

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

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA
BOARDROOM

MONDAY
August 21, 2006
4:00 P.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. ADOPT RESOLUTION NO. 4087 AMENDING POLICY NO. 4, QUOTATIONS FOR FEES OR CHARGES, ESTABLISHING A PERIOD OF TIME THAT WRITTEN QUOTATIONS ARE VALID (POSADA/CHARLES) [5 minutes]
4. PRESENTATION OF THE BOARD OF DIRECTORS 4TH QUARTER EXPENSES FOR FISCAL YEAR 2006 (PRENDERGAST) [5 minutes]
5. RECEIVE THE INVESTMENT POLICY (BOARD OF DIRECTORS POLICY NO. 27) AND ADOPT RESOLUTION NO. 4088 AMENDING THE POLICY AND RE-DELEGATING AUTHORITY FOR ALL INVESTMENT RELATED ACTIVITIES TO THE CHIEF FINANCIAL OFFICER (CUDLIP) [10 minutes]
6. APPROVE A ONE-TIME PAYMENT OF \$5,000 TO THE WATER CONSERVATION GARDEN TO PROVIDE FUNDING FOR BOARD SECRETARY SUPPORT (WATTON)
7. APPROVE THE EXECUTION OF AN AGREEMENT WITH CRICKET COMMUNICATIONS, INC., A DELAWARE CORPORATION, FOR THE INSTALLATION

OF A COMMUNICATIONS FACILITY AT THE 485-1 RESERVOIR SITE
(VAUGHN) [5 minutes]

8. APPROVE THE EXECUTION OF AN AGREEMENT WITH CRICKET COMMUNICATIONS, INC., A DELAWARE CORPORATION, FOR THE INSTALLATION OF A COMMUNICATIONS FACILITY AT THE 458-1&2 RESERVOIR SITE (VAUGHN) [5 minutes]
9. ADJOURNMENT

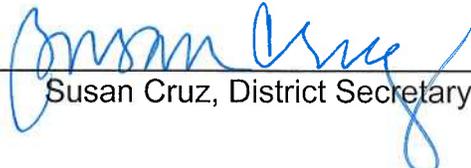
All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

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 August 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 August 18, 2006.



Susan Cruz, District Secretary

AGENDA ITEM 3



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 6, 2006
SUBMITTED BY:	David Charles, <i>DC</i> Public Services Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Rod Posada, <i>R Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña, <i>M Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Adopt Resolution No.4087 Amending Policy 4 - Quotations for Fees or Charges		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution No. 4087 Amending Policy 4 - Quotations for Fees or Charges.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To amend the requirement of Policy 4 - Quotation for Fees or Charges, concerning the period of time during which written quotes are honored. The proposed revisions are intended to establish that written quotations given for fees and charges (including annexation fees) shall be firm only within the calendar quarter within which the quote is given.

ANALYSIS:

It is District practice to adjust capacity fees quarterly in January, April, July, and October of each year to reflect fluctuation in construction costs as measured by the *Engineering News Record Construction Cost Index*. It is also District practice to notify Developers of the quarterly adjustments. Policy No. 4 was last modified on September 20, 1995. This Policy currently provides that written quotations remain in effect for 30-calendar days from the date the quote is given.

If the 30-day period overlaps two quarters, the capacity fees are adjusted before developer pays the quoted fees. In this situation, staff has to manually override the then current capacity fees already programmed into the system and enter the quoted capacity fees. This practice is time-consuming and may lead to errors because staff must remember to alter the fees in all parts of the system that have been automatically updated to the new capacity fees.

Staff is requesting Board consideration to amend Policy No. 4 to establish a period of time that written quotations for capacity fees or charges will be valid during either the lesser of (i) 30-calendar days from the date of issuance or (ii) until the end of the quarter in which the quote is given. All new quotation forms will clearly state that OWD capacity fees and charges will be adjusted as necessary to comply with any increase or decrease in meter fees at time of purchase. This practice is very similar to County Water Authority's existing policy concerning adjustment of their capacity fee increases.

FISCAL IMPACT:



None.

STRATEGIC GOAL:

None.

LEGAL IMPACT:

None.



General Manager

DC/RP:vm

Attachments:

- A. Committee Action
- B. Policy 4 (Final & Strikethrough)
- C. Resolution No. 4087



ATTACHMENT A

SUBJECT/PROJECT:	Adopt Resolution No. 4087 Amending to Policy 4 - Quotations for Fees or Charges
PROJECT:	W.O. No.

COMMITTEE ACTION:

The "Committee Action" is written in anticipation of the Committee(s) moving the item forward for Board approval. This report will be sent to the Board as a Committee(s) approved item, or modified to reflect any discussion or changes as directed from the Committee(s) prior to presentation to the full Board.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
QUOTATIONS FOR FEES OR CHARGES	04	10/15/84	9/20/95 9/6/06

Purpose.

To provide that quotations given for fees and charges (including annexation fees) shall be firm for a fixed period of time following the date of issuance.

Background.

The District frequently receives requests for information regarding fees or charges for (i) annexation of land to the District or to an Improvement District, or (ii) connection to District facilities. On occasion, after giving a quotation, the fees or charges have been increased before the property owner or developer could complete arrangements for financing. This created an unforeseen hardship.

Policy.

Responses to requests for information concerning fees or charges will be furnished by the District in writing.

The amount of such fees, or charges shall be determined in accordance with District Ordinances and District Policies.

Written quotations furnished by the District for fees or charges shall remain in effect for the lesser of (i) a period of 30--calendar days from the date of the written quote, or (ii) until the end of the calendar quarter within which the quote is issued~~ance~~ by the District. Written quotations shall advise the customer of any potential increase in the fees or charges quoted which are expected to occur within the 30-day period. Verbal quotations shall immediately be confirmed in writing by Staff.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
QUOTATIONS FOR FEES OR CHARGES	04	10/15/84	9/6/06

Purpose.

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Background.

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RESOLUTION NO. 4087

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OTAY WATER DISTRICT
APPROVING AMENDMENTS TO POLICY 4, QUOTATIONS
FOR FEES AND CHARGES

WHEREAS, the District staff routinely evaluates and makes recommendations to update and revise Board policies, in order to ensure that the policies are maintained to reflect current information, and

WHEREAS, Policy Number 4, Quotations for Fees and Charges, was last revised on September 20, 1995, and

WHEREAS, the Development Services staff evaluated Board of Directors Policy Number 4, Quotations for Fees and Charges, and identified the need to update the policy with regard to the period of time during which written quotes are honored.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Otay Water District that Board of Directors Policy 4, Quotations for Fees and Charges, be amended to explain the period of time during which written quotes will be honored, and that the language in the policy be amended as follows:

Policy:

Written quotations furnished by the District for fees or charges shall remain in effect for the lesser of (i) a period of 30-calendar days from the date of the written quote, or (ii) until the end of the calendar quarter within which the quote is issued by the District. Written quotations shall advise the customer of any potential

Attachment C

increase in the fees or charges quoted which are expected to occur within the 30-day period. Verbal quotations shall immediately be confirmed in writing by Staff.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th of September 2006.

President

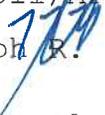
ATTEST:

Secretary



AGENDA ITEM 4

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 6, 2006
SUBMITTED BY:	Sean Prendergast,  Payroll/AP Supervisor	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	 Joseph R. Beachem, Chief Financial Officer		
APPROVED BY: (Asst. GM):	 German Alvarado, Assistant General Manager		
SUBJECT:	Director's Expenses for the 4th Quarter of Fiscal Year 2006		

GENERAL MANAGER'S RECOMMENDATION:

This is an informational item only.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To inform the Board of the Director's expenses for the 4th quarter of Fiscal Year 2006.

ANALYSIS:

The Director's expense information is being presented in order to comply with State law. (See Attachment B for Summary and C-H for Details.)

FISCAL IMPACT: 

None.

STRATEGIC GOAL:

Prudently manage District funds.

LEGAL IMPACT: _____

Compliance with State law.



General Manager

Attachments:

- A) Committee Action Form
- B) Director's Expenses and per Diems
- C-H) Director's Expenses Detail



ATTACHMENT A

SUBJECT/PROJECT:	Director's Expenses for the 4th Quarter of Fiscal Year 2006
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COMMITTEE ACTION:

This is an informational item only.

NOTE:

The "Committee Action" is written in anticipation of the Committee moving the item forward for board approval. This report will be sent to the Board as a committee approved item, or modified to reflect any discussion or changes as directed from the committee prior to presentation to the full board.

Attachment B

**BOARD OF DIRECTORS'
EXPENSES AND PER-DIEMS**

**FINANCE AND ADMINISTRATION COMMITTEE
AUGUST 21, 2006**

Policy 8 requires that staff present the Expenses and Per-Diems for the Board of Directors on a Quarterly basis:

- Fiscal Year 2006, 4th Quarter
- The expenses are shown in detail by Board member, month and expense type.
- This presentation is in alphabetical order.
- This information was presented to the Finance and Administration Committee on August 21, 2006

Board of Directors' Expenses and Per-Diems
Fiscal Year 2006 Quarter 4 (Apr 06- Jun 06)

• Director Bonilla	0.00
• Director Breitfelder	\$1,196.31
• Director Croucher	\$1,625.00
• Director Lopez	\$426.70
• Director Robak	<u>\$2,388.24</u>
• Total	\$5,636.25

Director Bonilla

Fiscal Year 2006 Quarter 4

	<u>Apr_06</u>	<u>May_06</u>	<u>Jun_06</u>	<u>Qtr4</u>
• Mileage Business				
• Mileage Commute				
• Conference				
• Travel				
• Director's Fees	_____	_____	_____	
•				
• Monthly Totals	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
• Meetings Attended	Director Bonilla does not request			
• Meetings Paid	Per-Diem reimbursements.			
• Quarterly Total				
• Fiscal Year-to-Date 2006 (Jul05-Jun06)				1,814.63

Director Brietfelder

Fiscal Year 2006 Quarter 4

	<u>Apr 06</u>	<u>May 06</u>	<u>Jun 06</u>	Qtr4
• Mileage Business			37.38	
• Mileage Commute	13.35	40.05	13.35	
• Business Meetings	20.00	52.00	20.00	
• Seminars & Travel				
• Director's Fees	<u>200.00</u>	<u>600.00</u>	<u>200.00</u>	
• Monthly Totals	<u>233.35</u>	<u>692.05</u>	<u>270.73</u>	
• Meetings Attended	15	13	10	
• Meetings Paid	2	6	2	
• Quarterly Total				1,196.13
• Fiscal Year-to-Date 2006 (Jul05-Jun06)				7,405.21

Director Croucher

Fiscal Year 2006 Quarter 4

	<u>Apr_06</u>	<u>May_06</u>	<u>Jun_06</u>	Qtr4
• Mileage Business				
• Mileage Commute				
• Director's Fees	300.00	500.00	300.00	
• Seminars			525.00	
• Business Meeting				
• Monthly Totals	<u>300.00</u>	<u>500.00</u>	<u>825.00</u>	
•				
• Meetings Attended	5	7	6	
• Meetings Paid	3	5	3	
• Quarterly Total				1,625.00
• Fiscal Year-to-Date 2006 (Jul05-Jun06)				4,420.22

Director Lopez

Fiscal Year 2006 Quarter 4

	<u>Apr 06</u>	<u>May 06</u>	<u>Jun 06</u>	Qtr4
• Mileage Business				
• Mileage Commute		26.70		
• Travel				
• Director's Fees		400.00		
• Conference		<u> </u>		
• Monthly Totals		<u>426.70</u>		
• Meetings Attended		5		
• Meetings Paid		4		
• Quarterly Total			426.70	
• Fiscal Year-to-Date 2006 (Jul05-Jun06)			4,899.76	

Director Robak

Fiscal Year 2006 Quarter 4

	<u>Apr 06</u>	<u>May 06</u>	<u>Jun 06</u>	Qtr4
• Mileage Business	51.62	64.53	63.19	
• Mileage Commute		5.34	3.56	
• Travel				
• Director's Fees	600.00	800.00	800.00	
• Conference				
• Monthly Totals	<u>651.62</u>	<u>869.87</u>	<u>866.75</u>	
• Meetings Attended	9	13	12	
• Meetings Paid	6	8	8	
Quarterly Total				2,388.24
• Fiscal Year-to-Date 2006 (Jul05-Jun06)				10,516.43

Board of Directors' Expenses and Per Diems
Fiscal Year 2006 to Date (Jul 05- Jun 06)

• Director Bonilla	\$1,814.63
• Director Breitfelder	\$7,405.21
• Director Croucher	\$4,420.22
• Director Lopez	\$4,899.76
• Director Robak	<u>\$10,516.43</u>
• Total	\$29,056.25

Board of Directors' Expenses and Per Diems
Fiscal Year 2006 to Date (Jul 05- Jun 06) **Projected**

• Director Bonilla	\$1,680.00
• Director Breitfelder	\$8,278.00
• Director Croucher	\$3,727.00
• Director Lopez	\$5,797.00
• Director Robak	<u>\$9,122.00</u>
• Total	\$28,604.00

**OTAY WATER DISTRICT
ADMINISTRATIVE EXPENSES - BOARD
July 1, 2005 - June 30, 2006**

	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	TOTAL
JAIME BONILLA (DETAILED IN SECTION D):													
5211 Mileage - Payroll	-	-	-	-	-	-	-	-	-	-	-	-	-
5211 Mileage - Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
5212 Travel	-	-	-	-	-	-	-	-	1,560.81	-	-	-	1,560.81
5214 Business meetings	-	-	-	-	-	-	-	-	-	-	-	-	-
5114 Director's fees	-	-	-	-	-	-	-	-	-	-	-	-	-
5241 Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
5213 Seminars and conferences	-	-	-	-	-	-	-	-	253.82	-	-	-	253.82
Total	-	-	-	-	-	-	-	-	1,814.63	-	-	-	1,814.63
LARRY BREITFELDER (DETAILED IN SECTION E):													
5211 Mileage - Payroll	36.45	43.65	43.65	29.10	14.55	14.55	26.70	-	-	13.35	40.05	13.35	275.40
5211 Mileage - Accounts Payable	34.02	16.49	154.23	45.59	64.27	71.78	55.18	50.73	-	-	-	37.38	529.67
5212 Travel	-	-	593.14	-	-	-	-	-	-	-	-	-	593.14
5214 Business meetings	66.00	-	20.00	20.00	82.00	20.00	20.00	40.00	20.00	20.00	52.00	20.00	380.00
5114 Director's fees	400.00	400.00	700.00	400.00	400.00	400.00	400.00	200.00	-	200.00	600.00	200.00	4,300.00
5241 Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
5213 Seminars and conferences	-	-	592.00	150.00	585.00	-	-	-	-	-	-	-	1,327.00
Total	536.47	460.14	2,103.02	644.69	1,145.82	506.33	501.88	290.73	20.00	233.35	692.05	270.73	7,405.21
GARY D. CROUCHER (DETAILED IN SECTION F):													
5211 Mileage - Payroll	4.86	4.86	3.88	7.76	-	3.88	-	-	-	-	-	-	25.24
5211 Mileage - Accounts Payable	-	14.55	-	-	-	18.43	-	-	-	-	-	-	32.98
5212 Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
5214 Business meetings	-	32.00	-	-	-	-	-	-	-	-	-	-	32.00
5114 Director's fees	300.00	400.00	200.00	400.00	300.00	300.00	200.00	200.00	200.00	300.00	500.00	300.00	3,600.00
5241 Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
5213 Seminars and conferences	-	-	-	-	-	205.00	-	-	-	-	-	525.00	730.00
Total	304.86	451.41	203.88	407.76	300.00	527.31	200.00	200.00	200.00	300.00	500.00	825.00	4,420.22
JOSE LOPEZ (DETAILED IN SECTION G):													
5211 Mileage - Payroll	-	-	-	-	-	-	35.60	26.70	26.70	-	26.70	-	115.70
5211 Mileage - Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
5212 Travel	-	-	-	-	-	-	-	-	1,560.81	-	-	-	1,560.81
5214 Business meetings	-	-	-	-	-	-	-	-	-	-	-	-	-
5281 Director's fees	-	-	-	-	400.00	300.00	500.00	300.00	500.00	-	400.00	-	2,400.00
5241 Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
5213 Seminars and conferences	-	-	-	150.00	375.00	-	-	-	298.25	-	-	-	823.25
Total	-	-	-	150.00	775.00	300.00	535.60	326.70	2,385.76	-	426.70	-	4,899.76
MARK ROBAK (DETAILED IN SECTION H):													
5211 Mileage - Payroll	3.24	3.24	11.64	5.82	3.88	1.94	1.78	1.78	3.56	-	5.34	3.56	45.78
5211 Mileage - Accounts Payable	34.43	20.86	22.31	92.69	41.23	33.95	49.84	66.75	104.96	51.62	64.53	63.19	646.33
5212 Travel	-	-	-	-	-	-	-	-	1,421.59	-	-	-	1,421.59
5214 Business meetings	-	-	-	-	-	-	-	-	-	-	-	-	-
5114 Director's fees	700.00	400.00	600.00	700.00	600.00	600.00	600.00	500.00	600.00	600.00	800.00	800.00	7,500.00
5241 Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
5213 Seminars and conferences	-	-	50.00	150.00	395.00	-	-	-	307.72	-	-	-	902.72
Total	737.67	424.10	683.95	948.51	1,040.11	635.89	651.62	568.53	2,437.83	651.62	869.87	866.75	10,516.43
TOTALS:													
5211 Mileage - Payroll	44.55	51.75	59.17	42.68	18.43	20.37	64.08	28.48	30.26	13.35	72.09	16.91	462.12
5211 Mileage - Accounts Payable	68.45	51.90	176.54	138.28	105.50	124.16	105.02	117.48	104.96	51.62	64.53	100.57	1,208.99
5212 Travel	-	-	593.14	-	-	-	-	-	4,543.21	-	-	-	5,136.35
5214 Business meetings	66.00	32.00	20.00	20.00	82.00	20.00	20.00	40.00	20.00	20.00	52.00	20.00	412.00
5114 Director's fees	1,400.00	1,200.00	1,500.00	1,500.00	1,700.00	1,600.00	1,700.00	1,200.00	1,300.00	1,100.00	2,300.00	1,300.00	17,800.00
5241 Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
5213 Seminars and conferences	-	-	642.00	450.00	1,355.00	205.00	-	-	859.79	-	-	525.00	4,036.79
Total	1,579.00	1,335.65	2,990.85	2,150.96	3,260.93	1,969.53	1,889.10	1,385.96	6,858.22	1,184.97	2,488.62	1,962.48	29,056.25

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

ATTACHMENT D
SECTION D

DIRECTORS NAME	JAIME BONILA
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ACCOUNT NAME	INCURRED DATE	DESCRIPTION	AMOUNT
CONFERENCES AND SEMINARS			
	<u>3/22/2006</u>		
		REGISTRATION FEE - WORLD WATER FORUM (3/16-19/06)	\$ 244.86
		FOREIGN TRANSACTION FEE	8.96
CONFERENCES AND SEMINARS Total			253.82
TRAVEL			
	<u>3/14/2006</u>		
		HOTEL-WORLD WATER FORUM IN MEXICO CITY (3/16-19/06)	813.69
	<u>3/22/2006</u>		
		AIRFARE - MEXICO CITY, MEXICO	622.11
	<u>3/19/2006</u>		
		FEE TO CHANGE RETURN FLIGHT	125.01
TRAVEL Total			1,560.81
Grand Total			\$ 1,814.63

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

ATTACHMENT E
SECTION E

DIRECTORS NAME | **LARRY BREITFELDER**

ACCOUNT NAME	INCURRED DATE	DESCRIPTION	AMOUNT
BUSINESS MEETING			
	<u>7/8/2005</u>	FIRST FRIDAY BREAKFAST - TO WELCOME BOB FILNER	\$ 11.00
	<u>7/19/2005</u>	COUNCIL OF WATER UTILITIES MONTHLY MEETING	20.00
	<u>7/21/2005</u>	WATER AGENCY ASSOCIATION	35.00
	<u>9/20/2005</u>	COUNCIL OF WATER UTILITIES MONTHLY MEETING	20.00
	<u>10/18/2005</u>	COUNCIL OF WATER UTILITIES MONTHLY MEETING	20.00
	<u>11/15/2005</u>	COUNCIL OF WATER UTILITIES MONTHLY MEETING	20.00
	<u>11/17/2005</u>	CSDA QUARTERLY MEETING	32.00
	<u>12/20/2005</u>	COUNCIL OF WATER UTILITIES MONTHLY MEETING	20.00
	<u>11/16/2005</u>	SAN DIEGO COUNTY WATER WORKS GROUP	30.00
	<u>1/17/2006</u>	COUNCIL OF WATER UTILITIES MONTHLY MEETING	20.00
	<u>2/16/2006</u>	CALIFORNIA SPECIAL DISTRICT ASSOCIATION	20.00
	<u>2/21/2006</u>	COUNCIL OF WATER UTILITIES MONTHLY MEETING	20.00
	<u>3/16/2006</u>	COUNCIL OF WATER UTILITIES MONTHLY MEETING	20.00
	<u>4/18/2006</u>	COUNCIL OF WATER UTILITIES MONTHLY MEETING	20.00
	<u>5/16/2006</u>	COUNCIL OF WATER UTILITIES MONTHLY MEETING	20.00
	<u>5/18/2006</u>	CSDA QUARTERLY MEETING	32.00
	<u>6/20/2006</u>	COUNCIL OF WATER UTILITIES MONTHLY MEETING	20.00
BUSINESS MEETING Total			380.00
CONFERENCES AND SEMINARS			
	<u>9/27/2005</u>	CSDA ANNUAL CONFERENCE (9/27-9/29/05)	592.00
	<u>10/14/2005</u>	15th ANNUAL ECONOMIC SUMMIT	150.00
	<u>11/29/2005</u>	ACWA FALL CONFERENCE (11/29 - 12/02/05)	375.00
		ASSOCIATION OF CA WATER AGENCIES	210.00
CONFERENCES AND SEMINARS Total			1,327.00
DIRECTORS FEES			
	<u>7/12/2005</u>	REGULAR BOARD MEETING	100.00
	<u>7/19/2005</u>	COUNCIL OF WATER UTILITIES MONTHLY MEETING	100.00
	<u>7/21/2005</u>	WATER AGENCY ASSOCIATION	100.00

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

DIRECTORS NAME | **LARRY BREITFELDER**

ACCOUNT NAME	INCURRED DATE	DESCRIPTION	AMOUNT
DIRECTORS FEES	7/25/2005		
	8/3/2005	ACWA SEAWATER DESALINATION PROGRAM	100.00
	8/8/2005	REGULAR BOARD MEETING	100.00
	8/11/2005	CWA CONSERVATION COMMITTEE	100.00
	8/23/2005	SPECIAL BOARD MEETING	100.00
	9/7/2005	SPECIAL BOARD MEETING	100.00
	9/12/2005	REGULAR BOARD MEETING	100.00
	9/20/2005	SPECIAL BOARD MEETING	100.00
	9/27/2005	COUNCIL OF WATER UTILITIES MONTHLY MEETING	100.00
	9/19/2005	CSDA CONFERENCE	100.00
	9/26/2005	OTAY WATER DISTRICT TOUR OF INFRASTRUCTURE	100.00
	9/28/2005	CSDA CONFERENCE	100.00
	10/9/2005	CSDA CONFERENCE	100.00
	10/17/2005	REGULAR BOARD MEETING	100.00
	10/18/2005	SPECIAL BOARD MEETING	100.00
	10/24/2005	COUNCIL OF WATER UTILITIES MONTHLY MEETING	100.00
	11/7/2005	OTAY WATER DISTRICT GROUND BREAKING	100.00
	12/1/2005	REGULAR BOARD MEETING	100.00
	12/7/2005	ASSOCIATION OF CA WATER AGENCIES	100.00
	11/4/2005	REGULAR BOARD MEETING	100.00
	11/15/2005	FIRST FRIDAY BREAKFAST	100.00
	11/17/2005	COUNCIL OF WATER UTILITIES MONTHLY MEETING	100.00
	12/12/2005	CSDA CONFERENCE	100.00
	12/20/2005	CWA CONSERVATION COMMITTEE	100.00
	1/4/2006	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	1/17/2006	REGULAR BOARD MEETING	100.00
	1/19/2006	COUNCIL OF WATER UTILITIES MONTHLY MEETING	100.00

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

DIRECTORS NAME **LARRY BREITFELDER**

ACCOUNT NAME	INCURRED DATE	DESCRIPTION	AMOUNT
DIRECTORS FEES	1/19/2006	OTAY DEVELOPERS LUNCHEON MEETING	100.00
	1/23/2006		
		WATER CONSERVATION GARDEN JPA MEETING	100.00
	2/28/2006		
		CSDA QUARTERLY MEETING	100.00
	2/1/2006		
		REGULAR BOARD MEETING	100.00
	4/5/2006		
		REGULAR BOARD MEETING	100.00
	4/18/2006		
		COUNCIL OF WATER UTILITIES MONTHLY MEETING	100.00
	5/3/2006		
		REGULAR BOARD MEETING	100.00
	5/5/2006		
		JOINT AGENCY MEETING	100.00
	5/16/2006		
		COUNCIL OF WATER UTILITIES MONTHLY MEETING	100.00
	5/18/2006		
		CSDA QUARTERLY MEETING	100.00
	5/22/2006		
		WATER RESOURCE AND SECURITY COMMITTEE MEETING	100.00
	5/23/2006		
		ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	6/7/2006		
		REGULAR BOARD MEETING	100.00
	6/20/2006		
		POWAY COUNCIL OF WATER UTILITIES	100.00
DIRECTORS FEES Total			4,300.00
MILEAGE - BUSINESS			
	7/19/2005		
		MEETING - 7/19/2005	34.02
	8/8/2005		
		MEETING - 8/8/2005	16.49
	9/30/2005		
		MEETING - 9/20, 9/26, 9/27 & 9/28/05	154.23
	10/18/2005		
		MEETING - 10/18 & 10/24/05	45.59
	11/30/2005		
		MEETING - 11/15, 11/17/05 & 11/30	64.27
	12/31/2005		
		MEETING - 12/1, 12/12/05 & 12/20/05	71.78
	1/30/2006		
		MEETING - 1/17 & 1/23/06	55.18
	2/28/2006		
		MEETING - 2/16 & 2/21/06	50.73
	6/20/2006		
		MEETING - 6/20/2006	37.38
MILEAGE - BUSINESS Total			529.67
MILEAGE - COMMUTING			
	7/30/2005		
		MEETING - 7/12, 7/21 & 7/25/05	36.45
	8/31/2005		
		MEETING - 8/3, 8/11 & 8/23/05	43.65
	9/30/2005		
		MEETING - 9/7, 9/12 & 9/19/05	43.65
	10/31/2005		
		MEETING - 10/11 & 10/17	29.10

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

DIRECTORS NAME | **LARRY BREITFELDER**

ACCOUNT NAME	INCURRED DATE	DESCRIPTION	AMOUNT
MILEAGE - COMMUTIN	11/7/2005		
	12/7/2005	MEETING - 11/7/05	14.55
	1/30/2006	MEETING - 12/7/05	14.55
	4/30/2006	MEETING - 1/4 & 1/19/06	26.70
	5/31/2006	MEETING - 4/5 & 4/18/06	13.35
	6/7/2006	MEETING - 5/3, 5/5, 5/16, 5/18, & 5/22/06	40.05
		MEETING - 6/7/2006	13.35
MILEAGE - COMMUTING Total			275.40
TRAVEL	9/30/2005		
		CSDA CONFERENCE (9/25, 9/26 & 9/27/05)	63.30
		HOTEL - CSDA CONFERENCE (9/25, 9/26 & 9/27/05)	529.84
TRAVEL Total			593.14
Grand Total			\$ 7,405.21

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

**ATTACHMENT F
SECTION F**

DIRECTORS NAME **GARY CROUCHER**

ACCOUNT NAME	INCURRED DATE	DESCRIPTION	AMOUNT
BUSINESS MEETING			
	<u>8/18/2005</u>	CSDA QUARTERLY MEETING	\$ 32.00
BUSINESS MEETING Total			32.00
CONFERENCES AND SEMINARS			
	<u>11/29/2005</u>	ACWA FALL CONFERENCE (12/1 - 12/02/05)	205.00
	<u>6/3/2006</u>	SPECIAL DISTRICT AND LOCAL GOVERNMENT INSTITUTE	525.00
CONFERENCES AND SEMINARS Total			730.00
DIRECTORS FEES			
	<u>7/12/2005</u>	REGULAR BOARD MEETING	100.00
	<u>7/21/2005</u>	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	<u>7/27/2005</u>	WATER RESOURCE AND SECURITY COMMITTEE MEETING	100.00
	<u>8/3/2005</u>	REGULAR BOARD MEETING	100.00
	<u>8/11/2005</u>	SPECIAL BOARD MEETING	100.00
	<u>8/18/2005</u>	CSDA QUARTERLY MEETING	100.00
	<u>8/23/2005</u>	SPECIAL BOARD MEETING	100.00
	<u>9/20/2005</u>	WATER RESOURCE AND SECURITY COMMITTEE MEETING	100.00
	<u>9/27/2005</u>	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	<u>10/17/2005</u>	SPECIAL BOARD MEETING	100.00
	<u>10/10/2005</u>	WATER RESOURCE AND SECURITY COMMITTEE MEETING	100.00
	<u>10/11/2005</u>	REGULAR BOARD MEETING	100.00
	<u>10/25/2005</u>	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	<u>11/7/2005</u>	REGULAR BOARD MEETING	100.00
	<u>12/1/2005</u>	ASSOCIATION OF CA WATER AGENCIES	100.00
	<u>12/7/2005</u>	REGULAR BOARD MEETING	100.00
	<u>12/20/2005</u>	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	<u>11/14/2005</u>	WATER RESOURCE AND SECURITY COMMITTEE MEETING	100.00
	<u>11/28/2005</u>	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	<u>1/4/2006</u>	REGULAR BOARD MEETING	100.00
	<u>1/24/2006</u>		

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

DIRECTORS NAME		GARY CROUCHER	
ACCOUNT NAME	INCURRED DATE	DESCRIPTION	AMOUNT
	1/24/2006	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	2/1/2006		
		REGULAR BOARD MEETING	100.00
	2/2/2006		
		ANNUAL EMPLOYEE APPRECIATION EVENT	100.00
	3/13/2006		
		REGULAR BOARD MEETING	100.00
	3/27/2006		
		ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	4/5/2006		
		REGULAR BOARD MEETING	100.00
	4/18/2006		
		ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	5/3/2006		
		REGULAR BOARD MEETING	100.00
	5/5/2006		
		SEMI ANNUAL INTERAGENCY	100.00
	5/31/2006		
		WATER RESOURCE AND SECURITY COMMITTEE MEETING	100.00
	5/23/2006		
		ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	5/30/2006		
		SPECIAL BOARD MEETING	100.00
	6/7/2006		
		REGULAR BOARD MEETING	100.00
	6/21/2006		
		WATER RESOURCE AND SECURITY COMMITTEE MEETING	100.00
	6/23/2006		
		ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	4/24/2006		
		WATER RESOURCE AND SECURITY COMMITTEE MEETING	100.00
DIRECTORS FEES Total			3,600.00
MILEAGE - BUSINESS			
	8/18/2005		
		MEETING - 8/18/2005	14.55
	12/31/2005		
		MEETING - 12/1/05	18.43
MILEAGE - BUSINESS Total			32.98
MILEAGE - COMMUTING			
	7/31/2005		
		MEETING - 7/12, 7/21 & 7/25/05	4.86
	8/31/2005		
		MEETING - 8/3, 8/11 & 8/23/05	4.86
	9/30/2005		
		MEETING - 9/20 & 9/27/05	3.88
	10/31/2005		
		MEETING - 10/10, 10/11, 10/17 & 10/25	7.76
	12/31/2005		
		MEETING - 12/7 & 12/20/05	3.88
MILEAGE - COMMUTING Total			25.24
Grand Total			\$ 4,420.22

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

**ATTACHMENT G
SECTION G**

DIRECTORS NAME	JOSE LOPEZ
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ACCOUNT NAME	INCURRED DATE	DESCRIPTION	AMOUNT
CONFERENCES AND SEMINARS			
	<u>10/14/2005</u>	15th ANNUAL ECONOMIC SUMMIT	\$ 150.00
	<u>11/29/2005</u>	ACWA FALL CONFERENCE (11/29 - 12/02/05)	375.00
	<u>3/22/2006</u>	REGISTRATION FEE - WORLD WATER FORUM (3/16-19/06)	298.25
CONFERENCES AND SEMINARS Total			823.25
DIRECTORS FEES			
	<u>11/2/2005</u>	NOVEMBER AGENDA BRIEFING	100.00
	<u>11/7/2005</u>	REGULAR BOARD MEETING	100.00
	<u>11/23/2005</u>	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	<u>11/30/2005</u>	DECEMBER AGENDA BRIEFING	100.00
	<u>12/1/2005</u>	FALL CONFERENCE	100.00
	<u>12/7/2005</u>	REGULAR BOARD MEETING	100.00
	<u>12/16/2005</u>	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	<u>1/4/2006</u>	REGULAR BOARD MEETING	100.00
	<u>1/19/2006</u>	OTAY DEVELOPERS LUNCHEON MEETING	100.00
	<u>1/20/2006</u>	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	<u>1/23/2006</u>	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	<u>1/24/2006</u>	CHULA VISTA TASK FORCE (INTERAGENCIES MEETING)	100.00
	<u>2/3/2006</u>	REGULAR BOARD MEETING	100.00
	<u>2/15/2006</u>	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	<u>2/22/2006</u>	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	<u>3/13/2006</u>	REGULAR BOARD MEETING	100.00
	<u>3/27/2006</u>	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	<u>3/17/2006</u>	WORLD WATER CONFERENCE	100.00
	<u>3/18/2006</u>	WORLD WATER CONFERENCE	100.00
	<u>3/24/2006</u>	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	<u>5/3/2006</u>	REGULAR BOARD MEETING	100.00

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

**ATTACHMENT G
SECTION G**

DIRECTORS NAME		JOSE LOPEZ	
ACCOUNT NAME	INCURRED DATE	DESCRIPTION	AMOUNT
	<u>5/5/2006</u>		
		JOINT AGENCY MEETING	100.00
	<u>5/23/2006</u>		
		ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	<u>5/30/2006</u>		
		SPECIAL BOARD MEETING	100.00
DIRECTORS FEES Total			2,400.00
MILEAGE - COMMUTING			
	<u>1/31/2006</u>		
		MEETING - 1/4,1/19,1/20,1/23 & 1/24/06	35.60
	<u>2/28/2006</u>		
		MEETING - 2/3, 2/15, & 2/22/06	26.70
	<u>3/31/2006</u>		
		MEETING - 3/13, 3/24 & 3/27/06	26.70
	<u>5/31/2006</u>		
		MEETING - 5/3, 5/5 & 5/30/06	26.70
MILEAGE - COMMUTING Total			115.70
TRAVEL			
	<u>3/14/2006</u>		
		HOTEL-WORLD WATER FORUM IN MEXICO CITY (3/16-19/06)	813.69
	<u>3/22/2006</u>		
		AIRFARE - MEXICO CITY, MEXICO	622.11
	<u>3/19/2006</u>		
		FEE TO CHANGE RETURN FLIGHT	125.01
TRAVEL Total			1,560.81
Grand Total			\$ 4,899.76

