

OTAY WATER DISTRICT
FINANCE AND ADMINISTRATION
COMMITTEE MEETING
and
SPECIAL MEETING OF THE BOARD OF DIRECTORS

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA
BOARDROOM
FRIDAY
July 21, 2006
11:30 A.M.

This is a District Committee meeting. This meeting is being posted as a special meeting in order to comply with the Brown Act (Government Code Section §54954.2) in the event that a quorum of the Board is present. Items will be deliberated, however, no formal board actions will be taken at this meeting. The committee makes recommendations to the full board for its consideration and formal action.

AGENDA

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

DISCUSSION ITEMS

3. REJECT MR. AND MRS. CARTER'S CLAIM (BURPEAU) [5 minutes]
4. REJECT MR. AND MRS. INGHAM'S CLAIM (BURPEAU) [5 minutes]
5. TERMINATE THE RETAINER AGREEMENT WITH BURKE WILLIAMS AND SORENSEN, LLP AND APPROVE THE RETAINER AGREEMENT FOR GENERAL COUNSEL AND SPECIAL LEGAL SERVICES WITH GARCIA CALDERON RUIZ, LLP EFFECTIVE AUGUST 1, 2006 (CALDERON) [10 minutes]
6. 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.

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 670-2280 at least 24 hours prior to the meeting.

Certification of Posting

I certify that on July 18, 2006 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 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on July 18, 2006.



Susan Cruz, District Secretary



AGENDA ITEM 3

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 2, 2006
SUBMITTED BY:	David Burbeau, Safety and Risk Administrator	W.O./G.F. NO:	DIV. NO. 4
APPROVED BY:	Rom Sarno, Chief, Administrative Services		
APPROVED BY:	German Alvarez, Assistant General Manager, Finance and Administrative Services		
SUBJECT:	Rejection of Mr. & Mrs. Carter Claim		

GENERAL MANAGER'S RECOMMENDATION:

That the Board reject this claim in the amount of \$4,001.73

COMMITTEE ACTION: _____

See Attachment "A".

PURPOSE:

To reject this claim presented by Mr. & Mrs. Carter of 6656 San Miguel Road, Bonita CA. 91902. This claim alleges damage to numerous plumbing fixtures and items such as a refrigerator, hot water heater, hard wood flooring and numerous other items on May 31, 2006.

This claim was submitted for consideration on 7/12/06.

Staff and the District's property & liability insurance carrier, SDRMA, has recommended that this claim be rejected in its entirety. This claim is not due to any negligence or liability on the part of the District. This claim has been referred to the SDRMA claims adjuster for review.

This action is necessary in order to begin the statute of limitations for bringing any legal action in this matter.

ANALYSIS:

Mr. & Mrs. Carter claim that following a water main relocation project, excessive pressure caused the damage. It should be noted that in their written claim it is stated that their property is not protected by a water pressure regulator as "they never needed one".

Water System Operations was consulted and it was confirmed that proper procedure was followed by staff when the line was re-filled to control air and high pressure in the lines on 5/31/06.

The 185 pounds of pressure claimed by the Carters is reported to be within the normal pressure range in this zone.

The District is confident that the damage was caused by an absence of a required pressure regulator and other protective devices for the property by plumbing code and District Code of Ordinance.

It should be noted that the claim also includes \$2,015.64 for a new refrigerator. We are concerned about a claim for the replacement of an entire appliance that at best may have experienced a leak to the ice maker as opposed to the replacement with a new refrigerator. In addition, had the hot water heater been protected by both the required residence pressure regulator and temperature and pressure regulator valve on the appliance itself, the damage would have been prevented.

It should also be noted that this is the only property that has reported a problem from pressure.

The Districts Code of Ordinance states that customers must protect their property from damage. See excerpt below.

23.03 WATER PRESSURE REGULATION

A. Customer Responsibility. The District shall assume no responsibility for water pressure regulation within a customer's service area. The customer shall be responsible for providing adequate safeguard measures for the customer's water system wherever pressure regulation is necessary.

B. Requirement for Installation in New Construction. Customers making application for water service for new construction for residential, commercial or industrial use shall

be required to install an appropriate pressure regulation device for such service.

FISCAL IMPACT: _____

None.

STRATEGIC GOAL:

Protect the District employees, assets and community by continually improving sound risk management practices and safety programs.

