

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

2554 SWEETWATER SPRINGS BOULEVARD  
SPRING VALLEY, CALIFORNIA  
BOARDROOM

**TUESDAY**  
**April 22, 2008**  
**11:30 A.M.**

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

**AGENDA**

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

**DISCUSSION ITEMS**

3. REVIEW THE DRAFT 2008 CUSTOMER SATISFACTION AND AWARENESS AND CALL CENTER SURVEYS (BUELNA) [15 minutes]
4. ADOPT THE 2008 OTAY WATER DISTRICT LEGISLATIVE PROGRAM (BUELNA) [10 minutes]
5. UPDATE ON THE DISTRICT'S SCHOOL EDUCATION PROGRAM (GRANGER) [10 minutes]
6. ADOPT RESOLUTION NO. 4122 AMENDING CODE OF ORDINANCES' POLICY NO. 7, CONDITIONS FOR INSTALLMENT OR DEFERRED PAYMENTS TO THE DISTRICT, AND POLICY 15, USE OF DISTRICT CREDIT CARDS, PETTY CASH, AND EXPENDITURES INVOLVING DISTRICT CREDIT (DOBRAWA) [5 minutes]
7. DECLARATION OF SURPLUS VEHICLES AND EQUIPMENT (DOBRAWA/HENDERSON) [5 minutes]

8. REVIEW OF THE FISCAL YEAR 2008 AUDIT PROCESS (BEACHEM) [10 minutes]
9. RATE STRUCTURE ANALYSIS FOR POTABLE AND RECLAIMED WATER (BEACHEM/BELL) [10 minutes]
10. PROPOSED DELINQUENT ACCOUNT PROCESS (BEACHEM/HENDERSON) [10 minutes]
11. ADJOURNMENT

BOARD MEMBERS ATTENDING:

Mark Robak, Chair  
Larry Breitfelder

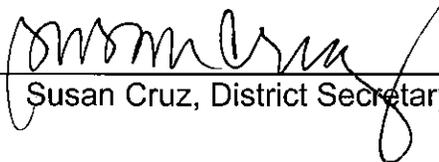
All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

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 April 18, 2008 I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 24 hours in advance of the meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on April 18, 2008.

  
\_\_\_\_\_  
Susan Cruz, District Secretary



## AGENDA ITEM 3

### STAFF REPORT

TYPE MEETING:	Finance, Administration, and Communications Committee	MEETING DATE:	4/24/08
SUBMITTED BY:	Armando Buelna, <i>AB</i> Communications Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
SUBJECT:	2008 Customer Survey - Draft Survey Questionnaires		

#### GENERAL MANAGER'S RECOMMENDATION:

That the Finance, Administration, and Communications Committee review the draft questionnaires to be used in the 2008 Customer Satisfaction and Awareness and Call Center Surveys.

#### PURPOSE:

To provide the Finance, Administration, and Communications Committee the opportunity to review the draft questionnaires to be used in the 2008 Customer Satisfaction and Awareness and Call Center Surveys.

#### BACKGROUND:

Attached are draft questionnaires developed by Rea & Parker Research for consideration by the District for use in the 2008 Customer Satisfaction and Awareness (General) and Call Center surveys.

In the general survey, 300 customers will be selected at random from individuals residing within the District's service area. Select questions will be asked to a subgroup of Otay sewer customers. Additionally, a subgroup of customers in Rancho San Diego and Jamul will be surveyed to gauge their receptiveness to expanding recycled water service to the north district.

In Call Center survey, respondents will be selected from customers who have contacted the District within the last 6 months. Those individuals will be asked about specific Call Center interaction such as courtesy, knowledge, and helpfulness of Call Center personnel.

Comments received from your committee will be incorporated into the two documents, which will also be translated to Spanish.





## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Customer Surveys, Draft Survey Questionnaires
-------------------------	---

### COMMITTEE ACTION:

This item was presented to the Finance, Administration, and Communications Committee on April 24, 2008.

### Note:

The "Committee Action" is written in anticipation of the Committee moving the item forward.

**Otay Water District**  
**General Survey 2008**

INT. Hello, my name is \_\_\_\_\_. I'm calling on behalf of the Otay Water District. We're conducting a study about some issues having to do with your household water supply and we're interested in your opinions. **[IF NEEDED:]** Are you at least 18 years of age or older? **[IF 18+ HOUSEHOLDER NOT AVAILABLE NOW, ASK FOR FIRST NAME AND MAKE CB ARRANGEMENTS]**

VER. **[VERSION OF INTERVIEW:]**      1 - VERSION A      2 - VERSION B\*

\* = RESPONSE OPTIONS REVERSED ON VERSION B FOR ALL QUESTIONS INDICATED

IC. Let me assure you that no names or addresses are associated with the telephone numbers, and all of your responses are completely anonymous. The questions take about ten minutes. To ensure that my work is done honestly and correctly, this call may be monitored. Do you have a few minutes right now?

**[IF ASKED ABOUT MONITORING:]** My supervisor randomly listens to interviews to make sure we're reading the questions exactly as written and not influencing answers in any way.

TOP. **[ONLY IF ASKED FOR MORE INFORMATION ABOUT TOPIC OR WHO'S SPONSORING IT?:]** This project is sponsored by the Otay Water District, and it's about some issues related to your household water supply. **[IF SPONSOR INFORMATION GIVEN TO RESPONDENT, "TOPIC"=1]**

CUST. How long have you been a customer of the Otay Water District? **[IF LESS THAN ONE YEAR, THANK AND CODE NQR-RES]**

\_\_\_\_\_ YEARS  
0 -----> "NQR-RES"  
99 - DK/REF, BUT AT LEAST ONE YEAR

SEX. **[RECORD GENDER OF RESPONDENT:]**

1 - MALE  
2 - FEMALE

----- **QUALIFIED RESPONDENT: QUOTAS CHECKED; DATA SAVED** -----

LP. **[IF INDICATED BY ACCENT:]** Would you prefer that we speak in...

1 - English or  
2 - Spanish?

