sweetwater Authority. District staff contacted three current Paymentus customers and all had positive feedback on their relationship with Paymentus and the services offered.

The proposed agreement will ensure that Paymentus is unable to raise prices for five years and that the District is able to terminate for cause, at any time. Additionally, after the initial one-year period, the District will have the option not to renew should opportunities, circumstances or business practices change.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

The annual cost for Paymentus services will be approximately \$50,000 per year. Based on the current volume of payments, the expected savings will be approximately \$18,000 annually.

STRATEGIC GOAL:

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

LEGAL IMPACT:

None.

Attachments:

Attachment A - Committee Action



ATTACHMENT A

SUBJECT/PROJECT:	Authorize the General Manager to Negotiate and Enter into an Agreement with Paymentus for Phone Payment Services
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee (Committee) reviewed this item at a meeting held on July 23, 2013 and the following comments were made:

- Staff is requesting that the board approve a one (1) year agreement with four (4) option year renewals (a five-year term) with Paymentus to provide phone payment services in an amount not-to-exceed \$250,000 (\$50,000 annually).
- The District has provided the option for bill payment via the phone since 2008. The District currently accepts 2,000 payments per month through the automated phone system.
- In 2010 the District began to offer the option to pay by phone at no charge to the customer. Prior to that, the cost was \$4.80 per transaction. Staff indicated the reason the District decided to absorb the cost of the service was to provide customers a greater range of free payment options and to take advantage of credit card discount programs (utility discount) through Visa and Mastercard. The District currently receives, on average, \$8,000 per month in savings through the utility discount. The savings offsets credit card fees and costs incurred by the District to offer payment over the phone service at no charge.
- It was discussed that the more payment options the District can provide its customers, the easier it is for customers to pay their bills. This reduces the number of late payments/collection activities and assists customers who are behind to bring their account current.
- The District wished to evaluate the cost effectiveness of its current vendor, HP Enterprises, Inc., for phone payment services and sent seven vendors a request for proposal. The District received three (3) proposals. The proposals were evaluated and staff is recommending that Paymentus be awarded a one (1) year fixed agreement with four (4) option year renewals (a five-year term).

- Paymentus provides services to many utilities in Southern California including Sweetwater Authority, Helix Water District and Olivenhain MWD.
- Paymentus costs are significantly lower than the District's current vendor, HP Enterprises, Inc. The District's current cost is approximately \$2.40/phone transaction which will be reduced to \$1.65/phone transaction with Paymentus. It was noted that there may be additional cost savings as the District will also be offering customers the ability to utilize their debit cards and bank accounts as well.
- In response to an inquiry from the committee, staff indicated that the District has a sixty (60) day cancellation requirement with its current vendor, HP Enterprises, Inc. This will provide the time needed to make the transition to Paymentus.
- The committee observed that by reducing the phone payment services cost, it will provide a positive impact to the Fiscal Year 2014 budget as the District will be reducing its costs for the service. Staff indicated that it is projected that the District will save approximately \$18,000 annually. It was noted that, with the addition of the debit card payment option, the savings may be higher than \$18,000 because use of the service will likely increase.
- Staff indicated in response to another inquiry from the committee that the District will continue to take all four credit cards (VISA, MasterCard, American Express and Discover) via the phone payment services. Payments made on the District's website may only be made using VISA or MasterCard. Customers are made aware that they may utilize their American Express or Discover cards through the phone payment service.
- It was stated that the phone payment services is very easy to utilize and provides customers the ability to pay their water bills anytime during the day or night. It was indicated that District staff has access to view payments made over the phone or website and can get payment information fairly quickly. This is helpful, especially when a customer has been locked for non-payment. Staff can view a customer's payment and schedule/dispatch a staff member to unlock their meter once they confirm that the customer has made a payment.

Upon completion of the discussion, the Committee supported presentation to the full Board as a consent item.

AGENDA ITEM 7a



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 7, 2013
SUBMITTED BY:	Gary Stalker Water Systems Manager	PROJECT:	DIV. NO. All
APPROVED BY:	<input checked="" type="checkbox"/> Pedro Porras, Chief, Water Operations <input checked="" type="checkbox"/> German Alvarez, Asst. General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Approval of Public Health Goal Report Recommendations		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) approve the recommendations in the Public Health Goal (PHG) Report to take no further action in reducing the levels of the seven constituents listed in the report to levels at or below the PHGs.

COMMITTEE ACTION:

Please see Attachment "A".

PURPOSE:

To present the PHG Report to the Board and to obtain approval for the recommendation that no action be taken to reduce the levels of the seven constituents listed in the report to the PHG or below. The Board meeting will also meet the requirement to have a public hearing to accept and respond to public comment.

ANALYSIS:

California Health and Safety Code §116470 specifies that larger (>10,000 service connections) water utilities prepare a special report by July 1, 2013 if their water quality measurements have exceeded any Public Health Goals (PHGs). PHGs are non-enforceable goals established by the Cal-EPA's Office of Environmental Health Hazard Assessment (OEHHA). The law also requires that where OEHHA has not adopted a PHG for a constituent, the water suppliers are to use the Maximum

Contaminant Level Goals (MCLGs) adopted by USEPA. Only constituents which have a California primary drinking water standard and for which either a PHG or MCLG has been set are to be addressed.

Staff completed this special report before July 1, 2013 (see Attachment B) and staff's recommendation is that no action be taken for the District to install RO treatment or request suppliers to install RO treatment for the following reasons:

- Water served by the District during this three year period met all CDPH and USEPA drinking water standards set to protect public health. CDPH considers water that meets all standards as safe to drink.
- To further reduce the levels of the constituents identified in this report that are already significantly below the health-based MCLs established to provide "safe drinking water", costly treatment processes would be required, translating to an average monthly cost increase of \$26.10 - \$50.18 per District customer.
- The effectiveness of the treatment processes to provide any significant reductions in constituent levels to the PHGs is difficult, if not impossible to determine since the analytical DLR is much higher than the PHG in most cases.
- The health protection benefits of these further hypothetical reductions are not at all clear and may not be quantifiable.

ADDITIONAL INFORMATION:

PHGs are based solely on public health risk considerations. None of the practical risk-management factors that are considered by the USEPA or the California Department of Public Health (CDPH) in setting Maximum Contaminant Levels (MCLs) are considered in setting the PHGs. These factors include analytical detection capability, available treatment technology, benefits and costs. The PHGs are not enforceable and are not required to be met by any public water system. MCLGs are the federal equivalent to PHGs.

If a constituent was detected in the District's distribution system or in the treated water the District purchases from other agencies, between 2010 and 2012, at a level exceeding an applicable PHG or MCLG, the PHG report provides the information required by the regulation. Included is the numerical public health risk associated with the Maximum Contaminant Level (MCL) and the PHG or MCLG, the category or type of risk to health that could be associated with each constituent, the best treatment

technology available that could be used to reduce the constituent level, and an estimate of the cost to install that treatment if it is appropriate and feasible.

The purpose of the report is to provide customers with information on health-related contaminants detected in the water supply, even when detected below the enforceable MCLs, so customers are aware of whatever risks might be posed by the presence of these contaminants. MCLs are set at very conservative levels that provide very low to negligible risk and are considered the regulatory definition of what is "safe". PHGs and MCLGs are set at the theoretical level where there is no health risk. MCLGs are set at zero for many contaminants, such as total coliforms, E. coli, and carcinogens, even though it is understood that zero is an unattainable goal and cannot be measured analytically. Most PHGs and MCLGs are set far below the required Detection Levels for Reporting (DLR) which is the minimum level that CDPH has determined can be accurately reported.

Below is a table summarizing the seven constituents detected above the PHG or MCLG in calendar years 2010, 2011, and/or 2012. More detail for each is provided in the attached PHG Report.

Constituent	Units	MCL	PHG/MCLG	DLR	Levels Detected
Coliforms	% Positive	5.0	0	NA	0 - 1.4
Arsenic	ppb	10	0.004	2	ND - 3.6
Gross Alpha	pCi/L	15	0	3	ND - 9.2
Gross Beta	pCi/L	50	0	4	ND - 8.8
Uranium	pCi/L	20	0.43	1	ND - 4.1
Bromate	ppb	10	0.1	5.0	ND - 6.5
Copper	ppm	1.3	0.3	0.05	0.32 - 0.33

MCL = Maximum Contaminant Level

PHG = Public Health Goal

MCLG = Maximum Contaminant Level Goal

DLR = Detection Limits for Reporting

Levels Detected = Levels detected either in the Otay distribution system (coliforms and copper only) or in water supplied to the District for 2010 through 2012.

NA = Not Applicable

ND = Not Detected at or above the DLR

This table shows that the PHG or MCLG for five out of seven of the constituents is much lower than the DLR. This means that even if additional treatment is performed to reduce the levels of these constituents, the effectiveness of the treatment to reduce the levels to the PHG or MCLG cannot be accurately determined by analytical methods.

The regulation also requires a cost estimate of using the Best Available Technology (BAT) for reducing the level of the constituents to below the PHGs. For coliforms, the BAT is to meet disinfection requirements, which is already done, so no further action is required. For copper, which can leach into the water from plumbing fixtures or copper lines, the BAT is optimized corrosion control, which is also already done, so no further treatment is required.

The BAT for the other five constituents is reverse osmosis (RO). According to the Association of California Water Agencies (ACWA) Cost Estimates for Treatment Technology BAT, it would cost approximately \$1.56 - \$2.99 per 1000 gallons to further remove these constituents using RO treatment. The District's average annual demand for the three year period was 9,964 million gallons per year. Therefore, RO treatment installed and operated by the District or the District's water suppliers to meet the District's water demands would cost from \$15 to \$30 million per year, which translates to an average monthly cost increase of \$26.10 - \$50.18 per District customer (using the July 2012 meter count of 49,493 meters). These estimates include all costs including capital, land, construction, engineering, planning, environmental, contingency and O&M costs for the life of the facilities.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

None

STRATEGIC GOAL:

To meet the District's Mission of providing high value water and wastewater services to the customers of the Otay Water District, in a professional, effective and efficient manner.

LEGAL IMPACT:

None.

Attachment "A", Committee Action

Attachment "B", Otay Water District Public Health Goals Report
on Water Quality



ATTACHMENT A

SUBJECT/PROJECT:	Approval of Public Health Goal Report Recommendations
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on July 24, 2013, and the following comments were made:

- Staff requested that the Board approve the recommendations in the Public Health Goal (PHG) Report to take no further action in reducing the levels of the seven constituents listed on page 3 of the staff report to levels at or below the PHGs.
- Staff indicated that the California Health and Safety Code §116470 required a special report to be prepared by larger water utilities if their water quality measurements exceeded any Public Health Goals (PHGs).
- Staff noted that PHGs are non-enforceable goals established by the Cal-EPA's Office of Environmental Health Hazard Assessment (OEHHA) and are not required to be met by any public water system. If OEHHA has not adopted a PHG for a constituent, water suppliers must use the Maximum Contaminant Level Goals (MCLGs) adopted by USEPA.
- It was discussed that staff completed the special report before July 1, 2013 (See Attachment B) and recommended that no action be taken for the reasons indicated on page 2 of the staff report.
- Staff stated that the purpose of the special report is to provide customers with information on health-related contaminants detected in the water supply, even if the contaminants are detected below the MCLs.
- Staff indicated that the PHG or MCLG for five out of seven of the constituents is much lower than the Detection

Limits for Reporting (DLR). The five constituents are Arsenic, Gross Alpha, Gross Beta, Uranium, and Bromate.

- Staff highlighted that there is no public health issue for the District and that all water served by the District met all State of California, Department of Public Health and USEPA drinking water standards.
- The Committee suggested that staff revise their recommendation to state the following:

“That the Otay Water District (District) Board of Directors approve the recommendations in the Public Health Goal (PHG) Report and that no further actions are necessary to reduce the levels of the seven constituents listed in the report to levels at or below the PHGs.”

- In response to a question by the Committee, staff stated that the District's seven constituents are similar to those reported by other local agencies due to a common water supply for the region.

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



OTAY WATER DISTRICT
Public Health Goals
Report on Water Quality

June 2013

OTAY WATER DISTRICT

PUBLIC HEALTH GOALS REPORT ON WATER QUALITY

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SECTION 1: BACKGROUND INFORMATION

Background

California Health and Safety Code Health and Safety Code §116470 specifies that larger (>10,000 service connections) water utilities prepare a special report by July 1, 2013 if their water quality measurements have exceeded any Public Health Goals (PHGs). PHGs are non-enforceable goals established by the Cal-EPA's Office of Environmental Health Hazard Assessment (OEHHA). The law also requires that where OEHHA has not adopted a PHG for a constituent, the water suppliers are to use the Maximum Contaminant Level Goals (MCLGs) adopted by USEPA. Only constituents which have a California primary drinking water standard and for which either a PHG or MCLG has been set are to be addressed.

The Association of California Water Agencies (ACWA) formed a workgroup which prepared guidelines for water utilities to use in preparing these required reports. The ACWA guidelines were used in the preparation of our report. No guidance was available from state regulatory agencies.

If a constituent was detected in the Otay Water District's (District's) distribution system or in the treated water the District purchases from other agencies, between 2010 and 2012 at a level exceeding an applicable PHG or MCLG, this report provides the information required by the law. Included is the numerical public health risk associated with the Maximum Contaminant Level (MCL) and the PHG or MCLG, the category or type of risk to health that could be associated with each constituent, the best treatment technology available that could be used to reduce the constituent level, and an estimate of the cost to install that treatment if it is appropriate and feasible.

What Are Public Health Goals

PHGs are set by California OEHHA, which is part of Cal-EPA and are based solely on public health risk considerations. None of the practical risk-management factors that are considered by the USEPA or the California Department of Public Health (CDPH) in setting drinking water standards (MCLs) are considered in setting the PHGs. These factors include analytical detection capability, available treatment technology, benefits and costs. The PHGs are not enforceable and are not required to be met by any public water system. MCLGs are the federal equivalent to PHGs.

Reporting Requirements

The purpose of this report is to inform consumers of District's drinking water PHGs that were exceeded during 2010, 2011 and 2012, pursuant to California Health and Safety Code Section 116470(b). In addition, this report provides information about the cost of achieving a water quality level that does not exceed the PHGs. For

general information about the quality of the water delivered by the District, please refer to the Consumer Confidence Report, also known as the Annual Water Quality Report. An online version of these annual reports can be found at www.otaywater.gov.

Included in this report is information regarding the public health risk associated with the MCL and the PHG, such as the possible type of health risk associated with each constituent, the best available treatment technology that may reduce the constituent level, and an estimate of the cost to install such treatment.

Water Quality Data Considered

All of the water quality data collected by our water system between 2010 and 2012 for purposes of determining compliance with drinking water standards was considered. This data was summarized in our 2010, 2011, and 2012 Consumer Confidence Reports which are mailed to all of our customers annually in June. For each regulated contaminant, DHS establishes Detection Limits for the purposes of Reporting (DLR). DLRs are the minimum levels at which any analytical result must be reported to California Department of Public Health (CDPH). Results indicated below the DLRs cannot be quantified with any certainty. In some cases, PHGs are set below the DLRs. Any contaminant reported below the DLR will be considered zero for the purpose of this report, which is accepted by the California Department of Public Health.

Best Available Treatment Technology and Cost Estimates

Both the USEPA and CDPH adopt what are known as Best Available Technologies (BATs), which are the best methods of reducing contaminant levels to the MCL. Costs can be estimated for such technologies. However, since many PHGs and MCLGs are set much lower than the MCL, it is not always possible nor feasible to determine what treatment is needed to further reduce a constituent downward to or near the PHG or MCLG, many of which are set at zero. Estimating the costs to reduce a constituent to zero is difficult, if not impossible because it is not possible to verify by analytical means that the level has been lowered to zero. In some cases, installing treatment to try and further reduce very low levels of one constituent may have adverse effects on other aspects of water quality.

SECTION 2: CONSTITUENTS DETECTED THAT EXCEED A PHG

The following is a discussion of constituents that were detected in the Districts distribution system, or one or more of our drinking water treated water sources at levels above the PHG, or MCLG (if no PHG has been established).

Arsenic

Arsenic is a naturally occurring element in the earth's crust and is very widely distributed in the environment. All humans are exposed to microgram quantities of arsenic (inorganic and organic) largely from food (25 to 50 µg/day) and to a lesser degree from drinking water and air. In certain geographical areas, natural mineral deposits may contain large quantities of arsenic and this may result in higher levels of arsenic in water. Waste chemical disposal sites may also be a source of arsenic contamination of water supplies. The main commercial use of arsenic in the U.S. is in pesticides, mostly herbicides and in wood preservatives. Misapplication or accidental spills of these materials could result in contamination of nearby water supplies. Arsenic does not have a tendency to accumulate in the body at low environmental exposure levels.

Studies in humans have shown considerable individual variability in arsenic toxicity. The levels of arsenic that most people ingest in food and water (up to 50 µg/day) have not usually been considered to be of health concern for non-cancer effects.

The MCL for arsenic is 10 parts per billion (ppb), the PHG and MCLG for arsenic is 0.0004 ppb. The DLR, which is the lowest level that CDPH has determined can be measured with certainty, is 2 ppb. Arsenic levels in water that the District purchases from other agencies from 2010 – 2013 ranged from <2 ppb – 3.6 ppb. The health risk associated with arsenic, and the reason that a drinking water standard was adopted for it, is that people who drink water containing Arsenic above the MCL throughout their lifetime could experience an increased risk of getting cancer. The PHG of 0.0004 ppb is based on a level that will result in not more than 1 excess cancer in 1 million people who drink 2 liters daily of this water for 70 years. The actual cancer risk may be lower or zero. Because the DLR for arsenic (2 ppb) is greater than the PHG (0.0004 ppb), it would be difficult to assess the effectiveness of RO treatment on reaching the PHG level.

The best available technology (BAT) cited in literature to remove arsenic is reverse osmosis. All costs including capital, land, construction, engineering, planning, environmental, contingency and O&M costs are included but only general assumptions can be made for these items. According to the Association of California Water Agencies (ACWA) Cost Estimates for Treatment Technology BAT, it would cost approximately \$1.56-\$2.99 per 1000 gallons to treat bromate using RO treatment. The District's average annual demand for the three year period was 9,964 million gallons per year. Therefore, RO treatment installed and operated by the District's water suppliers to meet the District's water demands would cost from \$15 to \$30 million per year, which translates to an average monthly cost increase of \$26.10 - \$50.18 per District customer.

Bromate

Bromate in water is formed when water containing naturally occurring bromide is disinfected with ozone. Bromate also has a long history of use as a food additive [at levels up to 75 parts per million (ppm) in flour], where it is largely converted to bromide in the baking process.

The MCL for bromate is 10 ppb, the PHG is 0.1 ppb and the MCLG is zero based on a running annual average (RAA). The DLR is 5 ppb. The RAA of bromate levels in water that the District purchases from other agencies from 2010 – 2013 ranged from <5 ppb to 6.5 ppb.

The CDHS and USEPA have determined that bromate is a health concern at certain levels of exposure. The category of health risk associated with bromate, and the reason that a drinking water standard was adopted for it, is that some people who drink water containing bromate in excess of the MCL over many years may have an increased risk of getting cancer. The numerical health risk for the MCLG of zero mg/L is zero. CDHS and USEPA set the drinking water standard for bromate at 10 mg/L to reduce the risk of cancer or other adverse health effects.

One of the most effective Best Available Treatment (BAT) technologies for bromate reduction is reverse osmosis (RO). RO treatment reduces the natural occurring bromide in source water, therefore reducing bromate formation when ozone is applied. Because the DLR for bromate (5 ppb) is greater than the PHG (0.1ppb), it would be difficult to assess the effectiveness of RO treatment on reaching the PHG level. According to the Association of California Water Agencies (ACWA) Cost Estimates for Treatment Technology BAT, it would cost approximately \$1.56-\$2.99 per 1000 gallons to treat bromate using RO treatment. The District's average annual demands for the three year period were 9,964 million gallons per year. Therefore, RO treatment installed and operated by the District's water suppliers to meet the District's water demands would cost from \$15 to \$30 million per year, which translates to an average monthly cost increase of \$26.10 - \$50.18 per District customer.

Coliform Bacteria

During 2010, 2011, and 2012, the District collected between 132 and 165 samples each month for total coliform analysis. On rare occasions, a sample was found to be positive for coliform bacteria but follow-up check samples were negative. These were not a violation of state standards. A maximum of 0.6% of these samples were positive in any month. Normally the total coliform was zero and it is likely that the positive samples were due to debris entering the sample at the sample station. *E. Coli* was not detected in any samples.

The MCL for coliform is 5% positive samples of all samples per month and the MCLG is zero. The reason for the coliform drinking water standard is to minimize the

possibility of the water containing pathogens which are organisms that cause waterborne disease. Because coliform is only a surrogate indicator of the potential presence of pathogens, it is not possible to state a specific numerical health risk. While USEPA normally sets MCLGs “at a level where no known or anticipated adverse effects on persons would occur”, they indicate that they cannot do so with coliforms.