LEGAL IMPACT: _____

None



General Manager

Attachment "A" Committee Action

Attachment "B" Copy of Claim by Mr. & Mrs. Carter

CLAIM AGAINST
OTAY WATER DISTRICT

JUL 13 2006

1. Name of Claimant(s):
KEITH & DIANE CARTER
Address of Claimant(s): 6656 San Miguel Rd, Bonita CA 91902
Phone No. 619-470-0432
2. Address to which claimant(s) desire(s) notice to be sent (if other than above):
6656 San Miguel Rd., Bonita CA 91902
3. Occurrence or transaction which gives rise to claim:
 - a) Date: ≈ 8/31/06 when water main was relocated on San Miguel Rd. Time: _____
 - b) Place: 6656 San Miguel Rd., Bonita CA 91902
 - c) Specify the particular act or omission you claim caused the injury or damage. Include a statement of why you feel the District or its employees were at fault.
Prior to the date when the water main was relocated
an employee of Otay Water District came by & talked to me,
saying they were relocating the Main & the water would be
turned off & there would be water available at the top of the road.
I asked him if I needed to do anything & would it cause
any differences. He said "No", there would be no difference + that (over)
4. General description of injury, damage or loss (so far as known as of the date of this claim):
Horse waterers broke; 3 toilets - valves damaged; Water heater -
blew hole in bottom; refrigerator - line blew, broke refrigerator &
leaked + damaged 1/2 of hardwood kitchen floor, Hot water dispenser - broke
Reverse Osmosis Undersink system - broke, water damage to garage from broken
5. Name(s) of any District employee(s) causing injury, damage or loss, if known: hot-water heater
Unknown

6. a) Description of any property damaged:

See item 4

b) Name of any person(s) injured and description of personal injury:

None

7. Amount claimed if less than \$10,000. **Be sure to attach invoices or estimates to verify amount of property damage or statement from doctor or hospital for personal injury.** If the amount is more than \$10,000, indicate whether jurisdiction would rest in Municipal _____ or Superior Court _____.

a) Amount claimed as of date of claim: \$ 4001.73

b) Estimated amount of any prospective injury, damage or loss: \$ N/A

c) Total amount claimed: \$ 4001.73

8. Name, address and telephone number of witness(es) to the incident:

Keith Carter 619-470-0432, Diane Carter 510-637-2691

~~FB~~

9. Any additional information that might be helpful in considering this claim:

Had the water district employee told us that there would be an increase in water pressure or 185 pounds of pressure would be coming thru the lines we would have taken precautions.

I have read the statements made in the above claim and I know the same to be true of my own knowledge, except as to those matters stated upon information or belief, and as to such matters I believe that same to be true. I certify under penalty of perjury that the foregoing is true and correct.

Dated: 10/30/00

Diane Carter
Claimant or Authorized Representative

Keith Carter

I didn't need to do anything, except be aware there would be no water after 7:00 am. However, we had never had a regulator on our plumbing system, as we had never needed one. After the main was moved suddenly the water pressure ~~increased~~ & everything that had water going to it on our property broke. ~~The inspectors from the water district~~ increased dramatically. I called the water district & they sent out 2 inspectors to check it. They measured the water pressure at approx. 185.



HOME DEPOT U.S.A., INC.
Store 0658 CHULA VISTA
725 PLAZA COURT
CHULA VISTA, CA 91910

Phone: (619) 421-6200
Contact Center: (619) 421-6200
Salesperson: RCC418
Reviewer:

VALIDATION AREA

0658 00034 24632 07/02/06
SALE 32 WH11RI 12:18 PM

This is only a **QUOTE** for the merchandise and services printed below. This becomes an Agreement upon payment and an endorsement by a Home Depot register validation.

SOLD TO	Name		Home Phone	
	CARTER		DIANE	
	Address		Work Phone	
	6656 SAN MIGUEL RD		() - (619) 470-0432	
	City		Company Name	
	BONITA			
State		Job Description		
CA		FRIDGE		
Zip		County		
91902		SAN DIEGO		

CUSTOMER AGREEMENT # 299834
RECALL AMOUNT 2062.00
1997.00 10.00% DISC -199.70
RSN: 9 GRP DISC
ADDL MDSE SUBTOTAL 211.82
SUBTOTAL 2074.12
SALES TAX 160.75
TOTAL \$2234.87
COUPON 50.00
XXXXXXXXXXXX6254 VISA 2184.87
AUTH CODE 64716B/8342700 TA

QUOTE is valid for this date: 07/02/2006

HOME DEPOT DELIVERY #1 **MERCHANDISE AND SERVICE SUMMARY** We reserve the right to limit the quantities of merchandise sold to customers.