- Q1. These first few questions deal with the use of water in your household. Which of the following is currently the main source of drinking water in your home...
- 1 - tap water, -----> **GO TO Q2**
  - 2 - tap water that you filter at home, or
  - 3 - bottled water?
  - 4 - OTHER VOLUNTEERED, SPECIFY: \_\_\_\_\_ -----> **GO TO Q2**
  - 9 - DK/REF -----> **GO TO Q2**
- Q2. How would you describe your household's level of interest in conserving water at home? Would you say...\*
- 1 - a high level of interest,
  - 2 - a moderate level,
  - 3 - a low level, or
  - 4 - no interest at all?
  - 9 - DK/REF
- Q3. During the past year, would you say your household's awareness of water conservation has been...\* **[REVERSE 1 - 3 ONLY]**
- 1 - increasing,
  - 2 - staying about the same,
  - 3 - decreasing,
  - 4 - or are you not sure? **[INCLUDES DK/REF]**
- Q4. These next questions are related to the water supply in San Diego County. How confident are you in the ability of the Otay Water District to provide enough water to the district? Would you say...\* **[REVERSE]**
- 1 - very confident,
  - 2 - somewhat confident,
  - 3 - not very confident,
  - 4 - not at all confident,
  - 5 - or are you not sure? **[INCLUDES DK/REF]**
- Q5. How much trust do you have in the ability of the Otay Water District to provide clean, safe water to the district? Would you say...\* **[REVERSE]**
- 1 - a great deal of trust,
  - 2 - a good amount of trust,
  - 3 - some trust,
  - 4 - not much trust,
  - 5 - no trust at all?
  - 9 - not sure **[INCLUDES DK/REF]**
- Q6. Does your household pay its own water bill, or does someone else, like a landlord or homeowners' association, pay the water bill for you?
- 1 - RESPONDENT/OTHER MEMBER OF HOUSEHOLD PAYS
  - 2 - LANDLORD/HOMEOWNERS' ASSOC./OTHER -----> **GO TO Q9**
  - 9 - DK/REF -----> **GO TO Q9**

**[ASK Q6a TO Q6j IF Q6 = 1 - HH PAYS WATER BILL:]**

Q6a. In the past year, do you believe that your water rates have...

- 1 - gone up,
- 2 - gone down,----→ **GO TO Q6c**
- 3 - stayed about the same,----→ **GO TO Q6c**
- 4 - or are you not sure? ----→ **GO TO Q6c**
- 9 - REF----→ **GO TO Q6c**

Q6b. Would higher rates motivate you to conserve water?

- 1 - YES--→**GO TO Q6d**
- 2 - NO--→**GO TO Q6d**
- 9 - DK/REF--→**GO TO Q6d**

Q6c. **[IF RESIDENT WITH OTAY SEWER—OTHERWISE, GO TO Q6f]**

Are you aware that your monthly invoice from the Otay Water District includes charges for your sewer service?

- 1 - YES
- 2 - NO
- 9 - DK/REF

Q6d. In the past year, have your sewer rates...

- 1 - gone up,
- 2 - gone down, -----> **GO TO Q6f**
- 3 - stayed the same, -----> **GO TO Q6f**
- 4 - or are you not sure? -----> **GO TO Q6f**
- 9 - REF -----> **GO TO Q6f**

Q6e. **[IF Q6a = 1 and Q6d = 1 - GONE UP:]** Which increase do you believe has been larger...\* **[REVERSE 1-2 ONLY]**

- 1 - sewer,
- 2 - water,
- 3 - both equally,
- 4 - or are you not sure?
- 9 - REF

Q6f. Would you be interested in receiving your monthly bill from the Otay Water District by e-mail instead of through the Postal Service?

- 1 - YES
- 2 - NO
- 9 - DK/REF

Q6g. Do you read the newsletter or bill inserts that come in the mail with your monthly water bill...

- 1 - every time,
- 2 - most times,
- 3 - sometimes, or
- 4 - never?
- 9 - DK/REF

Q6h The Otay Water District provides each customer household with an annual Consumer Confidence Report before July 1st of each year. Have you ever read this report?

- 1 - YES
- 2 - NO
- 9 - DK/REF

**[IF Q6g >3 and Q6h >1, GO TO Q7, otherwise continue with Q6i]**

Q6i. Is it important to you that these publications be made available in Spanish?

- 1 - YES
- 2 - NO
- 9 - DK/REF

Q6j. Can you tell me anything that you might recall reading in these newsletters or in the Consumer Confidence Report? **[RECORD UP TO 2 RESPONSES]**

---

---

Q7. Residential plumbing codes require that a pressure regulator be installed. Regulators are typically installed with the initial construction of the home and are set to control water pressure for your property at a normal level for residential uses.

Whose responsibility do you think it is for your having and maintaining the water pressure regulator? **[ROTATE]**

- 1—Otay Water District
- 2---City Public Works Department
- 3---The property owner
- 4—San Diego County Water Authority
- 5---Someone else, specify \_\_\_\_\_
- 9—DK/REF

Q8. These next few questions deal with saving water outdoors. Does your residence have any outdoor landscaping that someone in your household is directly responsible for maintaining?

1 - YES

2 - NO/APT/CONDO/NO YARD RESPONSIBILITIES -----> **GO TO Q9**

9 - DK/REF -----> **GO TO Q9**

Q8a. **[IF Q8 = 1:]** Does your irrigation system have a separate pressure regulator from the one that controls your household's water pressure?

1—YES

2—NO

9—DK/REF

Q8b. Does your landscaping include a lawn?

1 - YES

2 - NO -----> **GO TO Q9g**

9 - DK/REF -----> **GO TO Q9g**

Q8c. **[IF YES]** Reducing the size of your lawn helps save water. Which of the following would be most likely to motivate you to reduce the size of your lawn:...\*

1 - having a reduced water bill due to using less water,

2 - having a more easily maintained yard,

3 - or neither?

9 - DK/REF

Q8d. The Otay Water District offers a \$1 per square foot financial incentive to install synthetic turf and take out your grass lawn. Would you be likely to remove any of your grass lawn and replace it with synthetic turf under this rebate program in the next

**[IF NECESSARY, USE TERM "ARTIFICIAL TURF"]**

1=YES

2=NO

9=DK/REF

1-3 months

**GO TO Q8e**

2-6 months

**GO TO Q8e**

3-12 months

**GO TO Q8e**

Q8e. **[IF Q8 = 1 and Q8b > 1]** The District offers a \$1 per square foot financial incentive for you to install water-wise, drought tolerant plants. Are you likely to remove any of your existing plants and replace them with water-wise plants under this program within the next 6 months?

1-YES

2-NO

9-DK/REF

Q8f. Do you have an automatically-controlled sprinkler system for your landscaping?

- 1 - YES
- 2 - NO -----> GO TO Q9
- 9 - DK/REF -----> GO TO Q9

Q8g. **[IF YES:]** During the past 12 months, how often has anyone made adjustments to the automatic controller for your sprinkler system?

- 1 - NOT AT ALL
- 2 - 1 TO 3 TIMES
- 3 - 4 to 6 TIMES
- 4 - 7 OR MORE TIMES
- 5 - USE WEATHER-BASED CONTROLLER -GO TO Q10
- 9 - DK/REF

Q9a-g. I am going to mention six utilities that serve the needs of residents and businesses in the region. Considering only those utilities that you pay for, which would you say is the best value for the amount of money that you pay. Which ones are second and third?