Coliform bacteria are indicator organisms that are ubiquitous in nature and are not generally considered harmful. They are used because of the ease in monitoring and analysis. If a positive sample is found, it indicates a potential problem that needs to be investigated and follow-up sampling done. It is not at all unusual for a system to have an occasional positive sample. It is difficult, if not impossible to assure that a system will never get a positive sample.

Important measures that we have implemented include: an effective cross-connection control program; maintenance of a disinfectant residual throughout our system; an effective monitoring and surveillance program; maintaining positive pressure in our distribution system; implementation of a rigorous pipeline disinfection procedure for in-line repair and construction; training in proper sampling techniques to prevent false positives; and replacement of system piping to reduce pipe failures. Our system has already taken all of the steps described by California Department of Public Health as “best available technology” for coliform bacteria in Section 64447, Title 22, CCR.

Copper

There is no MCL for copper. Instead the 90th percentile value of all samples from household taps in the distribution system cannot exceed an Action Level of 1.3 part per million (ppm). The PHG for copper is 0.30 ppm and the DLR is 0.05 ppm. The category of health risk for copper is gastrointestinal irritation. Numerical health risk data on copper has not yet been provided by OEHHA, the State agency responsible for providing that information.

Based on extensive sampling of our distribution system in 2011, our 90th percentile value for copper was 0.32 ppm. Our water system is in full compliance with the Federal and State copper regulation and we are deemed by CDHS to have “optimized corrosion control” for our system. In general, optimizing corrosion control is considered to be the best available technology to deal with corrosion issues and with any copper findings.

Since the water distributed by the District meets the “optimized corrosion control” requirements, it is not prudent to initiate additional corrosion control treatment as it involves the addition of other chemicals and there could be additional water quality issues raised. Therefore, no estimate of cost has been included.

Radiological: Gross Alpha & Uranium

Gross alpha particle activity detections are typically due to uranium. Uranium is a naturally-occurring radioactive element that is ubiquitous in the earth's crust. Uranium is found in ground and surface waters due to its natural occurrence in geological formations. The national average uranium concentration in surface, ground and domestic water are 1, 3, and 2 picoCuries per liter (pCi/L), respectively. The requirement for radiological monitoring, including uranium, is four consecutive quarters every four years. The California MCL for uranium is 20 pCi/L. Uranium levels in water that the District purchases from other agencies from 2010 – 2013 ranged from <1 pCi/L – 3.6 pCi/L.

The Public Health Goal for uranium is 0.43 pCi/L and the DLR is 1 pCi/L. The numerical health risk for uranium based on the California PHG is 1×10^{-6} . This means one excess cancer case per million population. The health risk category for uranium is carcinogenicity; chronic toxicity (cancer, human data; kidney toxicity). Carcinogenic risk means capable of producing cancer. Chronic toxicity risk means there may be adverse effects that usually develop gradually from low levels of chemical exposure and that persist for a long time.

The best available technology (BAT) cited in literature to remove gross alpha particle activity and uranium is reverse osmosis. All costs including capital, land, construction, engineering, planning, environmental, contingency and O&M costs are included but only general assumptions can be made for these items. According to the Association of California Water Agencies (ACWA) Cost Estimates for Treatment Technology BAT, it would cost approximately \$1.56-\$2.99 per 1000 gallons to treat Alpha and Uranium using RO treatment. The District's average annual demands for the three year period were 9,964 million gallons per year. Therefore, RO treatment installed and operated by the District's water suppliers to meet the District's water demands would cost from \$15 to \$30 million per year, which translates to an average monthly cost increase of \$26.10 - \$50.18 per District customer.

Gross Beta

Certain minerals are radioactive and may emit a form of radiation known as photons and beta radiation. The MCL is 50 pCi/L and the DLR is 4 pCi/L. There is no PHG for gross beta particle activity and the MCLG is zero pCi/L.

Uranium levels in water that the District purchases from other agencies from 2010 – 2013 ranged from <1 pCi/L – 3.6 pCi/L. The CDPH and USEPA, which set drinking water standards, have determined that gross beta particle activity is a health concern at certain levels of exposure. This radiological constituent is a naturally occurring contaminant in some groundwater and surface water supplies. The category of health risk associated with gross beta particle activity, and the reason that a drinking water standard was adopted for it, is that some people who drink

water containing beta and photon emitters in excess of the MCL over many years may have an increased risk of getting cancer. The numerical health risk for the MCLG of zero pCi/L is zero. CDHS and USEPA set the drinking water standard for gross beta particle activity at 50 pCi/L to reduce the risk of cancer or other adverse health effects.

The Best Available Technologies (BATs) identified to treat gross beta particle activity are ion exchange and reverse osmosis (RO). The most effective method to consistently remove beta and photon emitters to the MCLG is to install RO treatment. All costs including capital, land, construction, engineering, planning, environmental, contingency and O&M costs are included but only general assumptions can be made for these items. According to the Association of California Water Agencies (ACWA) Cost Estimates for Treatment Technology BAT, it would cost approximately \$1.56-\$2.99 per 1000 gallons to treat Gross Beta using RO treatment. The District's average annual demands for the three year period were 9,964 million gallons per year. Therefore, RO treatment installed and operated by the District's water suppliers to meet the District's water demands would cost from \$15 to \$30 million per year, which translates to an average monthly cost increase of \$26.10 - \$50.18 per District customer.

SECTION 3: RECOMMENDATIONS FOR FURTHER ACTION

All water served by the District met all State of California, Department of Public Health and USEPA drinking water standards set to protect public health during this three year period. CDPH considers water that meets all standards as safe to drink. To further reduce the levels of the constituents identified in this report that are already significantly below the health-based Maximum Contaminant Levels established to provide "safe drinking water", additional costly treatment processes would be required, translating to an average monthly cost increase of \$26.10 - \$50.18 per District customer.

The effectiveness of the treatment processes to provide any significant reductions in constituent levels to the PHGs is difficult, if not impossible to determine since the analytical DLR is much higher than the PHG in most cases. The health protection benefits of these further hypothetical reductions are not at all clear and may not be quantifiable. Therefore, no further actions ~~is recommended.~~ are necessary to reduce the levels of the seven constituents to the PHG or below.



AGENDA ITEM 8a

STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	August 7, 2013
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 2013 Calendar of Meetings		

GENERAL MANAGER'S RECOMMENDATION:

At the request of the Board, the attached Board of Director's meeting calendar for 2013 is being presented for discussion.

PURPOSE:

This staff report is being presented to provide the Board the opportunity to review the 2013 Board of Director's meeting calendars 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.

Attachments: Calendar of Meetings for 2013

**Board of Directors, Workshops
and Committee Meetings
2013**

Regular Board Meetings:

January 8, 2013
February 6, 2013
March 6, 2013
April 3, 2013
May 1, 2013
June 5, 2013
July 3, 2013
August 7, 2013
September 4, 2013
October 2, 2013
November 6, 2013
December 4, 2013

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

January 16, 2013
February 20, 2013
March 20, 2013
April 17, 2013
May 15, 2013
June 19, 2013
July 17, 2013
August 21, 2013
September 18, 2013
October 16, 2013
November 20, 2013

SPECIAL BOARD MEETINGS:

BOARD WORKSHOPS:

AGENDA ITEM 9



STAFF REPORT

TYPE		MEETING			
MEETING:	Regular Board	DATE:	August 7, 2013		
SUBMITTED	Mark Watton	W.O./G.F.	N/A	DIV.	N/A
BY:	General Manager	NO:	NO.		
APPROVED BY:	<input checked="" type="checkbox"/> Mark Watton, General Manager				
SUBJECT:	General Manager's Report				

GENERAL MANAGER:

- **Jamul Water Main Break:** The Department of Fish and Game (DFG) notified the District on July 15th that water was surfacing in the vegetated area south of Campo Road and just west of the 944 Pump Station in Jamul. Staff determined there was approximately 15 gpm of potable water surfacing near the District's 16-inch steel main that supplies water to most of Jamul. Due to the main being down a steep bank from the road in a highly vegetated area, Operations determined the District did not have the proper equipment to make the repair and a contractor would need to be retained. Since there is no redundant feed to Jamul, Operations recommended that the General Manager declare an emergency so repairs could be expedited. Since it is an environmentally sensitive area, the District retained a biologist to monitor the work. The District also coordinated with Cal-Trans since repairs were made within their right-of-way. No customers were affected during the one day shutdown. The contractor discovered a small hole in the top of the main at a joint caused by a root damaging the mortar, allowing the steel to corrode. The rest of the pipe was in good condition and the pipe was repaired and placed back into service on July 23rd. Operations staffs' estimate for the repairs was approximately \$30,000. DFG and Cal-Trans were satisfied with the District's and the contractor's efforts to minimize impacts during the repairs.

ADMINISTRATIVE SERVICES:

Purchasing, Facilities, and Water Conservation:

- Purchase Orders - There were 167 purchase orders processed in July 2013 for a total of \$24,177,811.32.
 - o PO #717051 in the amount of \$946,900 was issued for the 803-3 and 832-2 reservoir interior/exterior coatings and upgrades project, for the period of February 25, 2013 to July 25, 2013.
- Residential and Commercial Landscape Surveys Provided by Mission Resources Conservation District - District customers requesting water conservation assistance are provided free residential surveys and commercial audits by Mission Resources Conservation District (MRCD). Customers contact MRCD and an appointment is scheduled at their convenience. MRCD is CWA's countywide consultant providing residential surveys, commercial audits and additional field services to District sites. The District is invoiced \$62.50 per residential survey and \$42.50 per acre for commercial audits with CWA providing a matching amount. In FY 2013, MRCD staff provided 118 residential surveys and one commercial audit.
- Water Conservation Garden - The Garden has contracted with the University of San Diego to prepare a long-range master plan to identify avenues for financial support that will cover future capital improvement projects. A draft version titled, "Re-Imagining Our Relationship with Water: The Water Conservation Garden Capital and Endowment Campaign Case for Support," is being circulated among Garden stakeholder groups for input.

Human Resources:

- Upcoming Employee Programs - The Employee Picnic will be held on Saturday, September 7, 2013, from 11:00 am - 4:00 pm at Santee Lakes. The Employee Recognition Luncheon will be held on Wednesday, September 25, 2013, from 12:00 pm - 1:30 pm.
- Recruitments - HR is in the process of recruiting for Construction Inspector and Equipment Mechanic II, and preparing to recruit for a Water Systems Operator I/II/III.
- New Hires - There were two new hires in the month of July: Utility Worker I and Safety & Security Specialist.

INFORMATION TECHNOLOGY AND STRATEGIC PLANNING:

- System Replacements - Request for proposals (RFP's) for the Work Management and the SCADA system replacement have been released for vendor bids. Both systems are at end of life and in need of replacement. As is common with system replacements, the new system will continue to provide the necessary functionality, but also allow a significant upgrade in capabilities as the technology has evolved significantly in the last 10 years. The District anticipates a vendor selection in the next four months.
- Communications Systems Upgrades - Day Wireless was selected as the vendor, and implementation of quality control review of the wireless system in the North District has begun. This will assure that both the hardware is reliable and that the design has an appropriate level of redundancy. The wireless system is necessary to support the new SCADA environment and will provide opportunities to support our security systems as a secondary benefit. This effort is being led by Operations with significant technical support from IT. Once complete, IT will take over the primary support responsibilities for the wireless network providing communication services to Operations for SCADA and other uses.
- ESRI - International Users Conference in San Diego - Staff (Ming Zhao and Geoff Stevens) provided a presentation at the 2013 ESRI International User Conference on July 11th focusing on the relationship between GIS and Asset Management and highlighting some of the benefits the District will achieve from the combination of these efforts. The conference draws approximately 15,000 GIS professionals to San Diego every year.
- Phone Vendor Support - As part of the annual process of reviewing contracts and service levels, staff is changing phone vendors from American Telesource Inc. (ATI) to Advanced Call Processing, Inc. (ACP). ACP has demonstrated a stronger local base of support for our Interactive Intelligence (I3) phone system.
- Software Replacement for Viewing GIS Maps in the Field - IT staff is in the process of replacing our Field Mapplet software for newer and more functional software from Iwater. This software provides the GIS interface for field workers to enhance their ability to execute work orders as well as take advantage of GIS information. The new system is fully integrated with GIS and Cityworks, which will be our new work order system.

- Asset Management Workshop - IT, Operations, Engineering and Finance staff participated in a workshop on July 16th and 17th to further review Otay's Asset Management Program. The content of the workshop was excellent. It was hosted at the Orange County Sanitation District. The general advice from other practitioners confirmed that the enterprise approach that Otay is taking is the most effective direction based upon industry best practice. Integrating this effort into other operational priorities is always a challenge but can be achieved with careful planning and teamwork. The broad base of support from all departments highlighted Otay's management commitment to achieve these objectives while still fulfilling day-to-day operational priorities. The product of this workshop and subsequent team review will be a revised and better-integrated project plan for asset management.

FINANCE:

- Fiscal Year-End Answer Rate - The Customer Service department finished the fiscal year with an average answer rate of 98.9%. This accomplishment was the result of many years' worth of dedicated staff innovation, time-saving measures and process improvements. This very visible measure demonstrates the District's commitment to customer-centered service.
- 2013 Financial Audit - Staff is currently closing the books for the fiscal year ending June 30, 2013 and preparing for the fiscal 2013 annual financial audit, which will be performed by White, Nelson, Diehl, Evans LLP. The auditors have completed their preliminary audit procedures and final fieldwork is scheduled to be completed in September. Under California Government Code section 26909, the District is required to have a financial audit performed annually.
- Financial Reporting:
 - o For the twelve months ended June 30, 2013, there are total revenues of \$84,761,554 and total expenses of \$82,609,401. The revenues exceeded expenses by \$2,152,153.
 - o The market value shown in the Portfolio Summary and in the Investment Portfolio Details as of June 30, 2013 total \$82,719,671.01 with an average yield to maturity of 0.350%. The total earnings year-to-date are \$340,168.23.

ENGINEERING AND WATER OPERATIONS:

Engineering:

- **Regulatory Site Access Road:** This project will improve the existing access road from the Sheriff substation to the reservoir site. The San Miguel Fire Department (Fire Department) is negotiating with the County to accept this access road as a substitute for the Campo Road deceleration lane requirement in their Major Use Permit. Staff continues working with the County to develop the easement documents. Easements will describe access rights and responsible parties for future maintenance of the entire road alignment from the Jamacha/SR-94 intersection, entrance to the Regulatory Site, and the current access off the SR-94. With the acceptance of the MND by the Board in July, staff will be applying for a grading permit with the County and a Joint Use Agreement with the Water Authority for the road encroachment within their easement. An unresolved item is the Fire Department does not have funding in place for the construction of the road, or for the maintenance of the Skyline Church entrance. (P2504)
- **North District - South District Interconnection System:** 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. The Draft Environmental Impact Report was issued for public comment on June 12, 2013. The 45-day public comment period ended July 26, 2013. Staff is working with Sweetwater Authority concerning conflicts with their pipelines. (P2511)
- **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 8, 2013. Sepulveda submitted additional change requests for extended overhead and traffic control delays on the project. Staff has evaluated these requests and has provided an initial determination of "no merit" on these requests based on the information submitted. The Project is within budget and construction is completed. (P2514)
- **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. Staff will be bringing a Change Order to the Board for consideration as part of the closing out this project. The Project is within budget and construction is anticipated to be completed in August 2014. (R2091)

- **Avocado, Louisa, Calavo, Challenge, Hidden Mesa Sanitary Sewer Replacement:** This project consists of replacing approximately 4,500 linear-feet of sewer pipeline in Avocado Boulevard and neighboring residential streets. The contract has been accepted and the Notice of Completion was filed with the County of San Diego on July 2, 2013. The Project is within budget. (S2019, S2020, S2022, S2026)
- **624-1 Reservoir Cover Replacement:** This project consists of replacing the floating cover on the 624-1 Reservoir. The existing cover is at the end of its useful life and in need of replacement. The contract has been accepted and the Notice of Completion was filed with the County of San Diego on July 2, 2013. The Project is within budget. (P2477)
- **12-Inch Potable Water Pipeline, East Orange Avenue, I-805 Crossing:** This project consists of the installation of approximately 1,915 linear-feet of 12-inch steel and PVC pipe along with the associated appurtenances from the intersection of Melrose Avenue and Orange Avenue, east across the I-805 overpass, to the intersection of Olympic Parkway and Oleander Avenue in Chula Vista. This new pipeline is needed to meet fire flow requirements while Caltrans reconstructs the Palomar Bridge overpass, which contains a 10-inch pipeline that will be temporarily out of service. The water line was put into service on July 1, 2013. The remaining work of the project consists of final paving and punch list items. The Project is within budget and anticipated to be completed in August 2013. (P2513)
- **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 MG 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), is nearing completion on the 803-3 Reservoir. The remaining work at this location consists of disinfection, filling the reservoir, and testing to put the 803-3 reservoir in service. Work is nearing completion at the 832-2 Reservoir. The remaining work at this location consists of disinfection, filling the reservoir, and testing to put the 832-

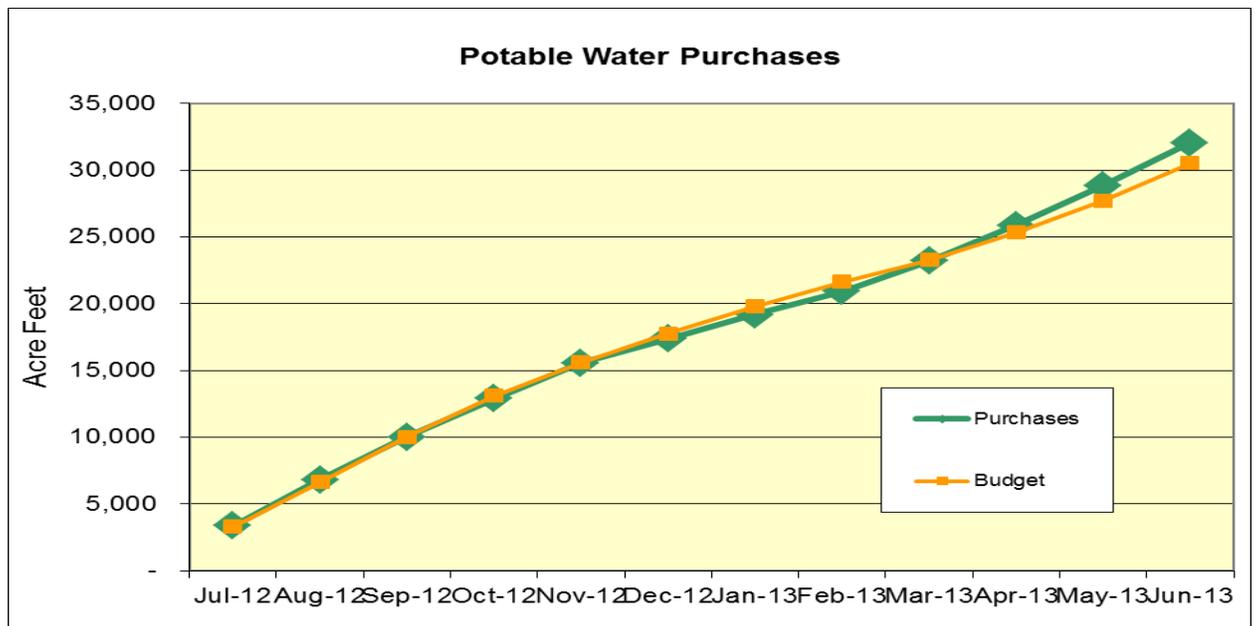
2 reservoir in service. The Project is within budget and is anticipated to be completed in August 2013. (P2518 & P2519)

- For the month of June 2013, the District sold 6 meters (6 EDUs) generating \$54,923 in revenue. Projection for this period was 27.6 meters (36.6 EDUs) with budgeted revenue of \$331,005. Total revenue for Fiscal Year 2013 through June 2013 is \$3,242,833 against the annual budget of \$3,972,064.
- The following table summarizes Engineering's project purchases issued during the period of June 1, 2013 through July 15, 2013 that were within staff signatory authority:

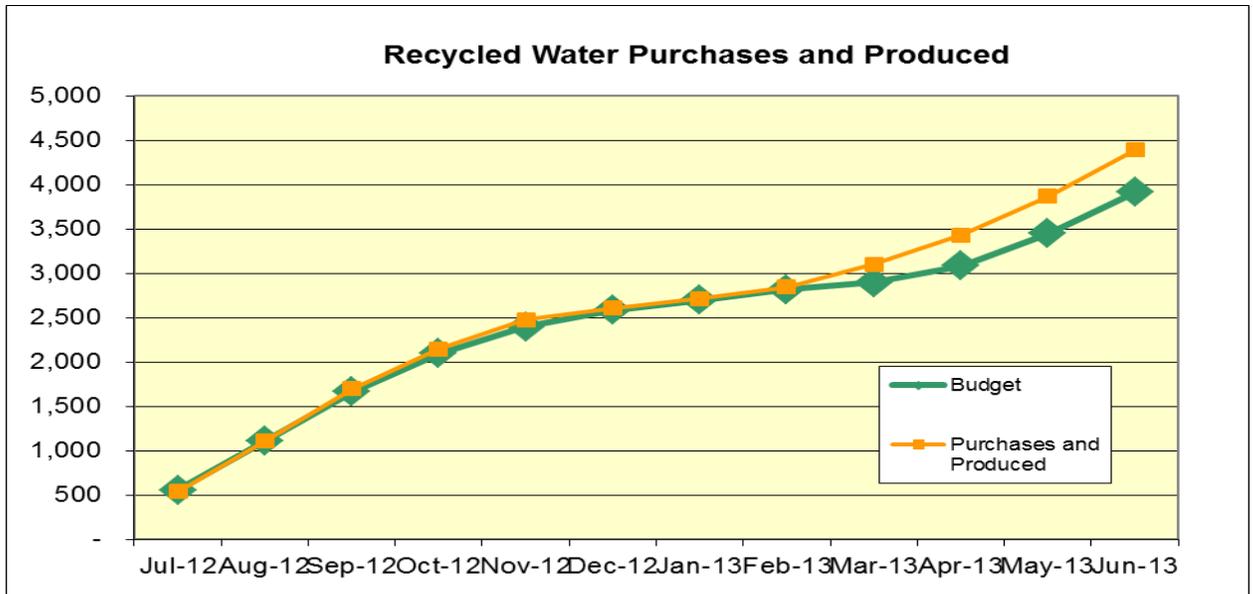
Date	Action	Amount	Contractor/ Consultant	Project
7/10/13	P.O.	\$15,000	Clarkson Lab & Supply, Inc.	Various CIP and developer projects for Fiscal Year 2014

Water Operations:

- Total number of potable water meters is 49,087.
- The June potable water purchases were 3,220.0 acre-feet which is 15.6% above the budget of 2,786.6 acre-feet. The cumulative purchases through June is 32,058.6, acre-feet which is 5.1% above the cumulative budget of 30,514.0 acre-feet.