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

ATTACHMENT H
SECTION H

DIRECTORS NAME	MARK ROBAK
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ACCOUNT NAME	INCURRED DATE	DESCRIPTION	AMOUNT
CONFERENCES AND SEMINARS			
	<u>9/15/2005</u>	REGISTRATION FEE - ACWA DESALINATION PRESENTATION	\$ 50.00
	<u>10/14/2005</u>	15th ANNUAL ECONOMIC SUMMIT	150.00
	<u>11/29/2005</u>	ACWA FALL CONFERENCE (11/29 - 12/02/05)	395.00
	<u>3/22/2006</u>	REGISTRATION FEE - WORLD WATER FORUM (3/16-19/06)	298.76
		FOREIGN TRANSACTION FEE	8.96
CONFERENCES AND SEMINARS Total			902.72
DIRECTORS FEES			
	<u>7/7/2005</u>	METRO COMMISSION	100.00
	<u>7/12/2005</u>	REGULAR BOARD MEETING	100.00
	<u>7/13/2005</u>	WATER CONSERVATION GARDEN JPA MEETING	100.00
	<u>7/20/2005</u>	BOARD REPRESENTATIVE ON RECYCLING ISSUES	100.00
	<u>7/21/2005</u>	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	<u>7/26/2005</u>	FINANCE & ADMINISTRATION COMMITTEE	100.00
	<u>8/3/2005</u>	REGULAR BOARD MEETING	100.00
	<u>8/4/2005</u>	METRO COMMISSION	100.00
	<u>8/22/2005</u>	WATER CONSERVATION GARDEN JPA MEETING	100.00
	<u>8/23/2005</u>	SPECIAL BOARD MEETING	100.00
	<u>9/1/2005</u>	METRO COMMISSION	100.00
	<u>9/7/2005</u>	REGULAR BOARD MEETING	100.00
	<u>9/12/2005</u>	SPECIAL BOARD MEETING	100.00
	<u>9/15/2005</u>	ACWA SEAWATER DESALINATION PROGRAM	100.00
	<u>9/20/2005</u>	WATER CONSERVATION GARDEN JPA MEETING	100.00
	<u>9/27/2005</u>	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	<u>7/14/2005</u>	AMERICAN ASSEMBLY II WORKSHOP (METRO COMMISSION)	100.00
	<u>10/17/2005</u>	SPECIAL BOARD MEETING	100.00
	<u>10/14/2005</u>	SOUTH COUNTY ECONOMIC SUMMIT - CONVENTION CENTER	100.00
	<u>10/10/2005</u>	WATER RESOURCE AND SECURITY COMMITTEE MEETING	100.00
	<u>10/11/2005</u>	REGULAR BOARD MEETING	100.00
	<u>10/25/2005</u>	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	<u>11/7/2005</u>	REGULAR BOARD MEETING	100.00
	<u>11/30/2005</u>		

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

DIRECTORS NAME		MARK ROBAK	
ACCOUNT NAME	INCURRED DATE	DESCRIPTION	AMOUNT
	11/30/2005	ACWA CONFERENCE	100.00
	12/1/2005		
	12/7/2005	METRO COMMISSION	100.00
	12/20/2005	REGULAR BOARD MEETING	100.00
	11/14/2005	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	11/28/2005	WATER RESOURCE AND SECURITY COMMITTEE MEETING	100.00
	10/12/2005	ENGINEERING AND OPERATIONS COMMITTEE MEETING	100.00
	10/20/2005	WATER CONSERVATION GARDEN JPA MEETING	100.00
	11/1/2005	EL DORADO IRRIGATION DISTRICT	100.00
	11/3/2005	WATER CONSERVATION GARDEN JPA MEETING	100.00
	12/9/2005	METRO COMMISSION	100.00
	12/13/2005	TOUR OF OWD FACILITIES	100.00
	12/14/2005	WATER CONSERVATION GARDEN JPA MEETING	100.00
	1/4/2006	WATER CONSERVATION GARDEN JPA MEETING	100.00
	1/19/2006	REGULAR BOARD MEETING	100.00
	1/9/2006	OTAY DEVELOPERS LUNCHEON	100.00
	1/20/2006	WATER CONSERVATION GARDEN JPA MEETING	100.00
	2/15/2006	FINANCE & ADMINISTRATION COMMITTEE	100.00
	1/5/2006	FINANCE & ADMINISTRATION COMMITTEE	100.00
	1/11/2006	METRO COMMISSION	100.00
	2/1/2006	WATER CONSERVATION GARDEN JPA MEETING	100.00
	3/16/2006	REGULAR BOARD MEETING	100.00
	3/13/2006	WORLD WATER FORUM - MEXICO CITY	100.00
	3/27/2006	REGULAR BOARD MEETING	100.00
	3/17/2006	WATER CONSERVATION GARDEN JPA MEETING	100.00
	3/24/2006	WORLD WATER FORUM - MEXICO CITY	100.00
	4/5/2006	FINANCE & ADMINISTRATION COMMITTEE	100.00
	5/3/2006	REGULAR BOARD MEETING	100.00
	5/5/2006	REGULAR BOARD MEETING	100.00
	5/16/2006	JOINT AGENCY MEETING	100.00
	5/31/2006	WATER CONSERVATION GARDEN JPA MEETING	100.00

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

DIRECTORS NAME **MARK ROBAK**

ACCOUNT NAME	INCURRED DATE	DESCRIPTION	AMOUNT
	5/31/2006	WATER RESOURCE AND SECURITY COMMITTEE MEETING	100.00
	5/30/2006		
	5/4/2006	SPECIAL BOARD MEETING	100.00
		METRO COMMISSION	100.00
	5/24/2006		
	5/26/2006	FINANCE & ADMINISTRATION COMMITTEE	100.00
		AD HOC AULD GOLF COURSE COMMITTEE	100.00
	6/7/2006		
	6/20/2006	REGULAR BOARD MEETING	100.00
		AD HOC AULD GOLF COURSE COMMITTEE	100.00
	6/21/2006		
	6/23/2006	WATER RESOURCE AND SECURITY COMMITTEE MEETING	100.00
		WATER RESOURCE AND SECURITY COMMITTEE MEETING	100.00
	6/1/2006		
		METRO COMMISSION	100.00
	6/5/2006		
		COMMUNICATIONS COMMITTEE	100.00
	6/14/2006		
		WATER CONSERVATION GARDEN JPA MEETING	100.00
	6/19/2006		
		FINANCE & ADMINISTRATION COMMITTEE	100.00
	2/8/2006		
		WATER CONSERVATION GARDEN JPA MEETING	100.00
	2/9/2006		
		METRO COMMISSION	100.00
	2/17/2006		
		COMMUNICATIONS COMMITTEE	100.00
	3/30/2006		
		COMMUNICATIONS COMMITTEE	100.00
	4/7/2006		
		AD HOC AULD GOLF COURSE COMMITTEE	100.00
	4/12/2006		
		WATER CONSERVATION GARDEN JPA MEETING	100.00
	4/13/2006		
		METRO COMMISSION	100.00
	4/20/2006		
		FINANCE & ADMINISTRATION COMMITTEE	100.00
	4/24/2006		
		WATER RESOURCE AND SECURITY COMMITTEE MEETING	100.00
DIRECTORS FEES Total			7,500.00
MILEAGE - BUSINESS			
	7/7/2005		
		MEETING - 7/7, 7/12, 7/13, 7/21, 7/26/05	34.43
	8/31/2005		
		MEETING - 8/3, 8/4, 8/22, & 8/23/05	20.86
	9/30/2005		
		MEETING - 9/1, 9/7, 9/12, 9/20 & 9/27	22.31
	10/31/2005		
		MEETING - 10/10, 10/11, 10/12, 10/14, 10/17, 10/20, 10/24 & PARKING - 10/19 & 10/20/05	74.69
	11/30/2005		
		MEETING - 11/1, 11/3, 11/7, 11/14, 11/28, & 11/30	41.23
	12/31/2005		
		MEETING - 12/1, 12/7, 12/9, 12/13, 12/14 & 12/20/05	33.95
	2/28/2006		
		MEETING - 2/1, 2/3, 2/8, 2/9, 2/14, 2/15, 2/17, 2/21, 2/23 & 2	66.75
	1/31/2006		
		MEETING - 1/4, 1/5, 1/9, 1/11, 1/19, 1/20 & 1/28/06	49.84
	3/31/2006		
		MEETING - 3/13, 3/16, 3/17, 3/24, 3/27 & 3/30/06	56.96
		PARKING - 3/14 & 3/19/06	48.00
	4/30/2006		
		MEETING - 4/5, 4/7, 4/12, 4/13, 4/20 & 4/24/06	51.62

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2005 THROUGH JUNE 30, 2006

DIRECTORS NAME **MARK ROBAK**

ACCOUNT NAME	INCURRED DATE	DESCRIPTION	AMOUNT
MILEAGE - BUSINESS	5/30/2006	MEETING - 5/3, 5/4, 5/5, 5/16, 5/18, 5/20, 5/24, 5/26, 5/30 &	64.53
	6/30/2006	MEETING - 6/1, 6/5, 6/7, 6/14, 6/19, 6/20, 6/21, 6/23/06	63.19
MILEAGE - BUSINESS Total			646.34
MILEAGE - COMMUTING	7/31/2005	MEETING - 7/12 & 7/26/05	3.24
	8/31/2005	MEETING - 8/3 & 8/23/05	3.24
	9/30/2005	MEETING - 9/7, 9/12, 9/15, 9/20 & 9/27/05	11.64
	10/31/2005	MEETING - 10/11, 10/17 & 10/25	5.82
	11/30/2005	MEETING - 11/7 & 11/14	3.88
	12/31/2005	MEETING - 12/7/05	1.94
	2/28/2006	MEETING - 2/1/06	1.78
	1/31/2006	MEETING - 1/4/06	1.78
	4/30/2006	MEETING - 4/5 & 4/20/06	3.56
	5/31/2006	MEETING - 5/3, 5/24 & 5/30/06	5.34
	6/30/2006	MEETING - 6/7 & 6/19/06	3.56
MILEAGE - COMMUTING Total			45.78
TRAVEL	3/14/2006	HOTEL-WORLD WATER FORUM IN MEXICO CITY (3/16-19/06)	813.69
	3/22/2006	AIRFARE - MEXICO CITY, MEXICO	607.90
TRAVEL Total			1,421.59
Grand Total			10,516.43

EXHIBIT

OTAY

OTAY WATER DISTRICT
BOARD OF DIRECTORS
PER-DIEM AND MILEAGE CLAIM FORM

Pay to: Larry Breitfelder

Period Covered:
From 4-1 to 4-30-06

Employee Number: 7013

April Date	Meeting Name	Purpose / Issues Discussed	Mileage	
			Home to OWD OWD to Home	Other Locations
5	Padre Dam	Hq. meet		
5	OWD BoD Mtg.		30	
7	First Friday			
7	Sweet water	Auth. Event		
7	Mtg w/	Conchales Mesa		
11	Mtg w/	CV Mayor Ched of Scott		
17	Mtg w/	GM		
18	Council of Water Util's			84
18	FAC			
19	Mtg w/	Dir. Bailla		
19	Mtg w/	Mayor Padilla		
20	Spch by	PUC Chair		

TOTAL MEETING PER DIEM: \$ 200.00
(145 per meeting)

TOTAL MILEAGE CLAIMED: 114 miles

26 CV Chamber re: Public Policy Comm.
28 Contracting opp Center

Larry Breitfelder
(Director's Signature)

Approval Date: [Signature] 5/22/06

OFFICE USE: TOTAL MILEAGE REIMBURSEMENT = \$ _____

INSTRUCTIONS ON REVERSE

Per diem 2.00 x 100 = 200.00*
Mileage 30.00 x 0.445 = 13.35*



OTAY WATER DISTRICT
 BOARD OF DIRECTORS
 PER-DIEM AND MILEAGE CLAIM FORM

Pay to: Larry Breitfelder

Period Covered:
 From May 1 06 to May 31 06

Employee Number: 7013

Date	Meeting Name	Purpose / Issues Discussed	Mileage	
			Home to OWD OWD to Home	Other Locations
3	OWD BoD		30	
5	First Friday			
5	Jt BoD Mtg		30	
13	Community Forum			
16	Council of Water Utilities			84
16	Mtg. w/ OWD Emp Assoc			
18	Pump Station opening / Chamber Mixer			
18	CSDA			30
20	Conserv. Garden Mus Award Pres.			40
22	Conservation Action Comm.			
23	OWD Eng Comm			
24	Mtg w/ CV Mayor			

02 per Pres. Bd

24 OWD Fin. Comm.
 TOTAL MEETING PER DIEM: \$ 600.00
 (\$145 per meeting)

TOTAL MILEAGE CLAIMED: 244 miles

Larry Breitfelder
 (Director's Signature)

Per diem 6.00
 100.00
 600.00

Approval Date: [Signature] 6/6/06

30.
 30.
 30.
 90.

OFFICE USE: TOTAL MILEAGE REIMBURSEMENT = \$ _____

INSTRUCTIONS ON REVERSE

Mileage 90.
 0.44E
 40.0E

06 JUN 05
 06 JUN 05
 06 JUN 05

EXHIBIT



OTAY WATER DISTRICT
BOARD OF DIRECTORS
PER-DIEM AND MILEAGE CLAIM FORM

Pay to: Larry Breitfelder

Period Covered:

From 6-1 to 6-30-06

1896 Mendocino Dr #57
Chula Vista, CA 91911
Employee Number: 70130606

Date	Meeting Name	Purpose / Issues Discussed	Mileage	
			Home to OWD OWD to Home	Other Locations
6-2	First Friday			
5	Mtg w/ D.r. Benilla			
7	OWD BoD		30	
8	F.A.C.F.			
17	OWD open House			
19	Fin. Adm. Comm.			84
20	Poway: Council of Water Utilis			
20	Common Cause			
22	Council Candidate Ramirez			
23	OWD Eng. Comm.			

TOTAL MEETING PER DIEM: \$ 200.00
(\$145 per meeting)

AB000-10000-2102-521101
11-1111-5211

0**
0.84x
44.5=
37.38x

TOTAL MILEAGE CLAIMED: 114 miles

* Clearly applicable under policy #8

Larry Breitfelder
(Director's signature)

Approval Date: 7/20/06

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT = \$ _____

INSTRUCTIONS ON REVERSE

Accruals

06 JUL 24 AM 8:20

06 JUL 24 AM 8:19



EXHIBIT B

OTAY WATER DISTRICT BOARD OF DIRECTORS PER-DIEM AND MILEAGE CLAIM FORM

Pay To: Gary Croucher

Period Covered:

Employee Number: 7011

From: 04/01/06 To: 04/30/06

Table with 6 columns: ITEM, DATE, MEETING, PURPOSE / ISSUES DISCUSSED, MILEAGE HOME to OWD OWD to HOME, MILEAGE OTHER LOCATIONS. Contains 4 rows of meeting data.

Total Meeting Per Diem: \$300 (\$100 per meeting)

Total Mileage Claimed: 0 miles

Handwritten signature of Gary Croucher and (Director's Signature) label

GM Approval: [Handwritten Signature] 5/1/06

Date: 5-04-06

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$



OTAY WATER DISTRICT
BOARD OF DIRECTORS
PER-DIEM AND MILEAGE CLAIM FORM

Pay to: Jose Lopez

Period Covered:
From May 1 to May

Employee Number: 7010

Date	Meeting Name	Purpose / Issues Discussed	Mileage	
			Home to OWD OWD to Home	Other Locations
5/3	OWD	Board meeting	20	
5/18	OWD	CVCC / Board	0	
5/23	OWD	Otay Eng & Ops Com.	0	
5/5	OWD	Joint Agency Mtg.	20	
5/30	OWD	Budget Special Mtg.	20	

TOTAL MEETING PER DIEM: \$ 400.-
(\$145 per meeting)

TOTAL MILEAGE CLAIMED: 60 miles

Jose A. Lopez
(Director's Signature)

GM Approval Date: Murphy 6/20/06

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT = \$ _____



#04542

OTAY WATER DISTRICT BOARD OF DIRECTORS PER-DIEM AND MILEAGE CLAIM FORM



7014 0406

Pay To: Mark Robak 3217 Fair Oaks Lane Period Covered:

Employee Number: 7014 Spring Valley, CA 91978 From: 4-1-06 To: 4-30-06

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1	4-4	Water Conservation Garden	Executive Committee - NO CHARGE	0	0
2	4-5	Padre Dam MWD Open House	Opening of their new administrative office - NO CHARGE	0	0
3	4-5	Monthly Otay Board Meeting	General District Business	4	6
4	4-7	Ad Hoc Auld Golf Course Committee	Meeting with buyers of golf course to discuss leasehold improvements	0	28
5	4-12	Water Conservation Garden	Monthly Meeting / General Business (See Exhibit A - Agenda)	0	9
6	4-13	Metro Commission	Annual workshop and monthly meeting - (See Exhibit B - Agenda)	0	58
7	4-20	Finance & Administration Committee	Monthly meeting involving finance & administration issues	4	6
8	4-24	Water Resources & Security Committee	Meeting involving water resources & security issues	0	9
9	4-29	Cuyamaca College Foundation Dinner	Annual fundraising event for the College's foundation - NO CHARGE	0	0

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 0 * 58 +
 0 * 06 +
 0 * 09 +
 1 * 16 * +
 1 * 16 x
 44 * 5 =
 51 * 62 * +

AR000-185000-2102-521108

11-1111-5211

116

Total Meeting Per Diem: \$600 (\$100 per meeting)

Total Mileage Claimed: 124 miles

Mark Robak

(Director's Signature)

GM Approval: [Signature]

Date: 5/2/06

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$

06 MAY 3 PM 3:25



**OTAY WATER DISTRICT
BOARD OF DIRECTORS
PER-DIEM AND MILEAGE CLAIM FORM**

Pay To: Mark Robak

Period Covered:

Employee Number: 7014

From: 5-1-06 To: 5-31-06

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1	5-1	Water Conservation Garden Foundation	Monthly Meeting / General Business - NO CHARGE	0	0
✓ 2	5-3	Monthly Otay Board Meeting	General District Business	4	6
✓ 3	5-4	Metro Commission	Monthly Meeting / General Business (See Exhibit A - Agenda)	0	22
✓ 4	5-5	Joint Water Agencies Meeting	Annual meeting hosted by Otay	0	12
✓ 5	5-16	Water Conservation Garden	Monthly Meeting / General Business (See Exhibit B - Agenda)	0	9
✓ 6	5-18	Otay 980-2 Pump Station Dedication	Opening of new facility and celebration of 50 th anniversary of District with Chamber, <i>no charge</i>	0	35
7	5-19	Lunch with Director Croucher	Discuss partnership between Garden and San Miguel Fire Dept. on new Fire Wise Garden - NO CHARGE	0	0
8	5-20	Water Conservation Garden Spring Garden Festival	Semi-Annual major fundraising event - NO CHARGE	0	9
✓ 10	5-24	Finance & Administration Committee	Monthly meeting involving finance & administration issues	4	6
✓ 11	5-26	Ad Hoc Auld Golf Course Committee	Meeting with buyers of golf course to discuss leasehold improvements	0	28
✓ 12	5-30	Special Otay Board Meeting	Workshop for annual District budget	4	6
13	5-31	Meeting with Supervisor Jacob, GM & Dir. Croucher	Discuss expansion of recycled water system in Northern area - NO CHARGE	0	0
✓ 14	5-31	Water Resources & Security Committee	Meeting involving water resources & security issues	0	12
				12	145

Total Meeting Per Diem: ~~\$1000~~ *\$900 800/mile* 0 • A
(\$100 per meeting)

Total Mileage Claimed: 157 miles 8 • x

GM Approval: *[Signature]* 100 • =

FOR OFFICE USE: TOTAL MILEAGE REIMBUR 800 • 00*
12 • x
0 • 445 =
5 • 34*

Mark Robak
(Director's Signature)

Date: 6/16/06

06 JUN 20 AM 11:10



**OTAY WATER DISTRICT
BOARD OF DIRECTORS
PER-DIEM AND MILEAGE CLAIM FORM**

Pay To: Mark Robak

Period Covered:

Employee Number: 70140606

From: 6-1-06 To: 6-30-06

3217 Fair Oaks Lane, Spring Valley, CA 91978

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1	6-1	Metro Commission	Monthly Meeting /General Business (See Exhibit A - Agenda)	0	22
✓ 2	6-5	Communications Committee	Monthly meeting involving communication issues	0	13
3	6-6	Fire Wise Garden Groundbreaking	Dedication of new garden at the Water Conservation Garden – NO CHARGE	0	0
✓ 4	6-7	Monthly Otay Board Meeting	General District Business	4	7
5	6-8	Water Conservation Garden Docent's Dinner	Dinner at the Garden to honor docent volunteers – NO CHARGE	0	0
✓ 6	6-14	Water Conservation Garden	Monthly Meeting / General Business (See Exhibit B - Agenda)	0	35
7	6-17	Otay Open House	50 th Anniversary Open House at Otay Administrative Office – NO CHARGE	0	0
✓ 8	6-19	Finance & Administration Committee	Monthly meeting involving finance & administration issues	4	7
✓ 9	6-20	Ad Hoc Auld Golf Course Committee	Lunch meeting to discuss proposal from golf course lessee	0	30
✓ 10	6-21	Water Resources & Security Committee	Meeting involving water resources & security issues	0	13
✓ 11	6-23	Water Conservation Garden	Meeting with Sweetwater Authority to discuss possible JPA membership	0	15
12	6-30	Augie Caires Retirement Party at Santee Lakes	Retirement party for Padre Dam GM – NO CHARGE	0	0
				8	142

Total Meeting Per Diem: \$800
(\$100 per meeting)

Total Mileage Claimed: 150 miles

Mark Robak

(Director's Signature)

GM Approval: *[Signature]*

Date: 7/12/06

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____



AGENDA ITEM 5

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 6, 2006
SUBMITTED BY:	James D. Cudlip, Finance Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Joseph R. Beachem, <i>JRB</i> Chief Financial Officer		
APPROVED BY: (Asst. GM):	German Alvarez, <i>GA</i> Assistant General Manager		
SUBJECT:	Annual Review of Investment Policy (Board of Directors Policy No. 27) and Adoption of Resolution No. 4088 Amending the Policy and Re-Delegating Authority for All Investment Related Activities to the Chief Financial Officer		

GENERAL MANAGER'S RECOMMENDATION:

That the Board review the Investment Policy (Board of Directors Policy No. 27) and adopt Resolution No. 4088 amending the policy and re-delegating authority for all investment related activities to the Chief Financial Officer in accordance with California Government Code Section 53607.

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

Government Code Section 53646 requires that the District's Investment Policy be presented to the Board for review on an annual basis. In addition, Government Code Section 53607 requires that for the delegation of authority to remain in effect on an annual basis, the governing board must re-delegate authority over investment activities.

ANALYSIS:

The proposed Investment Policy (Attachment C) revises and expands upon the existing Policy (Attachment D) which was approved by the Board on September 7, 2005.

The primary goals of the Investment Policy are to assure compliance with the California Government Code, Sections 53600 et seq, and to protect the investments of the District. The State Code provides a range of conservative investment options

for local agencies, including Federal Treasuries, Federal Agencies, the State Pool, the County Pool, high-grade corporate debt, and others.

As a part of the review of the existing Investment Policy, we compared our policy to a recommended format that is considered "best practice" by several national accounting and finance organizations. While our current policy always met the minimum requirements mandated by California Government Code, the model policy for best practices expands upon the investment guidance to address areas such as Delegation of Authority, Ethics and Conflicts of Interest, Authorized Financial Dealers and Institutions, Internal Control, and Performance Standards, as well as additional clarification in sections already in place.

To assure the Board that the currently proposed policy meets best practice standards, it was submitted to the Association of Public Treasurers of the United States & Canada (APT US&C) for review and certification. We recently received notification that this policy was approved in all of the 18 areas addressed and a copy of APT US&C's congratulatory letter on obtaining the Investment Policy Certificate of Excellence Award is attached (Attachment E).

The policy is consistent with the current law and the overall objectives of the policy are being met.

FISCAL IMPACT: 

Section 14.0 of the revised Investment Policy directs the CFO to establish an annual process of independent review by an external auditor, to provide internal control by assuring compliance with policies and procedures. By including this as a part of the District's annual financial audit and review of internal controls, the fiscal impact is estimated to be no more than \$500.

STRATEGIC GOAL:

Demonstrate financial health through formalized policies, prudent investing, and efficient operations.

LEGAL IMPACT: _____

None.



General Manager

Attachments:

- A) Committee Staff Report
- B) Resolution No. 4088
- C) Proposed Investment Policy No. 27
- D) Existing Investment Policy No. 27 Strike-thru
- E) APT US&C Investment Policy Certification Letter
- F) Portfolio Management: Portfolio Summary, June 30, 2006
- G) Copy of Investment Policy Presentation



ATTACHMENT A

SUBJECT/PROJECT:	Annual Review of Investment Policy (Board of Directors Policy No. 27) and Adoption of Resolution No. 4088 Amending the Policy and Re-Delegating Authority for All Investment Related Activities to the Chief Financial Officer
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COMMITTEE ACTION:

The Finance and Administration Committee review the Investment Policy (Board of Directors Policy No. 27) and recommend adoption of Resolution 4088 amending the policy and re-delegating authority for all investment related activities to the Chief Financial Officer in accordance with California Government Code Section 53607.

NOTE:

The "Committee Action" is written in anticipation of the Committee moving the item forward for board approval. This report will be sent to the Board as a committee approved item, or modified to reflect any discussion or changes as directed from the committee prior to presentation to the full board.

RESOLUTION NO. 4088

A RESOLUTION OF THE BOARD OF DIRECTORS OF
OTAY WATER DISTRICT AMENDING INVESTMENT
POLICY NO. 27 OF THE DISTRICT'S CODE OF
ORDINANCES

WHEREAS, the Otay Water District Board of Directors have been presented with an amended Investment Policy No. 27 of the District's Code of Ordinances for the management of the District's investments; and

WHEREAS, the Investment Policy has been reviewed and considered by the Board, and it is in the interest of the District to adopt the revised Investment Policy; and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Otay Water District that the Investment Policy for the District, as attached, is hereby adopted as the District's Investment Policy.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Otay Water District at a regular board meeting held this 6th day of September 2006, by the following vote:

Ayes:
Noes:
Abstain:
Absent:

President

ATTEST:

District Secretary

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT INVESTMENT POLICY	27	9/15/93	9/6/06

1.0: POLICY

It is the policy of the Otay Water District to invest public funds in a manner which will provide maximum security with the best interest return, while meeting the daily cash flow demands of the entity and conforming to all state statutes governing the investment of public funds.

2.0: SCOPE

This investment policy applies to all financial assets of the Otay Water District. The District pools all cash for investment purposes. These funds are accounted for in the District's audited Comprehensive Annual Financial Report (CAFR) and include:

- 2.1) General Fund
- 2.2) Capital Project Funds
 - 2.2.1) Designated Expansion Fund
 - 2.2.2) Restricted Expansion Fund
 - 2.2.3) Designated Betterment Fund
 - 2.2.4) Restricted Betterment Fund
 - 2.2.5) Designated Replacement Fund
- 2.3) Other Post Employment Fund (OPEB)
- 2.4) Debt Reserve Fund

Exceptions to the pooling of funds do exist for tax-exempt debt proceeds and deferred compensation funds. Funds received from the sale of general obligation bonds, certificates of participation or other tax-exempt financing vehicles are segregated from pooled investments and the investment of such funds are guided by the legal documents that govern the terms of such debt issuances.

3.0: PRUDENCE

Investments should be made with judgment and care, under current prevailing circumstances, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT INVESTMENT POLICY	27	9/15/93	9/6/06

The standard of prudence to be used by investment officials shall be the "Prudent Person" and/or "Prudent Investor" standard (California Government Code 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0: OBJECTIVE

As specified in the California Government Code 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

- 4.1) Safety: Safety of principal is the foremost objective of the investment program. Investments of the Otay Water District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the District will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.

- 4.2) Liquidity: The Otay Water District's investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.

- 4.3) Return on Investment: The Otay Water District's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the District's investment risk constraints and the cash flow characteristics of the portfolio.

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT INVESTMENT POLICY	27	9/15/93	9/6/06

5.0 DELEGATION OF AUTHORITY

Authority to manage the Otay Water District's investment program is derived from the California Government Code, Sections 53600 through 53692. Management responsibility for the investment program is hereby delegated to the Chief Financial Officer (CFO), who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and their procedures in the absence of the CFO.

The CFO shall establish written investment policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the CFO.

6.0: ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the General Manager any material financial interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District.

7.0: AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Chief Financial Officer shall maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers who are authorized to provide investment services in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT INVESTMENT POLICY	27	9/15/93	9/6/06

(Uniform Net Capital Rule). No public deposit shall be made except in a qualified public depository as established by state laws.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the District with the following, as appropriate:

- Audited Financial Statements.
- Proof of National Association of Security Dealers (NASD) certification.
- Proof of state registration.
- Completed broker/dealer questionnaire.
- Certification of having read the District's Investment Policy.
- Evidence of adequate insurance coverage.

As annual review of the financial condition and registrations of qualified bidders will be conducted by the CFO. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the District invests.

8.0: AUTHORIZED AND SUITABLE INVESTMENTS

From the governing body perspective, special care must be taken to ensure that the list of instruments includes only those allowed by law and those that local investment managers are trained and competent to handle. The District is governed by the California Government Code, Sections 53600 through 53692, to invest in the following types of securities, as further limited herein:

8.01) United States Treasury Bills, Bonds, Notes or those instruments for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio which can be invested in this category, although a five-year maturity limitation is applicable.

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT INVESTMENT POLICY	27	9/15/93	9/6/06

8.02) Local Agency Investment Fund (LAIF), which is a State of California managed investment pool, may be used up to the maximum permitted by State Law (currently \$40 million). The District may also invest bond proceeds in LAIF with the same but independent maximum limitation.

8.03) Bonds, debentures, notes and other evidence of indebtedness issued by any of the following government agency issuers:

- Federal Home Loan Bank (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
- Federal National Mortgage Association (FNMA or "Fannie Mae")
- Government National Mortgage Association (GNMA or "Ginnie Mae")
- Student Loan Marketing Association (SLMA or "Sallie Mae")
- Federal Farm Credit Bank (FFCB)

There is no percentage limitation of the portfolio which can be invested in this category, although a five-year maturity limitation is applicable.

8.04) Interest-bearing demand deposit accounts and Certificates of Deposit (CD) will be made only in Federal Deposit Insurance Corporation (FDIC) insured accounts. For deposits in excess of the insured maximum of \$100,000, approved collateral shall be required in accordance with California Government Code, Section 53652. Investments in CD's are limited to 15 percent of the District's portfolio.

8.05) Commercial paper, which is short-term, unsecured promissory notes of corporate and public entities. Purchases of eligible commercial paper may not exceed 10 percent of the outstanding paper of an issuing corporation, and maximum investment maturity will be restricted to 270 days. Investment is further limited as described in California Government Code, Section 53601(g). Purchases of commercial paper may not exceed 15 percent of the District's portfolio.

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
DISTRICT INVESTMENT POLICY	27	9/15/93	9/6/06

8.06) Medium-term notes defined as all corporate debt securities with a maximum remaining maturity of five years or less, and that meet the further requirements of California Government Code, Section 53601(j). Investments in medium-term notes are limited to 15 percent of the District's portfolio.

8.07) Money market mutual funds that invest only in Treasury securities and repurchase agreements collateralized with Treasury securities, and that meet the further requirements of California Government Code, Section 53601(k). Investments in money market mutual funds are limited to 15 percent of the District's portfolio.

8.08) The San Diego County Treasurer's Pooled Money Fund, which is a County managed investment pool, may be used by the Otay Water District to invest excess funds. There is no percentage of the portfolio which can be invested in this category.

8.09) Under the provisions of California Government Code 53601.6, the Otay Water District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools, or any investment that may result in a zero interest accrual if held to maturity. Also, the borrowing of funds for investment purposes, known as leveraging, is prohibited.

9.0: INVESTMENT POOLS/MUTUAL FUNDS

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
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- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, and what size deposits and withdrawals are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc., utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

10.0 COLLATERALIZATION

Collateralization will be required on certificates of deposit. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

11.0: SAFEKEEPING AND CUSTODY

All security transactions entered into by the Otay Water District shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the District and evidenced by safekeeping receipts.

12.0: DIVERSIFICATION

The Otay Water District will diversify its investments by security type and institution, with limitations on the total amounts invested in each security type as detailed in Paragraph 8.0, above, so as to reduce overall portfolio risks while attaining benchmark average rate of return. With the exception of U.S. Treasury securities, government agencies, and authorized pools, no more than 50% of the District's

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total investment portfolio will be invested with a single financial institution.

13.0: MAXIMUM MATURITIES

To the extent possible, the Otay Water District will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than five years from the date of purchase. However, for time deposits with banks or savings and loan associations, investment maturities will not exceed two years. Investments in commercial paper will be restricted to 270 days.

14.0: INTERNAL CONTROL

The Chief Financial Officer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

15.0: PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The Otay Water District's investment strategy is passive. Given this strategy, the basis used by the CFO to determine whether market yields are being achieved shall be the State of California Local Agency Investment Fund (LAIF) as a comparable benchmark.

16.0: REPORTING

The Chief Financial Officer shall provide the Board of Directors monthly investment reports which provide a clear picture of the status of the current investment portfolio. The management report should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward

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and thoughts on investment strategies. Schedules in the quarterly report should include the following:

- A listing of individual securities held at the end of the reporting period by authorized investment category.
- Average life and final maturity of all investments listed.
- Coupon, discount or earnings rate.
- Par value, amortized book value, and market value.
- Percentage of the portfolio represented by each investment category.

17.0: INVESTMENT POLICY ADOPTION

The Otay Water District's investment policy shall be adopted by resolution of the District's Board of Directors. The policy shall be reviewed annually by the Board and any modifications made thereto must be approved by the Board.

18.0: GLOSSARY

See Appendix A.

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APPENDIX A: GLOSSARY

ACTIVE INVESTING: Active investors will purchase investments and continuously monitor their activity, often looking at the price movements of their stocks many times a day, in order to exploit profitable conditions. Typically, active investors are seeking short term profits.

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BROKER/DEALER: Any individual or firm in the business of buying and selling securities for itself and others. Broker/dealers must register with the SEC. When acting as a broker, a broker/dealer executes orders on behalf of his/her client. When acting as a dealer, a broker/dealer executes trades for his/her firm's own account. Securities bought for the firm's own account may be sold to clients or other firms, or become a part of the firm's holdings.