**[ROTATE LIST]**

	MOST	SECOND	THIRD
a. Trash collection	1	1	1
b. Water	2	2	2
c. Sewer	3	3	3
d. Telephone	4	4	4
e. Cable or Satellite TV	5	5	5
f. Internet access	6	6	6
g. Gas & Electric	7	7	7

**ASK EVERYONE:**

Q10. Have you ever seen or heard anything about the Water Conservation Garden at Cuyamaca College?

- 1 - YES
- 2 - NO-----> GO TO Q11
- 9 - DK/REF -----> GO TO Q11

Q10a. **[IF YES:]** Have you ever visited the garden?

- 1 - YES
- 2 - NO -----> GO TO Q10f
- 9 - DK/REF -----> GO TO Q10f

Q10b-d. Have you or other of your household members during these past 6 years

1=YES 2=NO 3=DK/REF

- b. taken a formal tour of the garden?
- c. taken one of the classes offered?
- d. taken a child to the garden with you?

Q10e. Have you made any changes to your watering or landscaping practices as a result of visiting the Garden?

- 1 - YES
- 2 - NO
- 9 - DK/REF

**GO TO Q11**

Q10f. Why have you not visited the Garden?

---

---

**[ASK Q11 ONLY IF Q6 = 1 (HH responsible for landscaping)]**

**Q11. [ASK Q11 ONLY IF Q6 = 1 (HH responsible for landscaping) Otherwise, GO TO Q12**

Do you recall having seen or heard any OUTDOOR water usage conservation messages during the past year?

- 1 - YES
- 2 - NO -----> **GO TO Q12**
- 9 - DK/REF -----> **GO TO Q12**

Q11a. **[IF Q11=1:]** What is the major step your household has taken to reduce outdoor water usage as a response to these messages?

**[PROBE FOR AND RECORD ONLY ONE STEP]**

---

99 - DK/REF

Q12. Do you recall seeing or hearing messages about the 20 Gallon Challenge?

- 1 - YES
- 2 - NO
- 9 - DK/REF

Q13: How would you rate your overall satisfaction with the Otay Water District as your water service provider?

- 1---Excellent
- 2---Very Good
- 3---Good
- 4---Fair
- 5---Poor
- 6---Very Poor
- 9---DK/REF

Q14. Have you ever visited the Otay Water District website?

- 1 - YES
- 2 - HAVE ACCESS TO INTERNET, BUT HAVE NOT VISITED WEBSITE -----  
-----> **GO TO Q15**
- 3---DO NOT HAVE ACCESS TO THE INTERNET----->**GO TO Q15**
- 9 - DK/REF -----> **GO TO Q15**

Q14a. **[IF YES:]** How would you rate the website? Would you say...

- 1 - excellent,
- 2 - good,
- 3 - fair, or
- 4 - poor?
- 9 - DK/REF

Q15a-b. These next questions are about recycled water, which is wastewater that has been highly treated and is used for a variety of purposes other than drinking water. Which of the following would you think makes up the wastewater that is used for recycling?

1=Yes                      2=No                      3=DK/REF

- a. sewer water
- b. storm drain runoff

Q16. **[IF RESIDENT OF NORTH DISTRICT—OTHERWISE, GO TO Q18]**

The Otay Water District is exploring the expansion of recycled water into your part of the district for use in irrigating landscape in public areas such as parks, playgrounds and schools, thereby freeing up more drinking water for residential use. Would you favor or oppose such a plan? **[CLARIFY:]** Do you strongly or somewhat {favor/oppose} that?

- 1—strongly favor
- 2—somewhat favor
- 3—somewhat oppose
- 4—strongly oppose
- 9—DK/REF

Q17a-d. The use of recycled water is another way to increase our water supply. Would you favor or oppose the use of recycled water for the following types of uses...  
**[CLARIFY:]** Do you strongly or somewhat (favor/oppose) that?

Do you favor or oppose using recycled water...	<u>strgly</u> <u>favor</u>	<u>smwt</u> <u>favor</u>	<u>smwt</u> <u>oppose</u>	<u>strgly</u> <u>oppose</u>	<u>DK/</u> <u>REF</u>
a) for watering landscaping along freeways open space, parks and golf courses?	1	2	3	4	9
b) for replenishing recreational lakes?	1	2	3	4	9
c) for watering residential front yards?	1	2	3	4	9
d) as an addition to the supply of drinking water	1	2	3	4	9

**ASK ALL:**

Q18. Are you aware of reports that indicate that San Diego County is presently experiencing a drought?

- 1 - YES
- 2 - NO
- 9 - DK/REF

In closing, these questions are for comparison purposes only.

CALL Have you called the Otay Water District for service or other help during the past 6 months?

- 1 - YES
- 2 - NO
- 9 - DK/REF

PPH. How many persons, including yourself, live in your household?

\_\_\_\_\_

99 - DK/REF

TEN. Is your residence owned by someone in your household, or is it rented?

- 1 - OWN
- 2 - RENT/OTHER STATUS
- 9 - DK/REF

EDU. What is the highest grade or year of school that you have completed and received credit for...

- 1 - high school or less,
- 2 - at least one year of college, trade or vocational school,
- 3 - graduated college with a bachelor's degree, or
- 4 - at least one year of graduate work beyond a bachelor's degree?
- 9 - DK/REF

AGE. Please tell me when I mention the category that contains your age...

- 1 - 18 to 24,
- 2 - 25 to 34,
- 3 - 35 to 44,
- 4 - 45 to 54,
- 5 - 55 to 64, or
- 6 - 65 or over?
- 9 - DK/REF

ETH. Which of the following best describes your ethnic or racial background...

- 1 - white, not of Hispanic origin;
- 2 - black, not of Hispanic origin;
- 3 - Hispanic or Latino;
- 4 - Asian or Pacific Islander;
- 5 - Native American; or
- 6 - another ethnic group? [SPECIFY:] \_\_\_\_\_
- 9 - DK/REF

INC. Now, we don't want to know your exact income, but just roughly, could you tell me if your annual household income before taxes is...