- The June recycled water purchases and production was 524.6 acre-feet which is 12.8% above the budget of 465.1 acre-feet. The cumulative production and purchases through June is 4,392.0 acre-feet which is 12.3% above the cumulative budget of 3,911.2 acre-feet.



- Recycled water consumption for the month of June is as follows:
 - Total consumption was 583.6 acre-feet or 190,086,248 gallons and the average daily consumption was 6,336,208 gallons per day.
 - Total recycled water consumption as of June for FY 2013 is 4617.2 acre-feet.
 - Total number of recycled water meters is 708.
- Wastewater flows for the month of June were as follows:
 - Total basin flow, gallons per day: 1,728,568.
 - Spring Valley Sanitation District Flow to Metro, gallons per day: 572,581.
 - Total Otay flow, gallons per day: 1,155,610.
 - Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 1,148,018.
 - Flow to Metro from Otay Water District, gallons per day: 7,969.
- By the end of June there were 6,083 wastewater EDUs.

OTAY WATER DISTRICT
COMPARATIVE BUDGET SUMMARY
 FOR TWELVE MONTHS ENDED JUNE 30, 2013

	Annual Budget	YTD Actual	YTD Budget	YTD Variance	Var %
REVENUES:					
Water Sales	\$ 39,110,200	\$ 40,841,346	\$ 39,110,200	\$ 1,731,146	4.4%
Energy Charges	1,809,500	1,966,701	1,809,500	157,201	8.7%
System Charges	10,328,400	10,317,143	10,328,400	(11,257)	(0.1%)
MWD & CWA Fixed Charges	9,705,800	9,750,071	9,705,800	44,271	0.5%
Penalties	800,500	821,103	800,500	20,603	2.6%
Total Water Sales	<u>61,754,400</u>	<u>63,696,364</u>	<u>61,754,400</u>	<u>1,941,964</u>	<u>3.1%</u>
Recycled Water Sales	7,702,400	8,516,516	7,702,400	814,116	10.6%
Sewer Charges	2,555,200	2,607,647	2,555,200	52,447	2.1%
Meter Fees	112,200	108,538	112,200	(3,662)	(3.3%)
Capacity Fee Revenues	1,180,600	1,237,085	1,180,600	56,485	4.8%
Betterment Fees for Maintenance	689,400	612,663	689,400	(76,737)	(11.1%)
Non-Operating Revenues	1,914,300	1,856,348	1,914,300	(57,952)	(3.0%)
Tax Revenues	3,882,600	3,644,629	3,882,600	(237,971)	(6.1%)
Interest	105,700	60,364	105,700	(45,336)	(42.9%)
Transfer from OPEB	879,500	879,500	879,500	-	0.0%
General Fund Draw Down	946,900	946,900	946,900	-	0.0%
Transfer from General Fund	595,000	595,000	595,000	-	0.0%
Total Revenues	<u>\$ 82,318,200</u>	<u>\$ 84,761,554</u>	<u>\$ 82,318,200</u>	<u>\$ 2,443,354</u>	<u>3.0%</u>
EXPENSES:					
Potable Water Purchases	\$ 30,552,200	\$ 32,059,652	\$ 30,552,200	\$ (1,507,452)	(4.9%)
Recycled Water Purchases	1,504,000	1,391,947	1,504,000	112,054	7.5%
CWA-Infrastructure Access Charge	1,818,000	1,818,204	1,818,000	(204)	(0.0%)
CWA-Customer Service Charge	1,687,800	1,688,369	1,687,800	(569)	(0.0%)
CWA-Emergency Storage Charge	4,086,000	4,086,425	4,086,000	(425)	(0.0%)
MWD-Capacity Res Charge	504,000	503,873	504,000	127	0.0%
MWD-Readiness to Serve Charge	1,610,400	1,609,710	1,610,400	690	0.0%
Subtotal Water Purchases	<u>41,762,400</u>	<u>43,158,180</u>	<u>41,762,400</u>	<u>(1,395,779)</u>	<u>(3.3%)</u>
Power Charges	2,368,000	2,406,189	2,368,000	(38,189)	(1.6%)
Payroll & Related Costs	18,856,200	18,333,949	18,856,200	522,251	2.8%
Material & Maintenance	3,747,900	3,730,065	3,747,900	17,835	0.5%
Administrative Expenses	4,424,900	3,921,493	4,424,900	503,407	11.4%
Legal Fees	380,000	280,725	380,000	99,275	26.1%
Expansion Reserve	3,936,000	3,936,000	3,936,000	-	0.0%
Betterment Reserve	1,120,000	1,120,000	1,120,000	-	0.0%
Replacement Reserve	743,000	743,000	743,000	-	0.0%
Transfer to Sewer Fund Reserve	595,000	595,000	595,000	-	0.0%
Transfer to General Fund Reserve	2,285,800	2,285,800	2,285,800	-	0.0%
Transfer to Sewer Replacement	2,099,000	2,099,000	2,099,000	-	0.0%
Total Expenses	<u>\$ 82,318,200</u>	<u>\$ 82,609,401</u>	<u>\$ 82,318,200</u>	<u>\$ (291,201)</u>	<u>(0.4%)</u>
EXCESS REVENUES(EXPENSE)	<u>\$ -</u>	<u>\$ 2,152,153</u>	<u>\$ -</u>	<u>\$ 2,152,153</u>	

OTAY
Portfolio Management
Portfolio Summary
June 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	44,735,000.00	44,596,944.05	44,735,504.90	54.54	904	746	0.370	0.375
Certificates of Deposit - Bank	81,326.80	81,326.80	81,326.80	0.10	731	205	0.280	0.284
Local Agency Investment Fund (LAIF)	17,014,726.66	17,032,057.86	17,014,726.66	20.74	1	1	0.241	0.244
San Diego County Pool	20,187,513.74	19,982,999.74	20,187,513.74	24.61	1	1	0.405	0.411
Investments	82,018,567.20	81,693,328.45	82,019,072.10	100.00%	494	408	0.352	0.357
Cash								
Passbook/Checking (not included in yield calculations)	1,026,342.56	1,026,342.56	1,026,342.56		1	1	0.200	0.203
Total Cash and Investments	83,044,909.76	82,719,671.01	83,045,414.66		494	408	0.352	0.357

Total Earnings	June 30 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	24,084.57	340,168.23	340,168.23
Average Daily Balance	83,043,277.28	84,723,319.81	
Effective Rate of Return	0.35%	0.40%	

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



 Joseph Beachem, Chief Financial Officer

7-18-13

**OTAY WATER DISTRICT
INVESTMENT PORTFOLIO REVIEW
June 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 June 19th, 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.*"

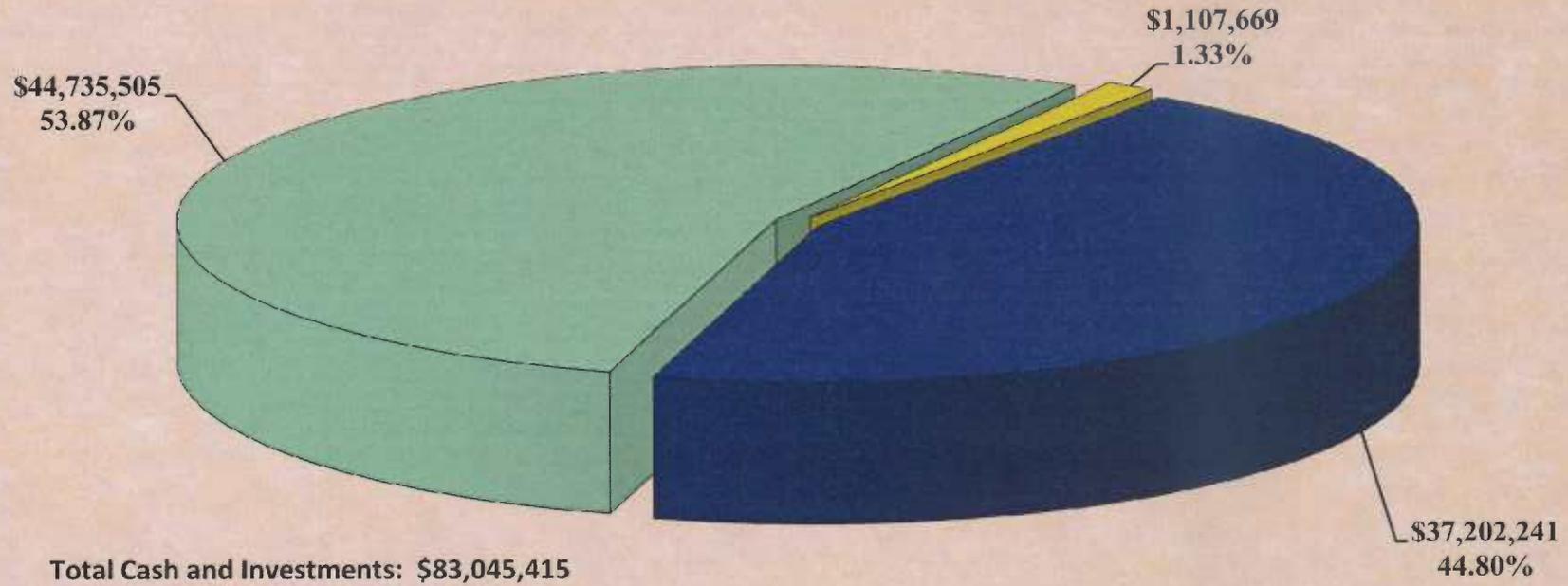
Despite the large drop in available interest rates, the District's overall effective rate of return at June 30, 2013 was 0.35%, which remained unchanged from the previous month. At the same time the LAIF return on deposits has declined over the last several months, reaching an average effective yield of 0.244% for the month of June 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: June 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	\$12.9 Million
8.02:	Local Agency Investment Fund (Bonds)	100%	100%	4.91%
8.03:	Federal Agency Issues	100%	100%	53.87%
8.04:	Certificates of Deposit	30%	15%	0.10%
8.05:	Short-Term Commercial Notes	25%	15%	0
8.06:	Medium-Term Commercial Debt	30%	15%	0
8.07:	Money Market Mutual Funds	20%	15%	0
8.08:	San Diego County Pool	100%	100%	24.31%
12.0:	Maximum Single Financial Institution	100%	50%	1.24%

Otay Water District Investment Portfolio: 6/30/2013



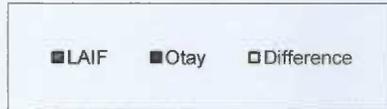
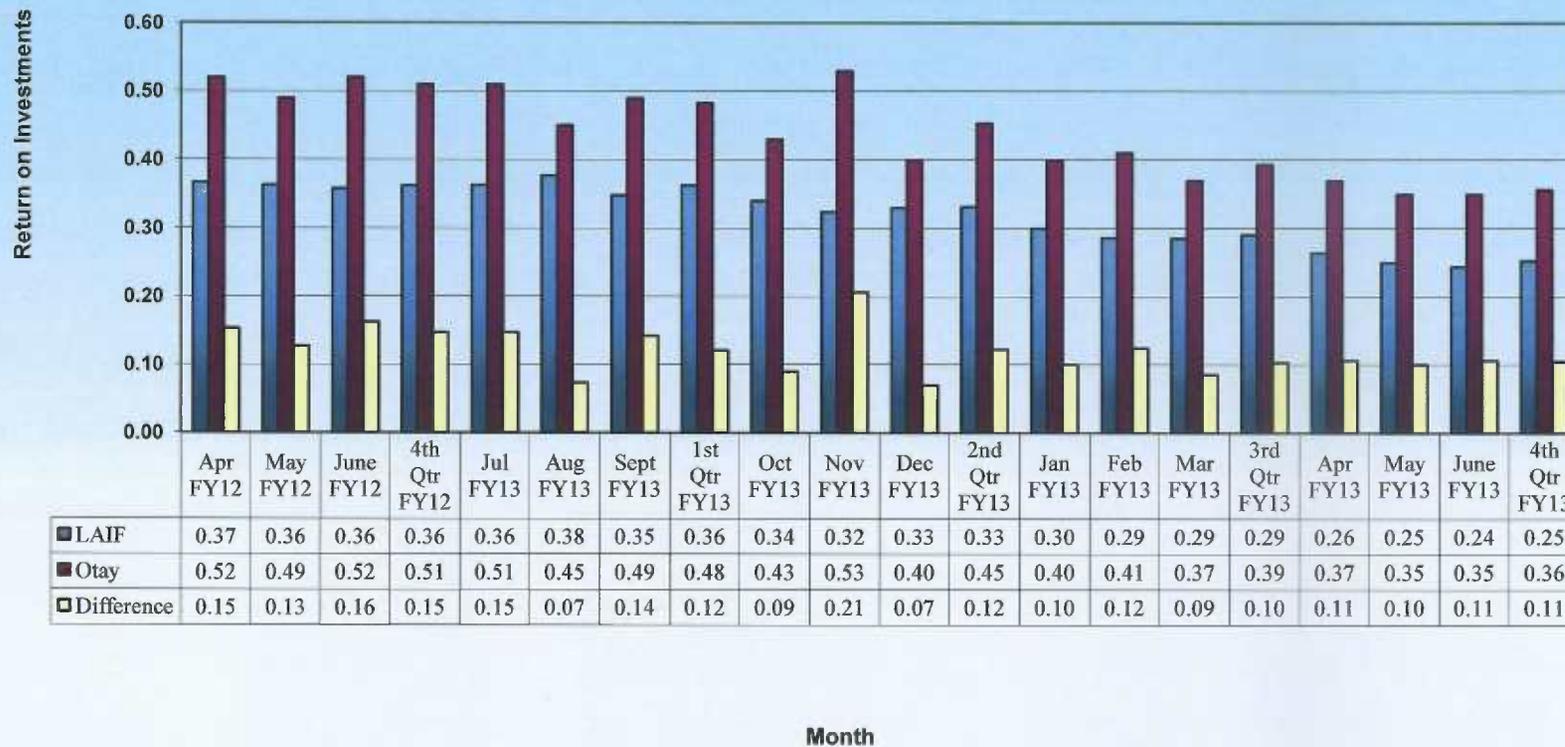
■ Banks (Passbook/Checking/CD)

■ Pools (LAIF & County)

■ Agencies & Corporate Notes

Performance Measure FY-13 Return on Investment

Target: Meet or Exceed 100% of LAIF



OTAY
Portfolio Management
Portfolio Details - Investments
June 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	1,986,420.00	2,000,000.00	0.400		0.395	938	01/25/2016
3135G0SQ7	2257	Fannie Mae		12/24/2012	3,000,000.00	2,996,340.00	3,000,000.00	0.400	AA	0.395	723	06/24/2015
3135GOXR9	2269	Fannie Mae		06/06/2013	2,000,000.00	1,980,480.00	2,000,000.00	0.550	AA	0.542	1,163	09/06/2016
3133EAU30	2253	Federal Farm Credit Bank		10/26/2012	3,000,000.00	2,996,190.00	2,999,244.74	0.320	AA	0.336	619	03/12/2015
3133EC2L7	2255	Federal Farm Credit Bank		11/13/2012	3,000,000.00	2,987,910.00	3,000,000.00	0.440	AA	0.434	865	11/13/2015
3133EC6F6	2258	Federal Farm Credit Bank		12/05/2012	3,000,000.00	2,993,100.00	3,000,000.00	0.350	AAA	0.345	700	06/01/2015
3133EC7H1	2260	Federal Farm Credit Bank		12/17/2012	3,000,000.00	2,987,730.00	3,000,000.00	0.340		0.335	777	08/17/2015
3133ECA61	2261	Federal Farm Credit Bank		12/18/2012	3,000,000.00	2,990,460.00	2,999,410.83	0.320		0.325	717	06/18/2015
3133762C8	2254	Federal Home Loan Bank		11/09/2012	3,000,000.00	3,002,850.00	3,001,849.33	0.375	AA	0.220	149	11/27/2013
313381UR4	2262	Federal Home Loan Bank		01/30/2013	3,000,000.00	2,995,830.00	3,000,000.00	0.375	AA	0.370	759	07/30/2015
3133822N2	2263	Federal Home Loan Bank		02/20/2013	3,000,000.00	2,997,990.00	3,000,000.00	0.350		0.345	599	02/20/2015
313382R39	2265	Federal Home Loan Bank		04/22/2013	2,705,000.00	2,697,507.15	2,705,000.00	0.375	AA	0.370	843	10/22/2015
313382R39	2266	Federal Home Loan Bank		04/22/2013	1,030,000.00	1,027,146.90	1,030,000.00	0.375	AA	0.370	843	10/22/2015
313382YY3	2268	Federal Home Loan Bank		05/22/2013	2,000,000.00	1,985,540.00	2,000,000.00	0.350	AA	0.345	966	02/22/2016
313383EE7	2270	Federal Home Loan Bank		06/19/2013	2,000,000.00	1,978,800.00	2,000,000.00	0.500	AA	0.493	1,176	09/19/2016
3134G3Y61	2256	Federal Home Loan Mortgage		12/10/2012	3,000,000.00	3,000,810.00	3,000,000.00	0.375	AAA	0.370	527	12/10/2014
3134G32R0	2259	Federal Home Loan Mortgage		12/24/2012	3,000,000.00	2,991,840.00	3,000,000.00	0.400	AA	0.395	815	09/24/2015
Subtotal and Average			43,502,317.75		44,735,000.00	44,596,944.05	44,735,504.90			0.370	746	
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	205	01/22/2014
Subtotal and Average			81,326.80		81,326.80	81,326.80	81,326.80			0.280	205	
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	12,933,756.80	12,946,931.12	12,933,756.80	0.244		0.241	1	
LAIF BABS 2010	9012	STATE OF CALIFORNIA		04/21/2010	4,080,969.86	4,085,126.74	4,080,969.86	0.244		0.241	1	
Subtotal and Average			17,164,726.66		17,014,726.66	17,032,057.86	17,014,726.66			0.241	1	
San Diego County Pool												
SD COUNTY POOL	9007	San Diego County		07/01/2004	20,187,513.74	19,982,999.74	20,187,513.74	0.411		0.405	1	
Subtotal and Average			20,187,513.74		20,187,513.74	19,982,999.74	20,187,513.74			0.405	1	

OTAY
Portfolio Management
Portfolio Details - Investments
June 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	83,043,277.28		82,018,567.20	81,693,328.45	82,019,072.10			0.352	408

OTAY
Portfolio Management
Portfolio Details - Cash
June 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	10,002.22	10,002.22	10,002.22	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	832,699.06	832,699.06	832,699.06	0.250		0.247	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2004	27,392.60	27,392.60	27,392.60			0.000	1
RESERVE-10 COPS	9010	STATE OF CALIFORNIA		04/20/2010	689.29	689.29	689.29	0.010		0.010	1
RESERVE-10 BABS	9011	STATE OF CALIFORNIA		04/20/2010	2,421.41	2,421.41	2,421.41	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	50,691.62	50,691.62	50,691.62			0.000	1
		Average Balance	0.00								1
Total Cash and Investments			83,043,277.28		83,044,909.76	82,719,671.01	83,045,414.66			0.352	408

