OTAY WATER DISTRICT

BOARD OF DIRECTORS MEETING
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

TUESDAY
July 10, 2007
3:30 P.M.

AGENDA

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. APPROVAL OF AGENDA

4. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETINGS OF DECEMBER 6, 2006 AND APRIL 4, 2007; AND SPECIAL MEETING OF APRIL 4, 2007

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

CONSENT CALENDAR

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

   a) APPROVE A TWO-YEAR LANDSCAPE MAINTENANCE CONTRACT WITH AN OPTION TO RENEW THE CONTRACT FOR TWO ADDITIONAL YEARS TO GREENSCAPE IN THE FOLLOWING AMOUNTS:

i.	YEAR 1	$69,600
ii.	YEAR 2	$73,080
iii.	OPTION YEAR 3	$76,800
iv.	OPTION YEAR 4	$80,580

   b) APPROVE A THREE-YEAR JANITORIAL SERVICES CONTACT FOR THE DISTRICT'S ADMINISTRATIVE AND OPERATION FACILITIES TO PACIFIC BUILDING MAINTENANCE WITH AN OPTION TO NEGOTIATE TO CONTINUE THE CONTRACT FOR AN ADDITIONAL TWO YEARS AT THE GENERAL MANAGER'S DISCRETION IN THE FOLLOWING AMOUNTS:

v.	YEAR 1	$33,540
vi.	YEAR 2	$33,540
vii.	YEAR 3	$33,540
viii.	OPTION YEAR 4	TO BE NEGOTIATED
ix.	OPTION YEAR 5	TO BE NEGOTIATED

c) ADOPT RESOLUTION NO. 4103 APPROVING AMENDMENTS TO THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY JOINT POWERS AGREEMENT AS IT RELATES TO CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

d) ADOPT RESOLUTION NO. 4099 TO ESTABLISH THE TAX RATE FOR IMPROVEMENT DISTRICT NO. 27 AT $.006 FOR FISCAL YEAR 2007-2008

e) ADOPT RESOLUTION NO. 4100 OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TERMS AND CONDITIONS FOR THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT OF THOSE LANDS DESCRIBED AS "ESHO ANNEXATION" (APN 517-112-49-00) AND ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 18 (WO 0210-20.289)

f) ADOPT RESOLUTION NO. 4102 OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TERMS AND CONDITIONS FOR THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT OF THOSE LANDS DESCRIBED AS "ROBERT AND CYNTHIA TAYLOR (APNs 519-283-05 and 519-283-06) AND MICHAEL AND MARION SOLOWAY (APN 519-283-04)," AND ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 18 (WO 0210-20.288)

g) APPROVE THE REQUEST TO REIMBURSE MCMILLIN OTAY RANCH, LLC FOR THE COMPLETED CAPITAL IMPROVEMENT PROJECT, MCMILLIN OTAY RANCH VILLAGE 7, ROCK MOUNTAIN ROAD, 8-INCH RECYCLED PIPELINE (CIP R2043) IN THE AMOUNT OF $53,146.80

h) APPROVE THE REQUEST TO REIMBURSE MCMILLIN ROLLING HILLS RANCH, LLC AS THE SUCCESSOR IN INTEREST TO THE REIMBURSEMENT AGREEMENT BETWEEN OTAY WATER DISTRICT AND PACIFIC BAY HOMES DATED JANUARY 20, 1998, FOR THE 16" POTABLE WATER PIPELINE FROM PROCTOR VALLEY ROAD TO THE 1296 PUMP STATION (CIP P2070) IN THE AMOUNT OF $392,637

i) APPROVE THE REQUEST TO REIMBURSE BROOKFIELD SHEA OTAY, LLC FOR THE COMPLETED CAPITAL IMPROVEMENT PROJECTS (CIP NOS. P2169, P2397) IN THE AMOUNT OF $436,525.95

j) AWARD OF A CONTRACT TO UNDERGROUND UTILITIES, INC. IN THE AMOUNT OF $208,500 FOR RETROFITTING UP TO 3,500 EXISTING MANUAL-READ METERS WITH NEW AUTOMATED-METER-READ (AMR) METERS

k) AWARD OF A CONSTRUCTION CONTRACT TO ORTIZ CORPORATION IN THE AMOUNT OF $831,000 FOR THE INSTALLATION OF A 12-INCH PVC WATER LINE AND REMOVAL OF A 10-INCH ACP WATER LINE ALONG OLIVE VISTA DRIVE (CIP P2459)

l) AWARD OF A PROFESSIONAL AS-NEEDED ENVIRONMENTAL SERVICES CONTRACT WITH JONES & STOKES IN THE AMOUNT OF $300,000 OVER A PERIOD OF THREE FISCAL YEARS, NOT TO EXCEED $100,000 PER FISCAL YEAR

m) AUTHORIZE THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH THE SAN DIEGO COUNTY WATER AUTHORITY TO CONTINUE PARTICIPATION IN THE RESIDENTIAL WATER CONSERVATION PROGRAMS

n) UPDATE ON AB 1420, WATER DEMAND MANAGEMENT MEASURES, AND AB 1435, WATER CHARGES – CONSERVATION RATE STRUCTURE, LEGISLATION

INFORMATION / ACTION ITEMS

7. ADMINISTRATION AND FINANCE

a) PUBLIC HEARING TO CONTINUE WATER AND SEWER AVAILABILITY CHARGES FOR FISCAL YEAR 2007-2008

1) ADOPT RESOLUTION NO. 4096 TO CONTINUE WATER AND SEWER AVAILABILITY CHARGES FOR DISTRICT CUSTOMERS FOR FISCAL YEAR 2007-2008 TO BE COLLECTED THROUGH PROPERTY TAXES (HENDERSON)

b) PUBLIC HEARING TO RECEIVE THE PUBLIC'S COMMENTS ON THE 2005 UPDATED URBAN WATER MANAGEMENT PLAN

1) ADOPT RESOLUTION NO. 4098 ADOPTING AMENDMENTS TO THE DISTRICT'S UPDATED 2005 URBAN WATER MANAGEMENT PLAN (GRANGER)

c) APPROVE THE FORM OF THE PROPOSITION 218 HEARING NOTICES RELATED TO THE PROPOSED WATER AND SEWER RATE INCREASES TO BE EFFECTIVE JANUARY 1, 2008

d) UPDATE ON THE 2007 QUALSERVE BENCHMARK RESULTS (STEVENS)

e) STATUS OF SECURITY AND EMERGENCY PREPAREDNESS (BURPEAU)

8. BOARD INFORMATION / ACTION ITEMS

a) DISCUSSION OF 2006 BOARD MEETING CALENDAR

REPORTS

9. GENERAL MANAGER'S REPORT

a) UPDATE ON THE 30" RECYCLED WATER PIPELINE PROJECT (SEE ATTACHMENT "A")

b) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

10. DIRECTORS' REPORTS / REQUESTS

11. PRESIDENT'S REPORT / REQUESTS

12. ADJOURNMENT

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

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

Certification of Posting

I certify that on July 6, 2007, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 72 hours in advance of the regular meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on July 6, 2007.

Connie Rathbone

Connie Rathbone, Assistant District Secretary

AGENDA ITEM 4

MINUTES OF THE
BOARD OF DIRECTORS MEETING
OTAY WATER DISTRICT
December 6, 2006

1. The meeting was called to order by President Bonilla at 3:30 p.m.

2. ROLL CALL

   Directors Present: Bonilla, Breitfelder, Lopez and Robak

   Directors Absent: Croucher (out-of-town and unable to attend the board meeting)

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

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

   A motion was made by Director Breitfelder, seconded by Director Lopez and carried with the following vote:

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

   to approve the agenda.

5. APPROVAL OF MINUTES OF THE BOARD MEETING OF OCTOBER 4, 2006

   A motion was made by Director Breitfelder, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Robak and Lopez
Noes:	None
Abstain:	None
Absent:	Director Croucher

   to approve the minutes of the board meeting of October 4, 2006.

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

Mr. Leonard Tolvo of El Cajon indicated that he is an Otay WD customer and had spoken to a district employee about five or six months ago about his neighbor who he felt was wasting water by washing down her driveway, sidewalk and the street in front of her home at least twice a week. The Otay employee indicated that they would handle it, but his neighbor is continuing her practice of washing down her driveway, etc. He indicated he has not heard any feedback and is requesting that the District please follow-up on his request. General Manager Watton indicated that the District would look into the matter and if he could please leave his contact information with District Secretary Cruz, the District will contact him with the outcome in the matter.

Mr. Jim Clements of El Cajon indicated that he was a former employee of the Otay Water District and had recently retired with almost 18 years of service to the district. He stated that he is requesting that the current board make right of a situation that occurred six years ago when the District eliminated the jobs of five employees through a layoff. He stated that many of the current board members were not on the District's board during the time of the layoffs. He indicated that the matter has been ongoing for six years and has been costly to both the former employees and the district. He stated that he is requesting that the current board agree to go to settlement as soon as possible and resolve this matter quickly prior to it going to trial.

CONSENT CALENDAR

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

A motion was made by Director Lopez, seconded by Director Breitfelder and carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Robak and Lopez
Noes:	None
Abstain:	None
Absent:	Director Croucher

to approve the following consent calendar items.

a) OVERVIEW OF THE DISTRICT'S MEDICAL PROGRAM AND FISCAL YEAR 2007 BUDGET

b) APPROVE THE PURCHASE OF AN ADDITIONAL 17,000 RADIO-READ WATER METERS FROM MASTER METERS, INC. THROUGH FISCAL YEAR 2010 UNDER THE TERMS AND CONDITIONS CONTAINED IN THE 10-YEAR AGREEMENT APPROVED BY THE BOARD ON DECEMBER 7, 2005

c) APPROVE CONTRACTS WITH THE FOLLOWING FIRMS FOR SERVICES RELATED TO THE PENDING BOND SALE: (BEACHEM) [10 minutes]

i) CONTRACT WITH THE FIRM OF GARCIA, CALDERON, RUIZ AND THE FIRM OF SIDLEY AUSTIN FOR CO-BOND COUSEL SERVICES FOR A COMBINED $50,000 PLUS OUT-OF-POCKET EXPENSES NOT TO EXCEED $1,000

ii) CONTRACT WITH THE FIRM OF STRADLING, YOCCA, CARLSON & RAUTH FOR DISCLOSURE COUNSEL SERVICES FOR $22,500 PLUS OUT-OF-POCKET EXPENSES NOT TO EXCEED $2,500

iii) CONTRACT WITH UNION BANK FOR TRUSTEE SERVICES FOR AN AMOUNT NOT TO EXCEED $1,500 PLUS INCIDENTAL OUT-OF-POCKET EXPENSES

d) AWARD A PROFESSIONAL SERVICES CONTRACT FOR AS-NEEDED GEOTECHNICAL SERVICES TO SOUTHERN CALIFORNIA SOIL AND TESTING, INC. FOR AN AMOUNT NOT TO EXCEED $150,000 DURING FISCAL YEARS 2007 AND 2008

e) PRESENTATION OF ANNUAL WATER CONSERVATION REPORTS FOR FISCAL YEARS 2005 AND 2006

INFORMATION / ACTION ITEMS

8. ENGINEERING AND WATER OPERATIONS

a) UPDATE REPORT ON THE STATUS OF THE CAPITAL IMPROVEMENT PROJECTS (C.I.P.) FOR THE FIRST QUARTER OF FISCAL YEAR 2007

Engineering Manager Ron Ripperger stated that he wished to introduce a new district employee, Ms. Lisa Coburn-Boyd, Environmental Compliance Specialist, who started approximately two weeks ago. President Bonilla welcomed Ms. Coburn-Boyd to the District.

Engineering Manager Ron Ripperger then indicated that he would be providing an update on the CIP projects for the 1st Quarter of Fiscal Year 2007. He stated to keep up with the growth within the District's service area and to meet customers' expectations, district staff prepares a 6-year rolling CIP report that contains information about budget, allocation of funds, project costs, locations, descriptions, justification and schedules. He stated that the CIP is broken down into four categories consisting of 90 projects totaling $36.6 million. The four categories are:

1.	Capital Facilities	$26.7 million
2.	Placement / Renewal	$4.6 million

3.	Capital Purchases	$1.9 million
4.	Developer Reimbursement	$3.4 million

He noted that overall expenditures for the 1st Quarter of FY07 totaled approximately $9.2 million which is 100% of the forecast expenditures for the quarter. He presented a slide showing the expenditures to date which is approximately 25% of the total FY07 budget.

Engineering Manager Ripperger also presented a map showing the location and status of each CIP project and reviewed in detail the status of the flagship projects which included the Sweetwater Springs Agency Interconnection, the 944-1 & 2 Reservoirs and Paving, I-905 Utility Relocations, Seismic Vaults and R.W. Meter and Check Valve Vaults, 450-1 Reservoir & 680-1 Pump Station, 30" Recycled Water Pipeline Project, etc. He also reviewed the status of the consultant contracts for the various projects and the construction contracts. He noted that the district has achieved a -2% for change orders for construction contracts this fiscal year. He stated that the presentation also includes detailed information on the status of each project which he will not review during today's meeting, but the information has been included in the board meeting packet and members can review it at their convenience. He stated that Chief Financial Officer Joe Beachem will be presenting on the fiscal impact of the CIP.

Chief Financial Officer Beachem indicated that the board is aware that the District follows a very detailed budget process each year and sets funding targets for the CIP based on cash flow projections. He stated with the amount of large CIP projects occurring at this time and the high level of accomplishment in meeting expenditure projections at 100%, the District is exceeding its projections for required cash flow. It is expected that the District will again complete 100% of the budget next fiscal year and while this is a good news story, it presents a cash flow challenge for the District as it has projected an 80% funding level (based on historical levels). He indicated that due to the financial strength of the District, there are several ways that the District can deal with this funding challenge. He presented two options:

1. Draw Down Reserves

    a. This is not the recommended path as it would not comply with the best practice set by the District's Reserve Policy which protects the District from various risks.
    b. Drawing down the reserves (funds) below the set target levels of the Reserve Policy will place the District in a situation in which it must raise rates in order to reimburse the funds.
    c. It will also be viewed negatively, especially, from a market perspective.
    d. The impact of drawing down the reserves is much greater than the alternate option of issuing additional debt.

2. Issue Additional Debt

a. This option would allow the District to comply with both its Financial and Debt Policies.
b. The District is currently in the process of issuing debt and the District would be able to include an additional $14.5 million to resolve the cash flow issue.
c. The District's consultants (financial advisor, bond counsel and trustee) indicate that they would not increase their fees if the District decided to increase its planned debt issuance by $14.5 million.
d. The District will maintain all reserves at target levels throughout the rate model period.
e. To support the increase in debt, staff is proposing that the District increase the last three years of the planned six year period rate increase to 5.1% from 3.9%. The original plan was to increase rates by 5.4% for three years and dropping the increase in the last three years to 3.9%. This would avoid a spike in rates and would allow recovery of the debt.
f. The District will also be able to maintain the required debt coverage ratio of 120%, and by the end of the six-year period, the debt coverage ratio would climb back up to above the District's target of 150%.

Chief Financial Officer Beachem indicated that staff recommends option 2 to meet cash flow needs. General Manager Watton indicated that staff would be presenting the request to issue this debt at the February 2007 board meeting. He stated that staff wished to present this information so the board is aware of the issue.

Director Robak indicated that the Finance and Administration Committee reviewed this item in detail and the minutes from the committee meeting reflects the discussion which have been attached to the staff report. He stated that the committee supported staffs' recommendation. He indicated that he has had some time following the committee meeting to reflect on the information and thought about whether the District was collecting enough money from new development in terms of growth and if they were paying their fair share as he thought that it may be possible to avoid the need for a portion of the additional debt if the District was not collecting enough money from new developments. Chief Financial Officer Beachem indicated that staff has actually re-evaluated capacity fees twice over the past five years. He stated that staff goes through an evaluation process to assure that the developers are paying for expansion projects and staff had hired a firm both times to help the District evaluate the fees. He stated that he is confident that the District is collecting the appropriate amount based on the law to recuperate expansion costs. He stated that this particular issue is a timing issue and not one of greater expense. He stated that if it were an issue of increasing expenses, then the District would wish to consider re-evaluating the capacity fees.

Director Robak inquired if the money was for both Replacement/Rehabilitation and Expansion. Chief Financial Officer Beachem indicated that the debt is for Betterment, Replacement and Expansion (three categories). He stated that he would need to go back to review the rate model to see how the monies would be split among the categories.

General Manager Watton indicated that President Bonilla had asked a similar question and the board has been provided a history of the capacity fees which are adjusted quarterly per the Engineering News-Record (ENR) inflation index. He stated there was a large increase to the ENR last year and, thus. the District needed to re-price some of the CIP projects and also needed to increase the capacity fees. It was discussed that the fee was then, at some point, too low and the need for the additional debt could be attributed, in part, to this fact.

President Bonilla indicated that the District should establish a process where the CIP is reviewed and re-priced on a constant basis. This will help the board feel more comfortable.

Director Lopez indicated that the Engineering and Water Operations Committee also reviewed this item and the committee was interested in what projects were already moving forward, which were being reviewed and their current status. He indicated that the committee was especially interested in reclaimed water and if the City of San Diego was still on track on this project. General Manager Watton indicated that the City was still on track.

Director Breitfelder inquired why the District shouldn't use some of its reserves to fund the projects. He stated that it would cost the District less in interest by doing so. He asked how this would hurt the District's credit status. Chief Financial Officer Beachem indicated that it would hurt the District's credit as the District would be going against the reserve targets it has set in its Reserve Policy. He stated that having less debt would always be good, however, the question is what is the District compromising to accomplish less debt. The District would be compromising its reserve targets which is critical as it compromises the District's available cash.

Director Breitfelder inquired that by compromising our status by utilizing reserves, would the District then have higher interest rate costs in the future. Chief Financial Officer Beachem indicated that it would be difficult for him to determine when it would begin affecting the District or the likelihood that that it would occur. He noted, however, that the District had developed the six-year rate model wherein the CIP projects were funded through the reserves. This will bring the reserves down over the six year period to the target levels set within the District's policy. He stated that by the end of the six-year model, the reserves would be at their target levels and there would be no surplus reserves that could be utilized. If additional reserves were utilized it would bring the District down below its policy target levels.

b) APPROVE A BUDGET INCREASE FOR THE 640-1 AND 640-2 RESERVOIRS PROJECT FROM $27 MILLION TO $29.5 MILLION AND AWARD A CONSTRUCTION CONTRACT TO PACIFIC HYDROTECH CORPORATION, INC. IN THE AMOUNT OF $24,894,000 FOR THE CONSTRUCTION OF THE 640-1 AND 640-2 RESERVOIRS (RIPPERGER)

Engineering Manager Ron Ripperger presented a video which shows a computer generated image of the 640 reservoir site. He indicated that staff is requesting that the board approve an increase to the budget for the 640 Reservoirs Project

from $27 million to $29.5 million and award a construction contract to Pacific Hydrotech Corporation in the amount of $24,894,000 for the construction of the 640 - 1 & 2 reservoirs.

He indicated that this is the largest construction project in the history of the District and it will be part of the East County Regional Treated Water Program. The reservoirs would enhance storage in the north district and will receive water from Flow Control Facility 14 via a new 36-inch pipeline that is currently in construction. He stated that the project would allow the deletion of four projects from the CIP that will offset costs. He noted that the environmental review has gone very well and has been presented to the Valle de Oro Community Planning Group.

He reviewed in detail the construction work which is broken down into four (4) components: (1) the preparation of the site (earthwork); (2) construction of the two 10 million gallon above ground reservoirs; (3) installation of 10,000 lineal feet of piping and; (4) demolition of the 520-1 reservoir.

Engineering Manager Ripperger indicated that staff consulted with a risk assessment firm, WRA & Associates, and a construction management firm, RBF, to review the plans and drawings and determine if there are any risks or items that might be improved prior to the project being bid. He indicated that the review resulted in a recommendation to increase the budget by $1.1 million to provide allowance for a cost loaded schedule, possibility of the need to install sound barriers, disposal of regulated material, locating of unknown utilities, etc. He stated that staff felt that it was prudent to include the risk assessment recommendations within the budget costs and that the allowance would only be utilized if necessary.

He further shared that staff followed the normal bid process and had opened bids on November 9, 2006. He stated that the District received six (6) bids ranging from $24.8 to $35.5 million. The engineer's estimate was $25.8 million. He noted that staff reviewed each bid in detail and selected Pacific Hydrotech Corp. as the lowest responsive bidder. He stated that their references have checked out.

Engineering Manager Ripperger noted that following the presentation of staff's report and recommendation to the Engineering & Water Operations and the Finance & Administration Committees, held on November 15 and 20 respectively, staff received two letters from SEMA Construction, Inc., the second lowest bidder, protesting the award of the construction contract to Pacific Hydrotech Corp. indicating that Pacific Hydrotech Corp. no longer employed the superintendent that was indicated in their bid to oversee the project. Mr. Kirk Harnes of Pacific Hydrotech Corp., who was in attendance of the board meeting, confirmed that Mr. Don McCann was still an employee of their firm. Engineering Manager Ripperger indicated that staff had forwarded two (2) letters to SEMA Construction, Inc. indicating that their claim was without merit.

He stated that staff is recommending an increase of the project budget from $27 to $29.5 million and presented a spreadsheet (copy attached) indicating the budget variance and reasons for the increase which included:

- An increase of $1.1 million to cover possible risks as reviewed earlier;
- A 3% contingency for any changed conditions during construction;
- The addition of a Construction Management Contract; and
- The cost of additional labor for critical tie-ins and staff support of the Construction Manager

He noted that staff is anticipating that it would not spend the full contingency and monies for risk factors, however, staff wished to make the board aware of the possible full cost of the project which is estimated at $29.5.

President Bonilla was concerned about the significant increase in the project budget and inquired why the consulting contract cost increased from $900,000 to $1.2 million. Engineering Manager Ripperger indicated that staff had based their original estimate of $900,000 on prior projects (30-inch recycled pipeline, 450 Reservoir and 680 pump station). He indicated that following staffs' request for Construction Manager proposals, it was determined that the estimate should be increased to $1.2 million.

Director Robak indicated that the Finance and Administration Committee discussed in detail the concern of a bidder regarding the difficulty in accurately bidding for the cost of grading the reservoir site as he felt there were a lot of unknowns. Chief of Engineering Rod Posada indicated that staff had issued five (5) addendums in response to questions concerning the grading. He indicated that following the award of a contract for a construction manager on the project, staff will work with the construction manager to value engineer the project further. It was indicated that all are aware that there is a potential that there could be more granite than anticipated and the Finance and Administration Committee felt assured that staff has done it due diligence as well as can be done to this point.

Director Robak inquired why two tanks are proposed for the site instead of one large tank and the reason why they were designed to be above ground tanks versus underground tanks. Engineering Manager Ripperger indicated that the tanks will be partially buried and staff is proposing two separate tanks as it would provide more flexibility for the District's operations staff. He stated that when the tanks require maintenance, it would allow the operations group to take one tank out of service for maintenance while still providing water service via the second tank. The other tank then can be taken down when maintenance is complete on the first tank. It was noted that the tanks would be pre-stressed concrete which require less maintenance, though they cost a little more, over the long term there will savings in maintenance cost.

President Bonilla inquired if staff had done a cost analysis of the cost difference between one large tank versus two smaller tanks. It was noted that staff had done a cost analysis with the assistance of Boyle Engineering prior to the design phase of the reservoirs. He noted that the cost analysis is well documented and showed that two reservoirs was more cost effective.

Director Robak noted with regard to hiring a construction manager for the project, why the District did not have construction management expertise in-house. President Bonilla also inquired if the District is subcontracting the construction management of the project out, why in-house construction labor cost was increasing from $300,000 to $921,803.56. Engineering Manager Ripperger indicated that this is a very large project and it will require a large effort from our operations staff to assist in many areas of the construction. This project will require the uncovering of many lineal feet of buried pipe and tie-ins which will require the oversight of operations staff 24/7. General Manager Watton further shared that he had asked the engineering staff to look at what the District's maximum exposure was as he wished the board to be aware of the maximum cost of the project to the District. He stated that when the "unknowns" are uncovered, staff will not need to request additional funds as such costs had been considered and included in the budget.

Director Breitfelder indicated that staff has a god history of budgeting for projects and generally projects come in under budget by amounts that are reasonable and show prudent budgeting throughout the process. He stated that they do realize that not all projects can come in at or below budget and that there are the "unknown" variables. He stated that he hoped staff did not feel that the board was unfairly scrutinizing the budget estimates. He stated that he did not want staff to be over conservative in budgeting for projects as it does not serve anyone's interest and staff did not need that additional pressure. He stated that by being ultra conservative, it could lead to distorted fiscal planning. He indicated that he wanted staff to know that they did not always need to portray the worst case scenario when estimating the cost of a project.

Engineering Manager Ripperger indicated that he did not wish to give the impression that the original estimate was bad, rather staff is estimating an additional $2.5 million to provide allowance for the "unknowns."

Chief of Engineering Posada indicated with regard to the question concerning in-house construction management expertise, that the District did have construction expertise in-house. However, the size of this project would take the full time of the entire District's staff if it were to be managed in-house. He stated that construction management firms are only retained for projects of this magnitude. In-house staff (inspection and construction management) handle the bulk of the District's and developer projects. He stated that the District also receives the benefit of growing staff skills as they get an opportunity to work and see how firms, whose focus is construction management, accomplish the different tasks.

Director Robak asked if staff had evaluated the cost of handling the construction management component in-house, including possibly hiring another staff member for a couple years to handle such large projects, versus hiring a consultant firm. General Manager Watton indicated that he believed that staff could put together such an analysis prior to the next committee meeting. He stated that it might also be helpful if staff provided more detail of the specific duties of the construction manager.

President Bonilla indicated that he felt the board would be more comfortable if they had that analysis. Director Lopez indicated that he had concerns that the 3% contingency would be utilized because it was available. He stated that he felt that he got clarity from today's discussions, but he wished to share his concern.

A motion was made by Director Robak, seconded by Director Breitfelder and carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Robak and Lopez
Noes:	None
Abstain:	None
Absent:	Director Croucher

to approve staffs' recommendation.

9. ADMINISTRATION AND FINANCE

a) PRESENTATION OF DIRECTOR'S FIRST QUARTER EXPENSES FOR FISCAL YEAR 2007 (PRENDERGAST)

Finance Supervisor Sean Prendergast indicated that Board of Directors Policy 8 requires that staff present the expenses and per diems for the board members on a quarterly basis. He indicated that this item was also reviewed by the Finance and Administration Committee at a meeting held on November 20, 2006. He presented slides showing in detail each director's expenses for the first quarter of fiscal year 2007 (July 1 to September 30, 2006) and total expenses for each. He indicated that the total board of director expenses and per diems for the first quarter was $5,203.71 and staff projects that by fiscal year end expenses would be approximately $20,810.

President Bonilla inquired how this figure compared with the last fiscal year. Finance Supervisor Sean Prendergast indicated that last fiscal year the total board of director's expenses was $29,482.95.

b) REPORT ON THE BOND PROCESS INCLUDING THE PARTIES INVOLVED, THEIR FUNCTIONS AND THE SELECTION PROCESS (BEACHEM)

Chief Financial Officer Joe Beachem introduced Ms. Suzanne Harrell, the District's Financial Advisor, to provide a presentation on the bond financing process. Ms. Harrell indicated that this same presentation was provided the Finance and Administration Committee on November 20, 2006. She noted that in June 1993, the District had formed the Otay Service Corporation as a conduit for financing capital improvements as required by California State law and had approved in October 2006 the contract to engage a Financial Advisor for this bond financing and distributed a RFP for Bond Counsel, Disclosure Counsel and Trustee services. She indicated that the District has engaged Co-Bond Counsels Garcia Calderon & Ruiz and Sidley Austin; Disclosure Counsel Stradling, Yocca, Carlson & Rauth; and Trustee Services from Union Bank of California. Staff will also be requesting that the board approve a Reimbursement Resolution which

will allow CIP expenditures between October 6, 2006 thru the date of the COP issuance (approximately March 2007) to be allocated to the COP proceeds. She stated that this will allow the District to recover the expenditures through the bond proceeds.

She noted that a Public Hearing will be scheduled in January to formally approve the Rate Increases (adopted with the FY2007 budget) and request the board's approval of the Financing Plan, Debt Policy and Financing Documents. She reviewed those who would assist in the bond issuance and their roles:

- Bond Counsel:
  - Prepares legal documents (terms of repayment, pledge of revenues and provisions for additional debt)
  - Prepares closing certificates
  - Directions for transfer of funds at closing
  - Prepares tax certificate relating to provisions of the tax code that apply to the District's financing
- Disclosure Counsel:
  - Reviews official statement for conformance with legal documents
  - Provides opinion to the District and Underwriter that the Official Statement is adequate and accordance with securities and California state laws
  - Prepares Continuing Disclosure Agreement that outline the ongoing financial information that the District is required to distribute/disseminate to bondholders
- Financial Advisor:
  - Structures the repayment terms
  - Prepares official statement
  - Prepares rating agency presentation
  - Conducts competitive sale of COP's on District's behalf
- Trustee:
  - Administers payment of debt service (collects payments from District and transmit the payments to the bondholders)
- Bond Insurer:
  - Provides additional credit enhancement for the COP's (The District's current underlying rating is an "A+" and through the purchase of bond insurance, it will provide bondholders an additional level of credit enhancement by providing a "AAA" rating on the District's bond issuance.)
  - Insurance premiums are based on total debt service over the term of the COPs
  - The bond insurer is selected based on the lowest premium quote
- Underwriter:
  - Selected based on lowest bid at competitive sale
  - Purchases COPs from the District
  - Sells COPs to its Customers
  - Their fiduciary responsibility is to investors, not the District

Ms. Harrell indicated that the bond's will be offered through a competitive sale. The competitive sale is the preferred method per the District's Debt Policy unless

there is an overriding reason for a negotiated sale, such as, in times of volatile interest rates. She indicated that the documents (Official Statement) will be distributed electronically and the sale will be conducted through an internet bidding platform.

She reviewed the financing documents which included the following legal documents:

- Trust Agreement:
  - Contract between the District and bondholders (repayment terms and what will occur in the event of a default)
- Installment Purchase Agreement
  - Secures the District's obligation to make the debt service payments
  - The Rate Covenant within the Installment Purchase Agreement specifies how rates will be determined to the users of the facility financed by the bonds. There is a minimum and target rate covenant that the District would like to achieve that is specified within the agreement.
- Assignment Agreement
  - This agreement indicates that the District has assigned the right to the Trustee to collect the payments and transmit them to the bondholders
- Continuing Disclosure Agreement
  - The District's covenant to provide annual dissemination of on-going financial information to the bond market

She further reviewed the sale documents:

- Official Statement
  - Describes the security and pledge to repay the debt, risk factors that the bondholder might need to know to make an informed decision and the responsibility of board members. (A memo has been provided for the board with detailed information that the board can review prior to the official statement being distributed for their review in February 2007)
- Official Notice of Sale
  - Sets out competitive bid parameters
- Summary Notice of Sale
  - Published in financial newspapers to alert bidders of sale date of bonds

Ms. Harrell then reviewed the actions the board will be presented at the February 2007 meeting for the bond issuance. She stated that the board will be asked to consider approving a District Resolution that:

- Authorizes the GM/CFO to award the bond insurance to the lowest bidder
- Approves the form of the Trust Agreement, Installment Purchase Agreement and Preliminary Official Statement (the Preliminary Official Statement will not include the final interest rate and maturity schedule as it will not be known until it the bonds are offered for sale)

- Authorizes the GM/CFO/Financial Advisor to distribute the Preliminary Official Statement and Official Notice of Sale
- Authorizes sale of the COPs in an amount not-to-exceed $42 million, interest rate not-to exceed 6% and underwriter discount not-to-exceed 1.5%
- Authorizes officials to execute all documents necessary to complete the sale

She stated that the Otay Service Corporation board would also adopt a Resolution on February 7 to:

- Approve the form of the documents
- Authorize officials to execute all documents to finalize the sale

Ms. Harrell indicated that staff would be meeting with the rating agencies the week of January 22 to provide an update on what the District is currently doing and its accomplishments. The District expects to receive the bond insurance bids and the ratings from the rating agencies by February 9 and expect that the COPs would be offered for sale on February 21. It is anticipated that the funds from the COPs would be available on March 7, 2007.

Ms. Harrell indicated that the estimated overall cost of issuance will be a little lower than the District's last issuance in 2004. She indicated that there is a certain amount of fixed costs that do not increase regardless of the size of the bond issuance.

She reviewed the current interest rate market and indicated that during the summer, rates had spiked up, but have come down since. She indicated that as of December 1, 2006, the long-term rate have stayed steady since November. However, the short-term rate has decreased from 3.55% to 3.50%. She indicated that she believed that the timing of the sale is going to workout well for the District as interest rates were moving downward.

Chief Financial Officer Beachem indicated that within the District's six-year rate model, it is planned that the District would issue debt in Fiscal Years 2007 (March 2007), 2009 and 2011. He stated that the District plans to finance approximately 25% of its CIP through debt.

c) ADOPT RESOLUTION NO. 4091 ALLOWING FOR THE REIMBURSEMENT OF CERTAIN EXPENDITURES FROM THE PROCEEDS OF THE CERTIFICATES OF PARTICIPATION (BEACHEM)

Chief Financial Officer Beachem indicated that when the District issues debt, it has a two-year period in which to spend the debt monies per IRS rules or it must pay arbritage interest on the debt monies. That is, if the debt monies earn interest greater than the interest payments to borrow the monies, the spread (arbritrage) must be rebated back to the IRS. He indicated that the District can be exempted from the rebate rule if it meets a specific spending schedule of 25% each six months for two years. He indicated that the presented resolution would allow the District to apply any monies it spends on the debt issuance from up to

60 days prior to the adoption of the resolution through the day of the COPs issuance, against the spending schedule. The reimbursement agreement would aid the District in meeting the spending requirement and therefore exempt the COPs from the rebate requirement.

Director Robak indicated that the committee reviewed this item in detail and felt comfortable with the quality of the District's advisor and legal representation, in that, the District will be complying with legal requirements. As such, the committee supported staff's recommendation.

A motion was made by Vice-President Lopez, seconded by Director Robak and carried with the following vote:

Ayes:	Directors Bonilla, Breitfelder, Robak and Lopez
Noes:	None
Abstain:	None
Absent:	Director Croucher

to approve staffs' recommendation.

10. BOARD INFORMATION / ACTION ITEMS

a) DISCUSSION OF 2007 BOARD MEETING CALENDAR

There were no changes to the 2007 calendar.

REPORTS

11. GENERAL MANAGER'S REPORT

a) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

General Manager Watton indicated that CWA approved the San Diego 17 (SD17) connection with the City of San Diego. He noted that the Principles of Understanding (POU) for SD17 is scheduled to be presented to Otay's board in January 2007. He indicated that the City of San Diego has approved the POU administratively. He stated that CWA also approved Flow Control Facility No. 14 (FCF14) which will provide water to the District's new 30-inch pipeline and 640 Reservoirs discussed at today's meeting. He indicated that the 30-inch pipeline and 640 completes the large infrastructure improvements to be built in the eastern portion of the District. He also shared that CWA approved a changed to the recycled water subsidy from $147 acre foot (AF) to $200 AF which the District will receive and will further enhance the District's recycled water revenues and it will make recycled water more price competitive. He noted that CWA also elected officers at the last meeting. He indicated that Ms. Fern Steiner was elected chair, Mr. Bud Lewis was elected Vice Chair, he (General Manager Watton) was elected Secretary. He stated that in the next year, CWA will be re-pricing many of its Capital Improvement Projects which will have an impact on their rates. He indicated that the work in the next year is more critical than ever.

b) UPDATE ON THE 30" RECYCLED WATER PIPELINE PROJECT (SEE ATTACHMENT "A")

General Manager Watton indicated that the recycled water projects together represent approximately $42 million in construction costs. He stated that Ortiz has completed their work on the pipeline and staff is finishing a walk-thru of their work on the pipeline. He indicated that Ortiz did a great job on this project. He also indicated that TC Construction is well along on the recycled reservoir and pump station. He stated that these projects are proceeding well and are on schedule. He indicated that this recycled project (pipeline, pump station and reservoir) is the largest project ever for the District at a cost of $42 million.

He indicated that he had sent Directors a notice about an aqueduct shutdown. He stated that the shutdown ended December 5 and everything had gone well with the construction at Metropolitan Water District (MWD). He stated that Otay also did well during the shutdown and the interconnection agreements with the City of San Diego and Helix WD helped in that the District no longer needs to notify customers as the District can meet its customers' supply needs with the interconnections. He stated that operations staff does need to monitor the systems very closely during the shutdown and it can be very stressful for staff. He thanked the operations staff and everyone associated with the monitoring for their good work.

He shared that staff has received the preliminary draft of the compensation study from the compensation consultant and a meeting of the Ad Hoc Employee Negotiations Committee meeting has been scheduled on December 20, 2006 to share the results of the study. Following the committee meeting, the compensation study will be shared with the Employee Association.

General Manager Watton noted that the joint training facility between Otay and the San Miguel Fire Protection District (SMFPD) is progressing. He stated that the project is still preliminary, but the SMFPD is doing studies, some architectural review and planning of the proposed facilities.

He indicated that Valhalla High School is pursing an aggressive program to complete the installation of their playing field artificial turf. He indicated that the project may take longer than the projected January 2007 completion date as there is some planning for the financing of the project that will need to be completed. He indicated that the project is expected to move forward, but will be completed sometime after January 2007.

He stated that meter sales are down from historical levels, but is on track with the current budget as the slowing of sales was anticipated. He stated that though the housing market has slowed, the larger developers are still processing maps and projects knowing that the market will inevitably come back. He stated that the Engineering Division is, thus, still very busy with design work, map processing, etc.

President Bonilla inquired what was the percentage slow down in meter sales. General Manager Watton indicated a little over 50%. He indicated that last year

the District processed approximately 2000 meters and this fiscal year it is expected that the District will process approximately 800.

General Manager Watton also noted that the State Water Resources Control Board has been continuing to make payment on the $4 million grant they awarded the District. To date, the District has received approximately $3 million of the grant.

He lastly stated that the South Bay Expressway had a budgeting issue as they had neglected to budget for meter fees of approximately $200,000 required for the freeway project. He indicated the District has loaned South Bay Expressway the monies through a promissory note and they plan to complete payment of the fees and interest on the loan by the end of the month of December 2006. He indicated that the General Manager is authorized to extend such a loan, but must notify the board that a loan has been extended.

12. DIRECTORS' REPORTS / REQUESTS

Director Breitfelder commended Finance Manager Rita Bell on her good work in projecting meter sales for this fiscal year. He also shared that the Conservation Summit has produced a very concise white paper on the summit event. He stated that the summit has formed work groups and he has been appointed to the working group that will be drafting the model ordinance. He stated that there seems to be a growing division between those who wish a very minimalist approach and those who want more fundamental changes. He indicated that if the ordinance fell short of meeting the water conservation goals, he felt that it would not be easy to get another opportunity to quickly rework the ordinance. He lastly shared that CSDA elected officers at their last meeting and Director Croucher was elected Vice President and he (Director Breitfelder) was elected Treasurer.

President Bonilla apologized for missing the last meeting as he was out-of -town and, unfortunately, was unable to attend. He thanked Vice President Lopez for chairing the meeting on his behalf. He shared that he had met with Director Croucher on October 10, 2006 to discuss the District in general and that he had met with General Manager Watton on October 12, 2006 for a briefing on committee agenda items to be presented at the October committee meetings. President Bonilla indicated that he also met with Mr. Mike Powell, the Employee Association negotiator, and Mr. Larry Cass, the representative for the Employee Association. He indicated that they discussed the status of negotiations and that he hoped that negotiations could be completed in early or mid-2007 and that an extension to the agreement could be signed prior to its expiration in 2008. They also discussed District operations and they were very positive and supportive of the District's direction. He indicated on October 25, 2006 he met with General Manager Watton, General Counsel Calderon and Director Lopez for a briefing on the November 1, 2006 board meeting agenda. He indicated that he had asked Director Lopez to attend the meeting, as he was scheduled to be out of town and Director Lopez would be chairing the board meeting on his behalf. He also shared that he met with General Manager Watton and former director, Mr. Paul Lewis, on October 25, 2006. He indicated that they discussed Aqua Genesis'

Board of Directors and the company's desalination technology. He lastly noted that he had meet with General Manager Watton and General Counsel Calderon on November 15, 2006 for a briefing on committee agenda matters for discussion at the November committee meetings.

RECESS TO CLOSED SESSION

13. CLOSED SESSION

The board recessed to closed session at 5:46 p.m. to discuss the following items:

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

(i) DONNA BARTLETT-MAY, et. al. v. OTAY WATER DISTRICT
(ii) HARRON v. OTAY WATER DISTRICT
(iii) RDH CHEMICAL COMPANY v. OTAY WATER DISTRICT

RETURN TO OPEN SESSION

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

The board reconvened at 6:25 p.m. and General Counsel Calderon stated that the board took one reportable action in closed session. He indicated that a motion was made by Director Lopez, seconded by President Bonilla, and carried with the following vote:

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

to approve the settlement agreement in the RDH Chemical Company v. Otay Water District matter.

15. ADJOURNMENT

With no further business to come before the Board, President Bonilla adjourned the meeting at 6:26 p.m.

_____
President

ATTEST:

_____
Secretary

AGENDA ITEM 4

MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
OTAY WATER DISTRICT AND
OTAY SERVICE CORPORATION
April 4, 2007

1. The meeting was called to order by President Croucher at 3:30 p.m.

2. ROLL CALL

Directors Present: Croucher, Breitfelder, Lopez and Robak

Directors Absent: Bonilla

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

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

A motion was made by Director Robak, seconded by Director Breitfelder and carried with the following vote:

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve the agenda.

5. APPROVAL OF MINUTES

A motion was made by Director Breitfelder, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve the minutes of the board meeting of February 7, 2007.

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

No one wished to be heard.

CONSENT CALENDAR

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

A motion was made by Director Robak, seconded by Director Breitfelder and carried with the following vote:

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve the following consent calendar item:

a) APPORVE A PURCHASE ORDER TO EL CAJON FORD IN THE AMOUNT OF $98,731.26 FOR THE PURCHASE OF THREE HALF-TON FULL-SIZE PICKUP TRUCKS AND THREE HALF-TON COMPACT PICKUP TRUCKS

INFORMATION / ACTION ITEMS

8. ENGINEERING AND WATER OPERATIONS

a) PRESENTATION OF INTEGRATED WATER RESOURCES PLAN (POSADA)

Chief of Engineering, Rod Posada, introduced Mike Savage, Vice President of Camp, Dresser & McKee, Inc. (CDM). He indicated that CDM prepared the first Integrated Water Resources Plan (IRP) for the District. The goal of the project was to evaluate the District's water supply and plan for diversification in the future.

Mike Savage indicated that this presentation will outline the purpose of the IRP, explain the IRP process, highlight the objectives and priorities of the IRP, identify water supply options and portfolios, report the evaluation results of the IRP, review portfolio screening and the implementation strategy of the IRP. He reviewed the IRP Mission Statement as well as the goals and objectives of the

IRP which is to find the best mix of imported water, local supplies and conservation to meet demands in a cost-effective manner while also incorporating environmental impacts, implementation risk, and other factors.

He addressed the supply needs of the District past and future. In 2005, the District imported 59 percent of its treated water directly from the San Diego County Water Authority (SDCWA). By the year 2010, the District's goal is to increase the recycled water from three percent to 16 percent and decrease the treated imported water it receives from SDCWA to 25 percent. He indicated that even with conservation, water demands will double in the future.

He explained that the IRP is a long-term strategy and shows trade-offs between the different supply options and demand-side options and finding a balance between the two. The IRP provides an opportunity for a fresh look at different supply options and integrating these options into the District's Master Plan.

Mr. Savage indicated that CDM met with District staff in August of last year and discussed planning objectives and performance measures. At that time, over 30 potential supply options were discussed. Since that time, all the different building blocks of options with respect to the District's preferences were used to put together the portfolios in the IRP. These are a combination of options to meet the water supply needs of the District. The water supply options were then run through a systems model called STELLA to more specifically define planning objectives and performance measures. The portfolios that were most valued were then ranked and the final analysis is a preferred strategy for determining the best resources for future water supply for the District. He indicated that the presentation today will focus on the preferred strategy.

He reviewed some of the planning objectives and relative importance as to each. These include:

- Meet or Exceed Water Quality Standards and Guidelines
- Achieve Reliability
- Maintain Affordability
- Increase Flexibility
- Increase Diversity
- Address Environmental and Institutional Constraints

He presented a chart that listed average percentages for the Board alongside average percentages for staff in terms of importance of these objectives. (See attached presentation.)

Mr. Enrique Lopez of CDM explained that when CDM staff met with District staff, over 30 potential water supply options were identified. These options consist of specific projects, programs or agreements that the District can enter into with other agencies. He indicated a few ideas for supply options are additional conversation programs, groundwater, ocean desalination, additional imported

treated water, additional local treatment agreements and additional recycled water from the city of San Diego or Helix Water District or other neighboring water agencies. The supply options were then combined based on objectives for the IRP then these objectives were crafted into final portfolios. The final portfolios consist of water quality, reliability, affordability, baseline, diversity and flexibility. These were further divided by other potential issues such as drought, emergency conditions and minimizing rate impacts.

He reviewed and explained the evaluation results for each portfolio. He indicated that the higher the bar on the charts shown, the worse the performance of the portfolio. The top three concerns were maintaining a diverse water supply, securing reliability during drought and maintaining water quality. Conclusions of the top-scoring portfolios indicate the following are needed to secure future water supplies for the District:

- Additional Conservation
- Central Valley and Land Fallowing Transfers
- Groundwater projects (desalination and conjunctive use)
- 5-10 MGD Ocean Desalination (Poseidon or Sweetwater/City of San Diego's South Bay project)
- Stripping Plant along Spring Valley Trunk Line
- North District Recycled Water Concept
- Mexico Desalination Plant, Rosarito Beach

Other feasible supply options included the top three portfolios are:

- SD17 Agreement with the City of San Diego
- Additional Purchases from South Bay WRP
- North of Delta Transfers

He indicated that in reviewing the implementation plan, at least three areas need to be taken into consideration:

1) The feasibility of ocean desalination projects. Currently, there are three desalination projects that are being considered in which Otay could possibly become a partner. These involve southern California agencies, Rosarito Beach in Mexico and Poseidon in Carlsbad, California.

2) Development of Local Water Supply. By the year 2015, the District should look at how much of the local water supply has been developed. One of the key issues that the top three portfolios have in common is the amount of water that the District would have control over.

3) Feasibility of groundwater conjunctive use projects.

He noted that the implementation plan indicates a low cost path and a higher cost path if things are such that Otay will need to consider the options and implement either the Spring Valley Stripping plant instead of partnering with Poseidon. Those projects have different costs to the District.

General Manger Watton indicated that Otay is one of the first small districts to prepare an IRP. This document will assist staff in exploring options for additional water supplies for the District in the future. The IRP is a process that the District will work with over many years and use as a tool to assist in planning. The IRP can be used along with other planning documents such as the Urban Water Management Plan, the CIP and the Water Master Plan. The document will assist in obtaining grants and loans for the District as it illustrates the objectives and options that the District has in obtaining water supplies for the future.

Director Robak indicated that he reviewed the conclusions for the options and is concerned about the north district option for recycled water. The analysis per acre foot determined that expansion of the Ralph Chapman Treatment Plant would not be cost effective at $1,036 per acre foot. He asked if it would cost $1,036 per acre foot to recycle water at the Chapman Plant.

There was detailed discussion regarding the need and cost to buy more capacity from the South Bay Recycled Water Treatment Plant versus the cost to divert water from the Ralph Chapman plant to the north area of the district. The main focus of the IRP is to illustrate how the District can obtain 50 percent of its future water supply from various sources other than purchasing from a wholesaler. However, the calculations per acre foot in the IRP are slightly different because the methodology looks at the 30-year period where water per acre foot is discounted. General Manager Watton explained that currently, the District has six million gallons per day capacity and the study indicates that the additional capacity of 10 million gallons per day can be purchased in the future. There will be an additional one-time capacity charge of $2.4 million. The infrastructure is in place now to receive additional capacity.

Director Breitfelder inquired about options that were explored but not included in the IRP. Mr. Enrique Lopez responded that some conjunctive use options did not seem feasible. Options that were not included in the IRP were expansion of the Ralph Chapman Plant, the use of raw water from Pipeline No. 3 nor entering into an agreement with Helix Water District to treat more water through the Helix treatment plant. These options did not integrate into the long-term plans of the District. The entire portfolio needs to interact with all the other systems and because the system is complex, some of the options did not assimilate or fit well.

9. ADMINISTRATION AND FINANCE

a) 2nd QUARTER STRATEGIC PLAN UPDATE (STEVENS)

Chief of Information Technology and Strategic Planning, Geoff Stevens, indicated that there are two parts to the strategic plan update. One is to look at the second quarter results, and the other is to review the goals and objectives for the next budget cycle. He suggested that details of the strategic plan be viewed on the Otay website.

Mr. Stevens indicated that this is the mid-point of the three year strategic plan for 2006 – 2008. Staff is about 94.6 percent on track for the objectives of the strategic plan. Growth is seen on the performance measures at 78.5 percent. He indicated that staff is more focused on the objectives of the strategic plan and as a result, the plan is becoming more a part of the culture of the District. The planning process will begin in the fall of this year for the 2009 strategic plan.

Mark Watton explained that all information on the strategic plan is available on the District's Inet and website. He indicated that staff is starting to use the plan as a planning tool for each department. He stated that the "benchmarks" are complex and it is difficult to compare department to department or agency to agency. They would need to be interpreted for each department or each agency's conditions.

b) APPROVE A PURCHASE ORDER TO AIR TRACK, INC. IN THE AMOUNT OF $108,000 FOR THE PURCAHSE OF GPS RELATED EQUIPMENT FOR THE IMPLEMENTATION OF GPS TECHNOLOGY TO ASSIST IN FIELD OPERATIONS AND A PURCAHSE ORDER TO SPRINT/NEXTEL FOR $32,000 FOR COMMUNICATIONS FEES FOR THE GPS UNITS (STEVENS)

Mr. Watton indicated that this item was reviewed by the Finance, Administration and Communications Committee on March 21, 2007. The committee supported staff's recommendation and wished to have the Board approve this item.

Geoff Stevens indicated that this GPS technology will assist field operators, meter readers and inspectors in their daily operations in the field. He explained that the GPS system is connected through a cell network which allows for location of each fleet vehicle. The system will allow staff to locate vehicles in distress if an operator is in a rural area and will also assist by improving planning, scheduling and communications between field staff and the dispatcher, especially in emergency situations. The system will aid managers in preparing reports and monitoring the speed of District vehicles and provide data to the supervisor as needed.

Three bids were received and Air Trak, Inc. was the lowest bidder at $108,000 for the purchase of 80 GPS units, mobile data terminals, taxes, and associated implementation items. A monthly communications service fee of approximately $36 per month will be paid for each GPS unit. Sprint / Nextel will provide this service. The District has a three-year service contract on the maintenance. The installation of the devices is included in the cost.

He indicated that this technology will provide the District considerable savings insofar as decreasing response time to a site. The system can locate the closest District vehicle in the area when a call is received and respond immediately thereby freeing up other operators. Staff will attempt to track the time and money that the District will save by utilizing this system. Complete installation will take approximately two months.

A motion was made by Director Robak, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve a purchase order to Air Track, Inc. in the amount of $108,000 for the purchase of GPS related equipment for the implementation of GPS technology to assist in field operations and a purchase order to Sprint / Nextel for $32,000 for communications fees for the GPS units.

10. BOARD INFORMATION / ACTION ITEMS

a) DISCUSSION OF 2007 BOARD MEETING CALENDAR

There were no changes to the board calendar as presented.

REPORTS

11. GENERAL MANAGER'S REPORT

General Manager Watton introduced Ken Simmons, Senior Civil Engineer, who recently joined the District's engineering department.

a) UPDATE ON THE 30" RECYCLED WATER PIPELINE PROJECT (SEE ATTACHMENT "A")

General Manager Watton highlighted some updates on the water pipeline from FCF No. 14 to the Regulatory Site. He indicated that the monthly progress meeting was held regarding the tanks that are being constructed at the Regulatory Site. Staff is now selecting the best alternative alignment for the 36-inch pipeline.

He indicated that staff met with the Valle de Oro Community Planning Group the night before to review some of the issues regarding the alignment of the 36-inch pipeline and how the construction will impact the community. Staff is working

closely with the planning group to ensure the project has as little impact to the community as possible.

He indicated that staff has met with the City of San Diego on the recycled water matter. There is an issue regarding tank capacity. Staff held an Ad Hoc Committee meeting to address this issue. While the tank issued is being addressed, the City did commenced pumping water to the District on March 29, 2007. The equipment is performing as expected and the project is moving ahead as scheduled.

He also shared that SDRMA has refunded some money to the District as a result of the very favorable loss rates pertaining to the District's Workers' Compensation Program.

General Manager Watton indicated that he and Director Robak, along with staff members, attended a groundbreaking ceremony at Valhalla High School on March 15 to commemorate their artificial turf grass installation project. The District contributed $70,000 toward the project and will be reimbursed $50,000 through a grant from the Bureau of Reclamation. CWA contributed $12,500. The total cost of the project is $1.5 million.

He indicated that the committees have reviewed the District's Strategic Plan presented at today's meeting. He stated that this is one of the first steps in building the budget. The Fiscal Year 2007-2008 budget will be presented to the Board at a special meeting in May.

Staff met with the Finance Committee regarding the pending audit. He distributed some information on audit procedures. One of the principle matters that the Board is responsible for is the audit. The Board members will have an opportunity to meet with the auditors to have any questions they might have answered.

He indicated that a budget workshop will be held to review the budget for FY 2008. Staff is working to calculate the MET and CWA rate changes and how they will impact rate increases to our customers.

The District has completed negotiations with the City of San Diego regarding the Otay SD17 agreement for capacity from the Alvarado Treatment Plant. The agreement is now being reviewed by the City. Staff is working very hard to make this project practical for all parties involved.

The District has a tentative order from the Regional Quality Control Board on the Master Reclamation Permit. This will allow the District to use the recycled water from the South Bay Plant. He commended our Engineering staff in working with the environmental consultants in acquiring this order. Having the tentative order will allow the District to use the water. On April 11, the Regional Board will meet

and staff is anticipating that this tentative order will be adopted and converted to a permanent permit.

Director Robak inquired if this permit includes the South Bay Treatment Plant and the renewal of the Ralph Chapman facility. General Manager Watton responded that it did and will include the renewal and blending of the water. It is a complicated permit but staff has been able to acquire the order. The permit is permanent but will need to be reviewed every 10 years.

General Manager Watton indicated that the District is working to remain in compliance with APCD regulations. An inspection was held on March 8, 2007 at the 1200 Alta Road Pump Station. The inspection went very well and there were no violations. He stated, however, that the increasing regulations are onerous and it is becoming very difficult to avoid violations. The District has a lot of stationary equipment and large heavy trucks which fall under the APCD regulations. It is becoming more of a specialty for staff to keep up with maintaining the equipment to meet APCD regulations.

He handed out information from the auditor and stated that if the Board members have any questions, to please feel free to let him (General Manager Watton) know.

He also handed out an article from an Urban Land publication discussing golf course redevelopment and had highlighted some quotes from Mr. Wil Gustafson, Salt Creek Golf Course (formerly Auld Golf Course), regarding golf course redevelopment.

General Manager Watton shared articles regarding a Superior Court Judge in Alameda County and his ruling on halting the state water pumping operations. He stated that this is a critical matter but he feels that the judge will not be successful in getting the pumps turned off in 60 days. However, this will begin a series of environmental negotiations to settle this situation.

b) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

General Manager Watton indicated that the CWA board will be reviewing the budget. The board has also spent time reviewing the MET Plan. In this plan, CWA will work with MET in formulating how to build alliances with Los Angeles regarding issues on state water projects and other water supply issues. Rates will also be a topic of discussion with MET.

Imperial Irrigation District and QSA is still a major focus for CWA. He indicated that the Colorado River Committee of CWA will meet to discuss settlement and how this matter will impact third parties.

Issues on the All American Canal are still being worked out with Mexico.

President Croucher indicated that CWA feels that MWD is more comfortable with the process for drought planning and will be encouraging its delegates to work more with MWD to develop the drought plan. CWA will also need to work on its Integrated Resources Water Plan in order to better plan for the future.

He indicated that CWA's Water Conservation Ad Hoc Committee recommended in a 6 to 0 vote to hire an additional person at The Garden. The committee discussed assuring that funding is available for projects before more staff is hired.

12. DIRECTORS' REPORTS/REQUESTS

Director Robak indicated that he attended, along with General Manager Watton, the Valhalla High School groundbreaking for the turf grass. He feels it will help the community. He commented that the football field is currently in very bad shape and the artificial turf grass will be a dramatic change for the students at Valhalla High School.

The foundation that raised money for the field was headed by Mr. Bill Steele. Mr. Steele has also been with the Bureau of Reclamation for some time and was part of the Bureau when the Water Conservation Garden (The Garden) was built but he had never had an opportunity to visit The Garden. Director Robak met Mr. Steele at the groundbreaking event and offered to give him a tour of The Garden. He was very impressed and after the tour, they discussed how The Garden could access money from the Bureau for its projects. Mr. Steele also mentioned involving MWD with The Garden. Director Robak confirmed that Mr. Timothy Brick from MWD is scheduled to visit The Garden on April 25. Staff will prepare a tour and presentation.

Director Robak stated that there will be a Chamber of Commerce Mixer held at The Garden later this summer and the San Diego Chapter of the WateReuse Association will also hold a meeting at the Garden in October. It is hoped that the meetings will broaden exposure of The Garden to the public.

Director Robak indicated, after he received the auditor's information letter from General Manager Watton, that he would like the Board more engaged in the audit process. He indicated that the information provided to the Board was a set of criteria for an audit rather than details of the actual audit for the District. He suggested a phone call to the auditors to discuss the audit would probably be helpful. He stated the board should be more actively engaged in the audit process as the audit is a responsibility of the board. General Manager Watton indicated that staff would be happy to coordinate such a meeting.

Director Lopez wanted to assure staff that the Board does not want to micromanage the audit process.

Director Breitfelder indicated that Ms. Fern Steiner, chair of the County Water Authority, shared information regarding the budget and her philosophy on spending at CWA. She also discussed her priority regarding conservation actions.

He advised the Board of the activities of the Conservation Action Committee (CAC) regarding model homes at new developments and an ordinance being proposed for landscape requirements. The basic template for the ordinance will be the county ordinance.

At the CAC meeting, there was also discussion regarding retro-fitting landscapes. The biggest concern is that homeowners will have to pay large sums of money for permits to retro-fit their landscape to comply with an ordinance imposed by an agency, city or county.

Director Breitfelder indicated that he wished to share information about a new law that became effective in January encouraging agencies such as special districts, to allocate monies in local banks for local investment. He stated that the funds would be FDIC insured. He also distributed information from a bank regarding the program.

13. PRESIDENT'S REPORT

President Croucher indicated that the Fire Wise / Water Conservation grand opening will be held at 10:00 a.m. on April 12 at the Water Conservation Garden. Supervisor Jacob will be present along with a representative from Duncan Hunter's office. Fox News is expected to broadcast their morning report from The Garden. He encouraged the Board to attend.

He indicated that the WateReuse Association will be holding their annual symposium event in September. He asked Directors Robak and Lopez if they might attend along with staff to represent the District.

President Croucher requested that the District's Ad Hoc International Issues Committee, which consists of Directors Lopez and Bonilla, meet to discuss issues concerning the Integrated Water Resource Plan.

He indicated that an Ad Hoc Committee has been organized to discuss some issues that have surfaced regarding the contract for recycled water with the City of San Diego.

He noted that the Labor Negotiations Committee did not meet this month, but plans to meet next month.

President Croucher thanked the Board members for their work and their unification in working together on issues and noted that sister agencies, and the

boards of CWA and MWD, have recognized the recent accomplishments of this Board.

14. ADJOURNMENT

With no further business to come before the Board, President Croucher adjourned the meeting at 5:08 p.m.

_____
President

ATTEST:

_____
District Secretary

AGENDA ITEM 4

MINUTES OF THE
SPECIAL MEETING OF THE BOARD OF DIRECTORS
OTAY WATER DISTRICT
April 4, 2007

1. The meeting was called to order by President Croucher at 5:08 p.m.

2. ROLL CALL

Directors Present: Breitfelder, Croucher, Lopez and Robak

Directors Absent: Bonilla

Staff Present: General Manager Mark Watton, Asst. GM Administration and Finance German Alvarez, Asst. GM Engineering and Water Operations Manny Magana, General Counsel Yuri Calderon, District Secretary Susan Cruz and others per attached list.

3. APPROVAL OF AGENDA

A motion was made by Director Breitfelder, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	None
Absent:	Director Bonilla

to approve the agenda.

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

No one wished to be heard.

RECESS TO CLOSED SESSION

5. CLOSED SESSION

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

(i) DONNA BARTLETT-MAY, et al. v. OTAY WATER DISTRICT

Prior to recessing to closed session, General Counsel Calderon stated that he had requested that this item be posted as both an open session and a closed session item. He indicated that if the Board is comfortable approving the settlement agreement which is consistent with the terms and conditions discussed with the

Board in a previous closed session, then the board can approve the agreement without recessing to closed session. President Croucher inquired if the Board members wished to recess to closed session to discuss the matter further. None requested a closed session discussion.

A motion was made by Director Breitfelder, seconded by Director Lopez and carried with the following vote:

Ayes:	Directors Breitfelder, Croucher, Lopez and Robak
Noes:	None
Abstain:	Director Robak
Absent:	Director Bonilla

to ratify the settlement agreement negotiated with Plaintiffs in the Donna Bartlett-May, et al. v. Otay Water District matter.

6. ADJOURNMENT

With no further business to come before the Board, President Croucher adjourned the meeting in at 5:10 p.m.

_____
President

ATTEST:

_____
District Secretary

AGENDA ITEM 6a

STAFF REPORT

TYPE MEETING:	Regular Board — MEETING DATE: July 10, 2007
SUBMITTED BY:	Steve Dobrawa, Purchasing and Facilities Manager — W.O./G.F. NO: — DIV. NO. All
APPROVED BY: (Chief)	Rom Sarno, Chief, Administrative Services
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Finance and Administration
SUBJECT:	AWARD OF CONTRACT FOR LANDSCAPE MAINTENANCE SERVICES TO GREENSCAPE

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to execute a two-year contract, with two additional optional year renewals, with Greenscape for landscape maintenance of District facilities in the following amounts:

Year 1	$69,600.00
Year 2	$73,080.00
Option Year 3	$76,800.00
Option Year 4	$80,580.00

COMMITTEE ACTION:

Please see attachment A.

PURPOSE:

To provide bid results and obtain authorization to award a two year landscape maintenance contract, with two additional optional year renewals, to Greenscape, 333 W. Lexington Ave., El Cajon, CA 92020.

ANALYSIS:

On January 21, 2005, the District entered into an 18 month competitively bid agreement with Pacific Green Landscape in the amount of $141,300.00 ($94,200.00/year) to provide landscape maintenance services for various facilities and easements maintained by District personnel. The District's experience with outsourced landscape service has been very positive and the District is confident that its facilities can be adequately maintained through contracted services.

In accordance with District's purchasing requirements, bids were solicited for landscape maintenance services for the District's administrative and operations facilities, reservoir and pump station sites, and District maintained easements. On May 25, 2007 eight (8) interested firms attended a mandatory pre-bid meeting and on June 7, 2007, five (5) bids were received and publicly opened with the following results:

Bidder	Year 1 Bid	Year 2 Bid	Option Year 3 Bid	Option Year 4 Bid
Greenscape	$69,600.00	$73,080.00	$76,800.00	$80,580.00
Pacific Green Landscape	$94,200.00	$94,200.00	$97,026.00	$99,936.84
Westturf Landscape	$119,599.92	$122,592.00	$125,652.00	$128,784.00
Acacia Landscape Co.	$167,400.00	$179,100.00	$190,800.00	$198,000.00
Brewer Land & Landscape	$273,600.00	$287,280.00	$301,644.00	$316,800.00

The District has contracted with Greenscape in the past (prior to January 21, 2007), to maintain the District's administration and operations building landscaping. Additionally, responses to inquiries of current references have been positive. Although the scope of services is considerably larger than Greescape's prior contract with the District, the District is confident that Greenscape can successfully perform the required services identified within the proposed contract. Additionally, as is consistent with the District's multi-year contracts, should Greenscape fail to perform as required, the District will have the ability to terminate the contract at any time for cause.

It is recommended that the Board award a contract to Greenscape, 333 W. Lexington Ave., El Cajon, CA 92020, in the amount of $300,060.00 to cover the cost of landscape maintenance, as identified in the proposed contract, for FY 2008 through FY 2011.

FISCAL IMPACT:

The landscape maintenance operating budget for FY 08 is $150,000.00. Of this amount, $120,000.00 was budgeted to be used for the proposed contract. There are sufficient funds in the FY-08 operating budget to cover the $69,600.00 cost for Year 1 of the proposed contract.

STRATEGIC GOAL:

The proposed contract supports the District's strategy of:

- Stewards of Public Infrastructure
- Business Efficiency

LEGAL IMPACT:

None.

General Manager

Attachments: "A" Committee Action Report

ATTACHMENT A

SUBJECT/PROJECT:	AWARD OF CONTRACT FOR LANDSCAPE MAINTENANCE SERVICES TO GREENSCAPE

COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on June 27, 2007. The following comments were made:

- The District had outsourced its landscaping services in 2005. The outsourcing of the landscape responsibilities has been very successful and staff has decided to re-bid the landscaping services.
- The landscaping services maintenance contract was advertised for bid and on May 25 eight (8) firms attended a mandatory pre-bid meeting.
- Five (5) bids were received and staff is recommending that a two-year landscape contract be awarded to Pacific Green Landscape with an option to renew the contract for two additional years. The contract amounts for each of the four years is as follows:
  - Year 1 $69,600
  - Year 2 $73,080
  - Option Year 3 $76,800
  - Option Year 4 $80,580
- The landscape contract can be terminated without cause at anytime through written notice.
- The contracted services include tree and shrub trimming, repair of sprinkler heads, minor access egress repair, herbicide application, identified weed abatement, etc.
- It was also discussed that the landscape contractor must have Workers Compensation and General Liability insurance as required by all District contractors.
- Pacific Greenscape Landscape has performed work with other agencies such as the San Miguel Consolidated Fire Protection District, El Cajon DMV, Folex Company and the County of San Diego. In the past, they were contracted by the District to maintain the 30 MG reservoir site and the Administration and

Operations building landscapes. They know the District well and their references were positive.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding to the Board of Directors on the consent calendar.

AGENDA ITEM 6b

STAFF REPORT

TYPE MEETING:	Regular Board — MEETING DATE: July 10, 2007
SUBMITTED BY:	Steve Dobrawa, Purchasing and Facilities Manager — W.O./G.F. NO: — DIV. NO. All
APPROVED BY: (Chief)	Rom Sarno, Chief, Administrative Services
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Finance and Administration
SUBJECT:	AWARD OF CONTRACT FOR JANITORIAL SERVICES TO PACIFIC BUILDING MAINTENANCE

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorizes the General Manager to:

1. Execute a three-year contract with Pacific Building Maintenance, 1330 Willow St., San Diego, CA 92106 for janitorial services for the District's Administrative and Operation facilities in the following amounts:

   Year 1 $ 33,540.00
   Year 2 $ 33,540.00
   Year 3 $ 33,540.00, and

2. Negotiate and continue the contract, at the General Manager's discretion, for Option Year 4 and Option Year 5.

COMMITTEE ACTION:

Please see attachment A.

PURPOSE:

To provide bid results and obtain authorization to award a three year janitorial service contract, with two additional optional year renewals, to Pacific Building Maintenance, 1330 Willow St., San Diego, CA 92106.

ANALYSIS:

On June 1, 2001, in support of a decision to outsource janitorial services, the District entered into a 4-year contract with Jani-King

of California. On May 31, 2005 the contract expired and Jani-King's contract was continued on a month-to-month basis.

In accordance with District's purchasing requirements, a solicitation for quotations for janitorial service was published. Additionally, the solicitation was forwarded to the Contracting Opportunities Center. From June 11, 2007 through June 15, 2007 eleven (11) firms responded and attended a job walk of the District's Administrative and Operations facilities.

On June 18, 2007, eight (8) bids were received and publicly opened with the following results:

Bidder	Year 1 Bid	Year 2 Bid	Year 3 Bid
Pacific Building Maintenance	$ 33,540.00	$ 33,540.00	$ 33,540.00
PMS Maintenance Systems	$ 36,395.52	$ 37,851.24	$ 39,365.40
T and T Janitorial	$ 39,600.00	$ 39,600.00	$ 39,600.00
Metro Janitorial	$ 44,376.00	$ 44,376.00	$ 44,376.00
Gina Solutions	$ 42,000.00	$ 46,200.00	$ 50,820.00
Kleenhouse Building Maintenance	$ 46,380.00	$ 48,696.00	$ 51,120.00
We Buff it Too Biz	$ 48,000.00	$ 54,000.00	$ 60,000.00
Jani-King of California	$ 58,740.00	$ 58,740.00	$ 58,740.00

The District has checked references for the apparent low bidder, Pacific Building Maintenance, and all responses are positive. As a condition of the contract, the vendor will be required to conduct preliminary and annual background checks and bond employees assigned to perform work for the District. Additionally, as is consistent with the District's multi-year contracts, should the vendor fail to perform as required, the District will have the ability to terminate the contract at any time for cause.

It is recommended that the Board award a contract to Pacific Building Maintenance, 1330 Willow St., San Diego, CA 92106, in the amount of $100,620.00 to cover the cost of janitorial service, as identified in the proposed contract, for FY 2008 through FY 2010 with 2 additional option years.

FISCAL IMPACT:

The janitorial service operating budget for FY 08 is $60,000.00. Of this amount, $50,000.00 was budgeted to be used for the proposed contract. There are sufficient funds in the FY-08 operating budget to cover the $33,540.00 cost for Year 1 of the proposed contract.

STRATEGIC GOAL:

The proposed contract supports the District's strategy of:

- Business Efficiency

LEGAL IMPACT:

None.

General Manager

Attachments: "A" Committee Action Report

ATTACHMENT A

SUBJECT/PROJECT:	AWARD OF CONTRACT FOR JANITORIAL SERVICES TO PACIFIC BUILDING MAINTENANCE

COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on June 27, 2007. The following comments were made:

- The District had outsourced its janitorial services in 2001 and at that time awarded a four-year contact to Jani-King.
- Jani-King's contract has since expired and they are currently retained on a month-to-month basis at approximately $46,000 per year.
- The janitorial services contract was bid and eleven (11) firms participated in a walkthrough of the District's facilities.
- The District received eight (8) bids and staff is recommending that a three-year janitorial services contract be awarded to Pacific Building Maintenance at $33,540 per year with an option for the General Manager to negotiate two additional years.
- The contract may be terminated without cause at anytime through written notice.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding to the Board of Directors on the consent calendar.

AGENDA ITEM 6c

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	Rom Saimo Chief Administrative Services	W.O./G.F. NO:	DIV. NO.
APPROVED BY: (Chief)			
APPROVED BY: (Asst. GM):	German Alvarez, Asst. GM, Finance and Administration		
SUBJECT:	Amendments to the Joint Powers Agreement (JPA) between the California Special Districts Association (CSDA) and the Special District Risk Management Authority (SDRMA)		

GENERAL MANAGER'S RECOMMENDATION:
That the Board adopt Resolution No. 4103 approving proposed amendments to the Special District Risk Management Authority Joint Powers Agreement (SDRMA JPA) as it relates to California Special District Association (CSDA).

COMMITTEE ACTION: _____
See attachment "A"

PURPOSE:
To amend Article 25 of the JPA to delete the requirement for SDRMA to pay CSDA an annual administrative fee equal to 1% of SDRMA's net annual premiums. The District is a member of both the CSDA and the SDRMA. This provision of the JPA creates a financial inequity for SDRMA and CSDA members who do not participate in SDRMA's programs. With SDRMA's significant growth in recent years, the SDRMA Board of Directors supports the elimination of this provision. This proposed amendment will be beneficial for SDRMA and its members.

ANALYSIS:
The primary change proposed to the current Fifth (5^{th}) Amended JPA amends Article 25 – Annual Service Fees: Provisions Relating to CSDA by eliminating the requirement for SDRMA to pay an annual administrative fee to the CSDA.

In addition to the proposed amendment to Article 25, there are also minor changes in three other sections of the JPA:

Recitals: *2nd Whereas*

New Section: Adds language. California Labor Code Section 3700 (c) permits pooling by public agencies of self insurance for Workers' Compensation Code.

Purpose of Change: Updates language to be consistent with Government Code.

Article 7: *Board of Directors*

Deletes: Provisions for an Interim Board consisting of nine (9) Directors. The interim Board will be comprised of the Directors from each Board (4 SDWCA, 5 SDRMA) who hold elected positions on July 1, 2003. Such Directors shall serve until the first election in 2005.

Purpose of Change: Removes outdated provisions related to interim Board of Directors resulting from the consolidation of SDRMA and SDWCA.

Article 19: *Withdrawals*

Amends existing Language: Clarifies language regarding member participation between program and the withdrawal provisions.

Purpose of Change: Existing language was unclear regarding voluntary member withdrawal from a specific coverage program and voluntary withdrawal from all programs (withdrawal from JPA).

The changes do not materially affect or change membership requirements or substantially modify the terms of the JPA.

FISCAL IMPACT:
None

STRATEGIC GOAL:
None

LEGAL IMPACT:
None

Mark Watton

General Manager
Attachment A - Committee Action
Attachment B - Resolution
Attachment C - Sixth Amended Joint Powers Agreement

ATTACHMENT A

SUBJECT/PROJECT:	Amendments to the Joint Powers Agreement (JPA) between the California Special Districts Association (CSDA) and the Special District Risk Management Authority (SDRMA)

COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on June 27, 2007. The following comments were made:

- The Special District Risk Management Authority (SDRMA) has requested that its members adopt a resolution to support amendments to the Joint Power Agreement which includes eliminating the California Special District Association (CSDA) annual administrative fee which is equal to 1% of SDRMA's net annual premiums.
- In addition to the elimination of the CSDA administrative fee, SDRMA is proposing some minor language clean-up in three section of the agreement:
  - Adds language in the recitals that permits pooling by public agencies of self insurance for Workers' Compensation liability.
  - Deletes outdated provisions in Artilce 7 related to an intrim Board of Directors.
  - Amends language in Article 19 to clarify voluntary member withdrawal from a specific coverage program and voluntary withdrawal from the JPA.
- Staff recommends that the District support the amendments. The changes will save the District approximately $8000 per year.
- Through the savings, SDRMA plans to provide additional training and reduce premium rates.
- SDRMA has over 740 members of which 401 members are in the Property and Liability Program and 339 members are in the Workers' Compensation Program. Otay is one of approximately 93 large agency members in the Property and Liability Program.
- CSDA is supportive of the amendment.

- CWA is interested in contracting with SDRMA. They are attacted to their lower cost and responsiveness to Worker's Compensation claims/issues.
- There was a discussion on how SDRMA handles the voting process (is it a weighted vote). Staff was not certain and indicated that they would research this issue. Staff has contacted SDRMA and it was indicated that the membership elects a seven member Board of Directors. The Board of Directors is then empowered to carry out the business of SDRMA.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding to the Board of Directors on the consent calendar.

RESOLUTION NO 4103

A RESOLUTION OF THE GOVERNING BODY OF THE
Otay Water District
APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SIXTH AMENDED JOINT POWERS AGREEMENT

WHEREAS, the **Otay Water District**, a public agency duly organized and existing under and by virtue of the California Government Code and laws of the State of California (the "Member Agency"), has entered into the Fifth Amended and Restated Joint Powers Agreement (the "Original Agreement"), relating to the Special District Risk Management Authority (the "Authority"); and

WHEREAS, the **Otay Water District** and the other members of the Authority (the "Members") find it beneficial to amend the Original Agreement (i) to amend Article 25 of the agreement regarding administrative fees paid by the Authority to the California Special District Association, and (ii) to make certain other amendments to the Original Agreement; and

WHEREAS, in order to implement the foregoing, the Member Agency and the Members propose to execute and enter into a Sixth Amended Joint Powers Agreement (the "Amended JPA Agreement"); and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Governing Body is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE MEMBER AGENCY AS FOLLOWS:

Section 1. Findings. The Governing Body of **Otay Water District**, hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the agency.