- 1 - under \$25,000,
- 2 - \$25,000 up to but not including \$50,000,
- 3 - \$50,000 up to (but not including) \$75,000,
- 4 - \$75,000 up to (but not including) \$100,000, or
- 5 - \$100,000 up to but not including \$150,000?
- 9 - DK/REF

LAN. [LANGUAGE OF INTERVIEW:]      1 - ENGLISH      2 - SPANISH

**Otay Water District Survey**  
**Call Center Customer Service 2008**

- INT. Hello, my name is \_\_\_\_\_. I'm calling on behalf of the Otay Water District. We are conducting a study about some issues having to do with the service you have received from the District. We are interested in your opinions. **[IF NEEDED:]** Are you at least 18 years of age or older? **[IF 18+ HOUSEHOLDER NOT AVAILABLE NOW, ASK FOR FIRST NAME AND MAKE CB ARRANGEMENTS]**
- VER. **[VERSION OF INTERVIEW:]** 1 - VERSION A 2 - VERSION B\*  
\* = RESPONSE OPTIONS REVERSED ON VERSION B FOR ALL QUESTIONS INDICATED
- IC. Let me assure you that no names or addresses are associated with the telephone numbers, and all of your responses are completely anonymous. The questions take about ten minutes. To ensure that my work is done honestly and correctly, this call may be monitored. Do you have a few minutes right now?  
**[IF ASKED ABOUT MONITORING:]** My supervisor randomly listens to interviews to make sure we're reading the questions exactly as written and not influencing answers in any way.
- TOP. **[ONLY IF ASKED FOR MORE INFORMATION ABOUT TOPIC OR WHO'S SPONSORING IT?:]** This project is sponsored by the Otay Water District, and it's about some issues related to improving customer service. **[IF SPONSOR INFORMATION GIVEN TO RESPONDENT, "TOPIC"=1]**
- SEX. **[RECORD GENDER OF RESPONDENT:]**  
1 - MALE  
2 - FEMALE
- LP. **[IF INDICATED BY ACCENT:]** Would you prefer that we speak in...  
1 - English or  
2 - Spanish?
- Q1. Have you or anyone in your household or business called the Otay Water District for service or other help during the past 6 months?  
1 - YES  
2 - NO **-THANK AND TERMINATE INTERVIEW**  
9 - DK/REF **-THANK AND TERMINATE INTERVIEW**

Q1a—Please indicate the type of customer you are

- 1—Residential
- 2—Business
- 3—Irrigation
- 4—Other, SPECIFY \_\_\_\_\_

Q1b. **[IF YES:]** Was the main purpose of your last call...

- 1 - a repair issue,
- 2 - a billing issue, or -----> **GO TO Q2**
- 3 - another issue? ---> **GO TO Q2**
- 9 - DK/REF -----> **GO TO Q3**

Q1c. **[IF REPAIR ISSUE:]** What type of repair did you call about? Was it...

- 1 - a pipeline break,
- 2 - a problem with supply to your home,
- 3—a suspected leak
- 4 - another problem? [SPECIFY:] \_\_\_\_\_
- 9 - DK/REF

Q1d. Did you make any other calls to customer service in the past 12 months that were not repair related?

- 1—YES
- 2—NO—**GO TO Q3**
- 3--DK —**GO TO Q3**

Q2. What was the reason for that customer service call? **[DO NOT VOLUNTEER]**

1—Did not understand bill—**[IF Q1b = 1--GO TO Q3—IF Q1b=2 or 3, GO TO Q2a]**

2—Thought I was charged too much for the amount of water I used—**[IF Q1b = 1--GO TO Q3— IF Q1b=2 or 3, GO TO Q2a]**

3—Thought I used less water than bill indicated/Meter misread—**[IF Q1b = 1--GO TO Q3— IF Q1b=2 or 3, GO TO Q2a]**

4--Why different amount from same month last year—**[IF Q1b = 1--GO TO Q3— IF Q1b=2 or 3, GO TO Q2a]**

5—Question about message box on bill—**[IF Q1b = 1--GO TO Q3— IF Q1b=2 or 3, GO TO Q2a]**

6—Address change—**[IF Q1b = 1--GO TO Q3— IF Q1b=2 or 3, GO TO Q2a]**

7---Start service——[IF Q1b = 1--GO TO Q3— IF Q1b=2 or 3, GO TO Q2a]

8---Stop Service——[IF Q1b = 1--GO TO Q3— IF Q1b=2 or 3, GO TO Q2a]

9—Reconnect Service after shutoff——[IF Q1b = 1--GO TO Q3— IF Q1b=2 or 3, GO TO Q2a]

15—Other? SPECIFY \_\_\_\_\_ —[IF Q1b = 1--GO TO Q3— IF Q1b=2 or 3, GO TO Q2a]

20—DK/REF [Go to Q3]

Q2a. [IF Q2 = 1-15] Did you make any other calls to customer service in the past 12 months?

1—YES

2—NO—GO TO Q3

3--DK -GO TO Q3

Q2b. What was the reason for that customer service call? [DO NOT VOLUNTEER]

1—Did not understand bill

2—Thought I was charged too much for the amount of water I used

3—Thought I used less water than bill indicated/Meter misread

4---Why different amount from same month last year

5—Question about message box on bill

6—Address change

7---Start service

8---Stop Service

9—Reconnect Service after shutoff

10-- a pipeline break,

11 - a problem with supply to your home

15—Other? SPECIFY \_\_\_\_\_

20—DK/REF

Q3. How satisfied or dissatisfied were you with the service you received as far as....

a. your ability to reach a service representative? Were you...\*

- 1 - very satisfied,
- 2 - somewhat satisfied,
- 3 - somewhat dissatisfied, or
- 4 - very dissatisfied?
- 9 - DK/REF

b. the courtesy of the service representative? Were you...\*

- 1 - very satisfied,
- 2 - somewhat satisfied,
- 3 - somewhat dissatisfied, or
- 4 - very dissatisfied?
- 9 - DK/REF

c. the professionalism of the service representative? Were you...\*

- 1 - very satisfied,
- 2 - somewhat satisfied,
- 3 - somewhat dissatisfied, or
- 4 - very dissatisfied?
- 9 - DK/REF

d. the knowledge and expertise of your service representative? Were you...\*

- 1 - very satisfied,
- 2 - somewhat satisfied,
- 3 - somewhat dissatisfied, or
- 4 - very dissatisfied?
- 9 - DK/REF

e. getting your problem resolved? Were you...\*

- 1 - very satisfied,
- 2 - somewhat satisfied,
- 3 - somewhat dissatisfied, or
- 4 - very dissatisfied?
- 9 - DK/REF

Q4. Overall, how would you rate the quality of service that you received? Would you say

- 1 - excellent,
- 2 - good,
- 3 - fair
- 4 -poor
- 9 - DK/REF

Q5. With regard to the problem or question you called about, how many calls did it take to get your issue resolved?

---

Q5a. [IF Q5 >1—OTHERWISE, GO TO Q6] Was your question or problem ultimately resolved to your satisfaction?

- 1-YES
- 2-NO
- 3-DK/REF

Q6. Did your call require a field visit to your property?