CERTIFICATE OF DEPOSIT (CD): A short or medium term, interest bearing, FDIC insured debt instrument offered by banks and savings and loans. Money removed before maturity is subject to a penalty. CDs are a low risk, low return investment, and are also known as "time deposits", because the account holder has agreed to keep the money in the account for a specified amount of time, anywhere from a few months to several years.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

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COMMERCIAL PAPER: An unsecured short-term promissory note, issued by corporations, with maturities ranging from 2 to 270 days.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the Otay Water District. It includes detailed financial information prepared in conformity with generally accepted accounting principles (GAAP). It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed statistical section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a set date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

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DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures deposits in member banks and thrifts, currently up to \$100,000 per deposit.

FEDERAL FARM CREDIT BANK (FFCB): The Federal Farm Credit Bank system supports agricultural loans and issues securities and bonds in financial markets backed by these loans. It has consolidated the financing programs of several related farm credit agencies and corporations.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANK (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC or Freddie Mac): A stockholder owned, publicly traded company chartered by the United States federal government in 1970 to purchase mortgages and related securities, and then issue securities and bonds in financial markets backed by those mortgages in secondary markets. Freddie Mac, like its competitor Fannie Mae, is regulated by the United States Department of Housing and Urban Development (HUD).

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FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or Fannie Mae): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): A government owned agency which buys mortgages from lending institutions, securitizes them, and then sells them to investors. Because the payments to investors are guaranteed by the full faith and credit of the U.S. Government, they return slightly less interest than other mortgage-backed securities.

INTEREST-ONLY STRIPS: A mortgage backed instrument where the investor receives only the interest, no principal, from a pool of mortgages. Issues are highly interest rate sensitive, and cash flows vary between interest periods. Also, the maturity date may occur earlier than that stated if all loans within the pool are pre-paid. High prepayments on underlying mortgages can return less to the holder than the dollar amount invested.

INVERSE FLOATER: A bond or note that does not earn a fixed rate of interest. Rather, the interest rate is tied to a specific interest rate index identified in the bond/note structure. The interest rate earned by the bond/note will move in the opposite direction of the index. An inverse floater increases the market rate risk and modified duration of the investment.

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LEVERAGE: Investing with borrowed money with the expectation that the interest earned on the investment will exceed the interest paid on the borrowed money.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase/reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

MUTUAL FUNDS: An open-ended fund operated by an investment company which raises money from shareholders and invests in a group of assets, in accordance with a stated set of objectives. Mutual funds raise money by selling shares of the fund to the public. Mutual funds then take the money they receive from the sale of their shares (along with any money made from previous investments) and use it to purchase various investment vehicles, such as stocks, bonds, and money market instruments.

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MONEY MARKET MUTUAL FUNDS: An open-end mutual fund which invests only in money markets. These funds invest in short term (one day to one year) debt obligations such as Treasury bills, certificates of deposit, and commercial paper.

NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD): A self-regulatory organization of the securities industry responsible for the operation and regulation of the NASDAQ stock market and over-the-counter markets. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

PASSIVE INVESTING: An investment strategy involving limited ongoing buying and selling actions. Passive investors will purchase investments with the intention of long term appreciation and limited maintenance, and typically don't actively attempt to profit from short term price fluctuations. Also known as a buy-and-hold strategy.

PRIMARY DEALER: A designation given by the Federal Reserve System to commercial banks or broker/dealers who meet specific criteria, including capital requirements and participation in Treasury auctions. These dealers submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission registered securities broker/dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state--the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

PUBLIC SECURITIES ASSOCIATION (PSA): A trade organization of dealers, brokers, and bankers who underwrite and trade securities offerings.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated

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for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RANGE NOTE: An investment whose coupon payment varies and is dependent on whether the current benchmark falls within a pre-determined range.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REGIONAL DEALER: A securities broker/dealer, registered with the Securities & Exchange Commission (SEC), who meets all of the licensing requirements for buying and selling securities.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security ``buyer'' in effect lends the ``seller'' money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding securities issues following their initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.), and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons,

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derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

STUDENT LOAN MARKETING ASSOCIATION (SLMA or Sallie Mae): A federally established, publicly traded corporation which buys student loans from colleges and other lenders, pools them, and sells them to investors.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

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PURPOSE

~~This policy is intended to provide a guideline for the prudent investment of cash receipts, tax revenue, and restricted moneys and to outline a procedure for maximizing the efficiency of the cash management system. Ultimate investment goals include the enhancement of economic status and the protection of pooled cash investments.~~

1.0: POLICY

It is the policy of the Otay Water District to invest public funds in a manner which will provide maximum security with the best interest return, while meeting the daily cash flow demands of the entity and conforming to all state statues governing the investment of public funds.

2.0: SCOPE

This investment policy applies to all financial assets of the Otay Water District. The District pools all cash for investment purposes. ~~This policy is applicable, but not limited to all funds listed below:~~ These funds are accounted for in the District's audited Comprehensive Annual Financial Report (CAFR) and include:

- 2.1) General Fund
- 2.2) Capital Project Funds
 - 2.2.1) Designated Expansion Fund
 - 2.2.2) Restricted Expansion Fund
 - 2.2.3) Designated Betterment Fund
 - 2.2.4) Restricted Betterment Fund
 - 2.2.5) Designated Replacement Fund
- 2.3) Other Post Employment Fund (OPEB)
- 2.4) Debt Reserve Fund
- ~~Customer Deposits~~
- ~~Replacement Reserve~~
- ~~Water Conservation Fund~~
- ~~Tax Revenue~~
- ~~Interest Income~~
- ~~Betterment Funds~~

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~~Capital Improvement Funds~~

Exceptions to the pooling of funds do exist for ~~regarding~~ tax-exempt debt proceeds and deferred compensation funds. Funds received from the sale of general obligation bonds, certificates of participation or other tax-exempt financing vehicles are segregated from pooled investments and the investment of such funds are guided by the legal documents that govern the terms of such debt issuances.

3.0: PRUDENCE

~~Under all circumstances, the "prudent investor rule" shall apply.~~ Investments ~~shall~~ should be made with judgment and care, under current prevailing circumstances, ~~then prevailing,~~ which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "Prudent Person" and/or "Prudent Investor" standard (California Government Code §53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0: OBJECTIVE

~~The cash management system of the District is designed to accurately monitor and forecast expenditures and revenues, thus insuring the investment of moneys to the fullest extent possible.~~

As specified in the California Government Code §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

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4.1-) Safety: Safety of principal is the foremost objective of the investment program. Investments of the Otay Water District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, ~~diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.~~ the District will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.

4.2-) Liquidity: The Otay Water District's investment portfolio will remain sufficiently liquid to enable the ~~Otay Water~~ District to meet all operating requirements which might be reasonably anticipated.

4.3-) Return on Investments: The Otay Water District's investment portfolio shall be designed with the objective of attaining a ~~market~~ benchmark rate of return throughout budgetary and economic cycles, ~~taking into account~~ commensurate with the District's investment risk constraints and the cash flow characteristics of the portfolio.

5.0 DELEGATION OF AUTHORITY

~~Under authority granted by the Board of Directors, the Department Head of Finance is responsible for investing cash in excess of the District's operating needs.~~

~~The authority governing investments for municipal governments is set forth in the Government Code, Sections 53601 through 53659.~~

Authority to manage the Otay Water District's investment program is derived from the California Government Code, Sections 53600 through 53692. Management responsibility for the investment program is hereby delegated to the Chief Financial Officer (CFO), who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and their procedures in the absence of the CFO.

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The CFO shall establish written investment policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the CFO.

6.0: ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the General Manager any material financial interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District.

7.0: AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Chief Financial Officer shall maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers who are authorized to provide investment services in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule). No public deposit shall be made except in a qualified public depository as established by state laws.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the District with the following, as appropriate:

- Audited Financial Statements.

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- Proof of National Association of Security Dealers (NASD) certification.
- Proof of state registration.
- Completed broker/dealer questionnaire.
- Certification of having read the District's Investment Policy.
- Evidence of adequate insurance coverage.

As annual review of the financial condition and registrations of qualified bidders will be conducted by the CFO. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the District invests.

8.0: AUTHORIZED AND SUITABLE INVESTMENTS

From the governing body perspective, special care must be taken to ensure that the list of instruments includes only those allowed by law and those that local investment managers are trained and competent to handle. The District is governed by the California Government Code, Sections 53600 ~~et seq~~ through 53692, to invest in the following types of securities, ~~. Within the context of the limitations, the following investments are authorized, as further limited herein:~~

~~A-8.01) United States Treasury Bills, Bonds, Notes or those instruments for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio which can be invested in this category, although a five-year maturity limitation is applicable. No more than 30 percent of the portfolio shall exceed two years to maturity.~~

~~B-8.02) Local Agency Investment Fund (LAIF), which is a State of California managed investment pool, may be used up to the maximum permitted by State Law (currently \$240 million). The District may also invest bond proceeds in the Local Agency Investment Fund. LAIF with the same but independent maximum limitation. Liquidity for bond proceeds, per fund regulations,~~

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~~is thirty calendar day increments from the date of the initial deposit.~~

~~C. Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through commercial banks or savings and loan associations that have a Moody's Investor Service rating or Standard & Poor's Corporation rating of at least "A". A written depository contract is required with all institutions that hold District deposits. Since time deposits are not liquid, the maximum maturity of one year may be purchased. The institution must secure deposits by pledging government securities equal to at least 110% of deposits or first trust deed mortgage notes in excess of 115% of deposits. All banks providing the District with collateralized time deposits are required to provide the District with a regular statement of the pooled collateral held, the market value of the collateral, an accountability of the deposits secured by the pool and a statement that the 110% or 115% collateral rule is met.~~

~~D-8.03) Bonds, debentures, notes and other evidence of indebtedness issued by any of the following government agency issuers:~~

- ~~• Farm Credit Consolidated System,~~
- ~~• Federal Home Loan Bank (FHLB) ✓~~
- ~~• Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") ✓~~
- ~~• Federal National Mortgage Association (FNMA or "Fannie Mae") ✓~~
- ~~• Government National Mortgage Association (GNMA or "Ginnie Mae")~~
- ~~• Student Loan Marketing Association (SLMA or "Sallie Mae")~~
- ~~• Federal Farm Credit Bank (FFCB) ✓, Tennessee Valley Authority and Federal Land Bank. Investments in federal agency securities are limited to 70 percent of the District's~~

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~~portfolio and no more than 70% in callable securities. The maturity of these securities shall not exceed five years.~~

There is no percentage limitation of the portfolio which can be invested in this category, although a five-year maturity limitation is applicable.

8.04) Interest-bearing demand deposit accounts and Certificates of Deposit (CD) will be made only in Federal Deposit Insurance Corporation (FDIC) insured accounts. For deposits in excess of the insured maximum of \$100,000, approved collateral shall be required in accordance with California Government Code, Section 53652. Investments in CD's are limited to 15 percent of the District's portfolio.

~~F. Collateralized Repurchase Agreements with banks and primary dealers on the Federal Reserve reporting dealer list which are rated "A" or better by Standard & Poor's Corporation and Moody's Investors Service. The repurchase agreement provider must enter into a master repurchase agreement with the District of standard industry form, currently the Public Securities Association master repurchase agreement. The collateral provided by the repurchase agreement provider must be delivered directly to a third party bank which holds an account in the name of the District and the District will maintain a first perfected security interest in the collateral. The District shall have a contractual right to liquidate the collateral securities upon the bankruptcy, insolvency or other default of the repurchase agreement provider. Collateral will be marked to market at least weekly and the market value of collateral will be maintained at or above 102 percent of the value of the repurchase agreement if Treasury securities are posted as collateral or 104 percent of the value of the repurchase agreement if agency securities permitted by this policy are posted as collateral. The term of any repurchase agreement entered will not exceed 1 year and investments in repurchase agreements are limited to 15 percent of the District's portfolio.~~

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H-8.05) Commercial paper, which is short-term, unsecured promissory notes of corporate and public entities. ~~Investment is limited to commercial paper of "prime" quality of the highest ranking as provided by Moody's Investors Service or Standard and Poor's Rating Services. Eligible paper is issued only by corporations that are organized and operating within the United States and having total assets in excess of \$500 million. The corporation must also have an "A" rating or higher for the issuer's debt, other than commercial paper, as provided by Moody's Investors Service, or Standard and Poor's Rating Services.~~ Purchases of eligible commercial paper may not exceed 10 percent of the outstanding paper of an issuing corporation, and maximum investment maturity will be restricted to ~~180~~270 days. Investment is further limited as described in California ~~(reference: Government Code, Section 53601(g))~~. Purchases of commercial paper may not exceed 15 percent of the District's portfolio.

G-8.06) Medium-term notes defined as all corporate debt securities with a maximum remaining maturity of five years or less, and that meet the further requirements of California Government Code, Section 53601(j). ~~issued by corporations that are "A" rated or higher, as rated by Moody's Investors Service and Standard & Poor's Rating Services. Maximum investment maturity is restricted to two years for "A" and "AA" rated notes and five years for "AAA" rated notes.~~ Investments in medium-term notes are limited to 15 percent of the District's portfolio ~~at the time of purchase.~~

E-8.07) Money market mutual funds that invest only in Treasury securities and repurchase agreements collateralized with Treasury securities, and that ~~have the highest ratings by Moody's Investors Service and Standard & Poor's Corporation~~ meet the further requirements of California Government Code, Section 53601(k). Investments in money market mutual funds are limited to 15 percent of the District's portfolio.

J-8.08) The San Diego County Treasurer's Pooled Money Fund, which is a County managed investment pool, may be used by the Otay Water District to invest excess funds. There is no

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percentage of the portfolio which can be invested in this category.

~~I-8.09)~~ Under the provisions of California Government Code ~~§53601.6 and §53631.5~~, the Otay Water District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools, or any investment that may result in a zero interest accrual if held to maturity. Also, the borrowing of funds for investment purposes, known as leveraging, is prohibited.

9.0: INVESTMENT POOLS/MUTUAL FUNDS

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, and what size deposits and withdrawals are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc., utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

10.0 COLLATERALIZATION

Collateralization will be required on certificates of deposit. In order to anticipate market changes and provide a level of security for

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all funds, the collateralization level will be 102% of market value of principal and accrued interest. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

11.0: SAFEKEEPING AND CUSTODIAL ARRANGEMENTS CUSTODY

~~To protect against potential losses in the event of bankruptcy or insolvency of a security dealer or bank, all book entry securities owned by the District, including repurchase agreement collateral, will be kept in safekeeping by a third party custodial agreement.~~

All security transactions entered into by the Otay Water District shall be conducted on a delivery-versus-payment ("DVP") basis. Securities will be held by a third party custodian designated by the District and evidenced by safekeeping receipts.

12.0: DIVERSIFICATION

The Otay Water District will diversify its investments by security type and institution, with limitations on the total amounts invested in each security type as detailed in Paragraph 8.0, above, so as to reduce overall portfolio risks while attaining benchmark average rate of return. With the exception of U.S. Treasury securities, government agencies, and authorized pools, no more than 50% of the District's total investment portfolio will be invested with a single financial institution. ~~It is the policy of the Otay Water District to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:~~

- ~~(a) Portfolio maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.~~

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~~_____ (b) Maturities selected shall provide for stability of income and liquidity.~~

13.0: MAXIMUM MATURITIES

To the extent possible, the Otay Water District will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than five years from the date of purchase. However, for time deposits with banks or savings and loan associations, investment maturities will not exceed two years. Investments in commercial paper will be restricted to 270 days.

14.0: INTERNAL CONTROL

The Chief Financial Officer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

15.0: PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The Otay Water District's investment strategy is passive. Given this strategy, the basis used by the CFO to determine whether market yields are being achieved shall be the State of California Local Agency Investment Fund (LAIF) as a comparable benchmark.

16.0: REPORTING

~~The Department Head Finance will submit a monthly investment report to the Board of Directors. This report will include all cash of the District, except for deferred compensation funds. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, and par values. The report shall contain the average weighted yield and percent distribution to each type of investment. The report must also include a certification~~

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~~that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy, and (2) the Otay Water District will meet its expenditure obligations for the next six months as required by California Government Code §53646(b)(2) and (3), respectively. The Department Head Finance shall maintain a complete and timely record of all investment transactions.~~

~~In accordance with California Government Code §53646(b)(1), the Department Head Finance shall submit to each member of the Board of Directors a quarterly investment report that includes the current market values of each component of the portfolio as well as the source of the portfolio valuation.~~

The Chief Financial Officer shall provide the Board of Directors monthly investment reports which provide a clear picture of the status of the current investment portfolio. The management report should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward and thoughts on investment strategies. Schedules in the quarterly report should include the following:

- A listing of individual securities held at the end of the reporting period by authorized investment category.
- Average life and final maturity of all investments listed.
- Coupon, discount or earnings rate.
- Par value, amortized book value, and market value.
- Percentage of the portfolio represented by each investment category.

17.0: POLICY REVIEW INVESTMENT POLICY ADOPTION

The Otay Water District's investment policy shall be adopted by resolution of the District's Board of Directors. ~~The investment policy shall be reviewed and submitted annually to by the Board of Directors in order to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends and any modifications made thereto must be approved by the Board.~~

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18.0: GLOSSARY

See Appendix A.

APPENDIX A: GLOSSARY

ACTIVE INVESTING: Active investors will purchase investments and continuously monitor their activity, often looking at the price movements of their stocks many times a day, in order to exploit profitable conditions. Typically, active investors are seeking short term profits.

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BROKER/DEALER: Any individual or firm in the business of buying and selling securities for itself and others. Broker/dealers must register with the SEC. When acting as a broker, a broker/dealer executes orders on behalf of his/her client. When acting as a dealer, a broker/dealer executes trades for his/her firm's own account. Securities bought for the firm's own account may be sold to clients or other firms, or become a part of the firm's holdings.

CERTIFICATE OF DEPOSIT (CD): A short or medium term, interest bearing, FDIC insured debt instrument offered by banks and savings and loans. Money removed before maturity is subject to a penalty. CDs are a low risk, low return investment, and are also known as "time deposits", because the account holder has agreed to keep the money in the account for a specified amount of time, anywhere from a few months to several years.

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COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER: An unsecured short-term promissory note, issued by corporations, with maturities ranging from 2 to 270 days.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the Otay Water District. It includes detailed financial information prepared in conformity with generally accepted accounting principles (GAAP). It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed statistical section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a set date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling

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below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures deposits in member banks and thrifts, currently up to \$100,000 per deposit.

FEDERAL FARM CREDIT BANK (FFCB): The Federal Farm Credit Bank system supports agricultural loans and issues securities and bonds in financial markets backed by these loans. It has consolidated the financing programs of several related farm credit agencies and corporations.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANK (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC or Freddie Mac): A stockholder owned, publicly traded company chartered by the United States federal government in 1970 to purchase mortgages and related securities, and then issue securities and bonds in financial markets backed by those mortgages in secondary markets. Freddie Mac, like its

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competitor Fannie Mae, is regulated by the United States Department of Housing and Urban Development (HUD).

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or Fannie Mae): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): A government owned agency which buys mortgages from lending institutions, securitizes them, and then sells them to investors. Because the payments to investors are guaranteed by the full faith and credit of the U.S. Government, they return slightly less interest than other mortgage-backed securities.

INTEREST-ONLY STRIPS: A mortgage backed instrument where the investor receives only the interest, no principal, from a pool of mortgages. Issues are highly interest rate sensitive, and cash flows vary between interest periods. Also, the maturity date may occur earlier than that stated if all loans within the pool are pre-paid. High prepayments on underlying mortgages can return less to the holder than the dollar amount invested.

INVERSE FLOATER: A bond or note that does not earn a fixed rate of interest. Rather, the interest rate is tied to a specific interest rate index identified in the bond/note structure. The interest rate earned by the bond/note will move in the opposite direction of the

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index. An inverse floater increases the market rate risk and modified duration of the investment.

LEVERAGE: Investing with borrowed money with the expectation that the interest earned on the investment will exceed the interest paid on the borrowed money.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase/reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

MUTUAL FUNDS: An open-ended fund operated by an investment company which raises money from shareholders and invests in a group of assets, in accordance with a stated set of objectives. Mutual funds raise money by selling shares of the fund to the public. Mutual funds then take the money they receive from the sale of their shares (along with any money made from previous investments) and use it to purchase

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various investment vehicles, such as stocks, bonds, and money market instruments.

MONEY MARKET MUTUAL FUNDS: An open-end mutual fund which invests only in money markets. These funds invest in short term (one day to one year) debt obligations such as Treasury bills, certificates of deposit, and commercial paper.

NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD): A self-regulatory organization of the securities industry responsible for the operation and regulation of the NASDAQ stock market and over-the-counter markets. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

PASSIVE INVESTING: An investment strategy involving limited ongoing buying and selling actions. Passive investors will purchase investments with the intention of long term appreciation and limited maintenance, and typically don't actively attempt to profit from short term price fluctuations. Also known as a buy-and-hold strategy.

PRIMARY DEALER: A designation given by the Federal Reserve System to commercial banks or broker/dealers who meet specific criteria, including capital requirements and participation in Treasury auctions. These dealers submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission registered securities broker/dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state--the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

PUBLIC SECURITIES ASSOCIATION (PSA): A trade organization of dealers, brokers, and bankers who underwrite and trade securities offerings.

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QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RANGE NOTE: An investment whose coupon payment varies and is dependent on whether the current benchmark falls within a pre-determined range.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REGIONAL DEALER: A securities broker/dealer, registered with the Securities & Exchange Commission (SEC), who meets all of the licensing requirements for buying and selling securities.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding securities issues following their initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

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STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.), and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

STUDENT LOAN MARKETING ASSOCIATION (SLMA or Sallie Mae): A federally established, publicly traded corporation which buys student loans from colleges and other lenders, pools them, and sells them to investors.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price,

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with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



**Association of Public Treasurer's of
UNITED STATES & CANADA
Investment Policy Certification**

August 10, 2006

Otay Water District, CA
James Cudlip, Treasurer
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978-2004

Dear Mr. Cudlip:

Re: Investment Policy Certification Approval

Congratulations on your successful completion of the Investment Policy Certification process through the Association of Public Treasurer's-United States & Canada. A team comprised of three (3) reviewers from the Investment Policy Certification Committee reviewed your Investment Policy and have now approved your municipalities policy for the APT-US&C Investment Policy Certificate of Excellence Award.

You are invited to attend the APT-US&C Annual Conference which will be held in San Diego, CA in 2007 to receive your plaque. Your plaque will be presented by the President of APT-US&C and the Investment Policy Certification Chairman. You will receive further information about the annual conference in the upcoming months

Once again, congratulations on a job well done and creating an excellent policy and attaining this award.

Sincerely,

A handwritten signature in black ink that reads "Dennis L. Habedank".

Dennis L. Habedank
Investment Policy Certification Chairman
dhabedank@garfield-twp.com

**OTAY WATER DISTRICT
INVESTMENT PORTFOLIO REVIEW
JULY 31, 2006**

INVESTMENT OVERVIEW & MARKET STATUS:

In accordance with California State Code and District Investment Policy, our investment objectives, in priority order, have been 1) safety, 2) liquidity, and 3) return on investment. To accomplish this, our strategy has been (and continues to be) to invest primarily in Federal Agency obligations (FHLB, FHLMC, FNMA), followed by United States Treasury notes, the California State investment pool (LAIF), and the San Diego County investment pool. Although other types of investments are authorized (commercial paper, corporate debt securities, etc.), we have not chosen these due to the increased time required for adequate research and the increased level of risk.

For the last two years interest rates have been steadily rising due to the Federal Reserve Board's repetitive increases in the federal funds rate, from 1.0% in Jun-04 to 5.25% in Jun-06. During the extended period when rates were low, Otay's investment strategy was to lock in the highest interest possible for periods of 18 to 24 months, with yields ranging from 1.7% to 3.0%. As interest rates have increased beyond 3% our investment strategy has changed to shorten the investment periods from 9 to 18 months, with yields ranging from 3.5% to 5.5%.

The Federal Reserve Board did not raise the federal funds rate beyond 5.25% at their last meeting (Aug-06) and interest rates have now stabilized, at least temporarily. Investment analysts currently believe the Fed's will increase rates at least once more this year, to 5.5% by year-end. Based on this assessment we plan to maintain our current strategy of investing in short-term Federal Agency securities, in an attempt to avoid having prevailing interest rates overtake those of our current investment holdings for any extended period of time.

PORTFOLIO COMPLIANCE: July 31, 2006

	<u>Investment</u>	<u>State Limit</u>	<u>Otay Limit</u>	<u>Otay Actual</u>
8.01:	Treasury Securities	100%	100%	12.75%
8.02:	Local Agency Investment Fund (LAIF)	\$40 Million	\$40 Million	\$7.3 Million
8.03:	Federal Agency Issues	100%	100%	76.59%
8.04:	Certificates of Deposit	30%	15%	0.11%
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%	0.14%
12.0:	Maximum Single Financial Institution	100%	50%	2.1%

OTAY
Portfolio Management
Portfolio Summary
July 31, 2006

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Issues- Callable	54,000,000.00	53,751,036.99	53,941,786.94	76.59	541	270	4.471	4.533
Treasury Securities - Coupon	9,000,000.00	8,950,312.50	8,977,863.67	12.75	351	166	4.460	4.522
Certificates of Deposit - Bank	79,108.00	79,108.00	79,108.00	0.11	730	539	3.880	3.934
Local Agency Investment Fund (LAIF)	7,327,443.44	7,314,150.15	7,327,443.44	10.40	1	1	4.783	4.849
San Diego County Pool	99,091.73	98,617.16	99,091.73	0.14	1	1	4.212	4.271
	70,505,643.17	70,193,224.80	70,425,293.78	100.00%	460	229	4.501	4.563
Investments								
Cash								
Passbook/Checking (not included in yield calculations)	1,495,289.19	1,495,289.19	1,495,289.19		1	1	0.257	0.260
Total Cash and Investments	72,000,932.36	71,688,513.99	71,920,582.97		460	229	4.501	4.563

Total Earnings	July 31 Month Ending	Fiscal Year To Date
Current Year	277,970.32	277,970.32
Average Daily Balance	75,210,445.54	75,210,445.54
Effective Rate of Return	4.35%	4.35%

I hereby certify that the investments contained in this report are made in accordance with the District Investment Policy Number 27 adopted by the Board of Directors on January 19, 2000. 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

8-16-06

OTAY
Portfolio Management
Portfolio Details - Investments
July 31, 2006

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
Federal Agency Issues- Callable												
3133X6LN4	1980	Federal Home Loan Bank		05/10/2004	3,000,000.00	2,998,125.00	3,000,000.00	2.650		2.614	9	08/10/2006
3133X8KE1	1988	Federal Home Loan Bank		09/29/2004	3,000,000.00	2,970,000.00	3,000,000.00	3.025		2.982	150	12/29/2006
3133X8KC5	1989	Federal Home Loan Bank		09/29/2004	3,000,000.00	2,987,812.50	3,000,000.00	3.000		2.959	58	09/28/2006
3133XARM1	1990	Federal Home Loan Bank		03/08/2005	3,000,000.00	2,993,437.50	3,000,000.00	3.470		3.422	38	09/08/2006
3133XASF5	1991	Federal Home Loan Bank		03/08/2005	3,000,000.00	2,979,375.00	3,000,000.00	3.500		3.450	129	12/08/2006
3133XARK5	1992	Federal Home Loan Bank		03/08/2005	3,000,000.00	2,978,437.50	3,000,000.00	3.510		3.460	129	12/08/2006
3133XEMS5	1998	Federal Home Loan Bank		02/28/2006	3,000,000.00	2,984,062.50	3,000,000.00	5.000		4.943	484	11/28/2007
3133XEP45	1999	Federal Home Loan Bank		03/02/2006	3,000,000.00	2,989,687.50	3,000,000.00	5.000		4.932	213	03/02/2007
3133XETX7	2001	Federal Home Loan Bank		03/14/2006	3,000,000.00	2,988,750.00	3,000,000.00	5.125		5.055	409	09/14/2007
3133XF2C9	2002	Federal Home Loan Bank		04/25/2006	3,000,000.00	2,994,375.00	3,000,000.00	5.250		5.175	428	10/03/2007
3133XFBX3	2003	Federal Home Loan Bank		05/04/2006	3,000,000.00	2,994,375.00	3,000,000.00	5.250		5.178	276	05/04/2007
3133XFS72	2007	Federal Home Loan Bank		06/28/2006	3,000,000.00	2,995,312.50	3,000,000.00	5.350		5.277	514	12/28/2007
3133XGCU6	2008	Federal Home Loan Bank		07/28/2006	3,000,000.00	2,999,062.50	3,000,000.00	5.450		5.375	181	01/29/2007
3128X4K67	2000	Federal Home Loan Mortgage		03/07/2006	3,000,000.00	2,983,478.85	3,000,000.00	5.250		5.178	584	03/07/2008
3128X4DY4	2004	Federal Home Loan Mortgage		05/18/2006	3,000,000.00	2,961,302.95	2,967,081.47	4.000		5.129	346	07/13/2007
3128X4CE9	2005	Federal Home Loan Mortgage		05/18/2006	3,000,000.00	2,970,716.86	2,974,705.47	3.625		5.161	198	02/15/2007
3128X5CC0	2006	Federal Home Loan Mortgage		06/01/2006	3,000,000.00	2,995,850.83	3,000,000.00	5.340		5.263	330	06/27/2007
31359MG31	1997	Federal National Mortgage Assoc		02/24/2006	3,000,000.00	2,986,875.00	3,000,000.00	5.000		4.932	388	08/24/2007
Subtotal and Average			53,938,606.71		54,000,000.00	53,751,036.99	53,941,786.94			4.471	270	
Treasury Securities - Coupon												
912828DJ6	1993	US TREASURY		01/26/2006	3,000,000.00	2,970,000.00	2,980,710.81	3.125		4.376	183	01/31/2007
912828DQ0	1994	US TREASURY		01/26/2006	3,000,000.00	2,972,812.50	2,985,985.58	3.750		4.431	242	03/31/2007
912827Z62	1995	US TREASURY		02/02/2006	3,000,000.00	3,007,500.00	3,011,167.28	6.500		4.571	75	10/15/2006
Subtotal and Average			8,977,647.38		9,000,000.00	8,950,312.50	8,977,863.67			4.460	166	
Certificates of Deposit - Bank												
2050003183R	1996	California Bank & Trust		01/22/2006	79,108.00	79,108.00	79,108.00	3.880		3.880	539	01/22/2008
Subtotal and Average			79,108.00		79,108.00	79,108.00	79,108.00			3.880	539	
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	7,327,443.44	7,314,150.15	7,327,443.44	4.849		4.783	1	
Subtotal and Average			11,031,346.66		7,327,443.44	7,314,150.15	7,327,443.44			4.783	1	

Portfolio OTAY

AP

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OTAY
Portfolio Management
Portfolio Details - Investments
July 31, 2006

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
San Diego County Pool												
SD COUNTY POOL	9007	STATE OF CALIFORNIA		07/01/2004	99,091.73	98,617.16	99,091.73	4.271		4.212	1	
Subtotal and Average			99,091.73		99,091.73	98,617.16	99,091.73			4.212	1	
Total and Average			75,210,445.54		70,505,643.17	70,193,224.80	70,425,293.78			4.501	229	

OTAY
Portfolio Management
Portfolio Details - Cash
July 31, 2006

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity
Union Bank											
UNION BANK	9002	STATE OF CALIFORNIA		07/01/2004	179,955.69	179,955.69	179,955.69	1.400		1.381	1
PETTY CASH	9003	STATE OF CALIFORNIA		07/01/2004	2,800.00	2,800.00	2,800.00			0.000	1
CALIF BANK & TR	9004	STATE OF CALIFORNIA		07/01/2004	1,229,954.29	1,229,954.29	1,229,954.29			0.000	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2004	51,823.75	51,823.75	51,823.75			0.000	1
UNION IOC	9008	STATE OF CALIFORNIA		05/01/2006	30,755.46	30,755.46	30,755.46	4.460		4.399	1
		Average Balance	0.00								1
Total Cash and Investmentss			75,210,445.54		72,000,932.36	71,688,513.99	71,920,582.97			4.501	229

OTAY
Activity Report
Sorted By Issuer
July 1, 2006 - July 31, 2006

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: STATE OF CALIFORNIA										
Union Bank										
	9002	STATE OF CALIFORNIA			1.400		3,125,812.41	3,000,875.00		
	9004	STATE OF CALIFORNIA					333,870.72	0.00		
	9005	STATE OF CALIFORNIA					2,924.82	0.00		
	9008	STATE OF CALIFORNIA			4.460		117.49	55.00		
	Subtotal and Balance			1,033,493.75			3,462,725.44	3,000,930.00		1,495,289.19
Local Agency Investment Fund (LAIF)										
	9001	STATE OF CALIFORNIA			4.849		1,359,923.09	6,600,000.00		
	Subtotal and Balance			12,567,520.35			1,359,923.09	6,600,000.00		7,327,443.44
San Diego County Pool										
	Subtotal and Balance			99,091.73						99,091.73
	Issuer Subtotal			12.391%	13,700,105.83		4,822,648.53	9,600,930.00		8,921,824.36
Issuer: California Bank & Trust										
Certificates of Deposit - Bank										
	Subtotal and Balance			79,108.00						79,108.00
	Issuer Subtotal			0.110%	79,108.00		0.00	0.00		79,108.00
Issuer: Federal Home Loan Bank										
Federal Agency Issues- Callable										
3133X5ZG6	1977	Federal Home Loan Bank			2.510	07/28/2006	0.00	3,000,000.00		
3133XGCU6	2008	Federal Home Loan Bank			5.450	07/28/2006	3,000,000.00	0.00		
	Subtotal and Balance			39,000,000.00			3,000,000.00	3,000,000.00		39,000,000.00
	Issuer Subtotal			54.166%	39,000,000.00		3,000,000.00	3,000,000.00		39,000,000.00

Portfolio OTAY
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OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 07/31/2006

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 365	Current Yield	Maturity/ Call Date	Effective Duration
3133XETX7	2001	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,988,750.00	5.125	5.125	5.480	09/14/2007	1.053
3133XFS72	2007	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,995,312.50	5.350	5.350	5.671c	12/28/2006	0.408
3133XASF5	1991	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,979,375.00	3.500	3.498	5.509	12/08/2006	0.339
3133X6LN4	1980	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,998,125.00	2.650	2.650	2.777	08/10/2006	0.024
3133XARK5	1992	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,978,437.50	3.510	3.508	4.983c	09/08/2006	0.000
3133XEP45	1999	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,989,687.50	5.000	5.000	5.613	03/02/2007	0.557
3133XEMS5	1998	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,984,062.50	5.000	5.012	6.095c	08/28/2006	0.073
3128X4DY4	2004	99	Federal Home Loan Mortgage	Fair	2,967,081.47	3,000,000.00	2,961,302.95	4.000	5.200	6.666c	01/13/2007	0.452
3133XGCU6	2008	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,999,062.50	5.450	5.450	5.516	01/29/2007	0.481
3133X8KC5	1989	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,987,812.50	3.000	3.000	3.828c	08/28/2006	0.000
3128X4CE9	2005	99	Federal Home Loan Mortgage	Fair	2,974,705.47	3,000,000.00	2,970,716.86	3.625	5.232	5.491	02/15/2007	0.515
3128X5CC0	2006	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,995,850.83	5.340	5.336	5.624c	12/01/2006	0.334
3133X8KE1	1988	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,970,000.00	3.025	3.024	5.076c	09/29/2006	0.000
3128X4K67	2000	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,983,478.85	5.250	5.250	5.618	03/07/2008	1.482
31359MG31	1997	99	Federal National Mortgage Assoc	Fair	3,000,000.00	3,000,000.00	2,986,875.00	5.000	5.000	5.901c	08/24/2006	0.063
3133XFBX3	2003	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,994,375.00	5.250	5.250	5.636c	08/04/2006	0.000
3133XARM1	1990	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,993,437.50	3.470	3.470	3.916	09/08/2006	0.104
3133XF2C9	2002	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,994,375.00	5.250	5.247	5.636c	10/03/2006	0.172
912827Z62	1995	99	US TREASURY	Fair	3,011,167.28	3,000,000.00	3,007,500.00	6.500	4.634	5.985	10/15/2006	0.205
912828DJ6	1993	99	US TREASURY	Fair	2,980,710.81	3,000,000.00	2,970,000.00	3.125	4.437	5.177	01/31/2007	0.501
912828DQ0	1994	99	US TREASURY	Fair	2,985,985.58	3,000,000.00	2,972,812.50	3.750	4.492	5.158	03/31/2007	0.638
2050003183R	1996	99	California Bank & Trust	Amort	79,108.00	79,108.00	79,108.00	3.880	3.934	3.880	01/22/2008	1.427 †
Report Total					62,998,758.61	63,079,108.00	62,780,457.49			5.300		0.353 †

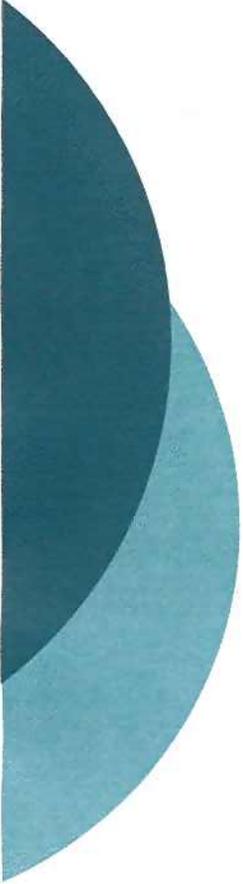
† = Duration can not be calculated on these investments due to incomplete Market price data.