Section 2. Amended JPA Agreement. The Amended JPA Agreement, proposed to be executed and entered into by and between the Member Agency and the Members, in the form presented at this meeting and on file with the District Secretary, is hereby approved. The **[INSERT THE NAME OF BOARD PRESIDENT OR AUTHORIZED OFFICER]** ("The Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the Governing Body, to execute and deliver to the Authority the Amended JPA Agreement in

substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Effective Date of Amended JPA Agreement. The Amended JPA Agreement shall take effect on October 1, 2007, but not sooner than receipt of required affirmative written approval of 2/3 of the Members participating in the Authority's risk management program(s), and who are signatory to the Fifth Amended and Restated JPA Agreement.

Section 4. Other Actions. The Authorized Officers of the Governing Body are each hereby authorized and directed to execute and deliver any and all documents which they may deem necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. Effective Date. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this _10th__ day of ___July_____, 2007 by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

_____

President: _____

_____
Secretary of Governing Body

SIXTH AMENDED
JOINT POWERS AGREEMENT

RELATING TO THE

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Adopted	**August 1, 1986**
1st Amended	**February 5, 1988**
2nd Amended	**March 31, 1990**
3rd Amended	**July 1, 1993**
4th Amended	**February 9, 1998**
5th Amended and Restated	
- Approved	**March 24, 2003**
- Effective	**July 1, 2003**
6th Amended	**October , 2007**

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SIXTH AMENDED JOINT POWERS AGREEMENT
RELATING TO THE
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

THIS SIXTH AMENDED JOINT POWERS AGREEMENT (the "Agreement") is made and entered into by and among the public agencies (the "Members") organized and existing under the laws of the State of California, which are signatories to this Agreement.

RECITALS

WHEREAS, California Government Code Section 6500 *et seq.* (the "Act") provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, California Labor Code Section 3700(c) permits pooling by public agencies of self insurance for Workers' Compensation liability; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4; and

WHEREAS, the parties to this Agreement desire to join together for the purposes set forth in Article 2 hereof, including establishing pools for self-insured losses and purchasing Excess or Re-Insurance and administrative services in connection with joint protection programs (the "Programs") for members of the California Special Districts Association ("CSDA"); and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so; and

WHEREAS, the Members have previously executed that certain Fifth Amended and Restated Joint Powers Agreement (the "Original JPA"), which Original JPA the Members desire to amend and restate by this Agreement; provided that such amendment and restatement shall not affect the existence of the Authority; and

WHEREAS, CSDA exists to assist and promote special districts, and has been responsible for the original creation of the Special District Risk Management Authority ("Authority") and Special District Workers Compensation Authority ("SDWCA"), and determined the consolidation of SDWCA and the Authority on July 1, 2003 was in the best interests of special districts and other public agencies throughout the State.

NOW THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

Article 1. Definitions. The following definitions shall apply to the provisions of this agreement:

"Act" means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code, as amended or supplemented.

"Alliance Executive Council" means the council organized pursuant to the MOU.

"Assessment" means an additional amount, in addition to the Member's or Former Member's original contribution, which the Board of Directors determines in accordance herewith and/or with the Bylaws that a Member or Former Member owes on account of its participation in a Program for a given Program year.

"Authority" shall mean the Special District Risk Management Authority created by the original version of this Agreement.

"Board of Directors" or "Board" shall mean the governing body of the Authority.

"Bylaws" means the Bylaws of the Authority adopted by the Board of Directors, as they may be amended from time to time.

"Chief Executive Officer" shall mean that employee of the Authority who is so appointed by the Board of Directors.

"Claim" shall mean a demand made by or against a Member or Former Member which is or may be covered by one of the Programs approved by the Board of Directors.

"Contribution" means the amount determined by the Board of Directors to be the appropriate sum which a Member should pay at the commencement of or during the Program Year in exchange for the benefits provided by the Program.

"Coverage Documents" shall mean the Declarations, Memorandum of Coverages, Coverage Agreements, Endorsements, Policies of Insurance or any other documents that provide the terms, conditions, limits and exclusions of coverage afforded by a Program.

"CSDA" means the California Special Districts Association.

"District" shall mean a special district, public agency or public entity within the State of California which is both a Member of the CSDA and a signatory to this Agreement.

"Duly Constituted Board Meeting" shall mean any Board of Directors meeting noticed and held in the required manner and at which a Quorum was determined to be present at the beginning of the meeting.

"Estimated Contribution" means the amount which the Board of Directors estimates will be the appropriate contribution for a Member's participation in a Program for a Program Year.

"Excess or Re-Insurance" shall mean that insurance which may be purchased on behalf of the Authority and/or the Members to protect the funds of the Members or Former Members against catastrophic losses or an unusual frequency of losses during a single year in excess of the self-insurance retention maintained by the Authority.

"Fiscal Year" shall mean that period of twelve months which is established as the fiscal year of the Authority.

"Former Member" shall mean a District which was a signatory to the Agreement but which has withdrawn from, or been involuntarily terminated from participating in, the Authority.

"Joint Protection Program" means a Program offered by the Authority, separate and distinct from other Programs, wherein Members will jointly pool their losses and claims, jointly purchase Excess or Re-Insurance and administrative and other services, including claims adjusting, data processing, risk management consulting, loss prevention, legal and related services.

"Member" shall mean a signatory to this Agreement, which is qualified as a Member under the provisions of this Agreement and the Bylaws.

"MOU" means the Memorandum of Understanding - Alliance Executive Council, dated as of September 20, 2001, among the Authority, CSDA, the CSDA Finance Corporation and SDWCA.

"Program" or "Programs" means the specific type of protection plan as set forth in the terms, conditions and exclusions of the Coverage Documents for self-insured losses, and the purchasing of Excess or Re-Insurance and administrative services.

"Program Year" shall mean a period of time, usually 12 months, determined by the Board of Directors, in which a Program is in effect.

"Retained Earnings," as used herein, shall mean an equity account reflecting the accumulated earnings of a Joint Protection Program.

"SDWCA" means the Special Districts Workers Compensation Authority, and its successors or assigns.

Article 2. Purposes. This Agreement is entered into by the Members pursuant to the provisions of California Government Code section 990, 990.4, 990.8 and 6500 *et seq.* in order to provide, subject to the provisions of the Coverage Documents, economical public liability and workers' compensation coverage, or coverage for other risks which the Board of Directors may determine.

Additional purposes are to reduce the amount and frequency of losses, and to decrease the cost incurred by Members in the handling and litigation of claims. These purposes shall be

accomplished through the exercise of the powers of such Members jointly in the creation of a separate entity, the Special District Risk Management Authority (the "Authority"), to establish and administer Programs as set forth herein and in the Bylaws.

It is also the purpose of this Agreement to provide, to the extent permitted by law, for the inclusion, at a subsequent date, and subject to approval by the Board of Directors, of such additional Members organized and existing under the laws of the State of California as may desire to become parties to the Agreement and Members of the Authority.

Article 3. Parties to Agreement. Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories to this Agreement and, in addition, with such other parties as may later be added as parties to and signatories of this Agreement pursuant to Article 18. Each party to this Agreement also certifies that the withdrawal from or cancellation of membership by any Member, pursuant to Articles 19 and 20 or otherwise, shall not affect this Agreement nor such party's intent, as described above, to contract with the other remaining parties to the Agreement.

Article 4. Term of Agreement. This Agreement shall become effective as to existing Members of the Authority as set forth in Article 33 hereof. This Agreement shall continue thereafter until terminated as hereinafter provided. This Agreement shall become effective as to each new Member upon: (i) approval of its membership by the Board of Directors, (ii) the execution of this Agreement by the Member, and (iii) upon payment by the Member of its initial Contribution for a Program. Any subsequent amendments to the Agreement shall be in accordance with Article 27 of this Agreement.

Article 5. Creation of Authority. Pursuant to the Act, there is hereby created a public entity separate and apart from the parties hereto, to be known as the Special District Risk Management Authority. Pursuant to Section 6508.1 of the Act, the debts, liabilities and obligations of the Authority, including but not limited to, debts, liabilities and obligations of any of the Programs shall not constitute debts, liabilities or obligations of any party to this Agreement or to any Member or Former Member.

The Authority is not an insurer, and the coverage programs offered by the Authority do not provide insurance, but instead provide for pooled joint protection programs among the members of the Authority. The Joint Protection Programs offered by the Authority constitute negotiated agreements among the Members which are to be interpreted according to the principles of contract law, giving full effect to the intent of the Members, acting through the Board of Directors in establishing the Programs.

Article 6. Powers of Authority. (a) The Authority shall have all of the powers common to Members and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:

(1) to make and enter into contracts, including the power to accept the assignment of contracts or other obligations which relate to the purposes of the Authority, or which were entered into by a Member or Former

Member prior to joining the Authority, and to make claims, acquire assets and incur liabilities;

(2) to accept an assignment from SDWCA of all its assets, obligations and liabilities prior to the dissolution of SDWCA (including claims and contracts in existence prior to such dissolution) in order to benefit the Members or Former Members participating in the SDWCA workers compensation program; provided, that except for the fair and equitable allocation of administrative and overhead expenses, funds from such assignment shall not be co-mingled and shall be separately accounted for as provided for in this Agreement and the Bylaws.

(3) to incur debts, liabilities, or other obligations, including those which are not debts, liabilities or obligations of the Members or Former Members, or any of them;

(4) to charge and collect Contributions and Assessments from Members or Former Members for participation in Programs;

(5) to receive grants and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;

(6) to acquire, hold, lease or dispose of property, contributions and donations of property and other forms of assistance from persons, firms, corporations and governmental entities

(7) to acquire, hold or dispose of funds, services, donations and other forms of assistance from persons, firms, corporations and governmental entities;

(8) to employ agents and employees, and/or to contract for such services;

(9) to incur debts, liabilities or other obligations to finance the Programs and any other powers available to the Authority under Article 2 or Article 4 of the Act;

(10) to enter into agreements for the creation of separate public entities and agencies pursuant to the Act;

(11) to sue and be sued in its own name;

(12) to exercise all powers necessary and proper to carry out the terms and provisions of this Agreement (including the provision of all other appropriate ancillary coverages for the benefit of the Members or Former Members), or otherwise authorized by law or the Act; and

(13) to exercise all powers and perform all acts as otherwise provided for in the Bylaws.

(b) Said powers shall be exercised pursuant to the terms hereof, in the manner provided by law and in accordance with Section 6509 of the Act. The foregoing powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to the Member or Former Member designated in the Bylaws.

Article 7. Board of Directors. Subject to the limitations of this Agreement and the laws of the State of California, the powers of this Authority shall be vested in and exercised by, and its property controlled and its affairs conducted by, the Board of the Authority, which is hereby established and designated as the agency to administer this Agreement pursuant to Section 6506 of the Act. The powers of the Authority shall be exercised through the Board of Directors, who may, from time to time, adopt and modify Bylaws and other rules and regulations for that purpose and for the conduct of its meetings as it may deem proper. The officers of the Board shall be as set forth in the Bylaws.

So long as the MOU has not been terminated or the Authority has not withdrawn from the MOU, the Board of Directors shall be composed of seven (7) directors elected by the Member entities who have executed the current operative Agreement and are participating in a Joint Protection Program. The terms of directors, procedures for election of directors, procedures for meetings and provisions for reimbursement of Director expenses shall be as set forth in the Bylaws. Each Member of the Board of Directors shall have one vote. Each Member of the Board shall serve as set forth in the Bylaws.

So long as the Authority is a participant in the MOU, the Board of Directors of the Authority shall appoint three (3) members of its board to serve as members of the Alliance Executive Council. No member of the Board of Directors of the Authority shall serve as a director on any other board of directors of an entity or organization that is a signatory to the MOU during the term of the MOU. In the event a director is elected to such a board, that director shall immediately resign from the Board of Directors of the Authority.

In the event SDRMA withdraws from the MOU, the Board of Directors of the Authority shall consist of those seven (7) Directors who hold seats on the Authority's Board of Directors at the time of the withdrawal and who were duly appointed by the Board, or elected or re-elected by the Member entities of SDRMA plus the additional directors appointed by CSDA as provided in Article 25.

Article 8. Compliance with the Brown Act. All meetings of the Board, including, without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Section 54950 *et seq.*

Article 9. Powers of the Board of Directors. The Board of Directors shall have such powers and functions as provided for pursuant to this Agreement and the Bylaws and such additional powers as necessary or appropriate to fulfill the purposes of this Agreement and the Bylaws, including, but not limited to, the following:

(a) to determine details of and select the Program or Programs to be offered, from time to time, by the Authority;

(b) to determine and select all insurance, including Excess or Re-insurance, necessary to carry out the programs of the Authority;

(c) to contract for, develop or provide through its own employees various services for the Authority;

(d) to prepare or cause to be prepared the operating budget of the Authority for each fiscal year;

(e) to receive and act upon reports of committees and from the Chief Executive Officer;

(f) to appoint staff, including a Chief Executive Officer, and employ such persons as the Board of Directors deems necessary for the administration of this Authority;

(g) to direct, subject to the terms and conditions of the Coverage Documents, the payment, adjustment, and defense of all claims involving a Member during their period of membership in and coverage under a Program;

(h) to fix and collect Contributions and Assessments for participation in the Programs;

(i) to expend funds of the Authority for the purpose of carrying out the provisions of the Agreement and the Bylaws as they now exist or may be hereafter amended;

(j) to purchase excess insurance, liability insurance, stop loss insurance, officers and directors liability insurance, and such other insurance as the Authority may deem necessary or proper to protect the Program, employees of the Authority and employees of the Members;

(k) to defend, pay, compromise, adjust and settle all claims as provided for in the Coverage Documents;

(l) to obtain a fidelity bond in such amount as the Board of Directors may determine for any person or persons who have charge of or the authority to expend funds for the Authority;

(m) to establish policies and procedures for the operation of the Authority and the Programs;

(n) to engage, retain, and discharge agents, representatives, firms, or other organizations as the Board of Directors deems necessary for the administration of the Authority;

(o) to enter into any and all contracts or agreements necessary or appropriate to carry out the purposes and functions of the Authority;

(p) to acquire, hold, lease, manage and dispose of, as provided by law, any and all property necessary or appropriate to carry out the purposes and functions of the Authority;

(q) to transact any other business which is within the powers of the Board of Directors;

(r) to invest funds on hand in a manner authorized by law, the Agreement and the Bylaws;

(s) to provide financial administration, claims management services, legal representations, safety engineering, actuarial services, and other services necessary or proper to carry out the purposes of the Authority either through its own employees or contracts with one or more third parties;

(t) to exercise general supervisory and policy control over the Chief Executive Officer;

(u) to establish committees and sub-committees as it deems necessary to best serve the interests of the Authority; and

(v) to have such other powers and functions as are provided for pursuant to the Act, this Agreement or necessary or appropriate to fulfill the purpose of this Agreement and the Bylaws.

Article 10. Officers of the Authority. The officers of the Authority shall be as set forth in the Bylaws. The Board may elect or authorize the appointment of such other officers than those described in the Bylaws as the business of the Authority may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in this Agreement, or as the Board, from time to time, may authorize or determine.

Any officer may be removed, either with or without cause, by a majority of the directors of the Board at any regular or special meeting of the Board. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board may delegate the powers and duties of such office to any officers or to any Members of the Board until such time as a successor for said office has been appointed.

Article 11. Provision for Bylaws. The Board shall promulgate Bylaws to govern the day-to-day operations of the Authority. The Board may amend the Bylaws from time to time as it deems necessary, and as provided in the Bylaws. Each Member shall receive a copy of any Bylaws and agrees to be bound by and to comply with all of the terms and conditions of the Bylaws as they exist or as they may be modified. The Bylaws shall be consistent with the terms of this Agreement. In the event any provision of the bylaws conflicts with a provision of this Agreement, the provision contained in this Agreement shall control.

Article 12. [Reserved].

Article 13. Coverage Programs.

(a) The Authority shall maintain such types and levels of coverage for Programs as determined by the Board of Directors. Such coverage may provide for binding arbitration before an independent arbitration panel of any disputes concerning coverage between the Authority and a Member.

(b) The coverage afforded under one or more Programs may include protection for general liability, auto liability, property, boiler and machinery, public officials errors and omissions, employment practices, employee benefits liability coverage, employee dishonesty coverage, public officials personal liability coverage and workers' compensation, as well as coverage for other risks which the Board of Directors may determine to be advisable. More than one type of coverage may be afforded under a single Program.

(c) The Board of Directors may arrange for group policies to be issued for Members, their board members and employees interested in obtaining additional coverage, at an appropriate additional cost to those participating Members.

(d) The Board of Directors may arrange for the purchase of Excess or Re-Insurance. The Authority shall not be liable to any Member or to any other person or organization if such excess or reinsurance policies are terminated, canceled or non-renewed without prior notice to one or more Members, or if there is a reduction in the type of coverage afforded under a program by reason of any change in coverage in a succeeding excess or reinsurance policy, even if such reduction occurs without prior notice to one or more Members.

Article 14. Implementation of the Programs. The Board of Directors shall establish the coverage afforded by each Program, the amount of Contributions and Assessments, the precise cost allocation plans and formulas, provide for the handling of claims, and specify the amounts and types of Excess or Re-Insurance to be procured. The Contributions and Assessments for each Program shall be determined by the Board of Directors as set forth herein, in the Bylaws or in the operating policies established for a Program.

Article 15. Accounts And Records.

(a) **Annual Budget.** The Authority shall, pursuant to the Bylaws, annually adopt an operating budget, including budgets for each Joint Protection Program.

(b) **Funds and Accounts.** The Authority shall establish and maintain such funds and accounts as required by the Board of Directors and as required by generally accepted accounting principles, including separate funds and accounts for each Program, including Joint Protection Programs. Books and records of the Authority shall be open to any inspection at all reasonable times by authorized representatives of Members, or as otherwise required by law.

(c) **Investments.** Subject to the applicable provisions of any indenture or resolution providing for the investment of moneys held thereunder, the Authority shall have the power to invest any money in the treasury that is not required for the immediate necessities of the Authority, as the Board determines is advisable, in the same manner as local agencies pursuant to

California Government Code Sections 53601 *et seq.* (as such provisions may be amended or supplemented).

(d) **No Commingling.** The funds, reserves and accounts of each Program shall not be commingled and shall be accounted for separately; provided, however, that administration and overhead expenses of the Authority not related to a specific Program or Programs may be fairly and equitably allocated among Programs as determined by the Board of Directors. Investments and cash accounts may be combined for administrative convenience, but a separate accounting shall be made for balances of individual funds and Program revenues and expenses.

(e) **Annual Audit.** The Board shall provide for a certified, annual audit of the accounts and records of the Authority, in the manner set forth in the Bylaws.

Article 16. Services Provided by the Authority. The Authority may provide, at the sole discretion of the Board of Directors, the following services in connection with this Agreement:

(a) to provide or procure coverage, including but not limited to self-insurance funds and commercial insurance, as well as excess coverage, re-insurance and umbrella insurance, by negotiation or bid, and purchase;

(b) to assist Members in obtaining insurance coverage for risks not included within the coverage of the Authority;

(c) to assist risk managers with the implementation of risk management functions as it relates to risks covered by the Programs in which the Member participates;

(d) to provide loss prevention and safety consulting services to Members;

(e) to provide claims adjusting and subrogation services for Claims covered by the Programs;

(f) to provide loss analysis and control by the use of statistical analysis, data processing, and record and file keeping services, in order to identify high exposure operations and to evaluate proper levels of self-retention and deductibles;

(g) to review Member contracts to determine sufficiency of indemnity and insurance provisions when requested;

(h) to conduct risk management audits relating to the participation of Members in the Programs; and

(i) to provide such other services as deemed appropriate by the Board of Directors.

Article 17. Responsibilities of Members. Members or Former Members shall have the following responsibilities, which shall survive the withdrawal from, or involuntary termination of participation in, this Agreement:

(a) Each Member shall designate a person to be responsible for the risk management function within that Member and to serve as a liaison between the Member and the Authority as to risk management.

(b) Each Member shall maintain an active safety officer and/or committee, and shall consider all recommendations of the Authority concerning unsafe practices and/or hazard mitigation.

(c) Each Member shall maintain its own set of records, including a loss log, in all categories of risk covered by each Program in which it participates to insure accuracy of the Authority's loss reporting system, unless it is no longer deemed necessary by the Board of Directors.

(d) Each Member shall pay its Contribution, and any adjustments thereto, and any Assessments within the specified period set forth in the invoice, or as otherwise may be set forth herein or in the Bylaws. After withdrawal or termination, each Former Member or its successor shall pay promptly to the Authority its share of any additional Contribution, adjustments or Assessments, if any, as required of it by the Board of Directors under Article 21 or 22 of this Agreement or the Bylaws.

(e) Each Member or Former Member shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the Programs under this Agreement in which the Member or Former Member participates or has participated.

(f) Each Member or Former Member shall in any and all ways cooperate with and assist the Authority and any insurer of the Authority, in all matters relating to this Agreement and covered claims.

(g) Each Member or Former Member will comply with all Bylaws, rules and regulations adopted by the Board of Directors.

(h) Each Member shall remain a member in good standing of CSDA.

Article 18. New Members. The Authority shall allow entry into its Programs of new Members only upon approval of the Board, with any conditions or limitations as the Board deems appropriate. In order to become a Member and remain a Member, any District must be a member in good standing of CSDA, shall participate in at least one (1) Joint Protection Program and shall be authorized to exercise the common powers set forth in this Agreement.

Article 19. Withdrawal.

(A) Any Member may voluntarily withdraw from this Agreement only at the end of any applicable Program Year and only if:

(i) The Member has been a signatory to this Agreement for not less than three (3) full Program Years as of the date of the proposed withdrawal;

(ii) The Member submits a written withdrawal notification in accordance with the Bylaws;

(iii) In order to withdraw from the agreement the member must have completed the three (3) full program year participation requirement for each Joint Protection Program the member participated in at the time of withdrawal.

(B) Any Member may voluntarily withdraw from any particular Joint Protection Program; and

(i) It has participated in such Joint Protection Program for at least three (3) full Program Years;

(ii) it is a participant in another Joint Protection Program; and

(iii) the Member submits a written withdrawal notification in accordance with the Bylaws.

(C) In the event that the three year participation requirement as required by (A)(i) or (B)(i) as to any such Joint Protection Program above has not been met, for each Program the withdrawing Member participated in at the time of its withdrawal, for less than three years such withdrawing member shall be obligated to pay all Contributions and Assessments as if that Member had remained in each such Program for the full three years from the inception of its membership in the Authority.

(D) In the event that the notice is not provided as required by (A)(ii) or (B)(iii) above, any such withdrawing Member shall, with respect to each Program the Member participated in, be obligated to pay any and all Contributions and Assessments for the next full Program Year.

(E) A Member may withdraw from any Program (other than a Joint Protection Program) as provided by the Coverage Documents relating to such Program.

(F) Withdrawal of one or more Members shall not serve to terminate this Agreement.

(G) A Member may not withdraw as a party to this Agreement until it has withdrawn, as provided in the Bylaws from all of the Programs of the Authority.

Article 20. Involuntary Termination.

(a) Notwithstanding the provisions of Article 19, the Authority shall have the right to involuntarily terminate any Member's participation in any Program, or terminate membership in the Authority, as provided in the Bylaws.

(b) Notwithstanding any other provisions of this Agreement, the participation of any Member of the Authority, including participation in any of the Authority's Programs, may be involuntarily terminated at the discretion of the Board of Directors whenever such Member is dissolved, consolidated, merged or annexed. A reasonable time shall be afforded, in the

discretion of the Board of Directors, to place coverage elsewhere. Any such involuntary termination shall not relieve the Member or Former Member of its responsibilities as provided for in Articles 17 or 21.

Article 21. Effect of Withdrawal or Involuntary Termination. The withdrawal from or involuntary termination of any Member from this Agreement shall not terminate this Agreement, and such Member, by withdrawing or being involuntarily terminated, shall not be entitled to payment, return or refund of any Contribution, Assessment, consideration, or other property paid, or donated by the Member to the Authority, or to any return of any loss reserve contribution, or to any distribution of assets (except payment of any Retained Earnings, as set forth in the following paragraph).

The withdrawal from or involuntary termination of any Member after the effective date of any Program shall not terminate its responsibility to pay its unpaid Contribution adjustments, or Assessments to such Program. The Board of Directors shall determine the final amount due from the Member or Former Member by way of contribution or assessments, if any, or any credit due on account thereof, to the Member or Former Member for the period of its participation. Such determination shall not be made by the Board of Directors until all Claims, or other unpaid liabilities, have been finally resolved. In connection with this determination, the Board of Directors may exercise similar powers to those provided for in Article 22(b) of this Agreement, or as otherwise set forth in the Bylaws. Upon such withdrawal from or cancellation of participation in any Program by any Member, said Member shall be entitled to receive its pro rata share of any Retained Earnings declared by the Board of Directors after the date of said Member withdraws or is involuntarily terminated.

Article 22. Termination and Distribution; Assignment.

(a) This Agreement may be terminated any time with the written consent of two-thirds of the voting Members; provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of net assets and all other functions necessary to wind up the affairs of the Authority.

(b) The Board of Directors is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority. These powers shall include the power to require Members or Former Members, including those which were signatory hereto at the time the subject Claims arose or was/were incurred, to pay any Assessment in accordance with loss allocation formulas for final disposition of all Claims and losses covered by this Agreement or the Bylaws. A Member or Former Member's Assessment shall be determined as set forth in the Bylaws or the applicable Coverage Documents.

(c) Upon termination of a Program, all net assets of such Program other than Retained Earnings shall be distributed only among the Members that are participating in such Program at the time of termination, in accordance with and proportionate to their cash payments (including Contributions, adjustments, Assessments and other property at market value when received) made during the term of this Agreement for such Program. The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending Claim or loss covered by such Program, or as otherwise set forth in the Bylaws.

(d) Upon termination of this Agreement all net assets of the Authority, other than of any Program distributed pursuant to (c) above, shall be distributed only among the Members in good standing at the time of such termination in accordance with and proportionate to their cash contributions and property at market value when received. The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending Claim or loss covered by this Agreement, or as otherwise set forth in the Bylaws.

(e) In the event the Board of Directors is no longer able to assemble a quorum, the Chief Executive Officer shall exercise all powers and authority under this Article. The decision of the Board of Directors or Chief Executive Officer under this Article shall be final.

(f) In lieu of terminating this Agreement, the Board, with the written consent of two-thirds of the voting Members, may elect to assign and transfer all of the Authority's rights, assets, liabilities and obligations to a successor joint powers authority created under the Act.

Article 23. Enforcement. The Authority is hereby granted authority to enforce this Agreement. In the event action is instituted to enforce the terms of this Agreement, the Bylaws and/or any policies and/or procedures of the Board of Directors and the nondefaulting party(s) should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party(s) herein contained, the defaulting party agrees that it will on demand therefore pay to the nondefaulting party(s) the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party(s).

Article 24. Nonliability of Directors, Officers and Employees. The Board of Directors, and the officers and employees of the Authority, including former directors, officers and employees, shall not be liable to the Authority, to any Member or Former Member, or to any other person, for actual or alleged breach of duty, mistake of judgment, neglect, error, misstatement, misleading statement, or any other act or omission in the performance of their duties hereunder; for any action taken or omitted by any employee or independent contractor; for loss incurred through the investment or failure to invest funds; or for loss attributable to any failure or omission to procure or maintain insurance; except in the event of fraud, gross negligence, or intentional misconduct of such director, officer or employee. No director, officer or employee, including former directors, officers and employees, shall be liable for any action taken or omitted by any other director, officer or employee. The Authority shall defend and shall indemnify and hold harmless its directors, officers and employees, including former directors, officers and employees, from any and all claims, demands, causes of action, and damages arising out of their performance of their duties as such directors, officers or employees of the Authority except in the event of fraud, gross negligence, corruption, malice or intentional misconduct, and the funds of the Authority shall be used for such purpose. The Authority may purchase conventional insurance to protect the Authority, and its participating Members or Former Members, against any such acts or omissions by its directors, officers and employees, including former directors, officers and employees.

Article 25. Provisions Relating to CSDA. It is agreed and understood the mandatory membership in CSDA provision in Article 18 is in consideration of CSDA's exclusive endorsement of SDRMA's programs as they exist or may be modified. CSDA and the Authority

may from time to time exchange services or enter into separate service agreements pursuant to Section 6505 of the Act, including, but not limited to, services relating to educational programs, marketing, web-site graphics and conferences.

So long as the Authority is a participant in the MOU, the Board of the Authority shall appoint three members of the Board to serve as members of the Alliance Executive Council. In the event the MOU has been terminated or the Authority has withdrawn from the MOU, the composition of the Authority Board of Directors shall be increased by two (2) additional directors to be appointed by CSDA. CSDA appointees shall be a director serving on the CSDA Board of Directors and said director(s) shall be a member of an agency who is a signatory to the current SDRMA Joint Powers Agreement.

CSDA shall be a third party beneficiary to Sections 18, 25, 27 of this Agreement.

Article 26. Notices. Notices to Members or Former Members hereunder shall be sufficient if delivered to the principal office of the respective Member or Former Member.

Article 27. Amendment. This Agreement may be amended at any time by a two-thirds vote of the Members; provided, that any amendment to Article 18, Article 25, or Article 27 shall require the prior written consent of CSDA. The Bylaws may be amended as provided therein. Upon the effective date of any validly approved amendment to this Agreement, such amendment shall be binding on all Members.

Article 28. Prohibition Against Assignment. No person or organization shall be entitled to assert the rights, either direct or derivative, of any Member or Former Member under any coverage agreement or memorandum. No Member or Former Member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any Member or Former Member shall have any right, claim or title or any part, share, interest, fund, contribution or asset of the Authority.

Article 29. Agreement Complete. The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein. This Agreement supersedes and replaces the Fifth Amended Joint Powers Amendment.

Article 30. Counterparts. This Agreement may be executed in one or more counterparts and shall be as fully effective as though executed in one document.

Article 31. California Law. This Agreement shall be governed by the laws of the State of California.

Article 32. Severability. Should any part, term or provisions of this Agreement be determined by any court of component jurisdiction to be illegal or in conflict with any law of the State of California or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Article 33. Effective Date. This Agreement shall become effective as to existing Members of the Authority on the date on which the last of two-thirds of such Members have executed this Agreement.

IN WITNESS WHEREOF, the parties hereto have first executed this Agreement by authorized officials thereof on the date indicated below:

Acknowledgement:

Ken Sonksen, President
Board of Directors
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Date

I hereby certify this Amended Joint Powers Agreement has also received the required approval of not less than two-thirds of the Member entities then parties to the Fifth Amended Joint Powers Agreement.

James W. Towns, Chief Executive Officer
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Date

EXECUTION BY MEMBER

The Amended and Restated Joint Powers Agreement of the Special District Risk Management Authority, has been approved by the Board of Directors of the Member listed below, on the date shown, and said Member agrees to be subject to all of the terms and conditions set forth in said Agreement.

Entity Name:_____

By:_____ President

By:_____ Clerk

Date:_____

EXECUTION BY AUTHORITY

The Special District Risk Management Authority (the "Authority"), operating and functioning pursuant to this Sixth Amended Joint Powers Agreement, hereby accepts the entity named above as a participating member in the Authority, subject to all of the terms and conditions set forth in this Sixth Amended Joint Powers Agreement and in the Bylaws, effective as of

_____.

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

By:_____
Ken Sonksen, President
Board of Directors

Date:_____

AGENDA ITEM 6d

STAFF REPORT

TYPE MEETING:	Regular Board — MEETING DATE: July 10, 2007
SUBMITTED BY:	Rita Bell, Finance Manager — W.O./G.F. NO: — DIV. NO. All
APPROVED BY: (Chief)	Joseph R. Beachem, Chief Financial Officer
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager
SUBJECT:	Adopt Resolution No. 4099 to Establish the Tax Rate for Improvement District No. 27 (ID 27) for Fiscal Year 2007-2008

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution No. 4099 to establish the tax rate for Improvement District No. 27 (ID 27) at $0.006 for Fiscal Year 2007-2008.

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

Each year, tax rates are calculated for improvement districts with outstanding general obligation bonds to ensure the amount of tax collections will meet the annual debt service. Currently, Improvement District No. 27 is the only improvement district with outstanding general obligation debt service.

BACKGROUND:

In December 1992, the District sold $11,500,000 of general obligation bonds in ID 27 for the construction of the 30mg reservoir. The District intended to have a maximum tax rate of $0.10 per $100 of assessed valuation.

With the refinancing of bonds in 1998, the rapid growth in recent years, and the elimination of the fund deficit, the tax rate for ID 27 has been reduced several times over the past years. In Fiscal Year 2007, it was reduced from $0.010 to $0.007 and at this time, the cash balance is sufficient to keep the fund positive, while reducing the tax rate to $0.006.

FISCAL IMPACT:

The $0.006 tax rate will generate $685,266 in revenue. The estimated revenue and the current fund balance will meet the annual debt service payment of $846,385 for ID 27 and allow the fund to maintain a positive cash balance for the foreseeable future. This action also brings this fund balance closer to the target level of six months of bond payments.

STRATEGIC GOAL:

Through well-established financial policies and wise management of funds, the District will continue to guarantee fiscal responsibility to its ratepayers and the community at large.

LEGAL IMPACT:

None.

General Manager

Attachments:

A) Committee Action Form
B) ID 27 Tables
C) Resolution No. 4099

ATTACHMENT A

SUBJECT/PROJECT:	Adopt Resolution No. 4099 to Establish the Tax Rate for Improvement District No. 27 (ID 27) for Fiscal Year 2007-2008

COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on June 27, 2007. The following comments were made:

- The Tax Rate for Improvement District 27 (ID 27) is presented each year for the board's adoption of a formal resolution which will be filed with the County of San Diego to include the tax for the central area (ID 27) in the tax rolls.
- The District sold general obligation bonds in 1992 for the construction of the 30 MG reservoir in the central area.
- With the refinancing of the bonds in 1998 and rapid development in the central area, the tax base for the collected tax has grown significantly. For the past several years, staff has proposed that the District reduce the tax rate for the central area and, again, is proposing that it be further reduced to $.006 from $.007.
- Currently, there is $1.428 million in the fund and it is expected to drop to $1.3 million next year. The goal is to bring the fund down to "$0.00" in its last month of payment.
- It was discussed that the general obligation bonds are reviewed every two years for refinancing and had been reviewed when the District prepared to issue $42 million in bonds earlier this year. The District expects to issue bonds in 2009 and 2011 and will review, at that time, if it would be benefical to refinance the 1992 obligation bonds.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding to the Board of Directors on the consent calendar.

Attachment B

IMPROVEMENT DISTRICT 27

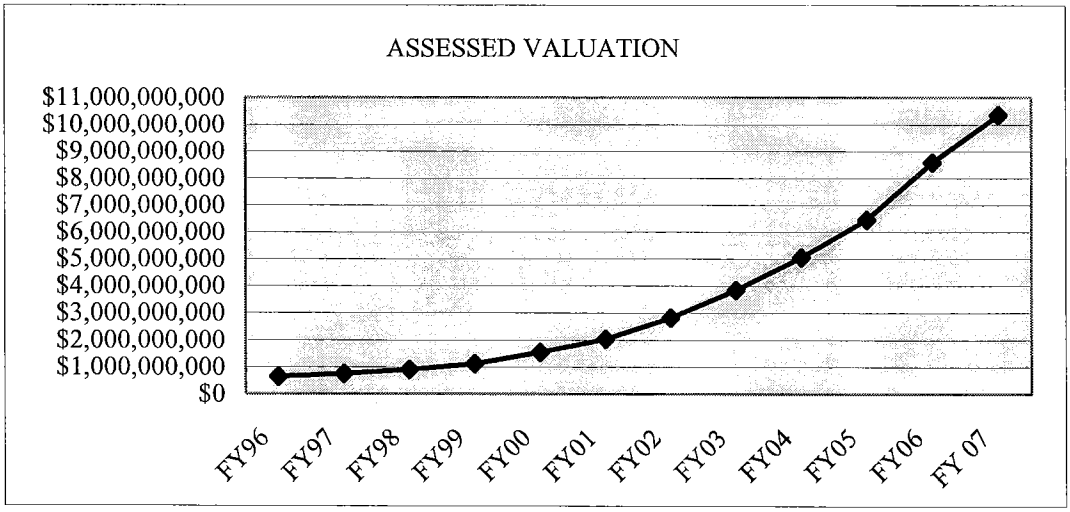
History

1989 Improvement District 27 was formed with $100,000,000 bonding authorized.

1992 District issued $11,500,000 in General Obligation Bonds primarily for the construction of a 30 million gallon storage reservoir.

1998 District refinanced outstanding debt of $10,900,000.

	TAXES COLLECTED	DEBT SERVICE	NET	TAX RATE	ASSESSED VALUATION	INC%
FY96	$624,700	$908,100	($283,400)	$0.08648	$640,775,027	
FY97	$773,800	$907,200	($133,400)	$0.09148	$752,787,671	17%
FY98	$1,045,300	$1,398,200	($352,900)	$0.09518	$897,791,556	19%
FY99	$1,342,800	$420,600	$922,200	$0.10000	$1,118,547,691	25%
FY00	$1,796,000	$844,900	$951,100	$0.10000	$1,539,762,365	38%
FY01	$1,628,500	$841,500	$787,000	$0.06000	$2,037,206,308	32%
FY02	$570,300	$842,000	($271,700)	$0.02000	$2,809,479,840	38%
FY03	$725,085	$848,600	($123,515)	$0.01500	$3,837,693,353	37%
FY04	$829,036	$848,700	($19,664)	$0.01400	$5,047,625,296	32%
FY05	$997,082	$840,800	$156,282	$0.01200	$6,454,909,846	28%
FY06	$1,081,991	$840,385	$241,606	$0.01000	$8,579,576,581	33%
FY 07	$868,624	$837,936	$30,688	$0.00700	$10,348,663,242	21%
Total	$12,283,218	$10,378,921	$1,904,297			
	Fund Balance 6/30/07		$1,428,473			
FY08	$685,266	$846,385	($161,119)	$0.00600	$11,383,529,566	
	Interest		$50,694			
	Est Fund Balance 6/30/08		$1,318,048			



RESOLUTION NO. 4099

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TAX RATES FOR FISCAL YEAR 2007-2008 FOR PAYMENT OF PRINCIPAL AND INTEREST ON GENERAL OBLIGATION BONDS OF IMPROVEMENT DISTRICTS (GF 1600)

WHEREAS, California Water Code Section 72091 authorizes the Otay Water District, as a municipal water district, to levy an ad valorem property tax which is equal to the amount required to make annual payments for principal and interest on general obligation bonds approved by the voters prior to July 1, 1978.

NOW, THEREFORE, the Board of Directors of the Otay Water District resolves, determines and orders as follows:

1. Findings. It is necessary that this Board of Directors cause taxes to be levied in Fiscal Year 2007-2008 for Improvement District No. 27 of the Otay Water District to pay the amount of the principal and interest on the bonded debt of such improvement district.

2. Amounts to be Raised by Taxes. The amount required to be raised by taxation during Fiscal Year 2007-2008 for the principal and interest on the bonded debt of Improvement District No. 27 is as follows:

Improvement District No. 27	$685,266

3. Tax Rates. The tax rates per one hundred dollars ($100) of the full value of all taxable property within said improvement district necessary to pay the aforesaid amounts of principal and interest on the bonded debt of said improvement district for Fiscal Year 2007-2008 is hereby determined and fixed as follows:

Improvement District No. 27	0.006

4. Certification of Tax Rates. Pursuant to Water Code Section 72094, this Board of Directors hereby certifies to the Board of Supervisors and the County Auditor of the County of San Diego the tax rates hereinbefore fixed, and said County Auditor shall, pursuant to Section 72095 of said Code, compute and enter in the County assessment roll the respective sums to be paid as tax on the property in Improvement District No. 27, using the rate of levy hereinabove fixed for such improvement district and the full value as found on the assessment roll for the property therein, and the Secretary of this Board of Directors is hereby authorized and directed to transmit certified copies of this resolution and the Tax Amount and Rate Certificate, Attachment B, and made a part hereof, to said Board of Supervisors and said Auditor.

PASSED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 10th day of July, 2007.

Ayes:
Noes:
Abstain:
Absent:

_____
President

ATTEST:

_____
Secretary

AGENDA ITEM 6e

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	David Charles Public Services Manager	W.O./G.F. NO:	0210-20.289 DIV. NO. 5
APPROVED BY: (Chief)	Rod Posada Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña Assistant General Manager, Engineering & Operations		
SUBJECT:	Esho Sewer Annexation to ID 18		

GENERAL MANAGER'S RECOMMENDATIONS:

That the Board adopt Resolution No. 4100 (Attachment B), the annexation of the property owned by Mazin and Eva Esho to Improvement District No. 18.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To provide sewer service to a parcel owned by Mazin and Eva Esho (APN 517-112-49-00).

ANALYSIS:

A written request and petition signed by Mazin Esho, has been received for annexation of APN 517-112-49-00 into Improvement District No. 18 for sewer service. The total acreage to be annexed is 0.62 acres. The property is within the sphere of Otay Water District and will be part of Improvement District 18 after the Board of Directors approves this request. The property is located at 1621 Vista Vereda, in the City of El Cajon, County of San Diego.

FISCAL IMPACT:

The property owners will be charged $10 per year for availability fees.

STRATEGIC GOAL:

Provide sewer service to meet increasing customer needs.

LEGAL IMPACT:

No legal impact.

General Manager

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DC/RP:CR

Attachment A Committee Action
Attachment B Resolution No. 4100

ATTACHMENT A

SUBJECT/PROJECT:	Esho Sewer Annexation to ID 18

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at a meeting held on June 27, 2007. It was noted:

- This is a standard annexation and the parcel to be annexed is within the District's boundaries.
- Approval of this annexation will include this parcel of land into Improvement District 18.

Upon completion of the discussion, the Committee supported staff's recommendation to adopt the Esho Annexation to Improvement District 18 and forwarding to the Board of Directors on the consent calendar.

ATTACHMENT B

RESOLUTION NO. 4100

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT APPROVING THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 18 OF THOSE LANDS DESCRIBED AS "ESHO SEWER ANNEXATION" (WO 0210-20.289/DIV. 5)

WHEREAS, a petition has been filed by Mazin Esho, the owner and party that has an interest in the land described in Exhibit "A," attached hereto, for annexation of said land to Otay Water District Improvement District No. 18 pursuant to California Water Code Section 72670 et seq.; and

WHEREAS, pursuant to Section 72680.1 of said Water Code, the Board of Directors may proceed and act thereon without notice and hearing.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT FINDS, RESOLVES, ORDERS AND DETERMINES as follows:

1. A depiction of the area proposed to be annexed, and the boundaries of ID 18 following the annexation, is set forth on a map filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

2. The purpose of the proposed annexation is to make sewer service available to the area to be annexed, which availability constitutes a benefit to said area.

3. The Board finds and determines that the area proposed to be annexed to ID 18 will be benefited by such annexation and that the property currently within ID 18 will also be benefited and not injured by such annexation because after the annexation a larger tax base will be available to finance the sewer facilities and improvements of ID 18.

4. The Board of Directors hereby declares that the annexation of said property is subject to the owners complying with the following terms and conditions:

(a) The petitioners for said annexation shall pay to Otay Water District the following:

(1) Standard processing fee in the amount of $682.00;

(2) State Board of Equalization filing fees in the amount of $300;

(3) A sewer annexation fee of $4,946 per EDU to be collected at the time of connection to the Otay Water District sewer system;

(4) Yearly assessment fees will be collected through the County Tax Assessor's office in the amount of $10 for APN 517-112-49-00;

(5) In the event that water service is to be provided, Petitioners shall pay the then applicable annexation fees per EDU at the time the meter is purchased; and

(6) Payment by the owners of APN 517-112-49-00 of all other applicable local or state agency fees or charges.

(b) The property to be annexed shall be subject to taxation after annexation thereof for the purposes of the improvement district, including the payment of principal and interest on bonds and other obligations of the improvement district, authorized and outstanding at the time of annexation, the same as if the annexed property had always been a part of the improvement district.

5. The Board hereby declares the property described in Exhibit "A" shall be considered annexed to ID 18 upon passage of this resolution.

6. The Board of Directors further finds and determines that there are no exchanges of property tax revenues to be made pursuant to California Revenue and Taxation Code Section 95 et seq., as a result of such annexation.

7. The annexation of APN 517-112-49-00 to the District is hereby designated as the "ESHO SEWER ANNEXATION."

8. Pursuant to Section 572029(c) of the Government Code, the effective date of the ESHO SEWER ANNEXATION shall be the date this Resolution is adopted by the Board of Directors of the Otay Water District.

9. The General Manager of the District and the Secretary of the District, or their respective designees, are hereby ordered to take all actions required to complete this annexation.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 10th day of July, 2007.

_____
President

ATTEST:

_____
District Secretary

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EXHIBIT "A"
LEGAL DESCRIPTION

ANNEXATION PARCEL
OTAY WATER DISTRICT I.D. 20

PARCEL 3 OF PARCEL MAP NO. 6664, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, DECEMBER 15, 1977.

CONTAINING 0.62 ACRES GROSS & 0.50 ACRES NET

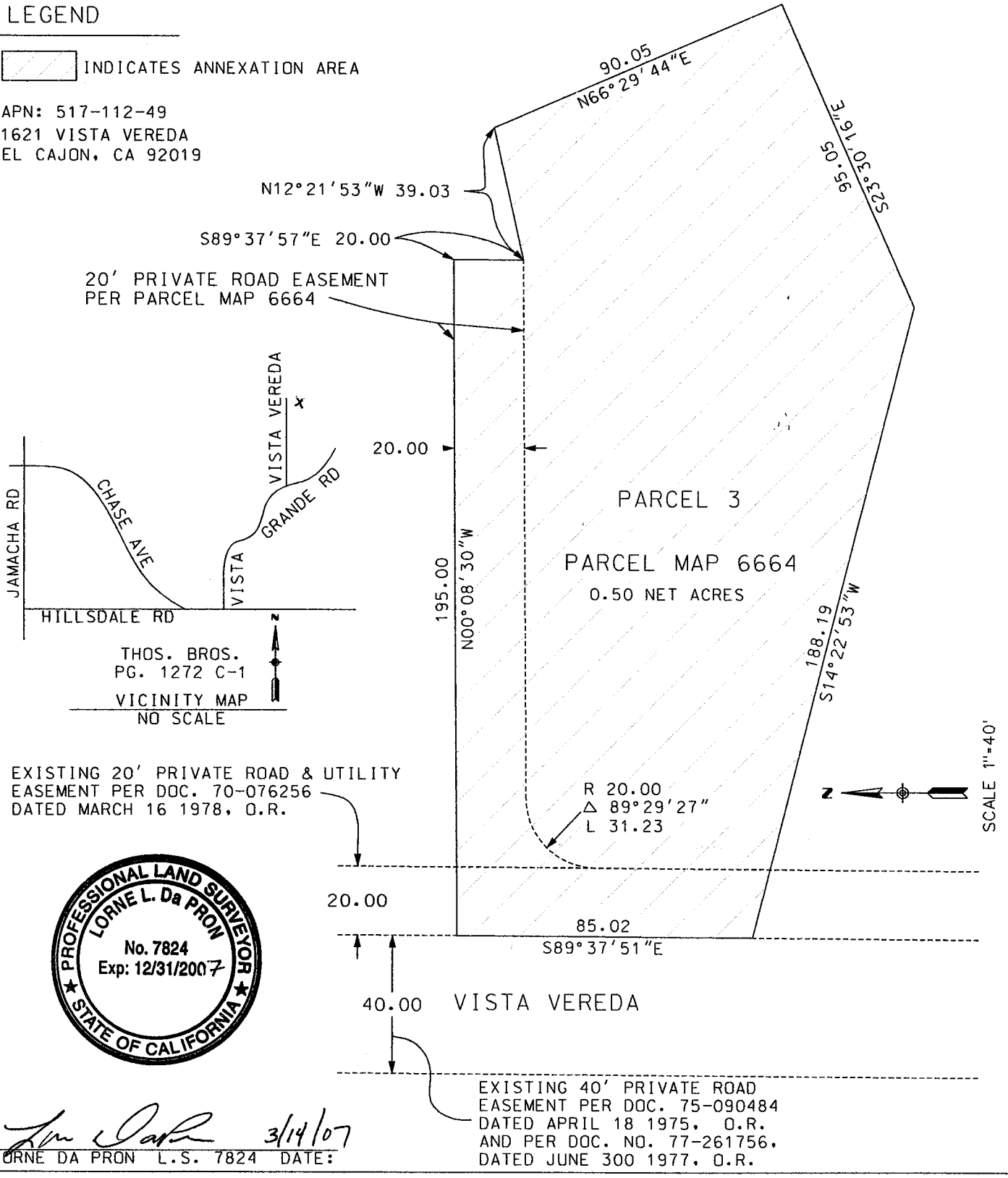
3/14/07

LORNE L. DA PRON, PLS 7824

LEGEND

INDICATES ANNEXATION AREA

APN: 517-112-49
1621 VISTA VEREDA
EL CAJON, CA 92019



PROFESSIONAL LAND SURVEYOR
LORNE L. Da PRON
No. 7824
Exp: 12/31/2007
STATE OF CALIFORNIA

3/14/07

LORNE DA PRON L.S. 7824 DATE:

OTAY WATER DISTRICT

PARCEL 3 PARCEL MAP 6664

REV.	DATE	DESCRIPTION

RECORDERS F/P
RECORDING DATE
OTAY W.D. DEED NO.
IMP. DIST. NO.

MAP NO. PM 6664
SCALE: 1" = 40'
DATE: 3/14/07
DRAWN BY: LLD
W.O. NO. 390-07

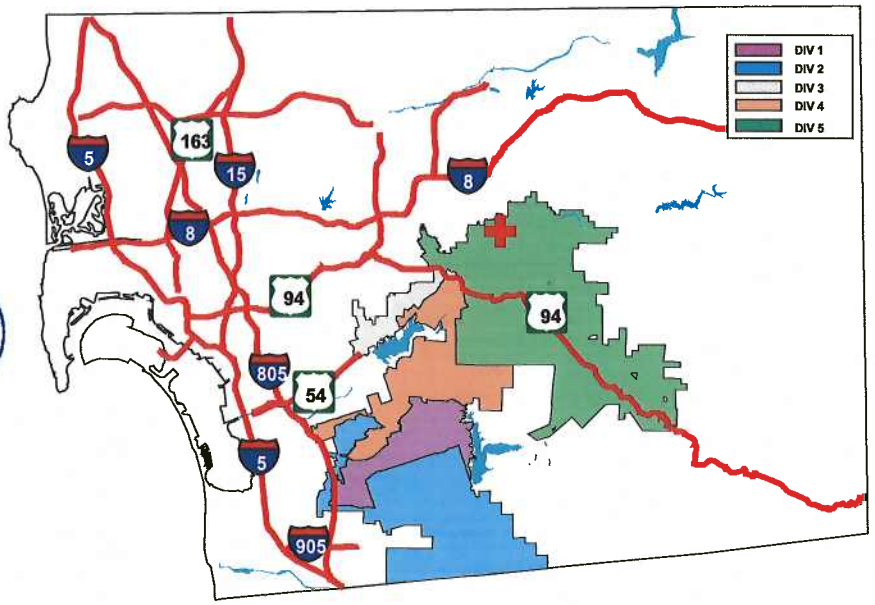
ESHO ANNEXATION REQUEST TO ID. 18

FILE NO.: 0210-20-289

I.D.: 18

DIR.DIV.: DIVISION 5

LOCATION MAP



VICINITY MAP

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AGENDA ITEM 6f

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	David Charles Public Services Manager	W.O./G.F. NO:	0210-20.288 DIV. NO. 5
APPROVED BY: (Chief)	Rod Posada Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña Assistant General Manager of Engineering & Operations		
SUBJECT:	Robert Taylor and Michael Soloway Sewer Annexation to ID 18		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution No. 4102 (Attachment B), the annexation of APNs 519-283-04 and 519-283-05 and 519-283-06 to Improvement District No. 18.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To provide sewer service to parcels owned by Robert and Cynthia Taylor (APNs 519-283-05 and 519-283-06) and Michael M. and Marion S. Soloway (APN 519-283-04).

ANALYSIS:

A written request and Petition signed by property owners of the above-reference parcels, has been received for annexation of APNs 519-283-04, 519-283-05 and 519-283-06 into Improvement District No. 18 for sewer service. The total acreage to be annexed is 3.00 acres. The property is within the sphere of Otay Water District and will be part of Improvement District 18 after the Board of Directors approves this request. The property is located at 3109 Indian Mills Lane (APN 519-283-04), 3123 Indian Mills Lane (APN 519-283-05) and 3131 Indian Mills Lane (APN 519-283-06), in Jamul and County of San Diego.

FISCAL IMPACT:

The property owners will be charged $90 per year for availability fees.

STRATEGIC GOAL:

Provide sewer service to meet increasing customer needs.

LEGAL IMPACT:

No legal impact.

General Manager

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DC/RP:CR

Attachment A Committee Action
Attachment B Resolution No. 4102

ATTACHMENT A

SUBJECT/PROJECT:	Robert Taylor and Michael Soloway Sewer Annexation to ID 18

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at a meeting held on June 27, 2007. It was noted:

- This is a standard annexation and the parcel to be annexed is within the District's boundaries.

- Approval of this annexation will include this parcel of land into Improvement District 18.

Upon completion of the discussion, the Committee supported staff's recommendation to adopt the Taylor/Soloway Annexation to Improvement District 18 and forwarding to the Board of Directors on the consent calendar.

ATTACHMENT B

RESOLUTION NO. 4102

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT APPROVING THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 18 OF THOSE LANDS DESCRIBED AS "ROBERT TAYLOR AND MICHAEL SOLOWAY SEWER ANNEXATION" (WO 0210-20.288/DIV. 5)

WHEREAS, a petition has been filed by Robert and Cynthia Taylor and Michael and Marion Soloway, the owners and parties that have an interest in the lands described in Exhibit "A," attached hereto, for annexation of said land to Otay Water District Improvement District No. 18 pursuant to California Water Code Section 72670 et seq.; and

WHEREAS, pursuant to Section 72680.1 of said Water Code, the Board of Directors may proceed and act thereon without notice and hearing.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT FINDS, RESOLVES, ORDERS AND DETERMINES as follows:

1. A depiction of the area proposed to be annexed, and the boundaries of ID 18 following the annexation, is set forth on a map filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.

2. The purpose of the proposed annexation is to make sewer service available to the area to be annexed, which availability constitutes a benefit to said area.

3. The Board finds and determines that the area proposed to be annexed to ID 18 will be benefited by such annexation and that the property currently within ID 18 will also be benefited and not injured by such annexation because after the annexation a larger tax base will be available to finance the sewer facilities and improvements of ID 18.

4. The Board of Directors hereby declares that the annexation of said property is subject to the owners complying with the following terms and conditions:

(a) The petitioners for said annexation shall pay to Otay Water District the following:

(1) Standard processing fee in the amount of $682.00;

(2) State Board of Equalization filing fees in the amount of $350;

(3) A sewer annexation fee of $4,946 per EDU to be collected at the time of connection to the Otay Water District sewer system;

(4) Yearly assessment fees will be collected through the County Tax Assessor's office in the amount of $90 for APNs 519-283-04, 519-283-05 and 519-283-06;

(5) In the event that water service is to be provided, Petitioners shall pay the then applicable annexation fees per EDU at the time the meter is purchased; and

(6) Payment by the owners of APNs 519-283-04, 519-283-05 and 519-283-06 of all other applicable local or state agency fees or charges.

(b) The property to be annexed shall be subject to taxation after annexation thereof for the purposes of the improvement district, including the payment of principal and interest on bonds and other obligations of the improvement district, authorized and outstanding at the time of annexation, the same as if the annexed property had always been a part of the improvement district.

5. The Board hereby declares the property described in Exhibit "A" shall be considered annexed to ID 18 upon passage of this resolution.

6. The Board of Directors further finds and determines that there are no exchanges of property tax revenues to be made pursuant to California Revenue and Taxation Code Section 95 et seq., as a result of such annexation.

7. The annexation of APNs 519-283-04, 519-283-05 and 519-283-06 to the District is hereby designated as the "ROBERT TAYLOR AND MICHAEL SOLOWAY SEWER ANNEXATION."

8. Pursuant to Section 572029(c) of the Government Code, the effective date of the ROBERT TAYLOR AND MICHAEL SOLOWAY SEWER ANNEXATION shall be the date this Resolution is adopted by the Board of Directors of the Otay Water District.

9. The General Manager of the District and the Secretary of the District, or their respective designees, are hereby ordered to take all actions required to complete this annexation.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 10th day of July, 2007.

_____
President

ATTEST:

_____
District Secretary

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FILE NO. 0210-20.288

ANNEXATION TO OTAY WATER IMPROVEMENT DISTRICT NO. 18

GEOGRAPHIC DESCRIPTION

ALL THAT CERTAIN PROPERTY LOCATED WITHIN A PORTION OF SECTION 29 AND A PORTION OF THE NORTH HALF OF FRACTIONAL SECTION 32 IN TOWNSHIP 16 SOUTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AND AS SHOWN ON THAT CERTAIN MAP NO. 9644 ENTITLED 'COUNTY OF SAN DIEGO TRACT 3817-1' FILED FOR RECORD ON MAY 28, 1980 AT THE SAN DIEGO COUNTY RECORDER'S OFFICE IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF COTTONWOOD SPRINGS LANE 56 FEET WIDE AND INDIAN MILLS LANE 52 FEET WIDE AS SHOWN ON SAID MAP NO. 9644;

THENCE, [1] NORTH 51° 54' 02" WEST 43.70 FEET ALONG THE CENTERLINE OF INDIAN MILLS LANE;

THENCE, [2] NORTH 38° 05' 58" EAST 26.00 FEET TO THE NORTHERLY RIGHT OF WAY OF INDIAN MILLS LANE 52 FEET WIDE TO THE **TRUE POINT OF BEGINNING**;

THENCE, [3] NORTH 51° 54' 02" WEST 86.30 FEET ALONG SAID NORTHERLY RIGHT OF WAY;

THENCE, [4] CONTINUING NORTHWESTERLY ALONG SAID RIGHT OF WAY ONTO THE ARC OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIOUS POINT WHICH BEARS SOUTH 38° 05' 58" WEST AND HAVING A RADIOUS OF 226.00 FEET THROUGH A CENTRAL ANGLE OF 34° 19' 57", 135.42 FEET TO A POINT OF REVERSE CURVATURE;

THENCE, [5] CONTINUING NORTHWESTERLY ALONG SAID RIGHT OF WAY ALONG THE ARC OF SAID REVERSE CURVE CONCAVE NORTHEASTERLY HAVING A RADIOUS POINT WHICH BEARS NORTH 03° 46' 01" EAST AND HAVING A RADIOUS OF 22.00 FEET THROUGH A CENTRAL ANGLE OF 40° 29' 37", 15.55 FEET TO A POINT OF REVERSE CURVATURE;

THENCE, [6] CONTINUING NORTHWESTERLY AND SOUTHWESTERLY ALONG SAID RIGHT OF WAY ALONG THE ARC OF SAID REVERSE CURVE CONCAVE SOUTHEASTERLY HAVING A RADIOUS POINT WHICH BEARS SOUTH 44° 15' 37" WEST AND HAVING A RADIOUS OF 48.00 FEET THROUGH A CENTRAL ANGLE OF 106° 48' 06", 89.47 FEET;

THENCE, [7] NORTH 62° 32' 30" WEST 212.08 FEET LEAVING SAID INDIAN MILLS LANE RIGHT OF WAY ONTO A RADIAL LINE BEING THE SOUTHERLY LINE OF LOT 4 PER SAID MAP NO. 9644 TO A POINT ALONG THE SOUTHEASTERLY RIGHT OF WAY OF IVANHOE RANCH ROAD 50 FEET WIDE AS SHOWN ON SAID MAP;

THENCE, [8] NORTH 40° 14' 47" EAST 215.17 FEET ALONG THE SOUTHEASTERLY RIGHT OF WAY OF IVANHOE RANCH ROAD;

THENCE, [9] NORTH 89° 58' 25" EAST 305.20 FEET LEAVING SAID IVANHOE RANCH ROAD RIGHT OF WAY ALONG THE NORTHERLY LINES OF LOTS 4 AND 5 PER SAID MAP NO. 9644;

THENCE, [10] SOUTH 33° 06' 11" EAST 317.40 FEET ALONG THE NORTHEASTERLY LINE OF LOTS 5 AND 6 PER SAID MAP TO THE NORTHWESTERLY RIGHT OF WAY OF COTTONWOOD SPRINGS LANE 56 FEET WIDE;

THENCE, [11] SOUTH 53° 36' 02" WEST 132.22 FEET ALONG THE NORTHWESTERLY RIGHT OF WAY OF COTTONWOOD SPRINGS LANE;

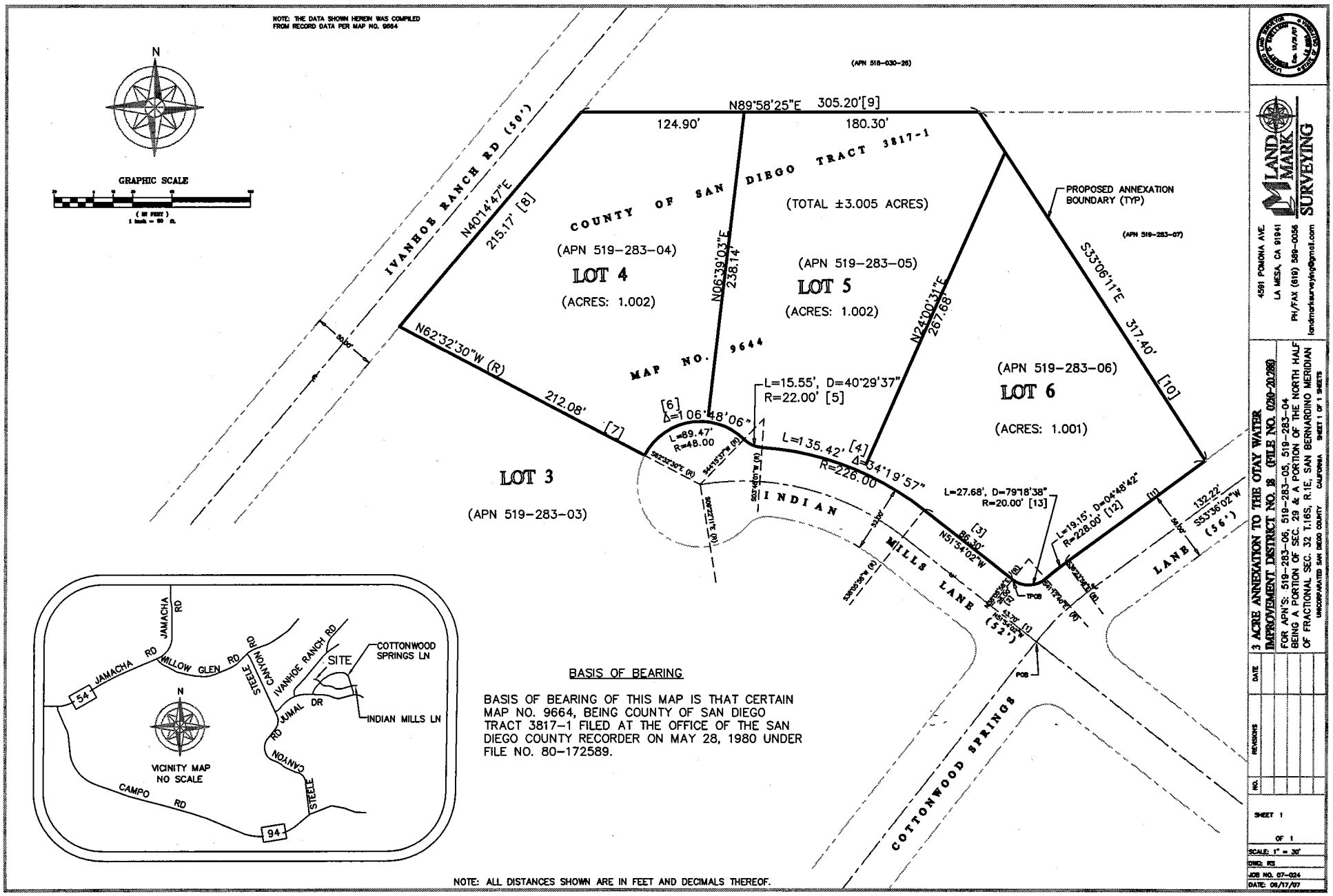
THENCE, [12] CONTINUING SOUTHWESTERLY ALONG SAID RIGHT OF WAY ONTO THE ARC OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIOUS POINT WHICH BEARS SOUTH 36° 23' 58" EAST AND HAVING A RADIOUS OF 228.00 FEET THROUGH A CENTRAL ANGLE OF 04° 48' 42", 19.15 FEET TO A POINT OF REVERSE CURVATURE;

THENCE, [13] CONTINUING SOUTHWESTERLY AND NORTHWESTERLY ALONG THE NORTHWESTERLY RIGHT OF WAY AT COTTONWOOD SPRINGS LANE AND INDIAN MILLS LANE ALONG THE ARC OF SAID REVERSE CURVE CONCAVE NORTHWESTERLY HAVING A RADIOUS POINT WHICH BEARS NORTH 41° 12' 40" WEST AND HAVING A RADIOUS OF 20.00 FEET THROUGH A CENTRAL ANGLE OF 79° 18' 38", 27.68 FEET TO **THE POINT OF BEGINNING**;

CONTAINING: ±3.005 ACRES

BASIS OF BEARING: THE BASIS OF BEARING FOR THIS DESCRIPTION IS THAT CERTAIN MAP NO. 9644 ENTITLED 'COUNTY OF SAN DIEGO TRACT 3817-1' FILED FOR RECORD ON MAY 28, 1980 AT THE SAN DIEGO COUNTY RECORDER'S OFFICE.

END OF DESCRIPTION



LAND MARK SURVEYING
4591 POMONA AVE.
LA MESA, CA 91941
PH/FAX (619) 589-0056
landmarksurveying@gmail.com

3 ACRE ANNEXATION TO THE OTAY WATER IMPROVEMENT DISTRICT NO. 18 (FILE NO. 020-20.280)

FOR APN'S: 519-283-06, 519-283-05, 519-283-04
BEING A PORTION OF SEC. 29 & A PORTION OF THE NORTH HALF OF FRACTIONAL SEC. 32 T.16S, R.1E, SAN BERNARDINO MERIDIAN
UNINCORPORATED SAN DIEGO COUNTY CALIFORNIA SHEET 1 OF 1 SHEETS

NO.	REVISIONS	DATE

SHEET 1
OF 1
SCALE: 1" = 30'
DWG: RS
JOB NO. 07-024
DATE: 08/17/07

ROBERT TAYLOR & MICHAEL SOLOWAY ANNEXATION REQUEST TO ID. 18

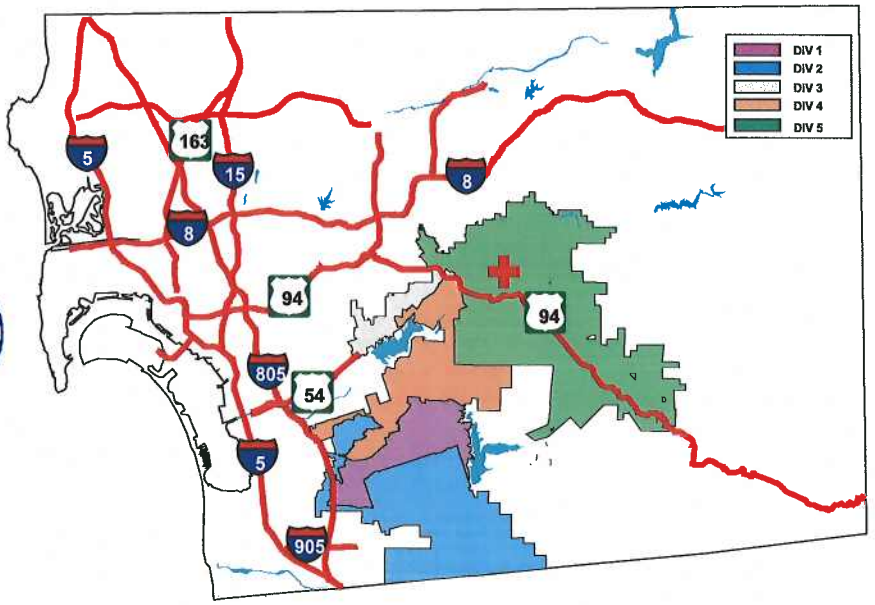
DEVELOPER: ROBERT TAYLOR & MICHAEL SOLOWAY

WO: 0210-20.288

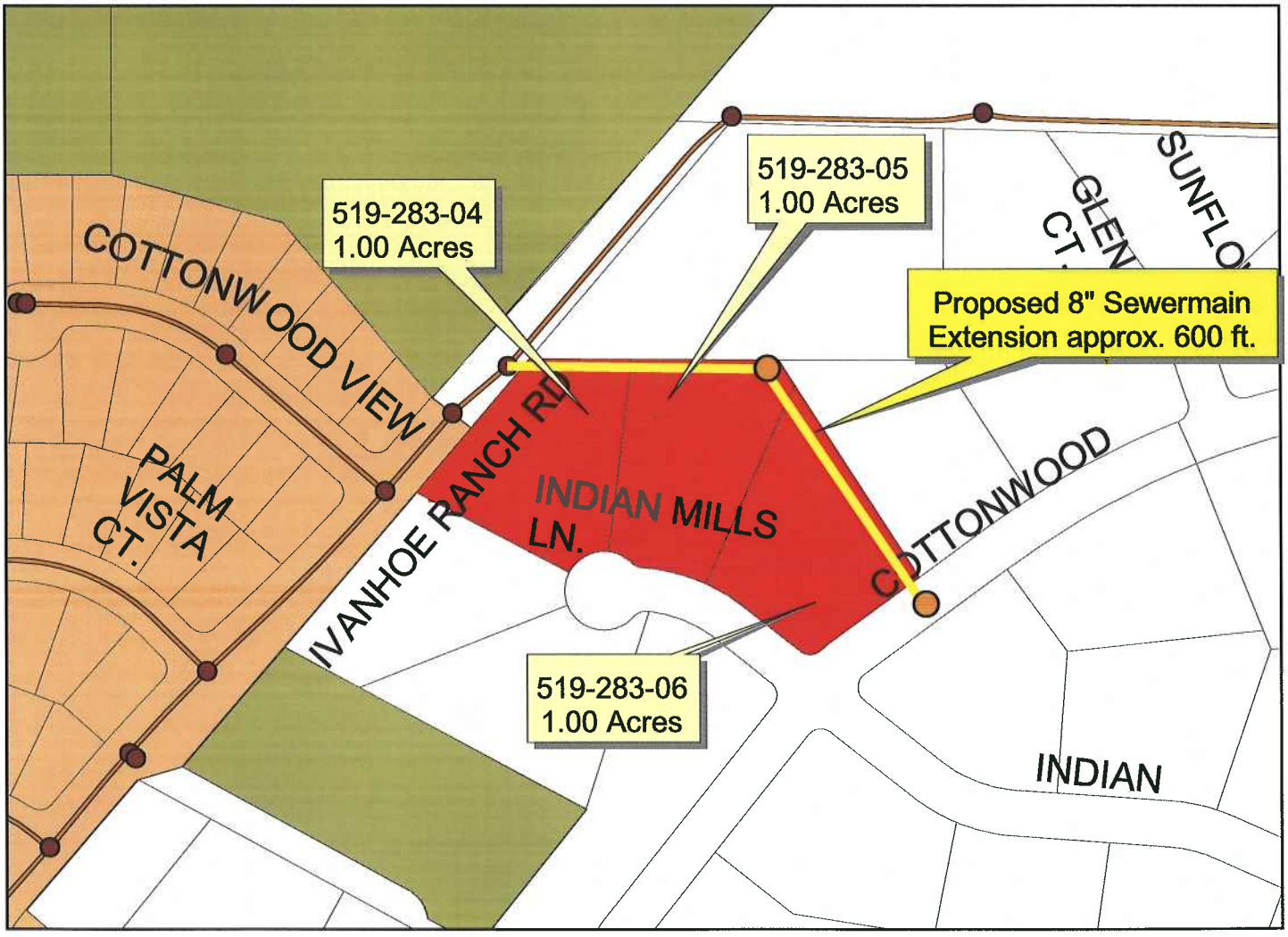
I.D.: 18

DIR.DIV.: Division 5

LOCATION MAP



VICINITY MAP



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AGENDA ITEM 6g

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007		
SUBMITTED BY:	David Charles Public Services Manager	W.O./G.F. NO:	9544	DIV. NO.	4
APPROVED BY: (Chief)	Rod Posada Chief, Engineering				
APPROVED BY: (Asst. GM):	Manny Magaña Assistant General Manager, Engineering and Operations				
SUBJECT:	Reimbursement Request with McMillin Otay Ranch, LLC, for the completed Capital Improvement Project, McMillin Otay Ranch Village 7, Rock Mountain Rd. 8" Recycled Pipeline (CIP R2043), for the amount of $53,146.80				

GENERAL MANAGER'S RECOMMENDATIONS:

That the Board authorize the General Manager to approve the request to reimburse McMillin Otay Ranch, LLC, for the completed Capital Improvement Project, McMillin Otay Ranch Village 7, Rock Mountain Rd. 8" Recycled Pipeline (CIP R2043), for the amount of $53,146.80

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to reimburse McMillin Otay Ranch, LLC, for work completed and associated with McMillin Otay Ranch Village 7, Rock Mountain Rd. 8" Recycled Pipeline (CIP R2043). At the November 21, 2005 Board Meeting, the Board authorized the General Manager to enter into a Reimbursement Agreement (Exhibit 1) with McMillin Otay Ranch, LLC, for the various pipeline capital improvements associated with McMillin Rolling Hills Ranch Development.

ANALYSIS:

On November 21, 2005, the Otay Water District (District) entered into a Reimbursement Agreement with McMillin Otay Ranch, LLC (the "Reimbursement Agreement") for regional water facilities within the McMillin Rolling Hills Ranch Development. CIP R2043 was included within the Sub-Area Master Plan (SAMP) dated April 1997, and subsequently included in the Reimbursement Agreement.

McMillin Otay Ranch, LLC submitted its reimbursement request on April 12, 2007, along with the necessary invoices from the lowest responsive bidder for a total amount of $68,317.20. After Staff review, that amount was reduced to $53,146.80. These projects were listed in the District's Five-Year CIP Plan, as well as on the approved SAMP.

Staff used the following methodology to evaluate the reimbursement request submitted by McMillin Otay Ranch, LLC:

(a) prepared a quantity take-off (see Attachment 1);

(b) compared quantities and prices against the reimbursement requests (see Attachment 2).

After completion of the analysis, Staff prepared a spreadsheet to support its recommendation for reimbursement (see Attachment 3).

After reviewing the budget for the CIP projects included in the McMillin Otay Ranch, LLC request dated April 12, 2007, Staff compared with the budget for FY08 and found that this project had sufficient funds to be reimbursed.

FISCAL IMPACT:

The approved budget for FY08 is $235,000 (CIP No. R2043). After Staff evaluation of the invoices and quantity take-off, the actual reimbursement to McMillin Otay Ranch, LLC will be $53,146.80. Staff will be closing this CIP project after all reimbursements are made to the Developer after Board approval.

Finance has determined that 100% of the funding is currently available from the expansion fund.

STRATEGIC GOAL:

This project supports the District's strategic goal of satisfying current and future recycled water needs. The pipeline will transmit recycled water to central area system market areas.

LEGAL IMPACT:

None.

General Manager

DC/RP:jf

Attachments:

Attachment A	Committee Action
Attachment 1	Quantity Take-Off for McMillin Reimbursement Agreement (CIP R2043)
Attachment 2	Price Verification - McMillin Reimbursement Agreement (CIP R2043)
Attachment 3	Reimbursement Summary Sheet - McMillin Rolling Hills Ranch (CIP R2043)
Exhibit 1	Reimbursement Agreement

ATTACHMENT A

SUBJECT/PROJECT:	Reimbursement Request with McMillin Otay Ranch, LLC, for completed Capital Improvement Project - McMillin Otay Ranch Village 7, Rock Mountain Rd. 8" Recycled Pipeline (CIP R2043) for the amount of $53,146.80

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at the meeting held on June 27, 2007. The following comments were made:

- Staff indicated that Otay had entered into a Reimbursement Agreement with McMillin Otay Ranch, LLC to reimburse McMillin for the installation of an 8" recycled pipeline associated with McMillin's Otay Ranch Village 7 development on Rock Mountain Road.
- The project is complete and as per the agreement, McMillin is seeking reimbursement for costs associated with construction of the pipeline.
- Staff reviewed the invoices submitted by McMillin for $68,317.20.
- After review and completion of the analysis, Staff prepared a spreadsheet to support its recommendation for reimbursement of $53,146.80.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding to the Board of Directors on the consent calendar.