STOCK MERCHANDISE TO BE DELIVERED:				REF #V02			
REF #	SKU	QTY	UM	DESCRIPTION	TAX	PRICE EACH	EXTENSION
R01	416-356	1.00	EA	JFC2089HES-FRENCH DOOR C-D FRIG /JFC2089HES	Y	\$1,797.30	\$1,797.30*
						MERCHANDISE TOTAL:	\$1,797.30
DELIVERY INFORMATION:				SCHEDULED DELIVERY DATE: 07/03/2006			
V02	515-663	1.00	EA	CURBSIDE DELIVERY SERVICE	Y	\$65.00	\$65.00
						DELIVERY SERVICE SUBTOTAL:	\$65.00
HOME DEPOT WILL DELIVER MDSE TO:				CARTER, DIANE			
ADDRESS:				6656 SAN MIGUEL RD			
STATE:		ZIP:		COUNTY:		CITY:	
CA		91902		SAN DIEGO		BONITA	
PHONE:				SALES TAX RATE:			
(619) 470-0432				7.750			
DRIVER SPECIAL INSTRUCTIONS:						MDSE & DELIVERY TOTALS:	
THE HOUSE IS AT THE END OF A LONG UNMARKED STREET. AT THE BEGINNING OF STREET, THERE WILL BE MAILBOXES, FOLLOW THE BLACK PAVED ROAD TO THE DRIVEWAY.						\$1,862.30	
						END OF HOME DEPOT DELIVERY - REF #V02	

NOT VALID FOR MERCHANDISE CARRY-OUT

of 10 No. 0658-299834

* Indicates item markdown
Customer Copy



THE HOME DEPOT 0658
725 PLAZA COURT
CHULA VISTA, CA 91910 (619) 421-6200

SALE 0658 00031 71865 06/15/06
41 AF974B 10:34 AM



071121100573 RK MOUSE RAT	4.99
026613095325 ANGLE VALVE	4.59
026613966311 BRASSCRAFT	3.96
078864902129 TOILET KIT	9.67
SUBTOTAL	23.15
SALES TAX	1.79
TOTAL	\$24.94
XXXXXXXX8121 STORE CREDIT	6.98
CARD BALANCE	0.00
	TA
XXXXXXXXXXXX6254 VISA	17.96
AUTH CODE 013298/5313808	TA

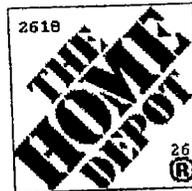


0658 31 71865 06/15/2006 5513

FIND THE PERFECT GIFT FOR DAD!
SHOP ONLINE AT WWW.HOMEDEPOT.COM/DAD/
FREE SHIPPING ON MOST ORDERS OVER \$49

THE HOME DEPOT 0658
725 PLAZA COURT
CHULA VISTA, CA 91910 (619) 421-6200

SALE 0658 00056 14086 06/26/06
14 SCOT56 02:09 PM



090489500764 2X2-8 WW	1.89	<i>1.89</i>
048649025417 25' POLY	1.99	<i>1.99</i>
022078492778 LN POLY ADH		
4 @ 3.97		
SUBTOTAL	15.88	
SALES TAX	19.76	
TOTAL	1.53	
XXXXXXXXXXXX6254 VISA	\$21.29	
AUTH CODE 95413B/4566236	21.29	
	TA	

For Flooring glue



0658 56 14086 06/26/2006 2618

NOW HIRING SALES SPECIALISTS & DESIGNERS
FT/PT APPLY TODAY IN-STORE OR ON-LINE
AT: CAREERS.HOMEDEPOT.COM/SALESSPECIALIST

LOWE'S

LOWE'S HW, INC.
2225 OTAY LAKES ROAD
2225 OTAY LAKES ROAD
CHULA VISTA, CA 91915
(619)739-9060

-SALE-

SALES #: S1742LL3 1027043 07-02-06

23027 3/4"ANTISIPHON ULV (APAS-	12.83
25151 1/4"COMP UNION A-1	4.14
2 0 2.07	
25184 1/4"COMP TEE A-12	3.62
34835 BRAS PIPE RED 1/4X1/8	1.68
28994 PLASTIC 3/8 OD X 1/4 NIP	2.23
28312 PLASTIC 3/8 OD TEE	3.93
54652 4 OZ LO-VOC PRPL PWR NSF	2.86
SUBTOTAL:	31.29
TAX 32470 :	2.42
INVOICE 13224 TOTAL:	33.71

BALANCE DUE: 33.71

VISA: 33.71

VISA XXXXXXXXXXXX6254 828408
AMOUNT: 33.71

1742 TERMINAL: 13 07/02/06 19:01:58

OF ITEMS PURCHASED: 8
EXCLUDES FEES, SERVICES AND SPECIAL ORDER ITEMS



THANK YOU
FOR SHOPPING LOWE'S

RECEIPT REQUIRED FOR CASH REFUND.
CHECK PURCHASE REFUNDS REQUIRE
15 DAY WAIT PERIOD FOR CASH BACK.
STORE MGR: HENRY MARTINEZ