OTAY
Portfolio Management
Interest Earnings Summary
June 30, 2013

	June 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	29,808.33	234,866.51
Plus Accrued Interest at End of Period	29,749.47	30,001.81
Less Accrued Interest at Beginning of Period	(45,774.42)	(58,130.60)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
	<u>13,783.38</u>	<u>206,737.72</u>
Interest Earned during Period	13,783.38	206,737.72
Adjusted by Premiums and Discounts	-302.43	-1,800.13
Adjusted by Capital Gains or Losses	0.00	1,633.33
	<u>13,480.95</u>	<u>206,570.92</u>
Earnings during Periods	13,480.95	206,570.92
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)
	<u>0.00</u>	<u>0.00</u>
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
	<u>0.00</u>	<u>0.00</u>
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	464.95	152,745.81
Plus Accrued Interest at End of Period	28,140.51	28,140.51
Less Accrued Interest at Beginning of Period	(18,001.84)	(47,289.01)
	<u>10,603.62</u>	<u>133,597.31</u>
Interest Earned during Period	10,603.62	133,597.31
Total Interest Earned during Period	24,387.00	340,335.03
Total Adjustments from Premiums and Discounts	-302.43	-1,800.13
Total Capital Gains or Losses	0.00	1,633.33
Total Earnings during Period	24,084.57	340,168.23

**OTAY
Activity Report
Sorted By Issuer
July 1, 2012 - June 30, 2013**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
Issuer: STATE OF CALIFORNIA									
Union Bank									
UNION MONEY	9002	STATE OF CALIFORNIA			0.010		117,623,643.92	117,623,647.61	
UNION OPERATING	9004	STATE OF CALIFORNIA			0.250		10,839,715.32	11,297,984.68	
PAYROLL	9005	STATE OF CALIFORNIA					100.00	679.00	
RESERVE-10 COPS	9010	STATE OF CALIFORNIA			0.010		2,068,132.53	2,068,131.27	
RESERVE-10 BABS	9011	STATE OF CALIFORNIA			0.010		5,433,370.81	5,431,366.63	
UBNA-2010 BOND	9013	STATE OF CALIFORNIA					29,481.31	0.00	
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA					122,251.77	113,660.37	
Subtotal and Balance				1,445,116.46			136,116,695.66	136,535,469.56	1,026,342.56
Local Agency Investment Fund (LAIF)									
LAIF	9001	STATE OF CALIFORNIA			0.244		77,100,501.06	71,700,000.00	
LAIF BABS 2010	9012	STATE OF CALIFORNIA			0.244		13,393.25	0.00	
Subtotal and Balance				11,600,832.35			77,113,894.31	71,700,000.00	17,014,726.66
Issuer Subtotal				21.724%	13,045,948.81		213,230,589.97	208,235,469.56	18,041,069.22
Issuer: California Bank & Trust									
Certificates of Deposit - Bank									
Subtotal and Balance				81,326.80					81,326.80
Issuer Subtotal				0.098%	81,326.80		0.00	0.00	81,326.80
Issuer: Federal Agricultural Mortgage									
Federal Agency Issues- Callable									
31315PWT2	2267	Federal Agricultural Mortgage			0.400	04/25/2013	2,000,000.00	0.00	
Subtotal and Balance				0.00			2,000,000.00	0.00	2,000,000.00
Issuer Subtotal				2.408%	0.00		2,000,000.00	0.00	2,000,000.00

OTAY
Activity Report
July 1, 2012 - June 30, 2013

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value	
				Beginning Balance	Current Rate			Redemptions or Withdrawals	Ending Balance
Issuer: Fannie Mae									
Federal Agency Issues- Callable									
3135G0SQ7	2257	Fannie Mae			0.400	12/24/2012	3,000,000.00		0.00
3135GOXR9	2269	Fannie Mae			0.550	06/06/2013	2,000,000.00		0.00
Subtotal and Balance				0.00			5,000,000.00	0.00	5,000,000.00
Issuer Subtotal				6.021%	0.00		5,000,000.00	0.00	5,000,000.00

Issuer: Federal Farm Credit Bank

Federal Agency Issues- Callable									
31331KZF0	2219	Federal Farm Credit Bank			0.481	09/05/2012	0.00		3,000,000.00
3133EAEG9	2241	Federal Farm Credit Bank			0.550	02/27/2013	0.00		1,360,000.00
3133EAU30	2253	Federal Farm Credit Bank			0.320	10/26/2012	3,000,000.00		0.00
3133EC2L7	2255	Federal Farm Credit Bank			0.440	11/13/2012	3,000,000.00		0.00
3133EC6F6	2258	Federal Farm Credit Bank			0.350	12/05/2012	3,000,000.00		0.00
3133EC7H1	2260	Federal Farm Credit Bank			0.340	12/17/2012	3,000,000.00		0.00
3133ECA61	2261	Federal Farm Credit Bank			0.320	12/18/2012	3,000,000.00		0.00
Subtotal and Balance				4,360,000.00			15,000,000.00	4,360,000.00	15,000,000.00
Issuer Subtotal				18.063%	4,360,000.00		15,000,000.00	4,360,000.00	15,000,000.00

Issuer: Federal Home Loan Bank

Federal Agency Issues- Callable									
313378KU4	2233	Federal Home Loan Bank			0.500	09/12/2012	0.00		3,000,000.00
3133794G1	2239	Federal Home Loan Bank			0.500	07/15/2012	0.00		3,000,000.00
313379JC4	2243	Federal Home Loan Bank			0.500	07/05/2012	0.00		3,000,000.00
313379R84	2245	Federal Home Loan Bank			0.500	07/13/2012	0.00		3,000,000.00
313379SP5	2246	Federal Home Loan Bank			0.450	07/19/2012	0.00		3,000,000.00
313379UT4	2247	Federal Home Loan Bank			0.500	07/27/2012	0.00		3,000,000.00
313380AV9	2248	Federal Home Loan Bank			0.450	08/13/2012	3,000,000.00		0.00
313380AV9	2248	Federal Home Loan Bank				02/13/2013	0.00		3,000,000.00
313380AV9A	2249	Federal Home Loan Bank			0.450	08/13/2012	1,030,000.00		0.00
313380AV9A	2249	Federal Home Loan Bank				02/13/2013	0.00		1,030,000.00
313380AV9B	2250	Federal Home Loan Bank			0.450	08/13/2012	2,705,000.00		0.00
313380AV9B	2250	Federal Home Loan Bank				02/13/2013	0.00		2,705,000.00

OTAY
Activity Report
July 1, 2012 - June 30, 2013

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value	
				Beginning Balance	Current Rate			Redemptions or Withdrawals	Ending Balance
Issuer: Federal Home Loan Bank									
Federal Agency Issues- Callable									
313380BG1	2251	Federal Home Loan Bank			0.500	08/13/2012	3,000,000.00		0.00
313380BG1	2251	Federal Home Loan Bank				09/13/2012	0.00	3,000,000.00	
313380SU2	2252	Federal Home Loan Bank			0.410	10/15/2012	3,000,000.00		0.00
313380SU2	2252	Federal Home Loan Bank				04/23/2013	0.00	3,000,000.00	
3133762C8	2254	Federal Home Loan Bank			0.375	11/09/2012	3,000,000.00		0.00
313381UR4	2262	Federal Home Loan Bank			0.375	01/30/2013	3,000,000.00		0.00
3133822N2	2263	Federal Home Loan Bank			0.350	02/20/2013	3,000,000.00		0.00
313382R39	2265	Federal Home Loan Bank			0.375	04/22/2013	2,705,000.00		0.00
313382R39	2266	Federal Home Loan Bank			0.375	04/22/2013	1,030,000.00		0.00
313382YY3	2268	Federal Home Loan Bank			0.350	05/22/2013	2,000,000.00		0.00
313383EE7	2270	Federal Home Loan Bank			0.500	06/19/2013	2,000,000.00		0.00
Subtotal and Balance					18,000,000.00		29,470,000.00	30,735,000.00	16,735,000.00
Issuer Subtotal			20.152%		18,000,000.00		29,470,000.00	30,735,000.00	16,735,000.00

Issuer: Federal Home Loan Mortgage									
Federal Agency Issues- Callable									
3137EACK3	2146	Federal Home Loan Mortgage			1.125	07/27/2012	0.00	2,000,000.00	
3137EACK3A	2148	Federal Home Loan Mortgage			1.125	07/27/2012	0.00	1,030,000.00	
3137EACK3B	2149	Federal Home Loan Mortgage			1.125	07/27/2012	0.00	2,707,000.00	
3134G3AC4	2226	Federal Home Loan Mortgage			0.600	12/06/2012	0.00	3,000,000.00	
3134G3AQ3	2227	Federal Home Loan Mortgage			0.710	11/30/2012	0.00	2,000,000.00	
3134G3BN9	2228	Federal Home Loan Mortgage			0.770	12/05/2012	0.00	2,000,000.00	
3134G3SS0	2232	Federal Home Loan Mortgage			0.540	03/22/2013	0.00	3,000,000.00	
3134G3Y61	2256	Federal Home Loan Mortgage			0.375	12/10/2012	3,000,000.00	0.00	
3134G32R0	2259	Federal Home Loan Mortgage			0.400	12/24/2012	3,000,000.00	0.00	
3134G34X5	2264	Federal Home Loan Mortgage			0.300	02/06/2013	3,000,000.00	0.00	
3134G34X5	2264	Federal Home Loan Mortgage				05/06/2013	0.00	3,000,000.00	
Subtotal and Balance					15,737,000.00		9,000,000.00	18,737,000.00	6,000,000.00
Issuer Subtotal			7.225%		15,737,000.00		9,000,000.00	18,737,000.00	6,000,000.00

Issuer: Federal National Mortgage Assoc

OTAY
Activity Report
July 1, 2012 - June 30, 2013

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
Issuer: Federal National Mortgage Assoc										
Federal Agency Issues- Callable										
3135G0JG9	2234	Federal National Mortgage Assoc			0.520	09/26/2012	0.00		3,000,000.00	
3135G0KL6	2238	Federal National Mortgage Assoc			0.500	04/30/2013	0.00		3,000,000.00	
3135G0KS1	2240	Federal National Mortgage Assoc			0.560	05/10/2013	0.00		3,000,000.00	
3135GOLF8	2242	Federal National Mortgage Assoc			0.500	05/24/2013	0.00		3,000,000.00	
3135GOLL5	2244	Federal National Mortgage Assoc			0.550	06/04/2013	0.00		3,000,000.00	
		Subtotal and Balance					0.00		15,000,000.00	0.00
		Issuer Subtotal	0.000%				0.00		15,000,000.00	0.00
Issuer: San Diego County										
San Diego County Pool										
SD COUNTY POOL	9007	San Diego County			0.411		5,078,294.52		7,000,000.00	
		Subtotal and Balance					5,078,294.52		7,000,000.00	20,187,513.74
		Issuer Subtotal	24.309%				5,078,294.52		7,000,000.00	20,187,513.74
		Total	100.000%				278,778,884.49		284,067,469.56	83,044,909.76

OTAY
GASB 31 Compliance Detail
Sorted by Fund - Fund
July 1, 2012 - June 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		7,542,443.62	0.00	77,100,501.06	71,700,000.00	0.00	3,986.44	12,946,931.12
UNION MONEY	9002	99	Amortized		10,005.91	0.00	117,623,643.92	117,623,647.61	0.00	0.00	10,002.22
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		1,290,968.42	0.00	10,839,715.32	11,297,984.68	0.00	0.00	832,699.06
PAYROLL	9005	99	Amortized		27,971.60	0.00	100.00	679.00	0.00	0.00	27,392.60
SD COUNTY POOL	9007	99	Fair Value		22,089,000.00	0.00	5,078,294.52	7,000,000.00	0.00	-184,294.78	19,982,999.74
RESERVE-10 COPS	9010	99	Amortized		688.03	0.00	2,068,132.53	2,068,131.27	0.00	0.00	689.29
RESERVE-10 BABS	9011	99	Amortized		417.23	0.00	5,433,370.81	5,431,366.63	0.00	0.00	2,421.41
LAIF BABS 2010	9012	99	Fair Value		4,072,537.60	0.00	13,393.25	0.00	0.00	-804.12	4,085,126.74
UBNA-2010 BOND	9013	99	Amortized		70,015.05	0.00	29,481.31	0.00	0.00	0.00	99,496.36
3137EACK3	2146	99	Fair Value	07/27/2012	2,001,300.00	0.00	0.00	2,000,000.00	0.00	-1,300.00	0.00
3137EACK3A	2148	99	Fair Value	07/27/2012	1,030,669.50	0.00	0.00	1,030,000.00	0.00	-669.50	0.00
3137EACK3B	2149	99	Fair Value	07/27/2012	2,708,759.55	0.00	0.00	2,707,000.00	0.00	-1,759.55	0.00
UBNA-FLEX ACCT	9014	99	Amortized		42,100.22	0.00	122,251.77	113,660.37	0.00	0.00	50,691.62
31331KZF0	2219	99	Fair Value	12/23/2013	3,000,030.00	0.00	0.00	3,000,000.00	0.00	-30.00	0.00
3134G3AC4	2226	99	Fair Value	12/06/2013	3,000,600.00	0.00	0.00	3,000,000.00	0.00	-600.00	0.00
3134G3AQ3	2227	99	Fair Value	05/30/2014	2,001,980.00	0.00	0.00	2,000,000.00	0.00	-1,980.00	0.00
3134G3BN9	2228	99	Fair Value	06/05/2014	2,003,140.00	0.00	0.00	2,000,000.00	0.00	-3,140.00	0.00
2050003183-5	2229	99	Amortized	01/22/2014	81,326.80	0.00	0.00	0.00	0.00	0.00	81,326.80
3134G3SS0	2232	99	Fair Value	09/22/2014	3,003,870.00	0.00	0.00	3,000,000.00	0.00	-3,870.00	0.00
313378KU4	2233	99	Fair Value	09/12/2014	3,001,350.00	0.00	0.00	3,000,000.00	0.00	-1,350.00	0.00
3135G0JG9	2234	99	Fair Value	09/26/2014	3,003,000.00	0.00	0.00	3,000,000.00	0.00	-3,000.00	0.00
3135G0KL6	2238	99	Fair Value	10/30/2014	2,993,970.00	0.00	0.00	3,000,000.00	0.00	6,030.00	0.00
3133794G1	2239	99	Fair Value	05/15/2014	2,998,560.00	0.00	0.00	3,000,000.00	0.00	1,440.00	0.00
3135G0KS1	2240	99	Fair Value	02/10/2015	2,997,450.00	0.00	0.00	3,000,000.00	0.00	2,550.00	0.00
3133EAE9	2241	99	Fair Value	02/27/2015	1,361,632.00	0.00	0.00	1,360,000.00	0.00	-1,632.00	0.00
3135G0LF8	2242	99	Fair Value	11/24/2014	2,999,640.00	0.00	0.00	3,000,000.00	0.00	360.00	0.00
313379JC4	2243	99	Fair Value	06/05/2014	3,000,060.00	0.00	0.00	3,000,000.00	0.00	-60.00	0.00
3135G0LL5	2244	99	Fair Value	12/04/2014	2,999,340.00	0.00	0.00	3,000,000.00	0.00	660.00	0.00
313379R84	2245	99	Fair Value	06/13/2014	2,996,460.00	0.00	0.00	3,000,000.00	0.00	3,540.00	0.00

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

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
313379SP5	2246	99	Fair Value	12/19/2013	2,996,610.00	0.00	0.00	3,000,000.00	0.00	3,390.00	0.00
313379UT4	2247	99	Fair Value	06/27/2014	2,998,230.00	0.00	0.00	3,000,000.00	0.00	1,770.00	0.00
313380AV9	2248	99	Fair Value	02/13/2015	0.00	3,000,000.00	0.00	3,000,000.00	0.00	0.00	0.00
313380AV9A	2249	99	Fair Value	02/13/2015	0.00	1,030,000.00	0.00	1,030,000.00	0.00	0.00	0.00
313380AV9B	2250	99	Fair Value	02/13/2015	0.00	2,705,000.00	0.00	2,705,000.00	0.00	0.00	0.00
313380BG1	2251	99	Fair Value	02/13/2015	0.00	3,000,000.00	0.00	3,000,000.00	0.00	0.00	0.00
313380SU2	2252	99	Fair Value	04/15/2015	0.00	3,000,000.00	0.00	3,000,000.00	0.00	0.00	0.00
3133EAU30	2253	99	Fair Value	03/12/2015	0.00	2,998,500.00	0.00	0.00	0.00	-2,310.00	2,996,190.00
3133762C8	2254	99	Fair Value	11/27/2013	0.00	3,004,788.00	0.00	0.00	0.00	-1,938.00	3,002,850.00
3133EC2L7	2255	99	Fair Value	11/13/2015	0.00	3,000,000.00	0.00	0.00	0.00	-12,090.00	2,987,910.00
3134G3Y61	2256	99	Fair Value	12/10/2014	0.00	3,000,000.00	0.00	0.00	0.00	810.00	3,000,810.00
3135G0SQ7	2257	99	Fair Value	06/24/2015	0.00	3,000,000.00	0.00	0.00	0.00	-3,660.00	2,996,340.00
3133EC6F6	2258	99	Fair Value	06/01/2015	0.00	3,000,000.00	0.00	0.00	0.00	-6,900.00	2,993,100.00
3134G32R0	2259	99	Fair Value	09/24/2015	0.00	3,000,000.00	0.00	0.00	0.00	-8,160.00	2,991,840.00
3133EC7H1	2260	99	Fair Value	08/17/2015	0.00	3,000,000.00	0.00	0.00	0.00	-12,270.00	2,987,730.00
3133ECA61	2261	99	Fair Value	06/18/2015	0.00	2,999,250.00	0.00	0.00	0.00	-8,790.00	2,990,460.00
313381UR4	2262	99	Fair Value	07/30/2015	0.00	3,000,000.00	0.00	0.00	0.00	-4,170.00	2,995,830.00
3133822N2	2263	99	Fair Value	02/20/2015	0.00	3,000,000.00	0.00	0.00	0.00	-2,010.00	2,997,990.00
3134G34X5	2264	99	Fair Value	02/06/2015	0.00	3,000,000.00	0.00	3,000,000.00	0.00	0.00	0.00
313382R39	2265	99	Fair Value	10/22/2015	0.00	2,705,000.00	0.00	0.00	0.00	-7,492.85	2,697,507.15
313382R39	2266	99	Fair Value	10/22/2015	0.00	1,030,000.00	0.00	0.00	0.00	-2,853.10	1,027,146.90
31315PWT2	2267	99	Fair Value	01/25/2016	0.00	2,000,000.00	0.00	0.00	0.00	-13,580.00	1,986,420.00
313382YY3	2268	99	Fair Value	02/22/2016	0.00	2,000,000.00	0.00	0.00	0.00	-14,460.00	1,985,540.00
3135GOXR9	2269	99	Fair Value	09/06/2016	0.00	2,000,000.00	0.00	0.00	0.00	-19,520.00	1,980,480.00
313383EE7	2270	99	Fair Value	09/19/2016	0.00	2,000,000.00	0.00	0.00	0.00	-21,200.00	1,978,800.00
				Subtotal	88,327,075.53	60,472,538.00	218,308,884.49	284,067,469.56	0.00	-321,357.46	82,719,671.01
				Total	88,327,075.53	60,472,538.00	218,308,884.49	284,067,469.56	0.00	-321,357.46	82,719,671.01

**OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 06/30/2013**

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
3134G3Y61	2256	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	3,000,810.00	.3750000	0.370	0.321	12/10/2014	1.436
3134G32R0	2259	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,991,840.00	.4000000	0.395	0.523	09/24/2015	2.216
313382R39	2266	99	Federal Home Loan Bank	Fair	1,030,000.00	1,030,000.00	1,027,146.90	.3750000	0.370	0.496	10/22/2015	2.292
3133822N2	2263	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,997,990.00	.3500000	0.345	0.391	02/20/2015	1.627
313381UR4	2262	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,995,830.00	.3750000	0.370	0.442	07/30/2015	2.066
313382R39	2265	99	Federal Home Loan Bank	Fair	2,705,000.00	2,705,000.00	2,697,507.15	.3750000	0.370	0.496	10/22/2015	2.292
3133762C8	2254	99	Federal Home Loan Bank	Fair	3,001,849.33	3,000,000.00	3,002,850.00	.3750000	0.220	0.185	11/27/2013	0.408
313382YY3	2268	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,985,540.00	.3500000	0.345	0.626	02/22/2016	2.622
313383EE7	2270	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,978,800.00	.5000000	0.493	0.835	09/19/2016	3.181
3133EC2L7	2255	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	2,987,910.00	.4400000	0.434	0.612	11/13/2015	2.348
3133ECA61	2261	99	Federal Farm Credit Bank	Fair	2,999,410.83	3,000,000.00	2,990,460.00	.3200000	0.325	0.483	06/18/2015	1.954
3133EAU30	2253	99	Federal Farm Credit Bank	Fair	2,999,244.74	3,000,000.00	2,996,190.00	.3200000	0.336	0.395	03/12/2015	1.689
3133EC7H1	2260	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	2,987,730.00	.3400000	0.335	0.534	08/17/2015	2.115
3133EC6F6	2258	99	Federal Farm Credit Bank	Fair	3,000,000.00	3,000,000.00	2,993,100.00	.3500000	0.345	0.471	06/01/2015	1.907
3135GOXR9	2269	99	Fannie Mae	Fair	2,000,000.00	2,000,000.00	1,980,480.00	.5500000	0.542	0.862	09/06/2016	3.141
3135G0SQ7	2257	99	Fannie Mae	Fair	3,000,000.00	3,000,000.00	2,996,340.00	.4000000	0.395	0.462	06/24/2015	1.969
31315PWT2	2267	99	Federal Agricultural Mortgage	Fair	2,000,000.00	2,000,000.00	1,986,420.00	.4000000	0.395	0.667	01/25/2016	2.546
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	0.558
LAIF BABS 2010	9012	99	STATE OF CALIFORNIA	Fair	4,080,969.86	4,080,969.86	4,085,126.74	.2440000	0.241	0.244		0.000
LAIF COPS07	9009	99	STATE OF CALIFORNIA	Fair	0.00	0.00	0.00	.0000001	0.000	0.000		0.000
LAIF	9001	99	STATE OF CALIFORNIA	Fair	12,933,756.80	12,933,756.80	12,946,931.12	.2440000	0.241	0.244		0.000
SD COUNTY	9007	99	San Diego County	Fair	20,187,513.74	20,187,513.74	19,982,999.74	.4110000	0.405	0.411		0.000
Report Total					82,019,072.10	82,018,567.20	81,693,328.45		0.423			1.107