ATTACHMENT 1

QUANTITY TAKE-OFFS
MCMILLIN REIMBURSEMENT AGREEMENT
CIP R2043

PROJECT: McMillin Otay Ranch Village 7, Rock Mountain Road

CONTRACTOR: HAZARD CONSTRUCTION

Description	McMillin Requests	Otay Quantity	Recommended
8" PVC CL 200-DR-14	1,048	1,048	1,048
2" Air Vac	1	1	1
2" B.O.	1	2	1
Water Blow Off Assembly Misc.	1	1	1
Water Final Adjust/Misc.	1	0	0

Reviewed By: R. Shackley Date: 6/13/07
Richard Shackley
Inspection Supervisor

Reviewed By: David F. Charles Date: 6/13/07
David Charles
Public Services Manager

ATTACHMENT 2

PRICE VERIFICATION
MCMILLIN REIMBURSEMENT AGREEMENT
CIP (R2043)

PROJECT: McMillin Otay Ranch Village 7, Rock Mountain Road

CONTRACTOR: HAZARD CONSTRUCTION

Description	McMillin Requests	Eng Estimate/ Otay Verification	Recommended
8" PVC CL 200-DR-14	$42	$50	$42
2" Air Vac	$3,100	$2,310	$3,100
2" B.O.	$2,000	$750	$2,000
Water Blow Off Assembly Misc.	$1,500	$750	$1,500
Water Final Adjust/Misc.	$0	$1,000	0 *

* Not part of the agreement.

Reviewed By: R. Shackley Date: 6/13/07
Richard Shackley
Inspection Supervisor

Reviewed By: David T. Charles Date: 6/11/07
David Charles
Public Services Manager

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ATTACHMENT 3

REIMBURSEMENT SUMMARY SHEET - McMILLIN Rolling Hills Ranch, CIP R2043 (8" Recycled) 944 Zone, Rock Mountain Road- La Media/ SR-125

	QTY.	OWD QTY	OWD Unit Price	OWD Cost	Soft Cost @ 5%	OWD Total	McMillin Unit Cost	McMillin Cost	Soft Cost 5%	McMillin Total	OWD Estimated Costs	Reimbursement Amount per CIP	Staff's Proposed Reimbursement
CIP R2043 (8" Recycled) 944 Zone, Rock Mountain Road- La Media/ SR-125													
8" PVC CL 200-DR-14	1048		$42.00	44,016.00	2,200.80	46,216.80	$42.00	$44,016.00	$2,200.80	$46,216.80	$46,216.80		
2" Air Vac	1		$3,100.00	3,100.00	155.00	3,255.00	$3,100.00	$3,100.00	$155.00	$3,255.00	$3,255.00		
2" B.O.	1		$2,000.00	2,000.00	100.00	2,100.00	$2,000.00	$2,000.00	$100.00	$2,100.00	$2,100.00		
Water Blow Off Assembly Misc.	1		$1,500.00	1,500.00	75.00	1,575.00	$1,500.00	$1,500.00	$75.00	$1,575.00	$1,575.00		
Water Final Adjust/Misc.	1		$0.00	0.00	0.00	0.00	$0.00	$14,448.00	$722.40	$15,170.40	$0.00	*	
					TOTAL	**53,146.80**				**$68,317.20**	**$53,146.80**	**$235,000.00**	**$53,146.80**

*** Not a part of the agreement.**

Total Agreement	**$235,000.00**
Total Requested by McMillin	**$68,317.20**
Recommended Reimbursement	**$53,146.80**
McMillin is requesting Reimbursement In the amount of:	**$68,317.20**
Difference Between Recommended and Requested:	**$15,170.40**

EXHIBIT 1

REIMBURSEMENT AGREEMENT
Between
THE OTAY WATER DISTRICT AND MCMILLIN OTAY RANCH, LLC
For
CAPITAL IMPROVEMENT PROGRAM WATER FACILITIES
Associated With
MCMILLIN VILLAGE 7 DEVELOPMENT
(CIP R043)

This reimbursement agreement ("Agreement") is entered into as of this 21 day of November, 2005, by and between the Otay Water District, a Municipal Water District formed under the Municipal Water District Act of 1911 (hereinafter referred to as "the District") and McMillin Otay Ranch, LLC, a Delaware limited liability company (hereinafter referred to as "the Developer"), in view of the following facts and for the following purposes:

R E C I T A L S

A. WHEREAS, the District's Board of Directors has adopted a Master Plan and approved a Capital Improvement Program (CIP) for all regional water facilities throughout the District. There are a number of regional water facilities within and adjacent to the McMillin Village 7 development within the City of Chula Vista; and

B. WHEREAS, the Developer intends to develop its property, which will include substantial public improvements, including certain regional water facility projects listed within the District's CIP (see Exhibit A); and

C. WHEREAS, the Developer recognizes that the District constructs regional facilities to support this development, typically in advance of the Developer paying all capacity fees; and

D. WHEREAS, the Developer shall conform to all of the conditions set forth in the District's current Policy 26 (see Exhibit C); and

E. WHEREAS, the Developer shall comply with all terms and conditions in the current District's Code of Ordinances and in the District's Standard Specifications; and

F. WHEREAS, the Developer agrees to encourage participation by Emerging Business Enterprises on construction contracts related to this agreement as indicated in Policy 31 (attached).

NOW THEREFORE, in consideration of the recitals and mutual obligations of the parties herein expressed, the District and the Developer agree as follows:

1. Project.

A. A Subarea Master Plan (SAMP) entitled "Subarea Water Master Plan of Potable and Recycled Water for McMillin Village 7," dated January 2005, requires certain CIP regional water facilities ("facilities") to be constructed to service the development and surrounding areas (see Exhibit A).

B. The Developer shall construct the 8-inch pipeline (R043), which is a CIP regional water facility.

2. Project Cost. The Developer shall design and construct the CIP facilities described herein, providing all funds needed for their design and construction.

3. Reimbursement. The Developer shall be entitled to reimbursement consistent with the District's Policy No. 26, Section A. This policy requires that enhancements and issues related to a specific Developer's benefit be at their costs. The costs for these items, as outlined in a Letter Agreement dated June 30, 2005, are the actual costs as bids or a predetermined percentage as agreed between the District and the Developer. When a project is operationally complete, the Developer may request reimbursement for up to 90% of the facility cost in cash by providing unconditional lien releases and other documentation supporting the work completed. The remaining 10% in cash may be reimbursed after the District accepts the facilities.

4. Plan Approval. In accordance with the District Code of Ordinances and District Policies, Developer shall be required to adhere to the District's process for submittal of improvement plans, including any and all District requirements related to bonding of all facilities to be constructed, construction agreements, deposits for District staff time, and project

acceptance. In accordance with the District Code of Ordinances, District Policies, and the practices of the District, the Developer shall either (1) be required to post bonds for labor and materials, performance, and a one-year warranty for the project; or (2) the Developer shall require that the contractor, as part of the bid specifications and as a condition of awarding the contract, post bonds for labor and materials, performance, and a one-year warranty for the project. In each instance, the bonds shall be for 100% of the value of the project; and each bond shall designate the District as the bond's beneficiary.

5. Record Keeping. The Developer shall keep an accurate record of the actual cost to construct the CIP facilities, for which reimbursement is requested, in accordance with generally accepted accounting procedures. The Developer shall allow an authorized District representative, during the Developer's regular business hours and upon reasonable notice, to examine and duplicate any records relevant to verifying the actual cost to construct the water facilities, including, without limitation, all contract bids and invoices. Any changes occurring during construction shall be properly documented. Back-up documentation shall be kept by the Developer for three (3) years after the completion of the facilities and be provided to the District for its review upon its request.

6. Change Orders. No Change Order will be allowed unless the construction change is initiated by the District.

~~7. Operation and Maintenance Costs. Developer shall fund the first two (2) years of operation and maintenance costs upon project acceptance of the facilities, which shall be paid in four (4) semi-annual installments. The District's request for payment shall be supported by invoices and other documentation supporting the actual costs incurred.~~ (FZ)

8. Amendments. No amendment, modification, supplement, termination or waiver of any provision of this Agreement shall be effective unless executed in writing by both parties and then only in the specified instance and for the specific purpose given.

9. Notices. Any demand upon or notice required or permitted to be given by one party to the other party shall be in writing. Except as otherwise provided by law, any demand upon or notice required or permitted to be given by one party to the other party shall be effective (a) on a personal delivery, (b) on the second business day after mailing by certified or registered United States mail, return receipt requested, or (c) on the succeeding business day after mailing by Express Mail or after deposit with a private delivery service of general use (e.g., Federal Express) postage or fee prepaid as appropriate, addressed to the party at the address shown below:

If to the District: Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, California 91978-2096
ATTN: General Manager

If to the Developer: McMillin Otay Ranch, LLC
P.O. Box 85104
San Diego, California 92186
Telephone: (619) 794-1253
Facsimile: (619) 336-3033
ATTN: Frank Zaidle

Notice of change of address shall be given by written notice in the manner set forth in this paragraph.

10. Indemnity. Each party agrees to defend, indemnify, protect, and hold harmless the other party and its agents, officers, and employees from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to employees, agents or officers, which arise from or are connected with or are caused or claim to be caused by the negligent acts or omissions or willful misconduct of the party's agent, officers or employees, in performing the work or services herein and all expenses of investigation and defending against same; provided, however, that each party's duty to defend, indemnify and hold harmless shall not include any claims or liability arising from the negligent acts or omissions or willful misconduct of the other party, its agents, officers or employees. The District and the Developer agree that in the event of any joint or concurrent

negligence, they will apportion any established or agreed upon liability proportionate to their respective degree of fault.

11. Arbitration and Attorney's Fees. If there is a dispute concerning this Agreement or arising out of this Agreement, the parties agree to first endeavor to settle the dispute in an amicable fashion by direct discussion and then by non-binding mediation if direct discussion does not resolve the dispute. Should both these efforts fail, the parties agree to submit the matter to binding arbitration. If the parties cannot agree upon a single arbitrator within thirty (30) days of the conclusion of non-binding mediation, the arbitration shall be conducted by three (3) arbitrators. Each party shall select one (1) arbitrator and the two (2) arbitrators shall then select the third arbitrator. A decision shall be rendered by a majority vote of the three arbitrators.

In the event that arbitration is required, the prevailing party shall be entitled to recover all reasonable costs and attorney's fees. In the event a settlement offer is made by any party in the form provided by California Civil Procedure 998 and the opposing parties do not do better than such offer at arbitration, the party making the settlement offer shall be deemed the prevailing party for the purposes of recovery of attorney's fees and costs.

12. Successors in Interest. The Agreement and all rights and obligations contained herein shall be in effect whether or not any or all parties to the Agreement have been succeeded by another entity, and all rights and obligations of the parties signatory to this Agreement shall be vested and binding on their successors in interest.

IN WITNESS WHEREOF, this Agreement is executed by the District and by the Developer as of the date first above written.

OTAY WATER DISTRICT
A California Municipal Water District

By _____
Mark Watton
General Manager

MCMILLIN OTAY RANCH, LLC
A Delaware limited liability company

By: McMillin Management Services, LP
A California limited partnership, its Manager

By: Corky McMillin Construction Services, Inc.
A California corporation, its General Partner

By: See Attached Signature Block

Its: _____

By: _____

Its: _____

MCMILLIN O.R. VILL7
OCK MOUNTAIN ROAD

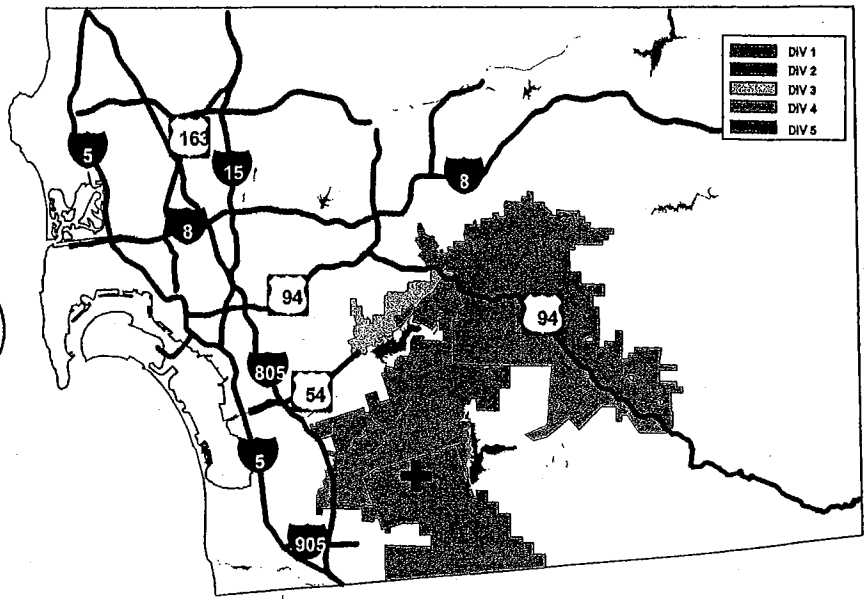
DEVELOPER: MCMILLIN OTAY RANCH, LLC

WO: D0171-010047

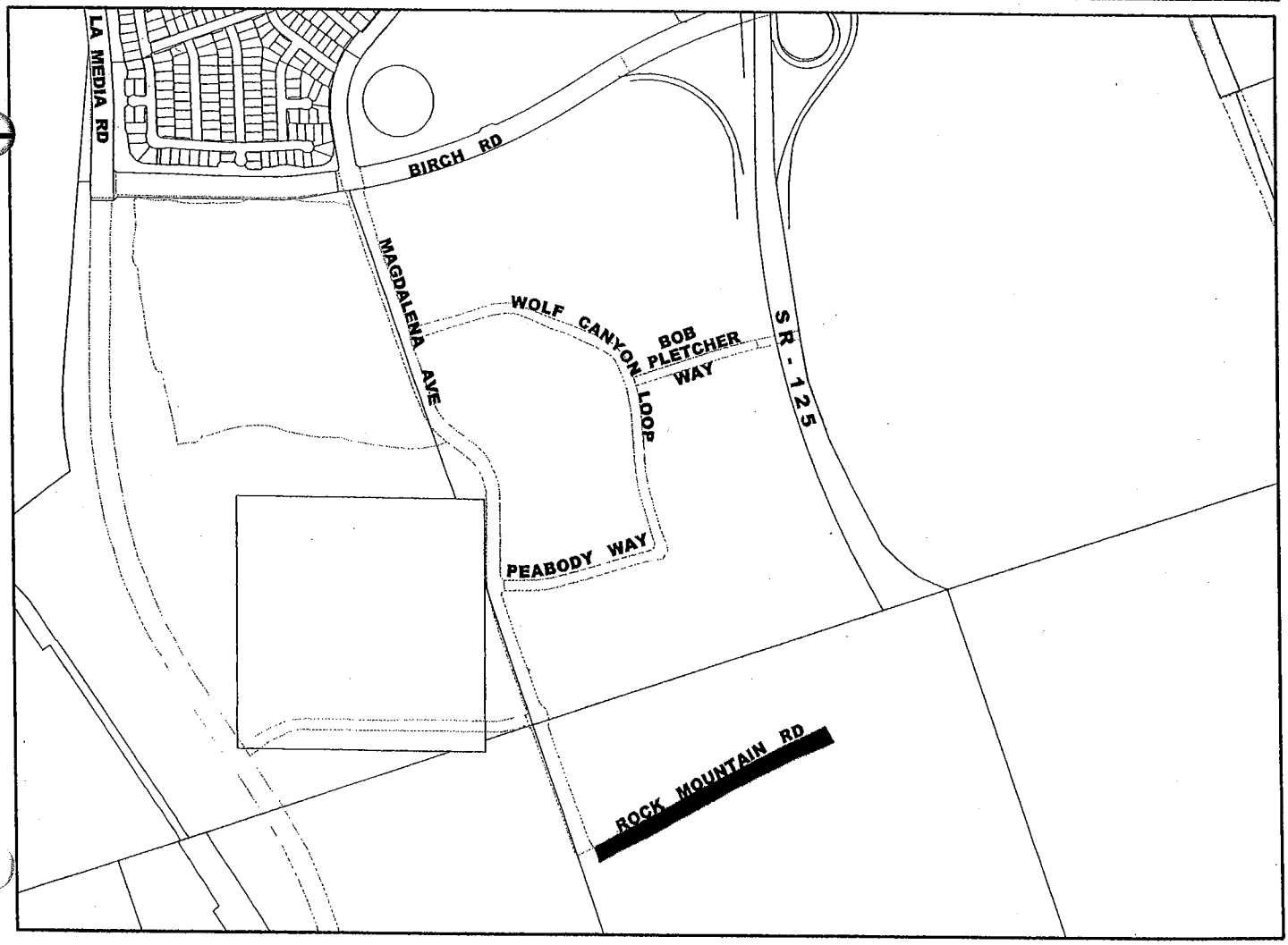
I.D.: 22/27

DIR.DIV.: 2

LOCATION MAP



VICINITY MAP



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ATTACHMENT 2

REIMBURSEMENT AGREEMENT ENGINEER'S ESTIMATE

8" RECYCLED WATER MAIN - 944 PZ

OWNER: McMILLIN COMPANIES DATE 7/8/2005

PROJECT MCMILLIN OTAY RANCH VILLAGE 7, ROCK MOUNTAIN RD.

ID No. 22/27 **CIP No. R043**

OWD PROJECT # D0717-010047

TO BE CONSTRUCTED PER SUBAREA MASTER PLAN - CIP R-043

ITEM	DESCRIPTION	QUANTITY	UNITS	OWD UNIT COST	TOTAL
1	8"PVC CL 200 -DR-14	1,048	L.F	$50	$52,400
2	2" B.O.	2	EA.	$750	$1,500
3	2" AIR VAC	1	EA.	$2,310	$2,310
4	CONNECT TO EXISTING	1	EA.	$1,000	$1,000
5	END CAP (1-8" & 2-12")	1	EA.	$750	$750

SUB-TOTAL	**$57,960**
5% SOFT COST	**$2,898**
TOTAL (Rounded)	**$60,900**

PREPARED BY: _____
CARLOS PERDOMO

REVIEWED BY: _____

ATTACHMENT 3

Signature Block for Reimbursement Agreement between The Otay Water District and McMillin Otay Ranch, LLC for Capital Improvement Program Water Facilities Associated With McMillin Village 7 Development (CIP R043)

McMILLIN OTAY RANCH, LLC
a Delaware limited liability company
By: McMillin Companies, LLC
a Delaware limited liability company
Its: Manager

By: _____

Its: V.P.

By: _____

Its: VP

AGENDA ITEM 6h

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	David Charles Public Services Manager	W.O./G.F. NO: 9544	DIV. NO. 2
APPROVED BY: (Chief)	Rod Posada Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña Assistant General Manager, Engineering and Operations		
SUBJECT:	Reimbursement Agreement with McMillin Rolling Hills Ranch, LLC as the successor in interest to the Reimbursement Agreement between Otay Water District and Pacific Bay Homes dated January 20, 1998 (CIP P2070), 16" Potable Water Pipeline from Proctor Valley Rd. to 1296 Pump Station.		

GENERAL MANAGER'S RECOMMENDATIONS:

That the District's Board of Directors approve this request to reimburse McMillin Rolling Hills Ranch, LLC, as the successor in interest (Pacific Bay Homes), for CIP P2070, in the amount of $392,637.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to reimburse the McMillin Rolling Hills Ranch, LLC for work completed and associated with CIP P2070. At the January 20, 1998 Board Meeting, the Board authorized the General Manager to enter into a Reimbursement Agreement (Exhibit 1) with Pacific Bay Homes, for the 16" Potable Water Pipeline from Proctor Valley Rd. to 1296 Pump Station (CIP P2070). McMillin Rolling Hills Ranch, LLC succeeded to ownership of the development (Exhibit 2).

ANALYSIS:

On January 20, 1998, the District entered into a Reimbursement Agreement with Pacific Bay Homes (the "Reimbursement Agreement") for regional water facilities within the Rolling Hills Ranch Development (formerly known as Salt Creek Ranch). Sub-Area Master Plan (SAMP) was approved April 1997.

McMillin Rolling Hills Ranch, LLC has acquired all interest in property in the Rolling Hills Ranch Development from Pacific Bay Homes in 1998 via a Grant Deed. The Reimbursement Agreement provides that all rights and obligations of the parties thereunder are vested and binding on their successors in interest (Please see Exhibit 2).

McMillin Rolling Hills Ranch, LLC submitted its reimbursement request on April 12, 2007, along with the necessary invoices from the lowest responsive bidder for a total amount of $437,358.02. After Staff review, that amount was reduced to $392,637. This project was listed in the District's Five-Year CIP Plan, as well as on the approved SAMP dated April 1997.

Staff used the following methodology to evaluate the reimbursement request submitted by McMillin Rolling Hills Ranch, LLC.:

(a) prepared a quantity take-off (see Attachment 1);

(b) compared quantities and prices against the reimbursement requests (see Attachment 2).

After completion of the analysis, Staff prepared a spreadsheet to support its recommendation for reimbursement (see Attachment 3).

After reviewing the budget for the CIP project (included in McMillin Rolling Hills Ranch, LLC request dated March 15, 2006), Staff compared with the budget for FY08 and found that this project has sufficient funds to be reimbursed.

Staff recommends that the Board authorize the General Manager to reimburse McMillin Rolling Hills Ranch, LLC in accordance with Policy 26.

FISCAL IMPACT:

The approved FY08 budget is $550,000 (CIP P2070). After Staff evaluation of the invoices and quantity take-off, the actual reimbursement to McMillin Otay Ranch, LLC will be $392,637. Staff will be closing this CIP project after all reimbursements are made to the Developer after Board approval.

Finance has determined that 100% of the funding is currently available from the expansion fund.

STRATEGIC GOAL:

This project supports the District's Strategic Goal of satisfying current and future potable and recycled water needs. The pipelines will transmit potable and recycled water to Central Area System market areas.

LEGAL IMPACT:

None.

General Manager
DC/RP:jf

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Attachments:

Attachment A	Committee Action
Attachment 1	Quantity Take-offs for McMillin Reimbursement Agreement CIP W070/WO9544 (CIP P2070)
Attachment 2	Quantity Price Verification for McMillin Reimbursement Agreement CIP W070/WO9544 (CIP P2070)
Attachment 3	Reimbursement Summary Sheet - McMillin Rolling Hills Ranch (CIP P2070)
Exhibit 1	Amendment to Second Reimbursement Agreement
Exhibit 2	McMillin Rolling Hills Ranch, LLC succeeded to ownership of the development. Grant Deed dated March 28, 2002.

ATTACHMENT A

SUBJECT/PROJECT:	Reimbursement Agreement with McMillin Rolling Hills Ranch, LLC as the successor in interest to the Reimbursement Agreement between Otay Water District and Pacific Bay Homes dated January 20, 1998 (CIP P2070), 16" Potable Water Pipeline from Proctor Valley Rd. to 1296 Pump Station.

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at the meeting held on June 27, 2007. The following comments were made:

- Staff indicated that Otay had entered into a Reimbursement Agreement with McMillin Otay Ranch, LLC to reimburse McMillin for the installation of a 16" potable water pipeline from Proctor Valley Road to the District's 1296 Pump Station.
- The project is complete and as per the agreement McMillin is seeking reimbursement for costs associated with construction of the pipeline.
- Staff reviewed the invoices submitted by McMillin for $437,358.02.
- After review and completion of the analysis, Staff prepared a spreadsheet to support its recommendation for reimbursement of $392,637.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding of this item to the Board of Directors on the consent calendar.

ATTACHMENT 1

QUANTITY TAKE-OFFS FOR MCMILLIN REIMBURSEMENT AGREEMENT CIP P2070 / WO 9544

PROJECT: Rolling Hills Ranch, Backbone/Loop Road

CONTRACTORS: T.C. CONSTRUCTION

Description	McMillin Requests	Otay Quantity	Staff Recommendation
Main PVC Cl 165 16"	4540	4,470	4,540
Main PVC Cl 200 12"	440	0	0
Water Fire Hydrant	11	11	11
Water ARV 02"	1	0	0
Water ARV 04"	9	6	9
Water Blow Off 02"	1	0	0
Water Blow Off 04"	3	2	3
Water Gate Valve 08"	1	0	0
Water Gate Valve 12"	3	0	0
Water Butterfly Valve 16"	11	11	11
Water Connect to Existing	1	2	1
Water End Cap 12" Temp & 02" BO/TB	3	0	0

Reviewed By: David T. Charles

David Charles
Public Services Manager

Date: 06/11/07

Reviewed By: R. Shackley

Richard Shackley
Inspection Supervisor

QUANTITY PRICE VERIFICATION FOR MCMILLIN REIMBURSEMENT AGREEMENT CIP P2070/ WO 9544

PROJECT: Rolling Hills Ranch, Backbone/Loop Road

CONTRACTORS: T.C. CONSTRUCTION

Description	Quantity	McMillin Requests	Engineers Estimate/Otay Verification	Comments
Main PVC Cl 165 16"	4540	$238,350	$238,350	
Main PVC Cl 200 12"	440	$18,942	$0	*
Water Fire Hydrant	11	$44,352	$44,352	
Water ARV 02"	1	$2,835	$0	*
Water ARV 04"	9	$53,865	$53,865	
Water Blow Off 02"	1	$1,680	$0	*
Water Blow Off 04"	3	$13,230	$13,230	
Water Gate Valve 08"	1	$924	$0	*
Water Gate Valve 12"	3	$4,568	$0	*
Water Butterfly Valve 16"	11	$40,425	$40,425	
Water Connect to Existing	1	$2,415	$2,415	
Water End Cap 12" Temp & 02" BO/TB	3	$1,229	$0	*

* Not a part of the agreement.

Reviewed By: David T. Charles

David Charles
Public Services Manager

Date: 06/11/07

Reviewed By: R. Shackley

Richard Shackley
Inspection Supervisor

ATTACHMENT 3

REIMBURSEMENT SUMMARY SHEET - McMILLIN Rolling Hills Ranch CIP P2070 PL- 16 inch-980 Zone, Pacific Bay Homes Road- Proctor Valley/1296 Hydro PS

	QTY.	OWD QTY	OWD Unit Price	OWD Cost	Soft Cost @ 5%	OWD Total	McMillin Unit Cost	McMillin Cost	Soft Cost 5%	McMillin Total	OWD Estimated Costs	Reimbursement Amount per CIP	Staff's Proposed Reimbursement
CIP P2070 PL- 16 inch-980 Zone, Pacific Bay Homes Road- Proctor Valley/1296 Hydro PS													
Main PVC C 165 16"	4540		$50.00	227,000.00	11,350.00	238,350.00	$50.00	$227,000.00	$11,350.00	$238,350.00	$238,350.00		
Main PVC C 200 12"	440		$0.00	0.00	0.00	0.00	$41.00	$18,040.00	$902.00	$18,942.00	$0.00	*	
Water Fire Hydrant	11		$3,840.00	42,240.00	2,112.00	44,352.00	$3,840.00	$42,240.00	$2,112.00	$44,352.00	$44,352.00		
Water ARV 02"	1		$0.00	0.00	0.00	0.00	$2,700.00	$2,700.00	$135.00	$2,835.00	$0.00	*	
Water ARV 04"	9		$5,700.00	51,300.00	2,565.00	53,865.00	$5,700.00	$51,300.00	$2,565.00	$53,865.00	$53,865.00		
Water Blow Off 02"	1		$0.00	0.00	0.00	0.00	$1,600.00	$1,600.00	$80.00	$1,680.00	$0.00	*	
Water Blow Off 04"	3		$4,200.00	12,600.00	630.00	13,230.00	$4,200.00	$12,600.00	$630.00	$13,230.00	$13,230.00		
Water Gate Valve 08"	1		$0.00	0.00	0.00	0.00	$880.00	$880.00	$44.00	$924.00	$0.00	*	
Water Gate Valve 12"	3		$0.00	0.00	0.00	0.00	$1,450.00	$4,350.00	$217.50	$4,567.50	$0.00	*	
Water Butterfly Valve 16"	11		$3,500.00	38,500.00	1,925.00	40,425.00	$3,500.00	$38,500.00	$1,925.00	$40,425.00	$40,425.00		
Water Final Adjust/Misc	1		$0.00	0.00	0.00	0.00	$5,851.45	$5,851.45	$292.57	$6,144.02	$0.00	*	
Water Connect To Exist	1		$2,300.00	2,300.00	115.00	2,415.00	$2,300.00	$2,300.00	$115.00	$2,415.00	$2,415.00		
Water End Cap 12" Temp 02" B	3		$0.00	0.00	0.00	0.00	$390.00	$1,170.00	$58.50	$1,228.50	$0.00	*	
Water Gate Valve Adjust	40		$0.00	0.00	0.00	0.00	$200.00	$8,000.00	$400.00	$8,400.00	$0.00	*	
					TOTAL	**392,637.00**				**$437,358.02**	**$392,637.00**	**$550,000.00**	**$392,637.00**

*** Not a part of the agreement.**

Total Agreement	**$550,000.00**
Total Requested by McMillin	**$437,358.02**
Recommended Reimbursement	**$392,637.00**
McMillin is requesting Reimbursement In the amount of:	**$437,358.02**
Difference Between Recommended and Requested:	**$44,721.02**

EXHIBIT 1

AMENDMENT TO SECOND REIMBURSEMENT AGREEMENT
BETWEEN OTAY WATER DISTRICT AND
PACIFIC BAY HOMES

This Amendment to a Reimbursement Agreement ("Amendment") is entered into between Otay Water District (hereinafter referred to as "Otay") and Pacific Bay Homes (hereinafter referred to as "Developer").

R E C I T A L S

WHEREAS, Otay and Developer have previously entered into an agreement on January 20, 1998, whereby Developer agreed to construct additional water facilities, 950 and 980 facilities, and Otay agreed to reimburse Developer; and

WHEREAS, a portion of the 980 Facilities (Exhibit A) was inadvertently omitted from said Agreement, i.e., a 3,600 L.F. (Station 13+90.49 to Station 49+88.82) of 16" potable water 980 PVC pipeline in Hunte Parkway from the southerly Salt Creek Ranch boundary to Otay Lakes Road; and

WHEREAS, Otay and Developer now wish to include the omitted portion of the 980 Facilities in their agreement.

NOW THEREFORE, in consideration of the Recitals and mutual obligations of the parties herein expressed, Otay and Developer agree as follows:

1. Project. The description of the Project in Section 1 of the prior agreement is hereby amended to add a 16" potable water PVC pipeline in Hunte Parkway from the southerly Salt Creek Ranch boundary to Otay Lakes Road (Otay's CIP No. 154).

2. Agreement. In all other respects, the underlying reimbursement agreement between Otay and Developer shall remain the same.

IN WITNESS WHEREOF, this Amendment is executed by Otay and by Developer as of the date shown below.

OTAY WATER DISTRICT

By Keith Lewinger

Title GM

Date 5/18/98

PACIFIC BAY HOMES

By [illegible]

Title SVP

Date 4-8-98

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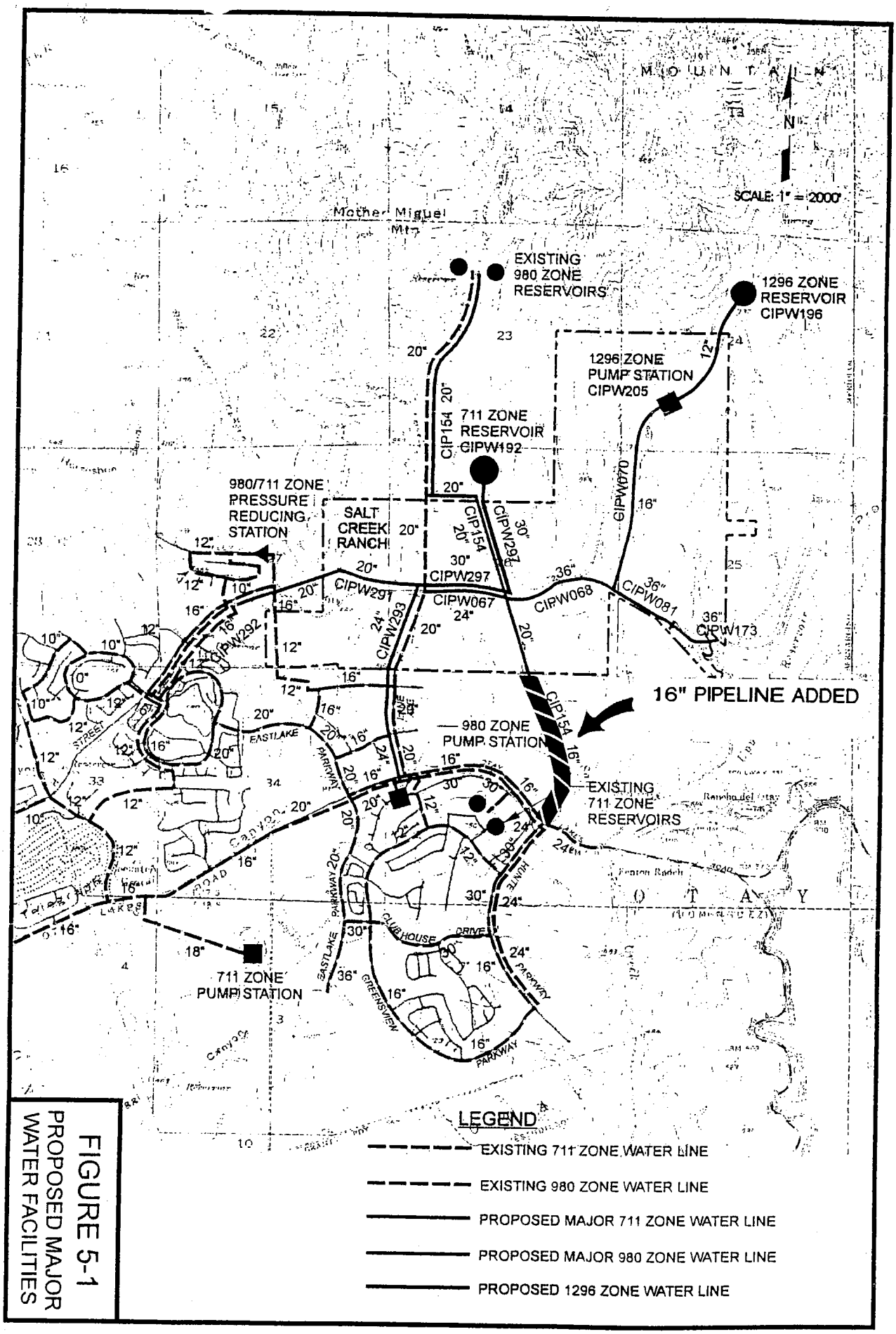

FIGURE 5-1
PROPOSED MAJOR WATER FACILITIES

EXHIBIT "A"

SCALE: 1" = 2000'

EXISTING
980 ZONE
RESERVOIRS

1296 ZONE
RESERVOIR
CIPW196

1296 ZONE
PUMP STATION
CIPW205

711 ZONE
RESERVOIR
CIPW192

980/711 ZONE
PRESSURE
REDUCING
STATION

SALT
CREEK
RANCH

980 ZONE
PUMP STATION

EXISTING
711 ZONE
RESERVOIRS

711 ZONE
PUMP STATION

CIPW154
CIPW291
CIPW292
CIPW293
CIPW297
CIPW067
CIPW068
CIPW070
CIPW081
CIPW173

EXHIBIT B
PROPOSED MAJOR WATER FACILITIES

LEGEND

- EXISTING 711 ZONE WATER LINE
- EXISTING 980 ZONE WATER LINE
- PROPOSED MAJOR 711 ZONE WATER LINE
- PROPOSED MAJOR 980 ZONE WATER LINE
- PROPOSED 1296 ZONE WATER LINE

AMENDMENT TO A REIMBURSEMENT AGREEMENT
BETWEEN OTAY WATER DISTRICT AND
PACIFIC BAY HOMES

This Amendment to a Reimbursement Agreement ("Amendment") is entered into between Otay Water District (hereinafter referred to as "Otay") and Pacific Bay Homes (hereinafter referred to as "Developer").

R E C I T A L S

WHEREAS, Otay and Developer have previously entered into an agreement on 1/20/98, ~~1997~~, whereby Developer agreed to construct certain water facilities (the "711 Facilities") and Otay agreed to reimburse Developer and

WHEREAS, one small portion of the 711 Facilities was inadvertently omitted from said Agreement, i.e., a 30" potable water 711 steel pipeline in Hunte Parkway from Street "S" (STA. 78+53.29) to the Salt Creek Ranch's northerly boundary and the District's Use Area southerly boundary; and

WHEREAS, Otay and Developer now wish to include the omitted portion of the 711 Facilities in their agreement.

NOW THEREFORE, in consideration of the Recitals and mutual obligations of the parties herein expressed, Otay and Developer agree as follows:

1. Project. The description of the Project in Section 1 of the prior agreement is hereby amended to add a 30" potable water steel CML&C pipeline in Hunte Parkway from Street "S" (STA. 78+53.29) to the Salt Creek Ranch's northerly boundary and the District's Use Area southerly boundary (Otay's CIP No. W297).

2. Construction Materials. Section 7 of the underlying reimbursement agreement is hereby amended to reflect that Otay will not provide construction materials for the project which is the subject of this Amendment. Otay will reimburse developer for the cost of all construction materials in accordance with Section 5 of the original Reimbursement Agreement of April 5, 1997.

3. Agreement. In all other respects, the underlying reimbursement agreement between Otay and Developer shall remain the same.

IN WITNESS WHEREOF, this Amendment is executed by Otay and by Developer as of the date shown below.

OTAY WATER DISTRICT

By Keith Lewing

Title G.M.

Date 1-20-98

PACIFIC BAY HOMES

By Liz Jackson

Title Senior Vice President/Division Mgr.

Date 11-19-97

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THE SECOND AGREEMENT REGARDING
REIMBURSEMENT BETWEEN
OTAY WATER DISTRICT AND
PACIFIC BAY HOMES

This Reimbursement Agreement ("Agreement") is entered into between Otay Water District (hereinafter referred to as "Otay") and Pacific Bay Homes (hereinafter referred to as "Developer").

R E C I T A L S

A. WHEREAS, Pacific Bay Homes and Otay Water District have previously entered into a reimbursement agreement on April 15, 1997, dealing with certain water pipelines and an amendment to that Agreement and the parties now wish to enter into a second agreement dealing with additional water facilities; and

B. WHEREAS, the Developer intends to develop its property in the Salt Creek Ranch area in phases (Phase 1A, 1B, 2 and 3), each of which phase will include substantial public improvements including the construction of pipelines and roads (See Exhibit A); and

C. WHEREAS, the Board of Directors of the Otay Water District has adopted a Master Plan for all water facilities throughout the District including a number of water facilities in the Salt Creek Ranch area (see Exhibits B and C) in the City of Chula Vista; and

D. WHEREAS, the General Manager of the Otay Water District has accepted the revised Sub-Area Master Plan ("SAMP") dated April, 1997; and

E. WHEREAS, the City of Chula Vista has a policy prohibiting the opening of streets for construction of utilities for three years after the roads are originally constructed; and

F. WHEREAS, Otay and Developer desire the completion of certain water facilities (the "facilities"), more particularly described in Exhibit D attached hereto, in conjunction with other utility improvements and the completion of road improvements along Proctor Valley Road, Hunte Parkway, Otay Lakes Road and Lane Avenue; and

G. WHEREAS, it would create an adverse impact on the community to complete the roadway improvements without the installation of the facilities; and

H. WHEREAS, Developer and Otay agree that it is a reasonable requirement for Developer to install the facilities in conjunction with construction of the road improvements in accordance with this agreement; and

I. WHEREAS, Developer is willing to design and construct the facilities in consideration for Otay reimbursing Developer the design and construction cost; and

J. WHEREAS, Developer is actively engaged in the development of its property in the Salt Creek Ranch area and is in a position to construct the pipelines at a reasonable cost and at the earliest possible date in conjunction with the construction of other utilities and the improvement of Proctor Valley Road, Hunte Parkway, Otay Lakes Road and Lane Avenue; and

K. WHEREAS, Developer is willing to complete the facilities concurrently with its construction of said road improvements

according to plans approved by Otay through the use of competitive bids and the award of the contract to the lowest responsible bidder.

NOW THEREFORE, in consideration of the recitals and mutual obligations of the parties herein expressed, Otay and Developer agree as follows:

1. Project. The project consists of the land acquisition, design, permitting (including environmental review) and construction of those specific improvements listed in Exhibit D.

2. Future Project. Otay and Developer agree that they will enter into a similar agreement for reimbursement of the costs of the proposed 1296 facilities contingent upon prior CEQA approval, acquisition of appropriate reservoir fee title land and pipeline easements.

3. Project Cost. Developer shall design and construct the facilities providing all funds needed for its design and construction subject to Otay's obligation to reimburse Developer for all such costs.

4. Master Plan. Otay agrees to update its five-year Capital Improvement Program (CIP) to include all facilities and costs listed in Exhibit D.

5. Plans and Specifications. Subject to Otay's reimbursement obligation, Developer will provide complete plans, specifications and bid documents for design and construction of the facilities. Said plans will be subject to Otay approval, which shall not be unreasonably withheld or delayed and will include Otay's standard specifications. Otay acknowledges that Developer

is agreeing to install the facilities if they can be installed concurrently with the installation of the road improvements. Otay will not unreasonably delay the processing or approval of the plans, bid documents, contracts or similar matters such that the construction of Developer's road improvements will be delayed.

6. Solicitation of Bids. At such time as Otay approves the plans, Developer shall by direct contact solicit and receive sealed bids for the construction of the pipelines. Developer shall attempt to obtain bids from at least three contractors. Developer supports encouraging Emerging Business Enterprises.

7. Reimbursement. Developer shall be entitled to reimbursement consistent with Otay's Policy No. 26, which is attached hereto as Exhibit E and is incorporated herein by reference. If Developer is eligible for reimbursement under Otay's Policy No. 26, and if reimbursement hasn't occurred at the time Developer seeks meters, Developer shall be entitled to a credit toward capacity fees for all costs incurred in the construction of the facilities identified in Exhibit D.

8. Record Keeping. Developer shall keep an accurate record of the actual cost of the construction of the facilities in accordance with generally-accepted accounting procedures. Developer shall allow Otay's authorized representative, during regular business hours at Developer's office upon reasonable notice, to examine and duplicate any records relevant to the verification of the actual cost of constructing the facilities including, without limitation, all contract bids and invoices. Any changes that

occurred during the course of construction shall be properly documented. Back-up documentation shall be kept by developer for three years after the completion of the pipeline and be provided to Otay for its review.

9. Turnover of Documents. Developer shall provide to Otay copies of "as-built drawings" and related plans and specifications, operating manuals and warranty materials such as would ordinarily be applicable to Otay's operation and maintenance of the facilities upon acceptance of the facilities by Otay.

10. Right of Inspection. Otay shall have the right to enter the project area at any reasonable time prior to its acceptance of the facilities. Otay, upon reasonable notice, shall have the right to inspect at Developer's offices during normal business hours all books and records of Developer relating to the facilities and may perform any audit it cares to during the construction period and for a period of three (3) years following Otay's acceptance of the facilities. Developer shall retain all such records for three (3) years.

11. Bonding. Developer shall not be required to post a bond assuring the project but will require the contractor, as part of the bid specifications, to carry performance and material bonds for 100% of the value of the project. Developer shall require the contractor to post a one-year warranty bond for 100% of the value of the project in favor of Otay upon acceptance of the project.

12. Indemnity. Each party agrees to defend, indemnify, protect and hold harmless the other party and its agents, officers

and employees from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to employees, agents or officers which arise from or are connected with or are caused or claimed to be caused by the negligent acts or omissions or willful misconduct of the party's agents, officers or employees, in performing the work or services herein and all expenses of investigation and defending against same; provided, however, that each party's duty to indemnify and hold harmless shall not include any claims or liability arising from the negligence, acts or omissions or willful misconduct of the other party, its agents, officers or employees. Otay and Developer agree that in the event of any joint or concurrent negligence, they will apportion any established or agreed upon liability proportionate to their respective degree of fault. This provision shall remain in full force and effect until twelve (12) months after Otay accepts the project pursuant to this Agreement.

13. Insurance. Developer shall cause the contractor constructing the facilities at the contractor's sole cost and expense, at all times during the period of construction, to maintain in full force and effect for the joint benefit of Developer and Otay as coinsureds, a broad form comprehensive coverage policy of public liability insurance by the terms of which Developer and Otay are named as insureds and are indemnified against liability for damage or injury to the property or person (including death) of any agent, employee, licensee or invitee of contractor or any other person entering upon or using the project or any part

thereof, and arising from the use thereof. Such insurance policy or policies shall be maintained on the minimum basis of $1,000,000 for damage to property or bodily injury and shall be in addition to the indemnification provisions of Paragraph 15 above, and shall also be stated to be primary with any insurance which may be carried by Otay or Developer to be noncontributing. Developer shall cause the contractor to deliver to Otay the certificate of each insurance carrier as to each such insurance policy seven (7) days prior to commencement of any work of construction on the project pursuant to the terms of this Agreement.

14. Attorneys' Fees. In the event either party commences litigation for specific performance of this Agreement or damages for the breach thereof, the prevailing party shall be entitled to a judgment against the other for an amount equal to reasonable attorneys' fees and court costs incurred.

15. Amendments. No amendment, modification, supplement, termination or waiver of any provision of this Agreement shall be effective unless executed in writing by both parties and then only in the specified instance and for the specific purpose given.

16. Notices. Any demand upon or notice required or permitted to be given by one party to the other party shall be in writing. Except as otherwise provided by law, any demand upon or notice required or permitted to be given by one party to the other party shall be effective (a) on a personal delivery, (b) on the second business day after mailing by certified or registered United States Mail, return receipt requested, or (c) on the succeeding business day after mailing by Express Mail or after

deposit with a private delivery service of general use (e.g., Federal Express) postage or fee prepaid as appropriate, addressed to the party at the address shown below:

General Manager
Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, CA 91977

Liz Jackson
Pacific Bay Homes
2300 Boswell Road, Suite 209
Chula Vista, CA 91914

Notice of change of address shall be given by written notice in the manner set forth in this Paragraph.

17. Successor in Interest. The Agreement and all rights and obligations contained herein shall be in effect whether or not any or all parties to the Agreement have been succeeded by another entity, and all rights and obligations of the parties signatory to this Agreement shall be vested and binding on their successors in interest.

18. Further Assurances. Otay and Developer each agree to execute and deliver such additional documents and issue such governmental permits as may be required to effectuate the purposes of this Agreement.

19. Warranties. Developer shall cause the contractor to warrant in the construction contract that the work, materials and construction related to the facilities shall conform to the standards established by Otay for the period of one year following Otay's acceptance of the project. The provisions contained herein shall not be deemed to limit any such rights Otay shall have or may have, according to law, to seek damages or other

relief for any acts or omissions of the contractor associated with this Agreement or the construction or design of the project.

IN WITNESS WHEREOF, this Agreement is executed by Otay and by Developer as of the date shown below.

OTAY WATER DISTRICT

By Keith Lewinger

Title G.M.

Date 1-20-98

PACIFIC BAY HOMES

Lisa Jackson

Title Senior Vice President/Divison Manager

Date 12-12-97

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The ond Reimbursement A_g ement between Otay Water District and Pacific Bay Homes

Reference: Subarea Master Plan of Potable and Recycled Water for Salt Creek Ranch (April 1997)

1. Projects

a) 950 Facilities:

- CIP No. R013 - A 16-inch recycled water pipeline in Proctor Valley Road from Mount Miguel Road (STA. 10+53.15) to Lane Avenue (STA. 46+08.98);
- OVERSIZE – 8 to10-inch recycled water pipeline in Hunte Parkway from existing recycled water line in Otay Lakes Road to the northerly Salt Creek Ranch Boundary;

b) 980 Facilities:

- CIP No. W067 - A 24-inch potable water PVC pipeline in Proctor Valley Road from Lane Avenue (STA. 45+96.98) to Hunte Parkway (STA. 60+91.68);
- CIP No. W068 - A 36-inch potable water Steel CML&C pipeline in Proctor Valley Road from Hunte Parkway (STA. 60+91.68) easterly 3000 feet;
- CIP No. W070 – A 16-inch potable water PVC pipeline from Proctor Valley Road northerly 5,000 to the 1296 pump station;
- CIP No. W081 – A 36-inch steel CML&C potable water pipeline in Proctor Valley Road from 3,000 feet east of Hunte Parkway easterly 1,600 feet;
- CIP No. W173 – A 36-inch steel CML&C potable water pipeline in Proctor Valley Road from 4,600 feet east of Hunte Parkway 1,300 feet to the easterly Salt Creek boundary;
- CIP No. 154 - A 20-inch potable water PVC pipeline in Hunte Parkway from the northerly subdivision boundary of Salt Creek Ranch 4,000 feet to the southerly boundary;
- OVERSIZE – 12 to16-inch potable water pipeline in Proctor Valley Road from Lane Avenue (onsite) to San Miguel Road (offsite);

EXHIBIT D

2. Project Cost (1997 Estimated Dollars)

a) 950 Facilities:
- CIP No. R013 - $ 190,000
- OVERSIZE 8-10 Inch - $150,000 R063?

b) 980 Facilities:
- CIP No. W067 - $87,000
- CIP No. W068 - $804,000
- CIP No. W070 - $297,000
- CIP No. W081 - $429,000
- CIP No. W173 - $456,000
- CIP No. 154 – $1,050,000
- OVERSIZE 12-16 Inch – $65,000 W324

3. Project Phasing

a) 950 Facilities:
- CIP No. R013 – Phase 1A; A 16-inch recycled water pipeline in Proctor Valley Road from Mount Miguel Road (STA. 10+53.15 to Lane Avenue (STA. 46+08.98);
- OVERSIZE 8-10 Inch – Phase 1A & 1B; From the existing main in Otay Lakes Road to the northerly boundary of Salt Creek Ranch;

b) 980 Facilities:
- CIP No. W067 – Phase 1A; A 24-inch potable water PVC pipeline in Proctor Valley Road from Lane Avenue (STA. 45+96.98) to Hunte Parkway (STA. 60+91.67);
- CIP No. W068 – Phase 1B, 2; A 36-inch potable water Steel CML&C pipeline in Proctor Valley Road from Hunte Parkway (STA. 60+91.68) easterly 3000 feet;;
- CIP No. W070 – Phase 2, 3; A 16-inch potable water PVC pipeline from Proctor Valley Road northerly to the 1296 pump station;
- CIP No. W081 – Phase 2; A 36-inch steel CML&C potable water pipeline in Proctor Valley Road from 3,000 feet east of Hunte Parkway easterly 1,600 feet;
- CIP No. W173 – Phase 3; A 36-inch steel CML&C potable water pipeline in Proctor Valley Road from 4,600 feet east of Hunte Parkway to the easterly Salt Creek boundary;

- CIP No. 154 – Phase 1A, 1B; A 20-inch potable water PVC pipeline in the Hunte Parkway from the northerly, subdivision boundary of Salt Creek Ranch to the southerly boundary;
- OVERSIZE – Phase 1A; 12 to16-inch potable water pipeline in Proctor Valley Road from Lane Avenue (onsite) to San Miguel Road (offsite);

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RECORDED REQUEST OF
First American Title
SUBDIVISION MAPPING DEPT.

2002-0263133

DOC # 2002-0263133

MAR 28, 2002 3:50 PM

RECORDING REQUESTED BY
FIRST AMERICAN TITLE INS. CO.
AND WHEN RECORDED MAIL TO:
McMILLIN ROLLING HILLS RANCH, LLC

c/o 2727 Hoover AvenueNational City, CA 91950
Attn: Tom Tomlinson

25143

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 48.00
OC: AFNF

TAX: N.D.

Space Above This Line for Recorder's Use Only

A.P.N.: See attached list Order No.: 1291429-6 Escrow No.: 02-1220AS

GRANT DEED

THE UNDERSIGNED GRANTOR(s) DECLARE(s) THAT DOCUMENTARY TRANSFER TAX IS:
[ ] computed on full value of property conveyed, or
[ ] computed on full value less value of liens or encumbrances remaining at time of sale,
[ ] unincorporated area; [X] City of Chula Vista, and

FOR A VALUABLE CONSIDERATION, Receipt of which is hereby acknowledged,

PACIFIC BAY PROPERTIES, a California corporation

hereby GRANT(S) to
McMILLIN ROLLING HILLS RANCH, LLC, a Delaware limited liability company

the following described property in the City of Chula Vista, County of San Diego State of California;

AS MORE PARTICULARLY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

March 22, 2002

PACIFIC BAY PROPERTIES, a California corporation

By: Richard Lewnau
Print Name: Richard Lewnau
Title: Treasurer

By:
Print Name: Maldolm Macdonald
Title: Chairman and President

Mail Tax Statements to: SAME AS ABOVE or Address Noted Below

EXHIBIT 2

25144

STATE OF ~~CALIFORNIA~~ MICHIGAN)SS
COUNTY OF WAYNE)

On March 25, 2002 before me, FLORA J. McRAE

personally appeared RICHARD LEWNAU AND MALCOM MACDONALD

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

WITNESS my hand and official seal.

Signature Flora J McRae

Flora J. McRae
Notary Public, Wayne County, Michigan
My Commission Expires March 7, 2003

This area for official notarial seal.

EXHIBIT A
LEGAL DESCRIPTION OF THE LAND

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

LOTS 1 THROUGH 49 AND LOTS A AND B OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 1, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14164, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 66 AND LOTS A THROUGH E OF CHULA VISTA TRACT NO. 92-02 SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14165, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 57 AND LOTS A AND B OF SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 3 CHULA VISTA TRACT NO. 92-02, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14166, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1, A AND B OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 8 UNIT NO. 1, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14192, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 24, 2001.

LOTS 1 THROUGH 139 AND LOTS A THROUGH V OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 8 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14193, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 24, 2001.

LOTS 1 THROUGH 68 AND LOTS A AND B OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 1 UNIT NO. 1, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14158, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 41 AND LOTS A THROUGH C OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 1 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14159, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 35 AND LOTS A AND B OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 1 UNIT NO. 3, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. MAP NO. 14160, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 45 AND LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 1 UNIT NO. 4, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14161, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 48 AND LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 1 UNIT NO. 5, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14162, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 74 AND LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 1 UNIT NO. 6, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14163, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

LOTS 1 THROUGH 17, INCLUSIVE, OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 6 UNIT NO. 7, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13695, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 3, 1998.

LOTS 1 THROUGH 20, INCLUSIVE, OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 2 UNIT NO. 7, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13740, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 24, 1999.

PARCEL 1:
THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 25, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY THEREOF.

EXCEPTING THEREFROM THAT PORTION DESCRIBED IN DEED TO HENRY G. FENTON, RECORDED AUGUST 31, 1938 IN BOOK 810, PAGE 380 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14165, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

PARCEL 2:
THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY, APPROVED APRIL 17, 1883.

EXCEPTING THEREFROM THOSE PORTIONS OF PARCEL A AND B DESCRIBED IN INSTRUMENT RECORDED JULY 9, 1997 AS FILE NO. 1997-0322397 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 6 UNIT NO. 6, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13694, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 3, 1998.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 1, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14164, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14165, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 8 UNIT NO. 1, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14192, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 24, 2001.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 8 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14193, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 24, 2001.

PARCEL 3:
THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 23 AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 24, ALL IN TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY THEREOF.

PARCEL 4:
THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY THEREOF.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14165, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

PARCEL 5:
THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 25, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY THEREOF.

PARCEL 6:
THE WEST THREE QUARTERS OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 24, THE WEST THREE QUARTERS OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY THEREOF.

PARCEL 7
THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE EAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 24; THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER, THE EAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 25, ALL BEING IN TOWNSHIP 17 SOUTH RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY, APPROVED APRIL 17, 1883.

PARCEL 8
THAT PORTION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 25, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY APPROVED APRIL 17, 1883, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID SOUTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 25, DISTANT THEREON SOUTH 88°53'30" EAST 1136.70 FEET FROM THE NORTHWEST CORNER THEREOF; THENCE SOUTH 41°48'30" EAST 1817 FEET, MORE OR LESS, TO A POINT ON THE SOUTH LINE OF SAID SECTION 25, SAID SOUTH LINE BEING ALSO THE NORTH BOUNDARY LINE OF RANCHO JANAL; THENCE ALONG SAID BOUNDARY LINE SOUTH 88°49' EAST TO THE EAST LINE OF SAID SOUTH HALF OF SOUTHWEST QUARTER OF SAID SECTION 25; THENCE ALONG SAID EAST LINE NORTH 0°12' EAST 1332.13 FEET TO A FOUR – INCH CONCRETE FILLED PIPE SET IN STONE MUND FOR NORTHEAST CORNER OF SAID SOUTH HALF OF SOUTHWEST QUARTER, AND AS SHOWN ON RECORD OF SURVEY MAP NO. 663 ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID SAN DIEGO COUNTY; THENCE ALONG THE NORTH LINE OF SAID SOUTH HALF OF SOUTHWEST QUARTER NORTH 88°53'30" WEST 1578.87 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION DESCRIBED IN DEED TO THE SOUTHERN CALIFORNIA MOUNTAIN WATER COMPANY, RECORDED MAY 4, 1905 IN BOOK 363, PAGE 154 OF DEEDS.

PARCEL 9:
THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 17 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO UNITED STATES GOVERNMENT SURVEY THEREOF.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 1, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14164, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 2, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14165, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

ALSO EXCEPTING THEREFROM THAT PORTION LYING WITHIN CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 7 UNIT NO. 3, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 14166, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 14, 2001.

PARCELS 1 AND 3 OF
PARCEL MAP NO. 18595, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 7, 2000.

LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 2 UNIT NO. 3 IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13502, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 13, 1997.

LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 2 UNIT NO. 4, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13503, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 13, 1997.

LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 2 UNIT NO. 5, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13504, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 13, 1997.

LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 2 UNIT NO. 9, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13742, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 24, 1999.

LOT A OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 2 UNIT NO. 10, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13743, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 24, 1999.

LOT 1 OF CHULA VISTA TRACT NO. 92-02, SALT CREEK RANCH, NEIGHBORHOOD 3A, SCHOOL, PARK, AND FIRE STATION, IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 13440 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JULY 9, 1997.

25150

EXHIBIT "A"
LIST OF ASSESSOR PARCEL NUMBERS

595-030-36
595-030-47
595-030-39
595-040-06
595-040-14
595-050-01
585-140-04
585-150-05
595-670-01 THROUGH 595-670-17
595-700-01 THROUGH 595-700-20
595-590-44
595-600-26
595-600-48
595-700-83
595-700-79
595-570-01

AGENDA ITEM 6i

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007		
SUBMITTED BY:	David Charles Public Services Manager	W.O./G.F. NO:	9540	DIV. NO.	4
APPROVED BY: (Chief)	Rod Posada Chief, Engineering				
APPROVED BY: (Asst. GM):	Manny Magaña Assistant General Manager, Engineering and Operations				
SUBJECT:	Reimbursement Request with Brookfield Shea Otay, LLC, for completed Capital Improvement Projects (CIP Nos. P2169, P2397) in the amount of $436,525.95				

GENERAL MANAGER'S RECOMMENDATIONS:

That the Board authorize the General Manager to approve the request to reimburse Brookfield Shea Otay, LLC, for completed CIP projects (CIP Nos. P2169, P2397) in the amount of $436,525.95.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to reimburse the Brookfield Shea Otay, LLC, for work completed and associated with CIP Nos. P2169 and P2397. At the May 1, 2004 Board Meeting, the Board authorized the General Manager to enter into a Reimbursement Agreement with Brookfield Shea Otay, LLC, for the various pipeline capital improvements associated with Otay Ranch Village II Development (CIP Nos. P2169, P2397).

ANALYSIS:

On May 3, 2004, the Otay Water District (District) entered into a Reimbursement Agreement with Brookfield Shea Otay, LLC (the "Reimbursement Agreement") for regional water facilities within the Otay Ranch Village II Development. CIP Nos. P2169 and P2397 were included within the Sub-Area Master Plan (SAMP) dated January 2002, and subsequently included in the Reimbursement Agreement.

Brookfield Shea Otay, LLC submitted its reimbursement request on November 1, 2006, along with the necessary invoices from the lowest responsive bidder for a total amount of $511,347.90. After staff review, that amount was reduced to $436,525.95. These projects were listed in the District's five-year CIP plans, as well as on the approved SAMP dated January 2002.

Staff used the following methodology to evaluate the reimbursement request submitted by Brookfield Shea Otay, LLC:

(a) prepared a quantity take-off (see Attachment 1, pages 1 & 2);

(b) compared quantities and prices against the reimbursement requests (see Attachment 2, pages 1 & 2).

After completion of the analysis, Staff prepared a spreadsheet to support its recommendation for reimbursement (see Attachment 3, pages 1 & 2).

After reviewing the budget for the CIP projects included in the Brookfield Shea Otay, LLC request dated November 1, 2006, Staff compared with the budget for FY08 and found that these projects had sufficient funds to be reimbursed.

FISCAL IMPACT:

The approved budget for FY08 (CIP Nos. P2169, P2397) is $500,000. After staff evaluation of the invoices and quantity take-off, the actual reimbursement to Brookfield Shea Otay, LLC will be $436,525.95. Staff will be closing these CIP projects after all reimbursements are made to the Developer after Board approval.

STRATEGIC GOAL:

This project supports the District's strategic goal of satisfying current and future potable and recycled water needs. The pipelines will transmit potable and recycled water to central area system market areas.

LEGAL IMPACT:

None.

General Manager

P:\WORKING\CIP W196\WO 8687\Staff Report\Brookfield Shea Otay, LLC, Reimburse Request, July 07 (DC).doc

DC/RP:jf

Attachments:

Attachment A Committee Action
Attachment 1 Quantity Take-Offs for Eastlake Parkway Reimbursement Agreement - Potable, Phase 1-3; CIP P2169 (W169) and CIP P2397 (W397)
Attachment 2 Price Verification for Eastlake Parkway Reimbursement Agreement - Potable, Phase 1-3; CIP P2169 (W169) and CIP P2397 (W397)
Attachment 3 Reimbursement Summary Sheet - Brookfield Shea Otay LLC; CIP P2169 and CIP P2397
Exhibit A Reimbursement Agreement (W.O No. 9468)

ATTACHMENT A

SUBJECT/PROJECT:	Reimbursement Request with Brookfield Shea Otay, LLC, for completed Capital Improvement Projects (CIP Nos. P2169, P2397 in the amount of $436,525.95)

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at the meeting held on June 27, 2007. The following comments were made:

- Staff indicated that Otay had entered into a Reimbursement Agreement with Brookfield Shea Otay, LLC for reimbursement of the installation of various pipeline capital improvements associated with Otay Ranch Village II Development.
- The project is complete and as per the agreement, Brookfield Shea is seeking reimbursement for costs associated with construction of the pipeline.
- Staff reviewed the invoices submitted by Brookfield Shea for $511,347.90.
- After review and completion of the analysis, Staff prepared a spreadsheet to support its recommendation for reimbursement of $436,525.95.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding of the item to the Board of Directors on the consent calendar.

ATTACHMENT 1

QUANTITY TAKE-OFFS FOR
EASTLAKE PARKWAY REIMBURSEMENT AGREEMENT
POTABLE; PHASE 1 - 3

CIP P2169 (W169) (WO# 9540, D0017-000005)

Contractors: Burtech Pipeline, Inc.

Item Description	BSO LLC Actual Quantity	Otay Quantity	BSO LLC Requests	Staff Recommendation
12" WATER MAIN 980'Zone	104	104	$39.00	104
20" WATER MAIN 980'Zone	761	761	$54.00	761
6" BLOW-OFF	1	1	$4,500.00	1
2" BLOW-OFF Temp.	1	1	$1,000.00	1
6" BLOW-OFF Temp.	1	1	$2,800.00	1
4" AIR VAC.RELEASE VALVE	1	1	$5,500.00	1
12" RESILIENT SEAT G.V.	1	1	$1,350.00	1
20" BUTTERFLY VALVE	1	1	$5,900.00	1
20"x 12" REDUCER	1	1	$3,500.00	1
CONNECT TO EXISTING	0	1	$3,000.00	0
20" WATER MAIN 980'Zone	2724	2284	$57.00	2284
4" BLOW-OFF	2	2	$5,700.00	2
2" BLOW-OFF	0	1	$2,600.00	0
4" AIR VAC.RELEASE VALVE	3	2	$8,200.00	2
TEST STATION	0	1	$0.00	0
FIRE HYDRANT/B.O.	3	3	$7,800.00	3
20" BUTTERFLY VALVE	3	3	$7,500.00	3
END CAP	4	2	$1,400.00	2

Approved By: _____ Date: 1/2/2007
David Charles
Public Services Manager

ATTACHMENT 1

QUANTITY TAKE-OFFS FOR
EASTLAKE PARKWAY REIMBURSEMENT AGREEMENT
POTABLE; PHASE 1 - 3

CIP P2397 (W397) (WO# 9540)

Contractors: Burtech Pipeline, Inc.

Item Description	BSO LLC Actual Quantity	Otay Quantity	BSO LLC Requests	Staff Recommendation
12" WATER MAIN 711'Zone	825	821	$39.00	821
2" BLOW-OFF	1	1	$1,700.00	1
2" BLOW-OFF Temp.	1	1	$1,000.00	1
2" AIR VAC.RELEASE VALVE	1	1	$1,800.00	1
16"x 12" REDUCER	1	1	$1,000.00	1
CONNECT TO EXISTING	0	1	$0.00	0
12" WATER MAIN 711'Zone	2566	2300	$48.00	2300
16" WATER MAIN 711'Zone	179	100	$53.00	100
2" BLOW-OFF	0	1	$3,500.00	0
8" RESILIENT SEAT G.V.	0	1	$0.00	0
12" RESILIENT SEAT G.V.	0	3	$1,700.00	0
TEST STATION	0	1	$0.00	0
2" AIR VAC.RELEASE VALVE	0	1	$0.00	0
FIRE HYDRANT/B.O.	0	3	$0.00	0
END CAP	3	1	$1,400.00	1

Approved By: David T. Charles Date: 1/2/2007

David Charles
Public Services Manager

ATTACHMENT 2

PRICE VERIFICATION FOR
EASTLAKE PARKWAY REIMBURSEMENT AGREEMENT
POTABLE; PHASE 1 - 3

CIP P2169 (W169) (WO# 9540, D0017-000005)

Contractors: Burtech Pipeline, Inc.

Item Description	BSO LLC Requests	Otay Verification	BSO LLC Actual Quantity	Comments
12" WATER MAIN 980'Zone	$39.00	$0.00	104	
20" WATER MAIN 980'Zone	$54.00	$54.00	761	
6" BLOW-OFF	$4,500.00	$4,500.00	1	
2" BLOW-OFF Temp.	$1,000.00	$0.00	1	
6" BLOW-OFF Temp.	$2,800.00	$2,800.00	1	
4" AIR VAC.RELEASE VALVE	$5,500.00	$5,500.00	1	
12" RESILIENT SEAT G.V.	$1,350.00	$0.00	1	
20" BUTTERFLY VALVE	$5,900.00	$5,900.00	1	
20"x 12" REDUCER	$3,500.00	$0.00	1	
CONNECT TO EXISTING	$3,000.00	$0.00	0	
20" WATER MAIN 980'Zone	$57.00	$57.00	2724	
4" BLOW-OFF	$5,700.00	$5,700.00	2	
2" BLOW-OFF	$2,600.00	$0.00	0	
4" AIR VAC.RELEASE VALVE	$8,200.00	$8,200.00	3	
TEST STATION	$0.00	$0.00	0	
FIRE HYDRANT/B.O.	$7,800.00	$7,800.00	3	
20" BUTTERFLY VALVE	$7,500.00	$7,500.00	3	
END CAP	$1,400.00	$1,400.00	4	

Reviewed By: Richard Shackley
Inspection Supervisor

Date: 12/28/06

ATTACHMENT 2

PRICE VERIFICATION FOR
EASTLAKE PARKWAY REIMBURSEMENT AGREEMENT
POTABLE; PHASE 1 - 3

CIP P2397 (W397) (WO# 9540)

Contractors: Burtech Pipeline, Inc.

Item Description	BSO LLC Requests	Otay Verification	BSO LLC Actual Quantity	Comments
12" WATER MAIN 711'Zone	$39.00	$39.00	825	
2" BLOW-OFF	$1,700.00	$1,700.00	1	
2" BLOW-OFF Temp.	$1,000.00	$1,000.00	1	
2" AIR VAC.RELEASE VALVE	$1,800.00	$1,800.00	1	
16"x 12" REDUCER	$1,000.00	$1,000.00	1	
CONNECT TO EXISTING	$0.00	$0.00	0	
12" WATER MAIN 711'Zone	$48.00	$43.00	2566	
16" WATER MAIN 711'Zone	$53.00	$0.00	179	
2" BLOW-OFF	$3,500.00	$0.00	0	
8" RESILIENT SEAT G.V.	$0.00	$0.00	0	
12" RESILIENT SEAT G.V.	$1,700.00	$0.00	0	
TEST STATION	$0.00	$0.00	0	
2" AIR VAC.RELEASE VALVE	$0.00	$0.00	0	
FIRE HYDRANT/B.O.	$0.00	$0.00	0	
END CAP	$1,400.00	$1,400.00	3	

Reviewed By: Richard Shackley
Inspection Supervisor

Date: 12/28/06

ATTACHMENT 3

REIMBURSEMENT SUMMARY SHEET - BROOKFIELD SHEA OTAY LLC

BROOKFIELD SHEA OTAY, LLC REQUESTS

DEVELOPMENT SERVICES STAFF'S RECOMMENDATION

	BSO Qty	BSO Unit Price	BSO Cost	Soft Costs @ 5%	BSO Total Expense	Otay Qty	Otay Verification	Otay Cost	Soft Costs @ 5%	Otay Total Expense	District's Total CIP Budget	DSD Staff's Proposed Reimbursement	SAMP Reimbursement Amt Per Agmt.
											$750,000.00		$230,000.00
CIP P2397	PL - 12-Inch, 711 Zone, EastLake Parkway				**Contractors: Burtech Pipeline, Inc.**								
WO# 9540					**Budgeted Amount: P2397 $175,000**								
12" WATER MAIN 711'Zone	825	$39.00	$32,175.00	$1,608.75	$33,783.75	821	$39.00	$32,019.00	$1,600.95	$33,619.95			
2" BLOW-OFF	1	$1,700.00	$1,700.00	$85.00	$1,785.00	1	$1,700.00	$1,700.00	$85.00	$1,785.00			
2" BLOW-OFF Temp.	1	$1,000.00	$1,000.00	$50.00	$1,050.00	1	$1,000.00	$1,000.00	$50.00	$1,050.00			
2" AIR VAC.RELEASE VALVE	1	$1,800.00	$1,800.00	$90.00	$1,890.00	1	$1,800.00	$1,800.00	$90.00	$1,890.00			
16"x 12" REDUCER	1	$1,000.00	$1,000.00	$50.00	$1,050.00	1	$1,000.00	$1,000.00	$50.00	$1,050.00			
CONNECT TO EXISTING	0	$0.00	$0.00	$0.00	$0.00	0	$0.00	$0.00	$0.00	$0.00			
				Phase 2 Total	**$39,558.75**				**Phase 2 Total**	**$39,394.95**			
12" WATER MAIN 711'Zone	2566	$48.00	$123,168.00	$6,158.40	$129,326.40	2566	$43.00	$110,338.00	$5,516.90	$115,854.90			
16" WATER MAIN 711'Zone	179	$53.00	$9,487.00	$474.35	$9,961.35	100	$0.00	$0.00	$0.00	$0.00			
2" BLOW-OFF	0	$3,500.00	$0.00	$0.00	$0.00	0	$0.00	$0.00	$0.00	$0.00			
8" RESILIENT SEAT G.V.	0	$0.00	$0.00	$0.00	$0.00	0	$0.00	$0.00	$0.00	$0.00			
12" RESILIENT SEAT G.V.	0	$1,700.00	$0.00	$0.00	$0.00	0	$0.00	$0.00	$0.00	$0.00			
TEST STATION	0	$0.00	$0.00	$0.00	$0.00	0	$0.00	$0.00	$0.00	$0.00			
2" AIR VAC.RELEASE VALVE	0	$0.00	$0.00	$0.00	$0.00	0	$0.00	$0.00	$0.00	$0.00			
FIRE HYDRANT/B.O.	0	$0.00	$0.00	$0.00	$0.00	0	$0.00	$0.00	$0.00	$0.00			
END CAP	3	$1,400.00	$4,200.00	$210.00	$4,410.00	1	$1,400.00	$1,400.00	$70.00	$1,470.00			
				Phase 3 Total	**$143,697.75**				**Phase 3 Total**	**$117,324.90**			
				Total:	**$183,256.50**				**Total:**	**$156,719.85**	$175,000.00	$156,719.85	$174,000.00
CIP P2169	PL - 20-Inch, 980 Zone, EastLake Parkway				**Contractors: Burtech Pipeline, Inc.**								
WO# 9540, D0017-000005					**Budgeted Amount: P2169 $ $325,000**								
12" WATER MAIN 980'Zone	104	$39.00	$4,056.00	$202.80	$4,258.80	104	$0.00	$0.00	$0.00	$0.00			
20" WATER MAIN 980'Zone	761	$54.00	$41,094.00	$2,054.70	$43,148.70	761	$54.00	$41,094.00	$2,054.70	$43,148.70			
6" BLOW-OFF	1	$4,500.00	$4,500.00	$225.00	$4,725.00	1	$4,500.00	$4,500.00	$225.00	$4,725.00			
2" BLOW-OFF Temp.	1	$1,000.00	$1,000.00	$50.00	$1,050.00	1	$0.00	$0.00	$0.00	$0.00			
6" BLOW-OFF Temp.	1	$2,800.00	$2,800.00	$140.00	$2,940.00	1	$2,800.00	$2,800.00	$140.00	$2,940.00			
4" AIR VAC.RELEASE VALVE	1	$5,500.00	$5,500.00	$275.00	$5,775.00	1	$5,500.00	$5,500.00	$275.00	$5,775.00			
12" RESILIENT SEAT G.V.	1	$1,350.00	$1,350.00	$67.50	$1,417.50	1	$0.00	$0.00	$0.00	$0.00			
20" BUTTERFLY VALVE	1	$5,900.00	$5,900.00	$295.00	$6,195.00	1	$5,900.00	$5,900.00	$295.00	$6,195.00			
20"x 12" REDUCER	1	$3,500.00	$3,500.00	$175.00	$3,675.00	1	$0.00	$0.00	$0.00	$0.00			
CONNECT TO EXISTING	0	$3,000.00	$0.00	$0.00	$0.00	0	$0.00	$0.00	$0.00	$0.00			
				Phase 2 Total	**$73,185.00**				**Phase 2 Total**	**$62,783.70**			
20" WATER MAIN 980'Zone	2724	$57.00	$155,268.00	$7,763.40	$163,031.40	2284	$57.00	$130,188.00	$6,509.40	$136,697.40			
4" BLOW-OFF	2	$5,700.00	$11,400.00	$570.00	$11,970.00	2	$5,700.00	$11,400.00	$570.00	$11,970.00			
2" BLOW-OFF	0	$2,600.00	$0.00	$0.00	$0.00	0	$0.00	$0.00	$0.00	$0.00			
4" AIR VAC.RELEASE VALVE	3	$8,200.00	$24,600.00	$1,230.00	$25,830.00	2	$8,200.00	$16,400.00	$820.00	$17,220.00			
TEST STATION	0	$0.00	$0.00	$0.00	$0.00	0	$0.00	$0.00	$0.00	$0.00			
FIRE HYDRANT/B.O.	3	$7,800.00	$23,400.00	$1,170.00	$24,570.00	3	$7,800.00	$23,400.00	$1,170.00	$24,570.00			
20" BUTTERFLY VALVE	3	$7,500.00	$22,500.00	$1,125.00	$23,625.00	3	$7,500.00	$22,500.00	$1,125.00	$23,625.00			
END CAP	4	$1,400.00	$5,600.00	$280.00	$5,880.00	2	$1,400.00	$2,800.00	$140.00	$2,940.00			
				Phase 3 Total	**$254,906.40**				**Phase 3 Total**	**$217,022.40**			
				Total:	**$328,091.40**				**Total:**	**$279,806.10**	$325,000.00	$279,806.10	$306,900.00

District's Total CIP Budget:	**$500,000.00**
SAMP Reimbursement Amount Per Agreement:	**$480,900.00**
DSD Staff's Recommended Reimbursement:	**$436,525.95**
Brookfield Shea Otay LLC is requesting Reimbursement in the amount of:	**$511,347.90**
Difference Between Recommended and Requested:	**$74,821.95**

EXHIBIT A

REIMBURSEMENT AGREEMENT
Between
THE OTAY WATER DISTRICT AND BROOKFIELD SHEA OTAY, LLC,
For
CAPITAL IMPROVEMENT PROGRAM WATER FACILITIES
Associated With
Otay Ranch Village 11 Development
(Work Order No. 9468)

This reimbursement agreement ("Agreement") is entered into as of this 3rd day of May, 2004, by and between the Otay Water District, a Municipal Water District formed under the Municipal Water District Act of 1911 (hereinafter referred to as "the District") and Brookfield Shea Otay, LLC, a California Limited Liability Company (hereinafter referred to as "the Developer"), in view of the following facts and for the following purposes:

R E C I T A L S

A. WHEREAS, the District's Board of Directors has adopted a Master Plan and approved a Capital Improvement Program (CIP) for all regional water facilities throughout the District. There are a number of regional water facilities within and adjacent to Otay Ranch Village 11 development within the City of Chula Vista; and

B. WHEREAS, the Developer completed a Subarea Master Plan (SAMP) entitled "Subarea Water Master Plan of Potable and Recycled Water for Otay Ranch Village 11," dated January 2002, that requires certain CIP regional water facilities ("facilities") to be constructed to service the development and surrounding areas (see Exhibits A-1 and A-2); and

C. WHEREAS, the Developer intends to develop its property, which will include substantial public improvements, including certain regional water facility projects listed within the District's CIP (see Exhibit B); and

D. WHEREAS, the Developer recognizes that the District constructs regional facilities to support this development, typically in advance of the Developer paying all capacity fees; and

E. WHEREAS, the Developer shall conform to all of the conditions set forth in the District's current Policy 26 (see Exhibit C); and

F. WHEREAS, the Developer shall comply with all terms and conditions in the current District's Code of Ordinances and in the District's Standard Specifications; and

G. WHEREAS, the Developer agrees to encourage participation by Emerging Business Enterprises on construction contracts related to this agreement.