LOWE'S

LOWE'S HW, INC.
2225 OTAY LAKES ROAD
2225 OTAY LAKES ROAD
CHULA VISTA, CA 91915
(619)739-9060

-SALE-

SALES #: S1742JC4 1027061 07-03-06

100563 4 LB PRESTO PATCH	3.94
25078 1/4"UNIVERSAL COMBO A-	1.02
25184 1/4"COMP TEE A-12	3.62
25605 COMP CONN 1/4X1/8 A-	1.50
25025 1/4X5" COPPER COIL	4.83

*To be used
To fix
leaking
sink*

SUBTOTAL: 14.91

TAX 32470 : 1.16

INVOICE 13331 TOTAL: 16.07

BALANCE DUE: 16.07

VISA: 16.07

VISA XXXXXXXXXXXX6254 520008
AMOUNT: 16.07

1742 TERMINAL: 13 07/03/06 15:13:46

OF ITEMS PURCHASED: 5
EXCLUDES FEES, SERVICES AND SPECIAL ORDER ITEMS



THANK YOU
FOR SHOPPING LOWE'S

RECEIPT REQUIRED FOR CASH REFUND.
CHECK PURCHASE REFUNDS REQUIRE
15 DAY WAIT PERIOD FOR CASH BACK.
STORE MGR: HENRY MARTINEZ

222

LOWE'S

LOWE'S HW, INC.
2225 OTAY LAKES ROAD
2225 OTAY LAKES ROAD
CHULA VISTA, CA 91915
(619)739-9060

-SALE-

SALES #: S1742CR2 13 06-30-06

~~22509R 2 1/2 GAL HOT WATER DISPENSER~~
~~154088 170 FLOATING SOLAR LIGHT 9.83~~
100401 10' ICE MAKER ROSE 12IN1 16.74

SUBTOTAL: 200.57
TAX 32470 : 15.54
INVOICE 05569 TOTAL: 216.11

BALANCE DUE: 216.11

VISA: 216.11

VISA XXXXXXXXXXXX6254 569608
AMOUNT: 216.11

1742 TERMINAL: 05 06/30/06 13:42:20

OF ITEMS PURCHASED: 3
EXCLUDES FEES, SERVICES AND SPECIAL ORDER ITEMS

THE HOME DEPOT 0658
725 PLAZA COURT
CHULA VISTA, CA 91910 (619) 421-6200

SALE 0658 00034 24652 07/02/06
32 WH11RI 12:18 PM



CUSTOMER AGREEMENT # 299834
RECALL AMOUNT
075381035385 LONG HANG UP
048643068001 FITTING
050375006909 H990C-SS
075381035316 HANG-UP
212.12 MAX DISC
RSN: 9 GRP DISC

1862.30
~~6.19~~
~~3.36~~
199.00
~~3.47~~
-0.30

SUBTOTAL 2074.12
SALES TAX 160.75
TOTAL \$2234.87
COUPON 50.00
2184.87
TA

XXXXXXXXXXXX6254 VISA
AUTH CODE 647168/8342700



NOW HIRING SALES SPECIALISTS & DESIGNERS
FT/PT APPLY TODAY IN-STORE OR ON-LINE
AT: CAREERS.HOMEDEPOT.COM/SALESSPECIALIST

ENTER FOR A CHANCE
TO WIN A \$5,000
HOME DEPOT GIFT
CARD!

Your Opinion Counts! We would like to
hear about your shopping experience.
Enter to win a \$5,000 Home Depot Gift
Card by completing a brief survey about
your store visit at:

www.HomeDepotOpinion.com

You will need the following to enter
on-line:

User ID:
50251 49627

Password:
6352 49593

Entries must be entered by 08/01/2006.
Participants must be 18 or older to enter.
on website. No

CARPINTERIA



Eliel Saldaña

Trabajos Garantizados

*Porfirio Diaz 6330-A
Inf. Presidentes*

Tel. 625-4677

~~625-4677~~
966.9156239

B5W.

REPAIR FLOOR BOARDS

Claim for Damages:
Keith & Diane Carter
6656 San Miguel Rd.
Bonita CA 91902

Hot Water Heater:	\$1,150.00	(SOS Rooter)
Refrigerator	2,015.64	(Home Depot)
Floor Board Repair	500.00	(Eliel Saldana)
Hot Water Dispenser	213.93	(Home Depot)
Supplies and Fittings to make Repairs	54.98	(Home Depot)
Supplies and Fittings to make Repairs	<u>67.18</u>	(Lowes)
	\$4,001.73	



AGENDA ITEM 4

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 2, 2006
SUBMITTED BY:	David Burbeau, <i>DAB</i> Safety and Risk Administrator	W.O./G.F. NO:	DIV. NO 3.
APPROVED BY:	Rom Sarno, Chief, Administrative Services (Chief)	<i>[Signature]</i>	
APPROVED BY:	German Alvarez, Assistant General Manager, Finance and Administrative Services (Asst. GM):	<i>[Signature]</i>	
SUBJECT:	Rejection of Mr. & Mrs. Ingham Claim		

GENERAL MANAGER'S RECOMMENDATION:

That the Board reject this claim in the amount of \$5,200.00

COMMITTEE ACTION: _____

See Attachment "A".