Portfolio OTAY

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Report Ver. 5.00



DISTRICT INVESTMENT POLICY

Policy # 27

September 6, 2006



POLICY REVIEW

- Goal: To Improve Financial Policies, Procedures, and Reports
- Requirement: Annual Review



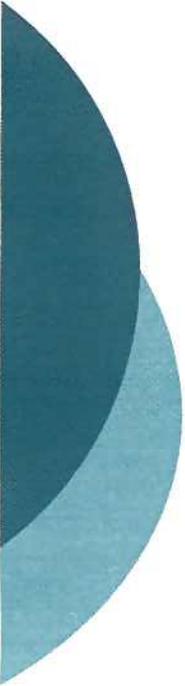
INVESTMENT POLICY GUIDELINES

A. California Government Code:

- Sections 53600 through 53692

B. Professional Finance Organizations:

- Government Finance Officers Association (GFOA)
- Association of Public Treasurers of the United States & Canada (APT US&C)
- California Municipal Treasurers Association (CMTA)
- California Society of Municipal Finance Officers (CSMFO)



INVESTMENT POLICY CERTIFICATION

APT US&C Certificate of Excellence

- “Nicely Written”
- “One of the highest scores we’ve ever given”



INVESTMENT CODE CHANGES

- **New Sections**

- 6.0: Ethics and Conflicts of Interest
- 7.0: Authorized Financial Dealers & Institutions
- 9.0: Investment Pools/Mutual Funds
- 10.0: Collateralization
- 13.0: Maximum Maturities
- 14.0: Internal Control
- 15.0: Performance Standards
- 18.0: Glossary



INVESTMENT CODE CHANGES

- **Deleted Investments**
 - C. Time Deposits, non negotiable and collateralized
 - F. Collateralized Repurchase Agreements



AGENDA ITEM 6

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 6, 2006
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
APPROVED BY: (Chief)			
APPROVED BY: (Asst. GM):			
SUBJECT:	Water Conservation Garden Board Secretary Support		

GENERAL MANAGER'S RECOMMENDATION:

That the Board approve a one time payment of \$5,000 to the Water Conservation Garden (WCG) to provide funding for Board Secretary support.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To present for board consideration the approval of a one time payment of \$5,000 to the Water Conservation Garden to provide funding for Board Secretary support.

ANALYSIS:

The WCG has historically been supported financially and by the staff of the Otay Water District and Helix Water District. Over the years, this financial and staff support has been reduced to an annual contribution of \$75,000 from Otay WD and Helix WD with Helix maintaining the logistical and staff support for the Board Secretary function.

Helix indicates that they desire to terminate their support of the board secretary function to the WCG. The WCG approached the Otay WD and inquired if it intended to take over this function due to the fact that a District board member, Mark Robak, is the current President of the WCG. Otay does not have staff resources to support this function. In discussions with Ms. Eberhardt, it is proposed that Otay WD provide a one-time payment of \$5000 to the WCG to retain support for the board secretary function. This will mitigate the cost of the WCG

taking on this duty and allow a smooth budget transition. It will also assist the WCG in becoming more self-supporting. It is anticipated that in future budget years, the WCG will fully fund this activity.

FISCAL IMPACT:

A handwritten signature in blue ink, appearing to be "J. J. J.", written over a horizontal line.

This item was not budgeted in the FY07 operating budget. The District anticipates savings in the General Manager's "Outside Services" and Administration's "Travel" account that will offset this expenditure.


General Manager



ATTACHMENT A

SUBJECT/PROJECT:	Water Conservation Garden Board Secretary Support
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COMMITTEE ACTION:

The Finance and Administration Committee reviewed this item at a meeting held on August 21, 2006. The committee supported staffs' recommendation and presentation to the full board.

NOTE:

The "Committee Action" is written in anticipation of the Committee moving the item forward for board approval. This report will be sent to the Board as a committee approved item, or modified to reflect any discussion or changes as directed from the committee prior to presentation to the full board.



AGENDA ITEM 7

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 6, 2006
SUBMITTED BY:	Patrick Vaughan, <i>Patrick Vaughan</i> Senior Civil Engineer	W.O./G.F. NO:	aa000 DIV. NO. 1 1d1000
APPROVED BY: (Chief):	Rod Posada, <i>Rod Posada</i> Chief, Development Services		
APPROVED BY: (Asst. GM):	Manny Magaña, <i>Manny Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Request to Approve Agreement with Cricket Communications, Inc., a Delaware Corporation, for the installation of a Communications Facility at the 485-1 Reservoir Site		

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to execute an agreement with Cricket Communications, Inc., a Delaware Corporation (Cricket) for the installation of a communications facility (Attachment 1), at the 485-1 Reservoir Site.

See attached Exhibit A for project location.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to execute an agreement with Cricket that allows the installation of a communications facility at the 485-1 Reservoir Site. The agreement will grant Cricket 45 square feet of leased area and trench easements of right-of-way for access, power, and a communications facility.

ANALYSIS:

Cricket will be the fourth cellular provider locating its facilities on the 485-1 Reservoir Site. Currently Nextel and T-Mobile are the two cellular providers at this location. The proposed wireless communication facility consists of the construction of an unmanned communications equipment, cabinets, three 14-foot antenna support poles, and the installation of underground coaxial cable. The equipment and antenna's will be located within an area totaling 45 square feet of leased space.

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

FISCAL IMPACT:



The District will receive \$2,266 per month in rent effective upon execution of the lease agreement for a period of five years, subject to an annual inflation adjustment of 3 percent. The tenant will have the option to extend the term for three additional five-year periods. Two additional five-year extensions may be granted at the District's discretion.

An initial \$2,000 payment toward the District's non-refundable administrative fee of \$6,500 has been paid to reimburse the District for staff time to supervise and assist the tenant during the licensing and permitting phases; this fee is separate from rent. The remaining balance of \$4,500 will be due and payable upon execution of this agreement by both parties to reimburse the District for costs to assist the tenant with planning, design, and construction phases of the project, including legal expenses.

LEGAL IMPACT:

The District's Lease Agreement has been reviewed by our legal counsel. District Counsel has been an integral part in the negotiations and construction of this agreement.

STRATEGIC GOAL:

This item is in line with the District's Strategic Focus Areas: Community and Governance, and Financial Health.

General Manager

Attachments



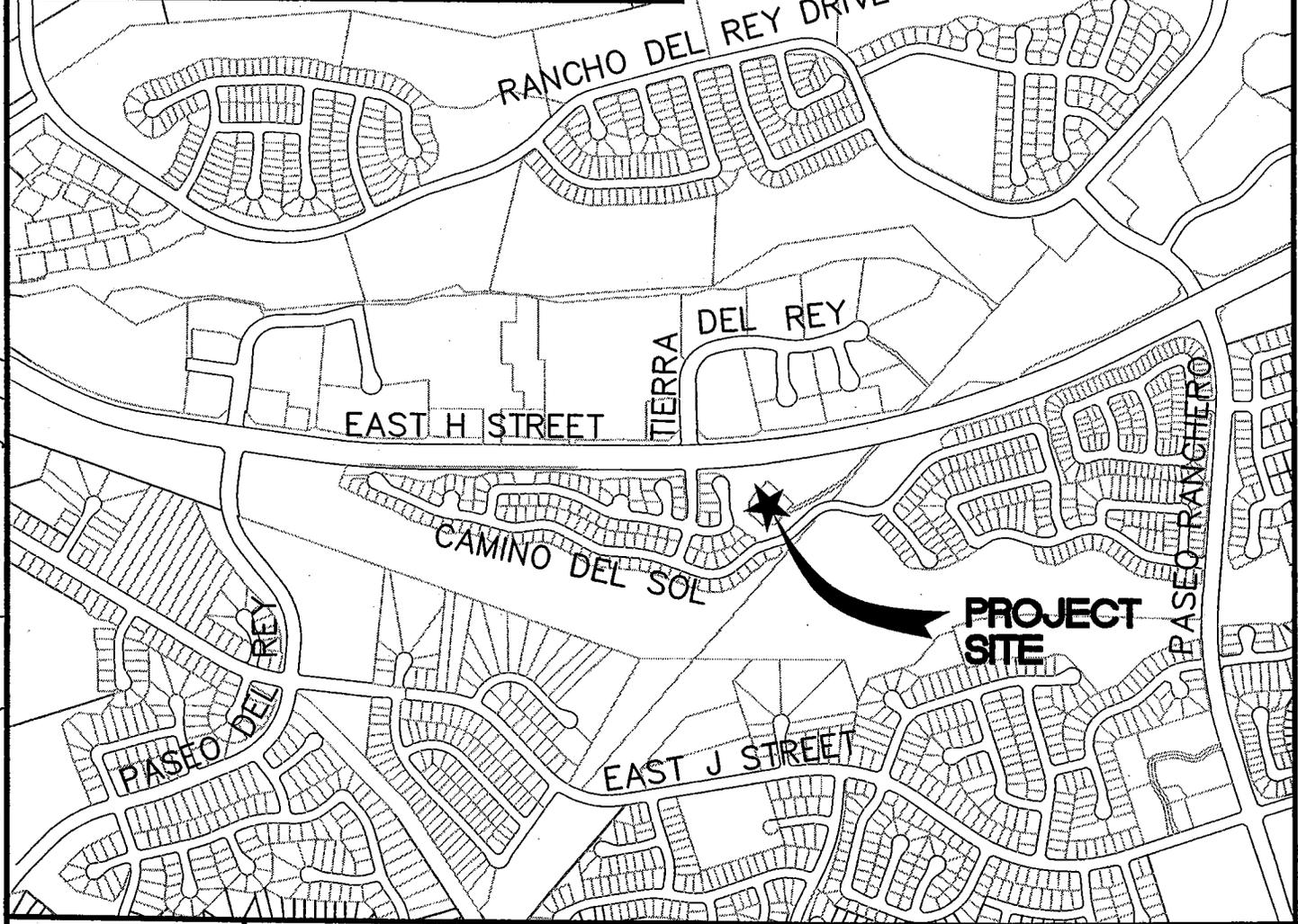
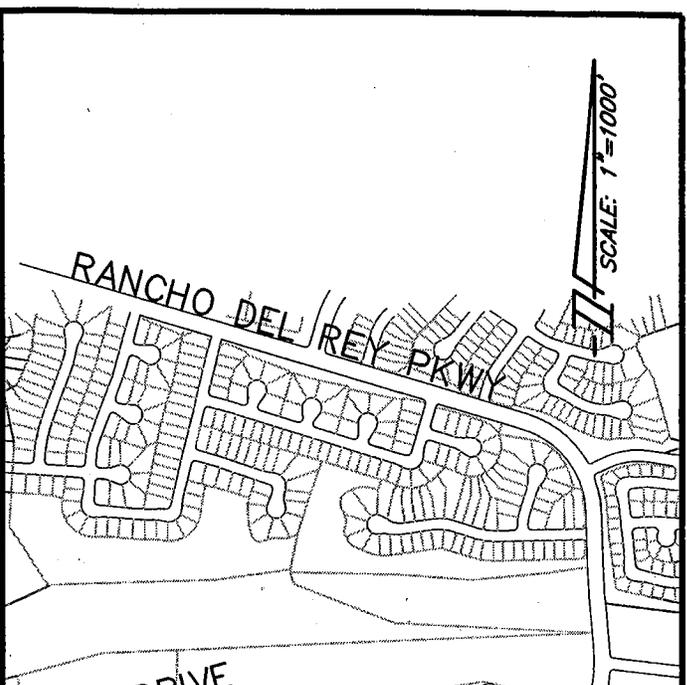
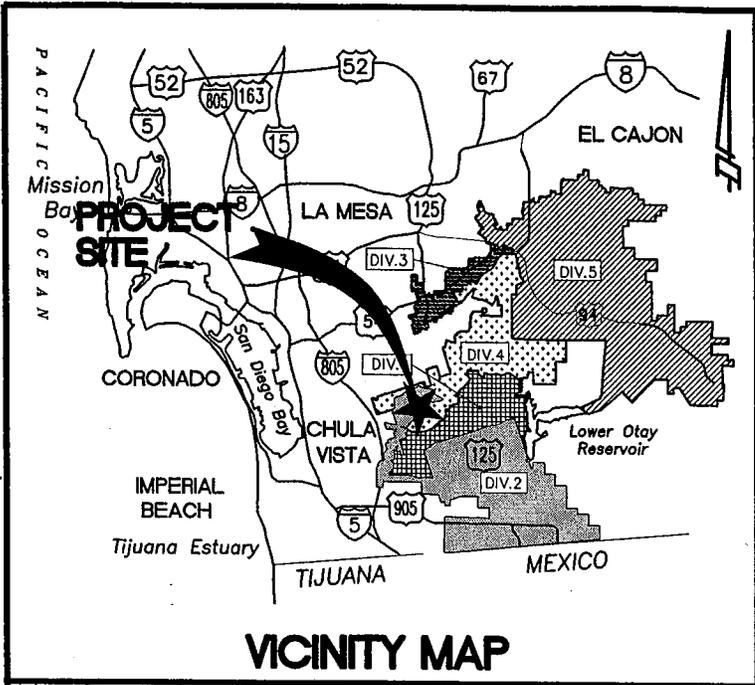
ATTACHMENT A

SUBJECT/PROJECT:	Approve Cellular Lease Agreement with Cricket Communications, Inc., a Delaware Corporation, for a new facility at the 485-1 Reservoir Site.
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COMMITTEE ACTION:

The "Committee Action" is written in anticipation of the Committee moving the item forward for board approval. This report will be sent to the Board as a committee approved item, or modified to reflect any discussion or changes as directed from the committee prior to presentation to the full board.

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OTAY WATER DISTRICT
 CRICKET COMMUNICATIONS AT
 OTAY WATER DISTRICT'S 485-1 RESERVOIR SITE
 LOCATION MAP

EXHIBIT A

AGREEMENT BETWEEN CRICKET
COMMUNICATIONS, INC., A DELAWARE
CORPORATION AND OTAY WATER DISTRICT TO
LOCATE A COMMUNICATIONS FACILITY AT
OTAY'S 485-1 RESERVOIR SITE

This Agreement ("Lease") is entered into and effective on the date specified in the signature page (the "Commencement Date"), by and between the Otay Water District, a municipal water district organized and operated pursuant to the Water Code Section 71000, et seq. ("Otay"), and Cricket Communications, Inc., a Delaware corporation ("Tenant"). Any special terms or conditions agreed to by Otay and Tenant will be set forth on Exhibit A.

RECITALS

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

AGREEMENT

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, approximately 45 square feet of real property within the Property, as more particularly described on Attachment C to Exhibit B (the "Premises"). A depiction of the Property and the Premises is attached hereto as Attachment D to Exhibit B.
2. Grant of Non-Exclusive Trench Easement(s). Otay has also agreed to grant a temporary non-exclusive easement to Tenant for certain portions of the Property, as legally

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

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

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

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

roadways or driveways from the nearest public roadway to the Premises in a manner reasonably sufficient to allow access. In addition, Tenant shall obtain such permits, licenses or easements, from the owners of property adjoining the leased premises, as may be necessary for Tenant to have access to and from the leased Premises and also for access to utilities. Tenant shall provide copies of these documents to Otay prior to the start of construction.

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

6. Administrative Fee. Tenant, prior to entering on Otay Property to conduct its investigation of the Premises, shall provide Otay with a non-refundable administrative fee in the amount of TWO THOUSAND DOLLARS AND NO CENTS (\$2,000.00). This fee will defray Otay's costs associated with the supervision of and assistance with the Tenant's investigation and planning phases of the site selection.

Additionally, upon final execution of the Agreement by both parties, Tenant shall provide Otay with a non-refundable administrative fee in the amount of FOUR THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$4,500.00). This amount shall be in addition to the administrative fee described above for entering on Otay Property to conduct investigation of the proposed Premises. This second administrative fee shall be used to defray Otay's administrative

expenses and costs related to Otay's supervision and assistance with planning, design, and construction phases of the project, including legal expenses. These administrative fees shall not be considered rent or part of the rental installment.

7. Rent. Beginning on the earlier of (1) six months from the Commencement Date; or (2) the date on which a local building permit is issued allowing Tenant to construct the Facilities (or any portion thereof) on the Premises (the "First Rent Payment Date"), Tenant shall pay Otay as rent the sum of \$2,266 per month payable on the first day of each month in advance. However, at Tenant's election, Tenant may pay rent annually, in advance, if, at least 60 days prior to the Initial Term or an Extension Term, Tenant notifies the District, in writing, of its intent to pay its rent in annual payments during each year of the upcoming Extension Term or Additional Term. If the First Rent Payment Date is other than the first day of the calendar month, the rate shall be prorated for the first month of the Initial Term.

The rent shall be increased on each calendar anniversary of the Commencement Date at a rate of three percent (3%) 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) three percent (3%); or (ii) the amount necessary to ensure that the rent equals the amount it would have been if each annual increase during the previous Term had been calculated based on the average percentage increases in the consumer price index published by the United States Department of Labor, Bureau of Labor Statistics (1982-1984 = 100) (the "CPI") for "All Items - All Urban Consumers" for the San Diego Metropolitan Statistical Area for the immediately preceding 5 year period. If the publication of the Consumer Price Index is discontinued, or if the Consumer Price Index is altered in some material manner, including changing the name of the index, the geographic area covered, the consumers or

workers so included, or the base year, the Parties must use their reasonable best efforts to agree on a substitute index or procedure that reasonably reflects and monitors consumer prices. After such an adjustment, the rent shall increase at a rate of three percent (3%) per annum for the rest of the applicable Extension Term or Additional Term, if any. Otay shall also have the discretion to adjust the base rent to then current market rent in the Additional Term if said market rent is greater than the CPI increase provided for in the above formula. The "then current market rent" shall be defined as the most recent rent transaction entered into by Otay with other similar tenants for the same or similar purposes.

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

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

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

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

and installation work shall be performed at Tenant's sole cost and expense in a good and workmanlike manner. Tenant shall have the right to remove all facilities it installs at its sole expense on or before the expiration or termination of this Lease.

d. *Improvements to Facilities / Additional Space.* If, at any time during the Term, Tenant requests permission from Otay to add improvements requiring construction to its then existing Facilities, the then current Administrative Fees shall be payable to Otay for reimbursement for staff time to process the new request, construction inspection and monitoring during construction. If the requested Tenant improvements include additional lease space, a new lease agreement for the additional lease space must be executed prior to start of construction and Tenant shall pay the Administrative Fees then in effect, and shall comply with Otay's requirements then in effect. The administrative fees for the additional lease space shall be in addition to, and shall not replace the administrative fees for improvements requiring construction to the Facilities.

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

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

licenses and/or approvals. Tenant shall provide written evidence, satisfactory to Otay of all FCC approvals and other governmental permits and approvals, including but not limited to compliance with FCC Electromagnetic Radiation Guidelines.

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

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

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

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

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

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

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

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

original location and any related work, shall be done at Tenant's sole cost and expense and in good and workmanlike manner.

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

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

d. *Painting of the Facilities.* If the Maintenance Work includes the painting of Otay's improvements, the Tenant shall be responsible for repainting its antennas and/or equipment to match Otay's facility. Otay will provide specifications regarding paint type, color and application method to the Tenant to accomplish this requirement. The Tenant will be required to provide painting/coating submittals to Otay prior to receiving permission to begin painting. Subject to Otay's prior written consent, Tenant may substitute an alternate 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. Tenant agrees that Otay may enter into leases with other communication carriers, wireless communications carriers and other utilities for use of any portion of the "Reservoir Site" as long as said leases do not result in unreasonable interference with Tenant's use of or access to the Premises. Tenant will reasonably cooperate with Otay's efforts in this regard including, at Otay's request, the relocation of, or changes to, the Facilities; provided that any alterations or relocation needed to accommodate the new lessee shall be performed at the expense of Otay or the new lessee.

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

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

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

15. Taxes. During the term of this Lease, Tenant shall pay before delinquency all taxes, assessments, license fees, and any other charge of any type whatsoever that are levied,

assessed, charged, or imposed on or against Tenant's personal property installed or located in or on the leased premises and that become payable during the term of this Lease.

16. Termination.

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

(i) Tenant delivers to Otay 30-day written notice at any time prior to the Commencement Date, for any reason or no reason;

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

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

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

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

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

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

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

17. Default.

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

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

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

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

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

of this Lease if it commences a cure within such period, and thereafter diligently proceeds with the actions necessary to complete such cure.

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

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

20. Insurance. Tenant shall maintain the following insurance:

- a. Commercial general liability with limits of \$5,000,000 per occurrence 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 include Otay as an additional insured on each of the aforementioned insurance policies and the policies shall state that they are primary and that any policies Otay maintains shall be noncontributory. Tenant shall provide Otay with written certificates of insurance evidencing such coverage. Said policies shall expressly provide that the policies shall not be canceled or altered without at least thirty (30) days prior written notice to Otay. Said policies shall be with insurance companies with an A.M. Best rating of AVII or better.

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

21. Indemnity. Tenant shall hold harmless, indemnify and defend Otay and each of Otay's directors, officers, managers, employees, agents and successors and assigns, from any and all claims, suits or actions of any kind and description brought forth on account of injuries to or death to any person or damage to any property, including damage to the Premises arising out of or related to its use of the Premises, except to the extent that such claims, suits or actions arise out of the sole negligence or willful misconduct of Otay.

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

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

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

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

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

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

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

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

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

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

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

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

TENANT: Cricket Communications, Inc.
Attn: Property Manager
10307 Pacific Center Court
San Diego, CA 92121
Phone: (858) 882-6306
Fax: (858) 622-0107

With a copy to: Cricket Communications, Inc.
Attn: Legal Department
10307 Pacific Center Court
San Diego, CA 92121
Phone: (858) 882-6288
Fax: (858) 882-6080

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

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

IN WITNESS WHEREOF, the parties have executed this Lease as of the ____ day of _____, 2006. This date is referred to as the Commencement Date in the Lease.

CRICKET COMMUNICATIONS, INC.,
A Delaware corporation

By: _____

Name: Anthony G. Benyola

Its: Regional Network Director, Western Region

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

By: _____

Name: Mark Watton

Its: General Manager

Approved as to Form:

Aerobel Banuelos
Assistant General Counsel

EXHIBIT A
SPECIAL TERMS AND CONDITIONS ADDED TO
AGREEMENT BETWEEN CRICKET
COMMUNICATIONS, INC., A DELAWARE
CORPORATION AND OTAY TO LOCATE
COMMUNICATION FACILITIES AT OTAY'S 485-1
RESERVOIR SITE, DATED _____, _____ (THE
"LEASE")

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

SPECIAL TERMS AND CONDITIONS

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

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

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

- a. **Waiver of Otay's Lien.** With respect to any such financing entity, Otay waives any lien rights it may have concerning the Facilities, which is deemed Tenant's personal property and not fixtures attached to the Property and Tenant or, if appropriate, the financing entity has the right to remove the same at any time without Otay's consent. The financing entity shall not have the right to operate the Facilities without Otay's prior written consent, which may be denied if the financing entity does not meet the definition of financing entity above.

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

EXHIBIT B

**TO AGREEMENT BETWEEN CRICKET
COMMUNICATIONS, INC. A DELAWARE
CORPORATION AND OTAY TO LOCATE
COMMUNICATION FACILITIES AT OTAY'S 485-1
RESERVOIR SITE, DATED _____, _____ (THE
"LEASE")**

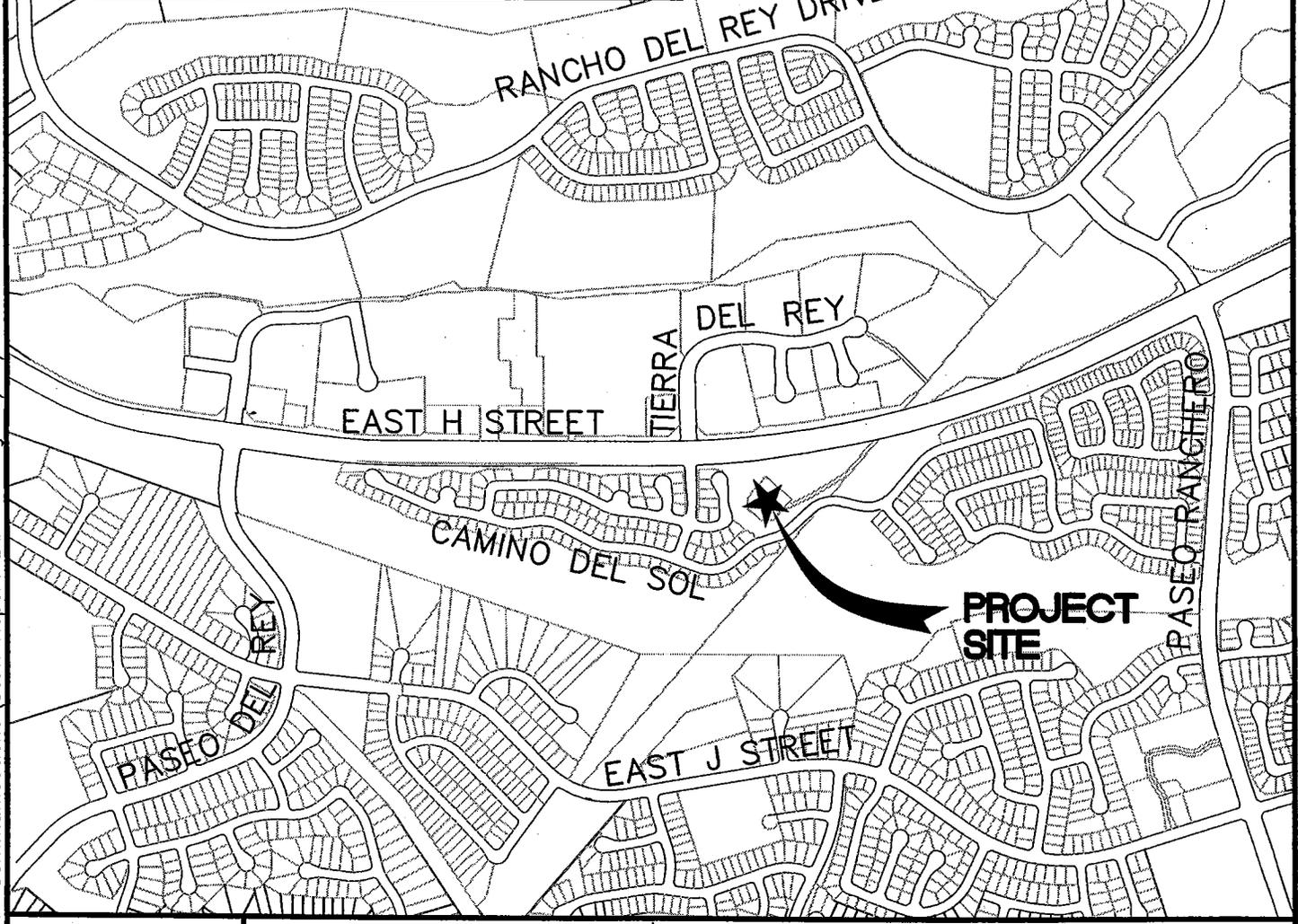
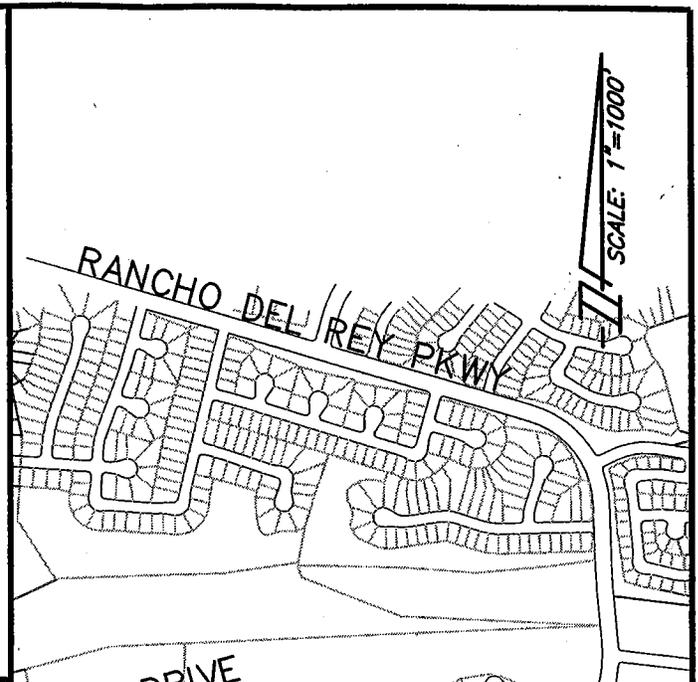
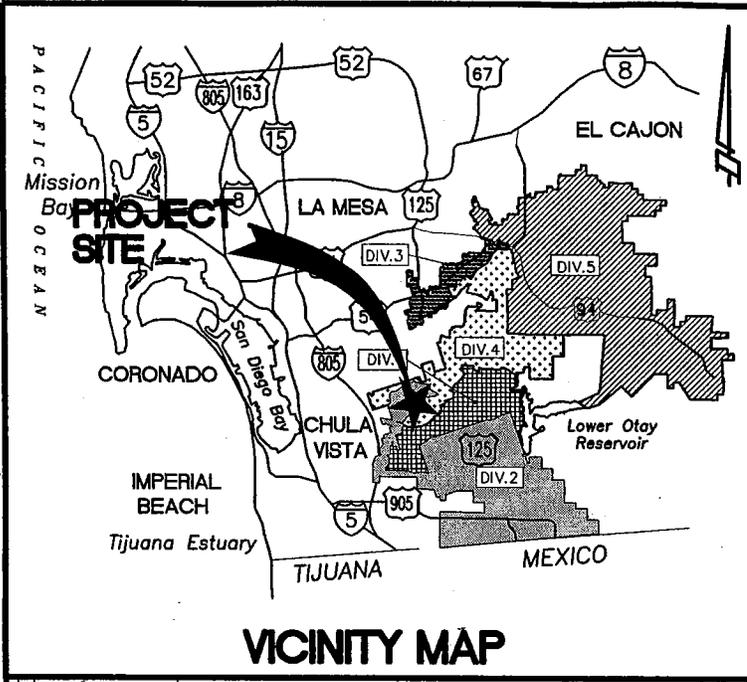
List of Attachments to Exhibit B:

ATTACHMENT A. DEPICTION OF RESERVOIR FACILITIES

ATTACHMENT B. LEGAL DESCRIPTION OF THE PROPERTY

ATTACHMENT C. LEGAL DESCRIPTION OF THE PREMISES

ATTACHMENT D. DEPICTION OF THE PROPERTY AND PREMISES



OTAY WATER DISTRICT
 CRICKET COMMUNICATIONS AT
 OTAY WATER DISTRICT'S 485-1 RESERVOIR SITE
 LOCATION MAP

EXHIBIT B
ATTACHMENT B

SITE LEGAL DESCRIPTION
OTAY WATER DISTRICT #485-1
CRICKET COMMUNICATIONS SAN-733-A
996 EAST "H" STREET
CHULA VISTA, CA 91910

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN DIEGO, DESCRIBED AS FOLLOWS:

LOT 16 OF CHULA VISTA TRACT NO. 90-02, RANCHO DEL REY SPA III, MASTER FINAL MAP, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 13176, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 14, 1994.



Charles W. Christensen

Charles W. Christensen, RCE 8195

08/18/06

Date

EXHIBIT B
ATTACHMENT C

PROPOSED EQUIPMENT/ANTENNA EASEMENT
OTAY WATER DISTRICT #485-1
CRICKET COMMUNICATIONS SAN-733-A
996 EAST "H" STREET
CHULA VISTA, CA 91910

EQUIPMENT EASEMENT

A PROPOSED EQUIPMENT EASEMENT LYING WITHIN A PORTION OF LOT 16 OF CHULA VISTA TRACT NO. 90-02, RANCHO DEL REY SPA III, MASTER FINAL MAP, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 13176, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 14, 1994, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 16; THENCE SOUTH 77°28'50" WEST, 228.16 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 11°47'23" EAST, 12.00 FEET; THENCE SOUTH 78°12'37" WEST, 10.00 FEET; THENCE NORTH 11°47'23" WEST, 12.00 FEET; THENCE NORTH 78°12'37" EAST, 10.00 FEET TO THE TRUE POINT OF BEGINNING.

SAID PROPOSED EASEMENT CONTAINING APPROXIMATELY 120 SQUARE FEET, MORE ORR LESS.