NOW THEREFORE, the District and the Developer agree as follows:

1. Recitals. The recitals set forth above are hereby incorporated by reference.

2. Project Cost. The Developer shall design and construct the CIP facilities described in Exhibit B, providing all funds needed for their design and construction.

3. Reimbursement. The Developer shall be entitled to reimbursement consistent with the District's Policy No. 26. When a project is operationally complete, the Developer may request reimbursement for up to 90% of the facility cost by providing invoices, unconditional lien releases, and other documentation supporting the work completed and actual costs incurred. The remaining 10% may be reimbursed after the District accepts the facilities.

4. Plan Approval. Developer shall be required to adhere to the District's process for submittal of improvement plans, which includes bonding for all facilities to be constructed, construction agreements, deposits for District staff time and project acceptance.

5. Record Keeping. The Developer shall keep an accurate record of the actual cost to construct the CIP facilities, for which reimbursement is requested, in accordance with generally accepted accounting procedures. The Developer shall allow an authorized District representative, during the Developer's regular business hours and upon reasonable notice, to examine and duplicate any records relevant to verifying the actual cost to construct the water facilities, including, without limitation, all contract bids and invoices. Any changes occurring during construction shall be properly documented. Back-up documentation shall be kept by the Developer for three

(3) years after the completion of the facilities and be provided to the District for its review upon its request.

6. Change Orders. No change orders will be allowed unless the construction change is initiated by the District.

7. Amendments. No amendment, modification, supplement, termination or waiver of any provision of this Agreement shall be effective unless executed in writing by both parties and then only in the specified instance and for the specific purpose given.

8. Notices. Any demand upon or notice required or permitted to be given by one party to the other party shall be in writing. Except as otherwise provided by law, any demand upon or notice required or permitted to be given by one party to the other party shall be effective (a) on a personal delivery, (b) on the second business day after mailing by certified or registered United States mail, return receipt requested, or (c) on the succeeding business day after mailing by Express Mail or after deposit with a private delivery service of general use (e.g., Federal Express) postage or fee prepaid as appropriate, addressed to the party at the address shown below:

If to the District: Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, California 91978-2096
Attn: General Manager

If to the Developer: Mr. John Norman
Brookfield Shea Otay, LLC
12865 Pointe Del Mar Way, Suite 200

Del Mar, California 92014-3860
Telephone: (858) 481-8500
Facsimile: (858) 793-2395

Notice of change of address shall be given by written notice in the manner set forth in this paragraph.

9. Indemnity. Each party agrees to defend, indemnify, protect, and hold harmless the other party and its agents, officers, and employees from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to employees, agents or officers, which arise from or are connected with or are caused or claim to be caused by the negligent acts or omissions or willful misconduct of the party's agent, officers or employees, in performing the work or services herein and all expenses of investigation and defending against same; provided, however, that each party's duty to defend, indemnify and hold harmless shall not include any claims or liability arising from the negligent acts or omissions or willful misconduct of the other party, its agents, officers or employees. The District and the Developer agree that in the event of any joint or concurrent negligence, they will apportion any established or agreed upon liability proportionate to their respective degree of fault.

10. Arbitration and Attorney's Fees. If there is a dispute concerning this Agreement or arising out of this Agreement, the parties agree to first endeavor to settle the dispute in an amicable fashion by direct discussion and then by

non-binding mediation if direct discussion does not resolve the dispute. Should both these efforts fail, the parties agree to submit the matter to binding arbitration. If the parties cannot agree upon a single arbitrator within thirty (30) days of the conclusion of non-binding mediation, the arbitration shall be conducted by three (3) arbitrators. Each party shall select one (1) arbitrator and the two (2) arbitrators shall then select the third arbitrator. A decision shall be rendered by a majority vote of the three arbitrators.

In the event that arbitration is required, the prevailing party shall be entitled to recover all reasonable costs and attorney's fees. In the event a settlement offer is made by any party in the form provided by California Civil Procedure 998 and the opposing parties do not do better than such offer at arbitration, the party making the settlement offer shall be deemed the prevailing party for the purposes of recovery of attorney's fees and costs.

11. Successors in Interest. The Agreement and all rights and obligations contained herein shall be in effect whether or not any or all parties to the Agreement have been succeeded by another entity, and all rights and obligations of the parties signatory to this Agreement shall be vested and binding on their successors in interest.

IN WITNESS WHEREOF, this Agreement is executed by the District and by the Developer as of the date first above written.

OTAY WATER DISTRICT
A California Municipal Water District

By _____
Robert Griego
General Manager

BROOKFIELD SHEA OTAY LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: Brookfield Otay LLC, a Delaware limited liability company, Member

By: _____ Date: 4-28-04
Name: STEPHEN P DOYLE
Its: PRESIDENT

By: _____ Date: 4/28/04
Name: JOHN W. NEUMANN
Its: V.P.

By: Shea Otay Village 11, LLC, a California limited liability company, Member

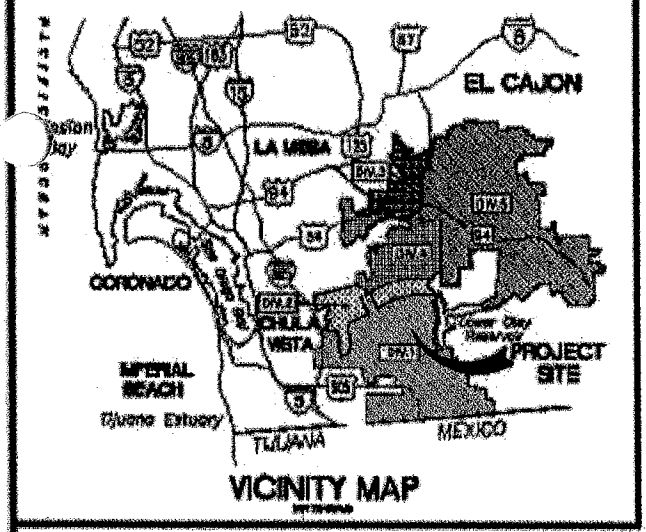
By: Shea Homes Limited Partnership, a California limited partnership, its Sole Member

By: J.F. Shea LLC, a Delaware limited liability company, its General Partner

By: _____ Date: 4/28/04
Name: John B. Vance
Its: Asst. Sect.

By: _____ Date: 4/28/04
Name: Teri Shusterman
Its: Asst. Secty.

P:\WORKING\WO9468 - developer\Agreements-Contracts-RFPs\Reimb Agmt, OR Village 11, Brookfield Shea Otay, 04-07-04.doc

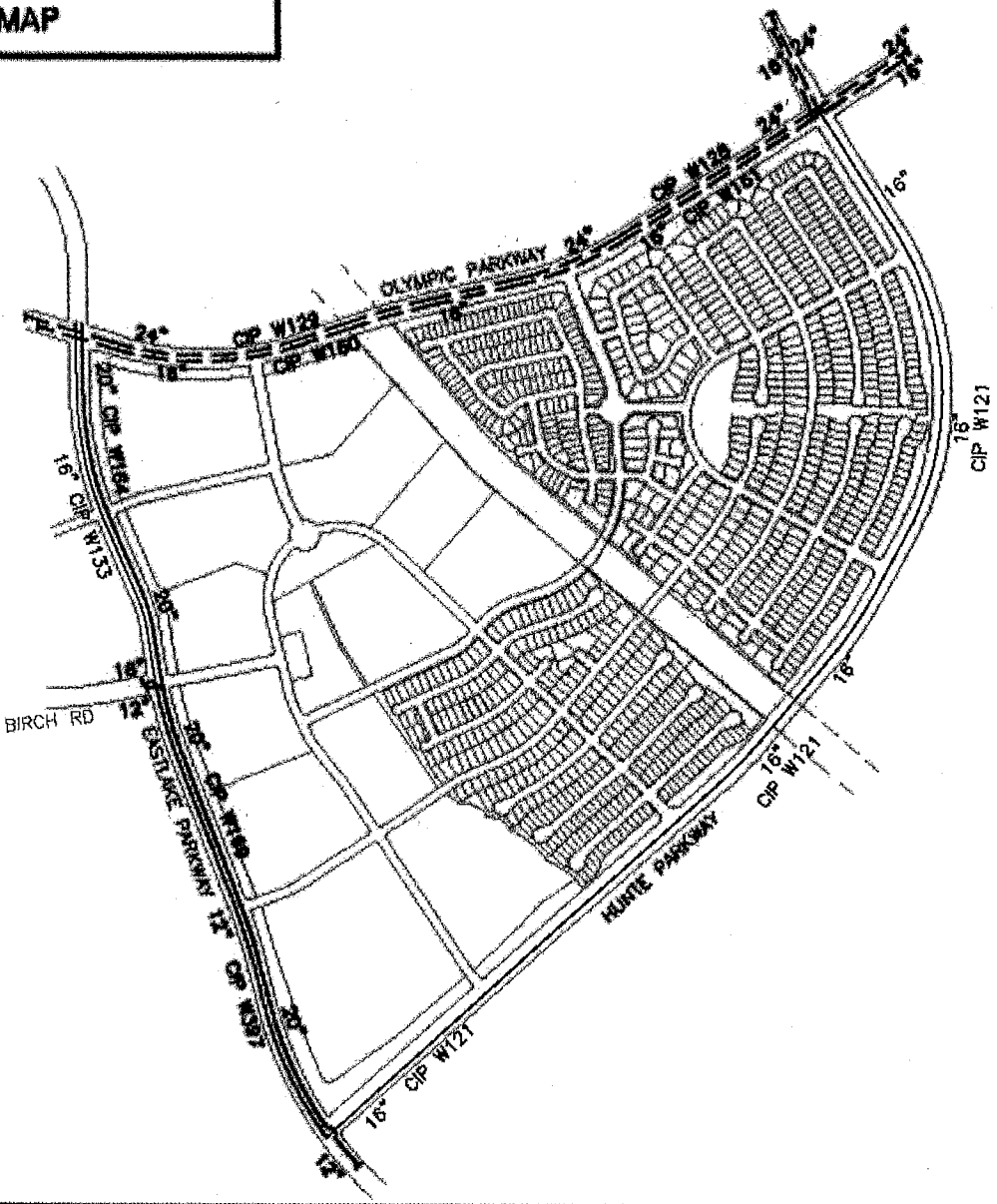


POTABLE WATER

LEGEND

PROPOSED 980 ZONE W164	
PROPOSED 980 ZONE W169	
PROPOSED 711 ZONE W133	
PROPOSED 711 ZONE W397	
PROPOSED 711 ZONE W121	
W169	**CIP NUMBER**

NOT TO SCALE

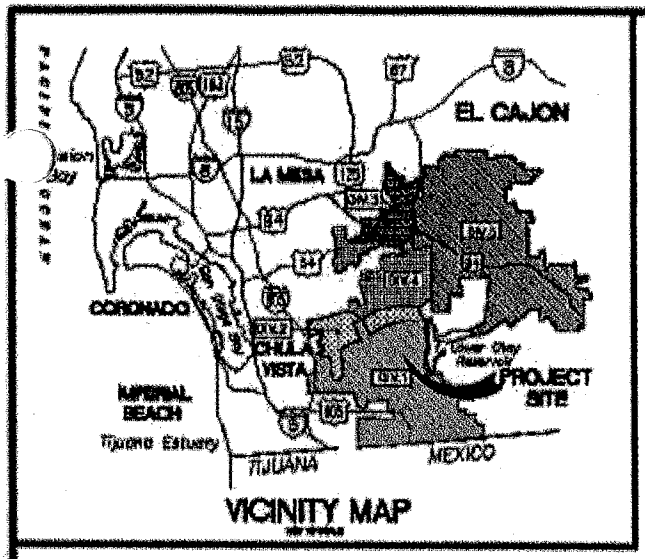


OTAY WATER DISTRICT

AGREEMENT WITH BROOKFIELD SHEA OTAY, LLC.
FOR POTABLE WATER CIP FACILITIES
OTAY RANCH, VILLAGE 11

W.O. VARIES LOCATION MAP CIP# VARIES

EXHIBIT A-1



RECYCLED WATER

LEGEND

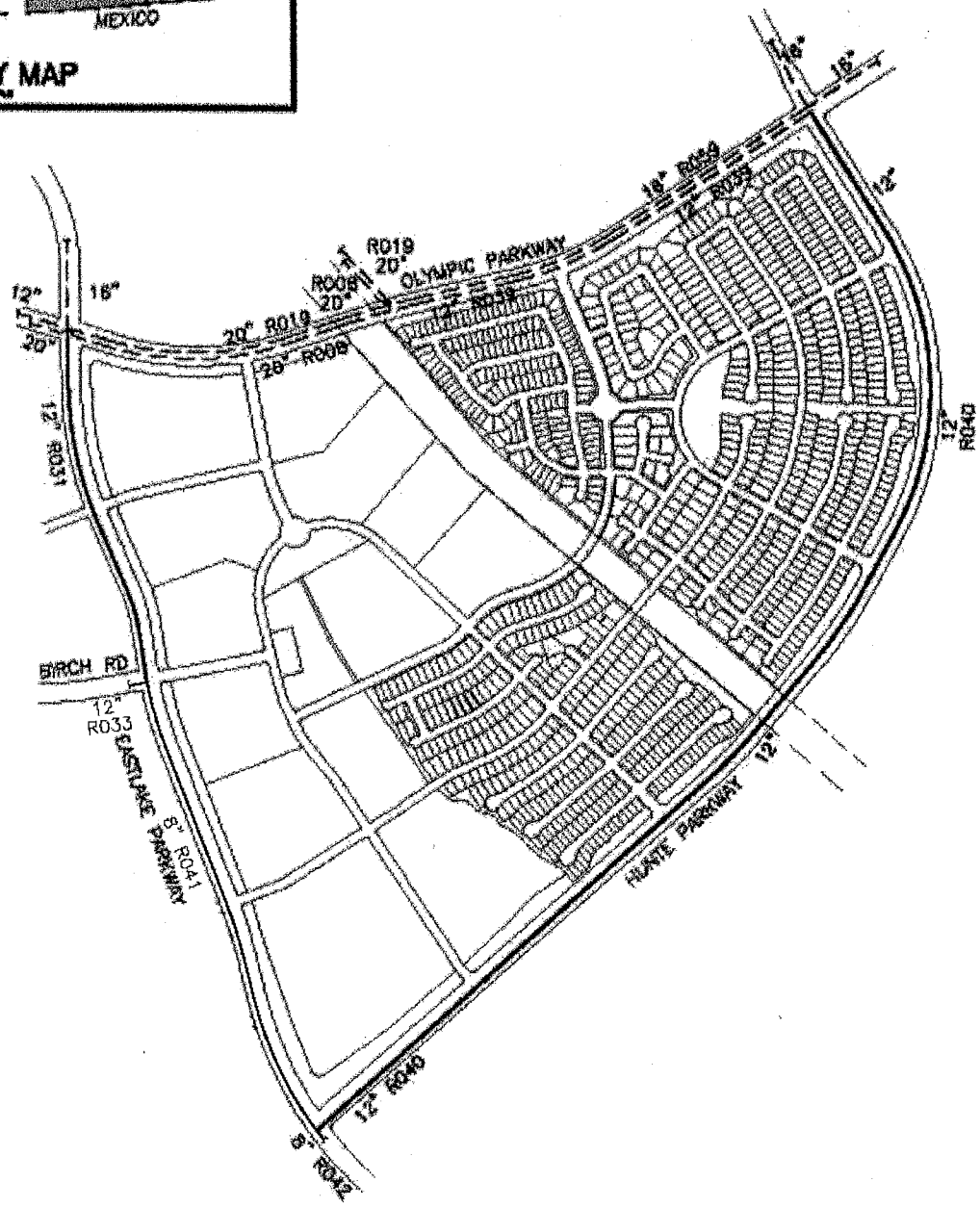
PROPOSED 680 ZONE R040 ——————

PROPOSED 944 ZONE R031 ——————

PROPOSED 944 ZONE R041 ——————

R008 CIP NUMBER

NOT TO SCALE



OTAY WATER DISTRICT

AGREEMENT WITH BROOKFIELD SHEA OTAY, LLC.
FOR RECYCLED WATER CIP FACILITIES
OTAY RANCH, VILLAGE 11

W.O. VARIES LOCATION MAP CIP# VARIES

EXHIBIT A–2

ATTACHMENT 2

HUNSAKER & ASSOCIATES
ENGINEER'S ESTIMATE FOR
VILLAGE 11 CIP PROJECTS FOR REIMBURSEMENT

CAPITAL IMPROVEMENT PROGRAM FACILITIES

POTABLE WATER FACILITIES

CIP No.	Project	Project Phase	Street	Size	Pressure Zone	Approximate Length, LF	Unit Cost $/LF	Total Cost $ (rounded)
W121	Village 11	1,2,3	Hunte Parkway	16"	711	8,700	66.86	$ 581,711
W133	Village 11	1,2	Eastlake Parkway	16"	711	2,322	68.53	$ 159,117
W164	Village 11	1,2	Eastlake Parkway	20"	980	2,284	98.18	$ 224,239
W169	Village 11	2,3	Eastlake Parkway	20"	980	3,061	83.10	$ 254,384
W397	Village 11	2,3	Eastlake Parkway	12"	711	3,122	57.10	$ 178,269
Subtotal Potable Water Facilities								$ 1,397,720

CAPITAL IMPROVEMENT PROGRAM FACILITIES

RECYCLED WATER FACILITIES

CIP No.	Project	Project Phase	Street	Size	Pressure Zone	Approximate Length LF	Unit Cost $/LF	Total Cost $ (rounded)
R031	Village 11	1,2	Eastlake Parkway	12"	944	2,310	63.10	$ 145,751
R040	Village 11	1,2,3	Hunte Parkway	12"	680	8,768	52.01	$ 456,026
R041	Village 11	2,3	Eastlake Parkway	8"	944	3,182	46.08	$ 146,638
Subtotal Potable Water Facilities								$ 748,415

TOTAL POTABLE AND RECYCLED WATER FACILITIES	$2,146,135

SUMMARY OF VILLAGE 11 CIP PROJECTS FOR REIMBURSEMENT
(per Sub-Area Master Plan, Table 8.1)

CAPITAL IMPROVEMENT PROGRAM
POTABLE WATER FACILITIES

CIP No.	Project	Project Phase	Street	Size	Pressure Zone	Approximate Length, LF	Unit Cost $/LF	Total Cost $ (rounded)
W121	Village 11	1,2,3	Hunte Parkway	20"	711	8,700	119	1,250,000
W133	Village 11	1,2	Eastlake Parkway	16"	711	2,300	99	230,000
W397	Village 11	2,3	Eastlake Parkway	12"	711	3,300	53	174,000
W164	Village 11	1,2	Eastlake Parkway	20"	980	2,350	119	279,650
W169	Village 11	2,3	Eastlake Parkway	16"	980	3,100	99	306,000
Subtotal Potable Water Facilities								2,240,550

CAPITAL IMPROVEMENT PROGRAM
RECYCLED WATER FACILITIES

CIP No.	Project	Project Phase	Street	Size	Pressure Zone	Approximate Length LF	Unit Cost $/LF	Total Cost $ (rounded)
R031	Village 11	1,2	Eastlake Parkway	12"	944	2,400	90	216,000
R040	Village 11	1,2,3	Hunte Parkway	12"	680	8,600	90	774,000
R041	Village 11	2,3	Eastlake Parkway	8"	944	3,100	40	124,000
Subtotal Potable Water Facilities								1,114,000

TOTAL POTABLE AND RECYCLED WATER FACILITIES	$3,354,550

EXHIBIT B

AGENDA ITEM 6j

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	Don Henderson, Construction Maintenance Manager Steve Dobrawa, Purchasing and Facilities Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Pedro Porras, Chief of Water Operations		
APPROVED BY: (Asst. GM):	Manny Magana, Asst. General Manager, Engineering & Operations		
SUBJECT:	AWARD OF CONTRACT TO UNDERGROUND UTILITIES, INC. FOR MANUAL WATER-METER RETROFIT TO RADIO-READ METERS		

GENERAL MANAGER'S RECOMMENDATION:

That the Board awards a contract to Underground Utilities, Inc. (UUI), in the amount of $208,500.00 for retrofitting up to 3,500 existing manual-read meters with new automated-meter-read (AMR) meters.

COMMITTEE ACTION:

Please see attachment A.

PURPOSE:

To provide bid results and obtain authorization to award a contract to retrofit up to 3,500 manual-read meters with new AMR meters.

ANALYSIS:

As identified within the District's Strategic Plan, manual-read water meters are being retrofitted with radio-read water meters. To date, the District has retrofitted 8,464 meters of which 1,208 were included in CIP 2458 and completed in FY07. The remaining 5,087 meters were funded by the Operating Budget prior to FY07. In 2007, because these expenditures met the criteria for capitalization, this program was moved from the operating to the CIP budget.

Included in the proposed FY08 Capital Improvement Budget (CIP P2548) is $1,250,000 to retrofit approximately 3,500 meters of various sizes, including parts and labor.

On April 5, 2007 the District, in accordance with purchasing requirements, advertised and solicited bids for labor services for retrofitting approximately 3,500 manual-read meters with radio-read meters. On April 16, 2007 ten interested firms attended a mandatory pre-bid meeting and on May 3, 2007 eight bids were received and publicly opened with the following results:

Bidder	Amount
Underground Utilities, Inc.	$208,500.00
Ortiz Corporation	$246,000.00
Empire Pipeline	$273,000.00
Triton Water Technologies	$276,200.00
Erreca's, Inc.	$279,525.00
Zondiros Corporation	$318,000.00
CCL Contracting, Inc.	$346,500.00
Alpha Mechanical Heating and Air	$428,700.00

UUI, the low bidder, has been performing meter replacement work for the District since the AMR program's inception in October, 2003. Their bid is responsive and, based on recent past experience, they are a responsible contractor.

Staff has had a good working relationship with UUI and feels confident that they will continue to perform the work as required under the invitation to bid. It is recommended that the Board award a contract to UUI in the bid amount of $208,500.00 to cover the cost for retrofitting approximately 3,500 meters from manual to radio-read meters.

FISCAL IMPACT:

The 2008 budget for CIP P2458 is $1,250,000. The value of this contract is $208,000 which staff feels is sufficient to cover the costs of contract labor for replacing approximately 3,500 meters within FY08. The remaining $1,042,000 will be used primarily for the purchase of meters, other materials, and in-house staff time.

STRATEGIC GOAL:

Strategy: Implement Field Technology Solutions.
Objective: Convert all District Meters to AMR Meters.

LEGAL IMPACT: ____

None.

General Manager

Attachments:

"Attachment A," Committee Action

ATTACHMENT A

SUBJECT/PROJECT:	AWARD OF CONTRACT TO UNDERGROUND UTILITIES, INC. FOR MANUAL WATER METER RETROFIT TO RADIO READ METERS

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee met on June 27, 2007 and reviewed this item. The following comments were made:

- Staff requests that the Board award a contract in the amount of $208,500 to Underground Utilities, Inc. (UUI) for retrofitting up to 3,500 existing manual-read meters with new automated-meter-read (AMR) meters.
- Staff indicated that 10 contractors attended the opening bid meeting; eight submitted bids.
- UUI was the lowest bidder.
- Staff has a good working relationship with UUI and feels confident that they will do a good job.
- UUI has been working with the District replacing meters since October 2003.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding to the Board of Directors on the consent calendar.

AGENDA ITEM 6k

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	Daniel Kay Associate Civil Engineer	PROJECT/ SUBPROJECT	P2459/ 001103 DIV. NO. 5
APPROVED BY: (Chief)	Rod Posada Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña Assistant General Manager, Engineering and Operations		
SUBJECT:	Award of a Construction Contract for the Olive Vista Drive Utility Relocations Project (CIP P2459)		

GENERAL MANAGER'S RECOMMENDATION:

That the Board award a construction contract to Ortiz Corporation (Ortiz) in the amount of $831,000 for the installation of a 12-inch PVC water line and removal of a 10-inch ACP water line along Olive Vista Drive. See Exhibit A for project location.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board authorization to award a construction contract to Ortiz for Olive Vista Drive Utility Relocations.

ANALYSIS:

The County of San Diego (County) has plans to make improvements to Olive Vista Drive in Jamul. The improvements of this road require that the existing utilities be relocated to accommodate the County's design. The District does not have prior rights for the existing 10-inch ACP water line currently located in Olive Vista Drive.

The pipeline alignment extends from Jefferson Street to Ma Lou Drive along Olive Vista Drive. The existing 10-inch ACP water

line will need to be removed on the portions of the road that will be lowered, estimated to be 2,350 linear feet. A temporary highline will be constructed for continous uninterrupted service to all the affected customers. Approximately 4,100 linear feet of new 12-inch PVC pipe will be installed to replace the old 10-inch ACP line. J.C. Heden and Associates, the District's consultant designed the pipeline and developed the bid documents. The project was advertised for bid on the District's website and several other publications shown below:

Date of Advertisement	**Publication**
4/18/07 to 5/24/07	Bid America
4/19/07	San Diego Tribune
4/18/07 to 5/24/07	San Diego Daily Transcript
4/18/07 to 5/24/07	F.W. Dodge
4/18/07 to 5/24/07	Reed Construction Data
4/18/07 to 5/24/07	Construction Update
4/18/07 to 5/24/07	Contracting Opportunities Center
4/18/07 to 5/24/07	Associated General Contractors of America
4/18/07 to 5/24/07	Black Contractor's Association of San Diego

Subsequently four addenda were sent out to all bidders and planhouses to address contractors' questions and clarifications to the contract documents during the bidding period. Bids were publicly opened on May 24, 2007 with the following results:

ENGINEER'S ESTIMATE	**$1,103,200**

	CONTRACTOR	TOTAL BID AMOUNT
1	ORTIZ CORPORATION	$831,000
2	BONITA PIPELINE INC.	$912,588
3	CCL CONTRACTING INC.	$926,665
4	TC CONSTRUCTION INC.	$1,077,245
5	ZONDIROS CORPORATION	$1,097,850
6	ORION CONSTRUCTION COMPANY	$1,187,000
7	S.C. VALLEY ENGINEERING	$1,130,420
8	ERRECA'S INC.	$1,391,140
9	ARB INC.	$1,469,323

The evaluation process included reviewing all bids submitted for conformance to the contract documents. The lowest bidder, Ortiz, submitted a responsible bid and holds a Class A Contractor's license which expires on September 30, 2008.

Ortiz has recently completed the 30-inch Recycled Water Pipeline from Dairy Mart Road to the 450-1 Reservoir (R2022). Staff had a good experience working with Ortiz, as they completed the project on schedule and on budget. References were checked and

Ortiz was found to be a highly rated company. Staff also verified that it can comply with the bonding requirements for this project. Per the public competitive bidding process, staff is recommending the award of a construction contract to Ortiz in the amount of $831,000.

FISCAL IMPACT:

The total budget for CIP P2459, as approved in the FY 2008 budget, is $1,242,000. Total expenditures plus outstanding commitments and forecast to date are $1,105,080. See Attachment B for budget detail.

Staff anticipates that, based on the attached financial analysis, the budget will be sufficient to support this project. Finance has determined that 50% of the funding is available from the Betterment Fund and 50% of the funding from the Replacement Fund.

STRATEGIC GOAL:

This project supports the District's Mission Statement, "To provide safe, reliable water, recycled water and wastewater services to our community in an innovative, cost efficient water wise and environmentally responsible manner", as well as the General Manager's vision, "...prepared for the future..." by guaranteeing the District will always be able to meet future water supply obligations and plan, design and construct new facilities.

LEGAL IMPACT:

None.

General Manager

DK/HJ/RP:jf

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Attachment A Committee Action
Attachment B Budget Detail
Exhibit A Location Map

ATTACHMENT A

SUBJECT/PROJECT:	Award of a Construction Contract for the Olive Vista Drive Utility Relocations Project (CIP P2459)

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at the meeting held on June 27, 2007. The following comments were made:

- Staff indicated that a construction project for the installation of a 12-inch PVC water line and removal of a 10-inch ACP water line along Olive Vista Drive was advertised for bid.
- Staff received nine bids with Ortiz Corporation being the lowest bidder.
- Staff indicated that the District has worked with Ortiz before on other projects and have been satisfied with the work.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding of this item to the Board of Directors on the consent calendar.

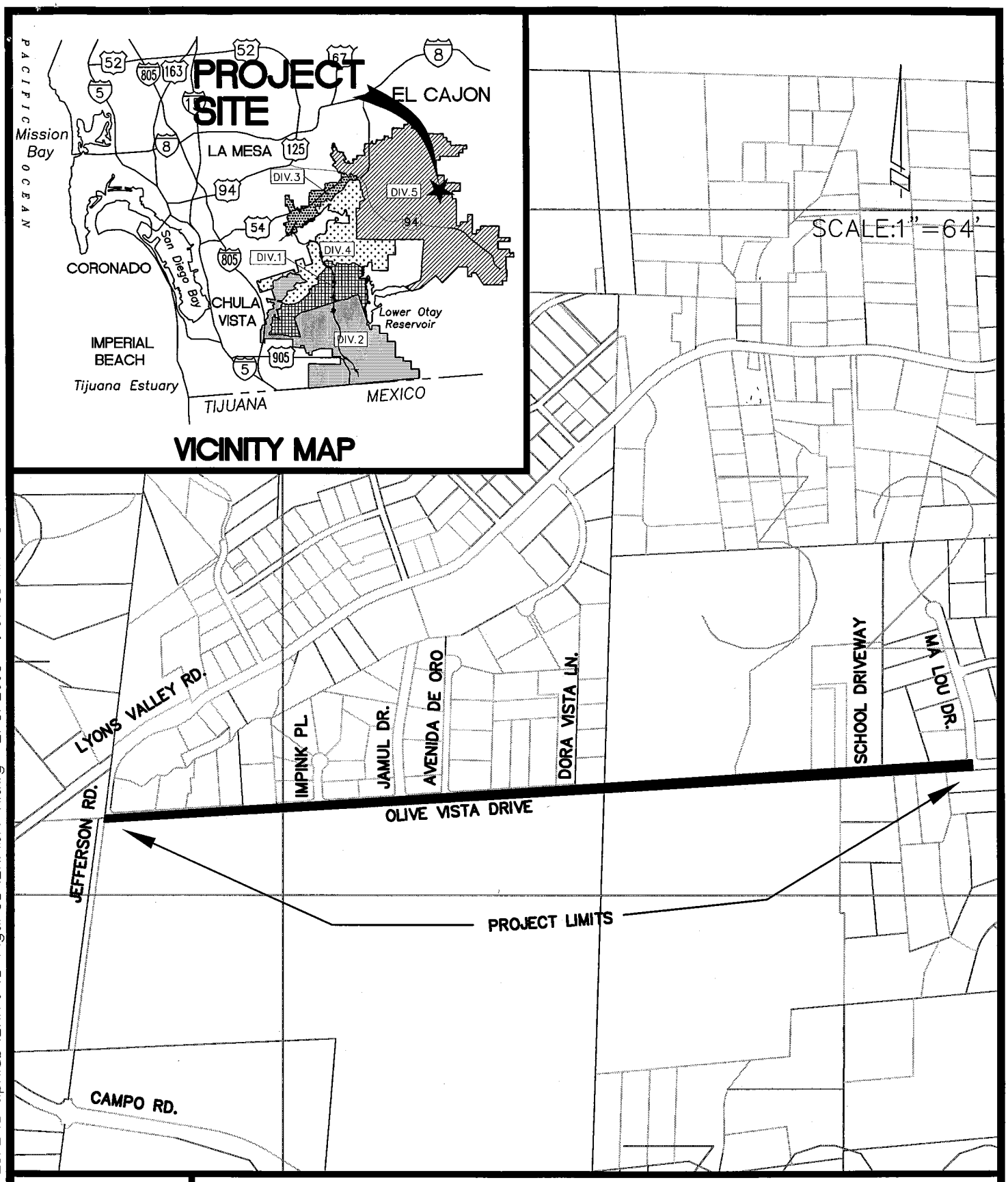
ATTACHMENT B

SUBJECT/PROJECT:	Award of a Construction Contract for the Olive Vista Drive Utility Relocations Project (P2459)

Otay Water District **Date Updated: June 11, 2007**

P2459 - General Utility Relocation-Olive Vista R

Budget $1,242,000	*Committed*	*Expenditures*	*Outstanding Commitment & Forecast*	*Projected Final Cost*	*Vendor / Comments*
Planning					
Studies				-	
Labor		-		-	
Printing		-		-	
Professional Legal Fees		-		-	
Service Contracts		-		-	
Subcontract		-		-	
Temporary Labor		-		-	
Total Planning	$ -	$ -	$ -	$ -	
Design					
In House/Labor	102,870	102,870	-	102,870	
In House/Labor (future)		-	-	-	
Consultant Contracts	24,750	17,908	6,842	24,750	JC Heden & Assoc. Inc.
Contracted Services	1,445	1,445	-	1,445	Frank & Son Paving Inc
Materials	320	320	-	320	C.W. Mcgrath Inc
	480	480	-	480	Penhall Company
	138	138	-	138	United Rentals Northwest
	760	760	-	760	Rick Post Welding
Inventory		23		23	Sewer Fittings & Green Bell
		2,073		2,073	Fire Hydrant & Extension items
		158		158	Pipe C900
		291		291	Adaptor RTxGLG
Rents & Leases	195	195	-	195	Allied Trench Shoring Service
			-	-	
			-	-	
				-	
				-	
				-	
Total Design	$ 130,958	$ 126,660	$ 6,842	$ 133,502	
Construction					
In House/Labor	110,000	-	110,000	110,000	
Consultant Contracts	10,000	8,842	1,158	10,000	JC Heden & Assoc. Inc.
Service Contracts	3,771	569	3,202	3,771	OCB Reprographics
Contracted Services	312	312	-	312	Frank & Son Paving Inc
	831,000		831,000	831,000	Oritz Corporation
Contingency	124,650		124,650	124,650	
Acceptance/Closeout	28,228		28,228	28,228	
Advertising	468	468	-	468	Union Tribune
	69	69	-	69	San Diego Daily Transcript
				-	
				-	
				-	
				-	
Total Construction	$ 1,108,498	$ 10,260	$ 1,098,239	$ 1,108,498	
Grand Total	**$ 1,239,456**	**$ 136,920**	**$ 1,105,080**	**$ 1,242,000**	



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OTAY WATER DISTRICT

OLIVE VISTA DRIVE UTILITY RELOCATION

CIP# P2459 LOCATION MAP

EXHIBIT A

AGENDA ITEM 6I

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	Lisa Coburn-Boyd Environmental Compliance Specialist	PROJECT:	P1253-001000 DIV. NO. ALL
APPROVED BY: (Chief)	Rod Posada Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña Assistant General Manager, Engineering and Operations		
SUBJECT:	Award of Professional On-Call Environmental Services Contract (P1253)		

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to enter into an agreement for professional as-needed environmental services with Jones & Stokes for $300,000 over a period of three fiscal years, beginning in Fiscal Year 2008. The contract will have a not to exceed amount per fiscal year of $100,000 over the three year period.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the award of a professional as-needed environmental services contract to Jones & Stokes for an amount of $300,000 over a period of three fiscal years with a not to exceed amount per year of $100,000, beginning in Fiscal Year 2008.

ANALYSIS:

The District often requires the expertise of environmental consultants for small tasks on its Capital Improvement Projects and Operations Projects. These tasks typically are valued between $1,000

and $20,000 and, as such, they are small enough that formal proposals from consultants are not cost-effective to process. Because of this, the District began using an as-needed environmental consultant during Fiscal Year 2006 to perform such tasks. During each of the past two fiscal years, 2006 and 2007, the District's as-needed consultant has been authorized to complete 6-8 different tasks. This has proven to be a very effective and time-efficient way to address the environmental issues that come up as projects develop. A list of the projects undertaken or ongoing in Fiscal Year 2007 is presented in Attachment C.

The District issued formal Requests for Proposal (RFP) to nineteen (19) consulting firms on April 23, 2007, for professional as-needed environmental services. On May 15, 2007, twelve (12) proposals were received from the following firms:

- BRG Consulting
- David Evans & Assoc., Inc.
- EDAW
- Environmental Science Associates
- Helix Environmental Planning
- HDR
- Jones & Stokes
- Kleinfelder
- LSA Associates
- PBS&J
- RBF Consulting
- TRC

Seven (7) firms (Aspen Environmental, BioResource Consultants, Business & Ecology Consulting, DelTech Engineering, Dudek, Ecorp, and PCR) chose not to propose.

In accordance with District Policy 21, Staff evaluated and scored all written proposals and interviewed the three top-rated firms (EDAW; Jones & Stokes; and PBS&J). The interview selection panel was composed of four Staff members from the Engineering Dapartment and one Staff member from the Operations Department. The references for the consultants were also checked and found to be in conformance. After holding the interviews, the panel completed the consultant ranking process and concluded that Jones & Stokes was the most qualified consultant. A summary of the complete evaluation is shown in Attachment B attached.

This as-needed services contract will be a three-year contract with a not to exceed $100,000 amount per fiscal year for all task orders. The District will evaluate the performance of the as-needed consultant at the end of each fiscal year and has the option to

terminate the agreement if it concludes that the as-needed consultant has not performed effectively. If the District is satisfied with the performance of the as-needed consultant, the contract will continue through to the next fiscal year. This as-needed services contract does not commit the District to any expenditures until a task order is approved to perform work on a Capital Improvement Project or an Operations Project. The District does not guarantee work to the as-needed consultant, nor does the District guarantee that it will utilize the entire $100,000 annually budgeted for this contract.

Staff recommends the award of an on-call services contract to Jones & Stokes for a total of $300,000 for three years beginning in Fiscal Year 2008 and with a not-to-exceed amount of $100,000 during each Fiscal Year.

FISCAL IMPACT:

The funds for this contract will be expended during FY 2008 through FY 2010 from various Capital Improvement and Operations Projects and have been budgeted within these projects. This contract is for on-call services only and does not commit the District to any expenditures until a task order is approved for the on-call consultant to perform work on a project.

STRATEGIC GOAL:

This project supports the District's strategic goal of creating a comprehensive environmental program that is proactive in response to environmental compliance.

LEGAL IMPACT:

None.

General Manager

LC-B/RR/RP:jf

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Attachment A Committee Action
Attachment B Summary of Consultant Evaluation
Attachment C Projects Authorized through the As-Needed Environmental Services Contract - Fiscal Year 2007

ATTACHMENT A

SUBJECT/PROJECT:	Award of Professional On-Call Environmental Services Contract (P1253)

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at the meeting held on June 27, 2007. The following comments were made:

- Staff indicated that formal Requests for Proposal were issued to 19 consulting firms for professional as-needed environmental services.
- Staff received 12 proposals
- After evaluating and scoring all written proposals and interviewing three of the top-rated firms, staff selected Jones & Stokes as most qualified consulting firm for environmental advice on capital improvement projects and operations projects.
- Staff has worked with Jones & Stokes in the past and is very satisfied with their performance.
- There was discussion regarding Jones & Stokes hourly rate. Staff confirmed that the hourly rate is competitive with the other firms.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding of this item to the Board of Directors on the consent calendar.

ATTACHMENT B

PROPOSAL RANKING

AS-NEEDED ENVIRONMENTAL SERVICES

		WRITTEN								TOTAL SCORE	AVERAGE SCORE	REFERENCES
		Qualifications, experience of Consultant's assigned personnel	Experience relevant to type of project being considered	Proposed method to accomplish work	Knowledge of jurisdictional agencies, local area environmental concerns, and regulatory requirements	Proposed Fee	Completeness, addressed requested information	Ability to complete projects on schedule	Consultant's commitment to EBE, DBE, MBE,SBE			
	Reviewer:	**15**	**15**	**10**	**10**	**20**	**15**	**10**	**5**	**100**		✓
BRG Consulting	Lisa Coburn-Boyd	12	11	8	8	10	12	10	2	73	74.8	
	Meryll Gonzalez	13	13	10	10	10	12	10	2	80		
	Daniel Kay	14	14	9	9	10	15	9	2	82		
	Jerry Munoz	13	13	9	8	10	12	8	2	75		
	Ken Simmons	9	9	8	8	10	8	10	2	64		
David Evans and Associates, Inc.	Lisa Coburn-Boyd	10	10	8	8	10	12	10	3	71	70	
	Meryll Gonzalez	14	12	7	10	10	12	10	3	78		
	Daniel Kay	10	13	8	5	10	13	7	3	69		
	Jerry Munoz	10	10	7	7	10	11	7	3	65		
	Ken Simmons	10	9	8	8	10	9	10	3	67		
EDAW	Lisa Coburn-Boyd	14	14	9	9	10	14	10	3	83	80.4	Ref #1: 10
	Meryll Gonzalez	14	15	10	10	10	15	10	3	87		Ref #2: 9
	Daniel Kay	14	14	9	5	10	14	10	3	79		Ref.#3: 9
	Jerry Munoz	12	12	7	9	10	12	8	3	73		Avg.: 9.3
	Ken Simmons	13	14	9	9	10	12	10	3	80		**(#2)**
Environmental Science Associates	Lisa Coburn-Boyd	10	7	8	7	10	8	10	2	62	69.8	
	Meryll Gonzalez	13	12	10	10	10	15	10	2	82		
	Daniel Kay	13	14	8	6	10	15	8	2	76		
	Jerry Munoz	11	13	7	7	10	10	7	2	67		
	Ken Simmons	9	9	6	8	10	8	10	2	62		
Helix Environmental Planning	Lisa Coburn-Boyd	12	12	8	8	10	10	10	2	72	76.2	
	Meryll Gonzalez	13	15	9	10	10	12	10	2	81		
	Daniel Kay	14	14	9	8	10	15	9	2	81		
	Jerry Munoz	12	10	7	8	10	13	8	2	70		
	Ken Simmons	12	13	9	9	10	12	10	2	77		
HDR	Lisa Coburn-Boyd	13	14	8	9	8	12	10	2	76	76.6	
	Meryll Gonzalez	15	14	10	10	8	14	10	2	83		
	Daniel Kay	14	14	9	9	8	15	9	2	80		
	Jerry Munoz	13	13	7	7	8	10	8	2	68		
	Ken Simmons	13	13	9	9	8	12	10	2	76		
Jones & Stokes	Lisa Coburn-Boyd	15	15	10	10	10	14	10	2	86	82	Ref.#1: 10
	Meryll Gonzalez	15	14	7	10	10	14	9	2	81		Ref.#2: 10
	Daniel Kay	14	14	10	9	10	14	8	2	81		Ref.#3: 9
	Jerry Munoz	15	15	9	10	10	12	9	2	82		Avg.: 9.7
	Ken Simmons	13	14	9	9	10	13	10	2	80		**(#1)**
Kleinfelder	Lisa Coburn-Boyd	11	11	7	8	8	13	8	2	68	74.4	
	Meryll Gonzalez	13	15	7	10	8	13	10	2	78		
	Daniel Kay	14	14	8	6	8	14	8	2	74		
	Jerry Munoz	15	15	9	10	8	13	9	2	81		
	Ken Simmons	10	15	8	9	8	9	10	2	71		
LSA Associates	Lisa Coburn-Boyd	13	11	7	7	10	10	8	2	68	74	
	Meryll Gonzalez	14	14	7	10	10	13	9	2	79		
	Daniel Kay	13	12	8	5	10	14	7	2	71		
	Jerry Munoz	14	14	7	8	10	12	9	2	76		
	Ken Simmons	11	15	8	9	10	11	10	2	76		
PBS&J	Lisa Coburn-Boyd	13	13	9	9	10	11	9	2	76	78.8	Ref #1: 10
	Meryll Gonzalez	15	15	10	10	10	14	10	2	86		Ref #2: 9
	Daniel Kay	13	13	9	9	10	13	9	2	78		Ref.#3: 9
	Jerry Munoz	12	15	8	8	10	12	9	2	76		Avg.: 9.3
	Ken Simmons	11	15	9	9	10	12	10	2	78		**(#3)**
RBF Consulting	Lisa Coburn-Boyd	11	12	8	8	10	9	9	2	69	76.2	
	Meryll Gonzalez	14	15	10	10	10	14	10	2	85		
	Daniel Kay	13	12	9	8	10	15	8	2	77		
	Jerry Munoz	13	14	8	9	10	12	7	2	75		
	Ken Simmons	10	14	9	9	10	11	10	2	75		
TRC	Lisa Coburn-Boyd	10	10	8	10	10	10	8	2	68	71.4	
	Meryll Gonzalez	9	14	6	6	10	10	9	2	66		
	Daniel Kay	14	12	8	8	10	12	8	2	74		
	Jerry Munoz	15	15	8	9	10	11	8	2	78		
	Ken Simmons	11	14	9	9	10	11	5	2	71		

ATTACHMENT C

Projects Authorized through the As-Needed Environmental Services Contract Fiscal Year 2007

Task Order #	Title	Cost	Status
1	Revegetation Monitoring & Maintenance Services for the 1004-2 Reservoir	$9,111.00	Continued from 2005, ongoing.
8	Environmental Studies & Permitting for the La Presa Pipeline Maintenance Project	$16,995.00	Completed, January 2007.
9	CEQA Review for the RWCWRF Force Main Improvement Project	$14,730.00	Stopped, new task order issued due to scope change. (See #12 below)
10	Calavo Sewer Lift Station CEQA Review	$4,215.00	Complete, December 2006.
11	Restoration Plan & Permit Coordination for the 450-1 Reservoir & 680-1 Pump Station.	$24, 350.00	Ongoing.
12	Environmental Services for the RWCWRF Force Main Air-Vac Valves and Road Improvement Project	$50,000.00	Ongoing.

AGENDA ITEM 6m

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	William Granger, Water Conservation Manager	W.O./G.F. NO:	n/a DIV. NO. all
APPROVED BY: (Chief)	Rom Sarno, Chief of Administrative Services		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Finance & Administration		
SUBJECT:	Residential Water Conservation MOU with the San Diego County Water Authority		

GENERAL MANAGER'S RECOMMENDATION:
That the Board authorize the General Manager to execute the attached Memorandum of Understanding (MOU) with the San Diego County Water Authority (Authority) to continue participation in the residential water conservation programs.

COMMITTEE ACTION:
Please see Attachment A.

PURPOSE:
To authorize the General Manager to execute the attached Memorandum of Understanding (MOU) with the San Diego County Water Authority.

ANALYSIS:
The Residential Voucher Incentive Program MOU is a two year agreement involving the reimbursement of up to $37,200 a year or $74,400 over two years, and exceeds the General Manager's signing authority. The District will have a total of three MOUs outlining the District and the Water Authority's costs. The other two MOUs involving Commercial Voucher Incentives and Smart Landscape funding are within the General Manager's signing threshold and will be signed by the General Manager.

By signing the MOUs and participating in regionally implemented programs, the District is able to meet its water conservation goals in a cost-effective manner. The District's participation to date resulted in water savings of 1,165 acre-feet in fiscal year 2006. Without these Water Conservation programs last year, the District

would have needed to spend $846,955 to purchase this water, at a marginal cost of $727 per acre-foot.

Co-funding the program costs also helps the District meet its BMP targets. There are currently fourteen Water Conservation Best Management Practices (BMPs), which the District voluntarily agreed to implement in 1992, as one of the original signatories to the Memorandum of Understanding Regarding Urban Water Conservation in California.

A summary of the Residential Voucher Incentive Program MOU is listed below:

> *Residential Voucher Program MOU*: the District agrees to reimburse the Water Authority at $24 per residential High Efficiency Clothes Washer (HEW) and $24 for each Ultra Low Flush Toilet (ULFT) or High Efficiency Toilet (HET) installed in apartment complexes. The District is obligated to provide up to $18,000 in funding for its share of costs for the ULFT/HET program and up to $19,200 for the HEW program. The MOU will involve up to 750 multi-family ULFTs/HETs and 800 HEWs each year. Both amounts are contained within the District's FY 08 budget. The District's customers will be eligible to receive $165 per HET up until October 1st, when the incentive increases to $200.

The Commercial and Smart Landscape Program MOUS involve reimbursement amounts for funding water efficient devices installed in commercial settings, landscape water effiency measures or landscape audits. A brief summary of these two programs are outlined below:

Smart Landscape Programs: Incentives, co-funding or reimbursement is available for smart controllers, residential or large landscape audits, landscape area measurement, artificial turfgrass in commercial settings, smart landscape grants, and incentives for California Friendly homes. Two new programs will be introduced this year as pilots and will not be mentioned in the smart landscape program MOU: artificial turfgrass and smart controller incentives for single family residential customers. The District is planning to participate in both pilots and budgeted to do so this fiscal year.

Commercial Voucher Programs: This MOU involves the District's cost share for vouchers offered to its commercial, institutional and industrial customers to install water efficient fixtures. Incentives are available for high efficiency toilets, low water and zero water consumption urinals, single load and multi-load high efficiency clothes washers, cooling tower conductivity

FISCAL IMPACT:
There are sufficient funds in the FY-08 operating budget to cover the $37,200 cost for Year 1 of the MOU.

STRATEGIC GOAL:
Signing the MOU will allow the District to cost effectively implement its water conservation strategic plan and continue to meet its BMP goals.

LEGAL IMPACT:
n/a

Mark Watton

General Manager
Attachment A - Committee Action Report

Attachment B - MOU Between the Otay Water District and San Diego County Water Authority for Fiscal Years 2008 and 2009, Residential Voucher Program

ATTACHMENT A

SUBJECT/PROJECT:	Residential Water Conservation MOU with the San Diego County Water Authority

COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at the meeting held on June 27, 2007. The following comments were made:

- Staff indicated that this Residential Voucher Incentive Program MOU is a two-year agreement with CWA wherein the District will reimburse CWA $24 per residential High Efficiency Clothes Washer and $24 for each Ultra Low Flush Toilet when these items are installed in apartment complexes.
- Staff explained that two other MOUs are in place for Commercial Voucher Programs and Smart Landscape Programs.
- The MOU will allow District customers a rebate of $165 if they purchase a high efficiency toilet. This rebate amount will increase to $200 on October 1st.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding to the Board of Directors on the consent calendar.

COPY

MEMORANDUM OF UNDERSTANDING
BETWEEN OTAY WATER DISTRICT AND
SAN DIEGO COUNTY WATER AUTHORITY FOR FISCAL YEARS 2008 and 2009
RESIDENTIAL VOUCHER INCENTIVE PROGRAM

This Memorandum of Understanding (MOU) between the San Diego County Water Authority (Water Authority), and the Otay Water District (Agency) which sets forth the respective roles of the Water Authority and in regard to the Water Conservation Residential Voucher Incentive Program (Program) is entered into effective July 1, 2007.

RECITALS:

Whereas the Program offers Agency's residential customers financial incentives to replace existing high-volume-flush toilets with ultra-low-flush toilets and high-efficiency toilets (ULFT/HET) in apartment complexes and to encourage water customers to purchase high-efficiency clothes washers (HEW);

Whereas vouchers for 12,500 ULFTs/HETs and 20,000 HEWs will be made available to residential customers within Water Authority's member agencies' service areas during the two-year period of Fiscal Year (FY) 07-08 and FY 08-09.

Whereas the Water Authority has retained the consulting services of Honeywell (Consultant) to administer the Program and direct field operations;

Whereas the parties desire to set forth the respective roles of Water Authority and Agency and establish the terms of the agreement.

Now, therefore, in consideration of the recitals and mutual obligations of the parties herein expressed, water authority and agency agree as follows:

1. Water Authority's responsibilities

   a. Water Authority will oversee all aspects of the Program. Water Authority staff will provide Program implementation and advisory support during the Program.

   b. Water Authority shall provide to Agency, weekly status reports that document the number of vouchers distributed and redeemed, the corresponding number of devices, and the number of inspections performed.

c. Water Authority shall provide Agency with all promotional or informational materials prepared for the Program.

2. Agency's responsibilities

a. Agency's role is that of financial supporter. Agency is not expected to devote substantial staff time to program administration, but Agency staff will be asked to provide occasional staff support during the Program.

b. Program will be jointly funded by the Metropolitan Water District of Southern California (Metropolitan), Water Authority and Agency. San Diego Gas & Electric Company (SDG&E) will jointly fund residential HEWs. Should additional outside funds become available, per unit reimbursement amounts will be adjusted accordingly.

The maximum amount Agency would be responsible for is $24 per ULFT/HET and $24 per HEW in FY 2008. The exact amount of each fixture/device cost may vary if the customer's actual purchase price is less than voucher amount. Allocations to Agency for FY 2009 shall be determined by Water Authority, subject to acceptance of such allocations by Agency, by amendment to this MOU or other written confirmation acceptable to the parties.

Agency shall provide a maximum of **$18,000** for ULFT/HET vouchers and **$19,200** for HEW vouchers in FY 2008 for this Program. Agency agrees to pay a maximum of $24 for each ULFT/HET and $24 for each clothes washer that will be installed within Agency's jurisdiction. If available, Agency may obtain additional reimbursement funds from the Water Authority during the term of this MOU. Water Authority will determine if funding for additional reimbursements beyond the amount stated will be available to Agency.

Agency approves adding a maximum 15 percent over allocation to Agency's voucher allocations. The over allocation will offset vouchers that are not used (drop-out rate).

c. Agency shall receive recognition and credit for its participation in the Program that is equal to that received by the Water Authority's other participating member agencies.

d. Consultant's fee includes area-wide marketing for residential ULFTs/HETs and HEWs. Should Agency request agency-specific marketing, upon Water Authority approval, Water Authority and Agency will share the cost on a 50:50 basis.

e. Agency will provide Water Authority, or its authorized representative, with data as required by Water Authority to evaluate Program implementation, costs, and water savings.

3. CEQA

The Water Authority shall be responsible for assuring that the Program complies with the requirements of the California Environmental Quality Act (CEQA) and that all necessary documents have been filed.

4. HOLD HARMLESS AND LIABILITY

Agency and Water Authority each agree to mutually indemnify, defend at its own expense, including attorneys' fees, and hold each other harmless from and against all claims, costs, penalties, causes of action, demands, losses and liability of any nature whatsoever, including but not limited to liability for bodily injury, sickness, disease or death, property damage (including loss of use) or violation of law, caused by or arising out of or related to any negligent act, error or omission, or willful misconduct of that party, its officers or employees, or any other agent acting pursuant to its control and performing under this MOU.

5. DOCUMENT REVIEW

Water Authority and Agency will make available for inspection to the other party, upon reasonable advanced notice, all records, books, and other documents relating to PROGRAM.

6. TERM

The term of this MOU shall be from date of execution through June 30, 2009. However, the term is contingent upon funding and participation by Water Authority, Metropolitan, SDG&E, and Agency. In the event that future budget appropriations are not approved by the participants, this MOU shall terminate at the beginning of the fiscal year for which such appropriations are not made. Also, if appropriations are different than anticipated, program funding shall be adjusted based on available funding.

7. NOTICE

Any notice, payment, credit, or instrument required or permitted to be given hereunder will be deemed received upon personal delivery or 24 hours after deposit in any United States mail depository, first class postage prepaid, and addressed to the party for whom intended, as follows:

If to Water Authority:

San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123
Attn: Jeff Stephenson

If to AGENCY:

Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, CA 91977
Attn: William Granger

Either party may change such address by notice given to the other party as provided herein.

8. AMENDMENTS

The MOU may be amended as circumstances necessitate by written agreement executed by both parties.

9. ASSIGNMENT

Agency shall not assign, sublet or transfer this MOU or any rights under or interest in this MOU without written consent of Water Authority, which may be withheld for any reason.

10. SEVERABILITY

The partial or total invalidity of one or more parts of this MOU will not affect the intent or validity of this MOU.

11. GOVERNING LAW

This MOU will be deemed a contract under the laws of the State of California. Agency hereby agrees and consents to the exclusive jurisdiction of the courts of the State of California and that the venue of any action brought hereunder shall be in San Diego County, California.

12. TERMINATION OF MOU

This MOU may be terminated by either party hereto for any reason 30 days after notice in writing to the other party.

13. SIGNATURES

The individuals executing this MOU represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

In witness whereof, the parties have executed this MOU as of the date above.

San Diego County
Water Authority

By: _____
Ken Weinberg
Director of Water Resources

Approved as to form:

By: _____
General Counsel

Otay Water District

By: _____
Mark Watton
General Manager

By: _____

AGENDA ITEM 6n

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	Armando Buelna AB Communications Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:	Mark Watton, General Manager		
SUBJECT:	AB 1420 (Laird) Water Demand Management Measures AB 1435 (Salas) Water Charges - Conservation Rate Structure		

GENERAL MANAGER'S RECOMMENDATION:

That the Finance, Administration and Communications Committee consider taking a "Support, if amended" position on AB 1420 (Laird) and AB 1435 (Salas).

PURPOSE:

To give the Finance, Administration and Communications Committee the opportunity to review AB 1420 (Laird) Water Demand Management Measures, and AB 1435 (Salas) - Conservation Rate Structures. Staff is seeking the Committee's direction on the proposed legislation.

BACKGROUND:

In AB 1420, Assemblyman Laird has drafted this bill in an effort to assure more consistent implementation of the Best Management Practices (BMPs) by conditioning access to State funding for a range of local water resource projects to implementation of the BMPs.

Not all urban water agencies who are signatories on the California Urban Water Conservation Council MOU have demonstrated a commitment to voluntary implementation. Therefore, the signatories have discussed a number of ways to assure more consistent implementation of the BMPs across the State.

The County Water Authority has taken the position that it and its member agencies have been leaders in water conservation and have always supported the voluntary BMP approach. "We have made significant efforts to conserve water in the San Diego region

and should be recognized for that effort. State grants and funding should be used to recognize effort and achievements in water conservation, and not to punish water suppliers that are already making a significant effort toward complying with the BMPs."

CWA has taken the position of Support AB 1420, if amended to address these concerns.

Assemblywoman Salas introduced AB 1435 that requires a local water purveyor that supplies water to retail customers to institute a conservation rate structure based on the amount of water used for other than agricultural purposes for each customer that has a service connection for which a water meter has been installed.

AB 1435 was suggested by the California Landscape Contractors Association, who was its sole supporter in the Assembly Committee on Water, Parks & Wildlife.

As written, the bill raises compliance issues under Proposition 218. It also may have unintended effects regarding the phasing-in of water meters in areas that do not already have them.

To avoid these and other concerns, the author has been asked to make amendments to AB 1435 to clarify language and address any possible unintended consequences. Assemblywoman Salas has expressed a willingness to resolve any issues the bill might raise.

Staff will provide a more detailed verbal report of issues regarding these items at the Finance, Administration and Communications Committee meeting.

FISCAL IMPACT:

None.

LEGAL IMPACT:

None.

General Manager

ATTACHMENTS:

A - TEXT OF AB 1420 (LAIRD), VOTE HISTORY, STATUS, AND LEGISLATIVE ANALYSIS

B- CWA LEGISLATIVE POSTION ON AB 1420

C- TEXT OF AB 1435 (SALAS), VOTE HISTORY, STATUS, AND LEGISLATIVE ANALYSIS

D- CWA LEGISLATIVE POSITION ON AB 1435

ATTACHMENT A

SUBJECT/PROJECT:	AB 1420 (Laird) Water Demand Management Measures AB 1435 (Salas) Water Charges – Conservation Rate Structure

COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on June 27, 2007. The following comments were made:

- Staff recommended the District take the position of "support, if amended" on both AB 1420 (Laird) and AB 1435 (Salas).
- Staff recommends that the District work with the authors to amend their bills to address water agencies' concerns.
- It was noted that amendments are currently being drafted, but have not yet been released. Any updates will be forwarded to the board.
- The committee discussed if a local legislator introduced legislation that the District supports, that a letter be drafted and sent to the legislator indicating the District's position.
- The committee also suggested that all legislation having an impact to the District, be forwarded to the Board.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding to the Board of Directors on the consent calendar.

Attachment A

AMENDED IN SENATE JUNE 19, 2007

AMENDED IN ASSEMBLY APRIL 18, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL No. 1420

Introduced by Assembly Member Laird

February 23, 2007

An act to amend Section 10631.5 of, and to add ~~Section 10631.7~~ *Sections 10631.6 and 10631.7* to, the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 1420, as amended, Laird. Water demand management measures: water management grant or loan funds.

Existing law requires an urban water supplier to prepare and adopt an urban water management plan that includes a description of the supplier's water demand management measures that are currently being implemented or scheduled for implementation. Existing law requires the Department of Water Resources to take into consideration whether the urban water supplier is implementing or has scheduled for implementation the water demand management activities that the supplier identified in its urban water management plan in evaluating applications for grants and loans financed by specified bond funds.

This bill would delete that provision relating to the evaluation of grant or loan applications financed by those specified bond funds. The bill, instead, would require the terms of, and eligibility for, any water management grant or loan *made* to an urban water supplier *and* awarded or administered by the department, the State Water Resources Control Board, or the California Bay-Delta Authority, with a certain exception,

to be conditioned on the implementation of the water demand management measures described in the urban water management plan.

The bill would require the department to develop grant and loan criteria implementing this requirement based on the conservation measures described in a specified memorandum of understanding *or alternative conservation approaches in that memorandum that provide equal or greater water savings*. The department would be required to set a standard of excellence in water conservation *that results in water savings* significantly above the compliance levels in this memorandum of understanding~~, and would be required to amend the grant and loan criteria to give funding priority to agencies meeting this standard of excellence~~. The department would be required to convene an independent panel to, among other things, review the water conservation best management practices identified in the memorandum.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) Increased urban water conservation has the potential to result in significant annual water savings statewide, and therefore can play a fundamental role in promoting sustainable and reliable water supplies statewide.

~~(a)~~

(b) In 1991 urban water suppliers, environmental organizations, and other interested parties signed the Memorandum of Understanding Regarding Urban Water Conservation in California. This memorandum of understanding does all of the following:

(1) Establishes the California Urban Water Conservation Council, made up of the signatories of the memorandum of understanding, to oversee the implementation of the memorandum of understanding.

(2) Describes water conservation best management practices that the signatories agree to implement. There are currently 14 best management practices.

(3) Describes the general criteria for best management practice implementation and exemptions.

(4) Describes the requirements for member urban water suppliers to report to the California Urban Water Conservation Council biennially on best management practice implementation.

(5) Describes the process for updating and amending the memorandum of understanding.

~~(b)~~

(c) The California Urban Water Conservation Council serves an important function in assisting in the management of the state's limited water supplies by identifying urban water conservation best management practices, and providing critical information on urban water conservation implementation in the state.

~~(c)~~

(d) The Urban Water Management Planning Act (Part 2.6 (commencing with Section 10610) of Division 6 of the Water Code) requires each water management plan to include a description of the urban water supplier's demand management measures planned for implementation or being implemented. The act requires an urban water supplier to include in the plan specified demand management measures. These demand management measures intentionally correspond to the water conservation best management practices included in the Memorandum of Understanding Regarding Urban Water Conservation in California, dated 1991.

(e) The California Water Plan as updated in 2005 supports water use efficiency as a foundational action to ensure sustainable water uses.

SEC. 2. Section 10631.5 of the Water Code is amended to read:

10631.5. (a) (1) Beginning January 1, 2009, the terms of, and eligibility for, a water management grant or loan~~, including funding for programs and projects for surface or groundwater storage, recycling, desalination, water conservation, water supply reliability, water supply augmentation, and funds made available pursuant to Section 75026 of the Public Resources Code,~~ made to an urban water supplier, *as defined in Section 10617, and* awarded or administered by the department, state board, or California Bay-Delta Authority shall be conditioned on the implementation of the water demand management measures described in subdivision (f) of Section 10631.

(2) For the purposes of this section and Section 10631.6, water management grants and loans include funding for programs and

projects for surface or groundwater storage, recycling, desalination, water conservation, water supply reliability, and water supply augmentation. This funding includes, but is not limited to, funds made available pursuant to Section 75026 of the Public Resources Code.

~~(2)~~

(3) Notwithstanding paragraph (1), the department ~~may~~ *shall* determine that an urban water supplier is eligible for a water management grant or loan even though the supplier is not implementing all of the water demand management measures described in subdivision (f) of Section 10631, if ~~both of the following apply:~~ *the urban water supplier has submitted to the department for approval consistent with the criteria established pursuant to subdivision (b) a schedule, financing plan, and budget, to be included in the grant or loan agreement, for implementation of the water demand management measures. The supplier may request grant or loan funds to implement the water demand management measures to the extent the request is consistent with the eligibility requirements of the water management funds.*

~~(A) The department determines that the grant or loan will assist the grantee or loan recipient in complying with the implementation of those water demand management measures.~~

~~(B) The supplier has submitted to the department a schedule for implementation of these water demand management measures.~~

(b) (1) ~~No later than December 1, 2008,~~ *After holding one or more public meetings to solicit public input,* the department shall develop grant and loan criteria implementing the requirement of ~~paragraph (1) of~~ subdivision (a). The criteria shall be based on the conservation measures described in the Memorandum of Understanding Regarding Urban Water Conservation in California *or alternative conservation approaches described in that memorandum or updates to the memorandum that provide equal or greater water savings.*

(2) The department shall review and update the criteria every three years based on, but not limited to, updates to the memorandum of understanding, and recommendations by the panel convened pursuant to subdivision (b) of Section 10631.7.

~~(3) No later than January 1, 2010, the department shall amend the criteria established pursuant to this subdivision to give funding~~

~~priority to agencies meeting the standard of excellence described in subdivision (c) of Section 10631.7.~~

~~(c) The department shall conduct audits as necessary to determine if urban water suppliers are implementing water demand management measures meeting the criteria established pursuant to subdivision (b).~~

(3) The grant and loan criteria developed pursuant to paragraph (1) shall only require implementation of conservation measures that are locally cost effective. If an urban water supplier determines that a water conservation measure is not locally cost effective, the urban water supplier shall submit documentation that supports this conclusion to the department. If the department determines that the documentation does not justify exemption from the implementation of a water conservation measure, the department shall do both of the following:

(A) Notify the urban water supplier within 60 days that the documentation does not satisfy the requirements for exemption.

(B) Provide a detailed statement of findings supporting the department's determination.

(4) Wholesale and retail urban water supplier eligibility shall be based on their individual compliance with the conservation criteria.

(c) The department shall develop a process to evaluate urban water supplier compliance with the criteria developed pursuant to subdivision (b), including, but not limited to, random audits.

(d) The urban water supplier may submit to the department copies of its annual reports and other relevant documents to assist the department in determining whether the urban water supplier is implementing or scheduling the implementation of water demand management activities. In addition, for urban water suppliers that are signatories to the Memorandum of Understanding Regarding Urban Water Conservation in California and submit biennial reports to the California Urban Water Conservation Council in accordance with the memorandum, the department may use these reports to assist in tracking the implementation of water demand management measures.

SEC. 3. Section 10631.6 is added to the Water Code, to read:

10631.6. No later than January 1, 2011, and every three years thereafter, the department shall do both of the following:

(a) Define a standard of excellence in water conservation that results in water savings significantly above the compliance levels in the Memorandum of Understanding Regarding Urban Water Conservation in California, as last amended.

(b) Publish a list of urban water suppliers that meet the standard of excellence, based on information provided by urban water suppliers in their urban water management plans, and other documents urban water suppliers submit to the department.

~~SEC. 3.~~

SEC. 4. Section 10631.7 is added to the Water Code, to read:

10631.7. (a) The department shall assist the California Urban Water Conservation Council in maintaining an effective conservation reporting database. To the extent that funds are available, the department shall provide technical and financial support to the council for the maintenance and improvement of the conservation database.

(b) The department shall convene an independent ~~panel no later than December 1, 2008, and every five years thereafter. The department shall select the panel members, which shall include~~ *technical panel to provide advice on new conservation measures, technologies, and approaches. The panel shall consist of no more than seven members and shall be convened no later than January 1, 2009. The department shall select the panel members to reflect a balanced representation of* experts from academia, private and public sectors, and nonprofit organizations. The panel shall do all of the following:

(1) Review the water conservation best management practices identified in the Memorandum of Understanding Regarding Urban Water Conservation in California, and determine if these best management practices meet the definition of best management practices specified in the memorandum, and the manner in which the implementation of the existing best management practices can be improved statewide.

(2) Identify other water conservation practices that meet the definition of best management practices specified in the memorandum, but that are not included in the memorandum.

(3) Report to the Legislature, the department, and the California Urban Water Conservation Council on their review and recommendations no later than ~~December 1, 2010~~ *January 1, 2010, and every six years thereafter.*

~~(c) The department shall set a standard of excellence in water conservation significantly above the compliance levels in the Memorandum of Understanding Regarding Urban Water Conservation in California, and no later than January 1, 2010, annually publish a list of water agencies that meet this standard of excellence.~~

O

CURRENT BILL STATUS

MEASURE : A.B. No. 1420
AUTHOR(S) : Laird.
TOPIC : Water demand management measures: water management grant or loan funds.
HOUSE LOCATION : SEN
+LAST AMENDED DATE : 06/19/2007

TYPE OF BILL :
Active
Non-Urgency
Non-Appropriations
Majority Vote Required
Non-State-Mandated Local Program
Fiscal
Non-Tax Levy

LAST HIST. ACT. DATE: 06/19/2007
LAST HIST. ACTION : From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on N.R. & W.
COMM. LOCATION : SEN NATURAL RESOURCES AND WATER
HEARING DATE : 07/10/2007

TITLE : An act to amend Section 10631.5 of, and to add Sections 10631.6 and 10631.7 to, the Water Code, relating to water.

COMPLETE BILL HISTORY

BILL NUMBER : A.B. No. 1420
AUTHOR : Laird
TOPIC : Water demand management measures: water management grant or loan funds.

TYPE OF BILL :
Active
Non-Urgency
Non-Appropriations
Majority Vote Required
Non-State-Mandated Local Program
Fiscal
Non-Tax Levy

BILL HISTORY
2007
June 19 From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on N.R. & W.
June 14 Referred to Com. on N.R. & W.
June 6 In Senate. Read first time. To Com. on RLS. for assignment.
June 5 Read third time, passed, and to Senate. (Ayes 49. Noes 28. Page 1888.)
June 1 From committee: Do pass. (Ayes 12. Noes 5.) (May 31). Read second time. To third reading.
Apr. 25 From committee: Do pass, and re-refer to Com. on APPR. Re-referred. (Ayes 9. Noes 3.) (April 24).
Apr. 19 Re-referred to Com. on W.,P. & W.
Apr. 18 From committee chair, with author's amendments: Amend, and re-refer to Com. on W.,P. & W. Read second time and amended.
Mar. 22 Referred to Com. on W.,P. & W.
Feb. 26 Read first time.
Feb. 25 From printer. May be heard in committee March 27.
Feb. 23 Introduced. To print.

ASSEMBLY THIRD READING
AB 1420 (Laird)
As Amended April 18, 2007
Majority vote

WATER, PARKS & WILDLIFE 9-3
APPROPRIATIONS (vote not available)

Ayes:	Wolk, Maze, Berryhill, Caballero, Huffman, Lieu, Mullin, Nava, Salas		
Nays:	Anderson, La Malfa, Parra		

SUMMARY : Augments requirements for incorporation of conservation measures into urban water management and integrated regional water management (IRWM), including bond funding arising out of Proposition 84. Specifically, this bill :

1) Conditions IRWM funding from Proposition 84 on the applicant's implementation of water demand management (i.e., conservation) measures, beginning on January 1, 2009. Specifically,

   a) Allows the Department of Water Resources (DWR) to provide IRWM grants or loans to assist recipients in implementing water demand management measures;

   b) Ties new DWR guidelines/criteria for IRWM funding to compliance with the best management practice (BMP) in the Memorandum of Understanding Regarding Urban Water Conservation in California (Conservation MOU);

   c) Gives funding priority, after 2009, to applicants meeting the "standard of excellence" that DWR is required to develop; and,

   d) Requires DWR to conduct water conservation audits to determine whether urban water suppliers are meeting the DWR-developed conservation criteria.

2) Requires DWR to assist the California Urban Water Conservation Council (CUWCC) in maintaining an effective conservation reporting database. Specifically,

   a) Requires DWR to convene an independent panel, from academia, private and public sectors, and nonprofit organizations, to review water conservation BMP, identify new BMPs and report to the Legislature, DWR and CUWCC on the panel's review; and,

   b) Requires DWR to set a standard of excellence significantly above compliance with the MOU and publish a list of water agencies that meet this standard.

3) Makes legislative findings regarding urban water conservation and management.

EXISTING LAW requires consideration of water agency implementation of water demand management practices identified in the Conservation MOU in IRWM funding decisions.

FISCAL EFFECT : According to the Assembly Appropriations Committee, moderate one-time costs of $800,000 to develop new guidelines and provide technical support for water conservation and IRWM funding.

COMMENTS : In September 1991, in the middle of California's worst drought, several urban water agencies and environmental groups developed a Conservation MOU to promote BMP for urban water conservation, as part of the Bay-Delta water standard proceedings. The California Urban Water Conservation Council (CUWCC) was created to promote broader adoption of the Conservation MOU and oversee voluntary implementation of the BMPs. In the years that followed, CUWCC was successful in expanding adoption of the BMPs throughout California. A cornerstone of the Conservation MOU was voluntary implementation, which was generally successful. In 2000, the CALFED Bay-Delta Program decided to complete a comprehensive review of urban water conservation, which was completed just last summer. A 2004 California Bay-Delta Authority report concluded: "rates of compliance with most BMPs remain low;" and, "the MOU process is not working as intended and its impact on urban water use remains well below its full potential."

This bill takes some steps to resolve the issues that the 2004 report identified, by conditioning future IRWM funding on implementation of the BMPs. With the $1 billion in bond funding recently approved by voters, this bill creates incentives for more complete implementation of the Conservation MOU.

After 15 years of voluntary implementation of urban water conservation BMPs, the author asserts that the time has come to

compel greater conservation and enact some form of enforcement for the Conservation MOU. This bill uses the carrot rather than the stick to promote greater conservation. The substantial funding available from Proposition 84, however, may provide greater pressure on urban water agencies to do more than sign on to the Conservation MOU. The number of signatories has increased from 100 to 190, but signing the Conservation MOU does not guarantee sufficient local funding to achieve actual conservation. Proposition 84 funding, in combination with this bill, may ensure the investment of the necessary state AND local funding of these efforts.

Southern California has shown that conservation works. In the last 30 years, the region has grown by about one-third but its water demands have remained essentially flat. Metropolitan Water District of Southern California (MWD) estimates that nearly half of its region's water supplies come from local sources, including MWD's aggressive water conservation programs. MWD was a leader in crafting the original Conservation MOU and remains a leading force within the water community for greater water conservation.

Analysis Prepared by : Alf W. Brandt / W., P. & W. / (916) 319-2096

FN: 0001225

Date of Hearing: May 23, 2007

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Mark Leno, Chair

AB 1420 (Laird) - As Amended: April 18, 2007

Policy Committee: Water, Parks & Wildlife Vote: 9-3

Urgency: No State Mandated Local Program: No Reimbursable:

SUMMARY

This bill increases water conservation efforts a urban water supplier must make in order to be eligible for grants and loans provided by the Department of Water Resources (DWR), the State Water Resources Control Board (SWRCB), or the California Bay-Delta Authority (CBDA), including those funded by Prop 84 bond proceeds. Specifically, this bill:

1) Requires, starting January 1, 2009, the terms of, and eligibility for, a water management grant or loan, including funding for surface or groundwater storage, recycling, desalination, water conservation, water supply reliability or augmentation and funding from Prop 84 bond proceeds, made to an urban water supplier to be conditioned on the implementation of specific water conservation measures.

2) Requires DWR, by December 1, 2008, to develop grant and loan criteria to implement the requirements of #1 above based on the water conservation measures described in the 1991 Memorandum of Understanding (MOU) Regarding Urban Water Conservation in California.