PURPOSE:

To reject this claim presented by Mr. & Mrs. Ingham of 9887 Ivy Street, Spring Valley, CA. 91977. This claim alleges that the damage to their landscape occurred sometime in September 2005.

This claim has been submitted for consideration on 7/06/06 nearly eight months after the alleged event.

Staff and the District's property & liability insurance carrier, SDRMA has recommended that the District reject this claim in its entirety. This claim is not due to any negligence or liability on the part of the District. This claim has been forwarded to SDRMA's claims adjuster for review.

This action is necessary in order to begin the statute of limitations for bringing any legal action in this matter.

ANALYSIS:

The District was notified of a leak by a previous claimant, Mr. St. Cyr in the vicinity of the fire hydrant on 9879 Ivy Street. A District crew was dispatched to evaluate the leak and make any necessary repair on 11/17/05.

The Utility lead responding to the leak reported and repaired a very small leak at the bottom of the 36 inch hydrant spool. He stated that water was observed in Mr. & Mrs. Ingham's yard located below grade of the leak at that time.

SDRMA has recommended rejection of this claim as it was unlikely this small leak caused the amount of landscape damage especially in light of the above normal rainfall in 2005.

A review with the District's Water Conservation Manager resulted in an opinion that if the leak was as small as described, it would not leaked more than 5-10 gallons a day. This amount would not be enough to cause the damage as claimed.

It is important to point out that in 2005; the San Diego area received greater than twenty inches of rainfall, more than twice the normal amount. Many yards experienced soil saturation, mold and mossy conditions during this time period.

It should be noted that following a small claims action and settlement with his neighbor, Mr. St. Cyr, the District received this claim from Mr. & Mrs. Ingham.

Given the fact that the leak was determined to be very small, the amount of excessive rainfall, the District is confident that the amount and scope of damage claimed by the Ingham's was not attributed to the fire hydrant service leak.

FISCAL IMPACT: _____

None.

STRATEGIC GOAL:

Protect the District employees, assets and community by continually improving sound risk management practices and safety programs.

LEGAL IMPACT: _____

None.



General Manager

Attachment "A" Committee Action

Attachment "B" Copy of Claim by Mr. & Mrs. Ingham

6. a) Description of any property damaged:

Please see enclosed letter

b) Name of any person(s) injured and description of personal injury:

/

7. Amount claimed if less than \$10,000. **Be sure to attach invoices or estimates to verify amount of property damage or statement from doctor or hospital for personal injury.** If the amount is more than \$10,000, indicate whether jurisdiction would rest in Municipal _____ or Superior Court _____.

a) Amount claimed as of date of claim: \$ 5,200

b) Estimated amount of any prospective injury, damage or loss: \$ _____

c) Total amount claimed: \$ 5,200

8. Name, address and telephone number of witness(es) to the incident:

Please see enclosed letter and bills

9. Any additional information that might be helpful in considering this claim:

I have read the statements made in the above claim and I know the same to be true of my own knowledge, except as to those matters stated upon information or belief, and as to such matters I believe that same to be true. I certify under penalty of perjury that the foregoing is true and correct.

Dated: June 28 2006

Glenn J. Han
Claimant or Authorized Representative

ELAINE AND CHARLES INGHAM
9887 IVY STREET
SPRING VALLEY, CA 91977
619 461 1660

June 28, 2006

JUL 6 2006

Otay Water District
2554 Sweetwater Springs Blvd
Spring Valley, CA 91978-2096

CLAIM AGAINST OTAY WATER DISTRICT

Dear Sir/Ms.,

Late last summer the fire hydrant next to our property began to leak underground, and the leak remained undetected for several months. Gradually, our front yard became a pond, and then the back yard also became water-logged. We lost three trees in the front, one tree at the back, many bushes, flower beds and ground cover. The front lawn became mossy and then moldy.

We had our sprinkler system checked by our landscape gardener, then had two independent consultants check pipes. The problem on our property still remained, with no visible source on our property or in the neighborhood. (We later discovered that our neighbor's driveway cracked, due, apparently, to ground subsidence.) Finally, we engaged a geologist to evaluate the ground and soil. He diagnosed a possible fire hydrant leak and we immediately informed Otay Water. It was only on their second visit that they finally discovered the leak, five feet underground.