OTAY
Interest Earnings
Sorted by Fund - Fund
June 1, 2013 - June 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	12,933,756.80	12,733,756.80	12,933,756.80		0.244	0.251	2,623.93	0.00	2,623.93
UNION MONEY	9002	99	PA1	10,002.22	10,007.58	10,002.22		0.010	0.269	2.21	0.00	2.21
UNION OPERATING	9004	99	PA1	832,699.06	836,854.69	832,699.06		0.250	0.494	339.51	0.00	339.51
SD COUNTY POOL	9007	99	LA3	20,187,513.74	20,187,513.74	20,187,513.74		0.411	0.411	6,819.51	0.00	6,819.51
RESERVE-10 COPS	9010	99	PA1	689.29	689.29	689.29		0.010	0.018	0.01	0.00	0.01
RESERVE-10 BABS	9011	99	PA1	2,421.41	2,421.41	2,421.41		0.010	0.010	0.02	0.00	0.02
LAIF BABS 2010	9012	99	LA1	4,080,969.86	4,080,969.86	4,080,969.86		0.244	0.244	818.43	0.00	818.43
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
3135GOLL5	2244	99	MC1	0.00	3,000,000.00	0.00	12/04/2014	0.550	0.558	137.50	0.00	137.50
3133EAU30	2253	99	MC1	3,000,000.00	2,999,192.17	2,999,244.74	03/12/2015	0.320	0.346	800.00	52.57	852.57
3133762C8	2254	99	MC1	3,000,000.00	3,002,229.33	3,001,849.33	11/27/2013	0.375	0.226	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	0.446	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	2,999,385.83	2,999,410.83	06/18/2015	0.320	0.335	800.00	25.00	825.00
313381UR4	2262	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	07/30/2015	0.375	0.380	937.50	0.00	937.50
3133822N2	2263	99	MC1	3,000,000.00	3,000,000.00	3,000,000.00	02/20/2015	0.350	0.355	875.00	0.00	875.00
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	321.87	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	0.406	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	0.00	2,000,000.00	09/06/2016	0.550	0.558	763.89	0.00	763.89
313383EE7	2270	99	MC1	2,000,000.00	0.00	2,000,000.00	09/19/2016	0.500	0.507	333.33	0.00	333.33
			Subtotal	82,864,379.18	81,669,347.50	82,864,884.08			0.360	24,387.00	-302.43	24,084.57
			Total	82,864,379.18	81,669,347.50	82,864,884.08			0.360	24,387.00	-302.43	24,084.57



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 7, 2013
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 6/20/2013 - 7/24/2013	NET DEMANDS
CHECKS (2037375 - 2037758)	\$ 4,095,224.80
VOID CHECKS (2)	(\$ 15,781.73)
TOTAL CHECKS	\$ 4,079,443.07
WIRE TO:	
CALPERS - OTHER POST EMPLOYMENT BENEFITS (MONTHLY)	\$ 143,000.00
CITY TREASURER - RECLAIMED WATER PURCHASE (APR 2013)	\$ 80,412.50
DELTA DENTAL OF CALIFORNIA - DENTAL & COBRA CLAIMS (JUNE 2013)	\$ 16,271.20
JP MORGAN SECURITIES INC - REMARKETING FEE (QUARTERLY)	\$ 2,333.59
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 686.00
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 686.00
SAN DIEGO COUNTY WATER AUTH - WATER DELIVERIES & CHARGES (MAY 2013)	\$ 3,882,011.60
SPECIAL DISTRICT RISK - HEALTH ADMINISTRATION (AUG 2013)	\$ 258,978.14
SPECIAL DISTRICT RISK - HEALTH ADMINISTRATION (JULY 2013)	\$ 259,418.50
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 138,014.48
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 137,024.57
UNION BANK - BI-WEEKLY PAYROLL TAXES - FICA: Payment	\$ 151,317.57
UNION BANK NA - COPS 96 (MONTHLY)	\$ 802.77
UNION BANK NA - COPS 96 (QUARTERLY)	\$ 29,706.53
TOTAL CASH DISBURSEMENTS	\$ 9,180,106.52

RECOMMENDED ACTION:

That the Board receive the attached list of demands.

Jb/Attachment

CHECK REGISTER

Otay Water District

Date Range: 6/20/2013 - 7/24/2013

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2037375	06/26/13	08488	ABLEFORCE INC	3753	04/19/13	PROGRAMMING SERVICES (4/4/13-4/18/13)	1,437.50	
				3809	05/28/13	PROGRAMMING SERVICES (5/11/13-5/17/13)	1,125.00	2,562.50
2037674	07/24/13	08488	ABLEFORCE INC	3832	06/18/13	PROGRAMMING SERVICES (5/22/13-6/10/13)	1,500.00	1,500.00
2037675	07/24/13	13901	ADVANCED INDUSTRIAL SVCS INC	2A	06/26/13	UPGRADES FOR RES 803-3 / 832-2 (ENDING 5/31/13)	255,597.50	
				3A	06/27/13	UPGRADES FOR RES 803-3 / 832-2 (ENDING 6/30/13)	238,592.50	494,190.00
2037676	07/24/13	12006	ADVANCED WEB OFFSET INC	131607	06/03/13	2013 SPRING NEWSLETTER	2,889.00	2,889.00
2037376	06/26/13	12174	AECOM TECHNICAL SERVICES INC	6	05/29/13	DISINFECTION SYSTEM (ENDING 5/3/13)	46,810.00	46,810.00
2037547	07/10/13	12174	AECOM TECHNICAL SERVICES INC	7	06/21/13	DISINFECTION SYSTEM (ENDING 5/31/13)	45,579.71	45,579.71
2037548	07/10/13	11462	AEGIS ENGINEERING MGMT INC	1202	06/14/13	AS NEEDED DESIGN SVCS (5/4/13-5/31/13)	31,942.00	
				1130	06/16/13	DEVELOPER PLANCHECKS (5/5/13-5/31/13)	5,214.49	
				1042	06/13/13	PLAN CHECKING (5/5/13-5/31/13)	3,560.34	40,716.83
2037677	07/24/13	11462	AEGIS ENGINEERING MGMT INC	1131	07/02/13	DEVELOPER PLANCHECKS (6/1/13-6/28/13)	8,664.99	
				1043	07/02/13	PLAN CHECKING (6/1/13-6/28/13)	2,234.93	10,899.92
2037377	06/26/13	07732	AIRGAS SPECIALTY PRODUCTS INC	131290770	05/28/13	AQUA AMMONIA	3,126.99	
				131290769	05/28/13	AQUA AMMONIA	1,599.83	4,726.82
2037633	07/17/13	07732	AIRGAS SPECIALTY PRODUCTS INC	131293711	06/19/13	AQUA AMMONIA	3,054.33	
				131293710	06/19/13	AQUA AMMONIA	2,351.51	5,405.84
2037378	06/26/13	13753	AIRGAS USA LLC	9016234945	05/28/13	BREATHING AIR	206.04	
				9910077704	05/31/13	BREATHING AIR	39.25	245.29
2037549	07/10/13	13753	AIRGAS USA LLC	9016763059	06/12/13	BREATHING AIR	206.04	206.04
2037678	07/24/13	13753	AIRGAS USA LLC	9910812638	06/30/13	BREATHING AIR	41.75	41.75
2037550	07/10/13	14811	ALARMS UNLIMITED INC	151631	06/24/13	LOBBY MONITOR	3,080.90	
				151533	06/13/13	RFID DIAGNOSTIC	381.00	3,461.90
2037679	07/24/13	14811	ALARMS UNLIMITED INC	152422	06/27/13	GATE REPAIR (6/25/13)	449.00	449.00
2037488	07/03/13	14977	ALEXANDRA VINSON	Ref002429007	06/26/13	UB Refund Cst #0000195965	14.30	14.30
2037680	07/24/13	02362	ALLIED WASTE SERVICES # 509	0509005222308	06/25/13	TRASH SERVICES (JULY 2013)	530.33	
				0509005223979	06/25/13	TRASH SERVICES (JULY 2013)	65.54	595.87
2037551	07/10/13	12911	ALTA LAND SURVEYING INC	27	06/20/13	SURVEY SERVICES (5/15/13-6/14/13)	6,945.00	6,945.00

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2037681	07/24/13	12911	ALTA LAND SURVEYING INC	28	06/30/13	SURVEY SERVICES (ENDING 6/30/13)	1,240.00	1,240.00
2037379	06/26/13	14462	ALYSON CONSULTING	CM201307	06/05/13	CONST MGMT / INSP - EMERG REPAIRS (5/31/13)	880.00	880.00
2037682	07/24/13	14462	ALYSON CONSULTING	CM201311	06/30/13	CONST MGMT / INSPECTION (3/1/13-6/30/13)	14,670.00	
				CM201310	06/30/13	CONST MGMT / INSPECTION (3/1/13-6/30/13)	14,250.00	
				CM2013008	06/30/13	CONST MGMT / INSPECTION (3/1/13-6/30/13)	11,700.00	
				CM201309	06/30/13	CONST MGMT / INSPECTION (3/1/13-6/30/13)	8,550.00	49,170.00
2037380	06/26/13	11590	AMERICAN DIGITAL CARTOGRAPHY	18986	05/30/13	LICENSE RENEWAL (5/30/13-5/29/14)	11,800.00	11,800.00
2037489	07/03/13	14975	AMERICAN EAGLE REAL ESTATE	Ref002429005	06/26/13	UB Refund Cst #0000194816	41.11	41.11
2037552	07/10/13	06166	AMERICAN MESSAGING	L1109570NG	07/01/13	PAGER SERVICES (JUNE 2013)	217.42	217.42
2037381	06/26/13	06165	ANITA FIRE HOSE COMPANY ETC	19905	06/05/13	EXTINGUISHER MAINTENANCE	1,785.51	1,785.51
2037382	06/26/13	00002	ANSWER INC	8494	06/22/13	ANSWERING SERVICES (MONTHLY)	1,100.00	1,100.00
2037553	07/10/13	08967	ANTHEM BLUE CROSS EAP	41146	06/25/13	EMPLOYEE ASSISTANCE PROGRAM (JULY 2013)	316.66	316.66
2037383	06/26/13	03357	APEX ADVERTISING INC	158051	06/05/13	ANNUAL UNIFORM T-SHIRTS	4,385.45	
				158071	06/05/13	ANNUAL UNIFORM SWEATSHIRTS AND CAPS	861.06	5,246.51
2037554	07/10/13	03357	APEX ADVERTISING INC	158081	06/06/13	ANNUAL UNIFORM SWEATSHIRTS AND CAPS	2,081.64	
				160621	06/24/13	ANNUAL UNIFORM T-SHIRTS	265.05	2,346.69
2037384	06/26/13	01509	ARC ERGONOMICS	38145	06/07/13	ROLLER MOUSE	751.52	751.52
2037555	07/10/13	01509	ARC ERGONOMICS	38257	06/19/13	KEYBOARD TRAY	304.51	304.51
2037683	07/24/13	01509	ARC ERGONOMICS	38407	07/03/13	KEYBOARD TRAY	316.44	316.44
2037385	06/26/13	13171	ARCADIS US INC	0522495	06/03/13	WASTEWATER MANAGEMENT (ENDING 5/26/13)	4,998.92	4,998.92
2037634	07/17/13	11282	ASHTON, PATRICK	071013	07/10/13	TUITION REIMBURSEMENT (6/1/13)	180.00	180.00
2037386	06/26/13	01884	ASSN OF ENVIRONMENTAL PROF'LS	26225360513	05/31/13	MEMBERSHIP RENEWAL	150.00	150.00
2037387	06/26/13	05758	AT&T	3378413045061:	06/07/13	PHONE SERVICES (6/7/13-7/6/13)	31.71	31.71
2037556	07/10/13	05758	AT&T	0821645728062:	06/25/13	PHONE SERVICES (6/25/13-7/24/13)	2,275.35	
				6194225605061:	06/20/13	PHONE SERVICES (6/20/13-7/19/13)	61.71	2,337.06
2037557	07/10/13	05758	AT&T	6196705309061:	06/15/13	PHONE SERVICES (MONTHLY)	32.12	
				6196985140061:	06/24/13	PHONE SERVICES (MONTHLY)	32.12	64.24

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2037388	06/26/13	07785	AT&T	000004405632	06/02/13	PHONE SERVICES (5/2/13-6/1/13)	5,667.95	
				000004407850	06/02/13	PHONE SERVICES (5/2/13-6/1/13)	15.62	5,683.57
2037684	07/24/13	07785	AT&T	000004490323	07/02/13	PHONE SERVICES (6/2/13-7/1/13)	5,672.40	
				000004492540	07/02/13	PHONE SERVICES (6/2/13-7/1/13)	15.62	5,688.02
2037389	06/26/13	08330	AT&T INTERNET SERVICES	854782625	06/11/13	INTERNET BANDWIDTH (5/21/13-6/20/13)	2,028.00	2,028.00
2037558	07/10/13	08330	AT&T INTERNET SERVICES	8547826250613	06/22/13	INTERNET BANDWIDTH (MONTHLY)	1,622.40	1,622.40
2037390	06/26/13	12810	ATKINS	1169650	06/11/13	WATER & SEWER RATE STRUCTURE (4/1/13-6/2/13)	784.00	784.00
2037685	07/24/13	12810	ATKINS	1171077	06/26/13	DESIGN SERVICES (ENDING MAY 2013)	65.00	65.00
2037559	07/10/13	14985	AZTEC FENCE CO II INC	AZ659	06/18/13	FENCE REPAIR	1,880.00	1,880.00
2037686	07/24/13	14985	AZTEC FENCE CO II INC	672E	06/27/13	REPLACE MAGLOCK	860.00	860.00
2037490	07/03/13	14964	BARBARA GALANGUE	Ref002428994	06/26/13	UB Refund Cst #0000159628	23.20	23.20
2037560	07/10/13	06285	BARTEL ASSOCIATES LLC	13308	06/11/13	ACTUARIAL SERVICES (MAY 2013)	1,165.00	1,165.00
2037687	07/24/13	06285	BARTEL ASSOCIATES LLC	13357	06/26/13	ACTUARIAL SERVICES (JUNE 2013)	3,400.00	3,400.00
2037491	07/03/13	14963	BASEMA MELKONLAN	Ref002428993	06/26/13	UB Refund Cst #0000146345	28.19	28.19
2037561	07/10/13	14577	BASILE CONSTRUCTION INC	5	06/12/13	ORANGE AVE / 805 12' PIPELINE (ENDING 5/31/13)	273,575.08	273,575.08
2037688	07/24/13	14577	BASILE CONSTRUCTION INC	6	06/27/13	ORANGE AVE / 805 12" PIPELINE (ENDING 6/30/13)	12,024.47	12,024.47
2037391	06/26/13	01630	BEARCOM	4209922	06/05/13	REPLACEMENT RADIOS	4,200.00	4,200.00
2037492	07/03/13	01630	BEARCOM	4191652	03/22/13	REPLACEMENT RADIOS	24,855.32	24,855.32
2037493	07/03/13	06520	BENSKIN, RONALD	004380	06/27/13	SAFETY BOOTS	147.14	147.14
2037494	07/03/13	14972	BRANDY BALLAS	Ref002429002	06/26/13	UB Refund Cst #0000188882	12.93	12.93
2037392	06/26/13	10970	BRENNTAG PACIFIC INC	BPI311435	06/04/13	SODIUM HYPOCHLORITE	2,452.82	
				BPI312756	06/07/13	SODIUM HYPOCHLORITE	2,230.42	
				BPI309206	05/28/13	SODIUM HYPOCHLORITE	1,562.18	
				BPI310288	05/31/13	SODIUM HYPOCHLORITE	1,403.34	
				BPI313339	06/10/13	SODIUM HYPOCHLORITE	961.85	
				BPI312223	06/06/13	SODIUM HYPOCHLORITE	832.57	
				BPI309205	05/28/13	SODIUM HYPOCHLORITE	767.95	
				BPI308722	05/28/13	SODIUM HYPOCHLORITE	760.28	

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				BPI311433	06/03/13	SODIUM HYPOCHLORITE	754.81	
				BPI311434	06/03/13	SODIUM HYPOCHLORITE	718.65	
				BPI313129	06/10/13	SODIUM HYPOCHLORITE	697.83	
				BPI310287	05/30/13	SODIUM HYPOCHLORITE	637.58	13,780.28
2037562	07/10/13	10970	BRENNTAG PACIFIC INC	BPI315544	06/17/13	SODIUM HYPOCHLORITE	2,525.11	
				BPI316949	06/20/13	SODIUM HYPOCHLORITE	2,313.68	
				BPI314625	06/13/13	SODIUM HYPOCHLORITE	2,199.75	
				BPI317928	06/24/13	SODIUM HYPOCHLORITE	1,850.30	
				BPI313338	06/11/13	SODIUM HYPOCHLORITE	1,256.54	
				BPI316948	06/20/13	SODIUM HYPOCHLORITE	1,036.34	
				BPI317927	06/24/13	SODIUM HYPOCHLORITE	1,002.38	
				BPI315543	06/17/13	SODIUM HYPOCHLORITE	876.40	
				BPI315542	06/17/13	SODIUM HYPOCHLORITE	702.21	
				BPI314626	06/13/13	SODIUM HYPOCHLORITE	603.62	14,366.33
2037689	07/24/13	10970	BRENNTAG PACIFIC INC	BPI320681	07/01/13	SODIUM HYPOCHLORITE	2,461.43	
				BPI319884	06/28/13	SODIUM HYPOCHLORITE	2,135.12	
				BPI321648	07/05/13	SODIUM HYPOCHLORITE	1,600.26	
				BPI321650	07/03/13	SODIUM HYPOCHLORITE	1,588.26	
				BPI318319	06/25/13	SODIUM HYPOCHLORITE	1,381.43	
				BPI321649	07/05/13	SODIUM HYPOCHLORITE	1,037.77	
				BPI320682	07/01/13	SODIUM HYPOCHLORITE	877.53	
				BPI320874	07/02/13	SODIUM HYPOCHLORITE	855.72	
				BPI319065	06/27/13	SODIUM HYPOCHLORITE	727.40	12,664.92
2037393	06/26/13	14855	BROWN FIELD TECHNOLOGY PRK LLC	004365	06/21/13	W/O REFUND D0192-060032	665.09	665.09
2037635	07/17/13	08156	BROWNSTEIN HYATT FARBER	536184	06/17/13	GOVERNMENT RELATIONS COUNSEL (MAY 2013)	292.50	292.50
2037636	07/17/13	11461	BUSINESS PRINTING CO INC	106721	07/04/13	2013 CONSUMER CONFIDENCE RPT PRINTING	6,505.35	6,505.35
2037563	07/10/13	05620	C & I EQUIPMENT CO	12341	06/18/13	TANK TRAILER	9,650.00	9,650.00
2037564	07/10/13	02920	CALIFORNIA COMMERCIAL	128879	06/14/13	ASPHALT	2,255.30	2,255.30
2037394	06/26/13	14365	CALIFORNIA ENVIRONMENTAL	5779	05/30/13	APCD RETROFIT	15,213.60	15,213.60
2037637	07/17/13	01432	CALIFORNIA URBAN WATER	2013G1179	02/14/13	MEMBERSHIP DUES	2,334.68	2,334.68
2037395	06/26/13	01004	CALOLYMPIC SAFETY	316194	05/28/13	GT BATTERY/ WINDSOCK	182.58	