3) Requires DWR to provide technical and financial support to the California Urban Water Conservation Council to help the council maintain an effective conservation reporting database, and to convene, by December 1, 2008 and quintennially after that, an independent panel to review water conservation best management practices in the MOU, identify other water conservation practices, and report its recommendations by December 1, 2010.

4) Requires DWR to set a standard of excellence in water

conservation significantly above the compliance levels in the MOU and to publish, starting by January 1, 2010, an annual list of water agencies that meet this standard.

5) Requires DWR, by January 1, 2010, to amend the criteria established in #2 above to give funding priority to water agencies meeting the standard of excellence established in #4 above.

FISCAL EFFECT

1) Moderate one-time costs, in the range of $500,000 primarily in 2008-09, to DWR to develop grant and loan criteria, provide technical and financial support, to set a standard of excellence in water conservation and to modify funding priorities. (GF or Prop 84 bond proceeds)

2) Potentially substantial reallocation, in the millions of dollars annually, in grants and loans provided to urban water suppliers to the extent more funds are allocated to urban water suppliers that focus more effort on water conservation. (Prop 84 and other available resources bond proceeds and federal funds)

COMMENTS

1) Rationale . The author contends that greater focus needs to be placed on water conservation as an integral component in an urban water supplier's management of water supply and demand. The author believes that priority for state grants and loans, in particular those funded by Prop 84 proceeds, should be given to urban water suppliers who vigorously pursue the greatest potential for water conservation within their respective jurisdictions.

2) Prop 84 , approved by voters at the November 2006 statewide election as the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act, authorizes the issuance of $5.388 billion worth of state general obligation bonds. Of this amount, $1 billion is earmarked for development and implementation of integrated regional water management (IRWM) plans.

Analysis Prepared by : Steve Archibald / APPR. / (916)

319-2081

Date of Hearing: April 24, 2007

ASSEMBLY COMMITTEE ON WATER, PARKS AND WILDLIFE
Lois Wolk, Chair
AB 1420 (Laird) - As Amended: April 18, 2007

SUBJECT : Water: conservation funding

SUMMARY : Augments requirements for incorporation of conservation measures into urban water management and integrated regional water management (IRWM), including bond funding arising out of Proposition 84. Specifically, this bill :

1) Conditions IRWM funding from Proposition 84 on the applicant's implementation of water demand management (i.e. conservation) measures, beginning on January 1, 2009.

   a) Allows Department of Water Resources (DWR) to provide IRWM grants or loans to assist recipients in implementing water demand management measures.

   b) Ties new DWR guidelines/ criteria for IRWM funding to compliance with the best management practice (BMP) in the Memorandum of Understanding Regarding Urban Water Conservation in California (Conservation MOU).

   c) Gives funding priority, after 2009, to applicants meeting the "standard of excellence" that DWR is required to develop.

   d) Requires DWR to conduct water conservation audits to determine whether urban water suppliers are meeting the DWR-developed conservation criteria.

2) Requires DWR to assist the California Urban Water Conservation Council (CUWCC) in maintaining an effective conservation reporting database.

   a) Requires DWR to convene an independent panel, from academia, private and public sectors, and nonprofit organizations, to review water conservation BMP, identify new BMPs and report to the Legislature, DWR and CUWCC on the panel's review.

   b) Requires DWR to set a standard of excellence

significantly above compliance with the MOU and publish a

list of water agencies that meet this standard.

3) Makes legislative findings regarding urban water conservation and management.

EXISTING LAW requires consideration of water agency implementation of water demand management practices identified in the Conservation MOU in IRWM funding decisions.

FISCAL EFFECT : Unknown

COMMENTS : In September 1991, in the middle of California's worst drought, several urban water agencies and environmental groups developed a memorandum of understanding to promote best management practices (BMP) for urban water conservation (Conservation MOU), as part of the Bay-Delta water standard proceedings. The California Urban Water Conservation Council (CUWCC) was created to promote broader adoption of the MOU and oversee voluntary implementation of the BMPs. In the years that followed, CUWCC was successful in expanding adoption of the BMPs throughout California. A cornerstone of the Conservation MOU was voluntary implementation, which was generally successful. In 2000, the CALFED Bay-Delta Program decided to complete a comprehensive review of urban water conservation, which was completed just last summer. A 2004 California Bay-Delta Authority report concluded:

"rates of compliance with most BMPs remain low."

"the MOU process is not working as intended and its impact on urban water use remains well below its full potential."

This bill takes some steps to resolve the issues that the 2004 report identified, by conditioning future IRWM funding on implementation of the BMPs. With the $1 billion in bond funding recently approved by voters, AB 1420 creates incentives for more complete implementation of the Conservation MOU.

After 15 years of voluntary implementation of urban water conservation BMPs, the time has come to compel greater conservation and enact some form of enforcement for the Conservation MOU. This bill uses the carrot rather than the stick to promote greater conservation. The substantial funding available from Proposition 84, however, may provide greater pressure on urban water agencies to do more than sign on to the Conservation MOU. The number of signatories has increased from

100 to 190, but signing the MOU does not guarantee sufficient local funding to achieve actual conservation. Proposition 84 funding, in combination with this bill, may ensure the investment of the necessary State AND local funding of these efforts.

Southern California has shown that conservation works. In the last 30 years, the region has grown by about 1/3 but its water demands have remained essentially flat. Metropolitan Water

District of Southern California (MWD) estimates that nearly half of its region's water supplies come from local sources, including MWD's aggressive water conservation programs. MWD was a leader in crafting the original Conservation MOU and remains a leading force within the water community for greater water conservation.

REGISTERED SUPPORT / OPPOSITION :

Support

East Bay Municipal Utility District (if amended)
Metropolitan Water District of Southern California
Natural Resources Defense Council
Planning and Conservation League

Opposition

None submitted

Analysis Prepared by : Alf W. Brandt / W., P. & W. / (916) 319-2096

UNOFFICIAL BALLOT

MEASURE: AB 1420
AUTHOR: Laird
TOPIC: Water demand management measures: water manag
DATE: 05/31/2007
LOCATION: ASM. APPR.
MOTION: Do pass.
(AYES 12. NOES 5.) (PASS)

AYES
****

Leno Caballero Davis DeSaulnier
Huffman Karnette Krekorian Lieu
Ma Nava Solorio Feuer

NOES
****

Walters Emmerson La Malfa Nakanishi
Sharon Runner

ABSENT, ABSTAINING, OR NOT VOTING
****

UNOFFICIAL BALLOT

MEASURE: AB 1420
AUTHOR: Laird
TOPIC: Water demand management measures: water manag
DATE: 04/24/2007
LOCATION: ASM. W.,P. & W.
MOTION: Do pass and be re-referred to the Committee on Appropriations.
(AYES 9. NOES 3.) (PASS)

AYES
****

Wolk Maze Berryhill Caballero
Huffman Lieu Mullin Nava
Salas

NOES
****

Anderson La Malfa Parra

ABSENT, ABSTAINING, OR NOT VOTING
****

Charles Calderon

UNOFFICIAL BALLOT
MEASURE: AB 1420
AUTHOR: Laird
TOPIC: Water demand management measures: water manag
DATE: 06/05/2007
LOCATION: ASM. FLOOR
MOTION: AB 1420 LAIRD Assembly Third Reading
(AYES 49. NOES 28.) (PASS)

AYES
****

Arambula	Bass	Beall	Berg	
Blakeslee	Brownley		Caballero	Charles Calderon
Carter	Coto	Davis	De La Torre	
De Leon	DeSaulnier		Dymally	Eng
Evans	Feuer	Fuentes	Galgiani	
Hancock	Hayashi	Hernandez		Horton
Huffman	Jones	Karnette		Krekorian
Laird	Leno	Levine	Lieber	
Lieu	Ma	Mendoza	Mullin	
Nava	Portantino		Price	Richardson
Ruskin	Salas	Saldana	Solorio	
Swanson	Torrico	Tran	Wolk	
Nunez				

NOES
****

Adams	Aghazarian		Anderson	Benoit
Berryhill		DeVore	Duvall	Fuller
Gaines	Garcia	Garrick	Houston	
Huff	Jeffries		Keene	La Malfa
Maze	Nakanishi		Niello	Parra
Plescia	Sharon Runner		Silva	Smyth
Spitzer	Strickland		Villines	Walters

ABSENT, ABSTAINING, OR NOT VOTING
****

Cook	Emmerson	Soto

Attachment B

San Diego County Water Authority

June 20, 2007

Attention: Legislation, Conservation and Outreach Committee

Adopt position of Support, if amended, on AB 1420 (Laird) (Action)

Staff Recommendations
Adopt position of Support, if amended, on AB 1420 (Laird).

Alternatives
Do not adopt recommended position or modify position on this bill.

Fiscal Impact
There is no fiscal impact.

Background
In 1991, urban water agencies, environmental organizations, and other interested parties signed the Memorandum of Understanding Regarding Urban Water Conservation in California (MOU). The MOU established the California Urban Water Conservation Council (CUWCC) and also lists 14 best management practices (BMPs), which urban water suppliers are encouraged to implement. Urban water suppliers are required to report to CUWCC on their implementation of the BMPs, or apply for exemptions on the grounds that compliance would not be cost-effective. The CUWCC maintains a database of reports or requests for exemptions from urban water agency signatories to the MOU. Compliance with the BMPs is voluntary.

Not all urban water agencies signatory to the MOU have demonstrated a commitment to voluntary implementation of the BMPs. Therefore, the signatories have discussed a number of ways to assure more consistent implementation of the BMPs across the State. Options have included: mandatory certification of implementation, financial incentives for implementation, permitting incentives, and potential negative permitting impacts for non-implementation.

Discussion
The author of AB 1420, Assemblyman Laird, has drafted this bill in an effort to assure more consistent implementation of the BMPs by conditioning access to State funding for a range of local water resource projects to urban water agency implementation of the BMPs. During the process of refining the bill, Water Authority legislative advocates and staff have worked with other urban water agencies to alert the author's staff and bill sponsors of concerns with the bill.

Discussions with the author have resulted in a working draft of amendments that is not yet in print. Amendments included in the working draft include:

- An urban water supplier may be eligible for a water management grant or loan even though the supplier is not implementing all the water demand management measures identified in its urban water management plan if the supplier submits to DWR a schedule, financing plan, and budget for implementation of the water demand management measures.

- An urban water supplier may request grant or loan funds to implement its water demand management measures, as long as the request is consistent with the other eligibility requirements of the grant or loan fund.

- DWR's grant and loan criteria shall recognize alternative approaches to the BMPs that provide water savings that are equal to or greater than those provided by the BMPs.

- DWR's grant and loan criteria shall only require implementation of conservation measures that are locally cost-effective. An urban water supplier may submit evidence to DWR that a water conservation measure is not locally cost-effective.

- DWR shall convene an independent technical panel to provide advice on new conservation measures, technologies, and approaches.

- DWR shall define a standard of excellence in water conservation that results in savings significantly above the compliance levels in the MOU, and shall give funding priority for water management grants and loans to urban water suppliers that meet the standard of excellence.

Issues that still need to be addressed include:

- Urban water suppliers should be able to self-certify their own compliance with the BMPs or water demand managements requirements of the Urban Water Management Planning Act. DWR may reject an urban water suppliers certification of its own compliance only if it provides substantial evidence that the supplier is not actually in compliance.

- To the greatest extent possible, CUWCC, where the Water Authority and member agencies have a vote, should be the entity that establishes BMPs and develops and determines standards for compliance.

- Funding for implementation of this bill should come from the administrative costs portion of the grant or loan fund, rather than from fees charged to the urban water suppliers.

The Water Authority and its member agencies have been leaders in water conservation and have always supported the voluntary BMP approach. We have made significant

efforts to conserve water in the San Diego region and should be recognized for that effort. State grants and funding should be used to recognize effort and achievements in water conservation, and not to punish water suppliers that are already making a significant effort toward complying with the BMPs.

Staff recommends a position of Support of AB 1420, if amended to address the concerns noted above.

Prepared by: Jeffrey A. Volberg, Government Relations Manager
Reviewed by: Bill Jacoby, Director of Public Affairs
Approved by: Dennis A. Cushman, Assistant General Manager

Attachment:
1. AB 1420

Attachment C

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL No. 1435

Introduced by Assembly Member Salas

February 23, 2007

An act to add Chapter 3.8 (commencing with Section 390) to Division 1 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 1435, as introduced, Salas. Water charges: conservation rate structure.

Existing law authorizes a public entity that supplies water at retail or wholesale within its service area to adopt, in accordance with specified procedures, and enforce a water conservation program.

This bill would require a local water purveyor that supplies water to retail customers to institute a conservation rate structure based on the amount of water used for other than agricultural purposes for each customer that has a service connection for which a water meter has been installed.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Chapter 3.8 (commencing with Section 390) is added to Division 1 of the Water Code, to read:

CHAPTER 3.8. CONSERVATION RATE STRUCTURES

390. Each local water purveyor that supplies water to retail customers shall institute a conservation rate structure based on the amount of water used for other than agricultural purposes for each customer that has a service connection for which a water meter has been installed.

O

ASSEMBLY THIRD READING
AB 1435 (Salas)
As Introduced February 23, 2007
Majority vote

WATER, PARKS & WILDLIFE 13-0

Ayes:	Wolk, Maze, Anderson, Berryhill, Caballero, Charles Calderon, Huffman, La Malfa, Lieu, Mullin, Nava, Parra, Salas		

SUMMARY : Requires each local water purveyor that supplies water to retail customers to institute a conservation rate structure based on the amount of water used for other than agricultural purposes for each customer with a water meter.

EXISTING LAW requires installation of water meters on new construction and requires cites to adopt model landscape ordinances that promote water conservation.

FISCAL EFFECT : Non-fiscal

COMMENTS : Since the start of California's last major drought, in the 1980's, many California water agencies and water utilities have adopted rate structures that charge extra to customers who use excessive amounts of water. Some charge penalties, while others simply increase the cost of each additional gallon of water over a certain amount, which is called "inclining block rates."

This bill requires adoption of a water "conservation rate structure" without defining that term or a specific kind of required rate structure. Local water purveyors therefore have some flexibility in defining what kind of rate structure would encourage conservation. They may adopt an inclining block rate or simply charge the same amount for each gallon, which also would encourage conservation. The structures that would not be allowed under this bill are "declining block rates" (charging

less per gallon for using more water than other customers) and flat rates for non-agricultural customers with meters.

This bill does not affect the issue of water meters because the conservation rate structure applies only to those who have meters. This bill does not extend or expand any requirements related to water meters. California decided, in 1991, that all new water service should be provided only to those with water meters and required installation of water meters in new construction. (See Water Measurement Law, Cal. Water Code 500 et seq). In past years, there has been some debate about water measurement/metering in communities without water meters, but this bill will not affect that issue. While some older communities where water still is not metered may not be affected, communities with some metered customers would be required to adopt water rates based on actual use by those who have meters.

Analysis Prepared by : Alf W. Brandt / W., P. & W. / (916) 319-2096

FN: 0000490

Date of Hearing: April 24, 2007

ASSEMBLY COMMITTEE ON WATER, PARKS AND WILDLIFE
Lois Wolk, Chair
AB 1435 (Salas) - As Amended: February 23, 2007

SUBJECT : Water Conservation: rate structures

SUMMARY : Requires retail water purveyors to adopt a conservation rate structure. Specifically, this bill requires each local water purveyor that supplies water to retail customers to institute a conservation rate structure based on the amount of water used for other than agricultural purposes for each customer with a water meter.

EXISTING LAW requires cites to adopt model landscape ordinances that promote water conservation.

FISCAL EFFECT : Unknown

COMMENTS : Since the start of California's last major drought, in the 1980's, many California water agencies and water utilities have adopted rate structures that charge extra to customers who use excessive amounts of water. Some charge penalties, while others simply increase the cost of each additional gallon of water over a certain amount, which is called "inclining block rates."

There were a limited number of water agencies that used "declining block rates," charging less per gallon for using more water than other customers, which attracted certain industries to some cities with such rates. The declining block rate, however, discouraged water conservation, because higher water usage meant lower costs. AB 1435 would effectively outlaw declining block rates for non-agricultural water customers with meters.

The bill requires adoption of a water "conservation rate structure" without defining that term or a specific kind of required rate structure. Local water purveyors therefore have some flexibility in defining what kind of rate structure would encourage conservation. They may adopt an inclining block rate or simply charge the same amount for each gallon, which also would encourage conservation.

This rule would not apply to customers without water meters.

California decided, in 1991, that all new water service should be provided only to those with water meters and required installation of water meters in new construction. See Water Measurement Law, Cal. Water Code 500 et seq. In past years, there has been some debate about water measurement/metering in communities without water meters, particularly after the Federal Government required some form of measurement for those who receive water from the federal Central Valley project. That debate may continue, but this bill will not affect that decision because its application is limited only to those customers with meters. While some older communities where water still is not metered may not be affected, communities with some metered customers would be required to adopt water rates based on actual use by those who have meters.

AB 1435 is consistent with the recommendation of Landscape Task Force of the California Urban Water Conservation Council, which recommended that "Urban water suppliers (wholesale and retail) should adopt water conserving rate structures as designed by the task force." Last year, the Legislature approved a bill to implement other Landscape Task Force recommendations, but did not address the issue of conservation water rates. See, Ch. 559, 2006 Stats, AB 1881 (Laird).

REGISTERED SUPPORT / OPPOSITION :

Support

California Landscape Contractors Association

Opposition

None submitted

Analysis Prepared by : Alf W. Brandt / W., P. & W. / (916) 319-2096

UNOFFICIAL BALLOT

MEASURE: AB 1435
AUTHOR: Salas
TOPIC: Water charges: conservation rate structure.
DATE: 05/14/2007
LOCATION: ASM. FLOOR
MOTION: AB 1435 SALAS Assembly Third Reading
(AYES 47. NOES 25.) (PASS)

AYES
****

Aghazarian Arambula Beall Berg
Blakeslee Brownley Caballero Carter
Coto Davis De La Torre De Leon
DeSaulnier Dymally Eng Evans
Feuer Galgiani Hancock Hayashi
Hernandez Horton Huffman Jones
Karnette Krekorian Laird Leno
Levine Lieber Lieu Ma
Mendoza Mullin Nava Parra
Plescia Portantino Price Richardson
Salas Saldana Solorio Swanson
Torrico Wolk Nunez

NOES
****

Adams Anderson Benoit Berryhill
DeVore Duvall Emmerson Fuller
Gaines Garcia Garrick Huff
Jeffries Keene La Malfa Maze
Nakanishi Sharon Runner Silva Smyth
Spitzer Strickland Tran Villines
Walters

ABSENT, ABSTAINING, OR NOT VOTING
****

Bass Charles Calderon Cook Houston
Niello Ruskin Soto Vacancy

UNOFFICIAL BALLOT

MEASURE: AB 1435
AUTHOR: Salas
TOPIC: Water charges: conservation rate structure.
DATE: 04/24/2007
LOCATION: ASM. W.,P. & W.
MOTION: Do pass, to Consent Calendar.
(AYES 13. NOES 0.) (PASS)

AYES
****

Wolk Maze Anderson Berryhill
Caballero Charles Calderon Huffman La Malfa
Lieu Mullin Nava Parra
Salas

NOES
****

ABSENT, ABSTAINING, OR NOT VOTING
****

CURRENT BILL STATUS

MEASURE : A.B. No. 1435
AUTHOR(S) : Salas.
TOPIC : Water charges: conservation rate structure.
HOUSE LOCATION : SEN

TYPE OF BILL :
Active
Non-Urgency
Non-Appropriations
Majority Vote Required
Non-State-Mandated Local Program
Non-Fiscal
Non-Tax Levy

LAST HIST. ACT. DATE: 05/23/2007
LAST HIST. ACTION : Referred to Com. on N.R. & W.
COMM. LOCATION : SEN NATURAL RESOURCES AND WATER

TITLE : An act to add Chapter 3.8 (commencing with Section 390) to Division 1 of the Water Code, relating to water.

COMPLETE BILL HISTORY

BILL NUMBER : A.B. No. 1435
AUTHOR : Salas
TOPIC : Water charges: conservation rate structure.

TYPE OF BILL :
Active
Non-Urgency
Non-Appropriations
Majority Vote Required
Non-State-Mandated Local Program
Non-Fiscal
Non-Tax Levy

BILL HISTORY
2007
May 23 Referred to Com. on N.R. & W.
May 14 In Senate. Read first time. To Com. on RLS. for assignment.
May 14 Read third time, passed, and to Senate. (Ayes 47. Noes 25. Page 1468.)
May 3 From Consent Calendar. To third reading.
Apr. 26 Read second time. To Consent Calendar.
Apr. 25 From committee: Do pass. To Consent Calendar. (April 24).
Mar. 22 Referred to Com. on W.,P. & W.
Feb. 26 Read first time.
Feb. 25 From printer. May be heard in committee March 27.
Feb. 23 Introduced. To print.

Attachment D

San Diego County Water Authority

June 20, 2007

Attention: Legislation, Conservation and Outreach Committee

Adopt position of: Support, if amended, on AB 1435 (Salas). (Action)

Purpose
To take a position on key state legislation of interest to the San Diego County Water Authority.

Staff Recommendations
Adopt position of Support, if amended, on AB 1435 (Salas).

Alternatives
Do not adopt recommended position or modify position on this bill.

Fiscal Impact
There is no fiscal impact.

Background
Assemblywoman Mary Salas (D-San Diego) introduced AB 1435 in February 2007. The bill requires a local water purveyor that supplies water to retail customers to institute a conservation rate structure based on the amount of water used for other than agricultural purposes for each customer that has a service connection for which a water meter has been installed. AB 1435 was suggested by the California Landscape Contractors Association, who was its sole supporter in the Assembly Committee on Water, Parks & Wildlife. The bill passed out of committee unanimously and passed the Assembly. The author has expressed a willingness to work with affected water agencies to resolve any issues the bill might raise.

Discussion
As written, the bill raises compliance issues under Proposition 218. It also may have unintended effects regarding the phasing-in of water meters in areas that do not already have them. To avoid these concerns, staff recommends that the author make the following amendments:

- Include intent language in the Water Code that affirms retail water agencies' ability to set rates locally and that the bill is not intended to interfere with that ability.
- Strike the phrase in the bill that says, ". . . for other than agricultural purposes for each customer that has a service connection for which a water meter has been installed." Removing this language avoids Proposition 218 compliance issues and extends the bill's requirements to all water agencies, including those that do not yet have meters.
- Specifically include charter cities as local water purveyors subject to this bill.

Staff recommends a position of Support, if amended as outlined above, on AB 1435.

A copy of AB 1435 is attached.

Prepared by: Jeffrey A. Volberg, Government Relations Manager
Reviewed by: Bill Jacoby, Director of Public Affairs
Approved by: Dennis A. Cushman, Assistant General Manager

Attachment:
1. AB 1435

AGENDA ITEM 7(a)(1)

STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	July 10, 2007
SUBMITTED BY:	Elaine Henderson, Customer Service Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Joseph R. Beachem, Chief Financial Officer		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager		
SUBJECT:	Adopt Resolution No. 4096 to Continue Water and Sewer Availability Charges for District Customers for Fiscal Year 2007-2008 to be Collected through Property Taxes		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution No. 4096 to continue water and sewer availability charges for District customers for Fiscal Year 2007-2008 to be collected through property taxes.

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

To present for the board's consideration the adoption of Resolution No. 4096 to continue water and sewer availability charges for District customers for Fiscal Year 2007-2008 to be collected through property taxes.

ANALYSIS:

State Water Code Section 71630-71637, authorizes the District to assess such availability charges. Based on the water code, the first $10.00 per parcel or acre can be used for general purposes within the improvement district from which it is collected. Amounts over $10.00 are to be used for the development and construction of facilities within the improvement district from which it is collected.

The amounts of the charges are unchanged from last year and new property owners have been notified of the charge. Attached is the public notice that lists the charges based on the Improvement District, parcels, and acreage (Attachment B).

FISCAL IMPACT:

The availability charges, as budgeted, will generate approximately $1.6 million in revenue.

STRATEGIC GOAL:

This revenue source will help the District meet its fiscal responsibility to its ratepayers.

LEGAL IMPACT:

None.

General Manager

Attachments:
A) Committee Action Form
B) Public Notice
C) Resolution No. 4096

ATTACHMENT A

SUBJECT/PROJECT:	Adopt Resolution No. 4096 to Continue Water and Sewer Availability Charges for District Customers for Fiscal Year 2007-2008 to be Collected through Property Taxes

COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on June 27, 2007. The following comments were made:

- A resolution is presented yearly for the board's adoption to continue the collection of availability charges that are collected through property taxes annually.
- General Counsel has advised that the staff hold a public hearing each year and notice new customers of the availability fee to comply with state statute.
- New customers were mailed a notice (attached) advising them of the public hearing.
- Customers are also notified of the availability fee at the time they purchase their property.
- Staff is recommending that the board adopt Resolution No. 4096 to continue the collection of availability fees for Fiscal Year 2008.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding to the Board of Directors as an action item.

- NOTICE -

OF PUBLIC HEARING ON RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT RELATING TO THE CONTINUATION OF WATER STANDBY ASSESSMENTS OR AVAILABILITY CHARGES AND SEWAGE STANDBY ASSESSMENTS OR AVAILABILITY CHARGES FOR FISCAL YEAR 2007-2008

(A) Notice is hereby given that the Board of Directors of the Otay Water District intends to adopt a Resolution to continue water standby assessments or availability charges for fiscal year 2007-2008 and will conduct a public hearing on Tuesday, July 10, 2007, at 3:30 p.m. in the District Boardroom, 2554 Sweetwater Springs Boulevard, Spring Valley, California, at which time the Board shall hear and consider all public objections or protests, if any, to said assessment or availability charges, and may adopt, revise, change, reduce, or modify any assessment or charge; provided, however, in no case may the Board increase any charge above $30.00 per year per acre of land, or $10.00 per year per parcel of land less than one acre. Written protest may also be mailed to the above address.

The water standby assessments or availability charges for fiscal year 2007-2008 are to be assessed on land within the District as follows:

Improvement District	Area/Location	Charge per year per acre for parcels one acre or more	Charge per year for a parcel less than one acre
La Presa No. 1	La Presa/Spring Valley	$10.00*	$10.00*
2	Steele Canyon/Hwy 94	$30.00*	$10.00*
3	Hillsdale/Vista Grande/Hidden Mesa	$30.00*	$10.00*
5	Southwestern College Estates	$10.00*	$10.00*
7	Otay Mesa	$30.00*	$10.00*
9	Jamul	$30.00*	$10.00*
10	Chula Vista	$30.00*	$10.00*
19	Proctor Valley/Jonel/San Miguel	$30.00*	$10.00*
20	Rancho San Diego	$30.00*	$10.00*
22	Rancho Del Rey/Eastlake/Bonita Long Canyon	$30.00*	$10.00*
25	Dictionary Hill north of Eucalyptus Ave.	$30.00*	$10.00*
27	Property outside ID 22	$30.00*	$10.00*
	Land outside an Improvement District	$10.00*	$10.00*
	Land outside an Improvement District and greater than one mile from District facilities	$3.00*	$3.00*

*** CHARGES PROPOSED ARE UNCHANGED FROM LAST YEAR**

It is proposed that such assessments or charges would be reduced for land in officially designated permanent open space areas, agricultural preserves, designated floodplain, and for land exceeding 30% in slope. It is proposed further that land located in a designated floodway or within a designated vernal pool area; land owned by tax-exempt organizations which is only used to protect the natural habitat of rare species; and land located outside of the boundaries of the San Diego County Water Authority and the Metropolitan Water District is exempt from such charges.

(B) The District also intends to continue sewage standby assessments or availability charges for said fiscal year to be assessed on all land within Improvement Districts No. 14, 18, and Assessment District No. 4 (Hillsdale) as follows:

Improvement District	Area/Location	Charge per year per acre for parcels one acre or more	Charge per year for a parcel less than one acre
14	Calavo Gardens	$30.00*	$10.00*
18	Hillsdale & Avocado Village	$30.00*	$10.00*
AD-4	Hillsdale	$30.00*	$10.00*

*** CHARGES PROPOSED ARE UNCHANGED FROM LAST YEAR**

Customers may apply to reduce the assessments or charges for land in officially designated permanent open space areas, in a designated floodway or floodplain, or to land exceeding 30% in slope.

(C) The charges to be assessed are set forth in detail in Resolution No. 4096, copies of which are available at the offices of the District, 2554 Sweetwater Springs Boulevard, Spring Valley, California.

(D) The fees shall be used for construction costs of the system and other operations and maintenance purposes.

Dated: May 21, 2007

Susan Cruz
District Secretary
Otay Water District

For more information please contact the District Secretary at (619) 670-2280 or email *scruz@otaywater.gov*.

RESOLUTION NO. 4096

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT FIXING WATER AND SEWER AVAILABILITY CHARGES FOR FISCAL YEAR 2007-2008 (FN 2851)

WHEREAS, the Otay Water District (herein "District") is a member of the San Diego County Water Authority and the Metropolitan Water District of Southern California and, as a member, the District is entitled to purchase water for distribution within the District and water so purchased is available to property in the District, that is also within the San Diego County Water Authority and the Metropolitan Water District of Southern California, without further need for annexation to any agency; and

WHEREAS, Improvement Districts No. 14 and 18 and Assessment District No. 4 (Hillsdale) have been formed within the Otay Water District (herein "District") and sanitary sewers have been constructed and sewer service is available to land within each of the said districts; and

WHEREAS, in consideration of the benefit that water availability confers upon property within the District, and in further consideration of the need for revenue to pay the cost of water storage and transmission facilities which directly and specially benefit property within the District, it is hereby determined that water availability charges be fixed and established; and

WHEREAS, in consideration of the benefit which sewer availability confers upon property within Improvement Districts No. 14 and 18 and within Assessment District No. 4 (Hillsdale), and in further consideration of the need to pay the cost of sanitary sewers which directly and specially benefit those properties, it is hereby determined that sewer availability charges be fixed and established for Improvement Districts No. 14 and 18 and Assessment District No. 4 (Hillsdale).

NOW, THEREFORE, the Board of Directors of the Otay Water District resolves, determines and orders as follows:

1. SCHEDULE OF WATER CHARGES

(A) Water availability charges are hereby fixed and established for Fiscal Year 2007-2008 as follows:

(1) In Improvement Districts No. 5 and La Presa No. 1 the charge shall be $10.00 per acre of land and $10.00 per parcel of land less than one acre.

(2) In Improvement Districts No. 2, 3, 7, 9, 10, 19, 20, 22, 25 and 27 the charge shall be $30.00 per acre of land and $10.00 per parcel of land less than one acre.

(3) For land located outside an improvement district and within one mile of a District water line, the charge shall be $10.00 per acre of land and $10.00 for each parcel less than one acre.

(4) For land located outside an improvement district and greater than one mile from District facilities, the charge shall be $3.00 per acre of land and $3.00 for each parcel less than one acre.

(B) Modifications. The charges provided for in subparagraphs (1) through (4) in (A) above shall be modified where the property does not receive water from the District as follows:

(1) where a parcel of land or a portion thereof is within an open space easement approved by San Diego County, the charge for such parcel or portion thereof shall be fifty percent (50%) of the charge determined pursuant to paragraph (A), provided the owner files with the District proof, satisfactory to the District, that said parcel of land or portion thereof is within such a designated permanent open space area;

(2) where a parcel of land or portion thereof is in an agricultural reserve under a Land Conservation Contract with the County of San Diego, pursuant to the Land Conservation Act of 1965 as amended, the charge for such parcel shall be $3.00 per acre, provided the owner files with the District proof, satisfactory to the District, that said parcel of land or portion thereof is within such an agricultural preserve;

(3) where a parcel of land or a portion thereof is within an area designated as a floodplain by the County of San Diego, the charge for such a parcel or portion thereof shall be $3.00 per acre, provided the owner files with the District proof, satisfactory to the District, that said parcel of land or portion thereof is within such designated floodplain; and

(4) where a parcel of land or portion thereof exceeds a 30% slope, and where such is not within a legal subdivision, lot-split or planned residential development, the charge for the slope portion shall be $3.00 per acre, or if such a parcel is less than one acre and more than one-half of the area exceeds 30% slope, $3.00 for the parcel, provided the owner files with the District proof, satisfactory to the District, that said parcel of land or portion thereof meets or exceeds the slope.

(C) Exceptions. The charges provided for in (A) and (B) above shall not apply to the following:

(1) land located within an area designated as a floodway by the County of San Diego;

(2) land designated as a vernal pool area by a governmental agency authorized to make such a designation and which designation prohibits use of such area for any purpose;

(3) land owned by non-profit, tax-exempt conservation organizations specializing in identifying and protecting the natural habitat of rare species; or

(4) land that is located within the boundaries of the Otay Water District but not within the boundaries of the Metropolitan Water District of Southern California and the San Diego County Water Authority.

2. SCHEDULE OF SEWER CHARGES

(A) Sewer standby assessment or availability charges are hereby fixed and established for Fiscal Year 2007-2008 as follows:

(1) In Improvement Districts No. 14, 18 and Assessment District No. 4 (Hillsdale), the charges shall be $30.00 per acre of land and $10.00 per parcel of land less than one acre; provided that such charges shall not apply to the following:

(a) any portion of a parcel which is undeveloped and maintained in its natural state within an Open Space Area as a requirement under the San Diego County General Plan, provided the owner of such parcel files proof, satisfactory to the District, of such designed Open Space Area;

(b) any portion of a parcel located within an area designated by the County of San Diego as a floodway or floodplain; or

(c) any portion of a parcel of land which exceeds a slope of 30% and which is not within a legal subdivision, lot split or planned lot split or planned residential development.

3. DEFERRALS.

(A) Deferral of Charge, Purpose. Situations may arise when an owner of a parcel of land does not use and has no present intention of using water and/or sewer provided by the District on a parcel of land, as defined in Section 4. The purpose of this section is to permit an evaluation by the District, on a case-by-case basis, of the circumstances which pertain to such situations to determine whether a deferral of charges should be approved according to the terms and conditions herein provided.

Any owner of a parcel of land who believes that the amount of the water and/or sewer availability charges fixed against such parcel should be deferred may file an application with the District for deferral of the charge, as follows:

(a) Application. The application shall include a statement describing the circumstances and factual elements which support the request for deferral.

(b) The General Manager shall consider the request within sixty (60) days after the filing of a completed application. If the application for deferral meets the established criteria, the General Manager may decide whether to approve the request and order the charge deferred accordingly. If the request is denied, the applicant shall be notified in writing stating the reasons for the denial.

(B) Appeal to Board of Directors. If the General Manager denies a request, the owner may file an appeal with the Board of Directors within sixty (60) days after such denial. No new application for deferral need be considered by the General Manager until expiration of twelve (12) months from the date of a denial, unless differently directed by the Board of Directors.

(C) Deferred Charges on Restricted Parcels, Criteria. The levy of the charge may be deferred annually as to any parcel of land which meets each of the following criteria:

(a) The owner of such parcel makes a timely application requesting deferral of the charge.

(b) The parcel, which is the subject of the request, will become subject to enforceable restrictions which prohibits the connection to the District sewer system or use of water on the parcel, except by means of natural precipitation or runoff; provided, however, if considered appropriate by the General Manager, local water may be used for limited domestic stock watering and irrigation uses.

(c) The owner executed a recordable agreement which includes provisions that:

(1) set forth the enforceable restrictions pertinent to the subject parcel;

(2) the agreement may be terminated upon written request by the owner and payment of all deferred water and/or sewer availability charges, plus interest thereon, compounded annually, and accruing at the legal rate from the date such charges would have been otherwise due and payable;

(3) no water and/or sewer service from the District shall be provided to such parcel for a period of ten (10) years after the total amount due for the charges deferred, plus annually compounded interest, is paid in full to the District, unless a surcharge penalty as described below is paid to the District prior to connection of any water and/or sewer service;

(4) if the surcharge is not paid, during the ten (10) year period, while water and/or sewer service is <u>not</u> available to the subject land, the owner shall pay all annual water or availability charges as fixed; and

(5) contains such other provisions considered by the General Manager to be appropriate.

(D) Surcharge. Upon termination of the deferral agreement, an owner may elect to receive water and/or sewer service prior to the expiration of the ten (10) year penalty period upon payment of a surcharge. The surcharge shall be equal to the amount of the annual water and/or sewer availability charges fixed for the parcel(s) of land in the year of election to receive water and/or sewer service multiplied by the number of years remaining of the ten (10) year penalty period. This surcharge shall also apply if a property owner develops a parcel that is subject to a deferral agreement without termination of said agreement.

(E) Enforcement Procedures. In order to insure that terms and conditions of the recordable agreement are being met, the General Manager shall:

(1) Maintain a record of all parcels approved for deferral of the water assessments or availability charges.

(2) Report to the Board of Directors any instances where the terms of the agreement are being violated.

(3) Take such other actions or procedures considered appropriate.

4. DEFINITION OF PARCEL. The term "parcel" as used herein shall mean a parcel of land as shown on the assessment rolls of the County Assessor of San Diego County as of March 31, 2007.

5. NOTICE TO THE BOARD OF SUPERVISORS AND AUDITOR. On or before the third Monday in August, 2007, the Secretary of this District shall furnish, in writing to the Board of Supervisors of San Diego County and to the County Auditor, a description of the land within the District upon which availability charges are to be levied and collected for Fiscal Year 2007-2008 together with the amount of the assessments or charges. At the time and in the manner required by law for the levying of taxes for county purposes, the Board of Supervisors shall levy, in addition to taxes it levies, water

and/or sewer availability charges in the amounts fixed by this Resolution for the respective parcels of land described in Section 1 of this Resolution. All County officers charged with the duty of collecting taxes shall collect the charges with the regular property tax payments in the same form and manner as County taxes are collected. Such availability charges are a lien on the property with respect to which they are fixed. Collection of the charges may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

6. CERTIFIED COPIES. The Secretary of this District shall deliver certified copies of this Resolution to the Board of Supervisors and to the Auditor of San Diego County with the list of charges described in Section 4 above.

7. CORRECTIONS. The General Manager of the District is hereby authorized to correct any clerical error made in any assessment or charge pursuant to this Resolution and to make an appropriate adjustment in any assessment or charge made in error.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting duly held this 10th day of July, 2007.

_____
President

ATTEST:

_____
Secretary

AGENDA ITEM 7(b)(1)

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007		
SUBMITTED BY:	William Granger, Water Conservation Manager WG	W.O./G.F. NO:	n/a	DIV. NO.	all
APPROVED BY: (Chief)	Rom Sarno, Chief of Administrative Services				
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Finance & Administration				
SUBJECT:	Open a Public Hearing to Receive the Public's Comments and Board Adoption of Resolution No. 4098, Updating the District's 2005 Urban Water Management Plan (UWMP)				

GENERAL MANAGER'S RECOMMENDATION:
That the Board open a Public Hearing to receive the public's comments on the Updated 2005 Urban Water Management Plan and adopt Resolution No. 4098, updating the 2005 Urban Water Management Plan.

COMMITTEE ACTION:
Please see Attachment A.

PURPOSE:
To hold a Public Hearing to receive the public's comments on the 2005 Updated Urban Water Management Plan and approve Resolution No. 4098, adopting changes to the District's Updated 2005 Urban Water Management Plan.

ANALYSIS:
Through the Urban Water Management Planning Act, the District is required to update its UWMP every five years. On December 7, 2005, the District approved the 2005 UWMP. The UWMP was later sent to the Department of Water Resources (DWR) for their review.

In early 2007, the District received word from staff at DWR that three revisions were needed to its 2005 UWMP. The required changes include:

- Statement on wholesaler reliability of anticipated demand through 2030. The District was asked to include a statement from its wholesaler regarding the reliability of its anticipated demand through 2030. In late April, the Water Authority revised their 2005 UWMP to restate the reliability of water to its member agencies. Page 39 now directs the reader

to Appendix H, which now includes the Water Authority's Table 2-9 outlining the member agency demand through 2030.

- Method and amount of recycled water discharged into the ocean. DWR requires the District to list the treatment level and the amount of wastewater that is generated in Rancho San Diego, but not treated by the Ralph Chapman Recycled Water Facility. Pages 31 and 32 of the revised 2005 UWMP state that the treatment level of the wastewater not diverted to the District and instead routed to the City of San Diego's Point Loma Wastewater Treatment Plant is treated at the advanced primary level.

- Water demand in normal, single dry and multiple dry years. Page 39 and 40 of the revised 2005 UWMP now lists water demand in our normal year (2004) as 38,198 acre-feet, demand in our single dry year (1989) as 20,469.70 acre-feet, and water demand in our multiple dry years (1989-1991) as 20,469.70, 22,809.50, and 20,652.30 acre-feet respectively.

FISCAL IMPACT:

Grant funding is restricted to agencies that submit an approved Urban Water Management Plan.

STRATEGIC GOAL:

Relates to the District's goal of "Aggressively pursue all relevant grants" under the Financial Planning Strategy and "Business Efficiency" Strategy in the District's 2006-2008 Strategic Plan

LEGAL IMPACT:

The District will meet its legal requirement if its revised 2005 UWMP is approved by its Board and copies of the UWMP are submitted to DWR by October 31, 2007.

General Manager

Attachment A: Committee Action Report
Attachment B: Resolution No. 4098
Attachment C: Strike-out versions of Sections 1, 5 and 7 of the updated 2005 UWMP and the Water Authority's Table 2-9, included in Appendix H
Attachment D: Draft Otay Water District Updated 2005 Urban Water Management Plan
Attachment E: Open a Public Hearing to Receive the Public's Comments and Board Adoption of Resolution No. 4098, Updating the District's 2005 Urban Water Management Plan (UWMP)

ATTACHMENT A

SUBJECT/PROJECT:	Open a Public Hearing to Receive the Public's Comments and Board Adoption of Resolution No. 4098, Updating the District's 2005 Urban Water Management Plan (UWMP)

COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee reviewed this item at the meeting held on June 27, 2007. The following comments were made:

- Staff indicated that through the Urban Water Management Planning Act, the District is required to update its UWMP very five years.

- Staff received word from the Department of Water Resources that revisions were needed to the District's 2005 UWMP. The revisions are as follows:

  - The District was asked to include a statement from its wholesaler regarding the reliability of its water supply.
  - The Department of Water Resources requires that the District list the amount and level of treatment for wastewater that is discharged into the ocean.
  - The District's UWMP should include information regarding water demand in normal and drought years.

- Staff noted that a strikeout version indicating changes is attached to the staff report.

- Staff also noted that this item will require a public hearing and will be forwarded to the full Board at the meeting on July 10, 2007.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding to the Board of Directors meeting on July 10, 2007 for a public hearing.

As referenced in Attachment E, District staff was contacted by DWR shortly after the committee meeting and strongly encouraged to

specifically reference the section of the Water Authority's plan that deals with water supply reliability. Section 6-2 of the Water Authority's, updated 2005 UWMP clearly states that they can meet the District's demand in normal, single dry and multiple-dry years through 2030.

ATTACHMENT B

RESOLUTION NO. 4098

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OTAY WATER DISTRICT
APPROVING THE UPDATED 2005
URBAN WATER MANAGEMENT PLAN

WHEREAS, California Water Code Sections 10610 through 10657, known as the Urban Water Management Planning Act (Act), requires urban water suppliers to prepare and adopt an Urban Water Management Plan every five years on or before December 31, in years ending in five and zero; and

WHEREAS, the Act specifies the requirements and procedures for adopting such Urban Water Management Plans; and

WHEREAS, the Otay Water District Board of Directors on December 7, 2005, adopted Resolution No. 4066, approving and adopting the District's 2005 Urban Water Management Plan (2005 Plan) in accordance with the Act; and

WHEREAS, since adoption of the 2005 Plan, the California Department of Water Resources (DWR) reviewed the 2005 Plan and requested clarifying edits to ensure compliance with the Act; and

WHEREAS, the draft Updated 2005 Plan reflects these recommended amendments; and

WHEREAS the notice of the availability of the draft Updated 2005 Plan and public hearing to receive comments on the draft Updated 2005 Plans were published in accordance with applicable law; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Otay Water District approves and adopts the Plan entitled "Updated 2005 Urban Water Management Plan" for the Otay Water District; and

BE IT FURTHER RESOLVED that the General Manager of the District is authorized and directed to implement the water conservation measures included in the Updated 2005 Plan as the District's part in the local and regional water conservation effort.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 10th day of July, 2007.

_____
President

ATTEST:

_____
District Secretary

1. Introduction

Since 1984, California's Urban Water Management Planning Act (Act) has required each urban water supplier in the state to prepare an urban water management plan (UWMP). The requirement applies to each urban water supplier that provides water for municipal purposes either directly or indirectly to more than 3,000 customers or supplies more than 3,000 acre-feet (AF) of water annually. These agencies must update their urban water management plan at least once every five years on or before December 31, in years ending in five and zero. Sections 10610 through 10657 of the California Water Code detail the information that must be included in these plans. In accordance with the Act, the Otay Water District (District) is required to update and adopt its plan for submittal to the California Department of Water Resources (DWR) by December 31, 2005. **Appendix A** contains the text of the Act.

This report has been organized to follow the UWMP guidance manual prepared by DWR. It includes projections of the District's future demands and supplies, based on estimates of future growth in the District's service area. It also discusses the steps the District has taken to promote water conservation and ensure water is being used wisely. The strategies outlined in this report are intended to allow the District to continue to provide a safe and reliable water supply to its customers.

The District maintains its records of water use on a fiscal year (FY) that runs from July 1 through June 30. For example, FY 2005 runs from July 1, 2004 through June 30, 2005. In this document, projections of water demand over the course of a year are reported for fiscal years. For estimates that are based on an instantaneous value and not a year-long accumulation (for example, the service area population), values are assumed to be valid on January 1 of the corresponding year.

1.1 Agency Coordination

The District is a member public agency of the San Diego County Water Authority (Water Authority), and the Water Authority is a member public agency of the Metropolitan Water District of Southern California (Metropolitan). The statutory relationships between these agencies establish the District's entitlements to receive imported water.

The District joined the Water Authority as a member agency in 1956. The Water Authority is responsible for the supply of imported water into the San Diego County through its membership in Metropolitan. The District receives imported potable water from the aqueduct systems owned and operated by the Water Authority and Metropolitan. Together, these agencies work to ensure a diverse and reliable supply for the San Diego region.

Effective water planning for the Water Authority and its member agencies requires consistent projections of supply and demand. The Water Authority facilitated an Urban

Water Management Plan Working Group made up of staff from the Water Authority and its member agencies. This group provided a forum for exchanging demand and supply information. In addition, DWR and the California Urban Water Conservation Council (CUWCC) hosted a special workshop to review the requirements of the Act. At a separate workshop, the Working Group received a briefing from Metropolitan on its regional plan, and participants discussed strategies for coordination between the supply agencies. The District participated in several workshops and meetings, providing water supply and demand information as well as recycled water opportunities.

Also, in accordance with the Act, the District notified the land use jurisdictions (City of Chula Vista, City of San Diego and County of San Diego) within its service area that it was preparing the 2005 UWMP. Prior to adoption, the District mailed the 2005 UWMP to stakeholders including the Water Authority, the City of Chula Vista, the County of San Diego, and the City of San Diego. The notice and draft 2005 UWMP was also mailed to seven planning groups listed in Table 1, and to seven libraries either within or near the District's service area. The 2005 UWMP was first presented at a Water Resources Committee Meeting of the District's Board of Directors. A Public Hearing regarding the 2005 UWMP was held on November 7, 2005. Notices of the meeting were published in the San Diego Union-Tribune and The Star News on October 21 and October 28, 2005. Notices were also published in the East County Californian on October 20 and October 27, 2005. The District's Board of Directors adopted its final UWMP on December 7, 2005. ~~The adoption resolution is included in **Appendix B**.~~

These coordination efforts are summarized in Table 1.

In 2007, the District was asked to make a few clarifying edits to its 2005 UWMP. The edits include a mention of the level of wastewater treatment (Section 5), water demand during normal, single dry and multiple dry years (Section 7, pages 39 and 40), and reference to the Water Authority's ability to meet its member agency demand during normal, single-dry and multiple-dry years through 2030 (page 39 and Appendix H). On July 10, 2007, the Otay Water District Board of Directors voted to approve the updates made to the 2005 Urban Water Management Plan. The adoption resolutions are included in **Appendix B.**

Table 1. Coordination with Appropriate Agencies

	Participated in UWMP development	Commented on the draft	Attended public meetings	Contacted for assistance	Received copy of draft	Sent notice of intention to adopt
San Diego County Water Authority	X			X	X	X
City of San Diego					X	X
City of Chula Vista					X	X
County of San Diego					X	X
Chula Vista Planning Commission					X	X
Crest/Dehesa Planning Group					X	X
Jamul/Dulzura Planning Group					X	X
Otay Mesa Planning Group					X	X
Spring Valley Community Planning Group					X	X
Sweetwater Planning Group					X	X
Valle de Oro Planning Group					X	X
Seven local libraries					X	

1.2 Resource Maximization

The District's commitment to maximizing resources is reflected in its mission statement, which is,

> *to provide safe, reliable water and wastewater services to our community with innovation, in a cost-efficient, water-wise and environmentally responsible manner.*

For many years, the District has worked to reduce its reliance on imported water, and in particular treated imported water. On August 3, 1994, the District's Board of Directors established a goal of being able to meet 40% of annual demands from local water sources when water is unavailable from the Water Authority. The District and the Water Authority formed a policy in 1976 to provide the District with treated water from the Helix Water District when the District's normal treated water supply is unavailable. A similar arrangement made with the City of San Diego in 1999 provides the District access to treated water from the City's Otay Water Treatment Plant (WTP). The District has also aggressively developed its recycled water distribution system and has entered into an

agreement to purchase recycled water from the City of San Diego. These water sources are further discussed in Section 2.3.

Water conservation is also an important component of the District's commitment to reducing reliance on imported water. In partnership with the Water Authority, the City of Chula Vista, and developers, the District's water conservation efforts are expected to grow and expand. The District's water savings through conservation are expected to be approximately 5,400 acre-feet per year (AF/yr) by 2030, or approximately 7% of total demand. The District is also committed to continuing investigations of local groundwater, additional recycled water, desalination, and other potential water resources that could further reduce the District's reliance on imported water.

1.3 Senate Bills 610 and 221

Senate Bills (SB) 610 and 221 are the common names for Water Code Sections 10910 through 10914 and Government Code Sections 65867.5, 66455.3, and 66473.7. These bills amend state law to improve the link between water supply planning and land use decisions made by cites and counties. SB 610 requires that the water purveyor of the public water system prepare a water supply assessment to be included in the environmental documentation of certain large proposed projects. SB 221 requires a written verification from the water purveyor that sufficient water supplies are available for certain large residential subdivisions prior to approval of a tentative map. The District's UWMP provides information that will be used in future assessments and verifications prepared to meet the requirements of these bills.

5. Recycled Water Plan

5.1 Coordination

The District provides wastewater collection and treatment only in a relatively small portion of its service area. The District owns and operates the RWCWRF, which has the ability to produce approximately 1.1 mgd of recycled water meeting Title 22 requirements for landscape irrigation purposes. In the remainder of the District's water service area, wastewater is collected by the County of San Diego, the City of Chula Vista, or the City of San Diego. Wastewater from these agencies is conveyed to the City of San Diego's MWWD for treatment. Some of this wastewater is treated by MWWD at its South Bay Water Reclamation Plant (SBWRP), and the remainder is sent to the Point Loma Wastewater Treatment Plant for treatment at the advanced primary level and disposed~~al~~ through an ocean outfall.

The agencies that participate in recycled water planning for the District's service area are shown in Table 24.

Table 24. Participating Agencies

Participating agencies	Role in Plan Development
Otay Water District	Owns and operates Ralph W. Chapman Water Recycling Facility and the recycled water distribution network
City of San Diego MWWD	Owns and operates regional interceptors, South Bay Water Reclamation Plant, and Point Loma Wastewater Treatment Plant

5.2 Wastewater Quantity, Quality and Current Uses

5.2.1 Wastewater Collection & Treatment

Wastewater generated within the District's wastewater service area is collected via approximately 80 miles of sewer mains that flow by gravity to the County of San Diego's Steele Canyon Pump Station in Rancho San Diego. Approximately 2 mgd of wastewater flows to the pump station, from which approximately 1.1 mgd is diverted to the District's RWCWRF. The balance of wastewater is sent to MWWD for treatment at the SBWRP or at the Point Loma Wastewater Treatment Plant. Both Plants treat their wastewater at the advanced primary level. At RWCWRF, tertiary treatment of the 1.1 mgd has the ability to reliably produce approximately 1,230 AF/yr of recycled water. The estimated annual treated flow is shown in Table 25.

Table 25. Wastewater Collected and Treated in District's Wastewater Service Area – AF/yr

	FY 2000	FY 2005	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030
Wastewater collected & treated by District	1,120	1,155	1,230	1,230	1,230	1,230	1,230
Quantity that meets recycled water standard	1,120	1,155	1,230	1,230	1,230	1,230	1,230

A second source of recycled water will be the City of San Diego's SBWRP. In the fall of 2003, the District signed an agreement with San Diego to purchase an average of 6 mgd of recycled water from the SBWRP. The District also acquired the right to purchase supply from the SBWRP that exceeds 6 mgd if San Diego has the supply available. The agreement will increase the District's recycled water supply from 1.1 mgd to at least 7.1 mgd. A copy of the agreement is included as **Appendix D**.

The District agreed to build the necessary transmission and related facilities from the SBWRP to the existing recycled water transmission system. In the first quarter of 2007, the District is expected to complete construction of the transmission system facilities and take delivery of the recycled water produced at the SBWRP. The District continues to expand its recycled water system and has one of the largest distribution systems for recycled water in San Diego County.

All wastewater generated in the District's service area that is not recycled is sent to MWWD for treatment. This water (approximately .9 mgd) is treated at the advanced primary level and discharged into the Pacific Ocean. The amount of wastewater sent to MWWD is estimated to slowly increase to 1 mgd by 2030.

5.2.2 Recycled Water Uses

Currently, there are 491 reclaimed irrigation meters receiving recycled water produced at the RWCWRF. In 2005, approximately 1.1 mgd of recycled water was supplied to recycled water users. Current uses consist primarily of commercial landscape irrigation, golf course irrigation, and irrigation of public places like parks, streetscapes, schools, highway medians, and open space areas. The Olympic Training Center facility in Chula Vista also uses recycled water to irrigate practice fields and common areas around the campus. These users collectively demanded more water than the output of RWCWRF, and the District supplemented the recycled water system with potable water. The total demand on the District's recycled water system was 3,485 AF in 2005. Because this demand exceeded the District's available supply from RWCWRF, the District used potable water to supplement the recycled system. The District's 2005 recycled water use is summarized in Table 26.

Deleted: 12/12/2005

Table 26. Recycled Water Uses – Actual AF/yr

Type of Use	Treatment Level	FY 2005 AF/yr
Landscape	Tertiary – Title 22	1,155
Total		1,155

5.3 Potential and Projected Use, Optimization Plan with Incentives

5.3.1 Potential Uses of Recycled Water

The District's service area is experiencing rapid growth and development in the geographic area where recycled water is approved for use. There are two distinct recycled water market areas within the southern part of the District's service area, known as the Central Area and the Otay Mesa Area. The Central Area includes a number of major residential developments, and the Otay Mesa Area is expected to develop almost exclusively as industrial with very small commercial and residential land uses. Developers in both systems are anticipating that recycled water will be available, and dual distribution pipelines are planned or already in place.

The District's 2002 Water Resources Master Plan included an assessment of current and future demand for recycled water. Most of the currently identified uses are for outdoor irrigation. Other opportunities for the expanded uses of recycled water are being examined, including but not limited to wetlands and other habitat restoration, groundwater recharge, brackish water intrusion barriers and industrial process water. The juvenile detention facility in Otay Mesa was constructed with a dual distribution system to allow the use of recycled water for toilet flushing. When the District's recycled water system is expanded to serve this area, the juvenile detention facility will be served with recycled water. The District has also recently entered into an agreement with Otay Landfill, Inc., the operator of the Otay Landfill. The landfill operators currently plan to use 100,000 gallons per day (gpd) of recycled water for daily landfill operations such as dust suppression. This conversion will offset an equivalent demand for potable water, estimated as 110 AF/yr.

The identified potential uses for recycled water are shown in Table 27.

Table 27. Recycled Water Uses – Potential AF/yr

Type of Use	Treatment Level	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030
Landscape	Tertiary - Title 22	4,040	4,684	5,430	6,294	7,297
Total		4,040	4,684	5,430	6,294	7,297

5.3.2 Recycled Water Demand Projections

Demand for irrigation water varies significantly from month to month in San Diego County. The existing recycled water demand currently averages approximately 1 mgd during cold weather and exceeds 5.5 mgd during hot weather. At buildout, the average daily demand is expected to be 8.2 mgd, with a peak summer month demand of 17.8 mgd. The District's recycled supply from RWCWRF and SBWRP will average 7 to 8 mgd over the course of a year. The District has determined that seasonal storage of recycled water is not available or cost-effective. Therefore, during peak demand periods the recycled water

system may have to be supplemented with potable water. The District will continue to review existing and future wastewater treatment facilities in the South County as potential sources to increase its supply of recycled water. The projected demand for recycled water is shown in Table 28.

Table 28. Projected Future Use of Recycled Water in Service Area – AF/yr

Type of Use	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030
Landscape	4,040	4,684	5,430	6,294	7,297
Total	4,040	4,684	5,430	6,294	7,297

The District's projected recycled water demand is shown in Figure 4.

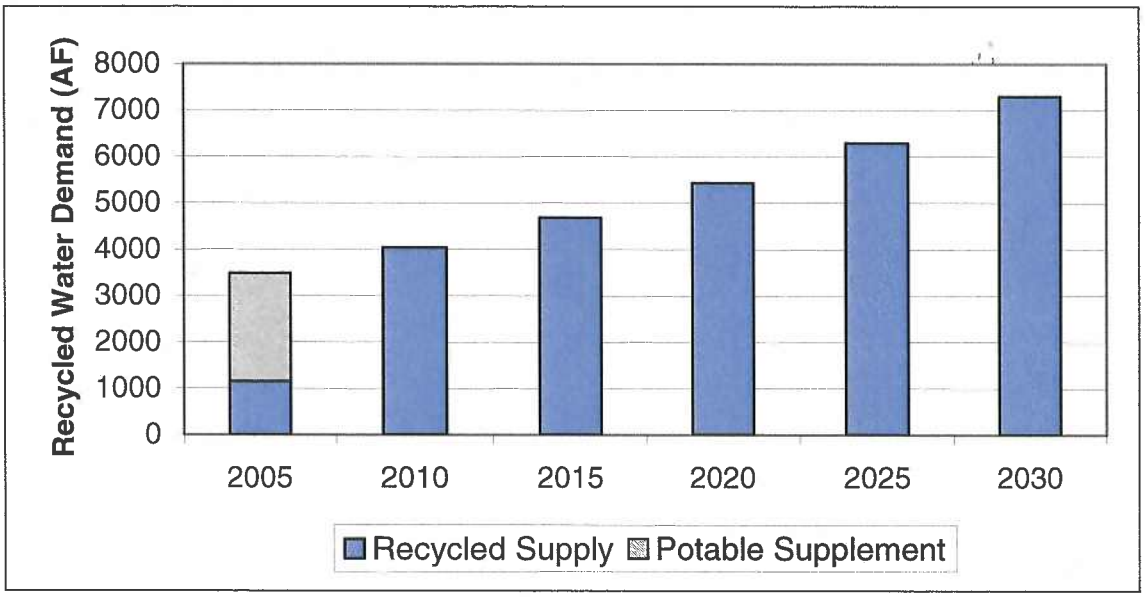


Figure 4. District's Projected Recycled Water Demand

The District's 2000 UWMP discussed the use of recycled water from RWCWRF to meet non-potable demands. The projected use from the 2000 UWMP is shown in Table 29.

Table 29. Recycled Water Uses – 2000 Projection Compared with 2005 Actual – AF/yr

Type of Use	2000 Projection for FY 2005	FY 2005 Actual Use
Landscape	1,120	1,155
Total	1,120	1,155

The actual 2005 use was slightly higher than the 2000 projection. The total demand on the District's recycled water system was 3,485 AF in 2005. Because this demand exceeded the District's available supply from RWCWRF, the District used potable water to supplement the recycled system.

5.3.3 Proposed Actions to Encourage Use of Recycled Water

The District made the commitment and commenced its wastewater recycling efforts over 15 years ago. A major component of the commitment to recycle was to enact an ordinance that requires recycled water be used for any and all appropriate and approved non-potable

uses. The requirement continues today, with all new applications for water service being reviewed for opportunities to use recycled water. The District has also established financial incentives for the use of recycled water within its service area. The District's Code of Ordinance Section 26 details the requirements for the use of recycled water whenever feasible. Section 26 of the Ordinance is attached as **Appendix G**.

7. Water Service Reliability

The District's water supplies and expected reliability have been discussed in Section 2. This section presents tables with expected future demands during normal and dry conditions and estimated supplies.

Throughout this section, projected supplies are shown to match projected demands. This level of reliability is based on the documentation in the UWMPs prepared by Metropolitan and the Water Authority, as listed in **Appendix H**. These agencies have determined that they will be able to meet the District's potable demands ~~through 2030~~, during normal ~~and~~, single dry and multiple dry year ~~dry~~ conditions through 2030, as noted in Section 6-2 of the Water Authority's Updated 2005 UWMP. ~~.~~ The District currently relies on these agencies for its potable supply, and the District has worked with Metropolitan and the Water Authority to prepare consistent demand projections for the District's service area. To maintain consistency in planning efforts, the District has shown future supplies meeting future demands.

7.1 Projected Normal Water Year Supply and Demand

The District's potable water supply is expected to continue to be supplied by the Water Authority. Recycled water will provide additional supply. For the purposes of estimating demand, 2004 is considered to be a normal year. In 2004, the District's demand was 38,198 acre-feet. The projected supply and demand under normal weather are shown in Table 30.

Table 30. Projected Normal Year Supply and Demand Comparison – AF/yr

	FY 2005	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030
Water Authority	37,618	45,772	52,349	59,799	66,560	75,108
Recycled	1,155	4,040	4,684	5,430	6,294	7,297
Total Supply	38,773	49,812	57,033	65,229	72,854	82,405
Supply as % of year 2005	100%	128%	147%	168%	188%	212%
Total Demand	38,773	49,812	57,033	65,229	72,854	82,405
Demand as % of year 2005	100%	128%	147%	168%	188%	212%
Difference (supply minus demand)		0	0	0	0	0

7.2 Projected Single-Dry-Year Supply and Demand Comparison

Changes in weather can lead to changes in water use. During dry years, water demands can be expected to increase. The Water Authority uses a computer model known as CWA-MAIN to estimate water demands. CWA-MAIN uses demographic and economic data, as well as weather data, to estimate water demands. Using CWA-MAIN, the Water Authority estimated dry-year demands for five-year increments from 2010 through 2030. On average, the dry-year demands were 7% higher than the normal demands. The District has

dry year. In 1989, the District's demand was 20,469.70 acre-feet. The District's recycled water supply was assumed to be "drought-proof" and not subject to reduction during dry periods.

The projected dry-year supplies and demands are compared in Table 31.

Table 31. Projected Single Dry Year Supply and Demand Comparison – AF/yr

	FY 2010	FY 2015	FY 2020	FY 2025	FY 2030
Water Authority	49,259	56,341	64,365	71,660	80,876
Recycled	4,040	4,684	5,430	6,294	7,297
Total Supply	53,299	61,025	69,795	77,954	88,173
% of Normal Year	107%	107%	107%	107%	107%
Total Demand	53,299	61,025	69,795	77,954	88,173
% of Normal Year	107%	107%	107%	107%	107%
Difference (supply minus demand)	0	0	0	0	0

7.3 Projected Multiple-Dry-Year Supply and Demand Comparison

The Act requires water agencies to project demands and supplies during multiple dry years. Projections were prepared for five time frames: five-year periods ending in 2010, 2015, 2020, 2025, and 2030. Normal-year demands for intermediate years were interpolated between the demand values in Table 30. Dry-year demands were assumed to be 7% higher than normal demands. The multiple dry-year period would be assumed to be similar to the 1989-1991 period. Water Demand for these three years was 20,469.70 acre-feet, 22,808.50 acre-feet and 20,652.30 acre-feet, respectively. The available recycled supply was assumed to increase to 4,040 AF/yr beginning in FY 2008, the first full fiscal year after completion of the infrastructure to bring recycled water from the SBWRP to the District. After 2010, the available recycled supply for intermediate years was interpolated between the supply values in Table 31.

The estimated supply and demand for five dry years ending in 2010 are summarized in Table 32.

Table 32. Projected Supply and Demand Comparison during Multiple Dry Year Period Ending in 2010 – AF/yr

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Water Authority	42,619	44,982	44,534	46,896	49,259
Recycled	1,230	1,230	4,040	4,040	4,040
Total Supply	43,849	46,212	48,574	50,936	53,299
% of Normal Year	107%	107%	107%	107%	107%
Total Demand	43,849	46,212	48,574	50,936	53,299
% of Normal Year	107%	107%	107%	107%	107%
Difference (supply minus demand)	0	0	0	0	0

The estimated supply and demand for five dry years ending in 2015 are summarized in Table 33.

Table 33. Projected Supply and Demand Comparison during Multiple Dry Year Period Ending in 2015 – AF/yr

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Water Authority	50,675	52,091	53,509	54,925	56,341
Recycled	4,169	4,298	4,426	4,555	4,684
Total Supply	54,844	56,389	57,935	59,480	61,025
% of Normal Year	107%	107%	107%	107%	107%
Total Demand	54,844	56,389	57,935	59,480	61,025
% of Normal Year	107%	107%	107%	107%	107%
Difference (supply minus demand)	0	0	0	0	0

The estimated supply and demand for five dry years ending in 2020 are shown in Table 34.

Table 34. Projected Supply and Demand Comparison during Multiple Dry Year Period Ending in 2020 – AF/yr

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Water Authority	57,946	59,551	61,156	62,760	64,365
Recycled	4,833	4,982	5,132	5,281	5,430
Total Supply	62,779	64,533	66,287	68,041	69,795
% of Normal Year	107%	107%	107%	107%	107%
Total Demand	62,779	64,533	66,287	68,041	69,795
% of Normal Year	107%	107%	107%	107%	107%
Difference (supply minus demand)	0	0	0	0	0

The estimated supply and demand for five dry years ending in 2025 are shown in Table 35.

Table 35. Projected Supply and Demand Comparison during Multiple Dry Year Period Ending in 2025 – AF/yr

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Water Authority	65,824	67,283	68,742	70,201	71,660
Recycled	5,603	5,776	5,948	6,121	6,294
Total Supply	71,427	73,059	74,690	76,322	77,954
% of Normal Year	107%	107%	107%	107%	107%
Total Demand	71,427	73,059	74,690	76,322	77,954
% of Normal Year	107%	107%	107%	107%	107%
Difference (supply minus demand)	0	0	0	0	0

The estimated supply and demand for five dry years ending in 2030 are shown in Table 36.

Table 36. Projected Supply and Demand Comparison during Multiple Dry Year Period Ending in 2030 – AF/yr

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Water Authority	73,503	75,346	77,190	79,033	80,876
Recycled	6,495	6,695	6,896	7,096	7,297
Total Supply	79,998	82,042	84,086	86,129	88,173
% of Normal Year	107%	107%	107%	107%	107%
Total Demand	79,998	82,042	84,086	86,129	88,173
% of Normal Year	107%	107%	107%	107%	107%
Difference (supply minus demand)	0	0	0	0	0

8. Adoption and Implementation of UWMP

This Urban Water Management Plan was adopted by the District Board of Directors on December 7, 2005. A copy of the adoption resolution is attached in **Appendix B**.

Member Agency Imported Demand on the Water Authority

Table 2-9 of the Water Authority's Updated 2005 Urban Water Management Plan outlines the historical, current, and projected imported water demands (sales) by member agency. The projected demands were calculated from the baseline demands for each member agency, as forecasted in **Section 2.4**, minus the projected local supplies and conservation savings. Therefore, the projected imported demands (sales) are directly tied to the success of local supply development (**Section 5**) and water conservation savings (**Section 2**). The forecasted sales figures in Table 2-9, should not be considered a member agency's allocation of supplies from the Water Authority.

TABLE 2-9
MEMBER AGENCY IMPORTED DEMAND (SALES) ON WATER AUTHORITY (AF) [1,2]
(2000 – 2030) NORMAL YEAR FORECAST

Member Agency	2000	2005	2010	2015	2020	2025	2030
Carlsbad M.W.D. [3]	19,952	20,155	19,093	0	0	0	0
Del Mar, City of	1,556	1,324	1,370	1,317	1,312	1,321	1,342
Escondido, City of	26,977	25,103	26,122	25,063	25,456	25,942	26,669
Fallbrook P.U.D.	16,824	15,809	16,239	16,276	16,586	17,056	17,402
Helix W.D.	38,483	32,060	35,050	35,533	36,274	37,284	38,348
Oceanside, City of	32,073	31,181	30,088	31,310	31,501	33,039	35,473
Olivenhain M.W.D.	19,433	21,052	19,401	21,059	22,740	25,268	26,606
Otay W.D.	*29,901*	*37,787*	*43,761*	*50,337*	*57,787*	*64,547*	*73,097*
Padre Dam M.W.D.	21,824	19,246	21,266	22,542	23,690	25,656	27,491
Pendleton MCB	105	834	850	850	850	850	850
Poway, City of	15,625	13,975	16,372	16,890	17,448	17,986	18,317
Rainbow M.W.D.	29,929	25,252	27,146	26,427	26,352	22,878	22,822
Ramona M.W.D.	8,267	10,359	11,858	12,198	12,438	12,638	13,650
Rincon del Diablo M.W.D.	9,119	7,732	8,968	5,471	5,939	6,401	6,905
San Diego, City of	206,433	204,039	197,320	201,109	207,584	217,449	226,821
San Dieguito W.D.	5,112	5,605	4,703	4,730	4,910	5,063	5,118
Santa Fe I.D.	8,056	9,737	11,473	11,437	11,703	12,000	12,103
Sweetwater Authority	5,520	11,331	12,398	10,136	10,546	10,999	12,180
Vallecitos W.D.	16,409	18,150	19,409	19,741	20,365	21,317	22,903
Valley Center M.W.D.	48,550	38,105	43,850	35,751	35,019	30,417	28,212
Vista I.D.	17,123	21,229	17,417	18,389	19,617	21,412	23,197
Yuima M.W.D.	2,849	2,984	2,949	2,929	2,895	2,984	3,053
Sub-Total	580,120	573,049	587,103	569,493	591,012	612,508	642,559
Near-term annexation area demands [4]	0	0	6,455	8,062	8,062	8,062	8,062
Total	580,120	573,049	574,465	577,555	599,074	620,570	650,621

[1] Based on SANDAG 2030 Cities/County Forecast.

[2] Includes water conservation.
[3] For years 2015 – 2030, the Water Authority demand forecast assumes that Carlsbad MWD total demands will be met by local supplies (desalinated seawater and recycled water).
[4] Near-term annexation area demands are listed for planning purposes and are not assigned to any specific member agency.

ATTACHMENT D

Otay Water District
2005 Urban Water Management Plan

Prepared by:

Otay Water District

&

MWH Americas, Inc.

THIS DOCUMENT CAN BE VIEWED ON THE WEBSITE AT
WWW.OTAYWATER.GOV

ATTACHMENT E

SUBJECT/PROJECT:	Open a Public hearing to Receive the Public's Comments and Board Adoption of Resolution No. 4098, Updating the District's 2005 Urban Water Management Plan (UWMP)

NOTE:

Shortly after the Engineering, Operations and Water Resources Committee met on June 27th to review the draft Updated 2005 Urban Water Management Plan, the District received late communication from staff at the Department of Water Resources (DWR). DWR staff strongly suggested that we specifically reference the section of the Water Authority's plan and more clearly state that they can meet the District's demand in normal, single dry and multiple-dry years through 2030.

Text on pages 2 and 39 within the draft Updated 2005 Urban Water Management Plan reflect these changes.

AGENDA ITEM 7c

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	Rita Bell, Finance Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Joseph R. Beachem, Chief Financial Officer		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager		
SUBJECT:	Approve the Form of the Proposition 218 Hearing Notices Related to the Proposed Water and Sewer Rate Increases to be Effective January 1, 2008		

GENERAL MANAGER'S RECOMMENDATION:

That the Board review the various Proposition 218 hearing notice options and approve the form of the notices to be sent to customers related to the proposed water and sewer rate increases to be effective January 1, 2008.

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

To present for the Board's consideration and approval the Proposition 218 hearing notice options related to the water and sewer rate increases to be effective January 1, 2008.

ANALYSIS:

The District plans to hold a Proposition 218 hearing to comply with the "Bighorn - Desert View Water Agency v. Virtil (Kelley)" case. By holding a properly noticed Proposition 218 (hereafter Prop 218) hearing, Counsel believes that the District will avoid any question of compliance and thereby protect the District against potential litigation.

Staff has reviewed all comments received during the previous Prop 218 hearing and considered all Board directives to improve the quality of communication with our customers. Based on this input, staff has developed seven separate notices; residential water, residential sewer, residential water and sewer, commercial water, commercial sewer, property owners with no service, and tenants. While tenants do not have the right to

protest under the law, the District has always noticed all customers of rate increases so tenants will receive a notice of the proposed water and sewer rate increases to be effective January 1, 2008.

In addition to mailing the notices, staff plans on having similar information added to the District's website. Staff is currently developing a bill calculator for the average residential water and sewer customer which will let customers enter an estimated consumption amount and see the average bill under the existing rates and also under the proposed rates. Because a few fees vary by geographic area, and because we don't want to limit this tool to only customers that have all their specific account information, this tool will use average fees. One additional positive effect of this calculator is that customers will be able to see how their bill is affected by changes in consumption, encouraging conservation.

The proposed rates, which support the approved budget, represent an overall increase of 5.4% to water rates and 1.7% to sewer rates. The individual changes for each of the rates were identified in the Budget Workshop and are now being listed in detail on the public hearing notices (see Attachments B through J). Notices I and J are optional versions of Notices B and C respectively.

Staff is expecting to send the notices to customers in August. The minimum time between the notice and the hearing is 45 days. Holding the hearing in October meets this timeline requirement. Immediately following the hearing the Board will be presented with the necessary ordinances for the implementation of the rates effective January 1, 2008.

FISCAL IMPACT:

Staff is presenting seven notices to target the various subsets of customers. The cost to print and mail the proposed notices B through H is approximately $22,000. The cost including the larger notices to residential water and residential sewer customers (Attachments I and J, black and white) is approximately $24,000. The cost including the larger notices to residential water and residential sewer customers (Attachments I and J, color) is approximately $26,000.

STRATEGIC GOAL:

Through well-established financial policies and wise management of funds, the District will continue to guarantee fiscal responsibility to its ratepayers and the community at large.

LEGAL IMPACT: _____

Mark Watton by C. Ratzlaff

General Manager

Attachments:

A) Committee Action Form
B) Residential Water Notice
C) Residential Sewer Notice
D) Residential Water and Sewer Notice
E) Commercial Water Notice
F) Commercial Sewer Notice
G) Property Owners Notice (with no service)
H) Water and Sewer Notice (tenants)
I) Residential Water Notice
J) Residential Sewer Notice
K) Proposition 218 Notices Presentation

ATTACHMENT A

SUBJECT/PROJECT:	Approve the Form of the Proposition 218 Hearing Notices Related to the Proposed Water and Sewer Rate Increases to be Effective January 1, 2008

COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on June 27, 2007. The following comments were made:

- Staff is presenting various customer notice options concerning the District's proposed rate increase for review. The notices will be forwarded to customers of the District in compliance with Proposition 218.
- The notices will be mailed in early August 2007 wherein they will indicate that the board will be holding a hearing to receive the publics' comments on the proposed rate increases at the October 3, 2007 board meeting. Following the hearing staff will request that the board adopt the proposed rate increases.
- The new adopted rates will be implemented on January 1, 2008.
- In preparing the notices, staff considered the board's direction on the prior year notice, prior year customer feedback, reviewed other agencies notices and legal requirements.
- Staff is proposing "targeted" notices in which the various customers (residential water, residential sewer, residential water and sewer, commercial water, commercial sewer, landowners without service and tenants) receive notices that include only the information that will affect their particular service rates (seven separate notices).
- The breakdown of estimated costs for printing and mailing the various notices is as follows:

- Black and White 8½" x 11" to all customers $22,000

- Black and White Pamphlet to Residential Water and Residential Sewer; and Black and White 8½" x 11" to all other customers $24,000

- Color Pamphlet to Residential Water and Residential Sewer; and Black and White 8½" x 11" to all other customers $26,000

- Committee asked for a color pamphlet to be sent to water/sewer customers.
- The committee reviewed the notices and suggested that staff forward a full color pamphlet notice to "Residential Water" and "Residential Sewer" customers and develop a full color pamphlet notice for "Residential Water and Sewer" customers. All other customers would be forwarded the black and white 8½" x 11" notices.
- It was discussed that notices must be sent to all landowners whether or not they receive District service.
- Property owner protests/objections must be forwarded via signed letters and must be received prior to the close of the hearing.
- Tenants are being forwarded notices as a courtesy, but they do not have the right to object to the rate increase. These notices do not discuss the hearing but are only a notice of the proposed rate changes. **(Note Changes Below)**
- Staff will also provide information on the rate increase on the District's website. The website information will include all legally required notice information, a bill calculator and graphical charts comparing the District's proposed rates to other county water agencies.
- The bill calculator will allow customers to estimate their water bill based on the new proposed rates by inputting their average consumption. The website calculator will advise customers that the calculated water bill is based on a ¾" residential meter and is only an estimate as fees vary by geographic area.
- The committee suggested that the word "usage" in the title caption on the graphical charts comparing water rates be

changed to "user" so they read, "How we compare to our neighboring Districts for low (average) water 'users.'