I enclose a copy of the bills from the gardeners and the geologist, and a service quote for the restoration of landscaping at our property.

Sincerely,



Elaine Ingham



Be the Green Envy of the Neighborhood

Green Envy Landscape Maintenance and Design

Dear Ms. Elaine Ingham,

Thank you for giving us an opportunity to help you with your landscaping needs.

Per our conversation, please accept this letter as an estimate of services to be done on your property. ***Green Envy Landscape Maintenance and Design*** will be happy to help you with the following.

Labor to include

- Removal of current grass
- Pick up, delivery and installation of SOD
- Pick up, delivery and installation of plants
- Machine and equipment rental
- Labor for the above mentioned

Total cost to client: \$5,200.00

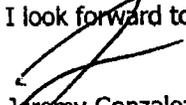
Date of service

Please contact me directly to discuss dates for work to be done. I can be reached at 858-344-9548 or at Greenenvylandscape@yahoo.com

Payments

50% (\$2,600.00) is due before work is to begin. Remaining balance of \$2,600.00 is due upon completion of services. Upon agreement to services, please sign and return the enclosed estimate with a payment of \$2,600.00 to Green Envy Landscape Maintenance and Design in the enclosed envelope.

I look forward to hearing from you,


Jeremy Gonzalez
Owner/Operator

Michael W. Hart, Engineering Geologist

P.O. Box 261227
San Diego CA 92196
ph. 858.578.4672

Invoice

Number: 1076
Date: November 22, 2005

Bill To:

Elaine Ingham
9887 Ivy Street
Spring Valley CA 91977

Description	Amount
Consultation re: groundwater problem at residence	
Engineering Geologist: 1.5hrs at 100/hr	150.00
PAID IN FULL	

Total \$150.00

Amount Paid: 150.00
Amount Due: 0.00

R.S.B. Landscape & Irrigation

Irrigation Drainage- Installation & Repair
Automatic, Manual, & Drip Systems
Serving San Diego 20 years
Bob Barranco-Owner

010 225

Office Hours - 7 a.m. - 5 p.m.
Monday - Saturday
Phone (619) 465-0844

24-Hour Emergency Service
Voice Mail
(619) 330-8325

FREE ESTIMATES

Landscape/Irrigation/Drainage Contract

Proposal submitted to:

Name: _____
Address: _____
City/State: _____
Telephone: _____

Work to be performed at:

Name: 715 E 17th Ave
Address: 9887 W
City/State: _____
Telephone: _____

Date	Date of plans	Start work date	Invoice#	Proposal#	Page#	# of pages
------	---------------	-----------------	----------	-----------	-------	------------

Please provide detailed description of work ordered:

Additional page attached.

*No leak in irrigation system - underground spring?
checked all valves - in operation concern*

Proposal includes:

materials and labor as required in accordance with above specifications

for the sum of

\$ 25⁰⁰

payments to be made as follows:

50% to start job, including design and layout.

All material is guarantee to be as specified. All or is to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from the above specifications involving extra cost will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays is beyond our control. Owners to carry fire, tornado, and other necessary insurance. Our workers are fully covered by workmen's compensation insurance.

Acceptance of proposal

It is customary to pay 50 percent of the agreed upon price, when signing contract. This gives the contractor the working capital to buy the equipment plants needed for the job. Balance upon completion in or as outlined to the left or above.

Customer Signature

Date

Bob Barranco
Contractor Signature

Date

No. _____	Date <u>Feb 17 2006</u>
RECEIVED OF <u>E. Ingham</u>	<u>Sprinkler system</u>
<u>check (New 2005)</u>	DOLLARS \$ <u>50.00</u>
Amt. of Account	
Amt. Paid	
Balance Due	<u>TSWD</u>



AGENDA ITEM 5

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	August 2, 2006		
SUBMITTED BY:	Yuri A. Calderon, General Counsel	W.O./G.F. NO:	n/a	DIV. NO.	All
APPROVED BY: (Chief)					
APPROVED BY: (GM):	Mark Watton, General Manager				
SUBJECT:	Approve retainer agreement for general counsel and specialty legal services with Garcia Calderon Ruiz, LLP				

GENERAL MANAGER'S RECOMMENDATIONS:

Approve the form, and authorize the execution and delivery, of the attached retainer agreement with the law firm of Garcia Calderon Ruiz, LLP for general counsel and specialized legal services.

Authorize the General Manager to (i) execute one or more requests, in form and substance satisfactory to the General Manager, for the transfer of all District files, including electronic files, from Burke, Williams & Sorensen, LLP to Garcia Calderon Ruiz, LLP; and (ii) terminate the retainer agreement with Burke Williams & Sorensen, LLP, all effective August 1, 2006.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

Approve retainer agreement for general counsel and specialty legal services with Garcia Calderon Ruiz, LLP.