- 1-YES
- 2-NO -----[GO TO Q12]
- 3-DK/REF-----[GO TO Q12]

Q7. [IF Q6 = 1] What did the field representative do?

---

Q8. How satisfied were you with the field service outcome? Were you\*

- 1 - very satisfied,
- 2 - somewhat satisfied,
- 3 - somewhat dissatisfied, or
- 4 - very dissatisfied?
- 9 - DK/REF

Q9. How satisfied were you with the time required to come to your property to provide the field service? Were you\*

- 1 - very satisfied,
- 2 - somewhat satisfied,
- 3 - somewhat dissatisfied, or
- 4 - very dissatisfied?
- 9 - DK/REF

Q10. How satisfied were you with the amount of time the field service representative needed at your property? Were you\*

- 1 - very satisfied,
- 2 - somewhat satisfied,
- 3 - somewhat dissatisfied, or
- 4 - very dissatisfied?
- 9 - DK/REF

Q11. Please rate your overall satisfaction with the field service you received.

- 1 - excellent,
- 2 - good,
- 3 - fair, or
- 4 - poor?
- 9 - DK/REF

Q12. How do you pay your water bill most months?

- 1—Send check by mail
- 2—Automatic bank deduction
- 3—Credit card over the telephone
- 4—In person at the Otay Water District office
- 5—In person at payment center
- 6—On-line (Internet)

Q13. No matter how you presently pay your bill, how would you prefer to pay your bill most of the time?

- 1—Send check by mail-----GO TO Q14
- 2—Automatic bank deduction-----GO TO Q14
- 3—Credit card over the telephone-----GO TO Q14
- 4—In person at the Otay Water District office
- 5—In person at payment center
- 6—On-line (Internet) -----GO TO Q14

Q13a. [IF Q13 = 4 or 5] Why do you prefer to pay in person? **DO NOT VOLUNTEER**

- 1—save postage
- 2—get receipt
- 3—I usually pay at the last minute
- 4—I enjoy the personal contact/getting out of the house
- 9—Other—SPECIFY \_\_\_\_\_

Q14. In the past 6 months, have you used the Otay Water District website to obtain information or other service from the Otay Water District?

- 1—YES
- 2—NO-----GO TO Q15
- 3—DK/REF-----GO TO Q15

Q14a. [IF Q14=1] How satisfied were you with the web service you received? Were you\*

- 1 - very satisfied,
- 2 - somewhat satisfied,
- 3 - somewhat dissatisfied, or
- 4 - very dissatisfied?
- 9 - DK/REF

Q15. The Otay Water District has an Interactive Voice Response feature in their telephone system. This new feature provides the customer with account information, total amount due, and last payment received. Have you used this feature?

- 1—YES
- 2—NO-----GO TO Q16
- 3—DK/REF-----GO TO Q16

Q15a. **[IF Q15 = 1]** Did you find this feature to be useful?

- 1—YES
- 2—NO
- 3—DK/REF

Q15b. When you last called the Otay Water District for customer service, were you able to resolve your question or problem using the automated system only?

- 1—YES
- 2—NO
- 3—DK/REF

Q15c. Are there any other features that you would like to have offered by the Interactive Voice Response system?

- 1—Yes
- 2—No ---[GO TO Q16]
- 3—DK/REF ---[GO TO Q16]

Q15d. **[IF Q15c = 1]** What feature or features would you like the Automated Voice Response system to offer? **[RECORD UP TO 2]**

Q16. Regarding your monthly billing, How satisfied are you with the accuracy of your water bill?

- 1 - very satisfied,
- 2 - somewhat satisfied,
- 3 - somewhat dissatisfied, or
- 4 - very dissatisfied?
- 9 - DK/REF

Q17. How satisfied are you with the ease of understanding your water bill?

- 1 - very satisfied,
- 2 - somewhat satisfied,
- 3 - somewhat dissatisfied, or
- 4 - very dissatisfied?
- 9 - DK/REF

Q18. How confident are you in the accuracy of your monthly meter reading?

- 1 - very confident,
- 2 - somewhat confident,
- 3 - not very confident, or
- 4 - not at all confident?
- 9 - NOT SURE/REF

Q19. Do you read the messages in the message box on your monthly bill?

1—YES

2—NO

3---DID NOT EVEN KNOW MESSAGES WERE THERE

[VOLUNTEERED]

Q20. What changes, if any, would you suggest to the Otay Water District that you think could improve the convenience of your monthly bill?

0=No changes

---

Q21. In comparison to other companies that bill you monthly, such as electricity, cable TV, or others, how would you rate your overall customer experience with us on a scale of 1-5, where 5 means that the Otay Water District is the best of these companies and 1 means that the Otay Water District is the worst.

---

In closing, these next questions are for comparison purposes only.

CUST. How long have you been a customer of the Otay Water District?

\_\_\_\_\_ YEARS

PPH. How many persons, including yourself, live in your household?

\_\_\_\_\_

99 - DK/REF

TEN. Is your residence owned by someone in your household, or is it rented?

1 - OWN

2 - RENT/OTHER STATUS

9 - DK/REF

EDU. What is the highest grade or year of school that you have completed and received credit for...

1 - high school or less,

2 - at least one year of college, trade or vocational school,

3 - graduated college with a bachelor's degree, or

4 - at least one year of graduate work beyond a bachelor's degree?

9 - DK/REF

AGE. Please tell me when I mention the category that contains your age...

- 1 - 18 to 24,
- 2 - 25 to 34,
- 3 - 35 to 44,
- 4 - 45 to 54,
- 5 - 55 to 64, or
- 6 - 65 or over?
- 9 - DK/REF

ETH. Which of the following best describes your ethnic or racial background...

- 1 - white, not of Hispanic origin;
- 2 - black, not of Hispanic origin;
- 3 - Hispanic or Latino;
- 4 - Asian or Pacific Islander;
- 5 - Native American; or
- 6 - another ethnic group? [SPECIFY:] \_\_\_\_\_
- 9 - DK/REF

INC. Now, we don't want to know your exact income, but just roughly, could you tell me if your annual household income before taxes is...

- 1 - under \$25,000,
- 2 - \$25,000 up to but not including \$50,000,
- 3 - \$50,000 up to (but not including) \$75,000,
- 4 - \$75,000 up to (but not including) \$100,000, or
- 5 - \$100,000 or more?
- 9 - DK/REF

LAN. [LANGUAGE OF INTERVIEW:]      1 - ENGLISH      2 - SPANISH



## AGENDA ITEM 4

### STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 7, 2008
SUBMITTED BY:	Armando Buelna, <sup>AB</sup> Communications Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
SUBJECT:	2008 Legislative Program Guidelines		

#### GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors adopt the 2008 Otay Water District Legislative Program.

#### PURPOSE:

To provide direction to staff in the formulation of the District's response to legislative initiatives on issues affecting the District prior to and during the 2008 legislative session.