- The website will also include the reasons for the proposed rate increases:
  - 100% of this year's increase pays for higher water costs from our wholesale suppliers
  - The District continues to operate efficiently and deliver quality water to it's nearly 190,000 customers
  - As the District continues to grow, the demands on maintaining its infrastructure also increase. The District pride's itself in running an award-winning and best practices business.
- The committee suggested modifying the last bullet to explain how "best practices" maintain the affordability of the water.
- The committee also suggested that staff note in the website that the District's rates are not going up as much when compared to other county agencies as the District is well run.
- The website will also include information on the change in methodology of the sewer charge which includes:
  - In May 2007 the Otay WD Board voted to change the way it charges it's sewer customers from a flat rate to a winter-consumption based sewer charge
  - Your new bill will be calculated based on the prior year's average consumption for the winter months from December through March
  - This new methodology will reduce the bill for low water use customers and increase the bill for high water use customers
  - This new structure is revenue neutral and the proposed increase applies regardless of the methodology change and is due to increases in the cost to collect, transport, and treat sewer
- The committee suggested that the verbiage, "revenue neutral," be highlighted in the bullet above.
- The website will also include a separate bill calculator for sewer services and a graphical chart showing how the District's sewer fee compares with other county agencies. The website calculator will advise customers that the calculated sewer bill is based on a ¾" residential meter and is only an estimate as fees vary by geographic area.
- The calculator will also allow the customers to see how the amount of water they use affects their water and sewer bills by entering different consumption figures (units).

- The committee also suggested that the website indicate where customers can find their consumption figure on their water bill.

Upon completion of the discussion, the Committee supported forwarding this item to the Board of Directors as an action item with the above noted committee recommendations.

Since the committee met, staff has made one significant change to the proposed notices. Based on advice of legal counsel and further review of Prop. 218, it appears that tenants do have the right to protest. Staff has confirmed that most agencies and cities in the county are noticing tenants of their right to protest. Therefore, the "courtesy notice" that was intended for tenants will be replaced with the "hearing notice" intended for property owners. Now all customers and property owners will receive the same notices based on the services received.

Using the recommendations from the committee, staff revised attachments B through G and is presenting attachments A1 through A6 respectively as the recommended form for the hearing notices. Attachment H for tenants will no longer be needed and the black and white one page notices I and J for residential customers are not the preferred option.

The cost of the recommended option, using color pamphlets for residential customer and including the changes on the tenant notices, is still expected to remain slightly under the estimated cost of $26,000.

Important Information Inside

It's Easy To Conserve Water.

San Diego County has a semi-arid climate that receives only about 10 inches of rainfall per year. This does not provide enough water to meet local needs and the region must import as much as 90 percent of its water from the Colorado River and Northern California.

To maintain our quality of life and ensure adequate water supplies now and for future generations, San Diego county residents are encouraged to make a conscious effort to use our limited supply of water as efficiently as possible.

The Otay Water District offers a number of programs to save water both indoors and outdoors. For useful ways to conserve water, visit our website www.otaywater.gov and click on any of the useful conservation links.

Or, visit the Water Conservation Garden located on the campus of Cuyamaca College. The 4.5 acre demonstration garden has more than 400 varieties of drought tolerant, native, and California Friendly plants to inspire any gardener.

For more information about operating hours, tours or classes at the Water Conservation Garden, visit their website at www.thegarden.org.

District Receives Upgraded Bond Rating.

The credit rating agency, Standard and Poors, has upgraded the bond rating of the Otay Water District from A+ to AA-. Fitch Ratings, another prominent credit rating agency, also gave the district the same rating.

The AA- rating reflects the increased credit worthiness of the district, and means it paid less interest on $42 million in bonds it issued for several construction projects.

The projects include two 10 million-gallon reservoirs, a pump station, and a recycled water pipeline that will connect the district to the City of San Diego's South Bay Water Reclamation Facility.

"The AA- rating from these prominent credit rating agencies is a strong measure of the district's ability to meeting its financial obligations, and it validates all the work we are doing on behalf of our customers," said Joe Beachem, Otay Chief Financial Officer. "It's a tribute to the commitment, vision and direction of the district, and the savings for our customers are real and significant," added Beachem.

Credit ratings range from "AAA" the highest rating possible to "D" for default. An upgrade reflects the rating agencies' independent assessment of the district's overall capacity of meeting its financial obligations.

In a press release announcing its action, Fitch Ratings noted "The AA- rating reflects Otay's diversification of its imported water supply, strong financial performance, strategic planning practices, and substantial revenue funding of ongoing capital needs related to growth in the service territory."

Savings to district customers as a result of the upgrade could total as much as $1.5 million, while the infrastructure upgrades "will result in improved supply diversity and reliability of Otay's water supply," according to Fitch.

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

Dedicated to community service.

PRSRT STD
US POSTAGE
PAID
PERMIT No.
SAN DIEGO, CA

Please be advised there will be a Public Hearing regarding water rates:

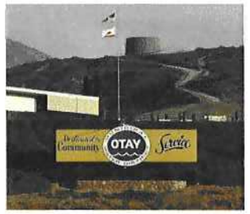
Wednesday, October 3, 2007
3:30 p.m. in the Board Meeting Room
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Notice to residential water customers...

This notice contains important information regarding rates. The Otay Water District provides service to your community. All property owners within the district's service area are being notified of proposed rate increases.

The district is a revenue neutral public agency meaning only those charges sufficient to support your service are billed to customers. Each end user pays their fair share of the cost of water acquisition and delivery, as well as the operation and maintenance of the public water facilities.

An analysis of costs and revenues of the district indicates a 5.4% rate increase for water is needed effective January 1, 2008. This year, 100% of the rate increase is due to higher water costs from our wholesale suppliers (the San Diego County Water Authority [CWA], the Metropolitan Water District of Southern California [MWD], and the City of San Diego).



The Otay Water District was established in 1956 to provide water to the San Diego's East County and South Bay.

If adopted, the new rate structure would maintain the high level of service customers receive, the integrity of the water systems, and a balanced budget.

The Otay Water District is the proud recipient of the San Diego Taxpayers Association's Golden Watchdog of the Year award.

The Otay Water District is a recognized leader in recycled water program.

The Otay Water District was founded in 1956 to serve as a public water utility, more specifically, a California special district, authorized in 1956 by the State Legislature under the provisions of the Municipal Water District Act of 1911. The district distributes water to more than 190,000 ratepayers within approximately 125 square miles of southeastern San Diego County including the communities of Jamul, La Presa, Rancho San Diego, Spring Valley, eastern Chula Vista, Otay Mesa, and unincorporated communities adjacent to southern El Cajon and La Mesa.

If you oppose this action, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address.

To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates.

Mail written objections to:

Board Secretary
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Rate Comparisons: For a conserving customer (using 10 units of water per month or 10 HCF), Otay is the 6th lowest cost provider of 24 water agencies in San Diego county.

For a typical customer (using 15 HCF), Otay is the 8th lowest cost provider of 24 water agencies in San Diego county.

Otay Receives National Budget Award

The Otay Water District announced it has again received the Government Finance Officers Association of the United States and Canada's (GFOA) Distinguished Budget Presentation Award for its budget. The FY 2006-07 award reflects a commitment to meeting the highest principles of governmental budgeting.

The Distinguished Budget Presentation Award is presented to only a handful of California's more than 3,400 special districts. Recipients of the award are viewed as "pioneers" leading efforts to improve the quality of budgeting in the public sector and the award reflects the best in governmental finance. Winning the award three years in a row represents a significant achievement.

The GFOA is a nonprofit professional association serving 14,000 government finance professionals throughout North America.

The Distinguished Budget Presentation Awards Program is the only national award in governmental budgeting.

The award-winning 2007 Budget and the 2006 Comprehensive Annual Financial Report are available for viewing or downloading at www.otaywater.gov.

Proposed New Water Rates In Detail...

For a typical single-family residential customer, on January 1, 2008, their estimated bill will increase by $2.48. Your bill may vary from this example based on meter size, water consumption, and geographic location.

Consumption	MWD/CWA Fixed Charge[1]		Monthly System Charge[1]		Water Rate[2]		Energy Charge[3]		Additional Water Charge by Improvement District[4]		Total	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
15 Units (typical)	$3.55	$3.85	$11.30	$12.30	$27.50	$28.55	$1.77	$1.86	$0.91	$0.95	$45.03	$47 51

Single-Family Residential (Block rate structure for water based on usage)		
No. of Units (HCF= 1 Unit = 748 gallons)	Current	Proposed
Lifeline[5]	$1.08	$1.12
0 - 10	$1.78	$1.85
11 - 35	$1.94	$2.01
Over 35	$2.83	$2.94

Attached Residential[6]		
No. of Units	Current	Proposed
0 - 4	$1.78	$1.85
5 15	$1.94	$2.01
Over 15	$2.83	$2.94

Footnotes:

1. This fee is based on the meter size. The fee is shown is for average customers using a 3/4" water meter.
2. This cost varies based on water usage and can be calculated using the Single-Family Residential table.
3. This fee may vary depending on the geographic location of the property within the district. Your bill will differ based on your water consumption. The average energy charge is increasing from 11.76¢ to 12.37¢ for each unit due to increased power costs to the district.
4. This fee may vary depending on the geographic location of the property within the district. Your bill will differ based on your water consumption. Your bill will also vary due to special fees in various improvement districts.
5. Lifeline discounts apply toward the first five units when overall consumption is 10 units or less.
6. Except for the rates shown, all other applicable charges are the same as Single-Family.

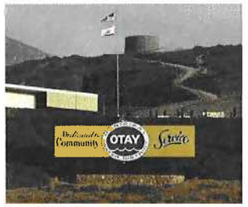
Notice to residential sewer customers...

This notice contains important information regarding sewer rates. The Otay Water District provides sewer service to your community. All property owners within the district's service area are being notified of a proposed rate increase, and a new rate structure changing the way the district calculates your bill.

The Otay Water District is a revenue neutral public agency meaning each end user pays their fair share of the cost of sewer collection and disposal, as well as the operation and maintenance of the public sewer system. Only those charges needed to support service are billed to customers.

An analysis of costs and revenues of the district indicates a proposed 1.7 % rate increase effective January 1, 2008, is needed due to the higher cost for energy, sewage treatment, labor, and materials the integrity of the sewer collection and treatment system and a balanced budget.

A new "winter-consumption" based rate structure is also being proposed. This new rate structure is revenue neutral for the district. It encourages water conservation and brings more equity to customers. However, because it can impact high water use customers, the new rate structure will be phased-in over a three year period. Customers will be able to use this time to adjust their usage, such as conserving water, to reduce subsequent year's sewer charges.



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The Otay Water District is a recognized leader in recycled water program.

The Otay Water District is the proud recipient of the San Diego Taxpayers Association's Golden Watchdog of the Year award.

The Otay Water District was founded in 1956 to serve as a water and sewer utility, more specifically, a California special district, authorized in 1956 by the State Legislature under the provisions of the Municipal Water District Act of 1911. The district owns and operates a wastewater collection and reclamation system, providing public sewer service to 15,200 sewer customers through 4,630 accounts to homes and businesses within the Jamacha drainage basin.

If you oppose this action, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address.

To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates.

Mail written objections to:

Board Secretary,
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

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The Distinguished Budget Presentation Awards Program is the only national award in governmental budgeting.

The award-winning 2007 Budget and the 2006 Comprehensive Annual Financial Report are available for viewing or downloading at www.otaywater.gov.

Proposed New Sewer Rates In Detail...

The Otay Water District will be considering a 1.7% rate increase effective January 1, 2008. A typical bill for a single-family residential customer is shown below:

	Base Fee[1]		Usage Fee		Total[2]	
	Current	Proposed	Current[3]	Proposed	Current	Proposed
Average	$ 32.70	$ 9.75	$0.00	$ 23.50	$ 32.70	$ 33.25

1. This fee is based on water meter size. The fee shown is for a typical customer with a 3/4" meter.
2. The average customer uses 16.67 units of water in the winter months. With the ability to reduce sewer bills through conservation, the reduced sewer service charge for low-income customers will no longer be offered.
3. Under the current rate structure, there is no usage fee, only a fixed fee.

Understanding your sewer bill -

If approved, rates will be based on your winter water consumption for the months of December through March of the previous year (minus a 15% usage discount recognizing that not all water used flows to the sewer system). The rate structure would be phased-in over a three year period to allow customers time to adjust their use patterns. Regardless of actual water use during the phase-in period, the maximum consumption charge will be based on 18 units per month for December 2006 to March 2007; 22 units for December 2007 to March 2008; and 30 units thereafter. The proposed rate effective January 1, 2008, is $1.41 per unit.

Why are increases needed?

The cost to collect, treat, and transport sewage increases each year, as do energy and materials costs. Some sewage collected by the district is also treated by the City of San Diego's Metropolitan Wastewater Division. The local share of improvements to those systems are passed along to system users.

Important Notice Inside

It's Easy To Conserve Water.

San Diego County has a semi-arid climate that receives only about 10 inches of rainfall per year. This does not provide enough water to meet local needs and the region must import as much as 90 percent of its water from the Colorado River and Northern California.

To maintain our quality of life and ensure adequate water supplies now and for future generations, San Diego county residents are encouraged to make a conscious effort to use our limited supply of water as efficiently as possible.

The Otay Water District offers a number of programs to save water both indoors and outdoors. For useful ways to conserve water, visit our website www.otaywater.gov and click on any of the useful conservation links.

Or, visit the Water Conservation Garden located on the campus of Cuyamaca College. The 4.5 acre demonstration garden has more than 400 varieties of drought tolerant, native, and California Friendly plants to inspire any gardener.

For more information about operating hours, tours or classes at the Water Conservation Garden, visit their website at www.thegarden.org.

District Receives Upgraded Bond Rating.

The credit rating agency, Standard and Poors, has upgraded the bond rating of the Otay Water District from A+ to AA-. Fitch Ratings, another prominent credit rating agency, also gave the district the same rating.

The AA- rating reflects the increased credit worthiness of the district, and means it paid less interest on $42 million in bonds it issued for several construction projects.

The projects include two 10 million-gallon reservoirs, a pump station, and a recycled water pipeline that will connect the district to the City of San Diego's South Bay Water Reclamation Facility.

"The AA- rating from these prominent credit rating agencies is a strong measure of the district's ability to meeting its financial obligations, and it validates all the work we are doing on behalf of our customers," said Joe Beachem, Otay Chief Financial Officer. "It's a tribute to the commitment, vision and direction of the district, and the savings for our customers are real and significant," added Beachem.

Credit ratings range from "AAA" the highest rating possible to "D" for default. An upgrade reflects the rating agencies' independent assessment of the district's overall capacity of meeting its financial obligations.

In a press release announcing its action, Fitch Ratings noted "The AA- rating reflects Otay's diversification of its imported water supply, strong financial performance, strategic planning practices, and substantial revenue funding of ongoing capital needs related to growth in the service territory."

Savings to district customers as a result of the upgrade could total as much as $1.5 million, while the infrastructure upgrades "will result in improved supply diversity and reliability of Otay's water supply," according to Fitch.

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

Dedicated to community service.

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Please be advised there will be a Public Hearing regarding sewer rates:

Wednesday, October 3, 2007
3:30 p.m. in the Board Meeting Room
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

The Otay Water District is a recognized leader in recycled water program.

Notice to residential water and sewer customers...

This notice contains important information regarding water and sewer rates. The Otay Water District provides service to your community. All property owners within the district's service area are being notified of proposed rate increases.

The district is a revenue neutral public agency meaning only those charges sufficient to support your service are billed to customers. Each end user pays their fair share of the cost of water acquisition and delivery, as well as the operation and maintenance of the public water and sewer facilities.

An analysis of costs and revenues of the district indicates a 5.4% rate increase for water is needed effective January 1, 2008. This year, 100% of the rate increase is due to higher water costs from our wholesale suppliers (the San Diego County Water Authority [CWA], the Metropolitan Water District of Southern California [MWD], and the City of San Diego). The analysis also indicates that a 1.7 % rate increase for sewer is needed due to the higher cost for sewage treatment, energy, labor, and materials.

The Otay Water District was established in 1956 to provide water to the San Diego's East County and South Bay.

If adopted, the new rate structure would help the district maintain the high level of service customers receive, the integrity of the water and sewer systems, and a balanced budget.

The Otay Water District is the proud recipient of the San Diego Taxpayers Association's Golden Watchdog of the Year award.

The Otay Water District is a water and sewer service agency, more specifically, a California special district, authorized in 1956 by the State Legislature under the provisions of the Municipal Water District Act of 1911. The district provides water service to approximately 190,000 customers within 125.5 square miles of southeastern San Diego County including the communities of Spring Valley, La Presa, Rancho San Diego, Jamul, eastern Chula Vista, and Otay Mesa along the international border with Mexico.

The district also owns and operates a wastewater collection and reclamation system, providing public sewer service to 15,200 sewer customers through 4,630 accounts to homes and businesses within the Jamacha drainage basin.

If you oppose these actions, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address.

To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates.

Mail written objections to:

Board Secretary
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Otay Receives National Budget Award

The Otay Water District announced it has again received the Government Finance Officers Association of the United States and Canada's (GFOA) Distinguished Budget Presentation Award for its budget. The FY 2006-07 award reflects a commitment to meeting the highest principles of governmental budgeting.

The Distinguished Budget Presentation Award is presented to only a handful of California's more than 3,400 special districts. Recipients of the award are viewed as "pioneers" leading efforts to improve the quality of budgeting in the public sector and the award reflects the best in governmental finance. Winning the award three years in a row represents a significant achievement.

The GFOA is a non-profit professional association serving 14,000 government finance professionals throughout North America.

The Distinguished Budget Presentation Awards Program is the only national award in governmental budgeting.

The award-winning 2007 Budget and the 2006 Comprehensive Annual Financial Report are available for viewing or downloading at www.otaywater.gov.

Proposed New Water and Sewer Rates in Detail...

For a typical single-family residential customer, on January 1, 2008, the water portion of their bill will increase by $2.48 and the sewer portion will increase by .55¢. The water portion of your bill will vary based on meter size, water consumption, and georgaphic location.

Consumption	MWD/CWA Fixed Charge[1]		Monthly System Charge[1]		Water Rate[2]		Energy Charge[3]		Additional Water Charge by Improvement District[4]		Total	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
15 Units (typical)	$3.55	$3.85	$11.30	$12.30	$27.50	$28.55	$1.77	$1.86	$0.91	$0.95	$45.03	$47.51

Single-Family Residential (Block rate structure for water based on usage)		
No. of Units (HCF= 1 Unit = 748 gallons)	Current	Proposed
Lifeline[5]	$1.08	$1.12
0 - 10	$1.78	$1.85
11 - 35	$1.94	$2.01
Over 35	$2.83	$2.94

Attached Residential[6]		
No. of Units	Current	Proposed
0 - 4	$1.78	$1.85
5 - 15	$1.94	$2.01
Over 15	$2.83	$2.94

Rate Comparisons: For a conserving customer (using 10 units of water per month or 10 HCF), Otay is the 6th lowest cost provider of 24 water agencies in San Diego county. For a typical customer (using 15 HCF), Otay is the 8th lowest cost provider.

Sewer	Base Fee		Usage Fee		Total	
	Current	Proposed	Current	Proposed	Current	Proposed
Average	$32.70	$9.75	$ 0.00	$23.50	$32.70	$33.25

Understanding the sewer charges on your bill -
If approved, rates will be based on your winter water consumption for the months of December through March of the previous year (minus a 15% usage discount, recognizing that not all water used flows to the sewer system). The rate structure would be phased-in over a three year period to allow customers time to adjust their use patterns. Regardless of actual water use during the phase-in period, the maximum consumption charge will be 18 units per month for December 2006 to March 2007; 22 units for December 2007 to March 2008; and 30 units thereafter. The proposed rate effective January 1, 2008, is $1.41 per unit.

Footnotes:
1. This fee is based on the meter size. The fee is shown is for average customers using a 3/4" water meter.
2. This cost varies based on water usage and can be calculated using the Single-Family Residential table.
3. This fee may vary depending on the geographic location of the property within the district. Your bill will differ based on your water consumption. The average energy charge is increasing from 11.76¢ to 12.37¢ for each unit due to increased power costs to the district.
4. This fee may vary depending on the geographic location of the property within the district. Your bill will differ based on your water consumption. Your bill will also vary due to special fees in various improvement districts.
5. Lifeline discounts apply toward the first five units when overall consumption is 10 units or less.
6. Except for the rates shown, all other applicable charges are the same as Single-Family.

NOTICE OF PUBLIC HEARING FOR COMMERCIAL WATER CUSTOMERS

This notice contains important information regarding water rates. The Otay Water District provides service to your community. All property owners within the district's service area are being notified of a proposed rate increase.

The Otay Water District is a revenue neutral public agency meaning only those charges sufficient to support service are billed to customers. Each end user pays their fair share of the cost of water acquisition and delivery, as well as the operation and maintenance of the public water facilities.

An analysis of costs and revenues of the district indicates a proposed 5.4% rate increase for water is needed effective January 1, 2008. This year, 100% of the rate increase is due to higher water costs from our wholesale suppliers (the San Diego County Water Authority [CWA], the Metropolitan Water District of Southern California [MWD], and the City of San Diego). If adopted, the new rate structure would maintain the high level of service customers receive, the integrity of the water system, and a balanced budget.

If you oppose this action, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address. To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates. Mail written objections to: **Board Secretary**, Otay Water District, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978.

Recipient of the San Diego County Taxpayers Association's Golden Watchdog of the Year award for 2007.

Monthly Charges

Customer Classes: *Multi-Residential, Business, Combined Domestic/Agriculture, Publicly-Owned, Commercial Agricultural, Non-Agricultural Irrigation, Recycled Irrigation using Non-potable and Recycled*

System Charge

	Potable / Recycled	Potable	Recycled	MWD & CWA Fixed Charge*	
Meter Size	Current	Proposed		Current	Proposed
3/4"	22.00	24.00	27.85	3.55	3.85
1"	33.90	36.95	42.90	5.65	6.15
1-1/2"	47.65	51.95	60.30	10.65	11.60
2"	59.60	64.95	75.40	18.45	20.05
3"	95.90	104.55	121.30	34.05	36.95
4"	109.80	119.70	138.90	58.20	63.15
6"	219.45	239.20	277.60	106.45	115.50
10"	418.90	456.60	529.90	276.75	300.30

*Not charged to Non-Agricultural Irrigation and Recycled.

Water Unit Charges

Customer Class: *Multi-Residential*

Number of HCF Furnished	Current	Rate per HCF Proposed
0-4	1.78	1.85
5-15	1.94	2.01
Over 15	2.83	2.94

Customer Classes: *Business, Combined Domestic, Agriculture, Commercial Agricultural, Non-Agricultural Irrigation, Special Agreement*

Number of HCF Furnished	Current	Rate per HCF Proposed
All HCF	1.91	1.98

Customer Classes: *Publicly-Owned, Recycled Using Non-Potable and Recycled*

Number of HCF Furnished	Current	Rate per HCF Proposed
All HCF	1.73	1.75

Customer Class: *Publicly-Owned*

Number of HCF Furnished	Current	Rate per HCF Proposed
All HCF	1.99	2.06

Fire Service System Charges

From $23.30 to $25.40

Customer Class: Multi-Residential or Multi -Commercial

Additional Occupancy Unit Charge from $3.53 to $ 3.85

Customer Classes: *Recycled, Irrigation using Non-Potable and Recycled*

Number of HCF Furnished	Current	Rate per HCF Proposed
All HCF	1.65	1.67

Customers paying two times the water rate (such as Tank Trucks, Temporary Construction Meters and service outside the Otay Water District or an Improvement District) are impacted by the changes in their base rates.

NOTICE OF PUBLIC HEARING FOR COMMERCIAL SEWER CUSTOMERS

This notice contains important information regarding commercial sewer rates. The Otay Water District provides sewer service to your community. All customers within the district's service area are being notified of a proposed rate increase.

The Otay Water District is a revenue neutral public agency meaning each end user pays their fair share of the cost of sewer collection and disposal, as well as the operation and maintenance of the public sewer system. Only those charges needed to support service are billed to customers.

An analysis of costs and revenues of the district indicates a proposed 1.7 % rate increase effective January 1, 2008, is needed due to the higher cost for sewage treatment, energy, labor, and materials. If adopted, the new rate structure would maintain the integrity of the sewer collection and treatment system, and a balanced budget.

If you oppose this action, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address. To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates. Mail written objections to: **Board Secretary,** Otay Water District, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978.

Recipient of the San Diego County Taxpayers Association's Golden Watchdog of the Year award for 2007.

How are non-residential sewer rates calculated?

To meet State of California requirements, customers must pay their fair share of sewer costs. The Otay Water District is required to determine sewer rates in accordance with the State's Revenue Program Guidelines. The formula takes into consideration the cost associated with daily flow, chemical oxygen demand (COD) and the removal of suspended solids (SS). The COD and SS determine the strength factor as being high, medium or low, consistent the State Water Resources Control Board guidelines.

Monthly bills are calculated based on Assigned Service Units (ASU). One ASU is equal to the demand placed on the system by a residential unit. ASUs are calculated by multiplying the daily flow by the strength factor.

Daily Flow x Strength Factor = Assigned Service Unit

Strength Factors

1.0	Schools
1.0	Churches
1.0	Low Strength Commercial
1.238	Medium Strength Commercial
2.203	High Strength Commercial

The sewer bill is then calculated by multiplying ASUs by the rate per ASU. This charge is increasing .55¢ per ASU from $32.70 to $33.25. The proposed 1.7% rate increase would become effective January 1, 2008.

NOTICE OF PUBLIC HEARING FOR PROPERTY OWNERS

This notice contains important information regarding water and sewer rates. Otay Water District provides service to your community. All property owners within the district's service area are being notified of proposed water and sewer rate increases, even if they do not have active service with the district.

The district is a revenue neutral public agency meaning only those charges sufficient to support service are billed to customers. Each end user pays their fair share of the cost of water acquisition and delivery, as well as the operation and maintenance of the public water and sewer facilities.

An analysis of costs and revenues of the district shows that a 5.4% rate increase for water is needed effective January 1, 2008. This year, 100% of the rate increase is due to higher water costs from our wholesale suppliers (the San Diego County Water Authority, the Metropolitan Water District of Southern California, and the City of San Diego). The analysis also indicates that a 1.7 % rate increase for sewer is needed due to the higher cost for sewage treatment, energy, labor, and materials. If adopted, the new rate structure would help the district maintain the high level of service customers receive, the integrity of the water and sewer systems, and a balanced budget.

If you oppose these actions, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address. To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates. Mail written objections to: **Board Secretary**, Otay Water District, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978.

Recipient of the San Diego County Taxpayers Association's Golden Watchdog of the Year award for 2007.

About the Otay Water District -

The Otay Water District is a water and sewer service agency, more specifically, a California special district, authorized in 1956 by the State Legislature under the provisions of the Municipal Water District Act of 1911. Its ordinances, policies, taxes and rates for service are set by five directors, elected by voters in their respective divisions to serve staggered, four-year terms on the governing board. The board of directors meets in open public session on the first Wednesday of each month at 3:30 p.m., at district headquarters. The public is welcome to attend these meetings.

The district provides water service to customers within 125.5 square miles of southeastern San Diego County, California. Otay facilities serve the water and sewer service needs of approximately 190,000 people living in the communities of Spring Valley, La Presa, Rancho San Diego, Jamul, eastern Chula Vista, and Otay Mesa along the international border with Mexico. All of the potable water delivered by the district is purchased from the San Diego County Water Authority, which in turn, purchases this water from the region's primary importer, the Metropolitan Water District of Southern California.

The Otay Water District also owns and operates a wastewater collection and reclamation system, providing public sewer service to 15,200 sewer customers through 4,630 accounts to homes and businesses within the Jamacha drainage basin. At the heart of this system is the Ralph W. Chapman Water Recycling Facility. Each day, the Chapman facility produces up to 1.3 million gallons of high-quality recycled water. Through a dedicated distribution system, the recycled water is transported to eastern Chula Vista where it is used to irrigate golf courses, playing fields, public parks, roadway landscapes, and open space.

Attachment B

IMPORTANT NOTICE TO RESIDENTIAL WATER CUSTOMERS

This notice contains important information regarding water rates. The Otay Water District provides service to your community. All property owners within the district's service area are being notified of a proposed rate increase.

The Otay Water District is a revenue neutral public agency meaning only those charges sufficient to support service are billed to customers. Each end user pays their fair share of the cost of water acquisition and delivery, as well as the operation and maintenance of the public water facilities.

An analysis of costs and revenues indicate a proposed 5.4% rate increase for water is needed effective January 1, 2008. This year, 100% of the rate increase is due to higher water costs from our wholesale suppliers (the San Diego County Water Authority [CWA], the Metropolitan Water District of Southern California [MWD], and the City of San Diego). If adopted, the new rate structure would maintain the high level of service customers receive, the integrity of the water system as well as a balanced budget.

If you oppose this action, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address. To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates. Mail written objections to: **Board Secretary**, Otay Water District, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978.

Recipient of the San Diego County Taxpayers Association's Golden Watchdog of the Year award for 2007.

For a typical single-family residential customer, on January 1, 2008, their estimated bill will increase by $2.48. Your bill will vary from this example based on meter size and geographic location.

Consumption	MWD/CWA Fixed Charge[1]		Monthly System Charge[1]		Water Rate[2]		Energy Charge[3]		Additional Water Charge by Improvement District[4]		Total	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
15 Units (typical)	$3.55	$3.85	$11.30	$12.30	$27.50	$28.55	$1.77	$1.86	$0.91	$0.95	$45.03	$47.51

Single-Family Residential (Block rate structure for water based on usage)		
No. of Units (HCF= 1 Unit = 748 gallons)	Current	Proposed
Lifeline[5]	$1.08	$1.12
0 - 10	$1.78	$1.85
11 - 35	$1.94	$2.01
Over 35	$2.83	$2.94

Attached Residential[6]		
No. of Units	Current	Proposed
0 - 4	$1.78	$1.85
5 - 15	$1.94	$2.01
Over 15	$2.83	$2.94

Rate Comparisons: For a conserving customer (using 10 HCF), Otay is the 6th lowest cost provider of 24 water agencies in San Diego county.

For a typical customer (using 15 HCF), Otay is the 8th lowest cost provider of 24 water agencies in San Diego county.

Footnotes:
1. This fee is based on the meter size. The fee shown is for average customers using a 3/4" water meter.
2. This cost varies based on water usage and can be calculated using the Single-Family Residential table.
3. This fee may vary depending on the geographic location of the property within the district. Your bill will differ based on your water consumption. The average energy charge is increasing from 11.76¢ to 12.37¢ for each unit due to increased power costs to the district.
4. This fee may vary depending on the geographic location of the property within the district. Your bill will differ based on your water consumption. Your bill will also vary due to special fees in various improvement districts.
5. Lifeline discounts apply toward the first five units when overall consumption is 10 units or less.
6. Except for the rates shown, all other applicable charges are the same as Single-Family.

Attachment C

IMPORTANT NOTICE TO RESIDENTIAL SEWER CUSTOMERS

This notice contains important information regarding sewer rates. The Otay Water District provides sewer service to your community. All customers within the district's service area are being notified of a proposed rate increase, and a new rate structure changing the way the district calculates your bill.

The Otay Water District is a revenue neutral public agency meaning each end user pays their fair share of the cost of sewer collection and disposal, as well as the operation and maintenance of the public sewer system. Only those charges needed to support service are billed to customers. An analysis of costs and revenues indicates a proposed 1.7 % rate increase effective January 1, 2008, is needed due to the higher cost for energy, sewage treatment, labor, and materials. If adopted, the new rate structure would maintain the integrity of the sewer collection and treatment system as well as a balanced budget.

A new "winter-consumption" based rate structure is also being proposed. This new rate structure is revenue neutral for the district. It encourages water conservation and brings more equity to customers. However, because it can impact high water use customers, the new rate structure will be phased-in over a three year period. Customers will be able to use this time to adjust their usage, such as conserving water, to reduce subsequent year's sewer charges. If adopted, the new rates and rate structure will maintain the integrity of the sewer collection and treatment system as well as a balanced budget.

If you oppose this action, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address. To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates. Mail written objections to: **Board Secretary**, Otay Water District, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978.

Recipient of the San Diego County Taxpayers Association's Golden Watchdog of the Year award for 2007.

The Otay Water District will be considering a 1.7% rate increase effective January 1, 2008. A typical bill for a single-family residential customer is shown below:

	Base Fee[1]		Usage Fee		Total[2]	
	Current	Proposed	Current[3]	Proposed	Current	Proposed
Average	$ 32.70	$ 9.75	$ -	$ 23.50	$ 32.70	$ 33.25

1. This fee is based on water meter size. The fee shown is for a typical customer with a 3/4" meter.
2. The average customer uses 16.67 units of water in the winter months. With the ability to reduce sewer bills through conservation, the reduced sewer service charge for low-income customers will no longer be offered.
3. Under the current rate structure, there is no usage fee, only a fixed fee.

Understanding your sewer bill -

If approved, rates will be based on your winter water consumption for the months of December through March of the previous year (minus a 15% usage discount, recognizing that not all water used flows to the sewer system). The rate structure would be phased-in over a three year period to allow customers time to adjust their use patterns. Regardless of actual water use during the phase-in period, the maximum consumption charge will be based on 18 units per month for December 2006 to March 2007; 22 units for December 2007 to March 2008; and 30 units thereafter. The proposed rate effective January 1, 2008, is $1.41 per unit.

Why are increases needed?

The cost to collect, treat, and transport sewage increases each year, as do energy and materials costs. Some sewage collected by the district is also treated by the City of San Diego's Metropolitan Wastewater Division. The local share of improvements to those systems are passed along to system users.

IMPORTANT NOTICE TO RESIDENTIAL WATER & SEWER CUSTOMERS

This notice contains important information regarding water and sewer rates. The Otay Water District provides service to your community. All property owners within the district's service area are being notified of proposed rate increases.

The district is a revenue neutral public agency meaning only those charges sufficient to support your service are billed to customers. Each end user pays their fair share of the cost of water acquisition and delivery, as well as the operation and maintenance of the public water and sewer facilities.

An analysis of costs and revenues indicates a 5.4% rate increase for water is needed effective January 1, 2008. This year, 100% of the rate increase is due to higher water costs from our wholesale suppliers (the San Diego County Water Authority [CWA], the Metropolitan Water District of Southern California [MWD], and the City of San Diego). The analysis also indicates a proposed 1.7 % rate increase in sewer rates is needed due to the higher cost for sewage treatment, energy, labor, and materials. If adopted, the new rate structure would maintain the high level of service customers receive, the integrity of the water and sewer systems, as well as a balanced budget.

If you oppose these actions, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address. To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates. Mail written objections to: **Board Secretary**, Otay Water District, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978.

Recipient of the San Diego County Taxpayers Association's Golden Watchdog of the Year award for 2007.

Consumption	MWD/CWA Fixed Charge[1]		Monthly System Charge[1]		Water Rate[2]		Energy Charge[3]		Additional Water Charge by Improvement District[4]		Total	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
15 Units (typical)	$3.55	$3.85	$11.30	$12.30	$27.50	$28.55	$1.77	$1.86	$0.91	$0.95	$45.03	$47.51

Single-Family Residential (Block rate structure for water based on usage)		
No. of Units (HCF= 1 Unit = 748 gallons)	Current	Proposed
Lifeline[5]	$1.08	$1.12
0 - 10	$1.78	$1.85
11 - 35	$1.94	$2.01
Over 35	$2.83	$2.94

Attached Residential[7]		
No. of Units	Current	Proposed
0 - 4	$1.78	$1.85
5 - 15	$1.94	$2.01
Over 15	$2.83	$2.94

Rate Comparisons: For a conserving customer (using 10 HCF), Otay is the 6th lowest cost provider of 24 water agencies in San Diego county. For a typical customer (using 15 HCF), Otay is the 8th lowest cost provider of 24 water agencies in San Diego county.

Sewer	Base Fee[6]		Usage Fee[7]		Total	
Average	$32.70	$9.75	$ -	$23.50	$32.70	$33.25

Understanding your sewer bill -
If approved, rates will be based on your winter water consumption for the months of December through March of the previous year (minus a 15% usage discount, recognizing that not all water used flows to the sewer system). The rate structure would be phased-in over a three year period to allow customers time to adjust their use patterns. Regardless of actual water use during the phase-in period, the maximum consumption charge will be 18 units per month for December 2006 to March 2007; 22 units for December 2007 to March 2008; and 30 units thereafter. The proposed rate effective January 1, 2008, is $1.41 per unit.

Footnotes:
1. This fee is based on the meter size. The fee is shown is for average customers using a 3/4" water meter.
2. This cost varies based on water usage and can be calculated using the Single-Family Residential table.
3. This fee may vary depending on the geographic location of the property within the district. Your bill will differ based on your water consumption. The average energy charge is increasing from 11.76¢ to 12.37¢ for each unit due to increased power costs to the district.
4. This fee may vary depending on the geographic location of the property within the district. Your bill will differ based on your water consumption. Your bill will also vary due to special fees in various improvement districts.
5. Lifeline discounts apply toward the first five units when overall consumption is 10 units or less.
6. Except for the rates shown, all other applicable charges are the same as Single-Family.
7. This fee is based on water meter size. The fee shown is for a typical customer with a 3/4" meter. Under the current rate structure, only a fixed fee.

Attachment E

IMPORTANT NOTICE TO COMMERCIAL WATER CUSTOMERS

This notice contains important information regarding water rates. The Otay Water District provides service to your community. All property owners within the district's service area are being notified of a proposed rate increase.

The Otay Water District is a revenue neutral public agency meaning only those charges sufficient to support service are billed to customers. Each end user pays their fair share of the cost of water acquisition and delivery, as well as the operation and maintenance of the public water facilities.

An analysis of costs and revenues indicates a proposed 5.4% rate increase for water is needed effective January 1, 2008. This year, 100% of the rate increase is due to higher water costs from our wholesale suppliers (the San Diego County Water Authority [CWA], the Metropolitan Water District of Southern California [MWD], and the City of San Diego). If adopted, the new rate structure would maintain the high level of service customers receive, the integrity of the water system, as well as a balanced budget.

If you oppose this action, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address. To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates. Mail written objections to: **Board Secretary**, Otay Water District, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978.

Recipient of the San Diego County Taxpayers Association's Golden Watchdog of the Year award for 2007.

Monthly Charges

Customer Classes: *Multi-Residential, Business, Combined Domestic/Agriculture, Publicly-Owned, Commercial Agricultural, Non-Agricultural Irrigation, Recycled Irrigation using Non-potable and Recycled.*

System Charge

	Potable / Recycled	Potable	Recycled	MWD & CWA Fixed Charge*	
Meter Size	Current	Proposed		Current	Proposed
3/4"	22.00	24.00	27.85	3.55	3.85
1"	33.90	36.95	42.90	5.65	6.15
1-1/2"	47.65	51.95	60.30	10.65	11.60
2"	59.60	64.95	75.40	18.45	20.05
3"	95.90	104.55	121.30	34.05	36.95
4"	109.80	119.70	138.90	58.20	63.15
6"	219.45	239.20	277.60	106.45	115.50
10"	418.90	456.60	529.90	276.75	300.30

*Not charged to Non-Agricultural Irrigation and Recycled.

Water Unit Charges

Customer Class: *Multi-Residential*

Number of HCF Furnished	Current	Rate per HCF Proposed
0-4	1.78	1.85
5-15	1.94	2.01
Over 15	2.83	2.94

Customer Classes: *Business, Combined Domestic, Agriculture, Commercial Agricultural, Non-Agricultural Irrigation, Special Agreement*

Number of HCF Furnished	Current	Rate per HCF Proposed
All HCF	1.91	1.98

Customer Classes: *Publicly-Owned, Recycled Using Non-Potable and Recycled*

Number of HCF Furnished	Current	Rate per HCF Proposed
All HCF	1.73	1.75

Customer Class: *Publicly-Owned*

Number of HCF Furnished	Current	Rate per HCF Proposed
All HCF	1.99	2.06

Fire Service System Charges

From $23.30 to $25.40

Customer Class: Multi-Residential or Multi -Commercial

Additional Occupancy Unit Charge from $3.53 to $ 3.85

Customer Classes: *Recycled Irrigation using Non-Potable and Recycled*

Number of HCF Furnished	Current	Rate per HCF Proposed
All HCF	1.65	1.67

Customers paying two times the water rate (such as Tank Trucks, Temporary Construction Meters and service outside the Otay Water District or an Improvement District) are impacted by the changes in their base rates.

IMPORTANT NOTICE TO COMMERCIAL SEWER CUSTOMERS

This notice contains important information regarding commercial sewer rates. The Otay Water District provides sewer service to your community. All customers within the district's service area are being notified of a proposed rate increase.

The Otay Water District is a revenue neutral public agency meaning each end user pays their fair share of the cost of sewer collection and disposal, as well as the operation and maintenance of the public sewer system. Only those charges needed to support service are billed to customers.

An analysis of costs and revenues indicates a proposed 1.7 % rate increase effective January 1, 2008, is needed due to the higher cost for sewage treatment, energy, labor, and materials. If adopted, the new rate structure would maintain the integrity of the sewer collection and treatment system as well as a balanced budget.

If you oppose this action, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address. To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates. Mail written objections to: **Board Secretary**, Otay Water District, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978.

Recipient of the San Diego County Taxpayers Association's Golden Watchdog of the Year award for 2007.

How are non-residential sewer rates calculated?

To meet State of California requirements, customers must pay their fair share of sewer costs. The Otay Water District is required to determine sewer rates in accordance with the State's Revenue Program Guidelines. The formula takes into consideration the cost associated with daily flow, chemical oxygen demand (COD) and the removal of suspended solids (SS). The COD and SS determine the strength factor as being high, medium or low, consistent the State Water Resources Control Board guidelines.

Monthly bills are calculated based on Assigned Service Units (ASU). One ASU is equal to the demand placed on the system by a residential unit. ASUs are calculated by multiplying the daily flow by the strength factor.

Daily Flow x Strength Factor = Assigned Service Unit

Strength Factors

1.0	Schools
1.0	Churches
1.0	Low Strength Commercial
1.238	Medium Strength Commercial
2.203	High Strength Commercial

The sewer bill is then calculated by multiplying ASUs by the rate per ASU. This charge is increasing .55¢ per ASU from $32.70 to $33.25. The proposed 1.7% rate increase would become effective January 1, 2008.

IMPORTANT NOTICE TO PROPERTY OWNERS

This notice contains important information regarding water and sewer rates. Otay Water District provides service to your community. All customers within the district's service area are being notified of proposed water and sewer rate increases, even if they do not have active service with the district.

The district is a revenue neutral public agency meaning only those charges sufficient to support service are billed to customers. Each end user pays their fair share of the cost of water acquisition and delivery, as well as the operation and maintenance of the public water and sewer facilities.

An analysis of costs and revenues indicate a 5.4% rate increase for water is needed effective January 1, 2008. This year, 100% of the rate increase is due to higher water costs from our wholesale suppliers (the San Diego County Water Authority, the Metropolitan Water District of Southern California, and the City of San Diego). The analysis also indicates a proposed 1.7 % rate increase in sewer rates is needed due to the higher cost for sewage treatment, energy, labor, and materials. If adopted, the new rate structure would maintain the high level of service customers receive, the integrity of the water and sewer systems, as well as a balanced budget.

If you oppose these actions, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address. To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates. Mail written objections to: **Board Secretary**, Otay Water District, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978.

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About the Otay Water District -

The Otay Water District is a publicly-owned water and sewer service agency, more specifically, a California special district, authorized in 1956 by the State Legislature under the provisions of the Municipal Water District Act of 1911. Its ordinances, policies, taxes and rates for service are set by five directors, elected by voters in their respective divisions to serve staggered, four-year terms on the governing board. The board of directors meets in open public session on the first Wednesday of each month at 3:30 p.m., at district headquarters. The public is welcome to attend these meetings.

The district provides water service to customers within 125.5 square miles of southeastern San Diego County, California. Otay facilities serve the water and sewer service needs of approximately 190,000 people living in the communities of Spring Valley, La Presa, Rancho San Diego, Jamul, eastern Chula Vista, and Otay Mesa along the international border with Mexico. All of the potable water delivered by the district is purchased from the San Diego County Water Authority, which in turn, purchases this water from the region's primary importer, the Metropolitan Water District of Southern California.

The Otay Water District also owns and operates a wastewater collection and reclamation system, providing public sewer service to 15,200 sewer customers through 4,630 accounts to homes and businesses within the Jamacha drainage basin. At the heart of this system is the Ralph W. Chapman Water Recycling Facility. Each day, the Chapman facility produces up to 1.3 million gallons of high-quality recycled water. Through a dedicated distribution system, the recycled water is transported to eastern Chula Vista where it is used to irrigate golf courses, playing fields, public parks, roadway landscapes, and open space.

IMPORTANT NOTICE TO WATER AND SEWER CUSTOMERS

The Otay Water District provides service to your community. All customers within the district's service area are being notified of proposed water and sewer rate increases.

The district is a revenue neutral public agency meaning only those charges sufficient to support service are billed to customers. Each end user pays their fair share of the cost of water acquisition and delivery, as well as the operation and maintenance of the public water facilities.

An analysis of costs and revenues indicates a 5.4% rate increase for water is needed effective January 1, 2008. This year, 100% of the rate increase is due to higher water costs from our wholesale suppliers (the San Diego County Water Authority, the Metropolitan Water District of Southern California, and the City of San Diego). The analysis also indicates a proposed 1.7 % rate increase in sewer* rates is needed due to the higher cost for sewage treatment, energy, labor, and materials. If adopted, the new rate structure would maintain the high level of service customers receive, the integrity of the water and sewer systems, as well as a balanced budget.

* These sewer charges do not apply to many Otay water customers including those receiving service from the City of Chula Vista, the City of San Diego on Otay Mesa, the East Otay Mesa Sewer Maintenance District, the County of San Diego, or who have private septic tanks. Customers in eastern Chula Vista pay a combined water and sewer bill. This shared bill is a cost saving measure to reduce mailing and printing expenses, thereby lowering the cost to customers. The Otay Water District does not set sewer rates for Chula Vista or any other public agency.

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Attachment I

It's Easy To Conserve Water

San Diego County has a semi-arid climate that receives only about 10 inches of rainfall per year. This does not provide enough water to meet local needs and the region must import as much as 90 percent of its water from the Colorado River and Northern California.

To maintain our quality of life and ensure adequate water supplies now and for future generations, San Diego county residents are encouraged to make a conscious effort to use our limited supply of water as efficiently as possible.

The Otay Water District offers a number of programs to save water both indoors and outdoors. For useful ways to conserve water, visit our website www.otaywater.gov and click on any of the useful conservation links.

Or, visit the Water Conservation Garden located on the campus of Cuyamaca College. The 4.5 acre demonstration garden has more than 400 varieties of drought tolerant, native, and California Friendly plants to inspire any gardener.

For more information about operating hours, tours or classes at the Water Conservation Garden, visit their website at www.thegarden.org.

District Receives Upgraded Bond Rating

The credit rating agency, Standard and Poors, has upgraded the bond rating of the Otay Water District from A+ to AA-. Fitch Ratings, another prominent credit rating agency, also gave the district the same rating.

The AA- rating reflects the increased credit worthiness of the district, and means it paid less interest on $42 million in bonds it issued for several construction projects.

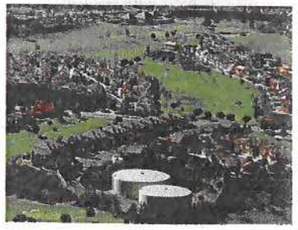
The projects include two 10 million-gallon reservoirs, a pump station, and a recycled water pipeline that will connect the district to the City of San Diego's South Bay Water Reclamation Facility.

"The AA- rating from these prominent credit rating agencies is a strong measure of the district's ability to meeting its financial obligations, and it validates all the work we are doing on behalf of our customers," said Joe Beachem, Otay Chief Financial Officer. "It's a tribute to the commitment, vision and direction of the district, and the savings for our customers are real and significant," added Beachem.

Credit ratings range from "AAA" the highest rating possible to "D" for default. An upgrade reflects the rating agencies' independent assessment of the district's overall capacity of meeting its financial obligations.

In a press release announcing its action, Fitch Ratings noted "The 'AA-' rating reflects Otay's diversification of its imported water supply, strong financial performance, strategic planning practices, and substantial revenue funding of ongoing capital needs related to growth in the service territory."

Savings to district customers as a result of the upgrade could total as much as $1.5 million, while the infrastructure upgrades "will result in improved supply diversity and reliability of Otay's water supply," according to Fitch.



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

Dedicated to community service.

PRSRT STD
US POSTAGE
PAID
PERMIT No. 2
SAN DIEGO, CA

Phone: 619-670-2256
E-mail: opinionsrm@otaywater.gov

Please be advised there will be a Public Hearing regarding water rates:

Wednesday, October 3, 2007
3:30 p.m. in the Board Meeting Room
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Notice to residential water customers...

This notice contains important information regarding rates. The Otay Water District provides service to your community. All property owners within the district's service area are being notified of proposed rate increases.

The district is a revenue neutral public agency meaning only those charges sufficient to support your service are billed to customers. Each end user pays their fair share of the cost of water acquisition and delivery, as well as the operation and maintenance of the public water facilities.

An analysis of costs and revenues indicates a 5.4% rate increase for water is needed effective January 1, 2008. This year, 100% of the rate increase is due to higher water costs from our wholesale suppliers (the San Diego County Water Authority [CWA], the Metropolitan Water District of Southern California [MWD], and the City of San Diego).

The Otay Water District was established in 1956 to provide water to the San Diego's East County and South Bay.

If adopted, the new rate structure would maintain the high level of service customers receive, the integrity of the water and sewer systems, as well as a balanced budget.

The Otay Water District is a recognized leader in recycled water program.

The Otay Water District is the proud recipient of the San Diego Taxpayers Association's Golden Watchdog of the Year award.

If you oppose this action, you may attend the public hearing on Wednesday, October 3, 2007, and deliver your written protest. You may also send your written protest, which shall include your name and the property address.

To be considered, your protest must be received prior to the close of the public hearing. Immediately following the hearing, the Board of Directors will consider adoption of the proposed rates.

Mail written objections to:

Board Secretary
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Rate Comparisons: For a conserving customer (using 10 HCF), Otay is the 6th lowest cost provider of 24 water agencies in San Diego county. For a typical customer (using 15 HCF), Otay is the 8th lowest cost provider of 24 water agencies in San Diego county.

Otay Receives National Budget Award

The Otay Water District announced it has again received the Government Finance Officers Association of the United States and Canada's (GFOA) Distinguished Budget Presentation Award for its budget.

The FY 2006-07 award reflects a commitment to meeting the highest principles of governmental budgeting.

The Distinguished Budget Presentation Award is presented to only a handful of California's more than 3,400 special districts. Recipients of the award are viewed as "pioneers" leading efforts to improve the quality of budgeting in the public sector and the award reflects the best in governmental finance. Winning the award three years in a row represents a significant achievement.

The GFOA is a nonprofit professional association serving 14,000 government finance professionals throughout North America.

The Distinguished Budget Presentation Awards Program is the only national award in governmental budgeting.

The award-winning 2006 Budget and its companion Comprehensive Annual Financial Report are available for viewing or downloading at www.otaywater.gov.

Proposed New Water Rates In Detail...

For a typical single-family residential customer, on January 1, 2008, their estimated bill will increase by $2.48. Your bill will vary from this example based on meter size and geographic location.

Consumption	MWD/CWA Fixed Charge[1]		Monthly System Charge[1]		Water Rate[2]		Energy Charge[3]		Additional Water Charge by Improvement District[4]		Total	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
15 Units (typical)	$3.55	$3.85	$11.30	$12.30	$27.50	$28.55	$1.77	$1.86	$0.91	$0.95	$45.03	$47.51

Attached Residential[7]		
No. of Units	Current	Proposed
0 - 4	$1.78	$1.85
5 - 15	$1.94	$2.01
Over 15	$2.83	$2.94

Single-Family Residential (Block rate structure for water based on usage)		
No. of Units (HCF= 1 Unit = 748 gallons)	Current	Proposed
Lifeline[5]	$1.08	$1.12
0 - 10	$1.78	$1.85
11 - 35	$1.94	$2.01
Over 35	$2.83	$2.94

Footnotes:

1. This fee is based on the meter size. The fee is shown is for average customers using a 3/4" water meter.
2. This cost varies based on water usage and can be calculated using the Single-Family Residential table.
3. This fee may vary depending on the geographic location of the property within the district. Your bill will differ based on your water consumption. The average energy charge is increasing from 11.76¢ to 12.37¢ for each unit due to increased power costs to the district.
4. This fee may vary depending on the geographic location of the property within the district. Your bill will differ based on your water consumption. Your bill will also vary due to special fees in various improvement districts.
5. Lifeline discounts apply toward the first five units when overall consumption is 10 units or less.
6. Except for the rates shown, all other applicable charges are the same as Single-Family.
7. This fee is based on water meter size. The fee shown is for a typical customer with a 3/4" meter. Under the current rate structure, only a fixed fee.

Attachment J

It's Easy To Conserve Water

San Diego County has a semi-arid climate that receives only about 10 inches of rainfall per year. This does not provide enough water to meet local needs and the region must import as much as 90 percent of its water from the Colorado River and Northern California.

To maintain our quality of life and ensure adequate water supplies now and for future generations, San Diego county residents are encouraged to make a conscious effort to use our limited supply of water as efficiently as possible.

The Otay Water District offers a number of programs to save water both indoors and outdoors. For useful ways to conserve water, visit our website www.otaywater.gov and click on any of the useful conservation links.

Or, visit the Water Conservation Garden located on the campus of Cuyamaca College. The 4.5 acre demonstration garden has more than 400 varieties of drought tolerant, native, and California Friendly plants to inspire any gardener.

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The projects include two 10 million-gallon reservoirs, a pump station, and a recycled water pipeline that will connect the district to the City of San Diego's South Bay Water Reclamation Facility.

"The AA- rating from these prominent credit rating agencies is a strong measure of the district's ability to meeting its financial obligations, and it validates all the work we are doing on behalf of our customers," said Joe Beachem, Otay Chief Financial Officer. "It's a tribute to the commitment, vision and direction of the district, and the savings for our customers are real and significant," added Beachem.

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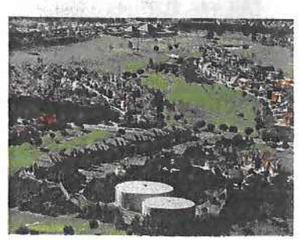
Savings to district customers as a result of the upgrade could total as much as $1.5 million, while the infrastructure upgrades "will result in improved supply diversity and reliability of Otay's water supply," according to Fitch.



Otay Water District
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Phone: 619-670-2256
E-mail: opinionform@otaywater.gov

Dedicated to community service.

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Please be advised there will be a Public Hearing regarding sewer rates:

Wednesday, October 3, 2007
3:30 p.m. in the Board Meeting Room
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Notice to residential sewer customers...

This notice contains important information regarding sewer rates. The Otay Water District provides sewer service to your community. All customers within the district's service area are being notified of a proposed rate increase, and a new rate structure changing the way the district calculates your bill.

The Otay Water District is a revenue neutral public agency meaning each end user pays their fair share of the cost of sewer collection and disposal, as well as the operation and maintenance of the public sewer system. Only those charges needed to support service are billed to customers.

An analysis of costs and revenues indicates a proposed 1.7 % rate increase effective January 1, 2008, is needed due to the higher cost for energy, sewage treatment, labor, and materials the integrity of the sewer collection and treatment system as well as a balanced budget.

A new "winter-consumption" based rate structure is also being proposed. This new rate structure is revenue neutral for the district. It encourages water conservation and brings more equity to customers. However, because it can impact high water use customers, the new rate structure will be phased-in over a three year period. Customers will be able to use this time to adjust their usage, such as conserving water, to reduce subsequent year's sewer charges.

The Otay Water District was established in 1956 to provide water to the San Diego's East County and South Bay.

The Otay Water District is a recognized leader in recycled water program.

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Mail written objections to:

Board Secretary,
Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978.

ESTABLISHED 1956 OTAY WATER DISTRICT

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The award-winning 2006 Budget and its companion Comprehensive Annual Financial Report are available for viewing or downloading at www.otaywater.gov.

Proposed New Sewer Rates In Detail...

The Otay Water District will be considering a 1.7% rate increase effective January 1, 2008. A typical bill for a single-family residential customer is shown below:

	Base Fee[1]		Usage Fee		Total[2]	
	Current	Proposed	Current[3]	Proposed	Current	Proposed
Average	$ 32.70	$ 9.75	$ -	$ 23.50	$ 32.70	$ 33.25

1. This fee is based on water meter size. The fee shown is for a typical customer with a 3/4" meter.
2. The average customer uses 16.67 units of water in the winter months. With the ability to reduce sewer bills through conservation, the reduced sewer service charge for low-income customers will no longer be offered.
3. Under the current rate structure, there is no usage fee, only a fixed fee.

Understanding your sewer bill -

If approved, rates will be based on your winter water consumption for the months of December through March of the previous year (minus a 15% usage discount, recognizing that not all water used flows to the sewer system). The rate structure would be phased-in over a three year period to allow customers time to adjust their use patterns. Regardless of actual water use during the phase-in period, the maximum consumption charge will be based on 18 units per month for December 2006 to March 2007; 22 units for December 2007 to March 2008; and 30 units thereafter. The proposed rate effective January 1, 2008, is $1.41 per unit.

Why are increases needed?

The cost to collect, treat, and transport sewage increases each year, as do energy and materials costs. Some sewage collected by the district is also treated by the City of San Diego's Metropolitan Wastewater Division. The local share of improvements to hose systems are passed along to system users.

Attachment K

Otay Water District

Proposition 218 Notices

Proposition 218 Process

- Budget Approval (May 29th)
- Mail Notices (Early August)
- Public Hearing (October Board Meeting)
- Adopt Rates (October Board Meeting)
- Implement Rate Increases (January 1, 2008)

Notice Preparation Considerations

- Board direction on prior year notices
- Reviewed all prior-year customer comments
- Reviewed other agencies notices
- Legal requirements
- Targeted notices

Input and Approval of Notices

- 63,800 Targeted Notices - simplification for the customer
  - Residential Water – 35,100
  - Residential Sewer – 1,100
  - Residential Water and Sewer – 3,200
  - Commercial Water – 3,700
  - Commercial Sewer - 100
  - Land Owners without service – 15,300
  - Tenants – 5,300

Protest

- Form of Protest
  - Signed letters
- Who can Protest
  - Property owners
  - Tenants – Courtesy notice only

Website Information

- All legal required information from the notices
- Bill calculator
- Charts on District rates compared to other providers

Web Site Link to be added

- Click here to see more about Your Water & Sewer Bill

Water Bill Calculator

To calculate your estimated water bill, input your water consumption. Your estimated current and proposed water bill will be calculated. (Typical usage is 15 units)

Note: This is an estimated bill and many variables may cause your actual bill to be different. This bill calculator assumes a ¾ inch residential meter.

Input consumption here _____ units

Calculated Water Bill

Current Bill

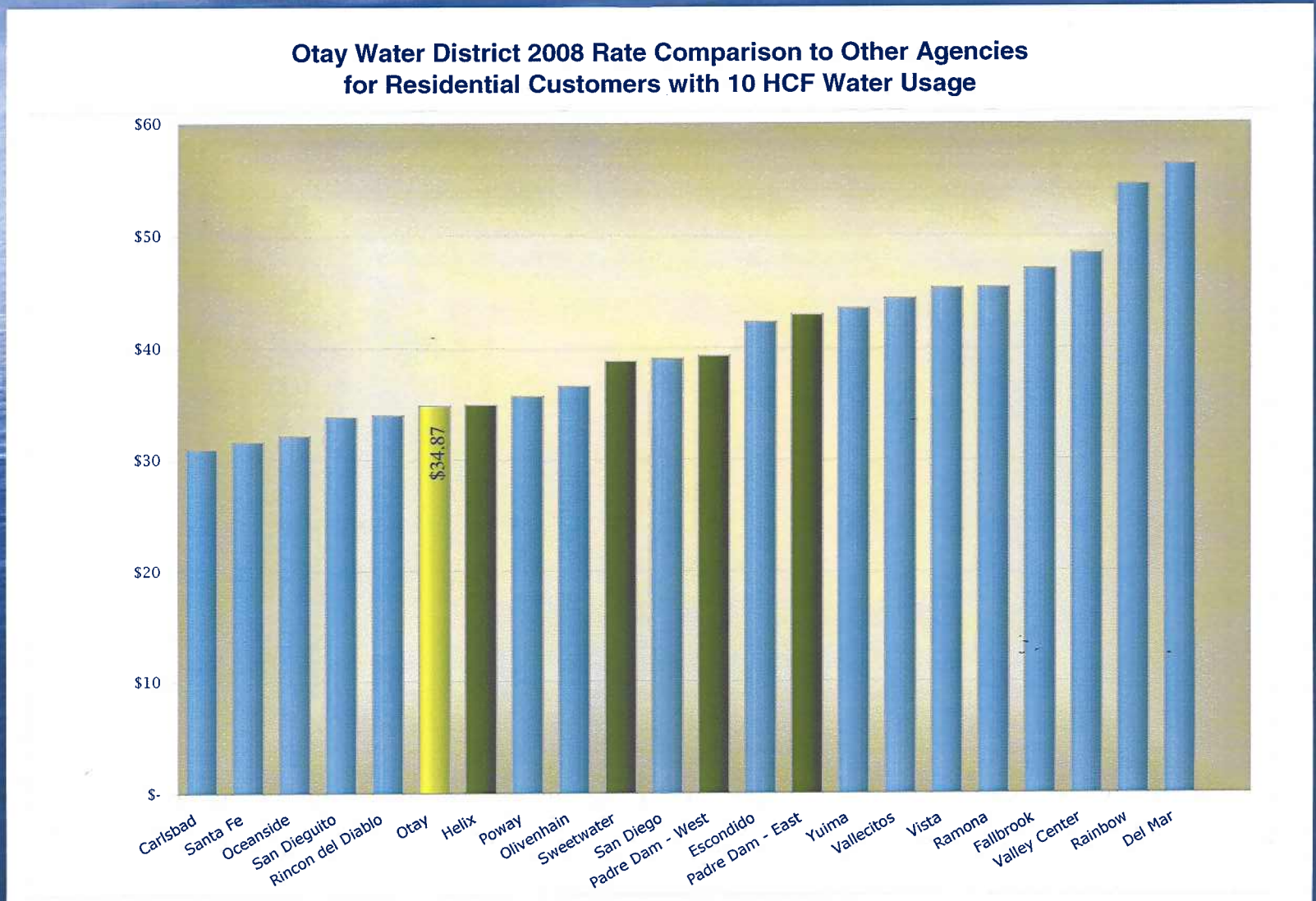
MWD/CWA Pass-through	System Fee	Water Usage	Pressure Zone *	ID *	Total
$3.55	$11.30	$27.50	$1.77	$0.91	$45.03

Proposed Bill

MWD/CWA Pass-through	System Fee	Water Usage	Pressure Zone *	ID *	Total
$3.85	$12.30	$28.55	$1.86	$0.95	$47.51

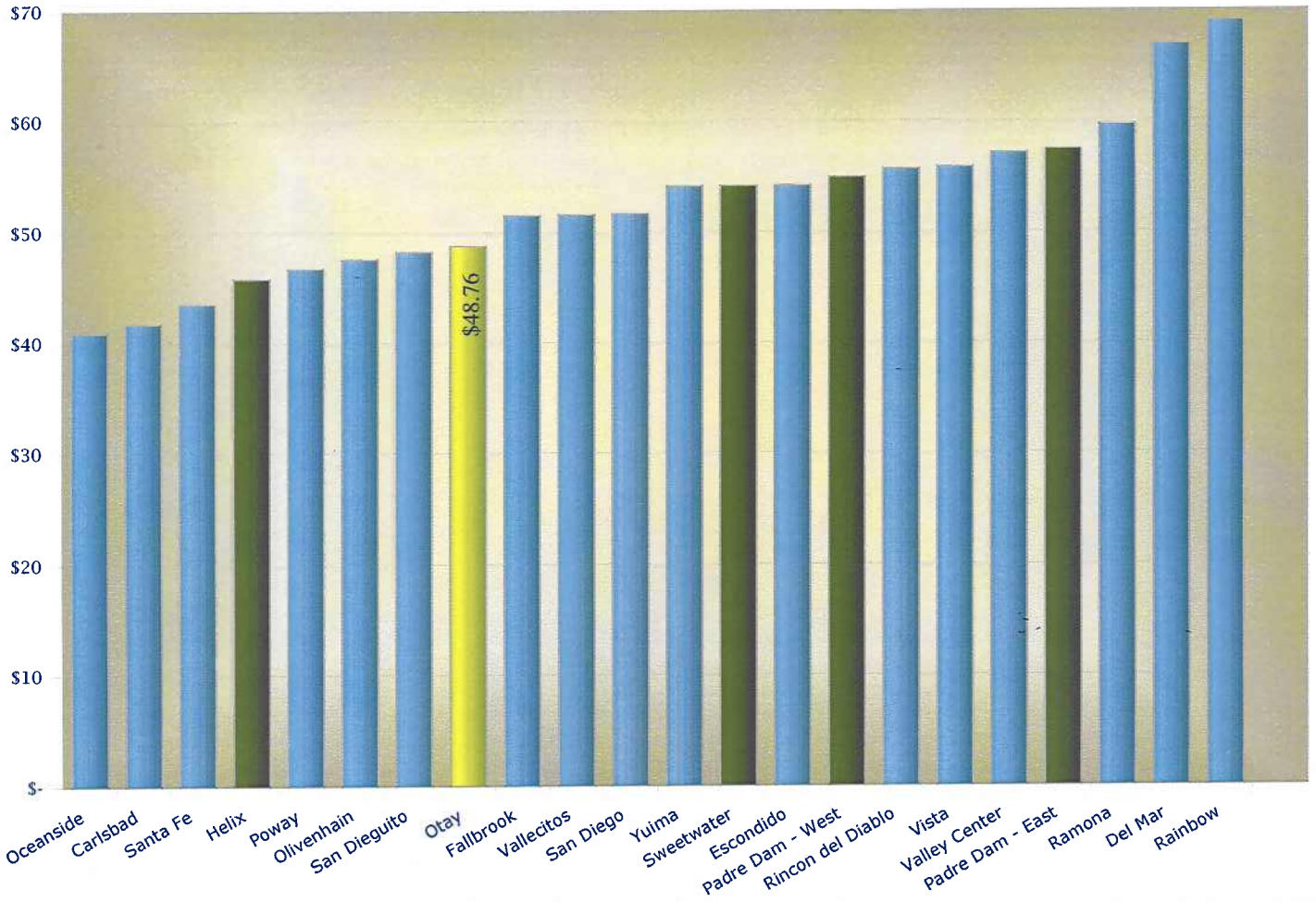
* These fees vary by geographic area and your individual fees may be different than shown here

How we compare to our neighboring Districts for low water users



How we compare to our neighboring Districts for average water users

Otay Water District 2008 Rate Comparison to Other Agencies for Residential Customers with 15 HCF Water Usage



Reasons for Increase

- The District makes every effort to hold down costs which minimizes rate increases
- 100% of this year's increase pays for higher water costs from our wholesale suppliers
- Wholesaler's costs are increasing primarily due to rising cost of construction materials and energy, and new infrastructure projects and maintenance
- The District continues to operate efficiently and deliver quality water without raising costs due to internal factors

Sewer Charge Change in Methodology

- In May 2007 the Otay Water District Board voted to change the way it charges its sewer customers, moving from a flat rate to a winter-consumption based sewer charge
- Your new bill will be calculated based on the prior year's average consumption during the Winter months (from December through March)
- This new methodology will reduce the bill for low water use customers and increase the bill for high water use customers
- This new structure is revenue neutral while the proposed increase applies regardless of the methodology change and is due to increases in the cost to collect, transport, and treat sewer

Sewer Bill Calculator

To calculate your estimated sewer bill, input your average water consumption for the previous December through March, 2007 and your current and proposed bill will be calculated.

Note: This is an estimated bill and many variables may cause your actual bill to be different. This bill calculator assumes a ¾ inch residential meter.

Input average winter consumption here _____units

(To calculate your "winter average" consumption add the 4 Winter months together and divide by 4)

Calculated Sewer Bill

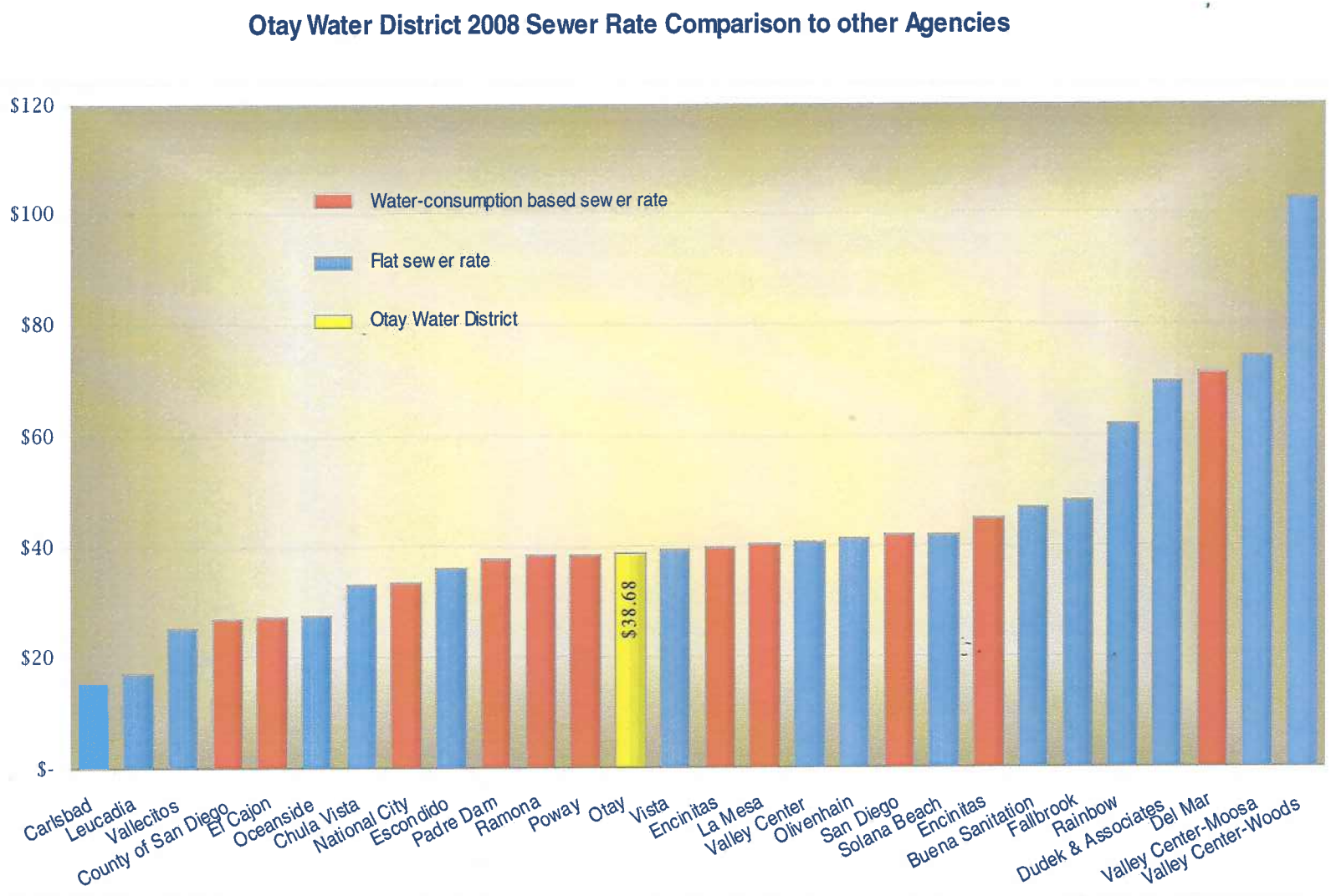
Current Bill

System Fee	Usage Charge	Total
$32.70	N/A	$32.70

Proposed Bill

Base Fee	Usage Charge	Total
$9.75	$23.50	$33.25

How do we compare to our Neighboring Districts for Sewer Charges?



AGENDA ITEM 7d

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	Geoffrey Stevens, Chief Information Technology and Strategic Planning	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	NA		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Administration and Finance		
SUBJECT:	2007 Qualserve Benchmark		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

Provide an informational update to the Board on the 2007 Qualserve Benchmark results.

ANALYSIS:

The attached presentation provides the first report to the Board on the 2007 Qualserve based benchmark analysis. One hundred and ninety one (191) utilities participated this year. The results provide a different and comparative perspective on overall District performance. Benchmarking is useful as a comparative method but the results generally need further interpretation or to be placed in a context to understand what they may mean. This presentation includes the survey results and will also include a demonstration of the Districts revised strategic plan results webpage.

FISCAL IMPACT:

None at this time.

STRATEGIC GOAL:

This presentation supports measurement of strategic plan objectives.

LEGAL IMPACT:

None

General Manager
Attachment A - Committee Action
Qualserve Benchmark PowerPoint

ATTACHMENT A

SUBJECT/PROJECT:	2007 Qualserve Benchmark

COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on June 27, 2007. The following comments were made:

- Staff presented an analysis of the QualServe based benchmark survey results.
- The QualServe Survey was initiated in 1995 and the District became a participant in 2003. There are 191 participants from all regions of the United States. The participants are water and sewer agencies from both the public and private sectors. The survey is based on research by AWWA Research Foundation.
- The Benchmark Survey is in sync with the District's performance measures. The senior management team has reviewed the survey results in detail.
- The District compared its water service measures against the QualServe participants located in the mid-west and western region of the United States. The sewer service measures were compared against those with populations of 10,000 (approximately the size of the District's sewer customer population).
- The committee reviewed each measure in detail and discussed the reasons for District measures that fell in the bottom quartile rating in comparison to the QualServe data.
- It was noted that the survey compares the District to agencies that are generally built out. The District is in a growth phase and this needs to be factored into the data. As an example, the District is currently building or supporting facilities that are sized to support future growth and, thus, the District is expending larger amounts of monies/capital at this time, whereas built out agencies

would not be making such expenditures. The comparison thus, needs further interpretation and must be placed in context.

- It was discussed that QualServe does not breakdown what goes into the calculation of a measure, but only what makes up the calculation (i.e., number of injuries/number of employees)
- The District's overall score was +9. There are 21 total measures and the District scored top quartile in more than half the measures. This is a positive result.
- The District's next steps are to:
  - Develop a staff committee to review and analyze the cost data
  - Examine the process to shift resources toward a maintenance utility
  - Review the Strategic Plan and identify areas where the District can improve processes and adopt industry best practices
  - Further refine the targets that the District should strive for
- It was noted that the District made comparisons against all the QualServe measure with the exception of the following:
  - Strategic Direction (Will be added next year)
  - Preventative vs. Planned Maintenance (Data needed clarification - will be added next year)
- The committee was interested in measures regarding recycled water. The QualServe survey does not collect that data, but staff will discuss with QualServe.

Upon completion of the discussion, the Committee supported presentation to the Board of Directors for discussion as an informational item.