ANALYSIS:

The District's General Counsel, Yuri A. Calderon, and the District's Assistant General Counsel, Aerobel Banuelos, have informed the District that they are departing from Burke, Williams & Sorensen, LLP with thirteen (13) other attorneys, and will be forming a new law firm, Garcia Calderon Ruiz, LLP effective August 1, 2006. The new firm will have offices in San Diego, Los Angeles and San Jose. Effective August 1, 2006 Burke Williams & Sorensen, LLP will be closing its San Diego and San Jose offices.

The attached retainer agreement mirrors the current retainer agreement between the District and Burke Williams & Sorensen, LLP. The agreement includes the increase to the retainer for the cost of living adjustment contemplated in the Burke retainer agreement.

During the last fiscal year, the District utilized the retainer services to the fullest extent possible and exceeded the 1300 hour limit contemplated under the agreement. The legal services rendered by your General Counsel have successfully controlled the total legal costs for the District have resulted in a overall decline in legal fees over the last three years. We are also proud to inform you that the General Counsel has spent the majority of the last year providing preventative legal services instead of litigation and litigation management.

FISCAL IMPACT: There is no fiscal impact. The legal budget has been incorporated into the District's overall budget and has been approved by the Board.

LEGAL IMPACT: Garcia Calderon Ruiz, LLP will continue to provide the high level of legal services that the District has received since 2001. We look forward to the continued relationship with the District.



General Manager

Attachments:

- Committee Action
- Garcia Calderon Ruiz, LLP Retainer Agreement



ATTACHMENT A

SUBJECT/PROJECT:	Approve retainer agreement for general counsel and specialty legal services with Garcia Calderon Ruiz, LLP
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COMMITTEE ACTION:

The Finance and Administration Committee reviewed this item on July 21, 2006 and supported presentation to the full board.

July 17, 2006

Mr. Jaime Bonilla
Board President, Board of Directors
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, California 91978-2096

Re: Retainer Agreement for General Counsel and Other Legal Services

Dear Mr. Bonilla:

Garcia Calderon Ruiz, LLP is honored to serve as General Counsel to the Otay Water District (hereinafter, the "District"). This engagement letter contains the terms and conditions of the engagement of Garcia Calderon Ruiz, LLP (hereinafter, the "Firm") to represent the District as General Counsel and other matters assigned to us by the District. This Agreement will be effective as of August 1, 2006, subject to the approval of the Board of Directors of the District.

Business and Professions Code Section 6148 provides that a written fee agreement must set forth the scope of the legal services under which the attorneys of the Firm have been retained to perform and the fees the Firm will charge for those services. This letter, when executed by the District in the space provided below is intended to fulfill the requirements of Section 6148. Accordingly, the Firm hereby informs the District that the Firm carries errors and omissions insurance coverage applicable to the services to be rendered.

The terms and conditions of the Firm's representation of the District are as follows:

First, we are pleased to continue to serve as General Counsel for the District. In that capacity, we will provide all legal services reasonably required to represent the District's best interests in all matters forwarded to us for handling. We will keep the District informed of significant developments and promptly respond to all of its inquiries. For its part the District agrees to cooperate with us, keep us informed of developments and pay our bills and all costs incurred on its behalf in a timely manner.

Second, we will provide the services of General Counsel as outlined herein for a flat annual retainer fee of Two Hundred and Sixty-Two Thousand and Five Hundred Dollars and No Cents (\$262,500.00) plus costs. The General Counsel services will include advice and legal services in the areas of (1) General Administrative issues; (2) Governance, including Brown Act and California Public Records Act; (3) Personnel and Labor Relations; (4) contract review; (5) Board Advice; (6) management of litigation and coordination of legal services by

other law firms; (7) negotiation of water rights and other significant national and international contracts for the District; (8) handling all extraordinary legal issues or matters so long as the research and analysis does not exceed 100 hours; (9) legislative research and analysis under the same guidelines as handling of extraordinary matters; (10) all board briefings, meetings with board members, regular and special board meetings and occasional committee meetings when legal services are required; (11) six employee workshops on various legal topics; and, (12) periodic workshops and presentations to the Board of Directors on the Brown Act and Conflicts of Interest issues. The retainer shall include a maximum of 1300 attorney hours of retainer work for the District. In the event that the District reaches the cap of billable hours, the Firm will submit a proposal for the Board's consideration for services for the remainder of the District's fiscal year. The retainer shall be adjusted on an annual basis to reflect the Los Angeles-Riverside-Orange County, CA All Urban Consumer Price Index ("CPI"). The increase will take effect at the beginning of each fiscal year for the District.