ANTENNA EASEMENT

PROPOSED ANTENNA EASEMENTS LYING WITHIN A PORTION OF LOT 16 OF CHULA VISTA TRACT NO. 90-02, RANCHO DEL REY SPA III, MASTER FINAL MAP, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 13176, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 14, 1994, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PROPOSED ANTENNA EASEMENT A:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 16; THENCE NORTH 85°39'59" WEST, 242.91 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 00°00'00" WEST, 3.00 FEET; THENCE SOUTH 90°00'00" WEST, 3.00 FEET; THENCE NORTH 00°00'00" EAST, 3.00 FEET; THENCE NORTH 90°00'00" EAST, 3.00 FEET TO THE TRUE POINT OF BEGINNING. SAID PROPOSED EASEMENT CONTAINING APPROXIMATELY 9 SQUARE FEET, MORE OR LESS.

PROPOSED ANTENNA EASEMENT B:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 16; THENCE SOUTH 41°32'28" WEST, 112.17 FEET TO THE TRUE A POINT OF BEGINNING; THENCE SOUTH 00°00'00" WEST, 3.00 FEET; THENCE SOUTH 90°00'00" WEST, 3.00 FEET; THENCE NORTH 00°00'00" EAST, 3.00 FEET; THENCE NORTH 90°00'00" EAST, 3.00 FEET TO THE TRUE POINT OF BEGINNING. SAID

cricket

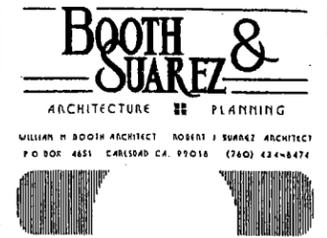
OTAY WATER DISTRICT 485-1 RESERVOIR SITE
 996 EAST H STREET
 CHULA VISTA, CA 91910
 SAN-733-A

RECEIVED
 MAR 10 2006

CITY OF CHULA VISTA
 BUILDING & HOUSING DEPT.

PCC 06-068

ATTACHMENT A
 EXHIBIT D



PREPARED FOR

cricket

6160 CORNERSTONE COURT, SUITE 150
 SAN DIEGO, CA 92121

APPROVALS

R.F.	DATE
ZONING	DATE
CONSTRUCTION	DATE
SITE ACQUISITION	DATE
OWNER APPROVAL	DATE

PROJECT NAME
OTAY WATER DISTRICT @ 971
 PROJECT NUMBER
SAN-733-A
 996 EAST H STREET
 CHULA VISTA, CA 91910
 SAN DIEGO COUNTY

DRAWING DATES

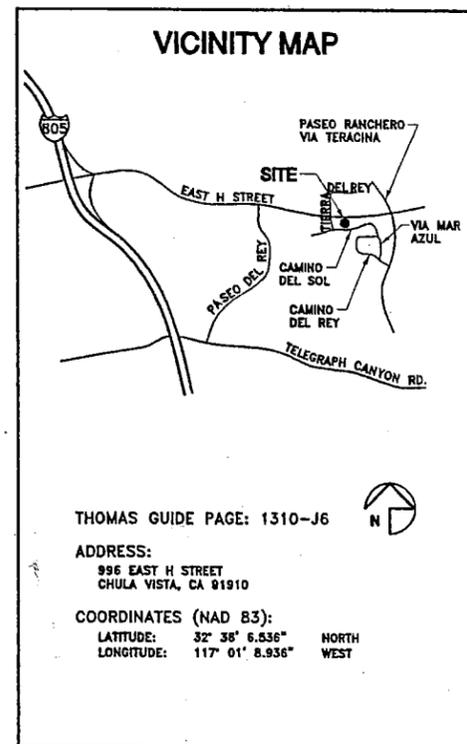
12/14/05	PRELIM 2D REVIEW (AO)
01/05/06	FINAL 2D REVIEW (AA)
01/27/06	SUBMITTAL SET (rev)
03/07/06	OWNER COMMENTS (rev)
03/08/06	OWNER COMMENTS (job)

SHEET TITLE

TITLE SHEET
 &
 PROJECT DATA

PROJECTS\cricket\SAN733zd\SAN733zT1.dwg

T-1



ACCESSIBILITY DISCLAIMER

THIS PROJECT IS AN UNOCCUPIED WIRELESS PCS TELECOMMUNICATIONS FACILITY AND, ACCORDING TO WRITTEN INTERPRETATION FROM THE CALIFORNIA DEPARTMENT OF THE STATE ARCHITECT, IS EXEMPT FROM DISABLED ACCESS REQUIREMENTS.

CONSULTANT TEAM

ARCHITECT:
 WILLIAM BOOTH & ROBERT SUAREZ
 ARCHITECTURE & PLANNING
 P.O. BOX 4651
 CARLSBAD, CA 92018
 (760) 434-8474
 (760) 434-8596 (FAX)

ELECTRICAL CONSULTANT:
 WALTER D. CAMP, ELECTRICAL ENGINEER, PE
 1880 SHEEP RANCH LOOP
 CHULA VISTA, CA 91915
 (619) 934-1815

STRUCTURAL CONSULTANT:
 ALEX BROWN ENGINEERING
 935 OLDHAM COURT
 ENCINITAS, CA 92024
 (760) 943-7866
 (760) 943-7866 (FAX)

SITE ACQUISITION:
 MERIDIAN TELECOM, INC.
 6160 CORNERSTONE COURT, SUITE 150
 SAN DIEGO, CA 92121
 CONTACT: SUZANNE MARTIKAS
 (858) 521-0240
 (858) 777-3518 (FAX)

LAND USE PLANNER:
 MERIDIAN TELECOM, INC.
 6160 CORNERSTONE COURT, SUITE 150
 SAN DIEGO, CA 92121
 CONTACT: FRANKLIN OROZCO
 (619) 632-2569
 (858) 777-3518 (FAX)

PROJECT SUMMARY

APPLICANT: CRICKET COMMUNICATIONS
 6160 CORNERSTONE COURT, STE. 150
 SAN DIEGO, CA 92121
 CONTACT: DAVID PUTNAM
 (619) 324-5360

OWNER: OTAY WATER DISTRICT
 2554 SWEETWATER SPRINGS BOULEVARD
 SPRING VALLEY, CA 91978
 CONTACT: DAN KJONEGAARD
 (619) 670-2269

PROJECT DESCRIPTION:

- INSTALLATION OF A SINGLE TELECOMMUNICATIONS CABINET ON A NEW RAISED STEEL PLATFORM ON GRADE
- INSTALLATION OF THREE ANTENNA SECTORS OF ONE ANTENNA EACH (TOTAL OF 3 ANTENNAS) MOUNTED ON 6" DIAMETER x 14'-0" HIGH STEEL POLES
- INSTALLATION OF A NEW 200 AMP ELECTRICAL SERVICE FROM A NEW ELECTRICAL TRANSFORMER TO REPLACE AN EXISTING TRANSFORMER
- INSTALLATION OF A NEW TELCO SERVICE CONNECTION FROM EXISTING TELCO PEDESTAL
- NO LANDSCAPE OR IRRIGATION IS PLANNED FOR THIS PROJECT

LEGAL DESCRIPTION:
 LOT 16 OF CHULA VISTA TRACT NO. 80-02, RANCHO DEL REY SPA III, MASTER FINAL MAP, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13178, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 14, 1994

PROJECT ADDRESS: 996 EAST H STREET
 CHULA VISTA, CA 91910

ASSESSORS PARCEL NUMBER: 640-050-33

EXISTING ZONING: PC PLANNED COMMUNITY

TOTAL SITE AREA: 39,980.9 SF
 = 0.91 ACRES

PROPOSED PROJECT AREA: 70 SF

TYPE OF CONSTRUCTION: TYPE V, NON-RATED UNSPRINKLERED

PROPOSED OCCUPANCY: NONE

NOTE:
 THERE ARE CURRENTLY THREE EXISTING TELECOMMUNICATIONS FACILITIES ON THE SITE. (NEXTEL, T-MOBILE & VERIZON)

SHEET SCHEDULE

T-1	TITLE SHEET & PROJECT DATA
A-0	SITE PLAN & GENERAL SPECIFICATIONS
A-1	EQUIPMENT PLAN & ELEVATION
A-2	EXTERIOR ELEVATIONS
A-3	EXTERIOR ELEVATIONS

APPLICABLE CODES

ALL WORK SHALL COMPLY WITH THE FOLLOWING APPLICABLE CODES:
 CALIFORNIA STATE BUILDING CODE, 2001 EDITION, TITLE 24
 UNIFORM BUILDING CODE, 2001 EDITION
 UNIFORM PLUMBING CODE, 2001 EDITION
 UNIFORM MECHANICAL CODE, 2001 EDITION
 NATIONAL ELECTRICAL CODE, 2001 EDITION

IN THE EVENT OF CONFLICT, THE MOST RESTRICTIVE CODE SHALL PREVAIL

GENERAL SPECIFICATIONS

- THE LATEST EDITION OF THE AMERICAN INSTITUTE OF ARCHITECTS DOCUMENT A01 "GENERAL CONDITIONS OF THE CONTRACT FOR CONSTRUCTION" ARE INCLUDED IN THESE SPECIFICATIONS AS IF COMPLETELY REPRODUCED HEREIN.
- THIS FACILITY IS AN UNOCCUPIED PCS TELECOMMUNICATIONS SITE AND IS EXEMPT FROM DISABLED ACCESS REQUIREMENTS.
- PRIOR TO THE SUBMISSION OF BIDS, THE CONTRACTORS PARTICIPATING SHALL VISIT THE JOB SITE AND FAMILIARIZE THEMSELVES WITH ALL FIELD CONDITIONS AFFECTING THE PROPOSED PROJECT INCLUDING EXISTING UTILITIES, ELECTRICAL, MECHANICAL AND STRUCTURAL INSTALLATIONS, AS WELL AS WITH THE CONSTRUCTION AND CONTRACT DOCUMENTS AND SHALL CONFIRM THAT THE PROJECT CAN BE ACCOMPLISHED AS SHOWN PRIOR TO PROCEEDING WITH CONSTRUCTION. SHOULD ANY ERRORS, OMISSION, OR DISCREPANCIES BE FOUND, THE GENERAL CONTRACTOR SHALL IMMEDIATELY NOTIFY THE CRICKET COMMUNICATIONS CONSTRUCTION MANAGER AND THE ARCHITECT IN WRITING. IN THE EVENT OF DISCREPANCIES THE CONTRACTOR SHALL INCLUDE THE MOST COSTLY OR EXTENSIVE WORK IN THE BID, UNLESS SPECIFICALLY DIRECTED OTHERWISE. IF A DISCREPANCY EXISTS AND THE PROJECT MANAGER AND ARCHITECT ARE NOT NOTIFIED, THE GENERAL CONTRACTOR SHALL BE HELD RESPONSIBLE FOR ALL COSTS INCURRED TO REPAIR OR CORRECT ALL PROBLEMS THAT RESULT.
- DRAWINGS SHALL NOT BE SCALED. THESE DRAWINGS ARE INTENDED TO BE DIAGNOSTIC ONLY. NOTED DIMENSIONS HAVE PRECEDENCE OVER SHOWN DIMENSIONS. CONTRACTOR SHALL CHECK ACCURACY OF ALL DIMENSIONS IN THE FIELD. UNLESS SPECIFICALLY NOTED, DO NOT FABRICATE ANY MATERIALS OR BEGIN CONSTRUCTION UNTIL THE ACCURACY OF DRAWING DIMENSIONS HAS BEEN VERIFIED AGAINST ACTUAL FIELD DIMENSIONS.
- THE CONTRACTOR SHALL INCLUDE IN HIS OR HER BID ALL MATERIALS, EQUIPMENT, APPURTENANCES AND LABOR NECESSARY TO COMPLETE THE WORK AS INDICATED OR IMPLIED BY THESE DRAWINGS.
- CONTRACTOR SHALL NOTIFY THE CRICKET COMMUNICATIONS CONSTRUCTION MANAGER, THE PROPERTY OWNER AND THE ARCHITECT IF ANY DETAILS ARE CONSIDERED IMPRACTICAL, UNDESIRABLE, UNSAFE, NOT WATERPROOF, OR NOT WITHIN CUSTOMARY TRADE PRACTICES. IF WORK IS TO BE DONE, IT WILL BE ASSUMED THAT THERE IS NO OBJECTION TO ANY DETAIL DETAILS ARE INTENDED TO SHOW THE EXACT MEANING OF THE CRICKET COMMUNICATIONS CONSTRUCTION MANAGER AND THE ARCHITECT SHALL BE NOTIFIED FOR CLARIFICATION BEFORE THE CONTRACTOR PROCEEDS WITH THE WORK.
- EXISTING ELEVATIONS AND LOCATIONS TO BE JOINED SHALL BE VERIFIED BY THE CONTRACTOR BEFORE CONSTRUCTION. IF THEY DIFFER FROM THOSE SHOWN ON THE PLANS, THE CONTRACTOR SHALL NOTIFY THE CRICKET COMMUNICATIONS CONSTRUCTION MANAGER AND THE ARCHITECT SO THAT MODIFICATIONS CAN BE MADE BEFORE PROCEEDING WITH THE WORK.
- THE CONTRACTOR SHALL VERIFY ALL TELEPHONE & RADIO EQUIPMENT LAYOUTS, SPECIFIC PERFORMANCE INSTALLATION AND FINAL LOCATIONS WITH CRICKET COMMUNICATIONS CONSTRUCTION MANAGER PRIOR TO BEGINNING WORK. THE CONTRACTOR SHALL BE RESPONSIBLE FOR COORDINATING HIS WORK WITH EXISTING RADIO SYSTEMS.
- ALL SYMBOLS AND ABBREVIATIONS USED ON THE DRAWINGS ARE CONSIDERED CONSTRUCTION STANDARDS. IF THE CONTRACTOR HAS QUESTIONS REGARDING THEIR EXACT MEANING, THE CRICKET COMMUNICATIONS CONSTRUCTION MANAGER AND THE ARCHITECT SHALL BE NOTIFIED FOR CLARIFICATION BEFORE THE CONTRACTOR PROCEEDS WITH THE WORK.
- THE CONTRACTOR SHALL OBTAIN AND PAY FOR PERMITS, LICENSES AND INSURANCES NECESSARY FOR PERFORMANCE OF THE WORK AND INCLUDE THOSE IN THE COST OF THE WORK TO CRICKET COMMUNICATIONS.
- THE CONTRACTOR SHALL PROVIDE CONTINUOUS SUPERVISION WHILE ANY SUBCONTRACTORS OR WORKMEN ARE ON THE SITE AND SHALL SUPERVISE AND DIRECT ALL WORK, USING HIS BEST SKILL AND ATTENTION. HE SHALL BE SOLELY RESPONSIBLE FOR ALL CONSTRUCTION MEANS, METHODS, TECHNIQUES, PROCEDURES AND SEQUENCES AND FOR COORDINATING ALL PORTIONS OF THE WORK UNDER THE CONTRACT.
- WORKMANSHIP THROUGHOUT SHALL BE OF THE BEST QUALITY OF THE TRADE INVOLVED, AND SHALL MEET OR EXCEED THE FOLLOWING MINIMUM REFERENCE STANDARDS FOR QUALITY AND PROFESSIONAL CONSTRUCTION PRACTICE:

- NRCA NATIONAL ROOFING CONTRACTORS ASSOCIATION
12225 N. HOBBS ROAD, SUITE 800
ROSEMONT, IL 60018
- SMACNA SHEET METAL AND AIR CONDITIONING CONTRACTORS NATIONAL ASSOCIATION
4201 LAVETTE CENTER DRIVE
CHANTILLY, VA 20151-1208
- ILP INTERNATIONAL INSTITUTE FOR LATH AND PLASTER
820 TRANSFER ROAD
ST. PAUL, MN 55114-1408

- INSTALL ALL EQUIPMENT AND MATERIALS PER THE LATEST EDITION OF THE MANUFACTURER'S INSTALLATION SPECIFICATIONS UNLESS SPECIFICALLY NOTED TO THE CONTRARY, OR WHERE LOCAL CODES OR REGULATIONS VARY, PRECEDENCE.
- THE CONTRACTOR SHALL VERIFY, COORDINATE, AND PROVIDE ALL NECESSARY BLOCKING, BRACING, FRAMING, HANGERS OR OTHER SUPPORTS FOR ALL ITEMS REQUIRING THE SAME.
- THE CONTRACTOR AND ALL SUBCONTRACTORS SHALL GIVE ALL NOTICES AND SHALL COMPLY WITH ALL APPLICABLE LOCAL, STATE, FEDERAL, AND FEDERAL REGULATIONS AS WELL AS STATE DEPARTMENT OF INDUSTRIAL REGULATION AND DIVISION OF INDUSTRIAL SAFETY (OSHA) REQUIREMENTS.
- THE CONTRACTOR SHALL PROTECT THE PROPERTY OWNERS, AND CRICKET COMMUNICATIONS PROPERTY FROM DAMAGE WHICH MAY OCCUR DURING CONSTRUCTION INCLUDING, BUT NOT LIMITED TO, EXPOSURE TO WEATHER CONDITIONS. ANY DAMAGE TO NEW AND EXISTING FINISHES, CONSTRUCTION MATERIALS, EQUIPMENT, CURBS, STAIRS, OR EQUIPMENT, ETC. SHALL BE IMMEDIATELY REPAIRED OR REPLACED TO THE SATISFACTION OF CRICKET COMMUNICATIONS, AND TO THE PROPERTY OWNER, OR THE OWNER'S REPRESENTATIVE, AT THE EXPENSE OF THE CONTRACTOR.
- THE CONTRACTOR SHALL BE RESPONSIBLE FOR, AND SHALL REPLACE BY REPAIR, ANY FACILITY, IMPROPER, OR DEFECTIVE MATERIALS OR WORKMANSHIP OR ANY DAMAGE WHICH SHALL APPEAR WITHIN ONE YEAR AFTER THE COMPLETION AND ACCEPTANCE OF THE WORK BY CRICKET COMMUNICATIONS UNDER THIS CONTRACT.
- IT SHALL BE THE RESPONSIBILITY OF THE GENERAL CONTRACTOR TO LOCATE ALL EXISTING UTILITIES, INCLUDING ON-SITE LATERALS OR CONTACT AN OUTSIDE AGENCY TO LOCATE ALL EXISTING UTILITIES. WHETHER SHOWN HEREIN OR NOT, IN ORDER TO PROTECT THEM FROM DAMAGE. THE CONTRACTOR SHALL BEAT ALL EXPENSES FOR REPAIR OR REPLACEMENT OF UTILITIES OR OTHER PROPERTY DAMAGED IN CONNECTION WITH THE EXECUTION OF WORK.
- THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COMPLETE SECURITY OF THE PROJECT SITE WHILE THE JOB IS IN PROGRESS AND UNTIL THE JOB IS COMPLETED AND ACCEPTED BY CRICKET COMMUNICATIONS.
- THE CONTRACTOR SHALL PROVIDE TEMPORARY WATER, POWER AND TOILET FACILITIES AS REQUIRED BY THE PROPERTY OWNER, CRICKET COMMUNICATIONS, AND THE CITY OR GOVERNING AGENCY.
- THE LATEST EDITION OF ALL PERMITTED AND APPROVED PLANS PERTAINING TO THIS PROJECT SHALL BE BEST COPY IN A FLAT BOX AND SHALL NOT BE USED BY WORKERS. ALL CONSTRUCTION SETS SHALL REFLECT THE SAME INFORMATION. THE CONTRACTOR SHALL ALSO MAINTAIN IN GOOD CONDITION, ONE COMPLETE SET OF PLANS WITH ALL REVISIONS, ADDENDA AND CHANGE ORDERS ON THE PREMISES AT ALL TIMES. THESE ARE TO BE UNDER THE CARE OF THE JOB SUPERINTENDENT.
- THE GENERAL CONTRACTOR IS RESPONSIBLE FOR RETURNING THE CONSTRUCTION DOCUMENTS TO ILLUSTRATE THE AS-BUILT CONDITION OF THE SITE. THIS SHALL BE DONE AFTER THE SITE HAS BEEN AWARDED FINAL INSPECTION BY THE RESPONSIBLE BUILDING AGENCY AND APPROVED BY CRICKET COMMUNICATIONS. ONE SET OF REVISIONED DRAWINGS SHALL BE PROVIDED TO THE CRICKET COMMUNICATIONS CONSTRUCTION MANAGER.
- THE CONTRACTOR SHALL REMOVE ALL RUBBISH AND WASTE MATERIALS ON A DAILY BASIS EXCEPT FOR THAT SPECIFIED AS REMAINING THE PROPERTY OF THE BUILDING OR PROPERTY OWNER AND SHALL EXERCISE STRICT CONTROL OVER JOB CLEANUP AND THROUGHOUT CONSTRUCTION INCLUDING FINAL CLEAN-UP UPON COMPLETION OF WORK. ALL AREAS ARE TO BE LEFT IN A BROOD CLEAN CONDITION AT THE END OF EACH DAY AND MAINTAIN CLEAN CONDITION, FREE FROM PAINT SPOTS, DUST OR SLAGS OF ANY NATURE AT COMPLETION OF WORK.
- THE GENERAL CONTRACTOR MUST PERFORM WORK DURING PROPERTY OWNER'S PREFERRED HOURS TO AVOID DISRUPTION OF NORMAL ACTIVITY.
- ALL EXPOSED METAL SHALL BE HOT-DIPPED GALVANIZED.
- SEAL ALL PENETRATIONS THROUGH FIRE-RATED ASSEMBLIES WITH VULCANIZED RUBBER OR FIRE MARSHAL APPROVED MATERIALS OF THE APPROPRIATE RATING FOR THE ASSEMBLY WHERE PENETRATIONS OCCUR.

PROPRIETARY INFORMATION

THE INFORMATION CONTAINED IN THIS SET OF DESIGN DOCUMENTS IS PROPRIETARY BY NATURE. ANY USE OR DISCLOSURE OTHER THAN THAT WHICH RELATES TO CRICKET COMMUNICATIONS IS STRICTLY PROHIBITED.

Booth & Suarez

ARCHITECTURE ■■■ PLANNING

WILLIAM H. BOOTH ARCHITECT ROBERT J. SUAREZ ARCHITECT
P.O. BOX 4851 CARLSBAD CA 92018 (760) 434-8474



PREPARED FOR

cricket

6160 CORNERSTONE COURT, SUITE 150
SAN DIEGO, CA 92121

APPROVALS

R.F.	DATE
ZONING	DATE
CONSTRUCTION	DATE
SITE ACQUISITION	DATE
OWNER APPROVAL	DATE

PROJECT NAME

OTAY WATER DISTRICT @ 971

PROJECT NUMBER

SAN-733-A

996 EAST H STREET
CHULA VISTA, CA 91910

SAN DIEGO COUNTY

DRAWING DATES

12/14/05	PRELIM 2D REVIEW (AO)
01/05/06	FINAL 2D REVIEW (AA)
01/27/06	SUBMITTAL SET (rev)
03/07/06	OWNER COMMENTS (rev)
03/08/06	OWNER COMMENTS (job)

SHEET TITLE

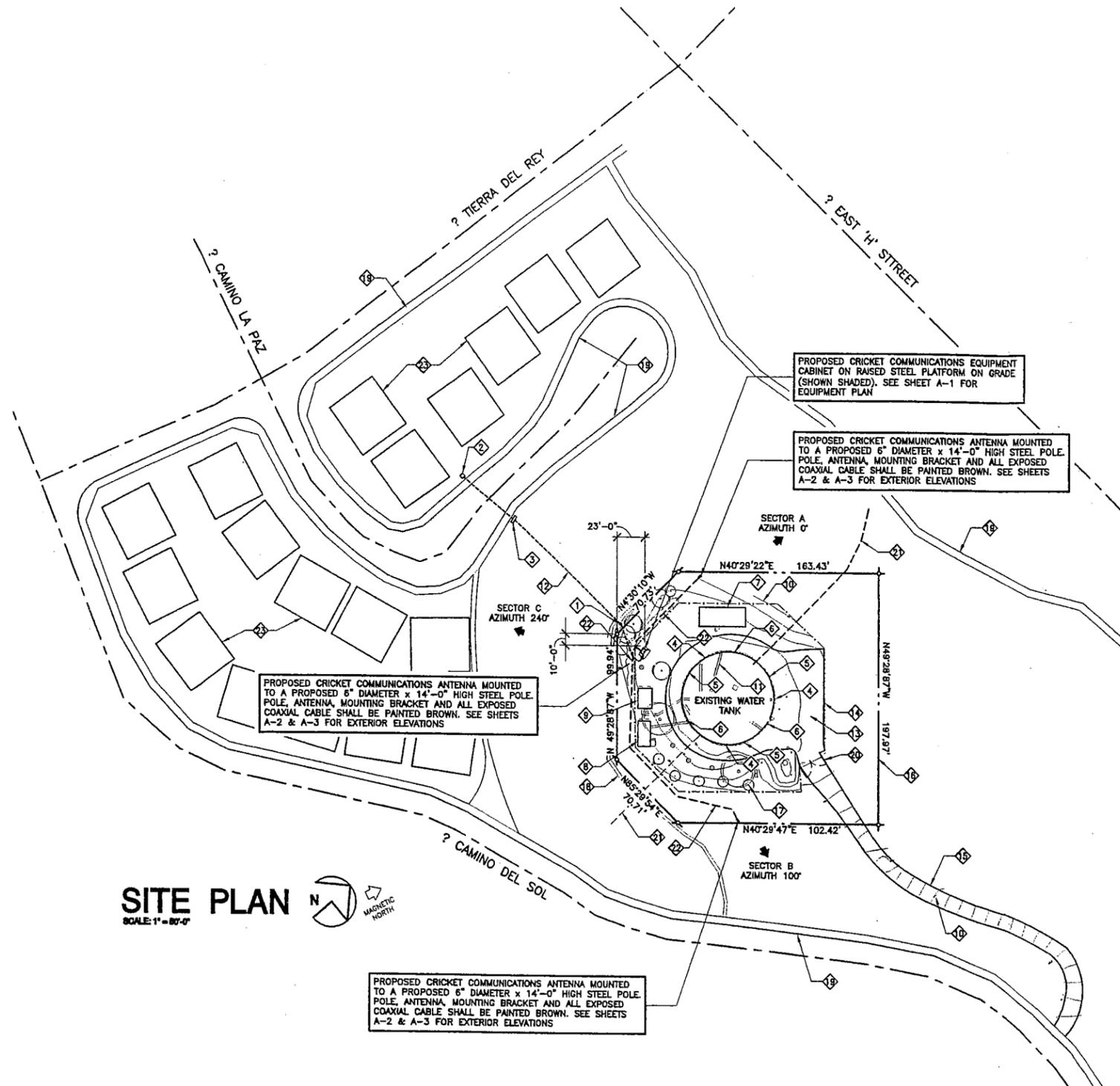
SITE PLAN & GENERAL SPECIFICATIONS

PROJECTS\cricket\SAN733zd\SAN733zA0.dwg

A-0

SITE PLAN

SCALE: 1" = 80'-0"



PROPOSED CRICKET COMMUNICATIONS EQUIPMENT CABINET ON RAISED STEEL PLATFORM ON GRADE (SHOWN SHADED). SEE SHEET A-1 FOR EQUIPMENT PLAN

PROPOSED CRICKET COMMUNICATIONS ANTENNA MOUNTED TO A PROPOSED 6" DIAMETER x 14'-0" HIGH STEEL POLE. POLE, ANTENNA, MOUNTING BRACKET AND ALL EXPOSED COAXIAL CABLE SHALL BE PAINTED BROWN. SEE SHEETS A-2 & A-3 FOR EXTERIOR ELEVATIONS

PROPOSED CRICKET COMMUNICATIONS ANTENNA MOUNTED TO A PROPOSED 6" DIAMETER x 14'-0" HIGH STEEL POLE. POLE, ANTENNA, MOUNTING BRACKET AND ALL EXPOSED COAXIAL CABLE SHALL BE PAINTED BROWN. SEE SHEETS A-2 & A-3 FOR EXTERIOR ELEVATIONS

PROPOSED CRICKET COMMUNICATIONS ANTENNA MOUNTED TO A PROPOSED 6" DIAMETER x 14'-0" HIGH STEEL POLE. POLE, ANTENNA, MOUNTING BRACKET AND ALL EXPOSED COAXIAL CABLE SHALL BE PAINTED BROWN. SEE SHEETS A-2 & A-3 FOR EXTERIOR ELEVATIONS

CRICKET COMMUNICATIONS TELECOMMUNICATIONS TRANSMITTER FREQUENCIES AND POWER LEVELS:
1850-1990 MHz BAND WIDTH
200 WATTS ERP PER SECTOR

EASEMENTS:

NO EASEMENTS ARE SHOWN WHICH REFLECTS PRELIMINARY RECORDS RESEARCH OF RECORDED PARCEL MAPS. EASEMENTS ARE SUBJECT TO REVIEW OF FINAL TITLE REPORT

KEYED NOTES:

- 1 TELCO SERVICE CONNECTION AT EXISTING TELCO PEDESTAL
- 2 POWER SERVICE CONNECTION AT EXISTING ELECTRICAL TRANSFORMER
- 3 PROPOSED 3-GANG METER PEDESTAL
- 4 EXISTING FACADE MOUNTED VERIZON ANTENNAS
- 5 EXISTING FACADE MOUNTED NEXTEL ANTENNAS
- 6 EXISTING FACADE MOUNTED CINGULAR ANTENNAS
- 7 EXISTING VERIZON WIRELESS CONCRETE BLOCK EQUIPMENT ENCLOSURE
- 8 EXISTING NEXTEL EQUIPMENT SHELTER
- 9 EXISTING CINGULAR WIRELESS EQUIPMENT SHELTER
- 10 EXISTING CONTOUR LINE SHOWN AT 1'-0" INTERVALS
- 11 EXISTING COAXIAL CABLE TRAYS ON ROOF OF TANK (TYPICAL)
- 12 PROPOSED JOINT UTILITY TRENCH TO POWER AND TELCO SERVICE CONNECTIONS ON ADJACENT PROPERTY
- 13 EXISTING ASPHALT PAVED AREA
- 14 EXISTING CHAINLINK FENCE (TYPICAL)
- 15 EXISTING ASPHALTIC CONCRETE PAVED ACCESS ROAD
- 16 PROPERTY LINE (TYPICAL)
- 17 EXISTING TREES AND BUSHES TO REMAIN
- 18 EXISTING CONCRETE DRAINAGE SWALE
- 19 EXISTING SIDEWALK
- 20 EXISTING CHAINLINK GATE
- 21 EXISTING UNDERGROUND WATER LINE (VERIFY)
- 22 PROPOSED COAXIAL CABLE TRENCH
- 23 EXISTING RESIDENTIAL HOMES (TYPICAL)

ANTENNA AND COAXIAL CABLE SCHEDULE									
SECTOR ANTENNA	DIRECTION	AZIMUTH	ANTENNA MODEL NUMBER	DOWNTILT	SERIAL NUMBER	NUMBER OF CABLES PER SECTOR	COAX. CABLE LENGTH (+ / - 3')	JUMPER LENGTH (+ / - 3')	COAX SIZE
A1	NORTH	0°	CSA PCSX065-18-02	0°		2	80'	6'-0"	7/8"
B1	SOUTH	100°	CSA PCSX065-18-02	0°		2	55'	6'-0"	7/8"
C1	WEST	240°	CSA PCSX065-18-02	0°		2	185'	6'-0"	1 5/8"

BOOTH & SUAREZ

ARCHITECTURE ■■■ PLANNING

WILLIAM H BOOTH ARCHITECT ROBERT J SUAREZ ARCHITECT
P.O. BOX 4651, CARLSBAD, CA 92018 (760) 434-8434



PREPARED FOR

cricket

6160 CORNERSTONE COURT, SUITE 150
SAN DIEGO, CA 92121

APPROVALS

R.F.	DATE
ZONING	DATE
CONSTRUCTION	DATE
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PROJECT NAME

OTAY WATER DISTRICT @ 971

PROJECT NUMBER

SAN-733-A

996 EAST H STREET
CHULA VISTA, CA 91910
SAN DIEGO COUNTY

DRAWING DATES

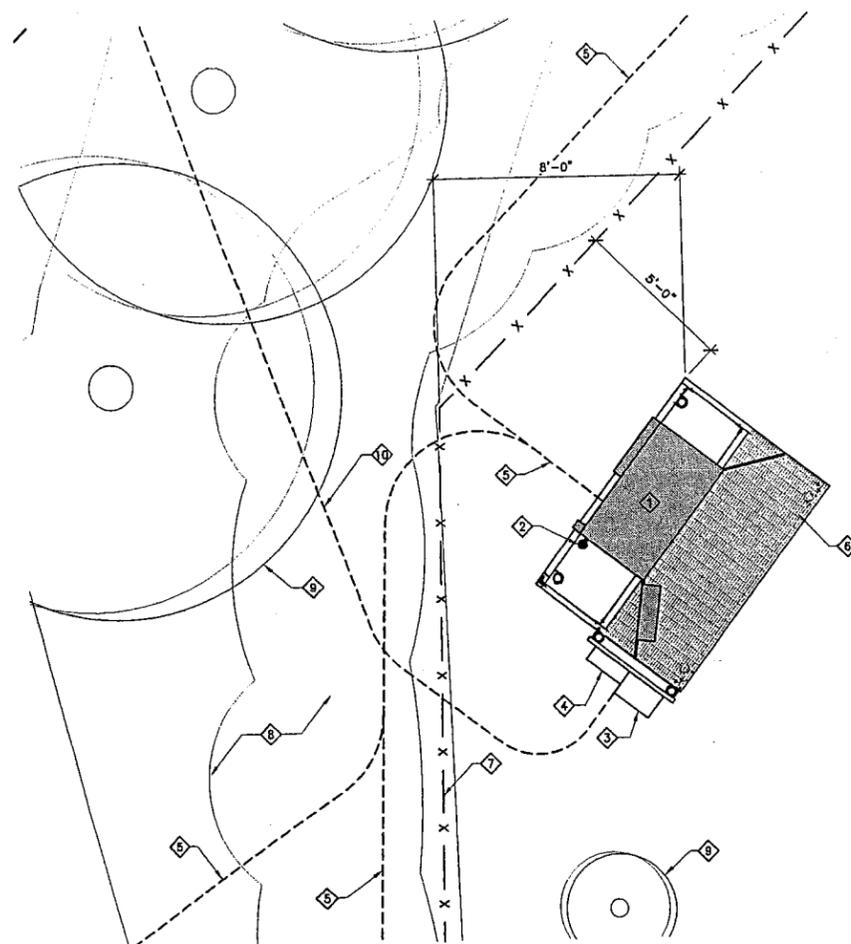
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01/05/06	FINAL 2D REVIEW (AA)
01/27/06	SUBMITTAL SET (rew)
03/07/06	OWNER COMMENTS (rew)
03/08/06	OWNER COMMENTS (job)