#### COMMITTEE ACTION:

See Attachment A

#### BACKGROUND

Each legislative session, representatives to the California legislature sponsor some 2,000 to 3,000 bills or significant resolutions. Many of these measures become law and affect special districts in substantive ways. The same is true with each session of the House of Representatives or the Senate.

Legislative programs establish guidelines and policy direction that can be used by staff in monitoring legislative activity, and facilitate actions that can be taken to quickly in response to legislative initiatives.

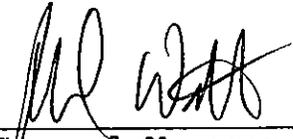
The principles provided in the 2008 Legislative Program are meant to serve as guidelines for staff in formulating a consistent District response to legislative initiatives. This is particularly helpful in dealing with time sensitive matters such as last minute amendments should calls or letters to legislators be needed. Sensitive or controversial policy matters will nevertheless be brought to your board for deliberation and direction.

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

None.

**LEGAL IMPACT:** \_\_\_\_\_

None.

  
\_\_\_\_\_  
**General Manager**

**Attachments**

Attachment A - *Committee Action Report*

Attachment B - *2008 Otay Water District Legislative Program*



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	2008 Legislative Program Guidelines
-------------------------	-------------------------------------

### COMMITTEE ACTION:

### Note:

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

# **Otay Water District 2008 Legislative Program**

Legislative Policy Guidelines

Effective Date:

## **Legislative Policy Guidelines**

The Otay Water Legislative Policy Guidelines for the 2007-2008 Legislative Sessions include the following:

### **Water Services**

*Support efforts to:*

- a. Provide a comprehensive plan to address Bay-Delta environmental issues.
- b. Study and promote "Around-the-Delta" alternatives as a way to improve water quality or water transport and reduce the possibility of levee failure.
- c. Support efforts to promote additional surface and underground water storage infrastructure to ensure water availability and quality.
- d. Study Global Climate Change and its potential impact on the snow pack, rising sea levels, increased salinity in the Delta, the possibility of reduced precipitation or more severe storms.
- e. Provide financial support to projects designed to mitigate the potential negative impacts of Global Climate Change on water supply reliability.
- f. Provide ongoing federal and state funding for the California Bay-Delta.
- g. Support implementation of the Quantitative Settlement Agreement.
- h. Provide reliable water supplies to meet California's short and long-term needs.
- i. Develop a comprehensive state water plan that balances California's competing water needs and results in a reliable supply of high-quality water for the San Diego region.
- j. Provide conveyance and storage facilities that are cost effective, improve the reliability and quality of San Diego region's water supplies as well as the Bay-Delta region.
- k. Equitably allocates costs of the Bay-Delta solution to all those benefiting from improvements.
- l. Support agriculture to urban water transfers.
- m. Promote desalination pilot studies and projects.
- n. Reduce restrictions on recycled water usage.
- o. Reduce restrictions on injecting recycled water into basins where there is no direct potable use.
- p. Provide financial incentives for recharge of groundwater aquifers using recycled water.
- q. Encourage feasibility studies of water resource initiatives.
- r. Increase funding for infrastructure and grant programs for construction, modernization or expansion of water, wastewater treatment, reclamation facilities and sewer systems.
- s. Provide funding for water recycling, groundwater recovery and recharge, surface water development projects and seawater desalination.

## Otay Water District 2008 Legislative Program

- t. Mandate uniform or similar regulations and procedures by state agencies in the processing and administering of grants and programs.
- u. Streamline grant application procedures.
- v. Limit the availability, or prohibit the installation, of water softening appliances that discharge brine to the sewer systems feeding treatment plants that produce recycled water.
- w. Improve the existing Sacramento-San Joaquin River Delta water conveyance system to increase flexibility and enhance water supply, water quality, levee stability and environmental protection.
- x. Evaluate long-term threats to the Delta levee and conveyance system and pursue actions to reduce risks to the state's water supply and the environment.
- y. Promote or assist voluntary water transfers between willing buyers and willing sellers.
- z. Establish reasonable statewide approaches to sewer reporting standards.

### *Oppose efforts to:*

- a. Make urban water supplies less reliable or substantially increase the cost of imported water without also improving the reliability and/or quality of the water.
- b. Create unrealistic or costly water testing protocol.
- c. Create unrealistic or costly to obtain water quality standards for recycled water or storm water runoff.
- d. Restrict use of recycled water for groundwater recharge.
- e. Disproportionately apportion costs of water.
- f. Establish new water or recycled water fees solely to recover State costs without also providing some benefit.
- g. Create undo hurdles for seawater desalination projects.
- h. Ban the use of or make the use of eminent domain for water infrastructure projects more costly or burdensome.
- i. Create regulatory schemes that alter or limit the existing authority to reuse and recycle water.
- j. Create unreasonable or confusing sewer reporting standards.

### **Financial**

#### *Support efforts to:*

- a. Support efforts to clarify procedures and provisions of Proposition 218 in the wake of the Bighorn decision.
- b. Require the federal government and State of California to reimburse special districts for all mandated costs or regulatory actions.
- c. Give special districts the discretion to cease performance of unfunded mandates.
- d. Provide for fiscal reform to enhance the equity, reliability, and certainty of special district funding.
- e. Provide incentives for local agencies to work cooperatively, share costs or resources.
- f. Provide for the stable, equitable and reliable allocation of property taxes.
- g. Continue to reform workers compensation.

## **Otay Water District 2008 Legislative Program**

- h. Authorize financing of water quality, water security, and water supply infrastructure improvement programs.
- i. Promote competition in insurance underwriting for public agencies.
- j. Establish spending caps on State of California overhead when administering voter approved grant and disbursement programs.
- k. Require disbursement decisions in a manner appropriate to the service in question.
- l. Encourage funding infrastructure programs that are currently in place and that have been proven effective.
- m. Produce tangible results, such as water supply reliability or water quality improvement.
- n. Provide financial incentives to projects that increase reliability, diversity, and reduce green house gasses.

### *Oppose efforts to:*

- a. Impose new, unfunded state mandates on local agencies and their customers.
- b. Undermine Proposition 1A - Protection of Local Government Revenues – and the comprehensive reform approved by voters in 2004.
- c. Reallocate special district reserves in an effort to balance the state budget.
- d. Reallocate special district revenues to fund infrastructure improvements in cities or counties.
- e. Usurp special district funds, reserves, or other state actions that force special districts to raise rates, fees or charges.
- f. Complicate existing conservation-based rate structures.
- g. Establish funding mechanisms that put undue burdens on local agencies or make local agencies *de facto* tax collectors for the state.
- h. Complicate compliance with SB 610 and SB 221.