Benchmark Analysis
Otay Water District

June 2007

Source: Qualserve 2006

Objectives

- Review the benchmark data
- Validate our targets
- Develop a set of conclusion for each measure
- Formulate Ideas for Strategic Plan FY09-11

QualServe Survey Methodology

- Started in 1995
- Otay joined in 2003
- Based on research by AWWA RF
- 191 participants from all regions

Review of Individual Measures

Measure name and calculation

Projected Annual

Qualserve target

Quartile Rankings

113- Employee Health & Safety Severity Rate

- Calculation (Annual)

  200,000 (total workdays away from work due to illness or injury) / Total hours worked by all employees

Projected annual = 13.8

Qualserve target = 54.5

Result = top quartile

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
7	37.8	126.9	9.9	54.5	126.9

107- Training Hours per Employees

- Calculation

  total of qualified formal training hours for all employees/ total FTEs worked by employees during the reporting period

Projected annual = 41

Qualserve target = 26.9

Result = top quartile

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
33.2	21.9	12	37.4	26.9	16.9

500- Technical Quality Complaint Rate

- Calculation

  1000 X (number of technical quality – associated complaints) / number of active customer accounts per reporting period

Projected annual = 8
Qualserve target = 7.6
Result = median quartile

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
2.8	7.2	17.4	2.8	7.6	14.2

523- Planned Disruptions

- Calculation

  1000 x number of customer experiencing disruption / number of active customer accounts per year

  Projected annual = 9.7
  Qualserve target = .9
  Result = bottom quartile

Explanation: We are engaged in so much development work, relocation of services for freeway extensions, and valve replacements we have had a much higher rate of planned disruptions

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
0.2	0.6	1.6	0.3	0.9	3.9

509- Unplanned Disruption

- Calculation

  1000 x number of customer experiencing disruption / number of active customer accounts per year

  Projected annual = 2.8
  Qualserve target = .7
  Result = bottom quartile

  Explanation: A 12" CCP main failure in El Cajon on 2-1-07 resulted in 40 homes without water.

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
0.1	0.6	1.8	0.1	0.7	2.1

301- Customer Service Cost per Account

- Calculation (Annual)
  - Total customer service cost / number of active accounts
    - Projected annual = 49
    - Qualserve target = 38.2
    - Result = bottom quartile
    - Explanation = Requires further analysis of cost structures for customer service business processes

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
$23.10	$35.20	$49.90	$22.70	38.2	50.9

307- Billing Accuracy

- Calculation

  10000 x number of error driven billing adjustments during the reporting period / number of bills during the reporting period

  Projected annual =.04

  Qualserve target = 9.3

  Result = top quartile

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
5.3	12.1	48.3	2.7	9.3	48.5

305- Debt Ratio

- Calculation

  Total liabilities/ total assets

Projected annual = .11
Qualserve target = .30
Result = top quartile

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
0.2	0.4	0.5	0.20	0.30	0.40

510- Drinking Water Compliance Rate

- Calculation

  100 x number of days in full compliance / number of days per quarter

Projected annual = 100
Qualserve target = 100
Result = top quartile

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
100.00%	100.00%	100.00%	100%	100%	100%

316- Distribution System Water Loss

- Calculation

  100 [volume distributed – (volume billed + volume unbilled but authorized) / volume distributed]

Projected annual = 4.8%
Qualserve target = 6%
Result = top quartile

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
5.70%	9.10%	13.40%	4%	6%	11.5%

519- Water Distribution System Integrity

- Calculation

  100 (annual total number of leaks + annual total number of breaks) / total miles of distribution piping

Projected annual =15.8

Qualserve target = 36.4

Result = top quartile

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
22.9	43.6	78.7	16.9	36.4	59.6

314- O&M Cost per Account

Total O&M cost (less depreciation) / total number of active customer accounts

Projected annual = 436
Qualserve target = 387
Result = median quartile

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
$173	$272	$422	$244.00	$387.00	$621.00

524- O&M Cost per MGD

Total O&M cost (less depreciation) / volume in MGD during the reporting period

Projected annual = 1800
Qualserve target = 1441
Result = bottom quartile

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
$860	$1,399	$2,053	$860.00	$1,441.00	$2,239.00

512, 505- Planned Water Maintenance Ratio

- 512- Hours
  - 100 x hours of planned maintenance / hours of planned + corrective maintenance
  - Projected annual = 60%
  - Qualserve target = 57.6%
  - Result = median quartile
- 505- Cost
  - 100 x cost of planned maintenance / cost of planned + corrective maintenance
  - Projected annual = 73%
  - Qualserve target = 63.5%
  - Result = top quartile

	All Participants			Western Region		
	QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
hrs	76.80%	55.[illegible]0%	34.40%	79.20%	57.60%	37.90%
Cost	75.00	56.00	32.40	80.00	63.50	43.60

514, 506- Planned Wastewater Maintenance Ratio

- 514- Hours

  100 x hours of planned maintenance / hours of planned + corrective maintenance

  Projected annual = 73

  Qualserve target = 64

  Result = top quartile

- 506- Cost

  100 x cost of planned maintenance / cost of planned + corrective maintenance

  Projected annual = 72

  Qualserve target = 67

  Result = median quartile

	All Participants			Western Region		
	QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
hrs	75.4	60.3	39.3	80.6	63.7	48.3
Cost	80.4	58	36	77.7	66.6	47.2

515- Sewer Overflow Rate

100 x total number of sewer overflows during the reporting period / total miles of pipe in the sewage collection system

Projected annual = 1
Qualserve target = 2.74
Result = top quartile

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
1.8	4.3	9.5	1.44	2.74	6.46

513- Collection System Integrity

100 x total number of collection system failures during the year / total miles of collection system piping

Projected annual = 1
Qualserve target = 5.6
Result = top quartile

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
3.6	9.4	26.1	1.7	5.6	12

504- O&M Cost per MGP Sewer

Calculation- Total O&M cost (less depreciation) / volume in MG processed during the reporting period

Project annual = 2035
Qualserve target = 3096
Result = top quartile
Note = target for sewer systems serving population less than 10,000 (treatment plant serves 60% of collection system)

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
$930	$1,719	$2,621	$2,136.00	$3,096.00	$5,648.00

525- Direct Cost of Treatment per MGP

Total O&M costs directly attributable to sewer treatment / total volume (in MGP) during the reporting period

Projected annual = 750
Qualserve target = 2450
Result = top quartile
Note = target for sewer systems serving population less than 10,000 (treatment plant serves 60% of collection system)

All Participants			Western Region		
QualServe Top Quartile	QualServe Median Score	Bottom Quartile	QualServe Top Quartile	QualServe Median Score	Bottom Quartile
$504	$759	$1,513	$1,383.00	$2,450.00	$2,919.00

Overall Index Score +9

	QualServe Top Quartile	QualServe Median Quartile	QualServe Bottom Quartile
SCORE	+1	0	-1
Total	13	4	4
Overall Score	13	0	-4

Measures that were in top quartile gained an index score of +1

Results – Top Quartile

- Employee Health And Safety Ratio
- Training Hours per Employee
- Billing Accuracy
- Debt Ratio
- Drinking Water Compliance Rate
- Distribution System Water Loss
- Water System Distribution Integrity
- Planned Maintenance Ratio Water (Cost)
- Planned Maintenance Ratio Sewer (Hours)
- Sewer Overflow Rate
- Collection System Integrity
- Direct Cost of Treatment Per MG Processed
- O&M Cost Per MGP Sewer

Results – Median Percentile

- Technical Quality Complaint Ratio
- O&M Cost per Account
- Planned Maintenance Ratio Water (Hours)
- Planned Maintenance Ratios Sewer (Cost)

Results – Bottom Quartile

- Planned Disruption Rate
- Unplanned Disruptions
- Customer Service Cost Per Account
- O & M Cost Per MGD

Conclusions

- Overall results are positive + 9
- Costs and processes need further analysis
- Our targets need further refinement

Recommendations

- Develop a committee to review cost data
- Examine what it would take to shift more resources toward a maintenance utility
- Set FY 2009-2011 Strategic Plan objectives to continue adoption of industry best practices and process improvements

AGENDA ITEM 7e

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	David Burpeau – Safety & Risk Administrator	W.O./G.F. NO:	DIV. NO. All
	Bill Jenkins - IT Operations Supervisor		
APPROVED BY: (Chief)	Rom Sarno, Chief of Administrative Services Geoff Stevens, Chief Information Officer		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Finance and Administration		
SUBJECT:	Status of Security and Emergency Preparedness		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

Provide a report to the Committee on the status of physical security, data network security and emergency preparedness.

ANALYSIS:

This report includes the status of physical security, data network security and emergency preparedness programs.

After the September 11, 2001 incident and a Federal requirement to conduct a vulnerability assessment, a budget was approved and recommendations of the study were implemented.

Recent reviews of the state of the District's security program have also been conducted by District staff, Special District's Risk Management Authority (SDRMA), the District's property and liability carrier, local law enforcement, and the FBI. Most reviews have been conducted in 2006 and 2007.

The District's security model includes the hardening of facilities access control, high security locks, key control, intrusion detection, visitor control and other protective devices.

Recent incidents of intrusion include theft of recyclables, small tools and small equipment. Other District's have experienced similar intrusions and thefts. Other incidents include graffiti, fence cutting and minor property damage.

There has been no access to areas protected by a security system such as buildings or the water supply.

The District is adequately insured against loss by SDRMA. Coverage includes reasonable deductibles and insures for larger claims and disasters.

In compliance with the requirement of Federal Emergency Management Agency (FEMA), the District's emergency responders have completed the necessary National Incident Management System (NIMS) training. An Emergency Operations Center (EOC) is maintained and related emergency exercises and training are conducted on a periodic basis. Training is scheduled for responders in July.

With the completion of the upgrades for the District's data center, numerous security enhancements were achieved including a better test and production environment, enhanced primary and back up air conditioning, an upgraded PBX with more redundancy, better backup procedures and security for data, and deployment of field computers to Operations staff.

Upgrades are being evaluated to the District's wireless communications networks to allow enhancements for video surveillance and remote operations while reducing communications costs. A Prop 84 grant is being pursued in conjunction with CISCO Systems to implement remote site video surveillance.

FISCAL IMPACT:

None at this time.

STRATEGIC GOAL:

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

LEGAL IMPACT:

None.

General Manager

Attachment A, Committee Action
Attachment B, Security PowerPoint Presentation

ATTACHMENT A

SUBJECT/PROJECT:	Status of Security and Emergency Preparedness

COMMITTEE ACTION:

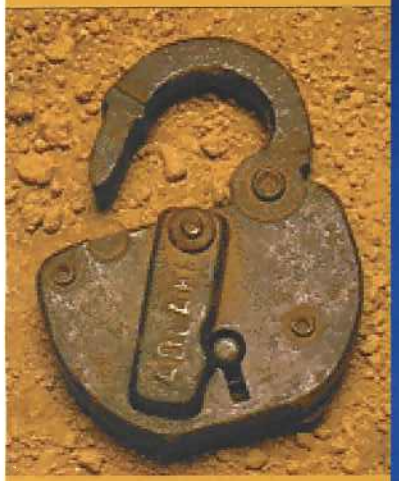
The Engineering, Operations and Water Resources Committee reviewed this item in detail at a meeting held on June 27, 2007. The following comments were made:

- Staff noted that this report and PowerPoint presentation is a status of the physical security, data network security and emergency preparedness programs.
- After September 11, 2001, there was a Federal requirement to conduct a Vulnerability Assessment of the District's assets.
- Following the completion of the Vulnerability Assessment, a five year CIP was established to address any improvements in security. The upgrades were completed as of this year. There is a desire to continue enhancements to physical security such as removal of visual barriers which include vegetation, physical deterrents, additional electronic security and graffiti control products.
- Safety & Risk Administration has been working with Engineering to ensure that security design features for future projects are incorporated.
- All District field sites contain security components monitored by SCADA and/or another off-site monitoring system. Tanks are protected by several levels of security including physical protection of the asset as well as electronic monitoring.
- Staff noted that all sites are checked on a daily basis to ensure that no breeches in security have occurred.
- Staff shared information relating to the District's efforts to maintain a high level of emergency preparedness by training, exercises and sufficient emergency supplies.

- The District's data center was upgraded in Fiscal Year 2007. Backup redundant power (UPS) and air conditioning was installed in case of power outages in the Administration building.
- A data co-location center is being setup in the Operations Emergency Operations Center (EOC) which will provide access to the Otay network operations if the Admin Data Center fails.
- Other data security improvements include a new firewall being installed, video surveillance of the data center, 24/7 monitoring and remote access encrypted with Citrix.
- There were also upgrades to the telecom PBX system and include automated call center, out-dialing that can be used to alert customers of water shutdowns or friendly reminders of past due water bills.
- Staff indicated that backup tapes are taken off-site nightly in case of loss or damage to the District's computer system.
- Staff indicated that it will established a CIP in FY 2008 to scan 1.3 million pages in our Records Center which will provide document backup in the event of fire or disaster and will provide easier access for staff because the documents will be indexed and available via Otay INET.
- The District will be testing an advanced remote video surveillance system which utilizes high bandwidth wireless communications at the Treatment Plant in FY 2008.
- The District submitted a grant proposal for CISCO video surveillance equipment at remote critical sites. In the meantime, an agreement has been signed with Pac Bell to increase the District's bandwidth.
- There was discussion regarding future capabilities for video-conferencing. Face-to-face video conferencing would not be cost effective; however, using the web-X type system might be more feasible.

The Committee stated that they were satisfied that the level of security was very good and major strides have been made to protect the District's interests.

Upon completion of the discussion, the Committee affirmed that this presentation should be taken to the full Board as an action/information item.



SECURITY & EMERGENCY OPERATIONS STATUS

Regular Board Meeting

July 10, 2007

OBJECTIVE

- Update your Board on the following:

  Physical Security

  Emergency Preparedness

  Cyber Security

SECURITY ASSESSMENTS AND REVIEWS

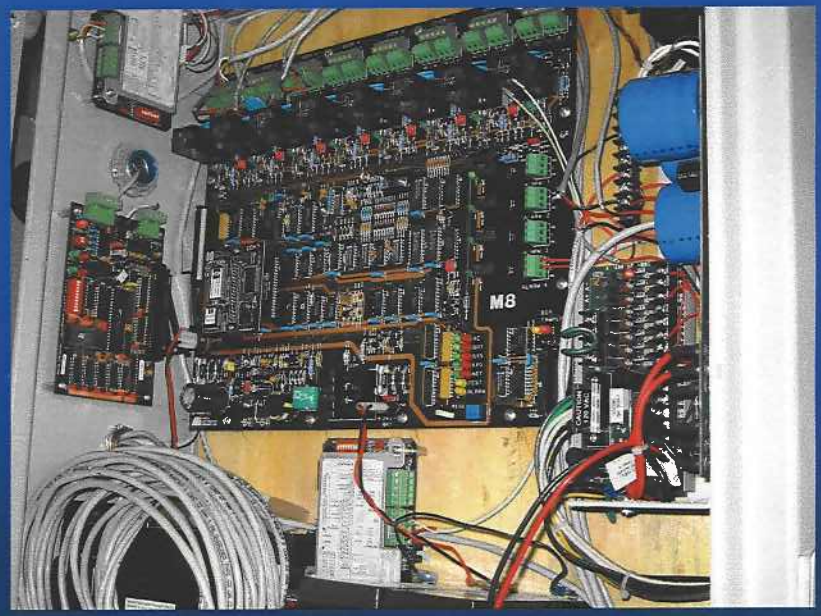
- Following completion of a federally mandated Vulnerability Assessment in 2002, the District adopted the EPA security model of: Detect- Delay- Respond
- The District immediately acted to harden facilities by budgeting for funds, securing access to the water supply, upgraded fencing, installation of redundant electronic security devices, perimeter and tank access protection systems
- The District also entered into a contract for alarm response services and fostered relationships with law enforcement
- Since 2002, there have been a number additional reviews by District staff, liability insurance provider, local law enforcement and FBI. Most recently in 2006 and 2007

SECURITY PROGRAM COMPONETS

- Access control
- Visitor control
- Key control
- Chlorine security
- Chemical security
- Perimeter protection
- Security Systems
- Hardened sites/devices
- Improved locks
- Daily facility checks
- Cameras (Two locations)
- SCADA
- Alarm response patrols
- Safe Rooms
- Signage
- Law enforcement site reviews (Sheriff and FBI)

ACCESS CONTROL

- Field access control system is the same integrated system used at Operations, Administration, Regulatory and the Recycling Facility
- Used by the Federal government and other high security agencies
- System controls, manages and tracks access by employees, vendors, contractors, etc
- Access can be restricted or controlled at will



INSURANCE

- The District is adequately insured against loss through SDRMA. Losses are covered by a $1,000 - $2,000 deductible

FUTURE PROJECTS

- More use of field access control
- Communication with Engineering as to security design features for future projects – equipment, lighting & sounders, plants conducive to deterring access
- Visual (Vegetation) barrier removal & replacement with thorny material
- Addition of strobes, lighting and sprinklers at remote sites
- Additional hardening efforts such as razor wire at base of fencing
- Graffiti control products

CHALLANGES

- Recently like many public agencies intrusions have occurred through fencing – items taken were generally recyclables, small tools and smaller equipment as well as one vehicle slated for surplus was stolen and recovered
- We are not alone – Padre, Helix, Vista and other districts are routinely hit

EXAMPLES OF INTRUSION EVENTS

- Tagging
- Vandalism
- Theft
- Fence cutting
- No access to water supply or buildings

THE GOOD NEWS

- No access to areas protected by security systems such as buildings and the water supply
- Recovered $5,000 in stolen hydrant caps
- Communication with recyclers
- Continued work with other agencies and law enforcement to help control losses
- Provided assistance to law enforcement and local water agencies to help with hydrant cap thefts
- Active in Security Working group – WUSMA
- Law enforcement has stated that we have done far more than most to protect facilities

EMERGENCY OPERATIONS

- District conducts periodic emergency exercises to test the NIMS plan – Last in 2006 – Raging Waters Joint Agency Exercise
- All necessary staff have been trained in FEMA Emergency Management Courses – NIMS 100-800
- Adequate food and supplies to handle a minimum of five days emergency operations
- NIMS resolution approved by Board in 2007
- NIMS plan annually reviewed and updated
- A tabletop exercise/review of responsibilities is planned for July

DATA CENTER AND UPS UPGRADE

- The Otay Water Data Center was completely upgraded in FY2007
- Backup redundant power (UPS) and air conditioning

DATA CENTER CO-LOCATION

- A minimized redundant co-located Data Center (COLO) is being created in the Operations Emergency Operations Center (EOC)
- COLO will have its own UPS power and air conditioning
- Will provide Otay Water network operations if Admin Data Center fails

DATA SECURITY IMPROVEMENTS

- New firewall being installed
- Remote access encrypted with Citrix
- Use of complex passwords / changed often
- Video surveillance of data center
- 7/24 monitoring by third party vendor
- Escalating alerts in the event of a problem

TELECOM PBX UPGRADE

- Major PBX (Telecom) Upgrade in FY2007
- Interactive Voice Recognition (IVR)
- Automated Call Center (ACD)
- Out-dialing
- Redundant dial-tone

MOBILE PLATFORM

- Deployed 50 Tablet PCs to Field Staff
- Connects to core applications via Air Cards and Citrix to minimize bandwidth
- Reinforces Disaster Recovery Plan by providing another route for remote access in the event of major disaster

BACKUP PROCEDURES

- Critical backup tapes taken off-site nightly and returned the following day
- Full weekly backups stored offsite weekly at EDP

RECORDS MANAGEMENT

- FY2008 CIP to scan 1.3 million pages in our Records Center
- Every record will be indexed and available via Otay INET
- Scanned images will provide document backup in the event of fire or disaster

FUTURE PHYSICAL SECURITY ADVANCEMENTS

- Otay will be testing advanced remote video surveillance technology utilizing high bandwidth wireless communications at one test site in FY 2008.
- Submitting Grant Proposal along with seven other San Diego Water agencies for Cisco video surveillance equipment at remote critical sites

QUESTIONS??

AGENDA ITEM 8a

STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	July 10, 2007
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
SUBJECT:	Board of Directors 2007 Calendar of Meetings		

GENERAL MANAGER'S RECOMMENDATION:

At the request of the Board, the attached Board of Director's meeting calendar for 2007 is being presented for discussion.

PURPOSE:

This staff report is being presented to provide the Board the opportunity to review the 2007 Board of Director's meeting calendars and amend the schedules as needed.

COMMITTEE ACTION:

N/A

ANALYSIS:

The Board requested that this item be presented at each meeting so they may have an opportunity to review the Board meeting calendar schedule and amend it as needed.

STRATEGIC GOAL:

N/A

FISCAL IMPACT:

None.

LEGAL IMPACT:

None.

General Manager

Attachments: Calendar of Meetings for 2007

Board of Directors, Workshops and Committee Meetings 2007

Regular Board Meetings:

January 3, 2007
February 7, 2007
March 7, 2007
April 4, 2007
May 2, 2007
June 6, 2007
July 10, 2007
August 1, 2007
September 5, 2007
October 3, 2007
November 7, 2007
December 5, 2007

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

January 17, 2007
February 21, 2007
March 21, 2007
April 18, 2007
May 16, 2007
June 20, 2007
July 18, 2007
August 15, 2007
September 19, 2007
October 17, 2007
November 21, 2007
December 19, 2007

Board Workshops:

Budget Workshop, Tuesday, May 29, 2007
Board Retreat Workshop, Tuesday, October 9, 2007

AGENDA ITEM 9

STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	July 10, 2007		
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	N/A	DIV. NO.	N/A
SUBJECT:	General Manager's Report				

GENERAL MANAGER:

Update on the design of the 36-Inch Potable Water Pipeline from FCF #14 to Regulatory Site:

- Infrastructure Engineering Corporation (IEC) submitted the final draft of the preliminary design report. Staff is reviewing the final draft and will provide a copy of the report to the Valle de Oro Community Planning Group.

Update on the 30-Inch Recycled Water Pipeline, 450-1 Reservoir, and 680-1 Pump Station Projects:

- On June 1, 2007 the District celebrated the dedication and grand opening of the Recycled Supply Link Project.
- Notice of Completion for Reservoir/Pump Station was accepted on June 22, 2007.
- Permanent water deliveries began on May 18, 2007. Over 80 million gallons of recycled water have been received from South Bay Water Reclamation Plant and pumped into the District's 680 and 944 systems.

Update on the 640-1 and 640-2 Reservoirs Project:

- Floor slab was poured for 640-1 Reservoir.
- Removed the 10' surcharge over the engineered fill at the 640-2 Reservoir site.

- Completed the concrete slurry in the pipe corridor from both reservoirs to the inlet/outlet vault.

- Continued installation of the 42" CMLC pipeline down access road "B."

ADMINISTRATIVE SERVICES AND FINANCE:

Administrative Services:

- There were no new hires in the month of June.

- Personalized Benefits Statements were distributed to District staff. The Benefits Statement included a summary of employees' compensation and benefits. This is the first issue of the newly created Benefits Statement developed through the cooperation between various department, Human Resources, IT, and Finance. The goal is to issue an annual Benefits Statement to Otay staff.

- 20 Gallon Challenge: In late June, the District began promoting the "20 Gallon Challenge" through our website, bill inserts, bill messages, and through our front lobby display.

- WaterSense Partnership: The District applied for, and became a partner in EPA's new WaterSense Program that promotes water use efficiency similar to their ENERGY STAR ™ program. The WaterSense logo is now on the District's homepage as well as within the water conservation section of the webpage. The District will use the logo in future outreach efforts.

- MacKenzie Creek Park Sign Project: Matching grant funds through the Cooperative Communications Partnership program from the Water Authority, four water-wise signs were designed, printed, and then installed on June 29th within the water-wise demonstration garden at McKenzie Creek Park in Chula Vista. The four 3'x4' signs promoted the use of water-wise plants, mulch, Naturescape principles, and tips on how to water wisely. A fifth and larger sign (4' x 6') promoting the safe use of recycled water will be installed in early July.

- Artificial Turfgrass grant application: The District submitted a $300,000 grant application for the artificial turfgrass at Monte Vista High School through the CALFED

Water Use Efficiency Grant. We will be notified in late July regarding our application.

- Ninety-six High Efficiency Toilets were installed in "New Construction" by the end of the Fiscal Year, making a total of 305.

- Asphalt Sealing and Re-Striping: The blacktop at the 2553 Sweetwater Springs Blvd (Operations/Warehouse) has been sealed and re-striped. This is a regular maintenance procedure to prolong the life of the asphalt. The 2554 Sweetwater Springs (Administration) site is scheduled for similar work during the first quarter of FY 2008.

- Implementation of the EDEN Contract Module: The installation and "go live" of the EDEN contract module is complete. The work began in December, 2007 and was completed in June, 2007 and involved inputting 257 services, maintenance, consulting, design, construction, and other District contracts into the modules data base. The module is fully integrated with EDEN's other modules including the financial, accounts payable, and accrual functions. This module will contribute to the availability and transfer of information by providing single point access. The team responsible for the modules implementation included Purchasing, IT, and Engineering.

- In the month of June there were 141 purchase orders issued for a total of $566,476.63.

Information Technology and Strategic Planning:

- Staff presented a paper entitled "Foundation and Access Strategy to Enterprise Integration" at the ESRI International users Conference on June 20th. Ming Zhao was the author and feedback was positive.

- Deployment of the GPS units for all Otay vehicles is proceeding. Ninety-four units have had equipment installed and are in the testing phase.

- Staff has redesigned the Strategic Plan website to allow better access to information. It will be available for the Board to utilize by the end of July.

- Staff has initiated a project to construct a back-up data center in the Operations building which will provide computer support to the data center in the Admin building.

Finance:

- Negotiations - Staff has been working with the Human Resources department to cost various options that are part of the negotiations process. This effort will continue as needed until the end of the negotiations. To date, there have been several meetings with the Association and additional meetings are scheduled for the last week in July and first week in August.

- Awards Luncheon - On Monday August 13, 2007, the Association of Public Treasurers US&C will be awarding the District the Certifications of its Investment Policy and Debt Policy. This certification is recognition by our financial peers of the quality of our policies. This organization is the preeminent organization when it comes to the investment of public funds.

- Audit - The interim audit work was completed in May. The auditors will be arriving on August 13th to complete the field work for this year's audit. With the end of the fiscal year just past, staff is working to prepare for their arrival. Staff anticipates a smooth audit and looks forward to preparing another award-winning Comprehensive Annual Financial Report (CAFR).

- Personnel Evaluations - Managers' and supervisors' are going through the staff evaluation process. This effort is an important communication tool and is an essential effort to effectively recognize and motivate positive performance. By the end of July, each employee in the department will have completed this process.

The financial reporting for May 31, 2007 is as follows:

- For the eleven months ended May 31, 2007, there are total revenues of $55,251,146 and total expenses of $53,658,206. The revenues exceeded expenses by $1,592,941.

The financial reporting for investments for May 31, 2007 is as follows:

- The market value of the Portfolio Master Summary and the Investment Portfolio Details as of May 31, 2007 total $107,443,095.59 with an average yield to maturity of 5.204%. The total earnings year-to-date is $3,667,244.01. The effective duration is .163 of a year.

ENGINEERING AND WATER OPERATIONS:

Engineering:

- Staff received eight (8) improvement plans from developers which included: one (1) recycled plan check, five (5) potable plan checks, and two (2) fire service plan checks.

- Sixty-one (61) meters were sold as of June 25, 2007, generating $800,989.00 in revenue ($782,454.00 was the revenue budgeted for this period). Eight hundred seventy-six (876) meters were budgeted for FY06-07. To date, 756 meters have been sold for FY06-07 (584 were expected to be sold for this period), which has generated a total of $10.6 million for the District. Revenue budgeted for FY06-07 was $9.3 million.

- The Construction Division received five (5) new projects to be constructed by developers and performed one (1) pre-construction meeting. In addition, one (1) project was completed and four (4) projects were released from warranty.

- Approximately 12,152 linear feet of both CIP and developer project pipelines were installed, totaling 62,881 feet since July 2006. The Construction Division performed quality assurance for these pipelines.

- Two-hundred and fifty (250) underground facilities were located, eight (8) hydrostatic pressure tests, five (5) wet taps and tie-ins, forty-seven (47) meter set inspections, and three (3) project walk-throughs were performed during the month.

- The 2009 Water Resources Master Plan (WRMP) Update and Program Environmental Impact Report (PEIR) Project Request for Proposal (RFP) was sent to twenty-eight (28)

consulting firms, resulting in six (6) proposals received on June 7, 2007 from the following firms: Black & Veatch/EDAW, Boyle/HDR, CDM/ESA, IEC/EDAW, MWH, and PBS&J. Eight (8) review panel members evaluated each written proposal. Based on these scores, the following top three (3) firms were selected to interview: PBS&J, CDM, and MWH. Interviews took place on June 28. Staff is in the process of making the final consultant selection. Staff will make recommendation and present to the Board at the August Board Meeting.

- The following table summarizes purchase and change orders issued during the period of May 25, 2007 thru June 25, 2007 that are within staff signatory authority:

Date	Action	Amount	Contractor/ Consultant	Project
NONE				

Water Operations:

- As part of a continuous proactive valve exercise and replacement program, Water Operations has begun the valve-replacement project in Carriage Hills in Spring Valley off of Jamacha Blvd, just east of the District's Administration offices. As of June 13, staff has completed one shutdown and replaced eight valves. A second shutdown will have occurred on Thursday, June 14, and possible subsequent shutdowns are planned to replace malfunctioning valves in this area and the project is scheduled to be completed by July 19. This is part of a pro-active valve replacement program that Water Operations has developed. Once the entire project is complete, staff will present the Board with the results of the project, as an example of how the program works.

- Water purchased for the month of May was 3817.8 acre-feet. Beginning FY 06/07 to date, July 1, 2006 to May 31, 2007 there has been 38,613.70 acre-feet of water purchased. This is a 0.7 percent increase from the same period last year, July 1, 2005 to May 31, 2006.

- The AMR change-out program is progressing. The District's contractor, Underground Utility, Inc. (UUI), and the District's Utility/Construction Section

replaced 6,799 RAMAR/Badger units as of May 31, 2007, leaving 12 RAMAR units still in use.

- In the month of May, 2007 there were 47 new Automated Meter Reading (AMR) meters installed and ten meters were retrofitted to AMR meters.

- As of May 31, 2007 there was a total of 13,563 radio-read meters in the ground; 12 of these meters are RAMAR and 13,551 are 3G Master Meters.

  Total number of potable water accounts is 47,565.

- Recycled water consumption for the month of May is as follows:

  Total flow was 329.2 acre-feet or 107,228,792 gallons and the average daily flow was 3,458,993 gallons per day.

  Total number of recycled water accounts is 575.

- Wastewater flows for the month of May were as follows:

  Total basin flow, gallons per day: 2,035,000.
  Total Otay flow, gallons per day: 1,359,000.
  Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 1,035,000.
  Flow to Metro from Otay Water District, gallons per day: 324,000.

  Total number of sewer connections is 6,060.

General Manager

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Exhibit A

OTAY WATER DISTRICT
COMPARATIVE BUDGET SUMMARY
FOR ELEVEN MONTHS ENDED MAY 31, 2007

	Annual Budget	YTD Actual	YTD Budget	YTD Variance	Var %
REVENUE:					
Water Sales	$ 29,866,000	$ 27,121,876	$ 27,024,200	$ 97,676	0.4%
Energy Charges	1,853,000	1,611,301	1,642,300	(30,999)	(1.9%)
System Charges	8,529,300	7,894,805	7,832,200	62,605	0.8%
Penalties	704,500	688,813	643,900	44,913	7.0%
MWD & CWA Fixed Charges	2,178,000	1,957,780	1,956,600	1,180	0.1%
Total Water Sales	43,130,800	39,274,575	39,099,200	175,374	0.4%
Reclamation Sales	4,485,400	3,827,377	3,812,800	14,577	0.4%
Sewer Charges	2,568,100	2,360,131	2,354,100	6,031	0.3%
Meter Fees	278,500	222,752	255,100	(32,348)	(12.7%)
Capacity Fee Revenues	1,000,200	1,435,509	916,900	518,609	56.6%
Annexation Fees	1,216,900	1,959,297	1,115,400	843,897	75.7%
Non-Operating Revenues	1,674,100	1,355,180	1,496,600	(141,420)	(9.4%)
Tax Revenues	3,427,400	3,485,613	3,290,300	195,313	5.9%
Interest	1,005,600	1,070,712	921,800	148,912	16.2%
General Fund Draw Down	283,600	260,000	260,000	-	0.0%
Total Revenue	$ 59,070,600	$ 55,251,146	$ 53,522,200	$ 1,728,946	3.2%
EXPENSES:					
Water Purchases	$ 22,954,900	$ 21,323,869	$ 20,656,700	$ (667,169)	(3.2%)
CWA-Infrastructure Access Charge	1,003,900	918,001	917,900	(101)	(0.0%)
CWA-Customer Service Charge	846,800	773,151	773,300	149	0.0%
CWA-Emergency Storage Charge	1,230,600	1,124,223	1,124,000	(223)	(0.0%)
MWD-Capacity Res Charge	514,800	485,188	471,900	(13,288)	(2.8%)
MWD-Readiness to Serve Charge	512,200	469,524	469,500	(24)	(0.0%)
Subtotal Water Purchases	27,063,200	25,093,956	24,413,300	(680,656)	(2.8%)
Power Charges	2,677,800	2,232,412	2,453,225	220,813	9.0%
Payroll & Related Costs	14,606,300	13,718,837	13,484,550	(234,287)	(1.7%)
Material & Maintenance	4,623,700	3,700,739	4,238,393	537,654	12.7%
Administrative Expenses	4,888,600	3,692,179	4,477,076	784,897	17.5%
Legal Fees	671,000	1,058,383	615,083	(443,299)	(72.1%)
Replacement Reserve	4,540,000	4,161,700	4,161,700	-	0.0%
Total Expenses	$ 59,070,600	$ 53,658,206	$ 53,843,327	$ 185,122	0.3%
Excess Revenue (Expense)	**$ -**	**$ 1,592,941**	**$ (321,127)**	**$ 1,914,068**	

OTAY WATER DISTRICT
INVESTMENT PORTFOLIO REVIEW
MAY 31, 2007

INVESTMENT OVERVIEW & MARKET STATUS:

The Federal Reserve Board's federal funds rate remains unchanged since its Jun-06 rise to 5.25%. As recently as May 9th the Board met, with very little consensus for a rate drop and increasing talk of inflation and a potential return to rate hikes in the future. The prevailing opinion among financial analysts is for the current rate to remain in effect at least through September and possibly into 2008. Bond returns are now starting to rise slightly, after remaining virtually unchanged over the last 2 months, and long-term interest rates are finally beginning to increase enough to eliminate the inverted yield curve. However, bonds with higher yields typically still have short, continuing call options so that issuers can refund and reissue very quickly if the federal funds rate drops. Based on this assessment we plan to maintain our current strategy of investing in short-term Federal Agency securities until longer term investments become more attractive.

The District's overall return on investments continues to increase, with a current average return slightly above 5.29%. At the same time the LAIF return on deposits has increased to now equal the federal funds rate, making this an excellent short-term alternative for maximum investment of available funds. With the funding of the District's COPS-2007, we are actively placing these additional monies into investments spread out over the 24-months that are programmed for the use of the funds for ongoing CIP construction projects. The increase in income from the COPS-2007 proceeds is now projected to result in a total investment income for FY-07 in excess of $4 Million.

In accordance with the District's Investment Policy, all District funds continue to be managed based on the objectives, in priority order, of safety, liquidity, and return on investment.

PORTFOLIO COMPLIANCE: May 31, 2007

	Investment	State Limit	Otay Limit	Otay Actual
8.01:	Treasury Securities	100%	100%	0
8.02:	Local Agency Investment Fund (Operations)	$40 Million	$40 Million	$5.3 Million
8.02:	Local Agency Investment Fund (Bonds)	100%	100%	15.92%
8.03:	Federal Agency Issues	100%	100%	78.09%
8.04:	Certificates of Deposit	30%	15%	0.001%
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%	0.001%
12.0:	Maximum Single Financial Institution	100%	50%	0.01%

OTAY
Portfolio Management
Portfolio Summary
May 31, 2007

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Issues- Callable	84,000,000.00	83,882,327.73	83,996,795.64	78.80	615	456	5.212	5.285
Certificates of Deposit - Bank	79,108.00	79,108.00	79,108.00	0.07	730	235	3.880	3.934
Local Agency Investment Fund (LAIF)	22,413,807.32	22,407,474.94	22,413,807.32	21.03	1	1	5.176	5.248
San Diego County Pool	105,430.97	105,416.16	105,430.97	0.10	1	1	5.089	5.160
Investments	**106,598,346.29**	**106,474,326.83**	**106,595,141.93**	**100.00%**	**485**	**360**	**5.204**	**5.276**
Cash								
Passbook/Checking (not included in yield calculations)	968,768.76	968,768.76	968,768.76		1	1	4.615	4.679
Total Cash and Investments	**107,567,115.05**	**107,443,095.59**	**107,563,910.69**		**485**	**360**	**5.204**	**5.276**

Total Earnings	May 31 Month Ending	Fiscal Year To Date
Current Year	485,783.75	3,667,244.01
Average Daily Balance	**110,190,985.12**	**81,518,003.26**
Effective Rate of Return	**5.19%**	**4.90%**

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.

6-21-07

Joseph Beachem, Chief Financial Officer

OTAY
Portfolio Management
Portfolio Details - Investments
May 31, 2007

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												
31359M2L6	2012	FANNIE MAE		12/11/2006	3,000,000.00	2,994,375.00	3,000,000.00	5.250		5.178	376	06/11/2008
3133XEMS5	1998	Federal Home Loan Bank		02/28/2006	3,000,000.00	2,995,312.50	3,000,000.00	5.000		4.943	180	11/28/2007
3133XETX7	2001	Federal Home Loan Bank		03/14/2006	3,000,000.00	2,999,062.50	3,000,000.00	5.125		5.055	105	09/14/2007
3133XF2C9	2002	Federal Home Loan Bank		04/25/2006	3,000,000.00	3,000,000.00	3,000,000.00	5.250		5.175	124	10/03/2007
3133XJ2P2	2010	Federal Home Loan Bank		12/05/2006	3,000,000.00	2,998,125.00	3,000,000.00	5.200		5.129	187	12/05/2007
3133XJ6Q6	2013	Federal Home Loan Bank		12/29/2006	3,000,000.00	2,988,750.00	3,000,000.00	5.125		5.055	577	12/29/2008
3133XJJV1	2015	Federal Home Loan Bank		01/10/2007	3,000,000.00	2,998,125.00	3,000,000.00	5.375		5.301	405	07/10/2008
3133XJR91	2016	Federal Home Loan Bank		01/30/2007	3,000,000.00	2,997,187.50	3,000,000.00	5.400		5.326	609	01/30/2009
3133XJSD1	2017	Federal Home Loan Bank		01/30/2007	3,000,000.00	2,997,187.50	3,000,000.00	5.250		5.173	215	01/02/2008
3133XJVV7	2018	Federal Home Loan Bank		02/15/2007	3,000,000.00	2,997,187.50	3,000,000.00	5.250		5.178	259	02/15/2008
3133XJU55	2019	Federal Home Loan Bank		02/23/2007	3,000,000.00	2,995,312.50	3,000,000.00	5.350		5.277	633	02/23/2009
3133XK3C7	2022	Federal Home Loan Bank		03/15/2007	3,000,000.00	3,000,000.00	3,000,838.27	5.500		5.408	651	03/13/2009
3133XK6A8	2024	Federal Home Loan Bank		03/19/2007	3,000,000.00	2,994,375.00	3,000,000.00	5.300		5.227	476	09/19/2008
3133XKLA1	2030	Federal Home Loan Bank		05/01/2007	3,000,000.00	2,997,187.50	3,000,000.00	5.375		5.301	700	05/01/2009
3133XKN50	2031	Federal Home Loan Bank		05/07/2007	5,000,000.00	4,990,625.00	5,000,000.00	5.300		5.227	525	11/07/2008
3133XKSS5	2032	Federal Home Loan Bank		05/09/2007	3,000,000.00	2,996,250.00	3,000,000.00	5.300		5.227	343	05/09/2008
3128X4K67	2000	Federal Home Loan Mortgage		03/07/2006	3,000,000.00	2,996,667.02	3,000,000.00	5.250		5.178	280	03/07/2008
3128X4DY4	2004	Federal Home Loan Mortgage		05/18/2006	3,000,000.00	2,995,616.91	2,995,957.37	4.000		5.129	42	07/13/2007
3128X5C55	2020	Federal Home Loan Mortgage		03/05/2007	3,000,000.00	2,995,479.13	3,000,000.00	5.500		5.425	1,008	03/05/2010
3128X5G93	2021	Federal Home Loan Mortgage		03/06/2007	3,000,000.00	2,993,355.10	3,000,000.00	5.320		5.247	644	03/06/2009
3128X5P51	2023	Federal Home Loan Mortgage		03/14/2007	3,000,000.00	2,991,509.86	3,000,000.00	5.300		5.227	836	09/14/2009
3128X5Z35	2026	Federal Home Loan Mortgage		04/09/2007	3,000,000.00	2,993,643.04	3,000,000.00	5.300		5.227	496	10/09/2008
3128X5Z35	2027	Federal Home Loan Mortgage		04/09/2007	5,000,000.00	4,989,405.06	5,000,000.00	5.300		5.227	496	10/09/2008
3128X5Z84	2028	Federal Home Loan Mortgage		04/17/2007	3,000,000.00	2,996,049.04	3,000,000.00	5.400		5.326	686	04/17/2009
3128X5Z84	2029	Federal Home Loan Mortgage		04/17/2007	5,000,000.00	4,993,415.07	5,000,000.00	5.400		5.326	686	04/17/2009
31359MG31	1997	Federal National Mortage Assoc		02/24/2006	3,000,000.00	2,998,125.00	3,000,000.00	5.000		4.932	84	08/24/2007
		Subtotal and Average	**82,253,527.83**		**84,000,000.00**	**83,882,327.73**	**83,996,795.64**			**5.212**	**456**	
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	235	01/22/2008
		Subtotal and Average	**79,108.00**		**79,108.00**	**79,108.00**	**79,108.00**			**3.880**	**235**	
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	5,289,749.74	5,288,255.27	5,289,749.74	5.248		5.176	1	
LAIF COPS07	9009	STATE OF CALIFORNIA		03/07/2007	17,124,057.58	17,119,219.67	17,124,057.58	5.248		5.176	1	

OTAY
Portfolio Management
Portfolio Details - Investments
May 31, 2007

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
		Subtotal and Average	**25,765,420.22**		**22,413,807.32**	**22,407,474.94**	**22,413,807.32**			**5.176**	**1**	
San Diego County Pool												
SD COUNTY POOL	9007	STATE OF CALIFORNIA		07/01/2004	105,430.97	105,416.16	105,430.97	5.160		5.089	1	
		Subtotal and Average	**105,430.97**		**105,430.97**	**105,416.16**	**105,430.97**			**5.089**	**1**	
		Total and Average	**110,190,985.12**		**106,598,346.29**	**106,474,326.83**	**106,595,141.93**			**5.204**	**360**	

OTAY
Portfolio Management
Portfolio Details - Cash
May 31, 2007

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 MONEY	9002	STATE OF CALIFORNIA		07/01/2004	10,108.91	10,108.91	10,108.91	1.150		1.134	1
PETTY CASH	9003	STATE OF CALIFORNIA		07/01/2004	2,800.00	2,800.00	2,800.00			0.000	1
UNION OPERATING	9004	STATE OF CALIFORNIA		07/01/2004	920,415.36	920,415.36	920,415.36	4.861		4.794	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2004	25,135.14	25,135.14	25,135.14			0.000	1
UNION IOC	9008	STATE OF CALIFORNIA		05/01/2006	10,309.35	10,309.35	10,309.35	4.550		4.488	1
		Average Balance	**0.00**								**1**
		Total Cash and Investmentss	**110,190,985.12**		**107,567,115.05**	**107,443,095.59**	**107,563,910.69**			**5.204**	**360**

OTAY
Activity Report
Sorted By Issuer
July 1, 2006 - May 31, 2007

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Par Value Purchases or Deposits	Par Value Redemptions or Withdrawals	Par Value Ending Balance
Issuer: STATE OF CALIFORNIA									
Union Bank									
UNION MONEY	9002	STATE OF CALIFORNIA			1.150		97,525,660.26	97,570,569.63	
UNION OPERATING	9004	STATE OF CALIFORNIA			4.861		34,461,699.08	34,437,367.29	
PAYROLL	9005	STATE OF CALIFORNIA					7,659.25	31,423.04	
UNION IOC	9008	STATE OF CALIFORNIA			4.550		29,119,441.47	29,139,825.09	
		Subtotal and Balance		**1,033,493.75**			**161,114,460.06**	**161,179,185.05**	**968,768.76**
Local Agency Investment Fund (LAIF)									
LAIF	9001	STATE OF CALIFORNIA			5.248		50,822,229.39	58,100,000.00	
LAIF COPS07	9009	STATE OF CALIFORNIA			5.248		35,124,057.58	18,000,000.00	
		Subtotal and Balance		**12,567,520.35**			**85,946,286.97**	**76,100,000.00**	**22,413,807.32**
San Diego County Pool									
SD COUNTY POOL	9007	STATE OF CALIFORNIA			5.160		6,339.24	0.00	
		Subtotal and Balance		**99,091.73**			**6,339.24**	**0.00**	**105,430.97**
		Issuer Subtotal	**21.836%**	**13,700,105.83**			**247,067,086.27**	**237,279,185.05**	**23,488,007.05**
Issuer: California Bank & Trust									
Certificates of Deposit - Bank									
		Subtotal and Balance		**79,108.00**					**79,108.00**
		Issuer Subtotal	**0.074%**	**79,108.00**			**0.00**	**0.00**	**79,108.00**
Issuer: FANNIE MAE									
Federal Agency Issues- Callable									
31359M2L6	2012	FANNIE MAE			5.250	12/11/2006	3,000,000.00	0.00	
		Subtotal and Balance		**0.00**			**3,000,000.00**	**0.00**	**3,000,000.00**
		Issuer Subtotal	**2.789%**	**0.00**			**3,000,000.00**	**0.00**	**3,000,000.00**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Par Value Purchases or Deposits	Par Value Redemptions or Withdrawals	Par Value Ending Balance
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	
3133X6LN4	1980	Federal Home Loan Bank			2.650	08/10/2006	0.00	3,000,000.00	
3133X8KE1	1988	Federal Home Loan Bank			3.025	12/29/2006	0.00	3,000,000.00	
3133X8KC5	1989	Federal Home Loan Bank			3.000	09/28/2006	0.00	3,000,000.00	
3133XARM1	1990	Federal Home Loan Bank			3.470	09/08/2006	0.00	3,000,000.00	
3133XASF5	1991	Federal Home Loan Bank			3.500	12/08/2006	0.00	3,000,000.00	
3133XARK5	1992	Federal Home Loan Bank			3.510	12/08/2006	0.00	3,000,000.00	
3133XEP45	1999	Federal Home Loan Bank			5.000	03/02/2007	0.00	3,000,000.00	
3133XFBX3	2003	Federal Home Loan Bank			5.250	02/04/2007	0.00	3,000,000.00	
3133XFS72	2007	Federal Home Loan Bank			5.350	12/28/2006	0.00	3,000,000.00	
3133XGCU6	2008	Federal Home Loan Bank			5.450	07/28/2006	3,000,000.00	0.00	
3133XGCU6	2008	Federal Home Loan Bank				01/29/2007	0.00	3,000,000.00	
3133XHDA	2009	Federal Home Loan Bank			5.150	10/20/2006	3,000,000.00	0.00	
3133XHDA	2009	Federal Home Loan Bank				04/10/2007	0.00	3,000,000.00	
3133XJ2P2	2010	Federal Home Loan Bank			5.200	12/05/2006	3,000,000.00	0.00	
3133XHR46	2011	Federal Home Loan Bank			5.300	12/04/2006	3,000,000.00	0.00	
3133XHR46	2011	Federal Home Loan Bank				02/15/2007	0.00	3,000,000.00	
3133XJ6Q6	2013	Federal Home Loan Bank			5.125	12/29/2006	3,000,000.00	0.00	
3133XGNZ3	2014	Federal Home Loan Bank			5.500	01/08/2007	3,000,000.00	0.00	
3133XGNZ3	2014	Federal Home Loan Bank				02/21/2007	0.00	3,000,000.00	
3133XJJV1	2015	Federal Home Loan Bank			5.375	01/10/2007	3,000,000.00	0.00	
3133XJR91	2016	Federal Home Loan Bank			5.400	01/30/2007	3,000,000.00	0.00	
3133XJSD1	2017	Federal Home Loan Bank			5.250	01/30/2007	3,000,000.00	0.00	
3133XJVV7	2018	Federal Home Loan Bank			5.250	02/15/2007	3,000,000.00	0.00	
3133XJU55	2019	Federal Home Loan Bank			5.350	02/23/2007	3,000,000.00	0.00	
3133XK3C7	2022	Federal Home Loan Bank			5.500	03/15/2007	3,000,000.00	0.00	
3133XK6A8	2024	Federal Home Loan Bank			5.300	03/19/2007	3,000,000.00	0.00	
3133XKLA1	2030	Federal Home Loan Bank			5.375	05/01/2007	3,000,000.00	0.00	
3133XKN50	2031	Federal Home Loan Bank			5.300	05/07/2007	5,000,000.00	0.00	
3133XKSS5	2032	Federal Home Loan Bank			5.300	05/09/2007	3,000,000.00	0.00	
		Subtotal and Balance		**39,000,000.00**			**50,000,000.00**	**42,000,000.00**	**47,000,000.00**
		Issuer Subtotal	**43.694%**	**39,000,000.00**			**50,000,000.00**	**42,000,000.00**	**47,000,000.00**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Par Value Purchases or Deposits	Par Value Redemptions or Withdrawals	Par Value Ending Balance
Issuer: Federal Home Loan Mortgage									
Federal Agency Issues- Callable									
3128X4CE9	2005	Federal Home Loan Mortgage			3.625	02/15/2007	0.00	3,000,000.00	
3128X5CC0	2006	Federal Home Loan Mortgage			5.340	12/01/2006	0.00	3,000,000.00	
3128X5C55	2020	Federal Home Loan Mortgage			5.500	03/05/2007	3,000,000.00	0.00	
3128X5G93	2021	Federal Home Loan Mortgage			5.320	03/06/2007	3,000,000.00	0.00	
3128X5P51	2023	Federal Home Loan Mortgage			5.300	03/14/2007	3,000,000.00	0.00	
3128X42L4	2025	Federal Home Loan Mortgage			5.300	03/30/2007	3,000,000.00	0.00	
3128X42L4	2025	Federal Home Loan Mortgage				04/17/2007	0.00	3,000,000.00	
3128X5Z35	2026	Federal Home Loan Mortgage			5.300	04/09/2007	3,000,000.00	0.00	
3128X5Z35	2027	Federal Home Loan Mortgage			5.300	04/09/2007	5,000,000.00	0.00	
3128X5Z84	2028	Federal Home Loan Mortgage			5.400	04/17/2007	3,000,000.00	0.00	
3128X5Z84	2029	Federal Home Loan Mortgage			5.400	04/17/2007	5,000,000.00	0.00	
		Subtotal and Balance		**12,000,000.00**			**28,000,000.00**	**9,000,000.00**	**31,000,000.00**
		Issuer Subtotal	**28.819%**	**12,000,000.00**			**28,000,000.00**	**9,000,000.00**	**31,000,000.00**
Issuer: Federal National Mortage Assoc									
Federal Agency Issues- Callable									
		Subtotal and Balance		**3,000,000.00**					**3,000,000.00**
		Issuer Subtotal	**2.789%**	**3,000,000.00**			**0.00**	**0.00**	**3,000,000.00**
Issuer: US TREASURY									
Treasury Securities - Coupon									
912828DJ6	1993	US TREASURY			3.125	01/31/2007	0.00	3,000,000.00	
912828DQ0	1994	US TREASURY			3.750	03/31/2007	0.00	3,000,000.00	
912827Z62	1995	US TREASURY			6.500	10/15/2006	0.00	3,000,000.00	
		Subtotal and Balance		**9,000,000.00**			**0.00**	**9,000,000.00**	**0.00**
		Issuer Subtotal	**0.000%**	**9,000,000.00**			**0.00**	**9,000,000.00**	**0.00**
		Total	**100.000%**	**76,779,213.83**			**328,067,086.27**	**297,279,185.05**	**107,567,115.05**

OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 05/31/2007

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 365	Current Yield	Maturity/ Call Date	Effective Duration
3133XEMS5	1998	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,995,312.50	5.000	5.012	5.321c	08/28/2007	0.241
3133XETX7	2001	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,999,062.50	5.125	5.125	5.189	09/14/2007	0.287
3133XF2C9	2002	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,000,000.00	5.250	5.247	5.250	10/03/2007	0.339
3133XJ2P2	2010	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,998,125.00	5.200	5.200	5.328c	06/05/2007	0.010
3133XJU55	2019	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,995,312.50	5.350	5.350	5.671c	08/23/2007	0.227
3133XJVV7	2018	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,997,187.50	5.250	5.250	5.443c	08/15/2007	0.205
3133XJ6Q6	2013	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,988,750.00	5.125	5.125	5.897c	06/29/2007	0.076
3133XJJV1	2015	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,998,125.00	5.375	5.375	5.503c	07/10/2007	0.106
31359M2L6	2012	99	FANNIE MAE	Fair	3,000,000.00	3,000,000.00	2,994,375.00	5.250	5.250	5.636c	06/11/2007	0.027
3133XJR91	2016	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,997,187.50	5.400	5.400	5.593c	07/30/2007	0.161
3133XKLA1	2030	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,997,187.50	5.375	5.375	5.568c	11/01/2007	0.419
3133XJSD1	2017	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,997,187.50	5.250	5.245	5.423	01/02/2008	0.560
3133XKN50	2031	99	Federal Home Loan Bank	Fair	5,000,000.00	5,000,000.00	4,990,625.00	5.300	5.300	5.686c	08/07/2007	0.000
3128X5Z35	2027	99	Federal Home Loan Mortgage	Fair	5,000,000.00	5,000,000.00	4,989,405.06	5.300	5.300	5.736c	07/09/2007	0.000
3128X5Z35	2026	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,993,643.04	5.300	5.300	5.736c	07/09/2007	0.000
3128X5C55	2020	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,995,479.13	5.500	5.500	5.810c	09/05/2007	0.263
3128X5P51	2023	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,991,509.86	5.300	5.300	5.883c	09/14/2007	0.287
3128X5G93	2021	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,993,355.10	5.320	5.320	5.776c	09/06/2007	0.265
3128X5Z84	2028	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,996,049.04	5.400	5.400	5.671c	07/17/2007	0.000
3128X5Z84	2029	99	Federal Home Loan Mortgage	Fair	5,000,000.00	5,000,000.00	4,993,415.07	5.400	5.400	5.671c	07/17/2007	0.000
3133XKSS5	2032	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,996,250.00	5.300	5.300	5.557c	08/09/2007	0.000
3133XK3C7	2022	99	Federal Home Loan Bank	Fair	3,000,838.27	3,000,000.00	3,000,000.00	5.500	5.483	5.500c	06/13/2007	0.000
3133XK6A8	2024	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,994,375.00	5.300	5.300	5.686c	06/17/2007	0.000
31359MG31	1997	99	Federal National Mortage Assoc	Fair	3,000,000.00	3,000,000.00	2,998,125.00	5.000	5.000	5.128	08/24/2007	0.230
3128X4K67	2000	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,996,667.02	5.250	5.250	5.411	03/07/2008	0.733
3128X4DY4	2004	99	Federal Home Loan Mortgage	Fair	2,995,957.37	3,000,000.00	2,995,616.91	4.000	5.200	4.298	07/13/2007	0.115

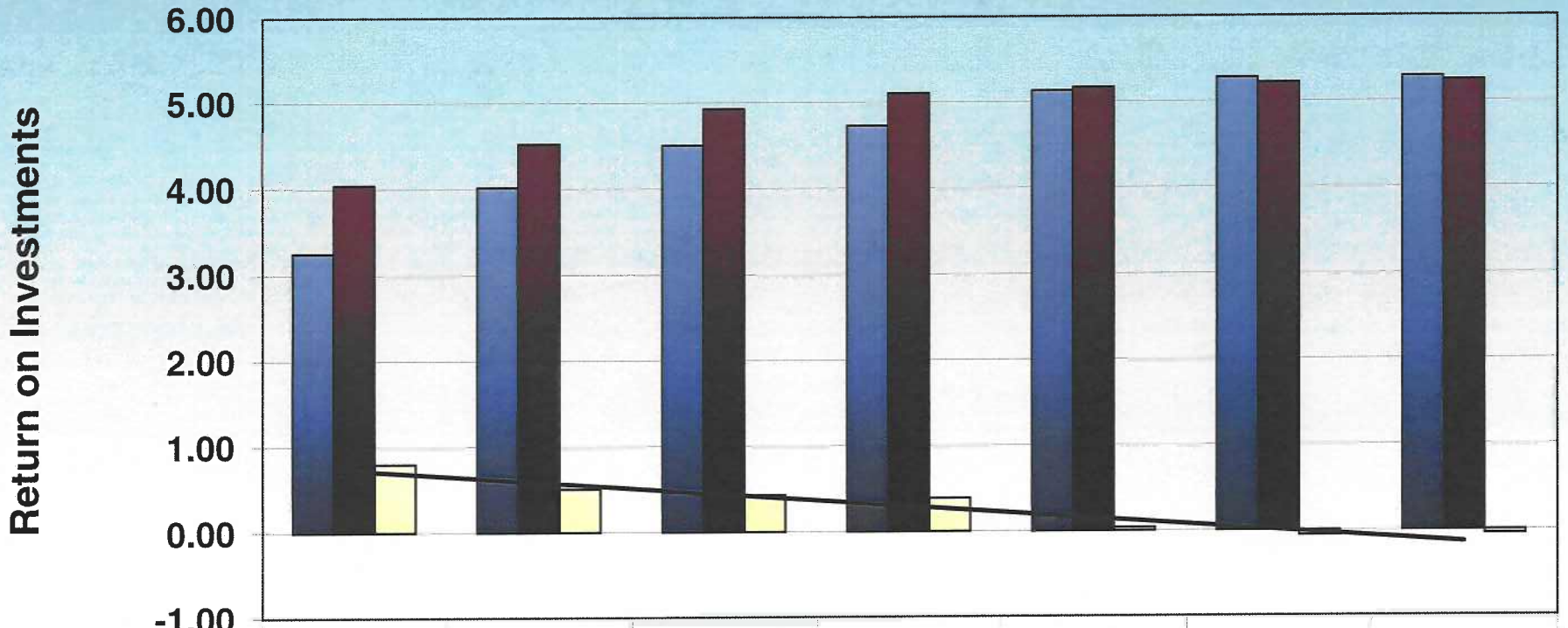
OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 05/31/2007

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 365	Current Yield	Maturity/ Call Date	Effective Duration
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	0.630 †
				Report Total	**84,075,903.64**	**84,079,108.00**	**83,961,435.73**			**5.526**		**0.163 †**

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

Performance Measure F-12
Return on Investment

Target: Meet or Exceed 100% of LAIF

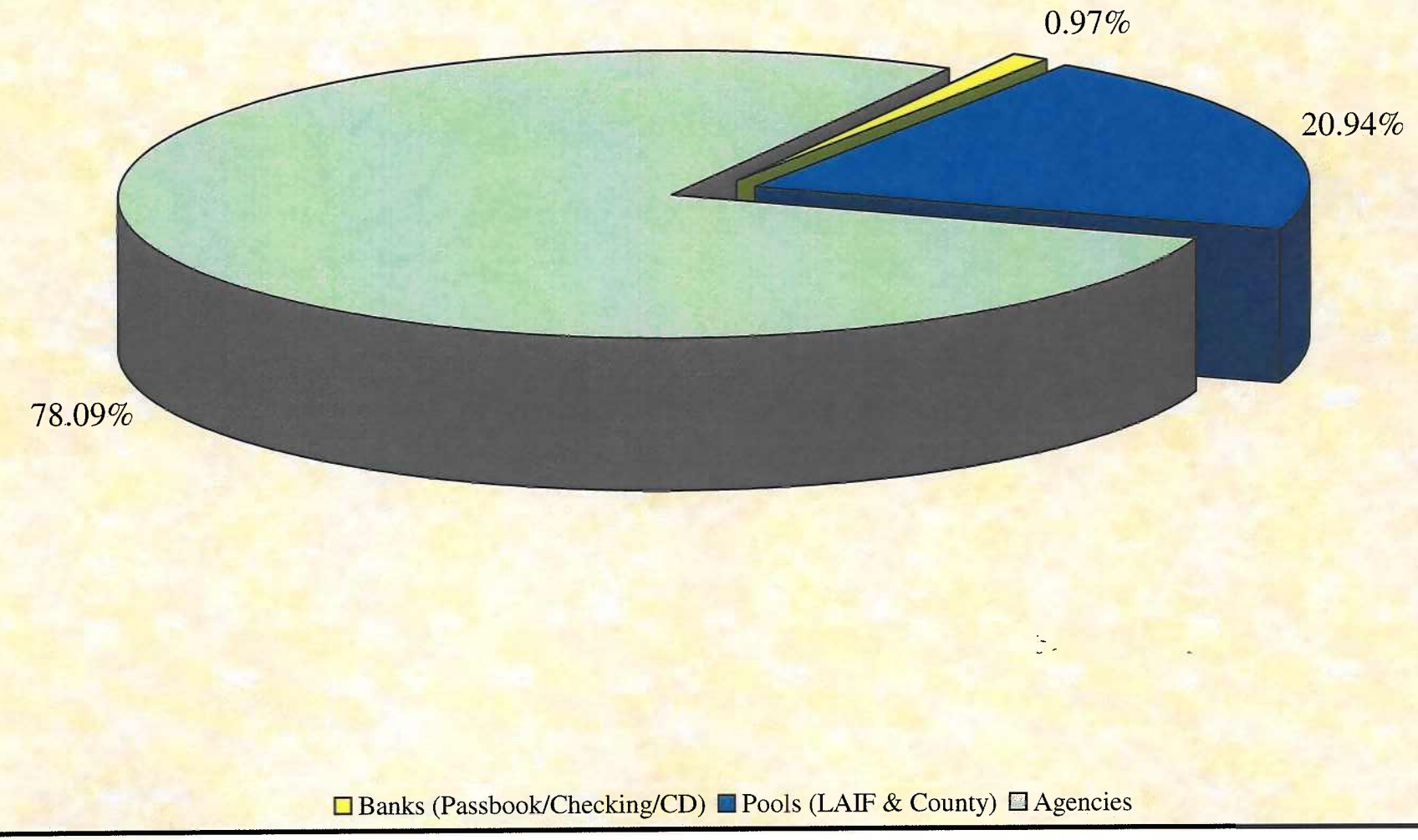


	3rd Qtr FY06	4th Qtr FY06	1st Qtr FY07	2nd Qtr FY07	3rd Qtr FY07	Apr FY07	May FY07
Otay	3.25	4.02	4.50	4.73	5.13	5.28	5.29
LAIF	4.05	4.52	4.93	5.11	5.17	5.22	5.25
Difference	0.79	0.50	0.43	0.38	0.04	-0.06	-0.04

Month

Otay LAIF Difference Linear (Difference)

Otay Water District
Investment Portfolio



AGENDA ITEM 9

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 10, 2007
SUBMITTED BY:	Sean Prendergast, Principal Accountant	W.O./G.F. NO:	DIV. NO.
APPROVED BY: (Chief)	Joseph Beachem, Chief Financial Officer		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager		
SUBJECT:	Accounts Payable Demand List		

PURPOSE:

Attached is the list of demands for the Board's information.

FISCAL IMPACT:

SUMMARY	NET DEMANDS
CHECKS (2006628-2007114)	$4,754,724.93
WIRE TO:	
LANDESBANK - CERTIFICATES OF PARTICIPATION	$41,350.27
PLAN HANDLERS - MEDICAL CLAIMS	$200,000.00
SAN DIEGO COUNTY WATER AUTHORITY - APRIL	$2,011,617.80
UNION BANK - PAYROLL TAXES	$246,541.21
TOTAL CASH DISBURSEMENTS	**$7,254,234.21**

RECOMMENDED ACTION:

That the Board receive the attached list of demands.

jb

Attachment

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2006628 THROUGH 2007114
RUN DATES 6/6/2007 TO 6/27/2007

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2006628	06/06/07	01910	ABCANA INDUSTRIES	801597	05/14/07	SODIUM HYPOCHLORITE	1,742.09	
				801598	05/14/07	SODIUM HYPOCHLORITE	1,570.96	
				801596	05/14/07	SODIUM HYPOCHLORITE	741.15	4,054.20
2006742	06/13/07	01910	ABCANA INDUSTRIES	802107	05/21/07	SODIUM HYPOCHLORITE	1,504.48	1,504.48
2006853	06/20/07	01910	ABCANA INDUSTRIES	802584	05/29/07	SODIUM HYPOCHLORITE	1,414.60	
				802515	05/25/07	SODIUM HYPOCHLORITE	892.59	
				802583	05/29/07	SODIUM HYPOCHLORITE	572.49	2,879.68
2006999	06/27/07	01910	ABCANA INDUSTRIES	802913	06/01/07	SODIUM HYPOCHLORITE	1,199.15	
				802960	06/04/07	SODIUM HYPOCHLORITE	549.09	1,748.24
2006743	06/13/07	01975	ACUNA, RICHARD	015940	06/05/07	COMPUTER LOAN PROGRAM	1,558.11	1,558.11
2006744	06/13/07	00847	AD MAIL DIRECT LLC	52781	05/22/07	MAILING SERVICES-AVAILABILITY NOTICE	612.68	612.68
2006629	06/06/07	07269	ADESA SAN DIEGO LLC	Ref002375211	05/31/07	UB Refund Cst #0000075995	664.74	664.74
2006854	06/20/07	00132	AIRGAS WEST	103199659	05/31/07	BREATHING AIR	22.73	22.73
2006630	06/06/07	06300	AIR-TRAK INC	58522	05/10/07	GPS UNITS FOR DISTRICT VEHICHLES	5,432.95	5,432.95
2006745	06/13/07	06300	AIR-TRAK INC	58528	05/17/07	GPS UNITS FOR DISTRICT VEHICHLES	21,269.42	
				58540	05/24/07	GPS UNITS FOR DISTRICT VEHICHLES	9,800.00	31,069.42
2006855	06/20/07	07332	ALAN FAULHABER	Ref002375811	06/19/07	UB Refund Cst #0000082663	11.92	11.92
2006856	06/20/07	01463	ALLIED ELECTRONICS INC	40180400	05/31/07	SHOP SUPPLIES	103.92	103.92
2006631	06/06/07	03787	ALLIED TRENCH SHORING SERVICE	773001	05/16/07	RENTAL OF SHORING	998.40	
				773504	05/17/07	STEEL PLATE RENTALS	368.00	1,366.40
2006746	06/13/07	02362	ALLIED WASTE SERVICES	0509002767536	05/25/07	TRASH REMOVAL SERVICES	627.65	
				0509002770076	05/25/07	TRASH REMOVAL SERVICES	125.15	752.80
2006857	06/20/07	02362	ALLIED WASTE SERVICES	0509002769059	05/25/07	ASBESTOS DISPOSAL CONTAINER RENTAL	172.82	172.82
2006632	06/06/07	07274	ALMA LEPE	Ref002375216	05/31/07	UB Refund Cst #0000088223	28.17	28.17
2006747	06/13/07	05414	AMARR ENTERPRISES	015939	05/24/07	T-SHIRTS	516.12	516.12
2006633	06/06/07	05843	AMERICAN ARBITRATION ASSN	9467321	05/30/07	LEGAL SERVICES	4,000.00	4,000.00
2007000	06/27/07	01326	AMERICAN BATTERY SUPPLY	A6014	06/05/07	12V, 8A/H, 20H BATTERIES	189.29	189.29

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2006628 THROUGH 2007114
RUN DATES 6/6/2007 TO 6/27/2007

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2006748	06/13/07	02966	AMERICAN INDUSTRIAL SUPPLY INC	87184	04/23/07	DRAIN CLEANER	430.07	430.07
2006634	06/06/07	06166	AMERICAN MESSAGING	L1109570HF	06/01/07	PAGER SERVICE	496.55	496.55
2007001	06/27/07	06152	AMERICAN PEST CONTROL	189676	06/02/07	PEST CONTROL SERVICE	785.00	785.00
2006635	06/06/07	00187	AMERICAN PUBLIC WORKS	62152607	04/09/07	MEMBERSHIP RENEWAL FEE	139.00	139.00
2006858	06/20/07	07306	AMY ROBINSON	Ref002375785	06/19/07	UB Refund Cst #0000092597	12.89	12.89
2006749	06/13/07	00002	ANSWER INC	015909	05/22/07	TELEPHONE ANSWERING SERVICES	1,180.00	1,180.00
2006750	06/13/07	01509	ARC ERGONOMICS	19635	05/23/07	ERGONOMIC ROLLER MOUSE & TRAY	504.16	504.16
2006636	06/06/07	07228	ARGEE MFG CO	0207084IN	05/15/07	PLASTIC BUCKETS	899.93	899.93
2006637	06/06/07	07271	ARLEENE PADILLA	Ref002375213	05/31/07	UB Refund Cst #0000083843	17.02	17.02
2006751	06/13/07	01971	ARMORCAST PRODUCTS COMPANY	0095727IN	05/23/07	VAULT LIDS	3,006.23	3,006.23
2007002	06/27/07	07291	ARROW AUTOMATIC FIRE	77631	05/30/07	FIRE SERVICE CARD	209.00	209.00
2007003	06/27/07	05758	AT&T	015964	06/07/07	PHONE SERVICE - HHPS/SCADA	33.13	33.13
2007004	06/27/07	06296	AT&T LONG DISTANCE	8093779950607	06/04/07	LONG DISTANCE EXP - DISTRICT PHONES	87.55	87.55
2006638	06/06/07	06272	AT&T/MCI	T6458004	05/17/07	PHONE SERVICE	7,385.11	7,385.11
2007005	06/27/07	06272	AT&T/MCI	T6582317	05/17/07	PHONE SERVICE	7,781.67	7,781.67
2006859	06/20/07	07312	AURORA LOAN SERVICES	Ref002375791	06/19/07	UB Refund Cst #0000095003	5.58	5.58
2006752	06/13/07	03296	AYRES LAND COMPANY	015948	06/01/07	REIMBURSEMENT AGREEMENT CIP #30050	1,320.00	
				015947	06/01/07	REIMBURSEMENT AGREEMENT CIP #30049	683.09	2,003.09
2006753	06/13/07	03285	AZTEC FIRE & SAFETY	40856	05/16/07	FLAMMABLE STORAGE LOCKER MAINT	352.58	
				40862	05/18/07	CHEMICAL CYLINDER MAINTENANCE	396.54	749.12
2006754	06/13/07	01583	AZTEC IMAGING	9FV47A	05/24/07	TONER CARTRIDGE	138.61	138.61
2006755	06/13/07	07301	BARARD, MARCUS	015959	06/13/07	REPLACE LOST PAYROLL CHECK	183.50	183.50
2006756	06/13/07	06285	BARTEL ASSOCIATES LLC	07265	05/12/07	PROFESSIONAL ACTUARY SERVICES	8,200.00	8,200.00
2006860	06/20/07	03360	BEHIND THE SCENES INC	8973	06/01/07	CATERING SERVICES	7,123.89	7,123.89

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2006628 THROUGH 2007114
RUN DATES 6/6/2007 TO 6/27/2007

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2006639	06/06/07	02570	BEST LIFE & HEALTH INSURANCE	015927	06/01/07	VOLUNTARY LIFE INSURANCE	237.40	237.40
2007006	06/27/07	02197	BLUE CROSS OF CALIFORNIA	40563	06/15/07	EMPLOYEE ASSISTANCE PROGRAM SVCS	589.51	589.51
2006757	06/13/07	02342	BOOT WORLD INC	1036345IN	05/31/07	SAFETY BOOTS	107.15	107.15
2006861	06/20/07	02342	BOOT WORLD INC	1036208IN	05/31/07	SAFETY BOOTS	107.15	107.15
2006758	06/13/07	00559	BOYLE ENGINEERING CORPORATION	043706	05/11/07	RECYCLED WATER PLAN CHECKING SERVICES	5,083.82	5,083.82
2006862	06/20/07	01232	BRODING'S BATTERY WAREHOUSE	49140	05/24/07	AUTOMOTIVE BATTERIES	159.59	
				49292	05/31/07	REPAIR PART	121.62	
				48889	05/16/07	ALTERNATOR	106.07	387.28
2007007	06/27/07	01232	BRODING'S BATTERY WAREHOUSE	33108	06/07/07	AUTOMOTIVE BATTERIES	239.04	
				48789	05/14/07	REPAIR PARTS	111.70	350.74
2006863	06/20/07	07326	BROOKFIELD SHEA OTAY LLC	Ref002375805	06/19/07	UB Refund Cst #0000073040	468.93	468.93
2006759	06/13/07	03450	BUELNA, ARMANDO F	16040607	06/01/07	TRANSPORTATION EXPENSE REIMBURSEMENT	371.67	371.67
2006640	06/06/07	03721	BULLET LOGISTICS INC	05150703350	05/15/07	COURIER SERVICES	227.70	227.70
2006641	06/06/07	00223	C W MCGRATH INC	25024	05/15/07	CRUSHED ROCK	415.66	
				25070	05/17/07	CRUSHED ROCK	109.65	
				25045	05/16/07	CRUSHED ROCK	62.58	587.89
2006760	06/13/07	00223	C W MCGRATH INC	25094	05/18/07	CRUSHED ROCK	680.80	
				25291	06/01/07	CRUSHED ROCK	236.36	
				25155	05/23/07	CRUSHED ROCK	167.48	1,084.64
2006864	06/20/07	00223	C W MCGRATH INC	25255	05/30/07	CRUSHED ROCK	958.19	958.19
2007008	06/27/07	00223	C W MCGRATH INC	25337	06/05/07	CRUSHED ROCK	106.63	106.63
2006865	06/20/07	02920	CALIFORNIA COMMERCIAL	69078	05/30/07	ASPHALT	2,299.93	2,299.93
2006643	06/06/07	00192	CALIFORNIA WATER ENVIRONMENT	0507510	05/31/07	CERTIFICATION RENEWAL	51.00	51.00
2006866	06/20/07	00192	CALIFORNIA WATER ENVIRONMENT	505607	06/12/07	MEMBERSHIP RENEWAL	110.00	110.00
2006761	06/13/07	01243	CALIFORNIA-NEVADA SECTION	015958	06/08/07	CONFERENCE REGISTRATION FEE	375.00	375.00
2006762	06/13/07	01004	CALOLYMPIC SAFETY	020868	05/22/07	EMERGENCY INFORMATION DEVICES	436.34	436.34
2006642	06/06/07	01236	CAL-OSHA REPORTER	365269	05/09/07	SUBSCRIPTION RENEWAL	427.00	427.00

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2007009	06/27/07	03684	CANON BUSINESS SOLUTIONS-WEST	3753062	06/01/07	COPIER MAINTENANCE	1,042.28	
				3756550	06/06/07	COPIER MAINTENANCE	1,014.66	
				3757142	06/07/07	COPIER MAINTENANCE	56.71	2,113.65
2006763	06/13/07	04071	CAPITOL WEBWORKS LLC	19321	05/30/07	LOBBYING DISCLOSURE FORM FEE	45.00	45.00
2006867	06/20/07	03678	CAPSTONE PRESS INC	CI10050143	05/25/07	BOOKS	584.43	584.43
2006764	06/13/07	03572	CARLTON, DISANTE &	45290 Revised	05/30/07	LEGAL SERVICES APRIL 2007	20,876.31	
				21910	04/30/07	LEGAL SERVICES APRIL 2007	19,226.87	
				45289	05/30/07	LEGAL SERVICES FOR APR 2007	556.50	40,659.68
2006868	06/20/07	03572	CARLTON, DISANTE &	45290	05/30/07	LEGAL SERVICES APRIL 2007	20,876.31	
				045289	05/30/07	LEGAL SERVICES APRIL 2007	556.50	21,432.81
2007010	06/27/07	02758	CARMEL BUSINESS SYSTEMS INC	6513	06/02/07	STORAGE & DESTRUCTION OF DOCUMENTS	737.30	737.30
2006869	06/20/07	07329	CENTEX HOMES	Ref002375808	06/19/07	UB Refund Cst #0000082010	129.69	129.69
2006644	06/06/07	01126	CENTURY WHEEL & RIM	CN4672701	05/10/07	TRAILER HITCH	198.18	
				CN4666301	05/01/07	LOCK CLIP	70.32	268.50
2006765	06/13/07	01788	CHAVARELA, GERARDO	015944	06/06/07	CERTIFICATION RENEWAL REIMBURSEMENT	130.00	130.00
2006870	06/20/07	01788	CHAVARELA, GERARDO	015966	06/14/07	TUITION REIMBURSEMENT	278.26	278.26
2006645	06/06/07	07281	CHRISTIAN LOPEZ	Ref002375223	05/31/07	UB Refund Cst #0000091861	21.41	21.41
2007011	06/27/07	01719	CHULA VISTA CHAMBER OF	7750	06/01/07	ANNUAL MEMBERSHIP RENEWAL FY 07-08	175.00	175.00
2006766	06/13/07	02026	CHULA VISTA ELEMENTARY SCHOOL	015952	06/11/07	BUS FUNDING FOR FIELD TRIP TO THE GARDEN	245.00	
				015951	06/11/07	BUS FUNDING FOR FIELD TRIP TO THE GARDEN	245.00	490.00
2006871	06/20/07	06519	CHULA VISTA POLICE DEPT	0712889	06/13/07	TRAFFIC COLLISION REPORT	10.00	
				0712726	06/18/07	TRAFFIC COLLISION REPORT	10.00	20.00
2006646	06/06/07	07272	CINDY ARMOSKUS	Ref002375214	05/31/07	UB Refund Cst #0000085140	8.09	8.09
2006647	06/06/07	00234	CITY TREASURER	466437	05/23/07	WATER DELIVERIES APRIL 2007	52,070.10	52,070.10
2007012	06/27/07	00234	CITY TREASURER	467725	06/13/07	RECLAIMED WATER PURCHASE FOR MAY 2007	57,894.62	57,894.62
2006872	06/20/07	04119	CLARKSON LAB & SUPPLY INC	34851	05/30/07	BACTERIOLOGICAL ANALYSIS	354.00	354.00
2006873	06/20/07	07292	CMH SOFTWARE, INC	25272	05/30/07	CONSTRUCTOR 8.0 SOFTWARE	1,545.50	1,545.50