SHEET TITLE

EQUIPMENT PLAN & ELEVATION

PROJECTS\cricket\SAN733zd\SAN733zA1.dwg

A-1



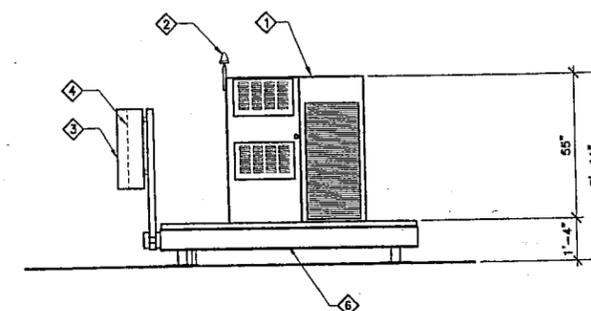
EQUIPMENT PLAN

SCALE: 3/4" = 1'-0"



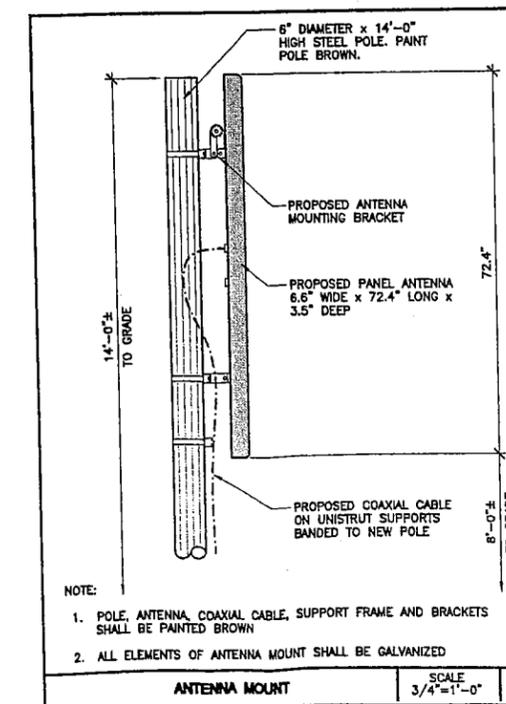
KEYED NOTES:

- 1. PROPOSED CRICKET COMMUNICATIONS CMO EQUIPMENT CABINET. 52" WIDE x 30" DEEP x 55" HIGH. WEIGHT: 2600 LBS.
- 2. PROPOSED GPS ANTENNA MOUNTED TO EQUIPMENT CABINET
- 3. PROPOSED TELCO CABINET
- 4. PROPOSED PPC CABINET
- 5. PROPOSED UNDERGROUND COAXIAL CABLE TRENCH
- 6. PROPOSED RAISED STEEL PLATFORM
- 7. EXISTING CHAINLINK FENCE
- 8. EXISTING LANDSCAPING
- 9. EXISTING TREES TO REMAIN
- 10. PROPOSED JOINT UTILITY TRENCH TO POWER AND TELCO SERVICE CONNECTIONS ON ADJACENT PROPERTY



EQUIPMENT ELEVATION

SCALE: 3/4" = 1'-0"



NOTE:

1. POLE, ANTENNA, COAXIAL CABLE, SUPPORT FRAME AND BRACKETS SHALL BE PAINTED BROWN
2. ALL ELEMENTS OF ANTENNA MOUNT SHALL BE GALVANIZED

ANTENNA MOUNT

SCALE: 3/4" = 1'-0"

1



PREPARED FOR

cricket

6160 CORNERSTONE COURT, SUITE 150
 SAN DIEGO, CA 92121

APPROVALS

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 SAN DIEGO COUNTY

DRAWING DATES

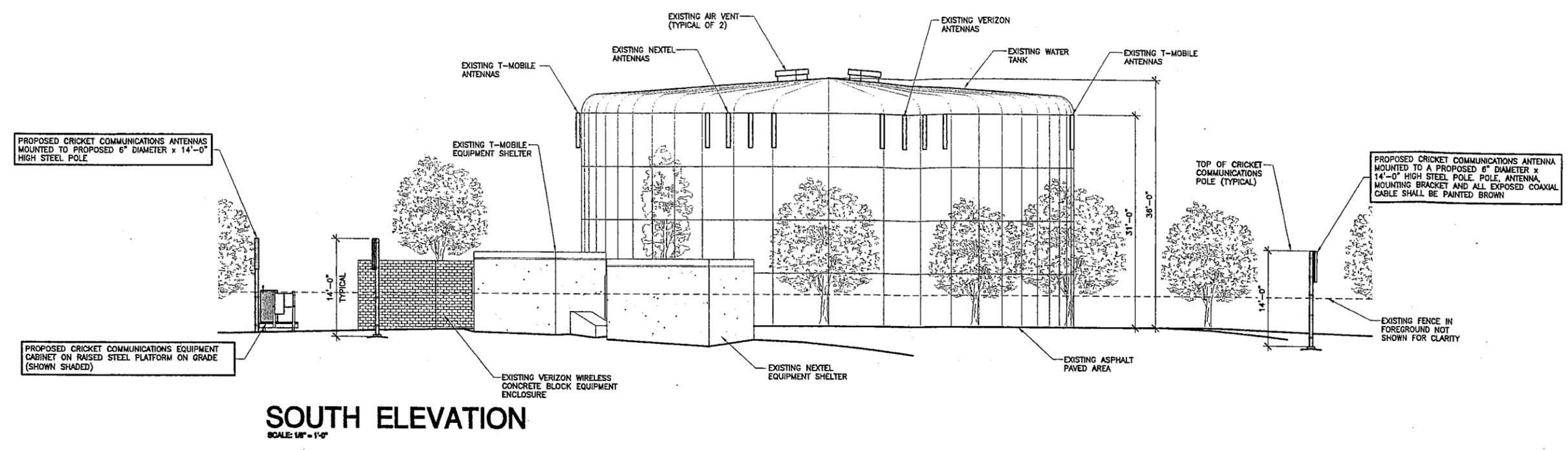
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01/05/06	FINAL ZD REVIEW (AA)
01/27/06	SUBMITTAL SET (rew)
03/07/06	OWNER COMMENTS (rew)
03/08/06	OWNER COMMENTS (job)

SHEET TITLE

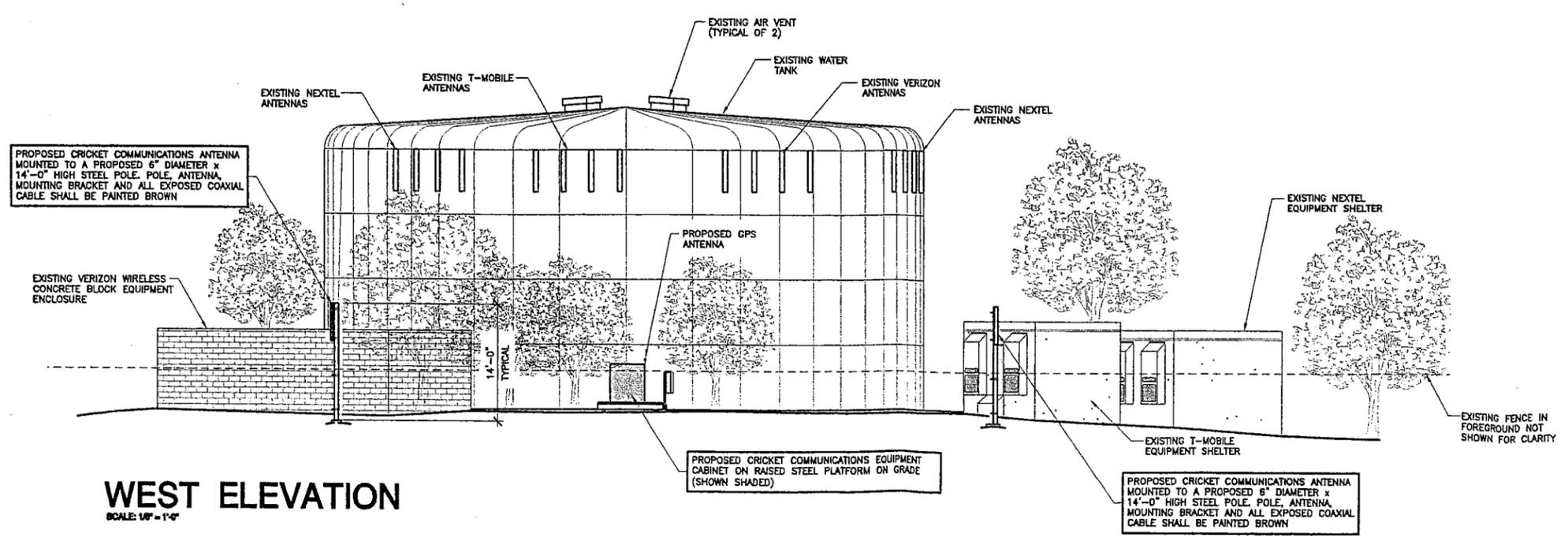
EXTERIOR ELEVATION

PROJECTS\cricket\SAN733zd\SAN733zA2.dwg

A-2



SOUTH ELEVATION
 SCALE: 1/8" = 1'-0"



WEST ELEVATION
 SCALE: 1/8" = 1'-0"



PREPARED FOR

cricket

6160 CORNERSTONE COURT, SUITE 150
SAN DIEGO, CA 92121

APPROVALS

R.F.	DATE
ZONING	DATE
CONSTRUCTION	DATE
SITE ACQUISITION	DATE
OWNER APPROVAL	DATE

PROJECT NAME

OTAY WATER DISTRICT @ 971

PROJECT NUMBER

SAN-733-A

996 EAST H STREET
CHULA VISTA, CA 91910
SAN DIEGO COUNTY

DRAWING DATES

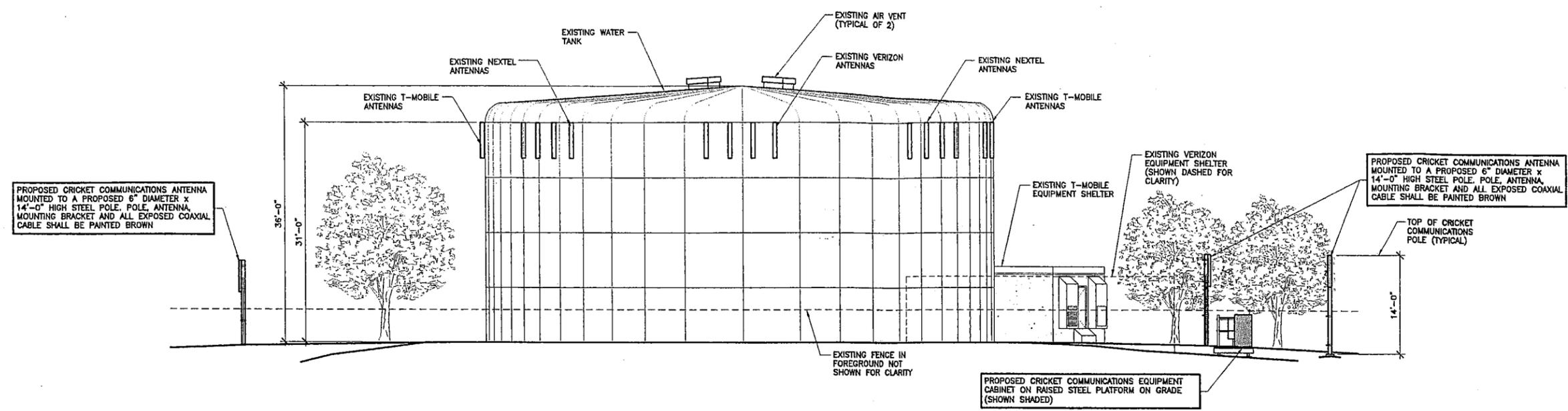
12/14/05	PRELIM 2D REVIEW (AO)
01/05/06	FINAL 2D REVIEW (AA)
01/27/06	SUBMITTAL SET (rew)
03/07/06	OWNER COMMENTS (rew)
03/08/06	OWNER COMMENTS (job)

SHEET TITLE

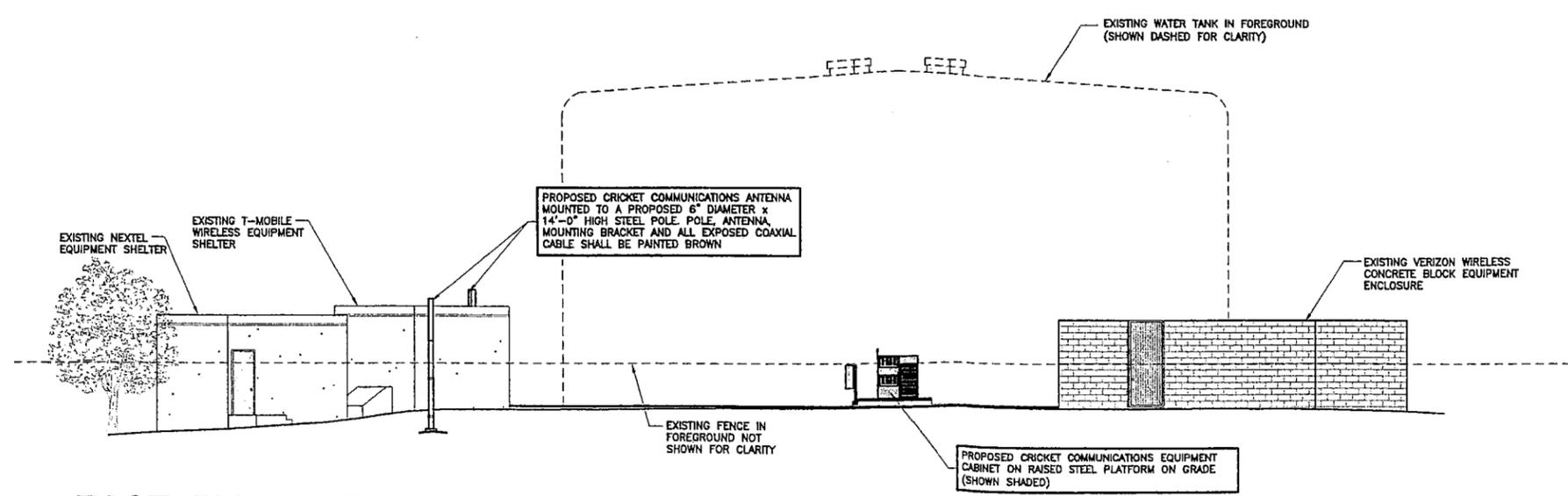
EXTERIOR ELEVATIONS

PROJECTS\cricket\SAN733zd\SAN733zA3.dwg

A-3



NORTH ELEVATION
SCALE: 1/8" = 1'-0"



EAST ELEVATION
SCALE: 1/8" = 1'-0"

EXHIBIT E

TO AGREEMENT BETWEEN CRICKET
COMMUNICATIONS, INC., A DELAWARE
CORPORATION AND OTAY TO LOCATE
COMMUNICATION FACILITIES AT OTAY'S 485-1
RESERVOIR SITE, DATED _____, _____ (THE
"LEASE")

Memorandum of Lease

Check one option.

- None.
- See Attached.



AGENDA ITEM 8

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 6, 2006
SUBMITTED BY:	Patrick Vaughan, <i>Patrick Vaughan</i> Senior Civil Engineer	W.O./G.F. NO:	aa000 DIV. NO. 1 1d1000
APPROVED BY: (Chief)	Rod Posada, <i>Rod Posada</i> Chief, Development Services		
APPROVED BY: (Asst. GM):	Manny Magaña, <i>Manny Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Request to Approve Agreement with Cricket Communications, Inc., a Delaware Corporation, for the installation of a Communications Facility at the 458-1&2 Reservoir Site		

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to execute an agreement with Cricket Communications, Inc., a Delaware Corporation (Cricket) for the installation of a communications facility (Attachment 1), at the 458-1&2 Reservoir Site.

See attached Exhibit A for project location.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to execute an agreement with Cricket that allows the installation of a communications facility at the 458-1&2 Reservoir Site. The agreement will grant Cricket 88 square feet of leased area and trench easements of right-of-way for access, power, and a communications facility.

ANALYSIS:

Cricket will be the fourth cellular provider locating its facilities on the 458-1&2 Reservoir Site. Currently, Sprint, T-Mobile, and Crown Castle are the three cellular providers at this location. The proposed wireless communication facility consists of the construction of an unmanned communications equipment cabinets with the incorporated, one 14-foot antenna support pole. The equipment will be located within an area totaling 88 square feet of leased space.

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

FISCAL IMPACT:

The District will receive \$2,266 per month in rent effective upon execution of the lease agreement for a period of five years, subject to an annual inflation adjustment of 3 percent. The tenant will have the option to extend the term for three additional five-year periods. Two additional five-year extensions may be granted at the District's discretion.

An initial \$2,000 payment toward the District's non-refundable administrative fee of \$6,500 has been paid to reimburse the District for staff time to supervise and assist the tenant during the licensing and permitting phases; this fee is separate from rent. The remaining balance of \$4,500 will be due and payable upon execution of this agreement by both parties to reimburse the District for costs to assist the tenant with planning, design, and construction phases of the project, including legal expenses.

LEGAL IMPACT:

The District's Lease Agreement has been reviewed by our legal counsel. District Counsel has been an integral part in the negotiations and construction of this agreement.

STRATEGIC GOAL:

This item is in line with the District's Strategic Focus Areas: Community and Governance, and Financial Health.

General Manager

Attachments

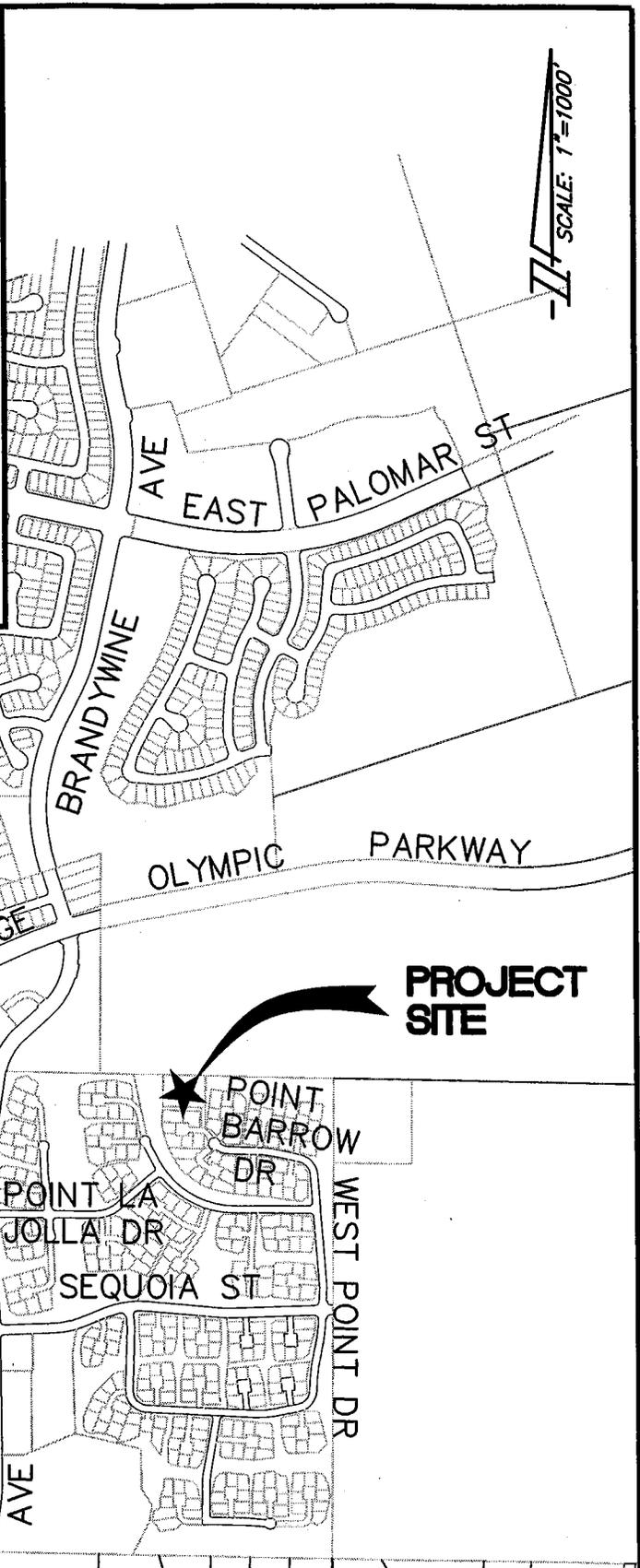
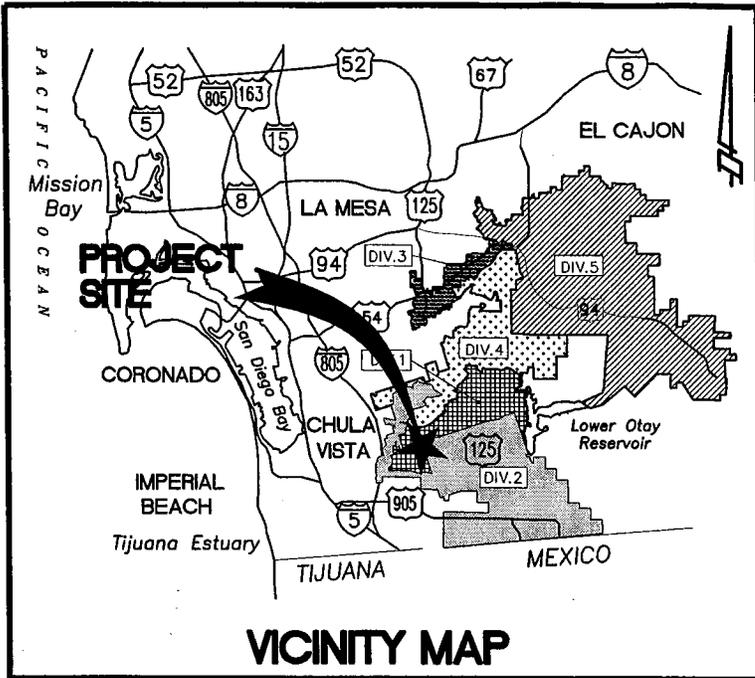


ATTACHMENT A

SUBJECT/PROJECT:	Approve Cellular Lease Agreement with Cricket Communications, Inc., a Delaware Corporation, for a new facility at the 458-1&2 Reservoir site.
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COMMITTEE ACTION:

The "Committee Action" is written in anticipation of the Committee moving the item forward for board approval. This report will be sent to the Board as a committee approved item, or modified to reflect any discussion or changes as directed from the committee prior to presentation to the full board.



OTAY WATER DISTRICT
 CRICKET COMMUNICATIONS AT
 OTAY WATER DISTRICT'S 458-1 & 458-2 RESERVOIR SITE
 LOCATION MAP

EXHIBIT A

AGREEMENT BETWEEN CRICKET
COMMUNICATIONS, INC., A DELAWARE
CORPORATION AND OTAY WATER DISTRICT TO
LOCATE A COMMUNICATIONS FACILITY AT
OTAY'S 458-1&2 RESERVOIR SITE

This Agreement ("Lease") is entered into and effective on the date specified in the signature page (the "Commencement Date"), by and between the Otay Water District, a municipal water district organized and operated pursuant to the Water Code Section 71000, et seq. ("Otay"), and Cricket Communications, Inc., a Delaware corporation ("Tenant"). Any special terms or conditions agreed to by Otay and Tenant will be set forth on Exhibit A.

RECITALS

- A. Otay owns a site on which it has constructed water facilities known as the "458-1&2 Reservoir Site," as depicted on Attachment A to Exhibit B (the "Reservoir Site").
- B. Tenant has requested Otay to allow it to locate a communications facility and transmitting and receiving antennas at the Reservoir Site.

AGREEMENT

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, approximately 88 square feet of real property within the Property, as more particularly described on Attachment C to Exhibit B (the "Premises"). A depiction of the Property and the Premises is attached hereto as Attachment D to Exhibit B.
2. Grant of Non-Exclusive Trench Easement(s). Otay has also agreed to grant a temporary non-exclusive easement to Tenant for certain portions of the Property, as legally

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

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

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

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

roadways or driveways from the nearest public roadway to the Premises in a manner reasonably sufficient to allow access. In addition, Tenant shall obtain such permits, licenses or easements, from the owners of property adjoining the leased premises, as may be necessary for Tenant to have access to and from the leased Premises and also for access to utilities. Tenant shall provide copies of these documents to Otay prior to the start of construction.

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

6. Administrative Fee. Tenant, prior to entering on Otay Property to conduct its investigation of the Premises, shall provide Otay with a non-refundable administrative fee in the amount of TWO THOUSAND DOLLARS AND NO CENTS (\$2,000.00). This fee will defray Otay's costs associated with the supervision of and assistance with the Tenant's investigation and planning phases of the site selection.

Additionally, upon final execution of the Agreement by both parties, Tenant shall provide Otay with a non-refundable administrative fee in the amount of FOUR THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$4,500.00). This amount shall be in addition to the administrative fee described above for entering on Otay Property to conduct investigation of the proposed Premises. This second administrative fee shall be used to defray Otay's administrative

expenses and costs related to Otay's supervision and assistance with planning, design, and construction phases of the project, including legal expenses. These administrative fees shall not be considered rent or part of the rental installment.

7. Rent. Beginning on the earlier of (1) six months from the Commencement Date; or (2) the date on which a local building permit is issued allowing Tenant to construct the Facilities (or any portion thereof) on the Premises (the "First Rent Payment Date"), Tenant shall pay Otay as rent the sum of \$2,266 per month payable on the first day of each month in advance. However, at Tenant's election, Tenant may pay rent annually, in advance, if, at least 60 days prior to the Initial Term or an Extension Term, Tenant notifies the District, in writing, of its intent to pay its rent in annual payments during each year of the upcoming Extension Term or Additional Term. If the First Rent Payment Date is other than the first day of the calendar month, the rate shall be prorated for the first month of the Initial Term.

The rent shall be increased on each calendar anniversary of the Commencement Date at a rate of three percent (3%) 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) three percent (3%); or (ii) the amount necessary to ensure that the rent equals the amount it would have been if each annual increase during the previous Term had been calculated based on the average percentage increases in the consumer price index published by the United States Department of Labor, Bureau of Labor Statistics (1982-1984 = 100) (the "CPI") for "All Items - All Urban Consumers" for the San Diego Metropolitan Statistical Area for the immediately preceding 5 year period. If the publication of the Consumer Price Index is discontinued, or if the Consumer Price Index is altered in some material manner, including changing the name of the index, the geographic area covered, the consumers or

workers so included, or the base year, the Parties must use their reasonable best efforts to agree on a substitute index or procedure that reasonably reflects and monitors consumer prices. After such an adjustment, the rent shall increase at a rate of three percent (3%) per annum for the rest of the applicable Extension Term or Additional Term, if any. Otay shall also have the discretion to adjust the base rent to then current market rent in the Additional Term if said market rent is greater than the CPI increase provided for in the above formula. The “then current market rent” shall be defined as the most recent rent transaction entered into by Otay with other similar tenants for the same or similar purposes.

8. Environmental. Otay represents that to the best of its knowledge the Premises have not been used for the generation, storage, treatment or disposal of hazardous materials other than those materials normally used by Otay for the treatment of water and that there is no hazardous waste on the Premises. Notwithstanding any other provision of this Lease, Tenant relies upon the representations stated herein as a material inducement for entering into this Lease. Tenant shall not bring any hazardous materials onto the Premises except for those contained in its back-up power facilities (e.g. lead-acid batteries and diesel fuel) and properly stored, reasonable quantities of common materials used in telecommunications operations (e.g. cleaning solvents). Tenant shall handle, store and dispose of all hazardous materials it brings onto the Premises in accordance with all federal, state and local laws and regulations (“Laws”). “Hazardous materials” means any substance, chemical, pollutant or waste that is presently identified as hazardous, toxic or dangerous under any applicable federal, state or local law or regulation and specifically includes, but is not limited to asbestos and asbestos containing materials, polychlorinated biphenyl’s (PCBs) and petroleum or other fuels (including crude oil or any fraction or derivative thereof).

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

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

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

and installation work shall be performed at Tenant's sole cost and expense in a good and workmanlike manner. Tenant shall have the right to remove all facilities it installs at its sole expense on or before the expiration or termination of this Lease.

d. *Improvements to Facilities / Additional Space.* If, at any time during the Term, Tenant requests permission from Otay to add improvements requiring construction to its then existing Facilities, the then current Administrative Fees shall be payable to Otay for reimbursement for staff time to process the new request, construction inspection and monitoring during construction. If the requested Tenant improvements include additional lease space, a new lease agreement for the additional lease space must be executed prior to start of construction and Tenant shall pay the Administrative Fees then in effect, and shall comply with Otay's requirements then in effect. The administrative fees for the additional lease space shall be in addition to, and shall not replace the administrative fees for improvements requiring construction to the Facilities.

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

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

licenses and/or approvals. Tenant shall provide written evidence, satisfactory to Otay of all FCC approvals and other governmental permits and approvals, including but not limited to compliance with FCC Electromagnetic Radiation Guidelines.

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

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

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

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

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

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

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

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

original location and any related work, shall be done at Tenant's sole cost and expense and in good and workmanlike manner.

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

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

d. *Painting of the Facilities.* If the Maintenance Work includes the painting of Otay's improvements, the Tenant shall be responsible for repainting its antennas and/or equipment to match Otay's facility. Otay will provide specifications regarding paint type, color and application method to the Tenant to accomplish this requirement. The Tenant will be required to provide painting/coating submittals to Otay prior to receiving permission to begin painting. Subject to Otay's prior written consent, Tenant may substitute an alternate 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. Tenant agrees that Otay may enter into leases with other communication carriers, wireless communications carriers and other utilities for use of any portion of the "Reservoir Site" as long as said leases do not result in unreasonable interference with Tenant's use of or access to the Premises. Tenant will reasonably cooperate with Otay's efforts in this regard including, at Otay's request, the relocation of, or changes to, the Facilities; provided that any alterations or relocation needed to accommodate the new lessee shall be performed at the expense of Otay or the new lessee.

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

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

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

15. Taxes. During the term of this Lease, Tenant shall pay before delinquency all taxes, assessments, license fees, and any other charge of any type whatsoever that are levied,

assessed, charged, or imposed on or against Tenant's personal property installed or located in or on the leased premises and that become payable during the term of this Lease.

16. Termination.

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

(i) Tenant delivers to Otay 30-day written notice at any time prior to the Commencement Date, for any reason or no reason;

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

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

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

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

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

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

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

17. Default.

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

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

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

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

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

of this Lease if it commences a cure within such period, and thereafter diligently proceeds with the actions necessary to complete such cure.

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

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

20. Insurance. Tenant shall maintain the following insurance:

- a. Commercial general liability with limits of \$5,000,000 per occurrence 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 include Otay as an additional insured on each of the aforementioned insurance policies and the policies shall state that they are primary and that any policies Otay maintains shall be noncontributory. Tenant shall provide Otay with written certificates of insurance evidencing such coverage. Said policies shall expressly provide that the policies shall not be canceled or altered without at least thirty (30) days prior written notice to Otay. Said policies shall be with insurance companies with an A.M. Best rating of AVII or better.

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

21. Indemnity. Tenant shall hold harmless, indemnify and defend Otay and each of Otay's directors, officers, managers, employees, agents and successors and assigns, from any and all claims, suits or actions of any kind and description brought forth on account of injuries to or death to any person or damage to any property, including damage to the Premises arising out of or related to its use of the Premises, except to the extent that such claims, suits or actions arise out of the sole negligence or willful misconduct of Otay.

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

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

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

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

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

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

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

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

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

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

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

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

TENANT: Cricket Communications, Inc.
Attn: Property Manager
10307 Pacific Center Court
San Diego, CA 92121
Phone: (858) 882-6306
Fax: (858) 622-0107

With a copy to: Cricket Communications, Inc.
Attn: Legal Department
10307 Pacific Center Court
San Diego, CA 92121
Phone: (858) 882-6288
Fax: (858) 882-6080

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

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

IN WITNESS WHEREOF, the parties have executed this Lease as of the ____ day of _____, 2006. This date is referred to as the Commencement Date in the Lease.

CRICKET COMMUNICATIONS, INC.,
A Delaware corporation

By: _____

Name: Anthony G. Benyola

Its: Regional Network Director, Western Region

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

By: _____

Name: Mark Watton

Its: General Manager

Approved as to Form:

Aerobel Banuelos
Assistant General Counsel

EXHIBIT A
SPECIAL TERMS AND CONDITIONS ADDED TO
AGREEMENT BETWEEN CRICKET
COMMUNICATIONS, INC., A DELAWARE
CORPORATION AND OTAY TO LOCATE
COMMUNICATION FACILITIES AT OTAY'S 458-1&2
RESERVOIR SITE, DATED _____, _____ (THE
"LEASE")

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

SPECIAL TERMS AND CONDITIONS

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

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

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

- a. **Waiver of Otay's Lien.** With respect to any such financing entity, Otay waives any lien rights it may have concerning the Facilities, which is deemed Tenant's personal property and not fixtures attached to the Property and Tenant or, if appropriate, the financing entity has the right to remove the same at any time without Otay's consent. The financing entity shall not have the right to operate the Facilities without Otay's prior written consent, which may be denied if the financing entity does not meet the definition of financing entity above.