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				316193	05/28/13	GT BATTERY/ WINDSOCK	122.47	305.05
2037396	06/26/13	02758	CARMEL BUSINESS SYSTEMS INC	7676	06/01/13	DOCUMENT SERVICES (5/1/13-5/24/13)	2,799.53	
				7675	06/01/13	RECORDS MGMT SVCS (5/3/13-5/28/13)	851.28	
				7674	06/01/13	DOCUMENT SERVICES (5/9/13)	278.64	
				7677	06/05/13	DOCUMENT SERVICES	102.82	4,032.27
2037690	07/24/13	02758	CARMEL BUSINESS SYSTEMS INC	7684	07/01/13	RECORDS MGMT SERVICES (6/1/13-6/28/13)	3,569.70	3,569.70
2037691	07/24/13	13389	CAYETANO, TITA	072313	07/23/13	COMPUTER LOAN	867.97	867.97
2037692	07/24/13	14673	CGR MANAGEMENT CONSULTANTS LLC 103160313		06/30/13	SCADA SYSTEM SOFTWARE	18,046.84	18,046.84
2037397	06/26/13	00446	CITY OF CHULA VISTA	DE24160613	06/24/13	PLAN CHECK DEP TO ACCT # DE-2416	4,695.08	4,695.08
2037398	06/26/13	04119	CLARKSON LAB & SUPPLY INC	67597	05/31/13	BACTERIOLOGICAL TESTING	450.00	
				67594	05/31/13	BACTERIOLOGICAL TESTING	412.00	
				67596	05/31/13	BACTERIOLOGICAL TESTING	396.00	1,258.00
2037693	07/24/13	04119	CLARKSON LAB & SUPPLY INC	67719	06/30/13	BACTERIOLOGICAL TESTING	801.00	
				68109	06/30/13	BACTERIOLOGICAL TESTING	408.00	
				67817	06/30/13	BACTERIOLOGICAL TESTING	373.00	
				68108	06/30/13	BACTERIOLOGICAL TESTING	296.00	1,878.00
2037694	07/24/13	14928	COASTAL IGNITION & CONTROLS	9212	06/28/13	REPAIR PART	17,075.60	17,075.60
2037399	06/26/13	13900	COMMUNITY BANK	13	06/05/13	RETENTION / GARCIA JUAREZ (ENDING 5/31/13)	3,037.50	3,037.50
2037695	07/24/13	13900	COMMUNITY BANK	14	06/20/13	RETENTION / GARCIA JUAREZ (ENDING 6/30/13)	623.10	623.10
2037400	06/26/13	08160	COMPLETE OFFICE	15026800	05/29/13	TONER	2,305.97	
				15025690	05/29/13	TONER	239.76	2,545.73
2037696	07/24/13	03624	COPY LINK INC	AR155380	06/27/13	SHARP COPIER MAINTENANCE (FY 2014)	371.80	
				AR155381	06/27/13	SHARP COPIER MAINTENANCE (FY 2014)	371.80	743.60
2037401	06/26/13	12334	CORODATA MEDIA STORAGE INC	DS1257735	05/31/13	TAPE STORAGE (MAY 2013)	373.57	373.57
2037697	07/24/13	12334	CORODATA MEDIA STORAGE INC	DS1258315	06/30/13	TAPE STORAGE (JUNE 2013)	375.23	375.23
2037638	07/17/13	02612	COUNCIL OF WATER UTILITIES	071113	07/11/13	MEETING REGISTRATION (7/16/13)	25.00	25.00
2037565	07/10/13	00099	COUNTY OF SAN DIEGO	DPWAROTAYM	06/18/13	EXCAVATION PERMITS (4/25/13-5/31/13)	2,288.66	2,288.66
2037402	06/26/13	00134	COUNTY OF SAN DIEGO	004373	06/25/13	FILING FEE	3,045.25	3,045.25

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2037403	06/26/13	00134	COUNTY OF SAN DIEGO	004372	06/25/13	FILING FEE	2,206.25	2,206.25
2037639	07/17/13	00134	COUNTY OF SAN DIEGO	12475	07/09/13	ELECTRONIC MAPS (ANNUAL)	32.00	32.00
2037404	06/26/13	00184	COUNTY OF SAN DIEGO	DEH2010HUPFF	06/06/13	PERMIT RENEWAL (4/30/13-4/30/14)	446.00	
				DEH2002HUPFF	06/19/13	PERMIT RENEWAL (5/31/13-5/31/14)	405.00	851.00
2037566	07/10/13	00184	COUNTY OF SAN DIEGO	DEH130439D11	06/30/13	SHUT DOWN TEST (5/20/13)	142.00	
				DEH130447D11	06/20/13	SHUT DOWN TEST (5/14/13)	142.00	284.00
2037698	07/24/13	00184	COUNTY OF SAN DIEGO	DEH2002HUPFF	07/03/13	UPFP PERMIT RENEWAL (6/30/13-6/30/14)	2,201.00	
				DEH2009HUPFF	07/03/13	UPFP PERMIT RENEWAL (6/30/13-6/30/14)	446.00	
				DEH2009HUPFF	07/03/13	UPFP PERMIT RENEWAL (6/30/13-6/30/14)	405.00	
				DEH2004HUPFF	07/03/13	UPFP PERMIT RENEWAL (6/30/13-6/30/14)	292.00	
				DEH2009HUPFF	07/03/13	UPFP PERMIT RENEWAL (6/30/13-6/30/14)	292.00	
				DEH2009HUPFF	07/03/13	UPFP PERMIT RENEWAL (6/30/13-6/30/14)	292.00	
				DEH2009HUPFF	07/03/13	UPFP PERMIT RENEWAL (6/30/13-6/30/14)	292.00	
				DEH2009HUPFF	07/03/13	UPFP PERMIT RENEWAL (6/30/13-6/30/14)	292.00	
				DEH2010HUPFF	07/03/13	UPFP PERMIT RENEWAL (6/30/13-6/30/14)	292.00	4,804.00
2037495	07/03/13	02122	COUNTY OF SAN DIEGO	2013042505668	04/25/13	PERMIT FEES # 05668 (JULY 2013-2014)	356.00	
				2013051309283	05/13/13	PERMIT FEES # 04544 (DEC 2013-2014)	130.00	486.00
2037405	06/26/13	07494	COUNTY OF SAN DIEGO	12D1101539820	06/04/13	PLAN CHECK/REVIEW TA # 12D110153982	213.18	213.18
2037640	07/17/13	07494	COUNTY OF SAN DIEGO	12D1101539820	07/04/13	INSPECTION CHARGES (6/19/13)	70.20	70.20
2037641	07/17/13	02756	COX COMMUNICATIONS SAN DIEGO	27170613	06/29/13	INTERNET SERVICES (6/29/13-7/28/13)	1,500.00	
				28810613	06/29/13	INTERNET SERVICES (6/29/13-7/28/13)	1,500.00	3,000.00
2037567	07/10/13	04443	CSI SERVICES INC	5239	06/18/13	RESERVOIR INSPECTION	5,430.00	5,430.00
2037642	07/17/13	14989	DAVID PHETEPLACE	Ref002429291	07/11/13	UB Refund Cst #0000032093	79.13	79.13
2037406	06/26/13	14362	DAY WIRELESS SYSTEMS {20}	36750	05/31/13	NETWORK CABLING	4,715.00	4,715.00
2037568	07/10/13	03744	DEPARTMENT OF JUSTICE	980617	06/30/13	FINGERPRINTING SERVICES (JUNE 2013)	147.00	147.00
2037569	07/10/13	14988	DIANA ROSAS	004386	07/03/13	CUSTOMER REFUND	167.95	167.95
2037496	07/03/13	03417	DIRECTV	20724867188	06/19/13	SATELLITE TV (6/19/13)	6.00	6.00
2037570	07/10/13	11371	DOCUFLOW SOLUTIONS INC	8242	05/20/13	FAX MAINTENANCE (FY 2014)	1,235.89	1,235.89
2037497	07/03/13	14966	DONALD CUDDINGTON	Ref002428996	06/26/13	UB Refund Cst #0000168260	62.65	62.65

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2037407	06/26/13	14643	ECHO LABS LLC	20131333	06/07/13	ENERGY MANAGEMENT	4,500.00	4,500.00
2037571	07/10/13	02447	EDCO DISPOSAL CORPORATION	1554580613	06/30/13	RECYCLING SERVICES (JUNE 2013)	95.00	95.00
2037498	07/03/13	14959	EDWARD HENRY	Ref002428988	06/26/13	UB Refund Cst #0000073973	53.91	53.91
2037499	07/03/13	14974	EMILIA QUINTERO	Ref002429004	06/26/13	UB Refund Cst #0000193294	36.47	36.47
2037699	07/24/13	08023	EMPLOYEE BENEFIT SPECIALISTS	00613131N	06/30/13	EMPLOYEE BENEFITS (JUNE 2013)	687.50	687.50
2037700	07/24/13	03765	ENGINEERING PARTNERS INC, THE	1713281	06/28/13	LA PRESA PRS REVIEW OF ELECTRICAL DRAWING	2,000.00	
				1813283	06/28/13	AS-BUILT DRAWING PREPARATION	1,200.00	3,200.00
2037408	06/26/13	14602	ENVIRO-CARE CO	EC2120371	05/31/13	GRIT WASHER / COMPACTOR	6,675.16	6,675.16
2037409	06/26/13	03227	ENVIROMATRIX ANALYTICAL INC	3050915	05/28/13	RECYCLED WATER ANALYSIS (5/10/13-5/17/13)	645.00	
				3060398	06/03/13	RECYCLED WATER ANALYSIS (5/18/13-5/22/13)	510.00	
				3060563	06/10/13	RECYCLED WATER ANALYSIS (5/23/13-5/29/13)	510.00	1,665.00
2037572	07/10/13	03227	ENVIROMATRIX ANALYTICAL INC	3060757	06/17/13	RECYCLED WATER ANALYSIS (5/30/13-6/6/13)	800.00	
				3060960	06/24/13	RECYCLED WATER ANALYSIS (6/7/13-6/13/13)	765.00	1,565.00
2037701	07/24/13	03227	ENVIROMATRIX ANALYTICAL INC	3061094	06/27/13	RECYCLED WATER ANALYSIS (6/14/13-6/19/13)	690.00	690.00
2037702	07/24/13	12134	ENVIRONMENTAL LAB ACCR PROG BR	072313	07/23/13	CERTIFICATION APPLICATION FEE	2,359.00	2,359.00
2037703	07/24/13	03725	ENVIRONMENTAL SYSTEMS RESEARCH	92670505	06/26/13	GIS SOFTWARE MAINTENANCE	53,989.24	
				92670787	06/27/13	ESRI PROFESSIONAL SERVICES	23,500.00	
				92670504	06/26/13	ESRI PRODUCTION MAPPING	2,600.00	80,089.24
2037500	07/03/13	02939	ESCARCEGA, LUIS	004377	06/26/13	TUITION REIMBURSEMENT	90.00	90.00
2037410	06/26/13	14320	EUROFINS EATON ANALYTICAL INC	L0124763	06/04/13	OUTSIDE LAB SERVICES (5/14/13)	750.00	750.00
2037573	07/10/13	14320	EUROFINS EATON ANALYTICAL INC	L0126984	06/21/13	OUTSIDE LAB SERVICES (6/3/13)	375.00	
				L0126664	06/19/13	OUTSIDE LAB SERVICES (6/3/13)	260.00	
				L0126735	06/19/13	OUTSIDE LAB SERVICES (6/4/13-6/5/13)	255.00	890.00
2037411	06/26/13	00645	FEDEX	230487352	06/14/13	MAIL SERVICES (6/6/13)	6.30	6.30
2037412	06/26/13	03546	FERGUSON WATERWORKS # 1083	0437387	05/29/13	INVENTORY	3,751.92	
				0438880	06/17/13	INVENTORY	2,908.75	
				0439726	06/07/13	INVENTORY	1,717.20	8,377.87
2037574	07/10/13	03546	FERGUSON WATERWORKS # 1083	0439461	06/17/13	24" BUTTERFLY VALVE	602.04	602.04

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2037643	07/17/13	03546	FERGUSON WATERWORKS # 1083	0441409	07/02/13	INVENTORY	2,296.38	2,296.38
2037704	07/24/13	03546	FERGUSON WATERWORKS # 1083	0439464	06/28/13	24" BUTTERFLY VALVE	777.60	777.60
2037413	06/26/13	12187	FIRST AMERICAN DATA TREE LLC	9003400513	05/31/13	ONLINE DOCUMENTS (MAY 2013)	99.00	99.00
2037705	07/24/13	12187	FIRST AMERICAN DATA TREE LLC	9003400613	06/30/13	ONLINE DOCUMENTS (JUNE 2013)	99.00	99.00
2037414	06/26/13	04066	FIRST CHOICE SERVICES - SD	000788	05/29/13	COFFEE SUPPLIES	407.36	407.36
2037575	07/10/13	04066	FIRST CHOICE SERVICES - SD	001787	06/12/13	COFFEE SUPPLIES	1,068.22	1,068.22
2037576	07/10/13	00035	FISHER SCIENTIFIC	8291874	06/13/13	LABORATORY SUPPLIES	415.02	
				8394239	06/17/13	LABORATORY SUPPLIES	41.67	456.69
2037706	07/24/13	00035	FISHER SCIENTIFIC	9117568	07/05/13	LABORATORY SUPPLIES	1,336.11	1,336.11
2037415	06/26/13	02591	FITNESS TECH	8530	06/01/13	EQUIPMENT MAINTENANCE (JUNE 2013)	135.00	135.00
2037416	06/26/13	11962	FLEETWASH INC	X132264	05/31/13	VEHICLE/FLEET WASHING SERVICE	140.16	
				X135274	06/07/13	VEHICLE/FLEET WASHING SERVICE	65.70	205.86
2037577	07/10/13	11962	FLEETWASH INC	x137880	06/14/13	VEHICLE/FLEET WASHING SERVICE	243.09	
				x140389	06/21/13	VEHICLE/FLEET WASHING SERVICE	61.32	304.41
2037707	07/24/13	11962	FLEETWASH INC	x142923	06/28/13	VEHICLE/FLEET WASHING SERVICE	41.61	41.61
2037501	07/03/13	01612	FRANCHISE TAX BOARD	Ben2429101	07/03/13	BI-WEEKLY PAYROLL DEDUCTION	90.00	90.00
2037644	07/17/13	01612	FRANCHISE TAX BOARD	Ben2429409	07/18/13	BI-WEEKLY PAYROLL DEDUCTION	1,032.65	1,032.65
2037502	07/03/13	02344	FRANCHISE TAX BOARD	Ben2429107	07/03/13	BI-WEEKLY PAYROLL DEDUCTION	81.00	81.00
2037645	07/17/13	02344	FRANCHISE TAX BOARD	Ben2429415	07/18/13	BI-WEEKLY PAYROLL DEDUCTION	81.00	81.00
2037417	06/26/13	07224	FRAZEE INDUSTRIES INC	9530271442640	05/30/13	PAINT	1,840.52	
				9530271442650	05/30/13	PAINT	51.67	1,892.19
2037503	07/03/13	02254	FRY'S ELECTRONICS INC	004376	06/26/13	COMPUTER LOAN	757.92	757.92
2037418	06/26/13	13716	GARCIA JUAREZ CONSTRUCTION INC	13	05/31/13	CALAVO GARDENS (ENDING 5/31/13)	57,712.50	57,712.50
2037708	07/24/13	13716	GARCIA JUAREZ CONSTRUCTION INC	14	06/20/13	CALAVO GARDENS (ENDING 6/30/13)	11,838.90	11,838.90
2037646	07/17/13	14997	GARY KENT TEAM	Ref002429299	07/11/13	UB Refund Cst #0000199214	19.86	19.86
2037419	06/26/13	10817	GEXPRO	580337304	06/03/13	PLC SOFTWARE	4,300.72	4,300.72

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2037504	07/03/13	12673	GONZALEZ, DAVID	17960413	04/30/13	MILEAGE REIMBURSEMENT (APR 2013)	117.52	117.52
2037420	06/26/13	00101	GRAINGER INC	9152351434	05/28/13	BLUE PAINT	241.06	
				9159971507	06/05/13	SURVEY PAINT	209.69	
				9160022043	06/05/13	BATTERIES	116.94	
				9161057881	06/06/13	SURVEY PAINT	23.07	590.76
2037578	07/10/13	00101	GRAINGER INC	9176160647		CREDIT MEMO	-402.08	
				9173215139	06/20/13	FLUORESCENT LINEAR LAMPS	1,281.03	
				9175961912	06/24/13	TOOLS (INSPECTION DIVISION)	711.88	1,590.83
2037505	07/03/13	14981	GRANITE CONSTRUCTION COMPANY	Ref002429011	06/26/13	UB Refund Cst #0000198862	1,173.80	1,173.80
2037421	06/26/13	12907	GREENRIDGE LANDSCAPE INC	10865	05/30/13	LANDSCAPING SERVICES (MAY 2013)	8,650.00	8,650.00
2037709	07/24/13	12907	GREENRIDGE LANDSCAPE INC	10980	07/02/13	LANDSCAPING SERVICES (JUNE 2013)	8,650.00	8,650.00
2037422	06/26/13	14952	GSA	004367	06/21/13	W/O REFUND D0891-090142	1,602.25	1,602.25
2037423	06/26/13	03773	GTC SYSTEMS INC	35612	06/01/13	NETWORK SERVICES (JUNE 2013)	2,289.00	
				35592	05/31/13	NETWORK SERVICES (MAY 2013)	763.75	3,052.75
2037710	07/24/13	03773	GTC SYSTEMS INC	35793	06/28/13	NETWORK SERVICES (JUNE 2013)	412.50	412.50
2037647	07/17/13	08968	GURROLA, MICHAEL	071113	07/11/13	SAFETY BOOTS	150.00	150.00
2037579	07/10/13	00174	HACH COMPANY	8358212	06/24/13	LABORATORY SUPPLIES	1,542.38	
				8345511	06/14/13	TURBIDITY METER	1,150.75	2,693.13
2037711	07/24/13	00174	HACH COMPANY	8371148	07/02/13	WIMS SUPPORT (6/15/13-6/14/14)	2,682.00	2,682.00
2037424	06/26/13	02795	HARTFORD INSURANCE CO, THE	Ben2428817	06/20/13	MONTHLY CONTRIBUTION TO LTD	5,161.59	5,161.59
2037712	07/24/13	02795	HARTFORD INSURANCE CO, THE	Ben2429395	07/18/13	MONTHLY CONTRIBUTION TO LTD	5,161.59	5,161.59
2037713	07/24/13	05986	HAVS INCORPORATED	70061	07/01/13	REPAIR SERVICES (5/28/13 & 6/27/13)	372.06	372.06
2037580	07/10/13	04472	HECTOR I MARES-COSSIO	99	06/28/13	BI-NATIONAL CONSULTANT SERVICES (MAY 2013)	3,600.00	
				100	06/28/13	BI-NATIONAL CONSULTANT SERVICES (JUNE 2013)	3,600.00	7,200.00
2037425	06/26/13	00062	HELIX WATER DISTRICT	004375	06/20/13	SEWER ACCOUNTS	409.24	409.24
2037506	07/03/13	00062	HELIX WATER DISTRICT	178540010613	06/11/13	WATER PURCHASE (4/4/13-6/6/13)	322.82	
				174639860613	06/11/13	WATER PURCHASE (4/5/13-6/6/13)	40.10	362.92
2037426	06/26/13	14951	HERITAGE BUILDING & DEVT	004368	06/21/13	W/O REFUND D0894-090149	3,169.81	3,169.81