The General Counsel shall provide the Board of Directors with period reports as to its activities and the litigation being supervised by General Counsel. The General Counsel shall maintain the Board President and the General Manager informed of all major legal developments and the status of all litigation matters. Furthermore, General Counsel shall no less than quarterly provide the Board of Directors with a written summary of all pending legal matters, including litigation matters.

The flat annual retainer shall not include services or advice rendered in connection with extraordinary events that exceed 100 hours of research and analysis, litigation, PERB litigation, arbitrations, including employee terminations, Auld Goff Course litigation and/or negotiations, litigation against any of the District's insurance companies to recover defense or indemnification claims (AIG/Kemper Litigation), Harron or Bartlett-May litigation (except routine reports to the Board of Directors), representation of the District before other governmental or regulatory agencies, and any and all costs which will be passed on to the District at no mark-up.

For legal services provided outside the annual retainer, the Firm will charge for these services at the rate of \$265.00 per hour for my time and the time of each other partner; \$250.00 per hour for special counsel or senior attorneys of the Firm with seven or more years of experience as an attorney. We will charge the District a blended rate of \$200 per hour for services provided by associates of the Firm who may work on District matters. Our practice is to provide legal services on the most cost-efficient basis possible. Not every legal task must be performed by an attorney. If a law clerk or paralegal can perform the work at a lower rate, a law clerk or paralegal will do the work. Our law clerk rate is \$175.00 per hour. Our paralegal rate is \$115.00 per hour. The rate for these services shall also be adjusted on an annual basis to reflect the Los Angeles-Riverside-Orange County, CA All Urban Consumer Price Index ("CPI"). The increase will take effect at the beginning of each fiscal year for the District.

Third, we will bill the District for legal services and costs on a monthly basis. The District agrees to pay the full amount set forth in our statements within 30 days. To the extent it does

not do so, however, the Firm shall be entitled to charge interest at the maximum allowable rate (currently 10% per annum) on any and all unpaid balances.

Fourth, the District recognizes that from time to time, it may be necessary to hire a consultant, expert, title company or other service reasonably necessary in our judgment to accomplish the tasks for which we have been retained. Prior to hiring a consultant, we will obtain the authorization and consent of the General Manager, if under \$50,000.00 and the Board of Directors if over \$50,000.00 in anticipated fees. In such cases, we reserve the right to advance payment on these costs or, in the alternative, to request the service provider/vendor to bill the District directly. The District agrees to reimburse us and/or pay service providers/vendors immediately when we have asked them to bill the District directly.

Fifth, the District recognizes that we may need to incur reasonable expenses to accomplish the tasks for which we have been retained. The District agrees to reimburse us for costs advanced on its behalf. These items may include, but are not limited to, filing fees, long distance telephone charges, electronic mail, messenger and other delivery fees, postage, photocopying at \$0.20 per page, outgoing facsimile transmissions at \$1.00 per page, parking, mileage at the IRS rate (currently \$0.405 per mile), travel expenses (including air fair at coach rates, lodging, meals, and ground transportation), charges for outside assisted legal research, charges for computer time and word processing time, clerical staff overtime, investigation expenses, and consultants' fees. We will, of course, itemize all costs incurred on each monthly statement.

Sixth, the District's appointment of the Firm as General Counsel for the District constitutes a public appointment and the Firm shall be an authorized agent of, and affiliated with, the District within the meaning of any and all policies of insurance covering the District, its agents, affiliates and others.

Seventh, the District may discharge us at any time, and it agrees to execute all documents reasonably necessary to complete our discharge. In the exercise of our sole discretion and consistent with the rules of ethics, we reserve the right to withdraw from representing the District in any matter and the District agrees to execute all documents reasonably necessary to complete our withdrawal. Conduct which may cause the Firm to withdraw includes but is not limited to (a) any refusal to cooperate with the Firm in a material matter; or (b) any fact or circumstance that would render the Firm's continuing representation unlawful or unethical.

Finally, we have not made and cannot make any promises or guarantees to the District or any of its officials, personnel or agents about the outcome of negotiations, litigation or any matter which it may ask us to handle, and nothing in this letter shall be construed as such a promise or guarantee. If the foregoing terms and conditions are satisfactory, please execute this letter in the space provided below.

Again, we appreciate the opportunity to continue to represent the District's interests and look forward to working with you. As always, should you have any questions, comments or concerns, please do not hesitate to give me a call.

Very truly yours,

Yuri A. Calderon
For Garcia Calderon Ruiz, LLP

On behalf of the Board of Directors of the
Otay Water District, I have read and am
authorized to agree to the foregoing:

OTAY WATER DISTRICT

By:

Mr. Jaime Bonilla
Board President, Board of Directors
Otay Water District