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

EXHIBIT B

**TO AGREEMENT BETWEEN CRICKET
COMMUNICATIONS, INC. A DELAWARE
CORPORATION AND OTAY TO LOCATE
COMMUNICATION FACILITIES AT OTAY'S 458-1&2
RESERVOIR SITE, DATED _____, _____ (THE
"LEASE")**

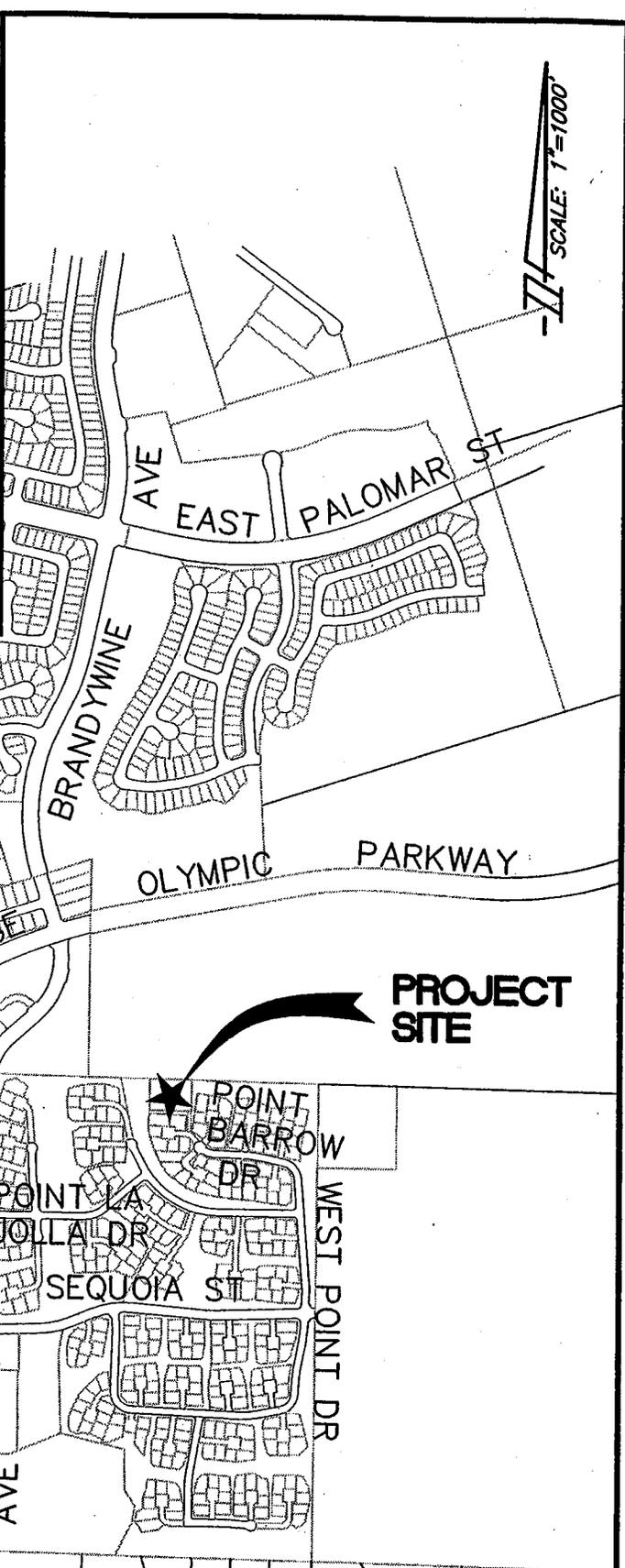
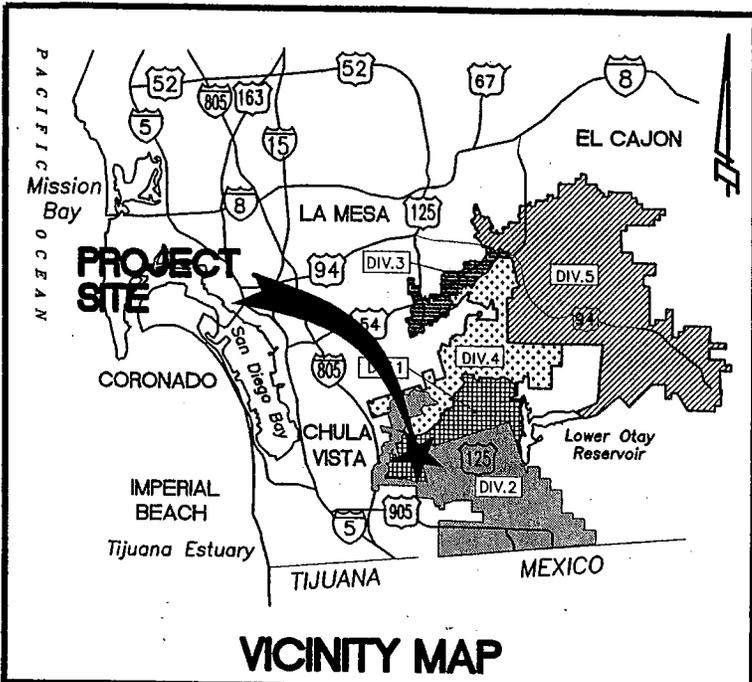
List of Attachments to Exhibit B:

ATTACHMENT A. DEPICTION OF RESERVOIR FACILITIES

ATTACHMENT B. LEGAL DESCRIPTION OF THE PROPERTY

ATTACHMENT C. LEGAL DESCRIPTION OF THE PREMISES

ATTACHMENT D. DEPICTION OF THE PROPERTY AND PREMISES



OTAY WATER DISTRICT

CRICKET COMMUNICATIONS AT
 OTAY WATER DISTRICT'S 458-1 & 458-2 RESERVOIR SITE
 LOCATION MAP

**EXHIBIT B
ATTACHMENT B**

**SITE LEGAL DESCRIPTION
OTAY WATER DISTRICT #458-1&2
CRICKET COMMUNICATIONS SAN-757
651 POINT BARROW DRIVE
CHULA VISTA, CA 91911**

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN DIEGO, DESCRIBED AS FOLLOWS:

THAT PORTION OF THE SOUTHWEST QUARTER OF THE FRACTIONAL SECTION 18, TOWNSHIP 18 SOUTH, RANGE 1, WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO U.S. GOVERNMENT SURVEY DESCRIBED AS FOLLOWS:

THE NORTHERLY 180.00 FEET OF THE EASTERLY 965.00 FEET, EXCEPTING THE EASTERLY 725.00 FEET THEREOF.

EXCEPTING THEREFROM ALL GAS, OIL AND MINERAL RIGHTS, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN THAT CERTAIN GRANT DEED RECORDED SEPTEMBER 15, 1964 AS FILE/PAGE NO. 168308 OF OFFICIAL RECORDS.



Charles W. Christensen

Charles W. Christensen, RCE 8195

08/18/06
Date

**EXHIBIT B
ATTACHMENT C**

**PROPOSED EQUIPMENT/ANTENNA EASEMENT
OTAY WATER DISTRICT #458-1&2
CRICKET COMMUNICATIONS SAN-757
651 POINT BARROW DRIVE
CHULA VISTA, CA 91911**

A PROPOSED EQUIPMENT AND ANTENNA EASEMENT LYING WITHIN A PORTION OF THE NORTHERLY 180.00 FEET, OF THE EASTERLY 965.00 FEET, EXCEPTING THE EASTERLY 725.00 FEET THEREOF, IN THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 18, TOWNSHIP 18 SOUTH, RANGE 1, WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO U.S. GOVERNMENT SURVEY. THE PROPOSED EASEMENT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF THE ABOVE DESCRIBED PARCEL; THENCE LEAVING SAID SOUTHEASTERLY CORNER, NORTH 46°48'31" WEST, 226.12 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 87°55'52" WEST, 12.67 FEET; THENCE NORTH 2°04'08" EAST, 14.00 FEET; THENCE SOUTH 87°55'52" EAST, 12.67 FEET; THENCE SOUTH 2°04'08" WEST, 14.00 FEET TO THE TRUE POINT OF BEGINNING.

SAID PROPOSED EASEMENT CONTAINS APPROXIMATELY 177 SQUARE FEET, MORE OR LESS.



Charles W. Christensen

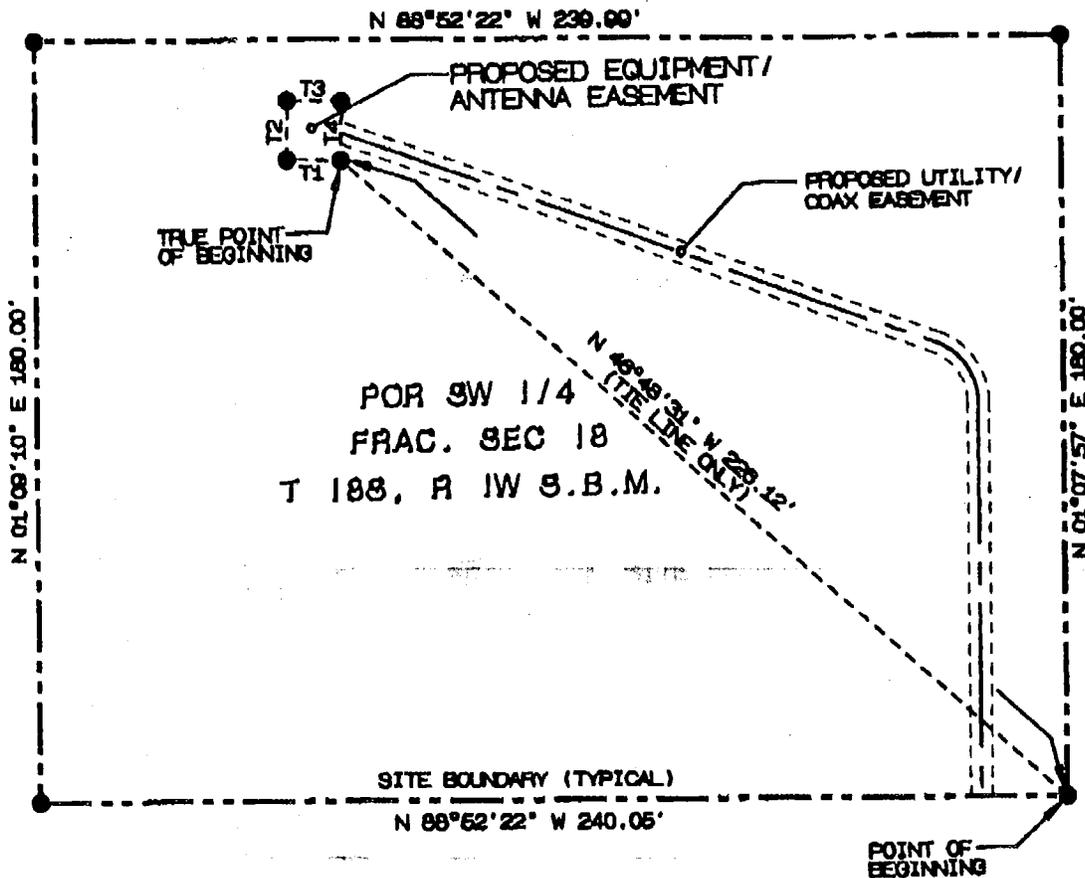
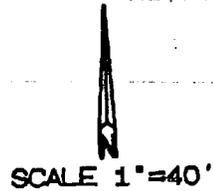
Charles W. Christensen, RCE 8195

08/18/06

Date

EXHIBIT B

ATTACHMENT D
 PROPOSED EQUIPMENT/ANTENNA EASEMENT
 OTAY WATER DISTRICT #458-182
 CRICKET COMMUNICATIONS SITE SAN-757



UNIT NO. 4
 MAP NO. 8832

DATA TABLE

T NO.	DIRECTION	DISTANCE
1	N 87°55'52" W	12.87'
2	N 02°04'08" E	14.00'
3	S 87°55'52" E	12.87'
4	S 02°04'08" W	14.00'

Charles W. Christensen

08-18-08

CHARLES W. CHRISTENSEN, R.C.E. 8195

Date

CHRISTENSEN ENGINEERING & SURVEYING

CIVIL ENGINEERS

LAND SURVEYORS

PLANNERS

7888 SILVERTON AVENUE.

SUITE 'J', SAN DIEGO, CALIFORNIA 92126

FAX: (858)271-8912

TELEPHONE: (858)271-9901



EXHIBIT C

TO AGREEMENT BETWEEN CRICKET COMMUNICATIONS, INC., A DELAWARE CORPORATION AND OTAY TO LOCATE COMMUNICATION FACILITIES AT OTAY'S 458-1&2 RESERVOIR SITE, DATED _____, _____ (THE "LEASE").

DEPICTION AND LEGAL DESCRIPTION OF TEMPORARY TRENCH EASEMENT

Easement Requested? Yes No
Easement Granted? Yes No

If Easement granted, complete the following information:

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

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

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

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

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

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

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

EXHIBIT C

**PROPOSED UTILITY/COAX EASEMENT
OTAY WATER DISTRICT #458-1&2
CRICKET COMMUNICATIONS SAN-757
651 POINT BARROW DRIVE
CHULA VISTA, CA 91911**

A PROPOSED 5.00 FOOT UTILITY/COAX EASEMENT LYING WITHIN A PORTION OF THE NORTHERLY 180.00 FEET, OF THE EASTERLY 965.00 FEET, EXCEPTING THE EASTERLY 725.00 FEET THEREOF, IN THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 18 TOWNSHIP 18 SOUTH, RANGE 1, WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO U.S. GOVERNMENT SURVEY. THE CENTERLINE OF SAID PROPOSED 5.00 FOOT EASEMENT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF THE ABOVE DESCRIBED PARCEL; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID PARCEL, NORTH 88°52'22" WEST, 20.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID SOUTHERLY LINE NORTH 1°07'38" EAST, 93.45 FEET TO THE BEGINNING OF A TANGENT 15.25 FOOT RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 69°58'21", 18.62 FEET; THENCE TANGENT TO SAID CURVE NORTH 68°50'43" WEST, 146.60 FEET.

THE SIDELINES OF SAID EASEMENT TO BE EXTENDED OR SHORTENED SO AS TO TERMINATE AT THE BEGINNING OF SAID EASEMENT ON THE SOUTHERLY LINE OF THE ABOVE DESCRIBED PARCEL AND AT THE END OF SAID EASEMENT ON A LINE WHICH BEARS NORTH 2°04'08" EAST.

SAID EASEMENT CONTAINS APPROXIMATELY 1,293 SQUARE FEET, MORE OR LESS.



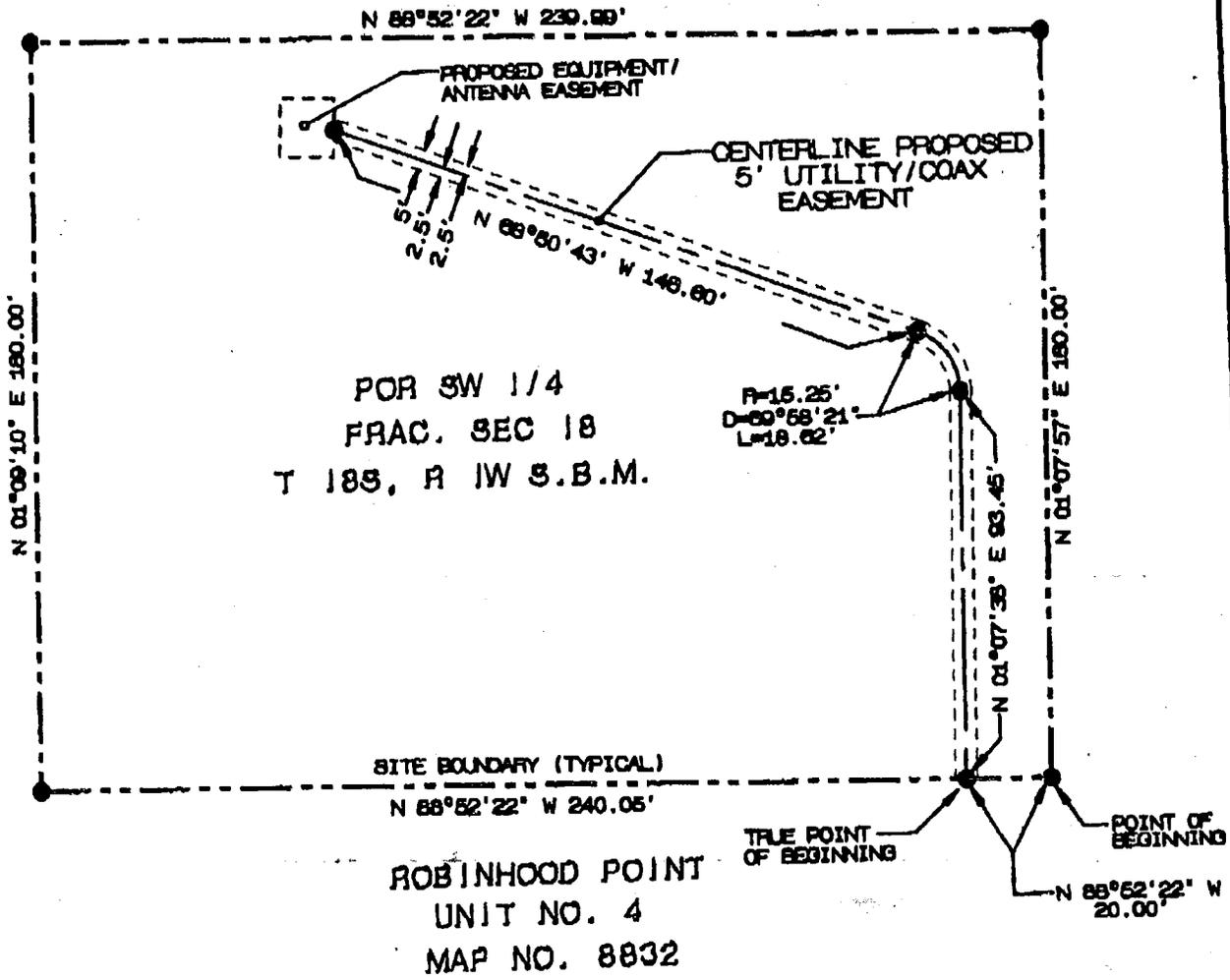
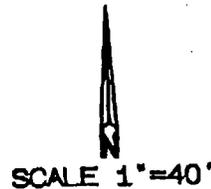
Charles W. Christensen

Charles W. Christensen, RCE 8195

08/18/06
Date

EXHIBIT C

PROPOSED UTILITY/COAX EASEMENT
 OTAY WATER DISTRICT #458-1&2
 CRICKET COMMUNICATIONS SITE SAN-757



Charles W. Christensen

08-18-06

Date

CHARLES W. CHRISTENSEN, R.C.E. 8195

CHRISTENSEN ENGINEERING & SURVEYING

CIVIL ENGINEERS LAND SURVEYORS PLANNERS
 7888 SILVERTON AVENUE, SUITE 'J', SAN DIEGO, CALIFORNIA 92126
 TELEPHONE: (858)271-9901 FAX: (858)271-8912



EXHIBIT D

**TO AGREEMENT BETWEEN CRICKET
COMMUNICATIONS, INC., A DELAWARE
CORPORATION AND OTAY TO LOCATE
COMMUNICATION FACILITIES AT OTAY'S 458-1&2
RESERVOIR SITE, DATED _____, _____ (THE
"LEASE")**

List of Attachments to Exhibit D:

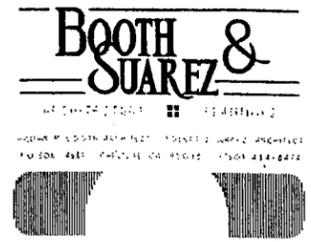
Attachment A. Depiction of the Telecommunication Facilities

Attachment B. Permits

cricket

OTAY WATER DISTRICT 458 1 & 2 RESERVOIR SITE
 651 POINT BARROW DRIVE
 CHULA VISTA, CA 91911
 SAN-757

ATTACHMENT A
 EXHIBIT D



PREPARED FOR
cricket
 6160 CORNERSTONE COURT, SUITE 150
 SAN DIEGO, CA 92121

APPROVALS

R.F.	DATE
ZONING	DATE
CONSTRUCTION	DATE
SITE ACQUISITION	DATE
OWNER APPROVAL	DATE

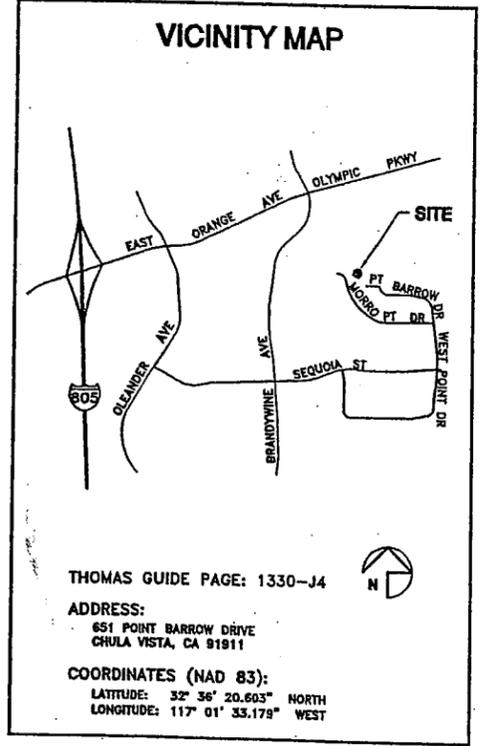
PROJECT NAME
OTAY WATER DISTRICT @ 651
 PROJECT NUMBER
SAN-757
 651 POINT BARROW DRIVE
 CHULA VISTA, CA 91911
 SAN DIEGO COUNTY

DRAWING DATES

12/14/05	PRELIM 2D REVIEW (AO)
01/05/06	FINAL 2D PREVIEW (AO)
01/27/06	SUBMITTAL SET (AA)
03/08/06	OWNER COMMENTS (rew)
03/10/06	ANTENNA REVISION (rew)
03/21/06	ANTENNA REVISION 2 (job)

SHEET TITLE
TITLE SHEET & PROJECT DATA

PROJECTS\cricket\SAN757zd\SAN757t1.DWG



ACCESSIBILITY DISCLAIMER

THIS PROJECT IS AN UNOCCUPIED WIRELESS PCS TELECOMMUNICATIONS FACILITY AND, ACCORDING TO WRITTEN INTERPRETATION FROM THE CALIFORNIA DEPARTMENT OF THE STATE ARCHITECT, IS EXEMPT FROM DISABLED ACCESS REQUIREMENTS.

CONSULTANT TEAM

ARCHITECT:
 WILLIAM BOOTH & ROBERT SUAREZ
 ARCHITECTURE & PLANNING
 P.O. BOX 4651
 CARLSBAD, CA 92018
 (760) 434-8474
 (760) 434-8596 (FAX)

ELECTRICAL CONSULTANT:
 WALTER D. CAMP, ELECTRICAL ENGINEER, PE
 1880 SHEEP RANCH LOOP
 CHULA VISTA, CA 91915
 (619) 934-1815

STRUCTURAL CONSULTANT:
 ALEX BROWN ENGINEERING
 935 OLDHAM COURT
 ENCINITAS, CA 92024
 (760) 943-7866
 (760) 943-7866 (FAX)

SITE ACQUISITION:
 MERIDIAN TELECOM, INC.
 6160 CORNERSTONE COURT, SUITE 150
 SAN DIEGO, CA 92121
 CONTACT: FRANKLIN OROZCO
 (619) 632-2569
 (619) 777-3518 (FAX)

PROJECT SUMMARY

APPLICANT: CRICKET COMMUNICATIONS
 6160 CORNERSTONE COURT, STE. 150
 SAN DIEGO, CA 92121
 CONTACT: DAVID PUTNAM
 (925) 324-5360

OWNER: OTAY WATER DISTRICT
 2554 SWEETWATER SPRINGS BOULEVARD
 SPRING VALLEY, CA 91978
 CONTACT: DAN KJONEGAARD
 (619) 670-2269

PROJECT DESCRIPTION:

- INSTALLATION OF ONE TELECOMMUNICATIONS CABINET ON A PROPOSED RAISED STEEL PLATFORM ON GRADE LEVEL INSIDE A NEW CONCRETE BLOCK ENCLOSURE
- INSTALLATION OF THREE ANTENNA SECTORS OF ONE ANTENNA EACH (TOTAL OF 3 ANTENNAS) MOUNTED ON A 6" DIAMETER x 14'-0" HIGH STEEL POLE
- INSTALLATION OF A NEW 200 AMP ELECTRICAL SERVICE FROM A NEW ELECTRICAL TRANSFORMER TO REPLACE AN EXISTING TRANSFORMER
- INSTALLATION OF A NEW TELCO SERVICE CONNECTION FROM EXISTING TELCO PEDESTAL
- NO LANDSCAPE OR IRRIGATION IS PLANNED FOR THIS PROJECT

LEGAL DESCRIPTION:
 A PORTION OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 18 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

PROJECT ADDRESS: 651 POINT BARROW DRIVE
 CHULA VISTA, CA 91911

ASSESSORS PARCEL NUMBER: 644-221-80 & 68

EXISTING ZONING: R-1, PLANNED COMMUNITY

TOTAL SITE AREA: 0.99 ACRES
 = 43,124 SF

PROPOSED PROJECT AREA: 70 SQ. FT.

TYPE OF CONSTRUCTION: TYPE V, NON-RATED (UNSPRINKLERED)

PROPOSED OCCUPANCY: NONE (OUTDOOR RADIO EQUIPMENT CABINETS ONLY)

NOTE: Three
 THERE ARE CURRENTLY FOUR EXISTING TELECOMMUNICATIONS FACILITIES ON THE SITE. (SPRINT, ~~AMERICA~~ T-MOBILE & CINGULAR)

SHEET SCHEDULE

T-1	TITLE SHEET & PROJECT DATA
A-0	SITE PLAN & GENERAL SPECIFICATIONS
A-0.1	SITE UTILIZATION PLAN
A-1	EQUIPMENT PLAN & ELEVATION
A-2	EXTERIOR ELEVATIONS
A-3	EXTERIOR ELEVATIONS

APPLICABLE CODES

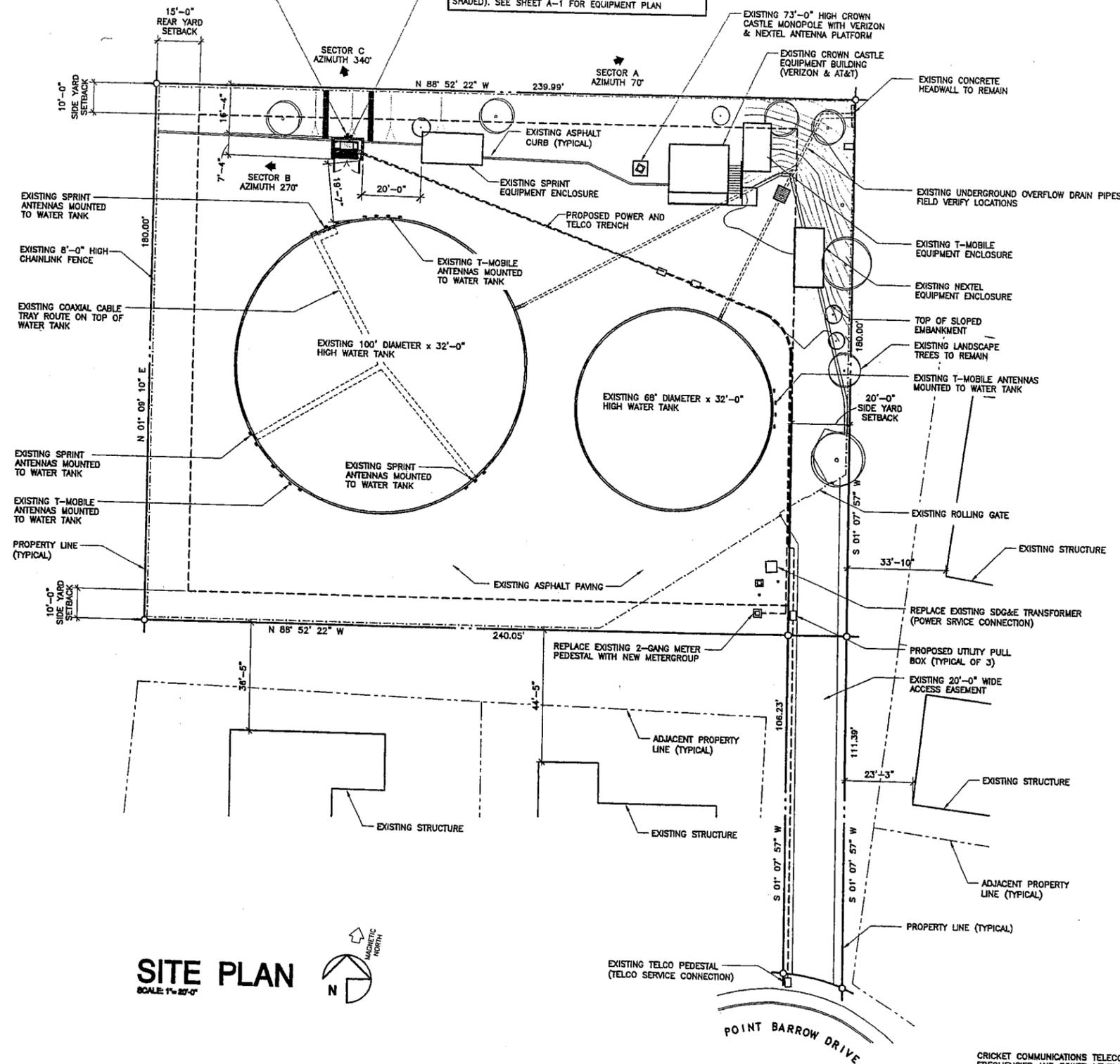
ALL WORK SHALL COMPLY WITH THE FOLLOWING APPLICABLE CODES:
 CALIFORNIA STATE BUILDING CODE, 2001 EDITION, TITLE 24
 UNIFORM BUILDING CODE, 2001 EDITION
 UNIFORM PLUMBING CODE, 2001 EDITION
 UNIFORM MECHANICAL CODE, 2001 EDITION
 NATIONAL ELECTRICAL CODE, 2001 EDITION

IN THE EVENT OF CONFLICT, THE MOST RESTRICTIVE CODE SHALL PREVAIL

CROWN CASTLE

PROPOSED CRICKET COMMUNICATIONS ANTENNAS MOUNTED TO A PROPOSED 6" DIAMETER x 14'-0" HIGH STEEL POLE. ANTENNA MOUNTING BRACKET AND ALL EXPOSED COAXIAL CABLE SHALL BE PAINTED BROWN. SEE SHEETS A-2 & A-3 FOR EXTERIOR ELEVATIONS

PROPOSED CRICKET COMMUNICATIONS EQUIPMENT CABINET ON RAISED STEEL PLATFORM INSIDE A PROPOSED CONCRETE BLOCK ENCLOSURE ON GRADE (SHOWN SHADED). SEE SHEET A-1 FOR EQUIPMENT PLAN



SITE PLAN
SCALE: 1" = 20'-0"

CRICKET COMMUNICATIONS TELECOMMUNICATIONS TRANSMITTER FREQUENCIES AND POWER LEVELS:
1850-1980 MHz BAND WIDTH
200 WATTS ERP PER SECTOR

EASEMENTS:
NO EASEMENTS ARE SHOWN WHICH REFLECTS PRELIMINARY RECORDS RESEARCH OF RECORDED PARCEL MAPS. EASEMENTS ARE SUBJECT TO REVIEW OF FINAL TITLE REPORT