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2037427	06/26/13	04209	HIDDEN VALLEY PUMP	000278800000	06/19/13	PUMP AND MOTOR REBUILD FOR 944-1 P/S	18,226.48	18,226.48
2037428	06/26/13	12335	HP ENTERPRISE SERVICES LLC	U3079453	06/10/13	IVR PAYMENT SERVICES (MAY 2013)	1,856.30	1,856.30
2037714	07/24/13	01649	IDEXX DISTRIBUTION INC	269867942	07/05/13	LABORATORY SUPPLIES	4,633.43	
				269867943	07/05/13	LABORATORY SUPPLIES	1,300.25	5,933.68
2037429	06/26/13	08969	INFOSEND INC	69268	05/31/13	POSTAGE (MAY 2013)	12,922.68	
				69384	06/03/13	BILL PRINTING SERVICES (MAY 2013)	5,220.80	
				69267	05/31/13	BILL PRINTING SERVICES (MAY 2013)	5,021.20	23,164.68
2037715	07/24/13	08969	INFOSEND INC	70018	06/28/13	POSTAGE (JUNE 2013)	11,717.77	
				70222	07/01/13	BILL PRINTING SERVICES (JUNE 2013)	5,268.80	
				70017	06/28/13	BILL PRINTING SERVICES (JUNE 2013)	4,737.05	21,723.62
2037430	06/26/13	02372	INTERIOR PLANT SERVICE INC	4704	05/31/13	PLANT SERVICES (MAY 2013)	205.00	205.00
2037431	06/26/13	13899	INTERMEDIA.NET INC	2013051399	06/01/13	EXCHANGE OUTSOURCING (5/2/13-6/1/13)	3,486.06	3,486.06
2037716	07/24/13	13899	INTERMEDIA.NET INC	2013070106	07/01/13	EXCHANGE OUTSOURCING (6/2/13-7/1/13)	3,486.06	3,486.06
2037717	07/24/13	03250	INTERNATIONAL PUBLIC MGMT	071713	07/17/13	MEMBERSHIP RENEWALS (7/1/13-6/30/14)	165.00	165.00
2037581	07/10/13	02263	ITRON INC	292608	06/11/13	MAINTENANCE RENEWAL (ANNUAL)	4,872.62	4,872.62
2037718	07/24/13	14737	IWATER INC	6318	07/05/13	INFRAMAP SOFTWARE	5,000.00	5,000.00
2037582	07/10/13	00646	JACKSON-HIRSH INC	0864367	06/18/13	LAMINATING SUPPLIES	83.52	83.52
2037432	06/26/13	03077	JANI-KING OF CALIFORNIA INC	SDO05130171	05/01/13	JANITORIAL SERVICES (MAY 2013)	1,119.82	1,119.82
2037719	07/24/13	03077	JANI-KING OF CALIFORNIA INC	SDO06130168	06/01/13	JANITORIAL SERVICES (JUNE 2013)	1,119.82	1,119.82
2037583	07/10/13	10563	JCI JONES CHEMICALS INC	582997		CREDIT MEMO	-3,000.00	
				585783		CREDIT MEMO	-3,000.00	
				580442		CREDIT MEMO	-2,000.00	
				582953	05/30/13	CHLORINE	4,837.80	
				585772	06/24/13	CHLORINE	4,837.80	1,675.60
2037507	07/03/13	14970	JESSICA GALVIN	Ref002429000	06/26/13	UB Refund Cst #0000187008	24.77	24.77
2037508	07/03/13	14978	JOEL JOHNSON	Ref002429008	06/26/13	UB Refund Cst #0000196171	31.23	31.23
2037584	07/10/13	03172	JONES & STOKES ASSOCIATES INC	0094613	06/10/13	ENVIRONMENTAL CONSULTING (4/27/13-5/24/13)	1,313.75	
				0094614	06/10/13	ENVIRONMENTAL CONSULTING (4/27/13-5/24/13)	572.00	1,885.75

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2037720	07/24/13	03172	JONES & STOKES ASSOCIATES INC	0094923	07/05/13	ENVIRONMENTAL CONSULTING (4/27/13-6/30/13)	5,477.50	
				0094921	07/05/13	ENVIRONMENTAL CONSULTING (5/25/13-6/30/13)	2,982.50	
				0094930	07/05/13	ENVIRONMENTAL CONSULTING (5/25/13-6/30/13)	2,395.00	
				0094863	07/01/13	ENVIRONMENTAL CONSULTING (4/27/13-5/2/13)	2,393.27	
				0094918	07/05/13	ENVIRONMENTAL CONSULTING (4/27/13-6/30/13)	2,177.50	
				0094920	07/05/13	ENVIRONMENTAL CONSULTING (1/1/13-6/30/13)	1,938.00	
				0094917	07/05/13	ENVIRONMENTAL CONSULTING (5/25/13-6/30/13)	585.75	17,949.52
2037509	07/03/13	14960	KATHLEEN PICKARD TRUST	Ref002428990	06/26/13	UB Refund Cst #0000089932	29.62	29.62
2037648	07/17/13	14998	KEVIN ECKHAUS	Ref002429300	07/11/13	UB Refund Cst #0000199299	56.55	56.55
2037433	06/26/13	05840	KIRK PAVING INC	5365	06/05/13	ASPHALT CONCRETE PAVING	12,628.00	12,628.00
2037585	07/10/13	05840	KIRK PAVING INC	5374	06/21/13	PAVING SERVICES	5,533.00	
				5373	06/21/13	PAVING SERVICES	3,620.00	9,153.00
2037434	06/26/13	04996	KNOX ATTORNEY SERVICE INC	141075	05/31/13	DELIVERY SERVICES (4/26/13-5/10/13)	258.00	258.00
2037721	07/24/13	04996	KNOX ATTORNEY SERVICE INC	4000787	06/30/13	DELIVERY SERVICES (5/31/13-6/21/13)	258.00	
				4004708	07/02/13	DELIVERY SERVICES (6/28/13)	32.25	
				4004707	07/02/13	DELIVERY SERVICES (6/28/13)	32.25	
				4004706	07/02/13	DELIVERY SERVICES (6/28/13)	32.25	354.75
2037722	07/24/13	14808	KOEPPEN, KEVIN	18190713	07/22/13	TRAVEL EXPENSES (7/16/13)	143.33	143.33
2037435	06/26/13	12276	KONECRANES INC	SDG00796786	05/29/13	CRANE INSPECTIONS (MAY 2013)	400.00	400.00
2037436	06/26/13	14036	KRATOS / HBE	18040113	05/31/13	DOOR INTERCOM	2,032.33	
				180202132	05/31/13	REMOVE/REATTACH SECURITY TO RESERVOIRS	1,745.60	
				18010213	05/31/13	CIRCUIT BOARDS	1,620.00	
				SM42428	05/31/13	MOTION DETECTORS	236.25	5,634.18
2037586	07/10/13	14036	KRATOS / HBE	SM42570	06/17/13	ALARM MONITORING (JUNE 2013)	55.00	
				SM42569	06/17/13	ALARM MONITORING (JUNE 2013)	55.00	
				SM42566	06/17/13	ALARM MONITORING (JUNE 2013)	40.00	150.00
2037437	06/26/13	06497	LAKESIDE LAND COMPANY	271157	06/04/13	LANDFILL	57.56	57.56
2037587	07/10/13	06497	LAKESIDE LAND COMPANY	271489	06/17/13	LANDFILL	53.60	53.60
2037723	07/24/13	06497	LAKESIDE LAND COMPANY	271189	06/05/13	LANDFILL	30.64	30.64
2037510	07/03/13	14967	LAS PALMAS 56 DEVELOPMENT LLC	Ref002428997	06/26/13	UB Refund Cst #0000176820	1,678.02	1,678.02

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2037438	06/26/13	09511	LAYFIELD ENVIRONMENTAL SYSTEMS	E04623	05/31/13	FLOATING RESERVOIR COVERS MAINT (MAY 2013)	12,154.30	12,154.30
2037588	07/10/13	09511	LAYFIELD ENVIRONMENTAL SYSTEMS	3	06/17/13	FLOATING COVER REPLACEMENT (ENDING 5/31/13)	226,224.45	
				E04631	06/21/13	FLOATING RESERVOIR COVERS MAINT (6/1/13-6/15/13)	25,434.00	251,658.45
2037649	07/17/13	09511	LAYFIELD ENVIRONMENTAL SYSTEMS	00014361	06/24/13	RETAINAGE RELEASE	32,022.88	32,022.88
2037724	07/24/13	09511	LAYFIELD ENVIRONMENTAL SYSTEMS	4	06/24/13	FLOATING COVER REPLACEMENT (ENDING 6/28/13)	10,973.99	
				E60074	06/30/13	MAINT OF FLOATING RES COVERS - ADJ (MAY 2013)	639.70	11,613.69
2037439	06/26/13	03607	LEE & RO INC	LR15659	06/03/13	INTERCONNECTION (7/28/12-5/31/13)	16,716.19	16,716.19
2037511	07/03/13	14982	LEVY ORTIZ	Ref002429012	06/26/13	UB Refund Cst #0000199030	37.53	37.53
2037512	07/03/13	14976	LEZAMA FAMILY TRUST	Ref002429006	06/26/13	UB Refund Cst #0000195701	207.70	207.70
2037513	07/03/13	14979	LILY ARTENSTEIN	Ref002429009	06/26/13	UB Refund Cst #0000198116	116.11	116.11
2037589	07/10/13	12910	LOCATORS & SUPPLIES INC	0214109IN	06/14/13	SURVEY SUPPLIES	362.03	
				0214317IN	06/20/13	SURVEY SUPPLIES	129.58	491.61
2037514	07/03/13	03019	LOPEZ, JOSE	70100513	06/20/13	MILEAGE REIMBURSEMENT (MAY 2013)	55.94	55.94
2037440	06/26/13	06954	LUSARDI CONSTRUCTION CO	004371	06/19/13	REFUND	1,500.00	1,500.00
2037515	07/03/13	07591	MA, DONGXING	004370	06/27/13	TRAVEL EXPENSES (3/25/13-3/28/13)	659.34	659.34
2037725	07/24/13	07591	MA, DONGXING	17470713	07/22/13	TRAVEL EXPENSES (7/8/13-7/11/13)	60.00	60.00
2037590	07/10/13	01464	MAG SYSTEMS INC	195225532	06/18/13	FLOW TOTALIZER	302.78	302.78
2037441	06/26/13	14950	MAHER D YOUNAN / DALE R YOUNAN	004367	06/21/13	W/O REFUND D0896-090151	617.37	617.37
2037591	07/10/13	10512	MAIL MANAGEMENT GROUP INC	OWD8278	06/28/13	CONSUMER CONF REPORT 2013 PROCESSING	2,314.20	2,314.20
2037726	07/24/13	10512	MAIL MANAGEMENT GROUP INC	OWD8343	07/18/13	PROP 218 NOTICE PROCESSING	2,851.00	2,851.00
2037650	07/17/13	14992	MARIA FRANCO	Ref002429294	07/11/13	UB Refund Cst #0000155170	54.20	54.20
2037516	07/03/13	14969	MARIETTA SANTOS	Ref002428999	06/26/13	UB Refund Cst #0000181767	51.26	51.26
2037517	07/03/13	14962	MARIO GONZALEZ	Ref002428992	06/26/13	UB Refund Cst #0000141538	5.30	5.30
2037592	07/10/13	02902	MARSTON & MARSTON INC	201362	06/01/13	DESALINATION OUTREACH (5/1/13-5/30/13))	2,182.50	2,182.50
2037727	07/24/13	02902	MARSTON & MARSTON INC	201371	07/01/13	COMMUNITY OUTREACH (JUNE 2013)	5,000.00	
				201372	07/01/13	DESALINATION OUTREACH (6/1/13-6/28/13)	1,556.25	6,556.25

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2037728	07/24/13	05329	MASTER METER INC	109897	06/27/13	MASTERLINX MOBILE COLLECTOR	17,470.59	17,470.59
2037518	07/03/13	14965	MAURICE WRIGHTEN	Ref002428995	06/26/13	UB Refund Cst #0000163073	6.26	6.26
2037442	06/26/13	01183	MCMASTER-CARR SUPPLY CO	52674071	05/29/13	BURLAP BAGS	351.75	
				52589790	05/28/13	SECURITY COVER	140.46	
				53132918	06/05/13	STRETCH WRAP	119.42	
				51127847	05/02/13	PIPE CLAMPS	12.89	624.52
2037593	07/10/13	01183	MCMASTER-CARR SUPPLY CO	53480477	06/11/13	SKIMMINGS DISCHARGE MATERIALS	521.80	
				54040792	06/20/13	CONDUIT STRAPS	125.76	647.56
2037519	07/03/13	14955	MCMILLIN	Ref002428984	06/26/13	UB Refund Cst #0000000718	3,382.94	3,382.94
2037520	07/03/13	14973	MICHAEL EDWARD	Ref002429003	06/26/13	UB Refund Cst #0000188911	41.38	41.38
2037729	07/24/13	09581	MICHAEL R WELCH PHD PE	71312	06/30/13	PLANNING SERVICES (4/1/13-6/28/13)	1,080.00	1,080.00
2037651	07/17/13	14994	MICHELLE SLAPE	Ref002429296	07/11/13	UB Refund Cst #0000186800	34.22	34.22
2037443	06/26/13	00103	MILLER PAVING CORP	116541	06/20/13	ASPHALT CONCRETE PAVING	7,262.00	7,262.00
2037444	06/26/13	01577	MINARIK CORPORATION	I1036115DD	05/29/13	PLC MODULES	4,743.36	4,743.36
2037445	06/26/13	00237	MISSION JANITORIAL & ABRASIVE	36389900	05/30/13	JANITORIAL SUPPLIES	768.38	768.38
2037594	07/10/13	00237	MISSION JANITORIAL & ABRASIVE	36548700	06/11/13	JANITORIAL SUPPLIES	1,682.68	1,682.68
2037446	06/26/13	09227	MOORE INDUSTRIES-INTRNTL INC	588508	05/29/13	PID CONTROLLER	2,135.20	2,135.20
2037730	07/24/13	12016	MTGL INC	47140	06/27/13	GEOTECHNICAL SERVICES (6/1/13-6/30/13)	7,615.00	7,615.00
2037521	07/03/13	14957	NANETTE DALL	Ref002428986	06/26/13	UB Refund Cst #0000058091	96.78	96.78
2037731	07/24/13	12908	NARASIMHAN CONSULTING SERVICES	039011	07/01/13	HYDRAULIC MODELING SERVICES (2/23/13-6/30/13)	11,353.50	11,353.50
2037522	07/03/13	03523	NATIONAL DEFERRED COMPENSATION	Ben2429099	07/03/13	BI-WEEKLY DEFERRED COMP PLAN	8,707.61	8,707.61
2037652	07/17/13	03523	NATIONAL DEFERRED COMPENSATION	Ben2429407	07/18/13	BI-WEEKLY DEFERRED COMP PLAN	8,707.61	8,707.61
2037732	07/24/13	13690	NEAL ELECTRIC CORP	59033	06/27/13	CONDUIT INSTALLATION	1,268.00	1,268.00
2037523	07/03/13	14968	NERYS USA INC	Ref002428998	06/26/13	UB Refund Cst #0000177661	137.20	137.20
2037733	07/24/13	08531	NEWEST CONSTRUCTION	201305	06/28/13	SKIMMINGS INSTALL	3,684.00	3,684.00
2037734	07/24/13	14118	NORTHSTAR COURIER INC	2599	07/19/13	COURIER SERVICE	76.34	76.34

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2037447	06/26/13	00510	OFFICE DEPOT INC	661159541001	06/06/13	OFFICE SUPPLIES	4.06	4.06
2037524	07/03/13	00510	OFFICE DEPOT INC	661158839001	06/10/13	OFFICE SUPPLIES	40.46	40.46
2037735	07/24/13	00510	OFFICE DEPOT INC	663988764001	07/03/13	OFFICE SUPPLIES	306.10	306.10
2037653	07/17/13	14990	OLGA CHAVEZ	Ref002429292	07/11/13	UB Refund Cst #0000071854	180.00	180.00
2037448	06/26/13	03149	ON SITE LASER LLC	47533	06/05/13	PRINTER SERVICES	91.80	91.80
2037736	07/24/13	03149	ON SITE LASER LLC	47747	06/28/13	PRINTER SERVICES	143.80	143.80
2037595	07/10/13	14947	OPTICAL SERVICES COMPANY	8041	06/20/13	MICROSCOPE REPAIR	120.00	120.00
2037449	06/26/13	02334	OTAY LANDFILL - 4531	0000013868	05/31/13	WASTE DISPOSAL	215.99	215.99
2037596	07/10/13	02334	OTAY LANDFILL - 4531	0000013942	06/15/13	WASTE DISPOSAL	313.31	313.31
2037597	07/10/13	01718	OTAY MESA CHAMBER OF COMMERCE	004394	04/16/13	MEMBERSHIP RENEWAL (JUNE 2013-JUNE 2014)	600.00	600.00
2037450	06/26/13	01002	PACIFIC PIPELINE SUPPLY	160138 160584	06/06/13 06/06/13	INVENTORY INVENTORY	5,832.00 4,317.84	10,149.84
2037598	07/10/13	14954	PACIFIC TRANS ENVIRONMENTAL	41555	06/20/13	HAZARDOUS WASTE DISPOSAL	2,054.78	2,054.78
2037451	06/26/13	10419	PARADA PAINTING INC	15841	06/05/13	GRIT CHAMBER COATING	16,832.00	16,832.00
2037452	06/26/13	10419	PARADA PAINTING INC	15842TM	06/05/13	GRIT CHAMBER COATING	510.83	510.83
2037737	07/24/13	14812	PARKWAY SIGNS	13919	06/27/13	SINGER LANE GATE SIGN	194.79	194.79
2037453	06/26/13	05497	PAYPAL INC	24307873	05/31/13	PHONE PAYMENT SERVICES (MAY 2013)	54.10	54.10
2037738	07/24/13	05497	PAYPAL INC	24936895	06/30/13	PHONE PAYMENT SERVICES (JUNE 2013)	54.10	54.10
2037454	06/26/13	08398	PEERLESS MATERIALS COMPANY	31351	05/29/13	RAGS	388.80	388.80
2037455	06/26/13	03790	PENHALL COMPANY	33563 33562	05/28/13 05/28/13	SAW CUTTING SERVICES SAW CUTTING SERVICES	650.00 210.00	860.00
2037456	06/26/13	00137	PETTY CASH CUSTODIAN	004362	06/25/13	PETTY CASH	483.13	483.13
2037654	07/17/13	00137	PETTY CASH CUSTODIAN	071613	07/16/13	PETTY CASH	295.95	295.95
2037457	06/26/13	00053	PITNEY BOWES INC	779189	06/03/13	POSTAGE METER RENTAL	207.36	207.36
2037739	07/24/13	00053	PITNEY BOWES INC	422848 422849	07/01/13 07/01/13	EQUIPMENT MAINTENANCE (8/1/13-7/31/14) EQUIPMENT MAINTENANCE (8/1/13-7/31/14)	3,178.00 306.00	3,484.00

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2037740	07/24/13	01715	PORRAS, PEDRO	13210713	07/24/13	TRAVEL EXPENSES (7/14/13-7/16/13)	481.05	481.05
2037458	06/26/13	03351	POSADA, ROD	004374	06/25/13	TRAVEL EXPENSES (9/29/13-10/2/13)	952.41	952.41
2037741	07/24/13	03351	POSADA, ROD	17130713	07/18/13	TRAVEL EXPENSES (7/8/13-7/17/13)	195.33	195.33
2037459	06/26/13	13059	PRIORITY BUILDING SERVICES	35047	05/01/13	JANITORIAL SERVICES (MAY 2013)	3,504.00	3,504.00
2037742	07/24/13	13059	PRIORITY BUILDING SERVICES	35448	06/01/13	JANITORIAL SERVICES (JUNE 2013)	3,504.00	3,504.00
2037460	06/26/13	06641	PRUDENTIAL OVERALL SUPPLY	30343870	05/30/13	UNIFORMS, TOWELS & MATS	387.70	
				30345363	06/06/13	UNIFORMS, TOWELS & MATS	373.30	
				30343869	05/30/13	UNIFORMS, TOWELS & MATS	213.12	
				30345362	06/06/13	UNIFORMS, TOWELS & MATS	213.12	
				30343871	05/30/13	UNIFORMS, TOWELS & MATS	182.50	
				30345364	06/06/13	UNIFORMS, TOWELS & MATS	182.50	
				30343242	05/28/13	UNIFORMS, TOWELS & MATS	114.12	
				30344748	06/04/13	UNIFORMS, TOWELS & MATS	114.12	
				30345365	06/06/13	UNIFORMS, TOWELS & MATS	72.86	
				30343872	05/30/13	UNIFORMS, TOWELS & MATS	66.86	
				30343241	05/28/13	UNIFORMS, TOWELS & MATS	46.08	
				30344747	06/04/13	UNIFORMS, TOWELS & MATS	46.08	2,012.36
2037599	07/10/13	06641	PRUDENTIAL OVERALL SUPPLY	30346872	06/13/13	UNIFORMS, TOWELS & MATS	373.26	
				30348391	06/20/13	UNIFORMS, TOWELS & MATS	371.26	
				30346871	06/13/13	UNIFORMS, TOWELS & MATS	213.12	
				30348390	06/20/13	UNIFORMS, TOWELS & MATS	213.12	
				30346873	06/13/13	UNIFORMS, TOWELS & MATS	182.50	
				30348392	06/20/13	UNIFORMS, TOWELS & MATS	182.50	
				30346243	06/11/13	UNIFORMS, TOWELS & MATS	114.12	
				30347765	06/18/13	UNIFORMS, TOWELS & MATS	114.12	
				30348393	06/20/13	UNIFORMS, TOWELS & MATS	60.92	
				30346242	06/11/13	UNIFORMS, TOWELS & MATS	46.08	
				30347764	06/18/13	UNIFORMS, TOWELS & MATS	46.08	1,917.08
2037655	07/17/13	06641	PRUDENTIAL OVERALL SUPPLY	30346874	06/13/13	UNIFORMS, TOWELS & MATS	66.86	66.86
2037743	07/24/13	06641	PRUDENTIAL OVERALL SUPPLY	30349734	06/27/13	UNIFORMS, TOWELS & MATS	371.26	
				30349733	06/27/13	UNIFORMS, TOWELS & MATS	213.12	
				30349735	06/27/13	UNIFORMS, TOWELS & MATS	182.50	