### **Governance/Local Autonomy**

#### *Support efforts to:*

- a. Expand local autonomy in governing special district affairs.
- b. Establish reasonable standards for reporting director expenditures.
- c. Establish meaningful, targeted special district reform.
- d. Create consistent definitions of types of meetings directors may use for purposes of compensation.
- e. Set fair, consistent and reasonable standards for board member compensation.
- f. Promote comprehensive long-range planning.
- g. Assist local agencies in the logical and efficient extension of services and facilities to promote efficiency and avoid duplication of services.
- h. Streamline the Municipal Service Review Process or set limits on how long services reviews can take or cost.
- i. Establish clear and reasonable guidelines for appropriate community sponsorship activities.
- j. Reaffirm the existing “all-in” financial structure, or protect the San Diego County Water Authority voting structure based on population.

## **Otay Water District 2008 Legislative Program**

### *Oppose efforts to:*

- a. Assume the state legislature is better able to make local decisions that affect special district governance.
- b. Create one-size-fits-all approaches to special district reform.
- c. Unfairly target one group of local elected officials.
- d. Usurp local control from special districts regarding decisions involving local special district finance, operations or governance.
- e. Limit the board of directors' ability to govern the district.
- f. Create unfunded local government mandates.
- g. Create costly, unnecessary or duplicative oversight roles for the state government of special district affairs.
- h. Change the San Diego County Water Authority Act regarding voting structure, unless it is based on population.
- i. Shift the liability to the public entity and relieve private entities of reasonable due diligence in their review of plans and specifications for errors, omissions and other issues.
- j. Place a significant and unreasonable burden on public agencies, resulting in increased cost for public works construction or their operation.

### **Conservation**

#### *Support efforts to:*

- a. Provide funding for water conservation programs.
- b. Encourage the installation of water conserving fixtures in new and existing buildings.
- c. Promote the environmental benefits of water conservation.
- d. Enhance efforts to promote water awareness and conservation.
- e. Offer incentives for landscape water efficiency devices such as ET controllers and soil moisture sensors.
- f. Develop landscape retrofit incentive programs and/or irrigation retrofit incentive programs.
- g. Permit local agencies adopting stricter ordinances requiring water wise landscaping for commercial and residential development.
- h. Create tax credits for citizens or developers who install water wise landscapes.
- i. Create tax credits for citizens who purchase high efficiency clothes washers, dual flush and high-efficiency toilets and irrigation controllers above the state standards.
- j. Expand community-based conservation and education programs.
- k. Develop incentives for developers to install water wise landscape in new construction.
- l. Encourage large state users to conserve water by implementing water efficient technologies in all facilities both new and retrofit.
- m. Create higher incentives for solar power.
- n. Encourage large state water users to conserve water outdoors.

## **Otay Water District 2008 Legislative Program**

- o. Educate all Californians on the importance of water, and the need to conserve, manage, and plan for the future needs.

### *Oppose efforts to:*

- a. Weaken federal or state water efficiency standards.

### **Safety, Security and Information Technology**

#### *Support efforts to:*

- a. Provide funding for information security upgrades.
- b. Provide incentives for utilities and other local agencies to work cooperatively, share costs or resources.
- c. Provide funding for communication enhancements, wireless communications, GIS or other technological enhancements.
- d. Encourage or promote compatible software systems.
- e. Fund infrastructure and facility security improvements.
- f. Protect state, local and regional drinking water systems from terrorist attack or deliberate acts of destruction, contamination or degradation.
- g. Provide funds to support training or joint training exercises.
- h. Equitably allocate security funding based on need, threats and/or population.
- i. Encourage or promote compatible communication systems.

#### *Oppose efforts that:*

- a. Create unnecessary, costly, or duplicative security mandates.

### **Optimize District Effectiveness**

#### *Support efforts to:*

- a. Continue to reform Workers Compensation.
- b. Give utilities the ability to avoid critical peak energy pricing or negotiate energy contracts that save ratepayers money.
- c. Develop reasonable Air Pollution Control District engine permitting requirements.
- d. Reimburse or reduce local government mandates.
- e. Allow public agencies to continue offering defined benefit plans.
- f. Result in predictable costs and benefits for employees and taxpayers.
- g. Eliminate abuses.
- h. Retain local control of pension systems.
- i. Be constitutional, federally legal and technically possible.
- j. Establish practical limits on the use of eminent domain.

#### *Oppose efforts to:*

- a. Restrict the use of, or reallocate, district property tax revenues to the detriment of special districts.
- b. Create unrealistic ergonomic protocol.
- c. Micromanage special district operations.

## Otay Water District 2008 Legislative Program

- d. Balance the state budget by allowing regulatory agencies to increase permitting fees.

### Bi-National Initiatives

#### *Support efforts to:*

- a. Promote and finance cross-border infrastructure development such as water pipelines, desalination plants or water treatment facilities.
- b. Develop cooperative and collaborative solutions to cross-border issues.
- c. Develop and enhance understanding of the interdependence of communities on both sides of the border with the goal of improved cross-border cooperation.

#### *Oppose efforts to:*

- a. Usurp local control over the financing and construction of water supply and infrastructure projects in the San Diego/Baja California region.

# AGENDA ITEM 5



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 7, 2008		
SUBMITTED BY:	William E. Granger, Water Conservation Manager	W.O./G.F. NO:	n/a	DIV. NO.	all
APPROVED BY:	Rom Sarno, Chief of Administrative Services (Chief)				
APPROVED BY:	German Alvarez, Assistant General Manager, Finance & Administration (Asst. GM):				
SUBJECT:	Otay School Education Programs Update				

**GENERAL MANAGER'S RECOMMENDATION:**

For the Board to receive an update on the District's School Education Program. This item is informational only and does not require Board action.

**COMMITTEE ACTION:** \_\_\_\_\_

See Attachment "A"

**PURPOSE:**

To provide an update on the District's School Education Programs.

**ANALYSIS:**

The District has maintained a strong school education program since 1995. The program has reached over 100,000 students to date between its efforts as well as those by CWA staff within the District.

**Water Kits (K-6):**

The District provides kits containing grade appropriate lesson plans to teachers. The kits include videos, workbooks and other resources and are available on topics such as the water cycle, water conservation, recycled water, source/delivery of drinking water, and water pollution. Kits are requested by individual teachers and are either picked up or delivered to the school. Of the five kits, the water cycle kit is the most popular, as it best relates to the required curriculum. Nine of the ten kits checked out this year were focused primarily on the water cycle.