GENERAL SPECIFICATIONS

- THE LATEST EDITION OF THE AMERICAN INSTITUTE OF ARCHITECTS DOCUMENT A201 "GENERAL CONDITIONS OF THE CONTRACT FOR CONSTRUCTION" ARE INCLUDED IN THESE SPECIFICATIONS AS IF COMPLETELY REPRODUCED HEREIN.
- THIS FACILITY IS AN UNOCCUPIED PCS TELECOMMUNICATIONS SITE AND IS EXEMPT FROM DISABLED ACCESS REQUIREMENTS.
- PRIOR TO THE SUBMISSION OF BIDS, THE CONTRACTORS PARTICIPATING SHALL VISIT THE JOB SITE AND FAMILIARIZE THEMSELVES WITH ALL FIELD CONDITIONS AFFECTING THE PROPOSED PROJECT INCLUDING DEMOLITION, ELECTRICAL, MECHANICAL AND STRUCTURAL INSTALLATIONS, AS WELL AS WITH THE CONSTRUCTION AND CONTRACT DOCUMENTS AND SHALL VERIFY THAT THE PROJECT CAN BE ACCOMPLISHED AS SHOWN PRIOR TO PROCEEDING WITH CONSTRUCTION. SHOULD ANY DISCREPANCIES OR DISCREPANCIES BE FOUND, THE GENERAL CONTRACTOR SHALL IMMEDIATELY NOTIFY CRICKET COMMUNICATIONS CONSTRUCTION MANAGER AND THE ARCHITECT IN WRITING. IN THE EVENT DISCREPANCIES ARE FOUND, THE CONTRACTOR SHALL INCLUDE THE MORE COSTLY OR EXTENSIVE WORK IN THE BID, UNLESS SPECIFICALLY DIRECTED OTHERWISE. IF A DISCREPANCY EXISTS AND THE PROJECT MANAGER AND ARCHITECT ARE NOT NOTIFIED, THE GENERAL CONTRACTOR SHALL BE HELD RESPONSIBLE FOR ALL COSTS INCURRED TO REPAIR OR CORRECT ALL PROBLEMS THAT RESULT.
- DRAWINGS SHALL NOT BE SCALED. THESE DRAWINGS ARE INTENDED TO BE DIMENSIONED ONLY. NOTED DIMENSIONS HAVE PRECEDENCE OVER DRAWING SCALE AND DETAIL DRAWINGS HAVE PRECEDENCE OVER SMALL SCALE DRAWINGS IN THE FIELD. UNLESS SPECIFICALLY NOTED, DO NOT FABRICATE ANY MATERIALS, OR BEGIN ANY CONSTRUCTION UNTIL THE ACCURACY OF DRAWING DIMENSIONS HAS BEEN VERIFIED AGAINST ACTUAL FIELD DIMENSIONS.
- THE CONTRACTOR SHALL INCLUDE IN HIS OR HER BID ALL MATERIALS, EQUIPMENT, APPURTENANCES AND LABOR NECESSARY TO COMPLETE THE WORK AS INDICATED OR IMPLIED BY THESE DRAWINGS.
- CONTRACTOR SHALL NOTIFY THE CRICKET COMMUNICATIONS CONSTRUCTION MANAGER, THE PROPERTY OWNER AND THE ARCHITECT IF ANY DETAIL IS UNUSABLE, UNSAFE, NOT WATERPROOF, OR NOT WITHIN CUSTOMARY TRADE PRACTICE. IF WORK IS FORWARDED, IT WILL BE ASSUMED THAT THERE IS NO OBJECTION TO ANY DETAIL. DETAILS ARE INTENDED TO SHOW THE END RESULT OF THE DESIGN. MINOR MODIFICATIONS MAY BE REQUIRED TO SUIT CONDITIONS, AND SHALL BE INCLUDED AS PART OF THE WORK.
- EXISTING ELEVATIONS AND LOCATIONS TO BE JOINED SHALL BE VERIFIED BY THE CONTRACTOR BEFORE CONSTRUCTION. ANY DEVIATION FROM THOSE SHOWN ON THE PLANS, THE CONTRACTOR SHALL NOTIFY THE CRICKET COMMUNICATIONS CONSTRUCTION MANAGER AND THE ARCHITECT SO THAT MODIFICATIONS CAN BE MADE BEFORE PROCEEDING WITH THE WORK.
- THE CONTRACTOR SHALL VERIFY ALL TELEPHONE & RADIO EQUIPMENT LAYOUTS, SPECIFICATIONS, PERFORMANCE, INSTALLATION AND FINAL LOCATIONS WITH CRICKET COMMUNICATIONS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR COORDINATING HIS WORK WITH ERICSSON RADIO SYSTEMS.
- ALL SYMBOLS AND ABBREVIATIONS USED ON THE DRAWINGS ARE CONSIDERED CONSTRUCTION STANDARDS. IF THE CONTRACTOR HAS QUESTIONS REGARDING THEIR EXACT MEANING, THE CRICKET COMMUNICATIONS CONSTRUCTION MANAGER AND THE ARCHITECT SHALL BE NOTIFIED FOR CLARIFICATION BEFORE THE CONTRACTOR PROCEEDS WITH THE WORK.
- THE CONTRACTOR SHALL OBTAIN AND PAY FOR PERMITS, LICENSES AND INSURANCES NECESSARY FOR PERFORMANCE OF THE WORK AND INCLUDE THESE IN THE COST OF THE WORK TO CRICKET COMMUNICATIONS.
- THE CONTRACTOR SHALL PROVIDE CONTINUOUS SUPERVISION WHILE ANY SUBCONTRACTORS OR WORKMEN ARE ON THE SITE AND SHALL SUPERVISE AND DIRECT ALL WORK. USING HIS BEST SKILL AND ATTENTION, HE SHALL BE SOLELY RESPONSIBLE FOR ALL CONSTRUCTION MEANS, METHODS, TECHNIQUES, PROCEDURES AND SEQUENCES AND FOR COORDINATING ALL PORTIONS OF THE WORK UNDER THE CONTRACT.
- WORKMANSHIP THROUGHOUT SHALL BE OF THE BEST QUALITY OF THE TRADE INVOLVED, AND SHALL MEET OR EXCEED THE FOLLOWING MINIMUM REFERENCE STANDARDS FOR QUALITY AND PROFESSIONAL CONSTRUCTION PRACTICE:
NCA NATIONAL ROOFING CONTRACTORS ASSOCIATION
OTHER INTERNATIONAL CODES
10255 W. HIGGINS ROAD, SUITE 800
PESCADEGO, IL 60131
SMACNA SHEET METAL AND AIR CONDITIONING CONTRACTORS NATIONAL ASSOCIATION
4201 LAURETTE CENTER DRIVE
CHICAGO, IL 60639
I.P. INTERNATIONAL INSTITUTE FOR LATH AND PLASTER
820 TRANSFER ROAD
ST. PAUL, MN 55114-1406
- INSTALL ALL EQUIPMENT AND MATERIALS PER THE LATEST EDITION OF THE MANUFACTURER'S INSTALLATION SPECIFICATIONS UNLESS SPECIFICALLY NOTED TO THE CONTRARY, OR WHERE LOCAL CODES OR REGULATIONS TAKE PRECEDENCE.
- THE CONTRACTOR SHALL VERIFY, COORDINATE AND PROVIDE ALL NECESSARY BLOCKS, BOLTS, FRAMING, HANGERS OR OTHER SUPPORTS FOR ALL ITEMS REQUIRING THE SAME.
- THE CONTRACTOR AND ALL SUBCONTRACTORS SHALL COMPLY WITH ALL APPLICABLE LOCAL, STATE, FEDERAL, AND FEDERAL REGULATIONS AS WELL AS STATE DEPARTMENT OF INDUSTRIAL REGULATIONS AND DIVISION OF INDUSTRIAL SAFETY (OSHA) REQUIREMENTS.
- THE CONTRACTOR SHALL PROTECT THE PROPERTY OWNERS, AND CRICKET COMMUNICATIONS PROPERTY FROM DAMAGE WHICH MAY OCCUR DURING CONSTRUCTION INCLUDING BUT NOT LIMITED TO EXPOSURE TO WEATHER CONDITIONS, ANY DAMAGE TO NEW AND EXISTING FINISHES, CONSTRUCTION STRUCTURE, LANDSCAPING, CURBS, STAIRS, OR CONCRETE ETC. SHALL BE IMMEDIATELY REPAIRED OR REPLACED TO THE SATISFACTION OF CRICKET COMMUNICATIONS AND THE PROPERTY OWNER, OR THE OWNER'S REPRESENTATIVE, AT THE EXPENSE OF THE CONTRACTOR.
- THE CONTRACTOR SHALL BE RESPONSIBLE FOR, AND SHALL REPLACE OR REPAIR, ANY FINISH, IMPROPER OR DEFECTIVE MATERIALS OR WORKMANSHIP OR ANY DAMAGE WHICH SHALL APPEAR WITHIN ONE YEAR AFTER THE COMPLETION AND ACCEPTANCE OF THE WORK BY CRICKET COMMUNICATIONS UNDER THIS CONTRACT.
- IT SHALL BE THE RESPONSIBILITY OF THE GENERAL CONTRACTOR TO LOCATE ALL EXISTING UTILITIES, INCLUDING ON-SITE LATERALS OR CONTACT AN OUTSIDE AGENCY TO LOCATE ALL EXISTING UTILITIES, WHETHER SHOWN HEREIN OR NOT, AND TO PROTECT THEM FROM DAMAGE. THE CONTRACTOR SHALL BEAR ALL EXPENSES FOR REPAIR OR REPLACEMENT OF UTILITIES OR OTHER PROPERTY DAMAGED IN CONNECTION WITH THE EXECUTION OF WORK.
- THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE COMPLETE SECURITY OF THE PROJECT SITE WHILE THE JOB IS IN PROGRESS AND UNTIL THE JOB IS COMPLETED AND ACCEPTED BY CRICKET COMMUNICATIONS.
- THE CONTRACTOR SHALL PROVIDE TEMPORARY WATER, POWER AND TOILET FACILITIES AS REQUIRED BY THE PROPERTY OWNER, CRICKET COMMUNICATIONS, AND THE CITY OR GOVERNING AGENCY.
- THE LATEST EDITION OF ALL PERMITTED AND APPROVED PLANS PERTAINING TO THIS PROJECT SHALL BE KEPT ON-SITE IN A PLAN BOX AND SHALL NOT BE USED BY WORKERS. ALL CONSTRUCTION SETS SHALL REFLECT THE SAME INFORMATION. THE CONTRACTOR SHALL ALSO MAINTAIN IN GOOD CONDITION ONE COMPLETE SET OF PLANS WITH ALL REVISIONS, ADDENDA AND CHANGE ORDERS ON THE PREMISES AT ALL TIMES. THESE ARE TO BE UNDER THE CARE OF THE JOB SUPERINTENDENT.
- THE GENERAL CONTRACTOR IS RESPONSIBLE FOR RETURNING THE CONSTRUCTION DOCUMENTS TO ILLUSTRATE THE AS-BUILT CONDITION OF THE SITE. THIS SHALL BE DONE AFTER THE SITE HAS BEEN AWARDED FINAL INSPECTION BY THE RESPONSIBLE BUILDING AGENCY AND APPROVED BY CRICKET COMMUNICATIONS. ONE SET OF REPRODUCED DRAWINGS SHALL BE PROVIDED TO THE CRICKET COMMUNICATIONS CONSTRUCTION MANAGER.
- THE CONTRACTOR SHALL REMOVE ALL RUBBISH AND WASTE MATERIALS ON A DAILY BASIS, EXCEPT FOR THAT SPECIFIED AS REMAINING THE PROPERTY OF THE BUILDING OR PROPERTY OWNER AND SHALL EXERCISE STRICT CONTROL OVER JOB CLEANING THROUGHOUT CONSTRUCTION INCLUDING FINAL CLEAN-UP UPON COMPLETION OF WORK. ALL AREAS ARE TO BE LEFT IN A BREW CLEAN CONDITION AT THE END OF EACH DAY AND VACUUM CLEAN CONDITION FREE FROM PAINT SPOTS, DUST OR SLAGGED OF ANY NATURE AT COMPLETION OF WORK.
- THE GENERAL CONTRACTOR MUST PERFORM WORK DURING PROPERTY OWNER'S PREFERRED HOURS TO AVOID DISRUPTION OF NORMAL ACTIVITY.
- ALL EXPOSED METAL SHALL BE HOT-DIPPED GALVANIZED.
- SEAL ALL PENETRATIONS THROUGH FIRE-RATED ASSEMBLIES WITH U.L. LISTED OR FIRE MARSHAL APPROVED MATERIALS OF THE APPROPRIATE RATING FOR THE ASSEMBLY WHERE PENETRATIONS OCCUR.

PROPRIETARY INFORMATION

THE INFORMATION CONTAINED IN THIS SET OF DESIGN DOCUMENTS IS PROPRIETARY TO CRICKET COMMUNICATIONS.



ARCHITECTS
1000 W. BROADWAY, SUITE 1000
SAN DIEGO, CALIFORNIA 92101
TEL: 619.594.1100
FAX: 619.594.1101

PREPARED FOR
cricket
6160 CORNERSTONE COURT, SUITE 150
SAN DIEGO, CA 92121

APPROVALS

R.F.	DATE
ZONING	DATE
CONSTRUCTION	DATE
SITE ACQUISITION	DATE
OWNER APPROVAL	DATE

PROJECT NAME
OTAY WATER DISTRICT @ 651
PROJECT NUMBER
SAN-757
651 POINT BARROW DRIVE
CHULA VISTA, CA 91911
SAN DIEGO COUNTY

DRAWING DATES

12/14/05	PRELIM 2D REVIEW (AO)
01/05/06	FINAL 2D PREVIEW (AO)
01/27/06	SUBMITTAL SET (AA)
03/08/06	OWNER COMMENTS (REV)
03/10/06	ANTENNA REVISION (REV)
03/21/06	ANTENNA REVISION 2 (JOB)

SHEET TITLE
SITE PLAN

PROJECTS\cricket\SAN757zd\SAN757zd.A0.DWG



PREPARED FOR

cricket

6160 CORNERSTONE COURT, SUITE 150
 SAN DIEGO, CA 92121

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PROJECT NAME

OTAY WATER DISTRICT @ 651

PROJECT NUMBER

SAN-757

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 CHULA VISTA, CA 91911
 SAN DIEGO COUNTY

DRAWING DATES

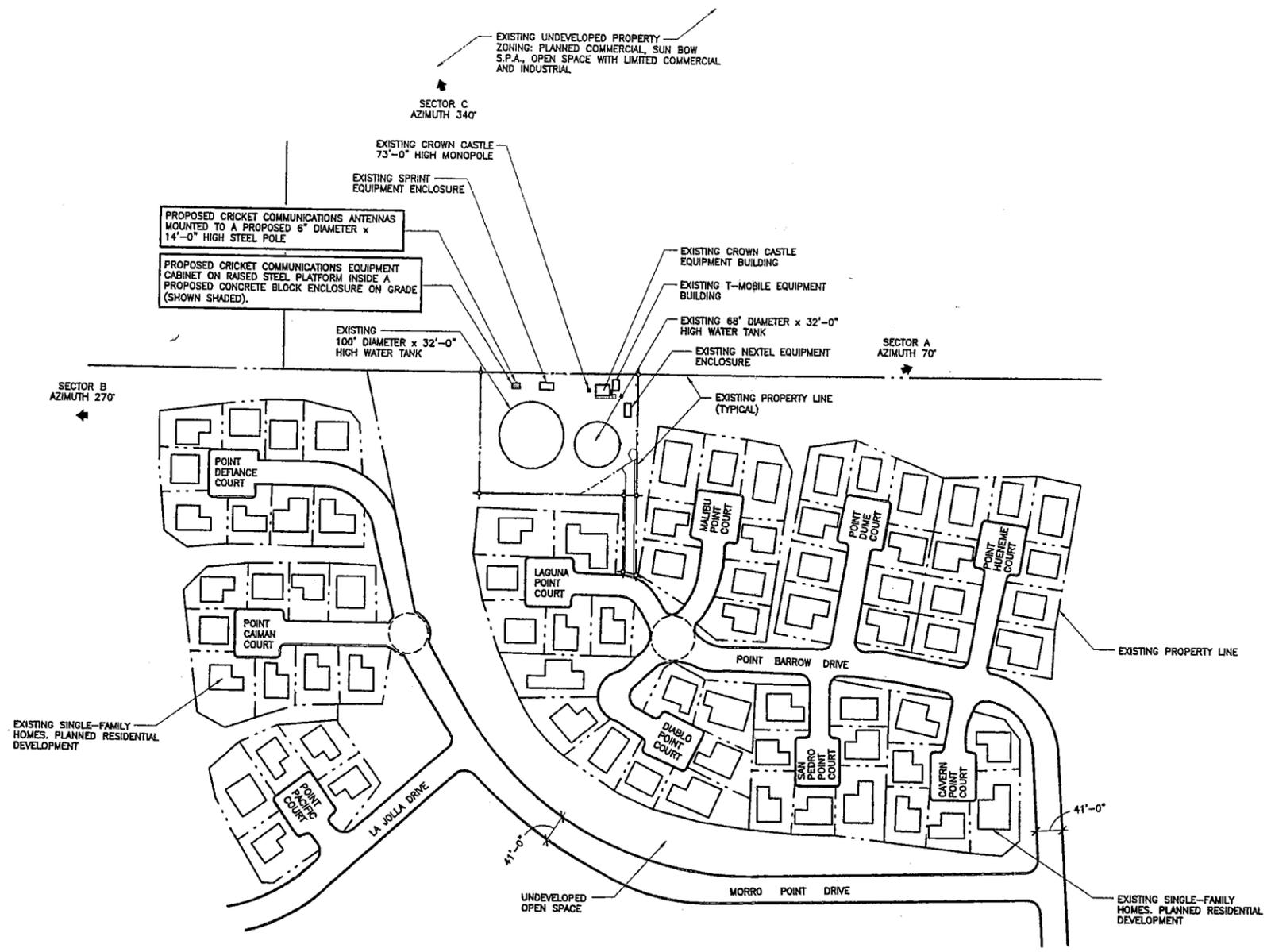
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01/05/06	FINAL ZD PREVIEW (AO)
01/27/06	SUBMITTAL SET (AA)
03/08/06	OWNER COMMENTS (raw)
03/10/06	ANTENNA REVISION (raw)
03/21/06	ANTENNA REVISION 2 (job)

SHEET TITLE

SITE UTILIZATION PLAN

PROJECTS\cricket\SAN757zd\SAN757zA0-1.DWG

A-0.1

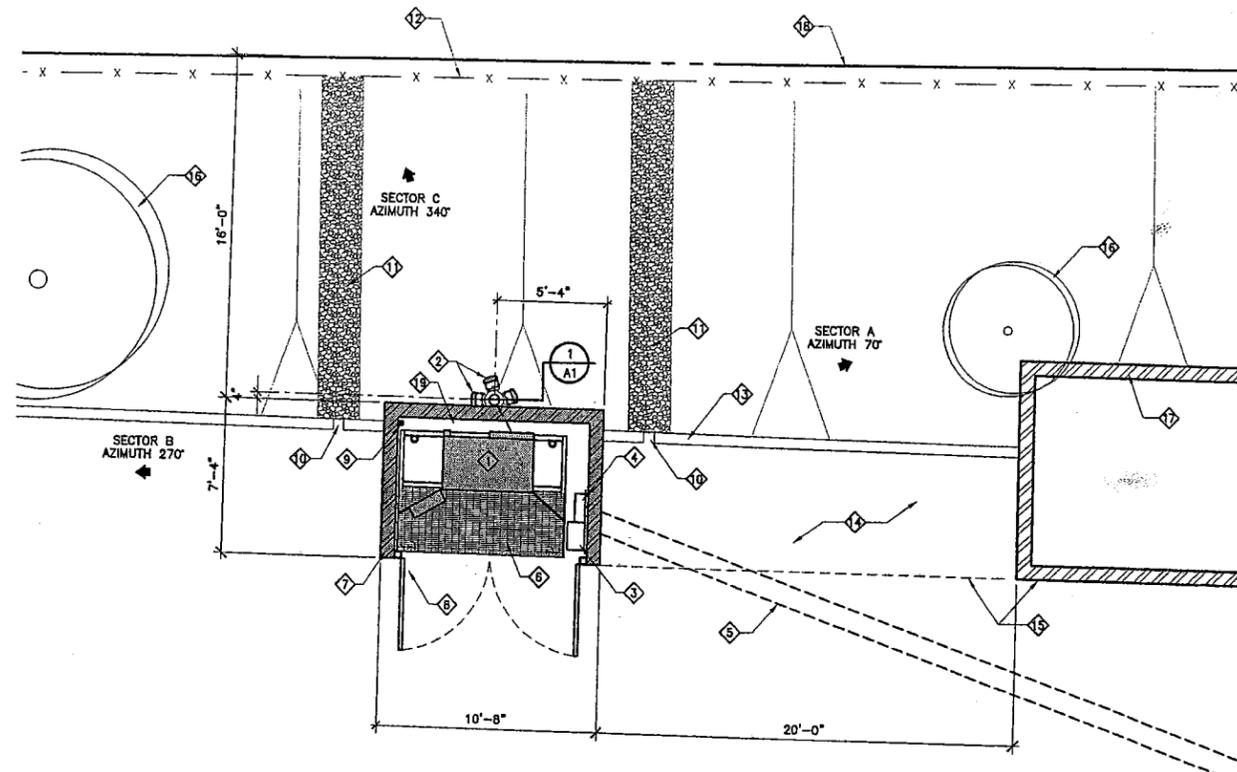


SITE UTILIZATION PLAN

SCALE: 1" = 100'-0"



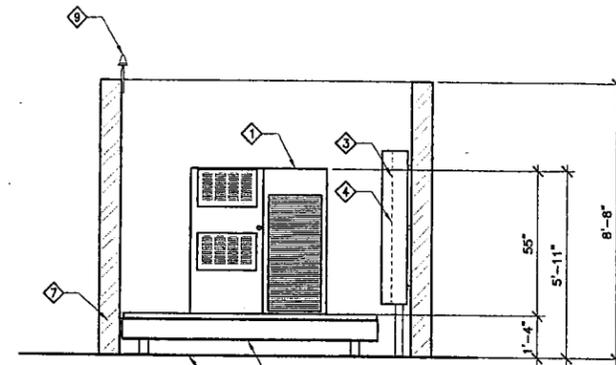
ANTENNA AND COAXIAL CABLE SCHEDULE									
SECTOR ANTENNA	DIRECTION	AZIMUTH	ANTENNA MODEL NUMBER	DOWNTILT	SERIAL NUMBER	NUMBER OF CABLES PER SECTOR	COAX. CABLE LENGTH (+ / - 3')	JUMPER LENGTH (+ / - 3')	COAX SIZE
A1	EAST	70°	CSA PCSX033-18-02	0°		2	20'	6'-0"	7/8"
B1	WEST	270°	CSA PCSX065-13-02	0°		2	20'	6'-0"	7/8"
C1	NORTH	340°	CSA PCSX065-13-02	0°		2	20'	6'-0"	7/8"



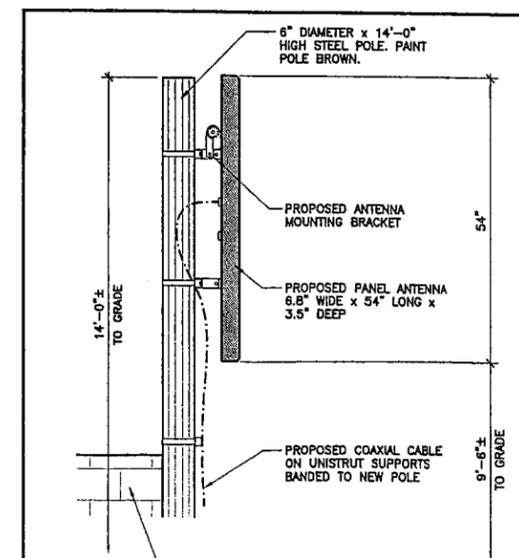
EQUIPMENT PLAN
SCALE: 1/4" = 1'-0"

KEYED NOTES:

- | | |
|--|--|
| ① PROPOSED CRICKET COMMUNICATIONS CMO EQUIPMENT CABINET, 52" WIDE x 30" DEEP x 55" HIGH, WEIGHT: 2600 LBS. | ⑩ PROPOSED CUT IN ASPHALT CURB FOR DRAINAGE |
| ② PROPOSED CRICKET COMMUNICATIONS ANTENNAS MOUNTED TO A PROPOSED 6" DIAMETER x 14'-0" HIGH STEEL POLE, POLE, ANTENNA MOUNTING BRACKET AND ALL EXPOSED COAXIAL CABLE SHALL BE PAINTED BROWN | ⑪ PROPOSED GRAVEL DIVERTER |
| ③ PROPOSED TELCO CABINET MOUNTED ON CONCRETE BLOCK WALL | ⑫ EXISTING 6'-0" HIGH CHAINLINK FENCE |
| ④ PROPOSED PPC CABINET ON CONCRETE BLOCK WALL | ⑬ EXISTING ASPHALT CURB |
| ⑤ PROPOSED UNDERGROUND UTILITY CONDUITS | ⑭ EXISTING ASPHALT PAVING |
| ⑥ PROPOSED RAISED STEEL PLATFORM | ⑮ ALIGN |
| ⑦ PROPOSED 8'-8" HIGH CONCRETE BLOCK WALL TO MATCH EXISTING SPRINT ENCLOSURE PAINTED LIGHT SAND COLOR | ⑯ EXISTING TREE TO REMAIN |
| ⑧ PROPOSED STEEL DOUBLE LEAF GATE TO MATCH EXISTING SPRINT ENCLOSURE WOOD GATE | ⑰ EXISTING SPRINT EQUIPMENT ENCLOSURE |
| ⑨ PROPOSED GPS ANTENNA MOUNTED TO CONCRETE BLOCK WALL | ⑱ PROPERTY LINE |
| | ⑲ PROPOSED COAXIAL CABLE MOUNTED TO ENCLOSURE WALL |



EQUIPMENT ELEVATION
SCALE: 3/8" = 1'-0"



NOTE:

- POLE, ANTENNA, COAXIAL CABLE, SUPPORT FRAME AND BRACKETS SHALL BE PAINTED BROWN
- ALL ELEMENTS OF ANTENNA MOUNT SHALL BE GALVANIZED

ANTENNA MOUNT

SCALE: 3/4" = 1'-0" 1

BOOTH & SUAREZ

PREPARED FOR

cricket

6160 CORNERSTONE COURT, SUITE 150
SAN DIEGO, CA 92121

APPROVALS

R.F.	DATE
ZONING	DATE
CONSTRUCTION	DATE
SITE ACQUISITION	DATE
OWNER APPROVAL	DATE

PROJECT NAME

OTAY WATER DISTRICT @ 651

PROJECT NUMBER

SAN-757

651 POINT BARROW DRIVE
CHULA VISTA, CA 91911
SAN DIEGO COUNTY

DRAWING DATES

12/14/05	PRELIM ZD REVIEW (AO)
01/05/06	FINAL ZD PREVIEW (AO)
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03/08/06	OWNER COMMENTS (rew)
03/10/06	ANTENNA REVISION (rew)
03/21/06	ANTENNA REVISION 2 (job)

SHEET TITLE

EQUIPMENT PLAN & ELEVATION

PROJECTS\cricket\SAN757zd\SAN757za1.DWG

A-1

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6160 CORNERSTONE COURT, SUITE 150
SAN DIEGO, CA 92121

APPROVALS

R.F.	DATE
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PROJECT NAME
OTAY WATER DISTRICT @ 651

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651 POINT BARROW DRIVE
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SAN DIEGO COUNTY

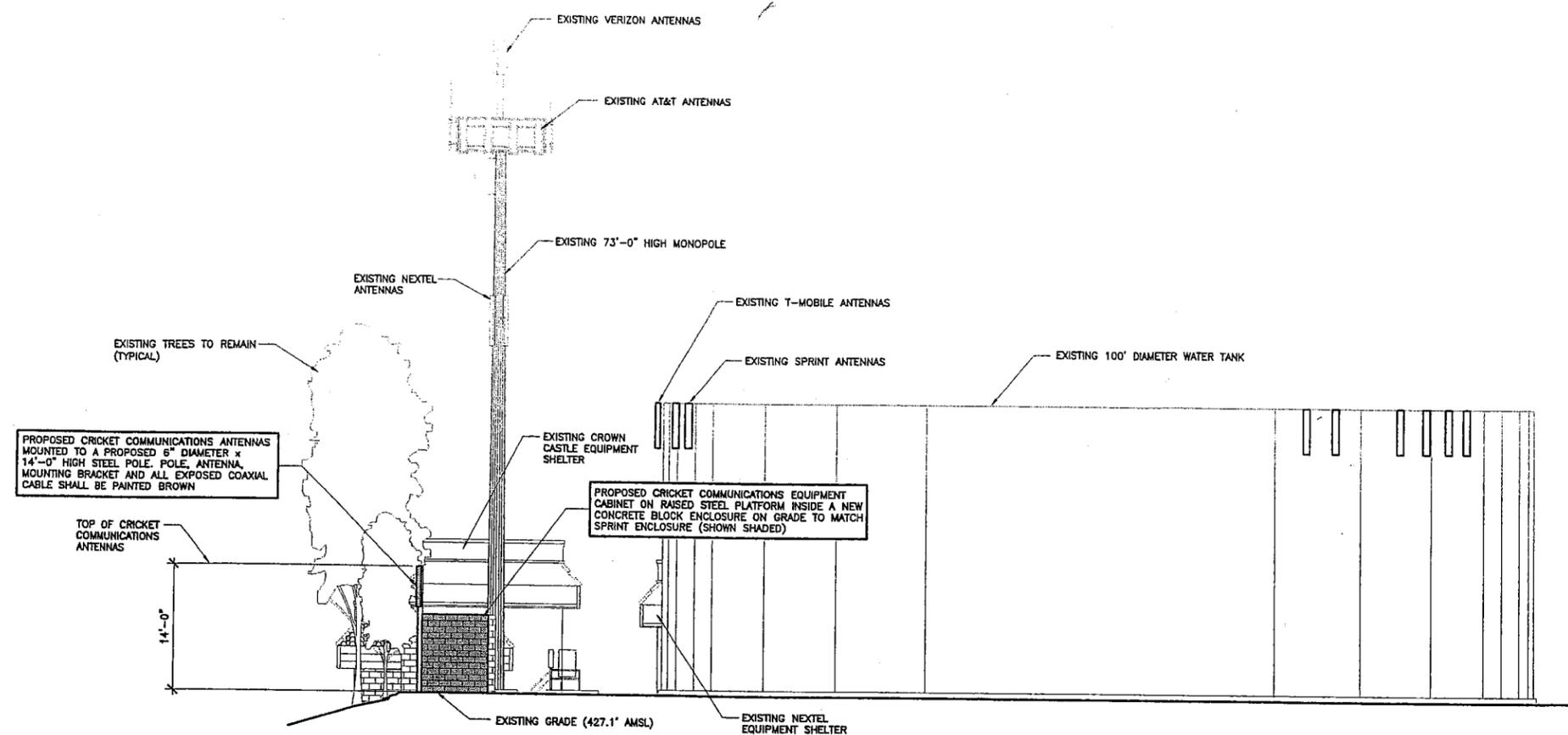
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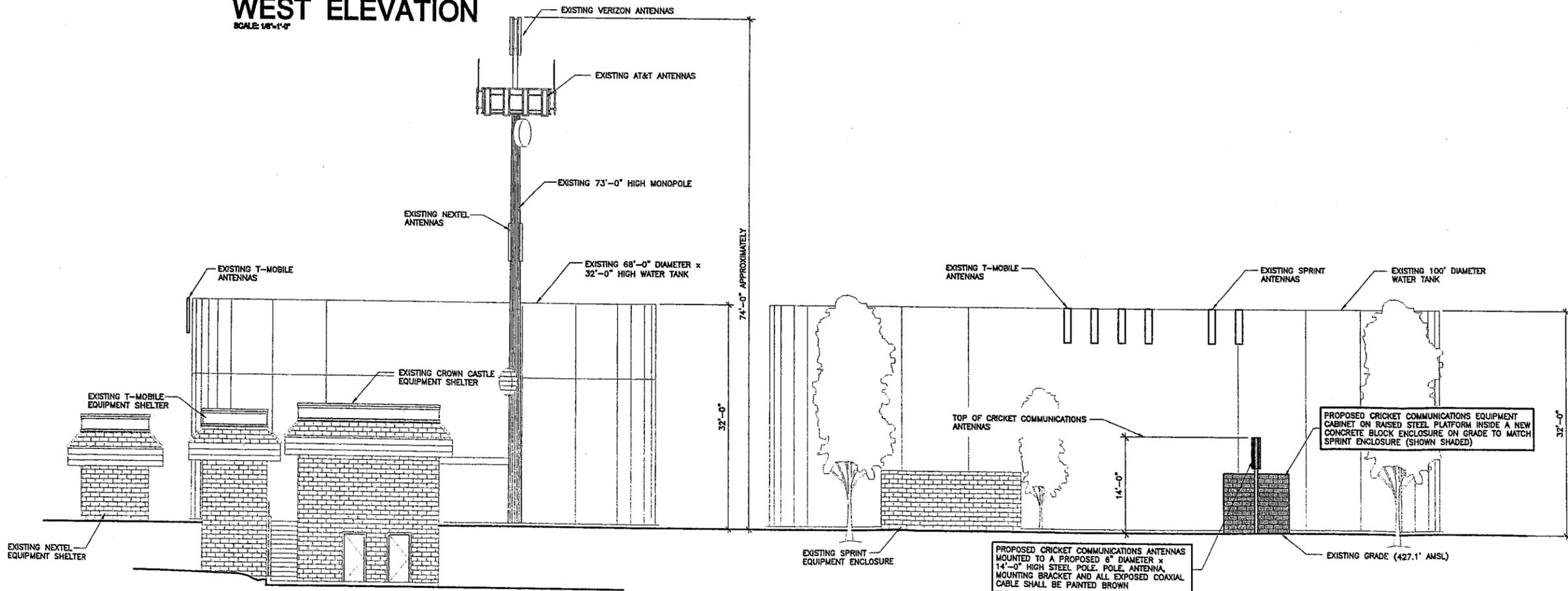
SHEET TITLE

EXTERIOR ELEVATION

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WEST ELEVATION
SCALE: 1/8"=1'-0"



NORTH ELEVATION
SCALE: 1/8"=1'-0"



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6160 CORNERSTONE COURT, SUITE 150
SAN DIEGO, CA 92121

APPROVALS

R.F.	DATE
ZONING	DATE
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SITE ACQUISITION	DATE
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PROJECT NAME
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SAN-757
651 POINT BARROW DRIVE
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SAN DIEGO COUNTY

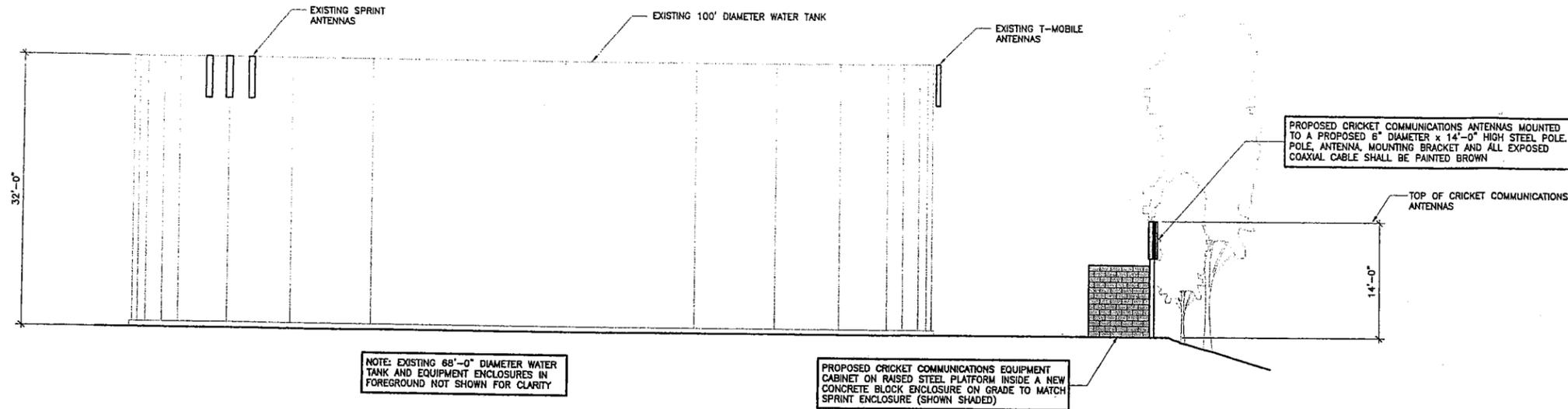
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03/21/06	ANTENNA REVISION 2 (job)

SHEET TITLE

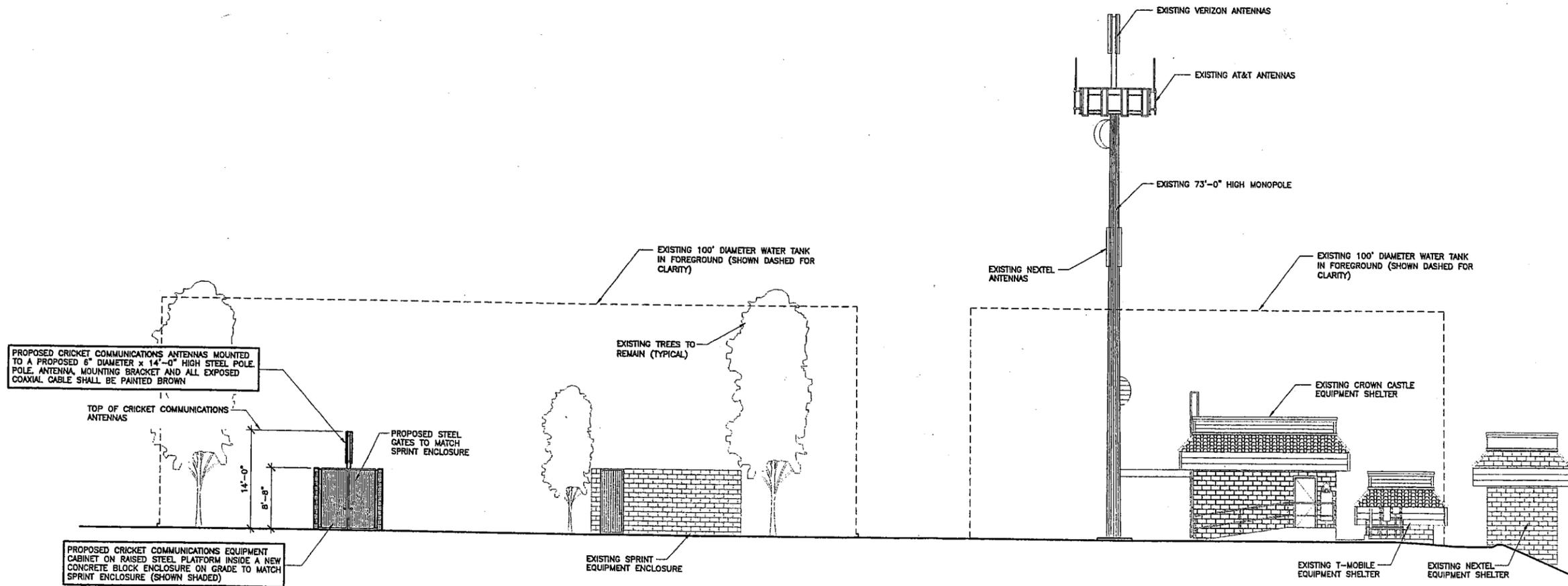
EXTERIOR ELEVATION

PROJECTS\cricket\SAN757zd\SAN757za3.DWG



EAST ELEVATION

SCALE: 1/8"=1'-0"



SOUTH ELEVATION

SCALE: 1/8"=1'-0"

EXHIBIT E

**TO AGREEMENT BETWEEN CRICKET
COMMUNICATIONS, INC., A DELAWARE
CORPORATION AND OTAY TO LOCATE
COMMUNICATION FACILITIES AT OTAY'S 458-1&2
RESERVOIR SITE, DATED _____, _____ (THE
"LEASE")**

Memorandum of Lease

Check one option.

- None.
- See Attached.