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				30349273	06/25/13	UNIFORMS, TOWELS & MATS	114.12	
				30349736	06/27/13	UNIFORMS, TOWELS & MATS	60.92	
				30349272	06/25/13	UNIFORMS, TOWELS & MATS	46.08	988.00
2037461	06/26/13	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2428821	06/20/13	BI-WEEKLY PERS CONTRIBUTION	150,562.38	150,562.38
2037600	07/10/13	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2429091	07/03/13	BI-WEEKLY PERS CONTRIBUTION	149,053.00	149,053.00
2037744	07/24/13	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2429399	07/18/13	BI-WEEKLY PERS CONTRIBUTION	156,463.32	156,463.32
2037601	07/10/13	10294	QWIKPRINTS	131821417	07/01/13	FINGERPRINTING SERVICE (6/19/13)	20.00	20.00
2037602	07/10/13	01342	R J SAFETY SUPPLY CO INC	31432900	06/12/13	SAFETY SUPPLIES	631.48	
				31406700	06/14/13	FACE MASK CERTIFICATION	202.06	833.54
2037603	07/10/13	00766	RANROY PRINTING COMPANY	018903	06/20/13	POSTCARDS	1,312.20	1,312.20
2037462	06/26/13	00021	RCP BLOCK & BRICK INC	4357515	05/30/13	CONCRETE	1,928.00	1,928.00
2037656	07/17/13	14995	REAL SOLUTION	Ref002429297	07/11/13	UB Refund Cst #0000197123	9.44	9.44
2037657	07/17/13	14996	REMAX ASSOCIATES	Ref002429298	07/11/13	UB Refund Cst #0000197369	8.93	8.93
2037604	07/10/13	00521	RICK POST WELDING &	9492	06/12/13	WELDING & WET TAPPING	2,592.00	2,592.00
2037745	07/24/13	14255	RK CONTROLS INC	0062601	06/27/13	LOGO KIT	180.11	180.11
2037525	07/03/13	04542	ROBAK, MARK	70140613	06/15/13	MILEAGE REIMBURSEMENT (3/15/13-6/15/13)	91.53	
				70140313A	03/15/13	MILEAGE REIMBURSEMENT ADJ (1/1/13-3/18/13)	0.96	92.49
2037526	07/03/13	14825	ROBERT CLARK	Ref002428989	06/26/13	UB Refund Cst #0000088644	60.00	60.00
2037527	07/03/13	14971	ROCIO GUERRERO	Ref002429001	06/26/13	UB Refund Cst #0000188101	27.79	27.79
2037528	07/03/13	14983	ROXANNE JONES	Ref002429013	06/26/13	UB Refund Cst #0000199230	30.80	30.80
2037658	07/17/13	14993	RUSLAN GRUB	Ref002429295	07/11/13	UB Refund Cst #0000176815	410.80	410.80
2037463	06/26/13	09148	S & J SUPPLY COMPANY INC	S100025436001	06/11/13	INVENTORY	637.20	637.20
2037464	06/26/13	05130	SAFARI MICRO INC	230962	05/28/13	SO DIMM 4GB MEMORY	110.44	110.44
2037529	07/03/13	05130	SAFARI MICRO INC	231416	06/04/13	COMPUTERS	4,136.99	4,136.99
2037465	06/26/13	11596	SAN DIEGO CONSTRUCTION WELDING	8927	06/04/13	WELDING SERVICES	1,390.00	1,390.00
2037605	07/10/13	02586	SAN DIEGO COUNTY ASSESSOR	20122240	06/12/13	ASSESSOR DATA	125.00	125.00

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2037606	07/10/13	00003	SAN DIEGO COUNTY WATER AUTH	0000000776	06/18/13	SOCAL WATERSMART (APR 2013)	1,444.96	1,444.96
2037607	07/10/13	00247	SAN DIEGO DAILY TRANSCRIPT	376200	06/12/13	NOTICE OF AVAILABILITY	164.40	
				374784	06/04/13	BID ADVERTISEMENT	164.40	328.80
2037466	06/26/13	00121	SAN DIEGO GAS & ELECTRIC	004364	06/19/13	UTILITY EXPENSES (MONTHLY)	38,533.48	
				004363	06/05/13	UTILITY EXPENSES (MONTHLY)	16,209.31	54,742.79
2037608	07/10/13	00121	SAN DIEGO GAS & ELECTRIC	004389	07/03/13	UTILITY EXPENSES (MONTHLY)	56,565.25	
				004382	06/25/13	UTILITY EXPENSES (MONTHLY)	52,297.78	
				004383	06/26/13	UTILITY EXPENSES (MONTHLY)	41,758.74	
				004381	06/24/13	UTILITY EXPENSES (MONTHLY)	746.34	
				004388	06/27/13	UTILITY EXPENSES (MONTHLY)	88.81	151,456.92
2037659	07/17/13	00121	SAN DIEGO GAS & ELECTRIC	C1230713	07/08/13	UTILITY EXPENSES (MONTHLY)	22,391.70	22,391.70
2037467	06/26/13	12080	SAN DIEGO UNION-TRIBUNE, THE	0010752104	06/07/13	NOTICE OF AVAILABILITY	646.80	646.80
2037530	07/03/13	14956	SAUL CONTRERAS	Ref002428985	06/26/13	UB Refund Cst #0000014913	180.43	180.43
2037468	06/26/13	12333	SCHINDLER ELEVATOR CORPORATION	8103451554	05/01/13	ELEVATOR MAINTENANCE (MAY 2013)	416.00	416.00
2037746	07/24/13	12333	SCHINDLER ELEVATOR CORPORATION	8103473357	06/01/13	MONTHLY ELEVATOR MAINTENANCE (JUNE 2013)	416.00	416.00
2037531	07/03/13	14980	SDNY LLC	Ref002429010	06/26/13	UB Refund Cst #0000198132	129.69	129.69
2037747	07/24/13	15000	SEGURA, ADOLFO	17460713	07/18/13	TRAVEL EXPENSES (7/16/13-7/17/13)	165.16	165.16
2037748	07/24/13	12904	SEPULVEDA CONSTRUCTION INC	00013791	07/10/13	RETAINAGE RELEASE	64,544.05	
				15A	07/10/13	30 INCH POTABLE PIPELINE (ENDING 6/30/13)	4,496.28	69,040.33
2037609	07/10/13	14785	SEW-EURODRIVE INC	862541	05/29/13	FILTER GEAR REDUCERS	7,774.29	7,774.29
2037610	07/10/13	00419	SHAPE PRODUCTS	162889	06/17/13	DITRIBUTION SUPPLIES	1,205.72	1,205.72
2037469	06/26/13	14949	SHARON BALLARD COX / CLAY COX	004370	06/21/13	W/O REFUND D0895-090150	617.37	617.37
2037470	06/26/13	11516	SIEMENS INDUSTRY INC	901260649	06/01/13	ULTRASONIC TRANSDUCER	646.92	646.92
2037611	07/10/13	11516	SIEMENS INDUSTRY INC	901286773	06/22/13	BIOXIDE FOR P/S	1,442.64	1,442.64
2037660	07/17/13	11516	SIEMENS INDUSTRY INC	900760235	06/01/12	PROCESSING TANK	120.00	120.00
2037749	07/24/13	13327	SILVA-SILVA INTERNATIONAL	1307	06/10/13	PROJECT CONSULTANT (JUNE 2013)	4,000.00	4,000.00
2037750	07/24/13	14984	SOLARWINDS INC	IN127011	06/27/13	NETWORK MAINTENANCE (6/27/13-6/27/14)	10,000.00	10,000.00

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2037471	06/26/13	14953	SOUTH BAY DISTRIBUTION LLC	004366	06/21/13	W/O REFUND D0685-060022	8,151.13	8,151.13
2037472	06/26/13	11618	SOUTH COAST COPY SYSTEMS	AR129185	05/31/13	COPIER MAINTENANCE (JUNE 2013)	1,682.59	1,682.59
2037532	07/03/13	11618	SOUTH COAST COPY SYSTEMS	AR124576	03/19/13	STAPLES FOR COPIER	132.84	132.84
2037751	07/24/13	11618	SOUTH COAST COPY SYSTEMS	AR130877	06/30/13	COPIER MAINTENANCE	1,682.59	1,682.59
2037612	07/10/13	02963	SOUTH COUNTY ECONOMIC	109713	06/12/13	MEMBERSHIP DUES (FY 2014)	750.00	750.00
2037473	06/26/13	03103	SOUTHCOAST HEATING &	C51146	05/21/13	AC MAINTENANCE (MAY 2013)	1,068.00	
				C51147	05/21/13	AC MAINTENANCE (MAY 2013)	205.00	1,273.00
2037752	07/24/13	03103	SOUTHCOAST HEATING &	C51390	06/14/13	AC MAINTENANCE (JUNE 2013)	1,068.00	
				C51391	06/14/13	AC MAINTENANCE (JUNE 2013)	205.00	1,273.00
2037474	06/26/13	03760	SPANKY'S PORTABLE SERVICES INC	951955	06/03/13	PORTABLE TOILET RENTAL (6/1/13-6/28/13)	79.98	
				951483	05/31/13	PORTABLE TOILET RENTAL (5/31/13-6/27/13)	79.98	
				951482	05/31/13	PORTABLE TOILET RENTAL (5/31/13-6/27/13)	79.98	
				951481	05/31/13	PORTABLE TOILET RENTAL (5/31/13-6/27/13)	79.98	319.92
2037613	07/10/13	03760	SPANKY'S PORTABLE SERVICES INC	952729	06/12/13	PORTABLE TOILET RENTAL (6/12/13-7/9/13)	79.98	79.98
2037475	06/26/13	03516	SPECIAL DISTRICT RISK	PD12130053810	06/10/13	PROPERTY DEDUCTIBLE	500.00	500.00
2037533	07/03/13	03516	SPECIAL DISTRICT RISK	43639	05/21/13	PROPERTY & LIABILITY PROGRAM (ANNUAL)	545,537.16	
				43882	06/06/13	WORKERS' COMPENSATION (JULY-SEPT 2013)	56,639.00	602,176.16
2037614	07/10/13	03516	SPECIAL DISTRICT RISK	44252	07/01/13	PROPERTY/LIABILITY COVERAGE (2012-13)	13.23	13.23
2037615	07/10/13	03484	SPECIALTY DOORS & AUTOMATION	39322SD	06/13/13	GATE REPAIR	258.89	258.89
2037616	07/10/13	01717	SPRING VALLEY CHAMBER OF	10440713	07/01/13	MEMBERSHIP RENEWAL (2013-2014)	550.00	550.00
2037753	07/24/13	02354	STANDARD ELECTRONICS	18573	06/07/13	SECURITY MAINTENANCE (JUNE 2013)	1,352.50	
				18680	06/28/13	RELAY MODULE	400.00	1,752.50
2037534	07/03/13	06281	STATE DISBURSEMENT UNIT	Ben2429105	07/03/13	BI-WEEKLY PAYROLL DEDUCTION	919.03	919.03
2037661	07/17/13	06281	STATE DISBURSEMENT UNIT	Ben2429413	07/18/13	BI-WEEKLY PAYROLL DEDUCTION	919.03	919.03
2037535	07/03/13	06299	STATE DISBURSEMENT UNIT	Ben2429097	07/03/13	BI-WEEKLY PAYROLL DEDUCTION	237.69	237.69
2037662	07/17/13	06299	STATE DISBURSEMENT UNIT	Ben2429405	07/18/13	BI-WEEKLY PAYROLL DEDUCTION	237.69	237.69
2037536	07/03/13	06303	STATE DISBURSEMENT UNIT	Ben2429103	07/03/13	BI-WEEKLY PAYROLL DEDUCTION	831.23	831.23

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2037663	07/17/13	06303	STATE DISBURSEMENT UNIT	Ben2429411	07/18/13	BI-WEEKLY PAYROLL DEDUCTION	831.23	831.23
2037537	07/03/13	08533	STATE DISBURSEMENT UNIT	Ben2429109	07/03/13	BI-WEEKLY PAYROLL DEDUCTION	258.00	258.00
2037664	07/17/13	08533	STATE DISBURSEMENT UNIT	Ben2429417	07/18/13	BI-WEEKLY PAYROLL DEDUCTION	258.00	258.00
2037617	07/10/13	03738	STEVEN ENTERPRISES INC	0302630IN	06/12/13	INK CARTRIDGES	1,085.05	1,085.05
2037665	07/17/13	14999	STONE POINT - SWEETWATER HOA	23115	06/28/13	LANDSCAPE PROGRAM	11,685.00	11,685.00
2037618	07/10/13	12809	STUTZ ARTIANO SHINOFF	92244	06/24/13	LEGAL SERVICES (MAY 2013)	28,994.80	28,994.80
2037476	06/26/13	12223	SUNBELT RENTALS INC	40257113001	06/07/13	GENSET RENTAL	1,885.67	1,885.67
2037477	06/26/13	02750	SUPERIOR READY MIX LP	571168	06/06/13	CRUSHED ROCK	646.53	
				570116	06/03/13	CRUSHED ROCK	162.77	809.30
2037619	07/10/13	02750	SUPERIOR READY MIX LP	573021	06/17/13	CRUSHED ROCK	83.01	83.01
2037478	06/26/13	02376	TECHKNOWSION INC	2460	05/31/13	SCADA PROGRAMMING	11,587.00	11,587.00
2037620	07/10/13	02376	TECHKNOWSION INC	2464	06/20/13	SCADA PROGRAMMING	4,200.00	4,200.00
2037754	07/24/13	02376	TECHKNOWSION INC	2463	06/21/13	SCADA PROGRAMMING	12,320.00	12,320.00
2037538	07/03/13	08159	TORRES, LEONEL	17571112	07/01/13	TRAVEL EXPENSES (11/8/12)	127.87	
				17571212	07/01/13	TRAVEL EXPENSES (12/5/12)	113.44	
				17570513	07/01/13	TRAVEL EXPENSES (5/14/13)	80.80	322.11
2037539	07/03/13	14543	TRACOM INC	17064	05/22/13	HIDDEN MOUNTAIN ENCLOSURE	28,099.00	28,099.00
2037666	07/17/13	14991	TRACY MARTINEZ	Ref002429293	07/11/13	UB Refund Cst #0000126450	70.88	70.88
2037621	07/10/13	03261	TYLER TECHNOLOGIES INC	04590619	06/11/13	SOFTWARE MAINTENANCE	5,762.81	5,762.81
2037667	07/17/13	03261	TYLER TECHNOLOGIES INC	04590143	06/12/13	SOFTWARE MAINTENANCE	121,850.76	121,850.76
2037479	06/26/13	00427	UNDERGROUND SERVICE ALERT OF	520130475	06/01/13	UNDERGROUND ALERTS (MAY 2013)	319.50	319.50
2037755	07/24/13	00427	UNDERGROUND SERVICE ALERT OF	620130471	07/01/13	UNDERGROUND ALERTS (JUNE 2013)	360.00	360.00
2037480	06/26/13	14181	UNITED RENTALS (NORTH AMERICA)	111714176001	06/10/13	CONCRETE	178.20	178.20
2037622	07/10/13	14181	UNITED RENTALS (NORTH AMERICA)	111788716001	06/12/13	CONCRETE	178.20	
				112027851001	06/21/13	CONCRETE	159.84	338.04
2037756	07/24/13	14181	UNITED RENTALS (NORTH AMERICA)	112327450001	07/03/13	CONCRETE	159.84	159.84

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2037540	07/03/13	00335	UNITED STATES POSTMASTER	4429	07/01/13	POSTAGE FOR PROP 218 NOTICES	15,209.72	15,209.72
2037668	07/17/13	00335	UNITED STATES POSTMASTER	4429	07/01/13	POSTAGE FOR PROP 218 NOTICES	12,260.07	12,260.07
2037669	07/17/13	07662	UNITEDHEALTHCARE SPECIALTY	1229	07/17/13	AD&D & SUPP LIFE INS (AUG 2013)	5,617.56	5,617.56
2037481	06/26/13	07674	US BANK	O000000031	05/22/13	CAL CARD EXPENSES (MONTHLY)	41,371.73	
				E000035	05/22/13	CAL CARD EXPENSES (MONTHLY)	290.00	
				E000036	05/22/13	CAL CARD EXPENSES (MONTHLY)	216.43	41,878.16
2037541	07/03/13	07674	US BANK	004385	05/22/13	CAL CARD EXPENSES (MONTHLY)	52.40	52.40
2037623	07/10/13	07674	US BANK	E000037	06/24/13	CAL CARD EXPENSES (MONTHLY)	3,284.73	
				004393	06/24/13	CAL CARD EXPENSES (MONTHLY)	1,469.37	
				E000038	06/24/13	CAL CARD EXPENSES (MONTHLY)	403.47	5,157.57
2037670	07/17/13	07674	US BANK	O00000032	06/24/13	CAL CARD EXPENSES (MONTHLY)	55,936.72	
				A000045	06/24/13	CAL-CARD EXPENSES (MONTHLY)	9,286.67	
				004390	05/22/13	CAL CARD EXPENSES (MONTHLY)	2,375.77	
				004391	06/24/13	CAL CARD EXPENSES (MONTHLY)	1,038.92	68,638.08
2037542	07/03/13	06829	US SECURITY ASSOCIATES INC	150138	05/31/13	SECURITY SERVICES (MAY 2013)	263.65	
				113265	04/30/13	SECURITY SERVICES (APR 2013)	197.80	461.45
2037482	06/26/13	11606	USA BLUE BOOK	976231	06/04/13	DIGITAL DISPLAYS	993.44	993.44
2037624	07/10/13	11606	USA BLUE BOOK	982879	06/11/13	SKIMMINGS DISCHARGE MATERIALS	61.80	61.80
2037483	06/26/13	13048	V & A CONSULTING ENGINEERS	14099	05/31/13	CORROSION SERVICES (5/1/13-5/31/13)	14,751.50	14,751.50
2037757	07/24/13	13048	V & A CONSULTING ENGINEERS	14167R2	06/28/13	CORROSION SERVICES (6/1/13-6/28/13)	30,000.02	30,000.02
2037484	06/26/13	03190	VALCO INSTRUMENTS CO INC	90221111	05/29/13	HACH PARTS	4,358.47	4,358.47
2037485	06/26/13	08028	VALLEY CONSTRUCTION MANAGEMEN	SD100135	05/31/13	CONSTRUCTION MANAGEMENT (5/1/13-5/31/13)	13,575.00	13,575.00
2037758	07/24/13	08028	VALLEY CONSTRUCTION MANAGEMEN	SD100136	06/30/13	CONSTRUCTION MANAGEMENT (6/1/13-6/30/13)	7,900.00	7,900.00
2037543	07/03/13	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2429089	07/03/13	BI-WEEKLY DEFERRED COMP PLAN	12,536.76	12,536.76
2037671	07/17/13	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2429397	07/18/13	BI-WEEKLY DEFERRED COMP PLAN	12,532.19	12,532.19
2037544	07/03/13	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2429095	07/03/13	BI-WEEKLY 401A PLAN	2,403.28	2,403.28
2037672	07/17/13	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2429403	07/18/13	BI-WEEKLY 401A PLAN	2,203.28	2,203.28
2037625	07/10/13	03329	VERIZON WIRELESS	9706954177	06/21/13	WIRELESS SERVICES (5/22/13-6/21/13)	5,995.12	5,995.12

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2037626	07/10/13	01994	VORTEX	18523	06/19/13	FILTER DISPOSAL	80.00	80.00
2037627	07/10/13	03781	WATTON, MARK	17910613	07/02/13	MILEAGE REIMBURSEMENT (JUNE 2013)	163.29	163.29
2037486	06/26/13	01343	WE GOT YA PEST CONTROL	82508	05/28/13	BEE REMOVAL	250.00	
				82767	06/07/13	PEST CONTROL	115.00	365.00
2037628	07/10/13	01343	WE GOT YA PEST CONTROL	82981	06/18/13	PEST CONTROL	995.00	995.00
2037673	07/17/13	01343	WE GOT YA PEST CONTROL	82811	06/05/13	BEE REMOVAL	115.00	
				82810	06/05/13	BEE REMOVAL	115.00	
				82808	06/06/13	BEE REMOVAL	115.00	
				82716	06/04/13	BEE REMOVAL	115.00	
				83123	06/21/13	BEE REMOVAL	75.00	535.00
2037629	07/10/13	07780	WEBER SCIENTIFIC	602471	06/17/13	LABORATORY SUPPLIES	325.40	325.40
2037487	06/26/13	00125	WESTERN PUMP INC	W19159	05/31/13	DUSTO INSPECTIONS	400.00	400.00
2037630	07/10/13	00125	WESTERN PUMP INC	W19872	06/14/13	ANNUAL MONITORING	956.75	
				W20144	06/19/13	DUSTO INSPECTIONS	400.00	1,356.75
2037545	07/03/13	14961	WILLIAM MARTIN	Ref002428991	06/26/13	UB Refund Cst #0000127381	181.33	181.33
2037546	07/03/13	14958	WILLIAM PENETRANTE	Ref002428987	06/26/13	UB Refund Cst #0000067120	157.44	157.44
2037631	07/10/13	03283	WILSON BOHANNAN PADLOCK CO	0100559IN	06/24/13	AIR-VAC LOCKS	1,853.72	1,853.72
2037632	07/10/13	14857	YSI INCORPORATED	529135	06/24/13	TSS METERS	49,959.53	
				528191	06/14/13	INF TSS METER	6,885.96	56,845.49
Check Grand Total:							4,095,224.80	