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2006648	06/06/07	01666	COMMERCIAL PRINTING CENTRE	44030	05/17/07	PRINTING OF AVAILABILITY NOTICES	687.39	687.39
2006874	06/20/07	03307	CONSTRUCTION MANAGEMENT	015961	06/11/07	MEMBERSHIP DUES	120.00	120.00
2006875	06/20/07	04398	CONSTRUCTION MANAGEMENT	015960	06/11/07	SEMINAR REGISTRATION	55.00	55.00
2007013	06/27/07	04398	CONSTRUCTION MANAGEMENT	015978	06/18/07	REGISTRATION FEES	110.00	110.00
2006649	06/06/07	03706	CONSUMERS PIPE & SUPPLY CO	S1030110001	05/11/07	INVENTORY	254.29	
				S1029933001	05/11/07	WAREHOUSE SUPPLIES	168.95	
				S1030110002	05/14/07	INVENTORY	86.59	
				S1029933002	05/14/07	WAREHOUSE SUPPLIES	84.48	594.31
2006767	06/13/07	03706	CONSUMERS PIPE & SUPPLY CO	S1028076001	04/27/07	WAREHOUSE SUPPLIES	820.72	
				S1030713004	05/21/07	PIPE SUPPLY	619.99	1,440.71
2007112	06/27/07	03706	CONSUMERS PIPE & SUPPLY CO	S1032360001	06/12/07	INVENTORY	232.44	232.44
2006876	06/20/07	02612	COUNCIL OF WATER UTILITIES	015970	06/14/07	MEETING REGISTRATION	50.00	50.00
2006650	06/06/07	00184	COUNTY OF SAN DIEGO	DEH070312D11	05/16/07	RECLAIMED WATER INSPECTION	690.00	
				DEH070308D11	05/16/07	RECLAIMED WATER INSPECTION	690.00	1,380.00
2007014	06/27/07	00184	COUNTY OF SAN DIEGO	DEH070381D11	06/14/07	RECLAIMED WATER SHUTDOWN TEST	747.50	747.50
2007015	06/27/07	02794	COUNTY OF SAN DIEGO	015981	06/21/07	MAJOR USE PERMIT-MINOR DEVIATION APP FEI	670.00	670.00
2007016	06/27/07	07355	COVINGTON, ERNEST G.	015996	06/27/07	ISSUE CHECK TO EMPLOYEE	305.44	305.44
2006651	06/06/07	05125	CUDLIP, JAMES	015929	06/01/07	TUITION REIMBURSEMENT	404.99	404.99
2006652	06/06/07	00422	D & D TOOL & SUPPLY	S1590367002	05/17/07	REPAIR PARTS	115.44	
				S1590367001	05/17/07	REPAIR PARTS	7.76	123.20
2006653	06/06/07	03354	DATAPROSE INC	PAADV2007	06/01/07	INCREASE POSTAGE DEPOSIT	1,495.00	1,495.00
2006877	06/20/07	04550	DATATREE	90034057	05/31/07	MAP PURCHASING SERVICE	99.00	99.00
2006878	06/20/07	07340	DAVID DEVLIN	Ref002375819	06/19/07	UB Refund Cst #0000089582	23.14	23.14
2006879	06/20/07	07315	DAVID FARNUM	Ref002375794	06/19/07	UB Refund Cst #0000025230	33.98	33.98
2006654	06/06/07	07286	DAVID GILMORE	Ref002375229	05/31/07	UB Refund Cst #0000093456	30.45	30.45
2006768	06/13/07	00852	DEC CONSULTANTS INC	07000161	04/24/07	CATHODIC PROTECTION SERVICES	18,237.26	

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				10046	05/22/07	CATHODIC PROTECTION SERVICES	10,207.82	28,445.08
2007017	06/27/07	01797	DELL ENTERPRISES	182125	06/01/07	DEDICATION AWARDS	1,346.88	1,346.88
2006880	06/20/07	02603	DELL MARKETING LP	XC1N5WX16	05/25/07	MEMORY MODULE KIT	1,620.56	1,620.56
2007018	06/27/07	07353	DEPARTMENT OF FAIR EMPLOYMENT	015993	06/25/07	PUBLICATION ORDER	35.50	35.50
2006881	06/20/07	03589	DEPARTMENT OF HEALTH SERVICES	2436107	06/12/07	CERTIFICATION RENEWAL	80.00	80.00
2006882	06/20/07	02402	DEPT OF TOXIC SUBSTANCES	CAC002599804	06/18/07	EPA VERIFICATION & MANIFEST FEES	807.00	807.00
2006769	06/13/07	02965	DIPIETRO, BRANDON D	015953	06/08/07	TUITION REIMBURSEMENT	1,275.00	1,275.00
2006770	06/13/07	03417	DIRECTV	567457050	05/19/07	SATELLITE TV SERVICE	4.99	4.99
2006883	06/20/07	03417	DIRECTV	576756737	06/05/07	SATELLITE TV SERVICE	46.96	46.96
2007019	06/27/07	03417	DIRECTV	585478804	06/19/07	SATELLITE TV SERVICE	4.99	4.99
2006884	06/20/07	00028	DIXIELINE LUMBER COMPANY	1587982	05/31/07	CONCRETE MIX	866.63	866.63
2006885	06/20/07	07341	DONALD J WINNIE	Ref002375820	06/19/07	UB Refund Cst #0000089950	28.98	28.98
2006886	06/20/07	07337	DORA FRANCO	Ref002375816	06/19/07	UB Refund Cst #0000086680	75.00	75.00
2006655	06/06/07	07268	DOROTHY MCKENZIE	Ref002375210	05/31/07	UB Refund Cst #0000068320	10.24	10.24
2006887	06/20/07	06523	DURAN, PATRICIA	015965	06/13/07	MILEAGE REIMBURSEMENT	97.00	97.00
2006771	06/13/07	01926	EAST COUNTY URGENT CARE	015930	05/23/07	HEALTH EXAMS	43.00	43.00
2006656	06/06/07	02447	EDCO DISPOSAL CORPORATION	015926	05/25/07	RECYCLING SERVICES	47.19	47.19
2006657	06/06/07	03261	EDEN SYSTEMS INC	INV0108459	05/14/07	PROFESSIONAL CONSULTING SERVICES	5,011.88	
				INV0107901	04/30/07	PROFESSIONAL CONSULTING SERVICES	3,750.00	
				107622	04/15/07	InForum Gold Citizen Services Support	1,572.00	10,333.88
2006772	06/13/07	00230	EDP PRODUCTS INC	805122	05/24/07	CARTRIDGE STORAGE/RETRIEVAL	213.80	213.80
2006888	06/20/07	01012	EL CAJON FORD	335560	06/04/07	CP #126 FORD F-150	18,260.55	
				335559	06/04/07	CP #121 FORD F-150	18,260.55	
				335561	06/04/07	CP #111 FORD F-150	18,260.55	
				335796	06/13/07	CP #115 FORD RANGER	14,649.46	
				335783	06/13/07	CP #114 FORD RANGER	14,649.46	
				335782	06/13/07	CP #109 FORD RANGER	14,649.46	98,730.03

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2006889	06/20/07	01015	EL DORADO COATINGS INC	54618	05/31/07	POWDER COATING	242.44	242.44
2006890	06/20/07	07338	ELEVEN WESTERN BUILDERS	Ref002375817	06/19/07	UB Refund Cst #0000088021	719.42	719.42
2006773	06/13/07	05128	EMPIRE ELECTRICAL SUPPLY	10767402I	05/25/07	ELECTRICAL MATERIAL	2,070.20	
				10768800I	05/18/07	LAMPS FOR TROPHY CASE	22.41	2,092.61
2006891	06/20/07	05128	EMPIRE ELECTRICAL SUPPLY	10773100I	05/31/07	PVC J-BOXES	258.48	258.48
2007020	06/27/07	05128	EMPIRE ELECTRICAL SUPPLY	10767401I	05/17/07	ELECTRICAL MATERIAL	1,309.59	1,309.59
2006774	06/13/07	05760	ENHANCED COMMUNICATIONS	369	05/10/07	DATA LINE TESTING	135.00	135.00
2006775	06/13/07	02259	ENVIRONMENTAL RESOURCE	479791	05/09/07	ERA CERTIFICATION SAMPLES	722.88	722.88
2006892	06/20/07	07295	ERIC SMITH	3244000151	06/12/07	RECLAMATION PLANT PAINTING	7,000.00	7,000.00
2006893	06/20/07	07335	ERICA DURAN GARCIA	Ref002375814	06/19/07	UB Refund Cst #0000085108	57.50	57.50
2006658	06/06/07	07273	ERIN SHEEHAN	Ref002375215	05/31/07	UB Refund Cst #0000086333	39.73	39.73
2006659	06/06/07	03725	ESRI INC	07UC12542	05/24/07	ESRI CONFERENCE REGISTRATION	590.00	590.00
2006660	06/06/07	03725	ESRI INC	07UC12483	05/24/07	ESRI CONFERENCE REGISTRATION	295.00	
				07UC12454	05/24/07	ESRI CONFERENCE REGISTRATION	295.00	590.00
2006894	06/20/07	03725	ESRI INC	91562575	05/25/07	SYSTEM INTEGRATION CONSULTANT SERVICES	5,352.44	5,352.44
2006895	06/20/07	07342	ESSEL RESIDENTIAL LP	Ref002375821	06/19/07	UB Refund Cst #0000091250	82.49	82.49
2006776	06/13/07	02639	EW TRUCK & EQUIPMENT	188406	05/09/07	SERVICE PARTS	278.66	278.66
2007021	06/27/07	03683	F & L INDUSTRIAL SOLUTIONS INC	5283	06/05/07	VALVE SOLENOIDS	674.20	674.20
2007022	06/27/07	03757	FANDEL ENTERPRISES	1249	06/04/07	TELECOMMUNICATIONS MAINT SVCS	2,160.00	2,160.00
2006777	06/13/07	00645	FEDEX	208320058	06/08/07	OVERNIGHT PICK-UP & DELIVERY MAIL SVCS	33.52	33.52
2006896	06/20/07	00645	FEDEX	209625794	06/15/07	OVERNIGHT PICK-UP & DELIVERY MAIL SVCS	38.99	38.99
2006897	06/20/07	07321	FELIX CARRILLO	Ref002375800	06/19/07	UB Refund Cst #0000061536	33.20	33.20
2006661	06/06/07	03546	FERGUSON WATERWORKS	0211530	05/17/07	HYDRANT PARTS	1,192.95	1,192.95
2006898	06/20/07	03546	FERGUSON WATERWORKS	0214100	05/25/07	INVENTORY	1,508.50	1,508.50

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2007023	06/27/07	03546	FERGUSON WATERWORKS	02064601	06/06/07	DRILL HOLDER	806.19	806.19
2007113	06/27/07	03546	FERGUSON WATERWORKS	0218615	06/15/07	INVENTORY	4,143.97	4,143.97
2006899	06/20/07	07336	FERRIS DUCKER	Ref002375815	06/19/07	UB Refund Cst #0000085487	7.12	7.12
2006778	06/13/07	03544	FILEFAX	10017462	05/18/07	CLASSIFILE FOLDERS	429.36	429.36
2006900	06/20/07	02470	FIRST BANKCARD	015977	06/18/07	DISTRICT EXPENSES	6,007.91	6,007.91
2006662	06/06/07	04066	FIRST CHOICE SERVICES-SD	013486	05/17/07	COFFEE SUPPLIES	176.91	176.91
2007024	06/27/07	04066	FIRST CHOICE SERVICES-SD	281504	06/01/07	COFFEE SUPPLIES	267.53	267.53
2006663	06/06/07	00035	FISHER SCIENTIFIC	0642522	05/16/07	LABORATORY SUPPLIES	28.40	28.40
2007025	06/27/07	00035	FISHER SCIENTIFIC	0404967	05/04/07	LABORATORY SUPPLIES	954.29	
				0432494	05/07/07	LABORATORY SUPPLIES	416.84	
				1031150	06/05/07	LABORATORY SUPPLIES	49.38	1,420.51
2006901	06/20/07	02591	FITNESS TECH INC	4139	06/01/07	MAINTENANCE FOR FITNESS EQUIPMENT	100.00	100.00
2006902	06/20/07	03720	FLAG CRAFTERS	19331	05/31/07	BANNERS	3,012.09	3,012.09
2006779	06/13/07	01612	FRANCHISE TAX BOARD	Ben2375641	06/12/07	PAYROLL DEDUCTION	305.44	305.44
2007026	06/27/07	07350	FRANK M BISHOP	015989	06/19/07	REFUND OF OVERPYMT ON ACCT 250-5631-30	5,100.48	5,100.48
2006664	06/06/07	07224	FRAZEE INDUSTRIES INC	203317	05/11/07	FIRE HYD PAINT	343.61	343.61
2006780	06/13/07	00041	FRAZEE PAINT	228640	05/24/07	PAINT SUPPLY	385.56	385.56
2006781	06/13/07	07298	FRIDA SAN DIEGO LP	015950	06/11/07	OVERPAYMENT REFUND MTR-07-148	112.00	112.00
2006903	06/20/07	05981	FROME, TERRY	015967	06/14/07	TUITION REIMBURSEMENT	100.00	100.00
2006904	06/20/07	02028	FT INTERACTIVE DATA CORP	05340057	05/09/07	DIAL-UP SERVICE FOR INVESTMENTS	85.00	85.00
2007027	06/27/07	03094	FULLCOURT PRESS	16690	06/01/07	PRINTING SERVICES	2,348.95	2,348.95
2006665	06/06/07	05626	GAME 7 CONSULTING	1544	05/29/07	CONSULTING SERVICES - IS DEPT	3,000.00	
				1547	06/05/07	CONSULTING SERVICE - IS DEPT	2,400.00	5,400.00
2006905	06/20/07	05626	GAME 7 CONSULTING	1550	06/12/07	CONSULTING SERVICES - IS DEPT	2,850.00	2,850.00

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2007028	06/27/07	05626	GAME 7 CONSULTING	1553	06/25/07	CONSULTING SERVICES - IS DEPT	3,000.00	3,000.00
2006666	06/06/07	06291	GARCIA CALDERON & RUIZ LLP	1277	05/21/07	LEGAL SERVICES FOR APR 2007	86,815.57	86,815.57
2007029	06/27/07	06291	GARCIA CALDERON & RUIZ LLP	1306	06/19/07	LEGAL SERVICES FOR MAY 2007	158,953.86	158,953.86
2006667	06/06/07	03537	GHA TECHNOLOGIES INC	428614	04/27/07	PRINTER	532.29	
				431161	05/05/07	4-PORT MICRO HUB	47.63	579.92
2006782	06/13/07	03537	GHA TECHNOLOGIES INC	431745	05/16/07	COMPUTER SYSTEM	606.18	606.18
2006906	06/20/07	03537	GHA TECHNOLOGIES INC	433144	05/29/07	TONER	611.76	611.76
2007030	06/27/07	03537	GHA TECHNOLOGIES INC	434802	06/06/07	TONERS	982.98	
				435005	06/07/07	SOFTWARE	80.81	1,063.79
2006783	06/13/07	06276	GIFFORD ENGINEERING INC	8444	05/21/07	2 WAY RADIOS	5,424.92	5,424.92
2006907	06/20/07	06276	GIFFORD ENGINEERING INC	3356	05/08/07	RADIO REPAIR	143.00	143.00
2006908	06/20/07	03753	GRAPHIC CONTROLS LLC	HY5963	05/31/07	FLOWMETER CIRCLE CHARTS	130.55	130.55
2006668	06/06/07	05967	GREAT SIGNS	015897	05/11/07	REUSABLE DIRECTIONAL SIGNS	129.30	129.30
2007031	06/27/07	05967	GREAT SIGNS	015937	06/01/07	SIGNS FOR DEDICATION CEREMONY	775.80	775.80
2006669	06/06/07	07287	GREGORY SCOTT	Ref002375230	05/31/07	UB Refund Cst #0000093520	28.97	28.97
2006670	06/06/07	04979	GROSSMONT WORK TRAINING CENTEF	20353	05/14/07	PICK-UP OF RECRUITMENT MATERIALS	35.00	35.00
2006784	06/13/07	04979	GROSSMONT WORK TRAINING CENTEF	20381	05/23/07	RECRUITMENT MAILING	1,175.22	1,175.22
2006909	06/20/07	03773	GTC SYSTEMS INC	26574	05/31/07	TECHNICAL SUPPORT FOR CITRIX	946.99	946.99
2006910	06/20/07	02630	HAAKER EQUIPMENT COMPANY	C54645	05/31/07	REPAIR PARTS	1,150.35	
				C53063	04/02/07	REPAIR PART	266.32	1,416.67
2006671	06/06/07	00174	HACH COMPANY	5146352	05/15/07	CHLORINE & AMMONIA ANALYZER	909.66	909.66
2006911	06/20/07	00174	HACH COMPANY	5114671	04/18/07	D/O METER	2,058.70	2,058.70
2006672	06/06/07	04217	HATCH & PARENT	414976	05/30/07	LEGISLATIVE ADVOCACY APRIL 2007	1,062.50	1,062.50
2006673	06/06/07	06640	HD SUPPLY WATERWORKS LTD	5230034	05/16/07	INVENTORY	1,805.46	
				5204841	05/16/07	INVENTORY	434.93	
				5240322	05/18/07	TOOLS	132.51	2,372.90

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2006785	06/13/07	06640	HD SUPPLY WATERWORKS LTD	5240080	05/18/07	INVENTORY	1,288.96	1,288.96
2006912	06/20/07	06640	HD SUPPLY WATERWORKS LTD	5301782	05/25/07	INVENTORY	6,979.19	
				5230057	05/25/07	INVENTORY	2,804.30	
				5303854	05/25/07	PULL THRU KITS	1,637.33	11,420.82
2007032	06/27/07	06640	HD SUPPLY WATERWORKS LTD	5355091	06/06/07	GASKETS/BLUE RINGS	1,417.52	
				5351069	06/05/07	PULL THRU KITS	1,284.60	
				5357026	06/06/07	INVENTORY	62.97	
				5306873	06/06/07	STEM NUTS	42.64	
				5351066	06/05/07	INVENTORY	36.42	2,844.15
2007114	06/27/07	06640	HD SUPPLY WATERWORKS LTD	5302672	06/18/07	INVENTORY	5,486.88	
				5404277	06/14/07	INVENTORY	5,090.02	10,576.90
2006913	06/20/07	07302	HEALTH DIMENSIONS	015968	06/14/07	WELLNESS PROGRAM SERVICES	700.00	700.00
2007033	06/27/07	04472	HECTOR I MARES-COSSIO	27	05/01/07	CONSULTING SERVICES	3,000.00	3,000.00
2006914	06/20/07	00062	HELIX WATER DISTRICT	174639860607	06/07/07	WATER BILL - RUSSELL SQ	31.23	
				178540010607	06/07/07	WATER BILL - AVOCADO BLVD	29.65	60.88
2007034	06/27/07	07257	HEMMING MORSE INC	518769	06/14/07	ACCOUNTING SERVICES	16,435.50	16,435.50
2007035	06/27/07	06843	HI-TECH AIR CONDITIONING	1200	04/30/07	WATER FILTER FOR DATA CENTER	825.00	825.00
2007036	06/27/07	01109	HOME DEPOT CREDIT SERVICES	0818524		CREDIT MEMO	(36.58)	
				98478607	05/23/07	MAINT SUPPLY	1,070.15	
				0173208	06/15/07	ROOF MATERIALS	103.64	
				2197352	06/13/07	ROOF MATERIALS	83.39	1,220.60
2006786	06/13/07	06540	HORIZON CRANE SERVICE LLC	3595	05/22/07	CRANE RENTAL	540.00	540.00
2007037	06/27/07	03743	HYDROTEX	535684	05/30/07	OIL	562.52	562.52
2006674	06/06/07	03615	I.M.P.A.C. GOVERNMENT SERVICES	015931	05/22/07	DISTRICT EXPENSES	12,986.82	
				015933	05/22/07	DISTRICT EXPENSES	190.88	13,177.70
2006787	06/13/07	03615	I.M.P.A.C. GOVERNMENT SERVICES	015956	05/20/07	DISTRICT EXPENSES	594.37	
				015945	05/22/07	DISTRICT EXPENSES	5,192.60	5,786.97
2006788	06/13/07	06266	IDEAL WIPING RAG COMPANY	038199	05/23/07	WHITE KNIT RAGS	247.83	247.83
2007038	06/27/07	01649	IDEXX DISTRIBUTION INC	225319077	05/29/07	LABORATORY EQUIPMENT SERVICE	400.00	400.00

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2006915	06/20/07	01383	INDUSTRIAL SHOE COMPANY	0098310IN	05/30/07	SAFETY BOOTS	92.67	92.67
2007039	06/27/07	03280	INFRASTRUCTURE ENGINEERING	2817	05/25/07	36" PIPELINE PROJECT	60,831.17	60,831.17
2006789	06/13/07	07229	INSIGHT STRATEGIES INC	30162	05/23/07	MANAGEMENT TRAINING	4,450.00	4,450.00
2006675	06/06/07	00240	INSTITUTE OF MANAGEMENT	106353807	04/12/07	MEMBERSHIP RENEWAL	185.00	185.00
2006676	06/06/07	04197	INTEGRITY STAFFING INC	3691	05/29/07	TEMPORARY SERVICES - HR DEPT	1,620.00	1,620.00
2006790	06/13/07	04197	INTEGRITY STAFFING INC	3693	06/05/07	TEMPORARY SERVICES - HR DEPT	1,255.50	1,255.50
2006916	06/20/07	04197	INTEGRITY STAFFING INC	3709	06/12/07	TEMPORARY SERVICES - HR DEPT	1,589.63	1,589.63
2007040	06/27/07	04197	INTEGRITY STAFFING INC	3728	06/20/07	TEMPORARY SERVICES - HR DEPT	1,554.19	1,554.19
2006917	06/20/07	02372	INTERIOR PLANT SERVICE INC	24674	05/31/07	PLANT SERVICE	169.00	169.00
2006791	06/13/07	02267	INTERNAL REVENUE SERVICE	Ben2375627	06/12/07	PAYROLL DEDUCTION	50.00	50.00
2006792	06/13/07	04077	INTERNAL REVENUE SERVICE	Ben2375637	06/12/07	PAYROLL DEDUCTION	64.00	64.00
2007041	06/27/07	02267	INTERNAL REVENUE SERVICE	Ben2376135	06/26/07	PAYROLL DEDUCTION	50.00	50.00
2007042	06/27/07	04077	INTERNAL REVENUE SERVICE	Ben2376145	06/26/07	PAYROLL DEDUCTION	64.00	64.00
2006918	06/20/07	03250	INTERNATIONAL PERSONNEL	015934	06/05/07	SEMINAR REGISTRATION	60.00	60.00
2007043	06/27/07	06630	J C HEDEN AND ASSOCIATES INC	OWD007	06/04/07	AS NEEDED ENGINEERING DRAFTING SERVICE	3,979.50	3,979.50
2006793	06/13/07	05836	JACOBS INC	W9X9540116	05/15/07	450-1 RESV & 680-1 PS PROJECT	44,029.98	44,029.98
2007044	06/27/07	05836	JACOBS INC	W9X9540117	06/04/07	450-1 RESV & 680-1 PS PROJECT	39,805.76	39,805.76
2007045	06/27/07	03077	JANI KING OF CALIFORNIA INC	SDO06070384	06/01/07	JANITORIAL SERVICES	3,905.00	
				SDO06070393	06/01/07	JANITORIAL SERVICES	990.00	4,895.00
2006919	06/20/07	07305	JASON LOVE	Ref002375784	06/19/07	UB Refund Cst #0000091873	14.29	14.29
2006920	06/20/07	07333	JENNY FERNANDEZ	Ref002375812	06/19/07	UB Refund Cst #0000083665	75.00	75.00
2006921	06/20/07	07324	JENNY OXENDINE	Ref002375803	06/19/07	UB Refund Cst #0000068256	32.07	32.07
2006677	06/06/07	07280	JESSICA CARRILLO	Ref002375222	05/31/07	UB Refund Cst #0000091545	18.85	18.85
2007046	06/27/07	06849	JEYCO PRODUCTS INC	452130	06/06/07	SPRAY PAINT	330.42	330.42

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2006678	06/06/07	06849	JEYCO PRODUCTS INC.	451602	05/16/07	WAREHOUSE PAINT	172.74	172.74
2006922	06/20/07	01010	JOBS AVAILABLE INC	712087	05/29/07	JOB POSTING	297.50	
				713079	06/12/07	JOB POSTING	280.00	577.50
2006923	06/20/07	07328	JOE VASQUEZ	Ref002375807	06/19/07	UB Refund Cst #0000081604	18.06	18.06
2006679	06/06/07	07264	JOHN HOPPLE	Ref002375206	05/31/07	UB Refund Cst #0000013829	13.01	13.01
2006794	06/13/07	03172	JONES & STOKES	0042659	05/18/07	REVEGETATION MONITORING & MAINT SVCS	430.15	
				0042615	05/18/07	HABITAT MANAGEMENT ENVIRON SERVICES	25,432.63	25,862.78
2006795	06/13/07	03172	JONES & STOKES	0042658	05/18/07	ON-CALL ENVIRONMENTAL SVCS	5,697.50	
				0042657	05/18/07	ON-CALL ENVIRONMENTAL SVCS	3,601.00	
				0042661	05/18/07	ON-CALL ENVIRONMENTAL SVCS	1,943.50	
				0042660	05/18/07	ON-CALL ENVIRONMENTAL SVCS	589.40	11,831.40
2007047	06/27/07	03172	JONES & STOKES ASSOCIATES	0043032	06/07/07	HABITAT MANAGEMENT ENVIRONMENTAL SVCS	10,018.77	
				0043031	06/07/07	REVEGETATION MONITORING & MAINT SVCS	405.15	10,423.92
2007048	06/27/07	03172	JONES & STOKES ASSOCIATES	0043030	06/07/07	ON-CALL ENVIRONMENTAL SVCS	539.10	539.10
2006924	06/20/07	07318	JOSEPH EATMAN	Ref002375797	06/19/07	UB Refund Cst #0000043107	39.34	39.34
2007049	06/27/07	07347	JUAN & DEBRA NAVARRO	015986	06/22/07	PURCHASE OF EASEMENT	4,000.00	4,000.00
2006925	06/20/07	07320	KARL BARR	Ref002375799	06/19/07	UB Refund Cst #0000057471	33.78	33.78
2006680	06/06/07	07284	KIMBERLEY MACLEAN - FLEESON	Ref002375227	05/31/07	UB Refund Cst #0000092702	15.20	15.20
2006796	06/13/07	04996	KNOX ATTORNEY SERVICE INC	242341	05/22/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	
				242339	05/22/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	
				242340	05/22/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	82.50
2006926	06/20/07	04996	KNOX ATTORNEY SERVICE INC	243693	05/30/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	
				243694	05/30/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	
				243695	05/30/07	DELIVERY OF BOARD & COMMITTEE PACKETS	27.50	82.50
2006797	06/13/07	03643	KOCH-ARMSTRONG	3947	02/28/07	CIP #258 RETENTION RELEASE	7,596.00	7,596.00
2007050	06/27/07	02063	LA MESA - SPRING VALLEY	2867	06/20/07	BUS FUNDING/FIELD TRIP TO GARDEN	414.00	414.00
2006681	06/06/07	01859	LA PRENSA SAN DIEGO	21735	05/16/07	JOB POSTINGS	141.27	141.27
2007051	06/27/07	01859	LA PRENSA SAN DIEGO	21783	06/08/07	JOB POSTINGS	228.00	228.00

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2007052	06/27/07	02011	LEFEUVRE, LARRY A	015983	06/13/07	COMPUTER LOAN PROGRAM	1,247.10	1,247.10
2006682	06/06/07	07275	LEONARDO VANEGAS	Ref002375217	05/31/07	UB Refund Cst #0000090254	25.00	25.00
2007053	06/27/07	06273	LIEBERT CASSIDY WHITMORE	78078	05/31/07	LABOR RELATIONS CONSULTING SVCS	2,000.00	2,000.00
2006798	06/13/07	06263	LINTNER, JERRY	015954	06/11/07	TUITION REIMBURSEMENT	308.91	308.91
2006927	06/20/07	07339	LISTER CONSTRUCTION	Ref002375818	06/19/07	UB Refund Cst #0000088725	569.93	569.93
2006928	06/20/07	03784	LIVESCAN SAN DIEGO	07284	05/29/07	FINGERPRINTING SERVICES	20.00	20.00
2006799	06/13/07	07294	LLERENAS, JESSE	015942	06/04/07	SAFETY BOOTS REIMBURSEMENT	116.89	116.89
2006683	06/06/07	05220	LOGICALIS INTEGRATION SOLUTION	IN005708	05/11/07	TRAFFIC MGR SOFTWARE	13,459.41	13,459.41
2006800	06/13/07	05220	LOGICALIS INTEGRATION SOLUTION	IN006336	05/24/07	SECURITY SOFTWARE	3,461.03	3,461.03
2006929	06/20/07	05220	LOGICALIS INTEGRATION SOLUTION	S714407	05/31/07	CONSULTING SERVICES - IS DEPT	21,360.00	21,360.00
2006684	06/06/07	07276	LUIS BECERRIL	Ref002375218	05/31/07	UB Refund Cst #0000090319	50.40	50.40
2007054	06/27/07	07256	M & M CONTROL SERVICE INC	001467600	06/06/07	PROCESS CONTROLLER	1,636.42	1,636.42
2006685	06/06/07	07282	M KEVIN ONEILL CONSTRUCTION	Ref002375225	05/31/07	UB Refund Cst #0000092171	778.65	778.65
2007055	06/27/07	01464	MAG SYSTEMS INC	152774731	06/05/07	FLANGED MOUNT OPTICAL ISOLATORS	801.53	801.53
2006930	06/20/07	00628	MANHATTAN NAT'L LIFE INS CO	015975	06/19/07	VOLUNTARY LIFE INSURANCE	445.07	445.07
2006931	06/20/07	07322	MARIA L VELA	Ref002375801	06/19/07	UB Refund Cst #0000064985	12.00	12.00
2006932	06/20/07	02265	MARPLE, DOUGLAS W	2112132	06/18/07	SAFETY BOOTS REIMBURSEMENT	37.87	37.87
2007056	06/27/07	02902	MARSTON & MARSTON INC	20075	06/01/07	PROFESSIONAL SERVICES	8,128.56	
				20074	06/01/07	PROFESSIONAL SERVICES	1,652.65	9,781.21
2006933	06/20/07	07325	MARTY GRIFFITH	Ref002375804	06/19/07	UB Refund Cst #0000069633	8.73	8.73
2006801	06/13/07	05329	MASTER METER INC	0123539IN	05/22/07	INVENTORY	21,785.97	21,785.97
2006934	06/20/07	05329	MASTER METER INC	0123872IN	05/30/07	INVENTORY	10,604.22	10,604.22
2006935	06/20/07	07331	MAXELL CORPORATION OF AMERICA	Ref002375810	06/19/07	UB Refund Cst #0000082371	30.02	30.02

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2006802	06/13/07	01183	MCMASTER-CARR SUPPLY CO	64980284	05/14/07	CHIPPING HAMMER, LOCK SPRINGS	237.22	
				65496508	05/22/07	WAREHOUSE SUPPLY	781.11	1,018.33
2007057	06/27/07	01183	MCMASTER-CARR SUPPLY CO	65731964		CREDIT MEMO	(177.70)	
				66377890	06/06/07	WAREHOUSE SUPPLIES	180.34	
				65239787	05/17/07	REPAIR PART	72.13	74.77
2006686	06/06/07	07266	MCMILLIN	Ref002375208	05/31/07	UB Refund Cst #0000040280	284.50	284.50
2006687	06/06/07	07270	MCMILLIN	Ref002375212	05/31/07	UB Refund Cst #0000082345	789.79	789.79
2006936	06/20/07	07317	MCMILLIN	Ref002375796	06/19/07	UB Refund Cst #0000041239	151.92	151.92
2006937	06/20/07	07330	MCMILLIN	Ref002375809	06/19/07	UB Refund Cst #0000082344	274.38	274.38
2006938	06/20/07	07310	MEDICAL REAL ESTATE DEVELOPMEN	Ref002375789	06/19/07	UB Refund Cst #0000094125	754.37	754.37
2006688	06/06/07	07265	MELISSA MEJIA	Ref002375207	05/31/07	UB Refund Cst #0000025024	40.10	40.10
2006689	06/06/07	07267	MICHAEL COLLINS	Ref002375209	05/31/07	UB Refund Cst #0000061462	83.07	83.07
2006690	06/06/07	07215	MICHAEL SALMON	Ref002375224	05/31/07	UB Refund Cst #0000092145	122.05	122.05
2006691	06/06/07	07277	MICHELLE RABB	Ref002375219	05/31/07	UB Refund Cst #0000090324	7.43	7.43
2006692	06/06/07	02835	MIL-RAM TECHNOLOGY INC	980709	05/16/07	CL2 & AMMMONIA SENSOR RECHARGE & REPAI	1,213.94	1,213.94
2006939	06/20/07	01577	MINARIK CORPORATION	I0459870DD	05/25/07	SAN MIGUEL RANCH PROJECT	3,029.35	3,029.35
2006940	06/20/07	07316	MINERVA RUIZ	Ref002375795	06/19/07	UB Refund Cst #0000027566	12.23	12.23
2006941	06/20/07	00887	MIRAMAR TRUCK CENTER-SAN DIEGO	212282	05/30/07	BRAKE PARTS	35.06	35.06
2007058	06/27/07	00887	MIRAMAR TRUCK CENTER-SAN DIEGO	213065	05/24/07	BRAKE PARTS	434.19	434.19
2006693	06/06/07	03393	MOBILE MINI LLC - CA	904035174	05/13/07	RENTAL 40' METERS STORAGE CONTAINER	164.90	164.90
2006803	06/13/07	03393	MOBILE MINI LLC - CA	904037265	05/21/07	RENTAL 40' METERS STORAGE CONTAINER	170.88	170.88
2006804	06/13/07	02503	MORGAN COMPANY	13982	05/16/07	TRUCK CRANE REPAIR PART	111.95	111.95
2006942	06/20/07	03623	MWH AMERICAS INC	1114791	05/27/07	PROFESSIONAL ENG. & ENVIRONMENTAL SVCS	1,885.40	1,885.40
2007059	06/27/07	02037	MWH LABORATORIES	203433LI	06/01/07	MONTHLY REGULATORY ANALYSES	1,001.00	1,001.00
2006943	06/20/07	07311	MYRNA HERBIAS	Ref002375790	06/19/07	UB Refund Cst #0000094371	20.55	20.55

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2006694	06/06/07	04676	NAPA AUTO PARTS	073893	05/14/07	REPAIR PARTS	149.93	
				073927	05/14/07	REPAIR PARTS	110.36	
				073867	05/14/07	REPAIR PARTS	94.79	
				074010	05/15/07	REPAIR PARTS	86.20	
				072388	05/01/07	REPAIR PARTS	71.33	
				073988	05/15/07	REPAIR PARTS	64.64	
				073995	05/15/07	REPAIR PARTS	55.18	
				073990	05/15/07	REPAIR PARTS	52.00	
				074018	05/15/07	REPAIR PARTS	42.01	
				072951	05/07/07	REPAIR PARTS	41.44	
				073941	05/14/07	REPAIR PARTS	40.93	
				071890	04/26/07	REPAIR PARTS	39.17	
				073610	05/11/07	REPAIR PARTS	31.92	
				074005	05/15/07	REPAIR PARTS	23.96	
				073933	05/14/07	REPAIR PARTS	23.26	
				072312	05/01/07	REPAIR PARTS	9.29	
				073868	05/14/07	REPAIR PARTS	9.01	
				074080	05/15/07	REPAIR PARTS	8.39	
				073901	05/14/07	REPAIR PARTS	7.19	
				073595	05/11/07	REPAIR PARTS	6.71	967.71
2006805	06/13/07	04676	NAPA AUTO PARTS	073105	05/08/07	REPAIR PARTS	16.91	16.91
2006945	06/20/07	04676	NAPA AUTO PARTS	074177	05/16/07	REPAIR PARTS	34.68	
				075612	05/29/07	REPAIR PARTS	34.16	
				075898	05/31/07	REPAIR PARTS	32.20	
				075592	05/29/07	REPAIR PARTS	30.00	
				074778	05/21/07	REPAIR PARTS	28.66	
				075923	05/31/07	REPAIR PARTS	26.59	
				076081	05/31/07	REPAIR PARTS	22.83	
				074745	05/21/07	REPAIR PARTS	21.54	
				074906	05/22/07	REPAIR PARTS	21.54	
				075756	05/30/07	REPAIR PARTS	12.89	
				075856	05/30/07	REPAIR PARTS	11.16	
				074140	05/16/07	REPAIR PARTS	10.06	
				075381	05/25/07	REPAIR PARTS	9.87	
				074399	05/18/07	REPAIR PARTS	9.46	
				075834	05/30/07	REPAIR PARTS	7.27	
				074348	05/17/07	REPAIR PARTS	79.59	
				075676	05/29/07	REPAIR PARTS	66.72	
				076008	05/31/07	REPAIR PARTS	59.10	
				075406	05/25/07	REPAIR PARTS	53.66	
				073934	05/14/07	REPAIR PARTS	51.91	
				074445	05/18/07	REPAIR PARTS	50.51	
				075631	05/29/07	REPAIR PARTS	50.06	

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				073961		CREDIT MEMO	(118.53)	
				074980		CREDIT MEMO	(75.19)	
				074999	05/22/07	REPAIR PARTS	49.28	
				075714	05/29/07	REPAIR PARTS	46.33	
				074971	05/22/07	REPAIR PARTS	46.30	
				073517	05/10/07	REPAIR PARTS	45.52	
				074859	05/22/07	REPAIR PARTS	45.14	
				075239	05/24/07	REPAIR PARTS	37.39	
				073450	05/10/07	REPAIR PARTS	35.84	
				073963		CREDIT MEMO	(71.31)	
				074820		CREDIT MEMO	(53.34)	
				074813		CREDIT MEMO	(34.68)	
				073964		CREDIT MEMO	(24.43)	
				070997	04/19/07	REPAIR PARTS	247.78	
				074142	05/16/07	REPAIR PARTS	235.36	
				073497	05/10/07	REPAIR PARTS	215.26	
				074957	05/22/07	REPAIR PARTS	208.99	
				074855	05/22/07	REPAIR PARTS	206.29	
				075305	05/24/07	REPAIR PARTS	163.74	
				075609	05/29/07	REPAIR PARTS	96.22	2,026.42
2006946	06/20/07	07319	NATALIE R MCCAIN	Ref002375798	06/19/07	UB Refund Cst #0000047667	27.21	27.21
2006806	06/13/07	03523	NATIONAL DEFERRED COMPENSATION	Ben2375623	06/12/07	DEFERRED COMP PLAN	9,588.63	9,588.63
2007060	06/27/07	03523	NATIONAL DEFERRED COMPENSATION	Ben2376131	06/26/07	DEFERRED COMP PLAN	9,588.63	9,588.63
2006695	06/06/07	03733	NEC UNIFIED SOLUTIONS INC	VSH10239375	05/17/07	LABOR FOR PHONES SVCS	621.50	621.50
2006807	06/13/07	03733	NEC UNIFIED SOLUTIONS INC	VSH10239562	05/23/07	LABOR FOR PHONES SVCS	229.50	229.50
2006696	06/06/07	03487	NETWORK INSIGHT	NISD200702080	04/30/07	STAFF SUPPORT APRIL 2007	6,975.00	
				NISD200702057	03/31/07	STAFF SUPPORT MARCH 2007	5,850.00	12,825.00
2006947	06/20/07	03487	NETWORK INSIGHT	NISD200702102	06/06/07	STAFF SUPPORT	7,875.00	7,875.00
2006948	06/20/07	07313	NEW CENTURY MORTGAGE CORP	Ref002375792	06/19/07	UB Refund Cst #0000095140	130.86	130.86
2006697	06/06/07	02848	NEWMAN, E PATRICK	015928	06/01/07	TUITION REIMBURSEMENT	125.00	125.00
2006698	06/06/07	03571	NEXTLEVEL INTERNET	12859	05/14/07	INTERNET WEB HOSTING	357.00	357.00
2006808	06/13/07	03299	OCB REPROGRAPHICS	4805389	05/23/07	REPROGRAPHICS SERVICES	70.15	
				4799423	05/18/07	REPROGRAPHICS	60.12	
				4805412	05/23/07	REPROGRAPHICS SERVICES	35.07	
				4805404	05/23/07	REPROGRAPHICS SERVICES	11.31	176.65

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2006699	06/06/07	00510	OFFICE DEPOT INC	386671249001	05/16/07	OFFICE SUPPLIES	39.96	
				387008050001	05/16/07	OFFICE SUPPLIES	15.77	55.73
2006809	06/13/07	00510	OFFICE DEPOT INC	385817531001		CREDIT OFFICE SUPPLIES	(67.86)	
				388270621001		CREDIT OFFICE SUPPLIES	(25.58)	
				385459043001	05/09/07	OFFICE SUPPLIES	77.55	
				387498408001	05/23/07	OFFICE SUPPLIES	25.70	
				385817532001	05/09/07	OFFICE SUPPLIES	69.80	
				388047870001	05/23/07	OFFICE SUPPLIES	49.89	
				387954890001	05/23/07	OFFICE SUPPLIES	28.93	158.43
2006949	06/20/07	00510	OFFICE DEPOT INC	388650932001	05/30/07	INKJET CARTRIDGES & PRINTHEADS	270.37	
				388270623001	05/30/07	OFFICE SUPPLIES	33.34	303.71
2007061	06/27/07	00510	OFFICE DEPOT INC	389010527001	06/06/07	OFFICE SUPPLIES	93.17	
				389013775001	06/06/07	OFFICE SUPPLIES	80.42	
				389013041001	06/06/07	OFFICE SUPPLIES	42.42	216.01
2006700	06/06/07	01837	OFFICE TEAM	18705361	05/21/07	TEMPORARY SERVICES - METER DEPT	802.56	802.56
2006810	06/13/07	01837	OFFICE TEAM	18761163	05/28/07	TEMPORARY SERVICES - METER DEPT	1,003.20	
				18760439	05/28/07	TEMPORARY SERVICES - CUSTOMER SVC DEP	934.80	
				18786264	06/04/07	TEMPORARY SERVICES - METER DEPT	601.92	2,539.92
2006950	06/20/07	01837	OFFICE TEAM	18856660	06/11/07	TEMPORARY SERVICE - CUST SERV	934.80	
				18801452	06/04/07	TEMPORARY SERVICES - CUST SERV	765.37	1,700.17
2007062	06/27/07	01837	OFFICE TEAM	18919342	06/22/07	TEMPORARY SERVICES - CUSTOMER SVC DEP	969.86	969.86
2006951	06/20/07	01726	OLDS, LARRY E	015962	06/12/07	TUITION REIMBURSEMENT	151.50	151.50
2006701	06/06/07	02084	OLLI BROS	015898	05/17/07	SHIRTS	314.41	314.41
2006811	06/13/07	03149	ON SITE LASER	39124	04/25/07	PRINTER REPAIR	406.30	406.30
2007063	06/27/07	00496	ONESOURCE DISTRIBUTORS LLC	S2712897001	06/07/07	ELECTRICAL SUPPLIES	1,694.57	1,694.57
2006702	06/06/07	06856	ORPAK USA INC	27283	05/11/07	FUEL MANAGEMENT PARTS	1,818.00	1,818.00
2006812	06/13/07	06856	ORPAK USA INC	27298	05/21/07	SHIPPING CHARGES	28.00	28.00
2006952	06/20/07	02721	ORTIZ CORPORATION	23	06/01/07	CIP #R2022 RETENTION RELEASE	739,437.03	
				22	05/01/07	30" RECYCLED PIPELINE PROJECT	25,987.88	765,424.91
2006813	06/13/07	04571	OTAY RANCH COMPANY	015949	06/01/07	REIMBURSEMENT AGREEMENT CIP #30050	1,771.36	1,771.36

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2006814	06/13/07	03101	OTAY WATER DISTRICT	Ben2375625	06/12/07	PAYROLL DEDUCTION - ASSN DUES	798.00	798.00
2007064	06/27/07	03101	OTAY WATER DISTRICT	Ben2376133	06/26/07	PAYROLL DEDUCTION - ASSN DUES	805.00	805.00
2006703	06/06/07	04463	PACIFIC GREEN LANDSCAPE INC	0043064IN	05/15/07	LANDSCAPING SERVICES	7,850.00	
				0043259IN	05/16/07	WEED ABATEMENT	2,485.00	10,335.00
2006815	06/13/07	04463	PACIFIC GREEN LANDSCAPE INC	0043293IN	05/23/07	WEED ABATEMENT	475.00	475.00
2006953	06/20/07	04463	PACIFIC GREEN LANDSCAPE INC	0043308IN	05/30/07	WEED ABATEMENT	1,640.00	1,640.00
2007065	06/27/07	06646	PACIFIC HYDROTECH CORPORATION	4307	05/31/07	640-1 & 640-2 RESEVOIRS PROJECT	1,871,617.50	1,871,617.50
2006954	06/20/07	01002	PACIFIC PIPELINE SUPPLY	117057	05/30/07	INVENTORY	2,044.66	2,044.66
2007066	06/27/07	03017	PACIFIC SAFETY COUNCIL	63872	06/18/07	CONFINED SPACE TRAINING	125.00	125.00
2006955	06/20/07	07334	PAUL PISTEY	Ref002375813	06/19/07	UB Refund Cst #0000083676	124.07	124.07
2006704	06/06/07	07263	PAUL TITUS	015922	05/29/07	REIMB CASH IN YOUR PLANTS PROGRAM	1,040.00	1,040.00
2006956	06/20/07	05497	PAYPAL INC	645087	05/31/07	ON-LINE PAYMENT SERVICES	207.00	207.00
2006957	06/20/07	03308	PBS&J	0332473	05/29/07	WASTE DISCHARGE PERMIT REVISION	3,123.80	3,123.80
2007067	06/27/07	03308	PBS&J	0335649	06/21/07	ENVIRONMENTAL SERVICES	23,001.13	23,001.13
2006816	06/13/07	03649	PECK'S HEAVY FRICTION INC	71323	05/21/07	REPAIR PARTS	699.90	699.90
2006958	06/20/07	07323	PEEJAY BARRERA	Ref002375802	06/19/07	UB Refund Cst #0000066211	52.00	52.00
2006817	06/13/07	00227	PELL MELL SUPPLY	43980800	05/24/07	STAINLESS STEEL NUTS AND BOLTS	962.44	962.44
2006818	06/13/07	00593	PEPPER OIL COMPANY INC	602931	06/01/07	UNLEADED FUEL	14,820.01	
				602930	06/01/07	DIESEL FUEL	14,143.54	28,963.55
2006959	06/20/07	00593	PEPPER OIL COMPANY INC	706488	06/18/07	DIESEL FUEL	12,980.20	
				602946	06/05/07	DIESEL FUEL	12,634.87	
				602668	05/21/07	DIESEL FUEL	12,204.13	
				602590	05/10/07	DIESEL FUEL	9,294.30	47,113.50
2006819	06/13/07	03180	PERFORMANCE METER INC	0012756IN	05/21/07	METERS	271.24	271.24
2006820	06/13/07	00137	PETTY CASH CUSTODIAN	015957	06/12/07	PETTY CASH REIMBURSEMENT	956.82	956.82

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2007068	06/27/07	00137	PETTY CASH CUSTODIAN	015991	06/26/07	PETTY CASH REIMBURSEMENT	566.26	566.26
2006705	06/06/07	07290	PILLSBURY WINTHROP SHAW	7333638	05/17/07	LEGAL SERVICES	1,413.26	1,413.26
2007069	06/27/07	07290	PILLSBURY WINTHROP SHAW	7342457	06/21/07	LEGAL SERVICES	9,665.62	9,665.62
2006960	06/20/07	02786	PIONEER AMERICAS LLC	5538806592	06/06/07	CHLORINE	2,187.55	2,187.55
2007070	06/27/07	00053	PITNEY BOWES INC	424605	06/03/07	POSTAL SECURITY DEVICE RENTAL	206.88	206.88
2007071	06/27/07	05333	PITTMAN, TINA	015982	06/21/07	TUITION REIMBURSEMENT	90.00	90.00
2006961	06/20/07	01715	PORRAS, PEDRO J	01715607	06/12/07	TRAVEL CONFERENCE EXP	172.44	172.44
2006706	06/06/07	05499	PRAXAIR DISTRIBUTION INC	26103179	05/18/07	WELDING SUPPLIES	230.80	230.80
2006821	06/13/07	05499	PRAXAIR DISTRIBUTION INC	26103178	05/18/07	WELDING SUPPLIES	751.49	751.49
2006962	06/20/07	05499	PRAXAIR DISTRIBUTION INC	25609167	03/20/07	WELDING SUPPLIES & EQUIPMENT	482.43	
				25878923	04/20/07	WELDING SUPPLIES & EQUIPMENT	437.58	
				26096616	05/17/07	WELDING SUPPLIES & EQUIPMENT	199.47	1,119.48
2007072	06/27/07	05499	PRAXAIR DISTRIBUTION INC	26293902	06/04/07	WELDING SUPPLIES	63.87	63.87
2006963	06/20/07	02976	PRE-PAID LEGAL SERVICES INC	015976	06/19/07	LEGAL SERVICES	89.70	89.70
2006707	06/06/07	06844	PROCESS MEASUREMENT	062001	05/11/07	LEVEL TRANSMITTERS	581.29	581.29
2006964	06/20/07	06844	PROCESS MEASUREMENT	062147	06/05/07	LEVEL TRANSMITTERS	526.23	526.23
2006708	06/06/07	02127	PROFESSIONAL FIRST AID SERVICE	11249	05/12/07	FIRST AID KIT SUPPLIES	194.44	194.44
2006709	06/06/07	06641	PRUDENTIAL OVERALL SUPPLY	6581212	05/17/07	UNIFORMS	287.62	
				6581211	05/17/07	MATS, TOWELS & SUPPLIES	134.98	
				6581213	05/17/07	MATS, TOWELS & SUPPLIES	91.25	
				6574370	05/16/07	MATS, TOWELS & SUPPLIES	88.95	
				6574369	05/16/07	UNIFORMS	70.13	
				6581214	05/17/07	UNIFORMS	68.12	741.05
2006822	06/13/07	06641	PRUDENTIAL OVERALL SUPPLY	6614093	05/24/07	UNIFORMS	282.71	
				6614092	05/24/07	MATS, TOWELS & SUPPLIES	134.98	
				6614094	05/24/07	MATS, TOWELS & SUPPLIES	91.25	
				6607229	05/23/07	MATS, TOWELS & SUPPLIES	88.95	
				6607228	05/23/07	UNIFORMS	70.13	
				6614095	05/24/07	UNIFORMS	68.12	736.14

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2006965	06/20/07	06641	PRUDENTIAL OVERALL SUPPLY	6646997	05/31/07	UNIFORMS	616.89	
				6646996	05/31/07	MATS, TOWELS & SUPPLIES	138.98	
				6646998	05/31/07	MATS, TOWELS & SUPPLIES	91.25	
				6640137	05/30/07	MATS, TOWELS & SUPPLIES	88.95	
				6640136	05/30/07	UNIFORMS	76.13	
				6646999	05/31/07	UNIFORMS	68.12	1,080.32
2007073	06/27/07	06641	PRUDENTIAL OVERALL SUPPLY	6679864	06/07/07	UNIFORMS	286.52	
				6679863	06/07/07	MATS, TOWELS & SUPPLIES	138.98	
				6679865	06/07/07	MATS, TOWELS & SUPPLIES	91.25	
				6673005	06/06/07	MATS, TOWELS & SUPPLIES	88.95	
				6673004	06/06/07	UNIFORMS	70.13	
				6679866	06/07/07	UNIFORMS	68.12	743.95
2006966	06/20/07	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2375619	06/12/07	PERS CONTRIBUTION	107,965.57	107,965.57
2006710	06/06/07	01342	R J SAFETY SUPPLY CO INC	23652800	05/16/07	JACKET	73.81	73.81
2006823	06/13/07	01342	R J SAFETY SUPPLY CO INC	23752700	05/23/07	SAFETY SUPPLIES	1,150.77	1,150.77
2006967	06/20/07	01342	R J SAFETY SUPPLY CO INC	23752701	05/30/07	SAFETY APPAREL & SUPPLIES	343.12	343.12
2007074	06/27/07	01342	R J SAFETY SUPPLY CO INC	23752900	06/05/07	CONCRETE BAGS	233.45	
				23752702	06/05/07	SAFETY SUPPLY	183.08	416.53
2006968	06/20/07	06840	RANCHWOOD DELI & CATERING	015974	05/31/07	CATERING SERVICES	323.25	323.25
2006711	06/06/07	00766	RANROY PRINTING COMPANY	088927	05/15/07	BUSINESS CARDS	225.20	225.20
2006824	06/13/07	00766	RANROY PRINTING COMPANY	088931	05/22/07	BUSINESS CARDS	125.96	125.96
2006969	06/20/07	02041	RBF CONSULTING	7040136	05/25/07	CONSTRUCTION MGMT/INSPEC SVCS	22,336.00	22,336.00
2007075	06/27/07	02041	RBF CONSULTING	7030103	04/27/07	CIP P2185-CONST MGMT SVCS	59,716.00	
				7040145	05/25/07	CIP P2185-CONST MGMT SVCS	58,579.00	118,295.00
2006825	06/13/07	00021	RCP BLOCK & BRICK INC	4316229	05/24/07	PEA GRAVEL	140.08	140.08
2007076	06/27/07	02891	RED WING SHOE STORE	00827010781	05/10/07	SAFETY BOOTS	138.65	138.65
2006826	06/13/07	02635	REGA, PAMELA J	015941	06/07/07	REIMB CONTEST PRIZES	48.04	48.04
2007077	06/27/07	06645	RELIABLE ELEVATOR INC	9246	06/01/07	ELEVATOR SERVICE & MAINTENANCE	390.00	390.00
2006712	06/06/07	04542	ROBAK, MARK	70140407	04/30/07	MILEAGE REIMBURSEMENT	68.39	68.39

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2006970	06/20/07	07314	ROGER LEE	Ref002375793	06/19/07	UB Refund Cst #0000022303	15.00	15.00
2006713	06/06/07	07279	RONNIE TOTAH	Ref002375221	05/31/07	UB Refund Cst #0000091034	42.30	42.30
2006714	06/06/07	00362	RYAN HERCO PRODUCTS CORP	6077992	05/15/07	PVC FITTINGS	133.23	133.23
2007078	06/27/07	03803	SAN DIEGO CLIPPING SERVICE INC	439070601	06/01/07	NEWSPAPER CLIPPING SERVICE	94.00	94.00
2007079	06/27/07	02979	SAN DIEGO COUNTY HISPANIC	662007	06/06/07	ANNUAL MEMBERSHIP	500.00	500.00
2006827	06/13/07	00003	SAN DIEGO COUNTY WATER	159	05/31/07	HEW VOUCHER PROGRAM	4,848.00	
				179	05/31/07	ULFT/HET VOUCHER PROGRAM	4,689.21	9,537.21
2007080	06/27/07	00003	SAN DIEGO COUNTY WATER	6284	06/20/07	CII VOUCHER PROGRAM	389.50	
				6296	06/20/07	CII VOUCHER PROGRAM	58.50	448.00
2006828	06/13/07	00247	SAN DIEGO DAILY TRANSCRIPT	52462	05/18/07	BID PUBLICATION	99.00	99.00
2006971	06/20/07	00247	SAN DIEGO DAILY TRANSCRIPT	54053	06/01/07	BID PUBLICATION	102.00	102.00
2006715	06/06/07	00121	SAN DIEGO GAS & ELECTRIC	015932	05/31/07	UTILITY EXPENSES	723.37	
				015923	05/25/07	UTILITY EXPENSE	27.13	750.50
2006829	06/13/07	00121	SAN DIEGO GAS & ELECTRIC	015946	05/31/07	UTILITY EXPENSES	1,786.99	
				015938	06/07/07	UTILITY EXPENSES	1,059.91	
				015935	05/31/07	UTILITY EXPENSES	76,863.97	79,710.87
2006972	06/20/07	00121	SAN DIEGO GAS & ELECTRIC	015973	06/01/07	UTILITY EXPENSES	787.09	787.09
2007081	06/27/07	00121	SAN DIEGO GAS & ELECTRIC	015979	06/18/07	UTILITY EXPENSES	19,055.65	
				015990	06/22/07	UTILITY EXPENSES	12,436.18	
				015987	06/21/07	UTILITY EXPENSES	940.64	32,432.47
2006830	06/13/07	03809	SAN DIEGO NEIGHBORHOOD NEWS	01526231001	06/08/07	JOB POSTING	152.00	
				01526232001	06/08/07	JOB POSTING	135.20	
				01526220001	06/08/07	JOB POSTING	126.80	414.00
2006716	06/06/07	04345	SAN DIEGO PRECAST CONCRETE INC	013361IN	05/11/07	INVENTORY	2,342.53	2,342.53
2006717	06/06/07	03273	SAN DIEGO READER	192	05/16/07	JOB POSTING	137.88	137.88
2007082	06/27/07	03273	SAN DIEGO READER	197	06/06/07	JOB POSTING	158.45	
				199	06/06/07	JOB POSTING	136.40	
				198	06/06/07	JOB POSTING	131.15	426.00
2006831	06/13/07	03514	SANTOS, MARCIANO	015955	06/08/07	TUITION REIMBURSEMENT	212.50	212.50

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2006973	06/20/07	07307	SARA LYNCH	Ref002375786	06/19/07	UB Refund Cst #0000092948	38.82	38.82
2006832	06/13/07	07288	SCHMIDT FIRE PROTECTION CO INC	58968	05/02/07	AIR CONDITIONING REPAIRS	336.00	336.00
2007083	06/27/07	07288	SCHMIDT FIRE PROTECTION CO INC	58962	05/02/07	AIR CONDITIONING REPAIRS	336.00	336.00
2006833	06/13/07	06756	SDG&E	237748	05/31/07	ENGG DESIGN FEE-FILE#PLA580/PROJ#642442	1,000.00	1,000.00
2006834	06/13/07	01651	SHARP REES-STEALY MEDICAL CTRS	188	05/19/07	NEW HIRE PHYSICALS	462.00	462.00
2006974	06/20/07	02802	SHERWOOD, KIM	015963	06/13/07	TUITION REIMBURSEMENT	237.00	237.00
2006718	06/06/07	02291	SHIER AVIATION CORPORATION	00023558	04/25/07	HELICOPTER TOUR OF DISTRICT	1,295.00	1,295.00
2007084	06/27/07	05627	SIGNA DIGITAL SOLUTIONS INC	ARS08741	06/04/07	COPIER MAINTENANCE	454.88	
				ARS08714	06/01/07	COPIER MAINTENANCE	101.00	
				ARS08781	06/05/07	COPIER MAINTENANCE	100.00	
				ARS08727	06/04/07	COPIER MAINTENANCE	24.00	679.88
2007085	06/27/07	06277	SIGNATURE PRESS	57735	05/29/07	BROCHURES	1,178.79	1,178.79
2006719	06/06/07	07278	SIRVA RELOCATION	Ref002375220	05/31/07	UB Refund Cst #0000090848	43.60	43.60
2006720	06/06/07	01691	SKILLPATH SEMINARS	9175406	06/04/07	SEMINAR REGISTRATION	199.00	199.00
2006975	06/20/07	01691	SKILLPATH SEMINARS	9178605	06/08/07	SEMINAR REGISTRATION	199.00	199.00
2006721	06/06/07	00258	SLOAN ELECTRIC CO	0051844	05/14/07	HEAD SHAFT PUMP REBUILT	664.44	664.44
2006976	06/20/07	00258	SLOAN ELECTRIC CO	0051913	05/25/07	PUMP & MOTOR REBUILT	16,624.12	
				0051915	05/25/07	PUMP REBUILT	14,784.15	31,408.27
2007086	06/27/07	03592	SOFTCHOICE CORPORATION	14487	06/05/07	LICENSING TECH CHECK SERVICE	1,600.00	1,600.00
2006977	06/20/07	07304	SONGWUT SHAWN SUMMERLIN	Ref002375783	06/19/07	UB Refund Cst #0000091578	75.00	75.00
2006722	06/06/07	03103	SOUTHCOAST HEATING &	C33056	05/11/07	AIR CONDITIONING MAINTENANCE	857.00	857.00
2006835	06/13/07	06853	SOUTHERN CALIFORNIA SOIL	342005	05/15/07	ON CALL GEOTECHNICAL SERVICES	5,850.00	
				341852	05/15/07	ON CALL GEOTECHNICAL SERVICES	495.00	6,345.00
2006723	06/06/07	03760	SPANKY'S PORTABLE SERVICES INC	670214	05/11/07	PORTABLE TOILET RENTAL	73.92	
				670213	05/11/07	PORTABLE TOILET RENTAL	72.20	
				670215	05/11/07	PORTABLE TOILET RENTAL	72.20	
				670216	05/11/07	PORTABLE TOILET RENTAL	72.20	

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				670427	05/14/07	PORTABLE TOILET RENTAL	72.20	362.72
2006836	06/13/07	03760	SPANKY'S PORTABLE SERVICES INC	672363	05/23/07	PORTABLE TOILET RENTAL	60.91	60.91
2006978	06/20/07	03760	SPANKY'S PORTABLE SERVICES INC	673732	05/31/07	PORTABLE TOILET RENTAL	90.45	90.45
2006979	06/20/07	03516	SPECIAL DISTRICT RISK	0022456IN	06/07/07	WORKERS' COMP PREMIUM	65,252.00	65,252.00
2007087	06/27/07	03516	SPECIAL DISTRICT RISK	22630	06/15/07	INSURANCE PREMIUM CERTIFICATE	125.00	125.00
2006980	06/20/07	00590	SPECIALTY SEALS & ACCESSORIES	24781	05/14/07	SEAL	327.64	327.64
2006981	06/20/07	01717	SPRING VALLEY CHAMBER OF	015969	06/14/07	MEMBERSHIP RENEWAL	550.00	550.00
2006724	06/06/07	04843	SPRING VALLEY KIWANIS CLUB	015924	05/30/07	ADVERTISING FEE	50.00	50.00
2007088	06/27/07	03600	SPRINT	015984	06/14/07	WIRELESS CARDS SERVICE - INTERNET	37.13	37.13
2006982	06/20/07	02354	STANDARD ELECTRONICS	9491	05/29/07	SECURITY SERVICE & REPAIRS	315.46	315.46
2007089	06/27/07	02354	STANDARD ELECTRONICS	9465	05/17/07	SECURITY SERVICE & REPAIRS	297.50	297.50
2007090	06/27/07	06524	STANLEY ACCESS TECH LLC	98166877	04/11/07	AUTOMATIC SWING DOOR MAINT	124.98	124.98
2006837	06/13/07	06295	STATE DISBURSEMENT UNIT	Ben2375633	06/12/07	PAYROLL DEDUCTION	294.46	294.46
2006838	06/13/07	06299	STATE DISBURSEMENT UNIT	Ben2375631	06/12/07	PAYROLL DEDUCTION	237.69	237.69
2006839	06/13/07	06303	STATE DISBURSEMENT UNIT	Ben2375635	06/12/07	PAYROLL DEDUCTION	482.76	482.76
2007091	06/27/07	06295	STATE DISBURSEMENT UNIT	Ben2376141	06/26/07	PAYROLL DEDUCTION	294.46	294.46
2007092	06/27/07	06299	STATE DISBURSEMENT UNIT	Ben2376139	06/26/07	PAYROLL DEDUCTION	237.69	237.69
2007093	06/27/07	06303	STATE DISBURSEMENT UNIT	Ben2376143	06/26/07	PAYROLL DEDUCTION	482.76	482.76
2006840	06/13/07	02261	STATE STREET BANK & TRUST CO	Ben2375621	06/12/07	DEFERRED COMP PLAN	5,520.31	5,520.31
2007094	06/27/07	02261	STATE STREET BANK & TRUST CO	Ben2376129	06/26/07	DEFERRED COMP PLAN	5,545.31	5,545.31
2006725	06/06/07	07285	STEPHANIE LYONS	Ref002375228	05/31/07	UB Refund Cst #0000093272	62.35	62.35
2007095	06/27/07	03738	STEVEN ENTERPRISES INC	0199562CM		CREDIT FREIGHT CHARGE	(12.19)	
				0199240IN	06/01/07	BOND PAPER	154.60	142.41
2007096	06/27/07	07354	SUPREME VALET SERVICE	015995	06/26/07	VALET PARKING SERVICES	725.00	725.00

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2006841	06/13/07	04221	SUTHERLIN ASSOCIATED SERVICES	OWD052007	05/22/07	PROFESSIONAL SERVICES	84.00	84.00
2006842	06/13/07	00408	SWEETWATER AUTHORITY	015936	05/22/07	TEMPORARY WATER SERVICE	406.08	406.08
2007097	06/27/07	00408	SWEETWATER AUTHORITY	01	05/24/07	WATER RECYCLE FACILITY FEASIBILITY STUDY	20,900.74	20,900.74
2006726	06/06/07	02987	T M PEMBERTON	24789	05/15/07	CEMENT	690.23	690.23
2006727	06/06/07	07283	TAKASHI MITSUMON	Ref002375226	05/31/07	UB Refund Cst #0000092299	21.02	21.02
2006728	06/06/07	02799	TARULLI TIRE INC - SAN DIEGO	20029089	03/20/07	TIRES & REPAIR SERVICES	308.72	
				20029052	03/16/07	TIRE & REPAIR SERVICES	159.18	
				20029068	03/19/07	TIRE & REPAIR SERVICES	106.04	573.94
2006844	06/13/07	02799	TARULLI TIRE INC - SAN DIEGO	20029703	05/15/07	TIRES & REPAIR SERVICES	231.45	
				20029552	04/30/07	TIRES & REPAIR SERVICES	493.66	
				20029433	04/18/07	TIRE REPAIR SERVICES	20.47	745.58
2007098	06/27/07	02799	TARULLI TIRE INC - SAN DIEGO	20029788	05/22/07	TIRES & REPAIR SERVICES	556.38	
				20029726	05/15/07	TIRE REPAIR SERVICES	20.47	
				20029800	05/23/07	TIRE REPAIR SERVICES	5.00	581.85
2006984	06/20/07	01834	TC CONSTRUCTION INC	18871	05/17/07	450-1 RW RESERVOIR & 680-1 RW P. STATION	65,373.00	65,373.00
2006845	06/13/07	02376	TECHKNOWSION INC	1949	05/23/07	LEVEL/FLOW REPORT MODIFICATIONS	1,936.00	1,936.00
2006843	06/13/07	04977	T-MOBILE	4272085930607	06/04/07	CELL PHONE & BLACKBERRY SVCS	79.96	79.96
2006983	06/20/07	04977	T-MOBILE	415086045607	06/04/07	CELL PHONE & BLACKBERRIES SRVC	2,103.14	2,103.14
2007099	06/27/07	06826	TRANS-WEST FORD TRUCK SALES	46106	06/14/07	VEHICLE PURCHASE CIP #122	59,847.31	59,847.31
2006729	06/06/07	02273	TRUCKIN STUFF	10224	05/16/07	TOOL BOXES	615.12	615.12
2006985	06/20/07	07327	TYSON DAVIS	Ref002375806	06/19/07	UB Refund Cst #0000075733	50.57	50.57
2006986	06/20/07	06829	U S SECURITY ASSOCIATES INC	873246	05/31/07	AFTER HOURS SECURITY SVCS	110.00	110.00
2007100	06/27/07	00427	UNDERGROUND SERVICE ALERT OF	520070457	06/01/07	UNDERGROUND TRENCH SERVICE ALERTS	480.00	480.00
2006730	06/06/07	00075	UNION TRIBUNE PUBLISHING CO	002172205	04/30/07	ASPHALTIC CONCRETE PAVING BID	412.30	
				002172307	04/30/07	WATER METER REPLACEMNT BID	347.20	759.50
2006987	06/20/07	00075	UNION TRIBUNE PUBLISHING CO	C070502581	05/31/07	JOB POSTINGS	2,425.23	
				C070502583	05/31/07	BID PUBLICATIONS	1,134.60	

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				C070502582	05/31/07	JOB POSTING	375.00	3,934.83
2006731	06/06/07	02613	UNITED RENTALS NORTHWEST INC	65144768001	05/18/07	CONCRETE	137.92	
				65035995001	05/15/07	CONCRETE	99.13	237.05
2006846	06/13/07	02613	UNITED RENTALS NORTHWEST INC	65484480001	05/31/07	CONCRETE	156.24	156.24
2006988	06/20/07	02613	UNITED RENTALS NORTHWEST INC	65180814001	05/24/07	KNUCKLE LIFT RENTAL	489.31	489.31
2007101	06/27/07	02613	UNITED RENTALS NORTHWEST INC	65572047001	06/04/07	CONCRETE	137.92	137.92
2006847	06/13/07	05417	UNITED STATES DEPARTMENT	Ben2375639	06/12/07	PAYROLL DEDUCTION	100.00	100.00
2007102	06/27/07	05417	UNITED STATES DEPARTMENT	Ben2376147	06/26/07	PAYROLL DEDUCTION	100.00	100.00
2006989	06/20/07	00350	UNITED STATES POSTAL SERVICE	015972	06/18/07	REIMBURSE POSTAGE MACHINE	1,500.00	1,500.00
2007103	06/27/07	05861	UNITED STATES POSTMASTER	398	06/22/07	POSTAGE	6,594.28	6,594.28
2006848	06/13/07	00853	UNIVAR USA INC	SD629900	05/25/07	BULK AQUA AMMONIA	2,026.58	
				SD629901	05/25/07	BULK AQUA AMMONIA	1,275.99	3,302.57
2006990	06/20/07	00853	UNIVAR USA INC	SD629866	05/30/07	HTH GRANULAR CHLORINE	3,088.50	3,088.50
2007104	06/27/07	03212	UNUM LIFE INSURANCE	Ben2376125	06/26/07	LONG TERM DISABILITY	5,623.17	5,623.17
2006732	06/06/07	03190	VALCO INSTRUMENTS CO INC	90022988	05/14/07	STATOR/CAP	1,324.78	
				90023176	05/15/07	VALVE ROTOR & STATOR	274.78	1,599.56
2006849	06/13/07	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2375629	06/12/07	DEFERRED COMP PLAN	6,350.06	6,350.06
2007105	06/27/07	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2376137	06/26/07	DEFERRED COMP PLAN	6,350.06	6,350.06
2006733	06/06/07	03329	VERIZON WIRELESS	0556187124	05/21/07	CELL PHONE SERVICE	6,698.87	6,698.87
2006850	06/13/07	03588	VWR INTERNATIONAL INC	30414794	05/09/07	LABORATORY SUPPLIES	123.61	
				30414789	05/09/07	LABORATORY SUPPLIES	108.53	
				30414792	05/09/07	LABORATORY SUPPLIES	99.40	
				30519368	05/18/07	LABORATORY SUPPLIES	48.99	380.53
2006734	06/06/07	00101	W W GRAINGER INC	9367144459	05/16/07	AC SENSOR	69.35	69.35
2006851	06/13/07	00101	W W GRAINGER INC	9370996218	05/22/07	WAREHOUSE SUPPLIES	621.52	
				9370816259	05/22/07	90 WATT SOX LAMPS	394.49	1,016.01
2006991	06/20/07	00101	W W GRAINGER INC	9375654689	05/30/07	PRESSURE WASHER	4,720.81	

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				9374909811	05/29/07	CABINET	143.41	4,864.22
2007106	06/27/07	00101	W W GRAINGER INC	9379806608	06/05/07	SHOP TOOLS & MATERIALS	1,178.19	1,178.19
2007107	06/27/07	03727	WATER ENVIRONMENT FEDERATION	01791270	06/21/07	REGISTRATION FEE	295.00	295.00
2006735	06/06/07	00014	WAXIE SANITARY SUPPLY	70039010CM		JANITORIAL SUPPLIES	(197.05)	
				70039009	05/11/07	SANITARY SUPPLIES	503.97	
				700385242	05/11/07	JANITORIAL SUPPLIES	294.55	
				70039010	05/11/07	JANITORIAL SUPPLIES	286.87	
				70041326	05/14/07	JANITORIAL SUPPLIES	208.83	
				70044965	05/16/07	JANITORIAL SUPPLIES	203.56	1,300.73
2007108	06/27/07	00014	WAXIE SANITARY SUPPLY	70073493	06/05/07	WAXIE	2,039.59	2,039.59
2006736	06/06/07	01343	WE GOT YA PEST CONTROL	41847	05/11/07	BEE REMOVAL	115.00	
				41836	05/11/07	BEE REMOVAL	115.00	230.00
2006852	06/13/07	01343	WE GOT YA PEST CONTROL	41593	05/07/07	BEE REMOVAL	115.00	
				41752	05/14/07	BEE REMOVAL	115.00	
				41590	05/04/07	BEE REMOVAL	115.00	
				41697	05/11/07	BEE REMOVAL	115.00	
				41592	05/04/07	BEE REMOVAL	115.00	
				41887	05/24/07	PEST CONTROL	40.00	
				41886	05/24/07	BEE REMOVAL	115.00	730.00
2006992	06/20/07	01343	WE GOT YA PEST CONTROL	41924	05/26/07	BEE REMOVAL	115.00	
				41880	05/30/07	PEST CONTROL	40.00	
				41879	05/30/07	PEST CONTROL	40.00	
				41923	05/26/07	BEE REMOVAL	115.00	310.00
2006737	06/06/07	00190	WEST PAYMENT CENTER	813717238	05/20/07	LEGAL LIBRARY UPDATES	694.02	694.02
2006738	06/06/07	00125	WESTERN PUMP INC	0059302IN	04/30/07	APCD TESTING	637.93	637.93
2006993	06/20/07	00125	WESTERN PUMP INC	0059811IN	05/31/07	APCD TESTING	625.00	
				0057010IN	01/22/07	PARTS	114.82	739.82
2006994	06/20/07	03131	WESTFLEX INDUSTRIAL	183255	05/30/07	AIR HOSES	132.87	
				183242	05/30/07	REPAIR PARTS	241.54	374.41
2006995	06/20/07	00168	WETMORE'S	180030		CREDIT MEMO	(16.16)	
				180025	05/31/07	REPAIR PARTS	536.04	519.88
2007109	06/27/07	00168	WETMORE'S	180044	06/01/07	REPAIR PARTS	22.93	22.93

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2006739	06/06/07	03437	WIENHOFF DRUG TESTING INC	13797	03/01/07	RANDOM TESTING SERVICE	340.00	340.00
2007110	06/27/07	03437	WIENHOFF DRUG TESTING INC	15236	06/01/07	RANDOM DRUG TESTING	55.00	55.00
2007111	06/27/07	02725	WILLIAMS SCOTSMAN	72872545	06/02/07	28' TRAILER RENTAL	287.53	287.53
2006996	06/20/07	03468	WILSON, PETTY, KOSMO &	21910	04/30/07	LEGAL SERVICES APRIL 2007	19,226.87	
				20984	01/31/07	LEGAL SERVICES JAN 2007	2,533.50	21,760.37
2006997	06/20/07	07308	YOLANDA R ROMAINE	Ref002375787	06/19/07	UB Refund Cst #0000093324	29.11	29.11
2006998	06/20/07	07309	YOLANDA R TAYLOR	Ref002375788	06/19/07	UB Refund Cst #0000093610	10.93	10.93
2006740	06/06/07	01112	ZEP MANUFACTURING COMPANY	53251015	05/17/07	ZEP PRODUCTS	377.13	377.13
2006741	06/06/07	03151	ZHAO, MING	15380107	01/09/07	TRAVEL EXPENSE REIMBURSEMENT	68.80	
				15380507	05/18/07	TRAVEL EXPENSE REIMBURSEMENT	39.00	
				15380307	03/04/07	TRAVEL EXPENSE REIMBURSEMENT	26.00	133.80
			GRAND TOTAL				4,754,724.93	4,754,724.93