

OTAY WATER DISTRICT  
ENGINEERING AND OPERATIONS COMMITTEE MEETING  
and  
SPECIAL MEETING OF THE BOARD OF DIRECTORS

2554 SWEETWATER SPRINGS BOULEVARD  
SPRING VALLEY, CALIFORNIA  
Board Room

**Wednesday**  
**August 23, 2006**  
**11:30 A.M.**

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

**AGENDA**

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

**INFORMATION / ACTION ITEMS**

3. UPDATE ON SAN DIEGO GAS & ELECTRIC ENERGY PROGRAM (PORRAS)  
[10 minutes]
4. CAPITAL IMPROVEMENT PROGRAM FISCAL YEAR-END 2006 UPDATE  
(POSADA) [15 minutes]
5. ADJOURNMENT

**BOARD MEMBERS ATTENDING:**

Gary Croucher  
Jose Lopez

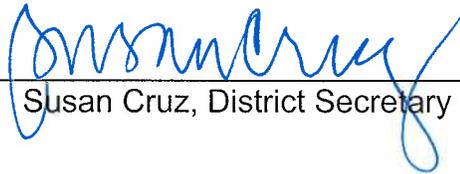
All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

If you have any disability that 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.



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Susan Cruz, District Secretary



## AGENDA ITEM 3

### STAFF REPORT

TYPE MEETING:	Engineering and Operations Committee Meeting	MEETING DATE:	August 23, 2006
SUBMITTED BY:	Pedro Porras  Chief of Operations	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Pedro Porras Chief of Operations		
APPROVED BY: (Asst. GM):	Manny Magaña  Assistant General Manager of Engineering and Operations		
SUBJECT:	SDG&E Electric Power Program		

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

To inform the Committee of the SDG&E electric power program in which the District will participate.

#### **COMMITTEE ACTION:**

None

#### **PURPOSE:**

To inform the Engineering and Operations Committee members of the electric power program the District is participating in to reduce electric power costs.

#### **ANALYSIS:**

The District presently purchases its entire power load from SDG&E; our annual energy consumption is over 20 million KWh. Consumption is expected to rise as new facilities come on line, such as the new 980-2 Pump Station and the pump stations that will be supporting the recycled water flows from the City of San Diego's South Bay Water Reclamation Facility.

The District has been taking steps to minimize energy usage for over 20 years. The District is continuously saving energy while maintaining service through higher performance components, devices, systems and practices, as well as participating in energy audits. The District also saves energy through temporary or permanent curtailment programs through its participation in the SDG&E Critical Peak Pricing (CPP) Program.

Since the year 2000, energy expenses have increased and growth within the District has been unprecedented. Nonetheless, the District has been able to reduce its energy expenses by participating in and implementing several energy reduction programs. The average monthly cost of energy for 2001 was \$142,170.82. In 2003 the District was able to reduce expenses to a monthly average of \$127,653.12.

During the months of February and March of 2004 the San Diego Regional Energy Office conducted energy audits and economic feasibility studies of six of our major power consumption facilities. The California Public Utilities Commission funded these audits. Out of the six facilities, it was found that two facilities (pump stations) were operating at the most optimum energy efficiency; therefore, no further potential energy savings were identified. For the remaining four facilities, the audit identified only minor areas of potential energy savings, such as revising the pump operating sequence to use the most efficient pumps. These audits show that the District has been very proactive in using power with performance components, devices, systems and/or practices as efficiently as possible. During 2004 the District was able to save \$93,680 under SDG&E's Critical Peak Pricing Program.

In 2005 a total of 36 organizations in California won the 4th Annual Flex Your Power Award. The District was one of these organizations which was recognized under the Demand Response/Conservation category for our activities or equipment used to reduce energy use during certain times of the day (e.g. at peak) by shedding or shifting demand—also referred to as load management.

Currently, the District has eight facilities participating in SDG&E's demand response program which use electrical rates as incentives to help us better manage our electricity use during periods of high peak demand. We can help ease demand by reducing our peak electricity use during critical demand periods and help ensure reliable and affordable electricity for all our communities.

Lastly, the District is close to finalizing an agreement with the County of San Diego who owns and operates a small power generation plant fueled by landfill gas. This plant is located at the Jamacha Landfill adjacent to the District's wastewater treatment plant and it is expected to produce 210 kW. This is a win-win plan that will collect landfill gas to produce electricity to run the District's wastewater treatment plant that in turn produces recycled water.

**FISCAL IMPACT:**

None

**STRATEGIC GOAL:**

To operate our systems as effective and efficient as possible.

**LEGAL IMPACT:**

None

A handwritten signature in blue ink, appearing to read "M. Watts", is written above a horizontal line.

**General Manager**



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	SDG&E Electric Power Program
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### **COMMITTEE ACTION:**

The Engineering and Operations Committee met on August 23, 2006 to review the background and status of the District's SDG&E Electric Power Program.

### **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 4

### STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 6, 2006
SUBMITTED BY:	Pat Vaughan <i>Pat Vaughan</i>	PROJECT:	P2210 DIV. NO. ALL
APPROVED BY: (Chief):	Rod Posada <i>Rod Posada</i>		
APPROVED BY: (Asst. GM):	Manny Magaña <i>M Magaña</i>		
SUBJECT:	Informational Item - FY 2006 Year-End CIP Report		

#### GENERAL MANAGER'S RECOMMENDATION:

That the Board accept the FY 2006 Year-End CIP Report for review and receive a summary via PowerPoint presentation.

#### COMMITTEE ACTION:

Please see Attachment A.

#### PURPOSE:

To update the Board about the status of all CIP project expenditure highlights, significant issues, progress, and milestones on major projects.

#### ANALYSIS:

To keep up with growth and to meet our ratepayers' expectations to adequately deliver safe, reliable, cost-effective, and quality water, each year Otay WD staff prepares a five-year rolling CIP that identifies the Otay WD infrastructure needs. The CIP is comprised of five categories consisting of backbone capital facilities, maintenance projects, developer's reimbursement projects, non-operating expenses, and capital purchases.

The quarterly update is intended to provide a detailed analysis of progress in completing these projects within the allotted time and budget. Staff continues to strive to achieve the targeted goal of at least 70 to 80% of the total fiscal year budget amount. Overall expenditures in this Fiscal Year totaled 36.3 Million, which is 92%, with CIP backbone facilities at 107%.

**FISCAL IMPACT:** \_\_\_\_\_

None.

**STRATEGIC GOAL:**

The CIP supports the mission of providing the best quality of water and wastewater service to the customers of the Otay Water District in a professional, effective, efficient, and sensitive manner, in all aspects of operation, so that public health, environment, and quality of life are enhanced.

**LEGAL IMPACT:**

None.

  
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**General Manager**

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## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Informational Item - FY 2006 Year-End CIP Report (Project P2210)
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### COMMITTEE ACTION:

Engineering & Operations Committee met to consider this item on August 23, 2006. The Committee supported staff's recommendation.

### 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.