#### Recycled Water School Program:

Staff is exploring the possibility of adding the recycled water curriculum to the water cycle kit since the recycled water kit has not been specifically requested. The recycled water kit includes a number of worksheets including a 2006 publication entitled, "Give Water a Second Chance...Re-Cycle It!", developed by the Water ReUse Association and the Water Education Foundation. This activity booklet is designed for upper grade elementary school students.

Over six years ago, the District stopped offering tours to the Chapman facility, primarily due to safety and liability concerns, and instead began conducting tours at the Garden.

#### Water Conservation Garden Tours (Grades 3-6):

The District funds approximately 30 school bus tours to the Water Conservation Garden each fiscal year. Otay staff meets the buses at the Garden and conducts a tour, and lab session, lasting approximately two hours. Students learn about the scarcity of water and the need for outdoor water conservation, our water sources, and the characteristics of drought tolerant plants; they take a tour of the garden and then each child plants something to take home. Tours are conducted between October and May. The list of completed and scheduled Garden tours for this fiscal year is attached.

#### Splash Science Mobile Labs (Grades 4-6):

The District provides 50% (\$255 per lab) of the funding for up to 10 Splash Labs this fiscal year. The school picks up the rest of the fee, although CWA recently amended its budget to fund a limited number of Splash Labs. The program is run through the County Office of Education and was designed by CWA. The Splash Lab involves six teaching stations: microscopes, technology, weather, water quality, storm drain pollution model, and life around a pond. Up to four classes can use the lab per day. This summer, the Splash Science Mobile Lab is being completely revamped, and there will be an increased emphasis on water conservation and water quality.

#### School Poster and Photography Contests:

Every spring, the District conducts a school poster contest for grades K-6 with the theme "water is life." The District then forwards the top entries to MET for their school poster contest. Beginning this fiscal year, the District joined Helix Water District in offering a high school water-themed photo contest.

#### Other Educational Activities:

The District also provides funding for water awareness programs, which includes water related books, videos, and school water-wise gardens. To further encourage conservation awareness, the District regularly purchases and distributes water related books or DVDs to school libraries and provides mini-grants for water related projects.

Each year in conjunction with the San Diego Chapter of the California Special Districts Association (CSDA), the District provides a \$1,000 scholarship to a college-bound high school senior that lives within the District. Students are required to submit an essay about the importance of Special Districts' as well as write a personal essay. Students are eligible to receive the District's scholarship as well as the \$1,000 scholarship offered by the local chapter of CSDA.

In addition to the Splash Science Mobile Labs, CWA offers a number of programs including "Admiral Splash", "Weather & Water in San Diego", water quality curriculum and testing, and a xeriscape gardening teacher workshop held at the Water Conservation Garden.

#### Program Coordination with the Water Authority

The Water Authority mails a cover letter and its brochures (see the attached) to elementary and secondary schools throughout the county at the beginning of the school year promoting their programs for Kindergarten through 12<sup>th</sup> grade. In addition, the District mails flyers promoting its programs, highlighting the funding available for Garden bus tours, and school site gardens as well as the kits and its contests. Depending upon program activity levels, District staff will send one or two additional mailings highlighting the availability of programs and funding. Mailings typically occur at the beginning of the school year, again in January, and then again as needed.

School Education Budget:

The proposed FY 09 school education budget is \$15,100, which is included within the District's Water Conservation and School Education Program Division budget. In FY 07 and FY 08, the School Education budget was \$16,100. The proposed FY 09 school education budget is broken down in the table below.

Item	Budget	Comments
Bus tours to the Garden-aprx. 30	\$7,000	Same as FY 08
Public Recognition-CSDA scholarship, school education give- always, water themed photo contest w/ HWD, school ed mini-grants, awards and recognition including books provided during water awareness month in May.	\$5,100	Same as FY 08
Splash Labs - funding for 6 labs	\$1,600	Budgeted for 10 in FY 08, but will complete 3. Completed 6 in FY 07. Decrease of \$1,000
Design and printing of school education brochures	\$1000	Same as FY 08
Books and subscriptions	\$100	Same as FY 08
Garden class supplies	\$300	Same as FY 08
Total	\$15,100	

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

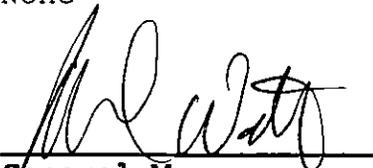
None

**STRATEGIC GOAL:** \_\_\_\_\_

Relates to the District's strategy of community outreach.

**LEGAL IMPACT:** \_\_\_\_\_

None

  
\_\_\_\_\_  
**General Manager**

Attachment "A" - Committee Action

Attachment "B" - Otay historical school program activity FY 95-08

Attachment "C" - School Garden Tour schedule FY 08

- Attachment "D" - FY 2007/2008 CWA Water Education pamphlet for grades K-12
- Attachment "E" - Otay "Water Education Materials" fliers
- Attachment "F" - 2008 School Poster Contest Flyer
- Attachment "G" - Activity Booklet "Give Water A Second Chance...Re-Cycle it!"



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Otay School Education Programs Update
-------------------------	---------------------------------------

### **COMMITTEE ACTION:**

This item was presented to the Finance/Administration Committee on April 22, 2008 and the committee supported presentation to the full board.

### **NOTE:**

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

**GARDEN TOURS 2007-2008**

	Completed tour					
Tour Date	School	Grade	# Kids	# Adults	Bus?	Notes
10/11/2007	Avocado	3	32	5	No	Walking from School
10/15/2007	Jamul Primary	2	40	10	X	
10/18/2007	Vista Grande	3	45	5	X	2 classes
11/26/2007	Tiffany	2	45	6	X	Lunch-
11/29/2007	Tiffany	2	45	6	X	Lunch-
12/6/2007	Rancho San Diego	5	60	3	X	1 ½ classes
12/13/2007	Rancho San Diego	5	60	3	X	1 ½ classes
12/17/2007	Jamul Primary	2	40	5	X	
1/10/2008	Avondale	3	45	5	X	
1/17/2008	Avondale	3	45	5		
1/31/2008	Avocado	3	45	4	X	2 classes
2/4/2008	McMillan	3	45	6	X	
2/7/2008	Avocado	3	32	4		Walking from school
2/11/2008	McMillan	3	45	6	X	
2/19/2008	Valle Lindo	5	60	4	X	
2/21/2008	Valle Lindo	5	60	4	X	
2/25/2007	McMillan	3	45	6	X	
2/28/2008	Veterans	5	65	3	X	2 classes
3/3/2008	High Tech High	9-12	40	1	X	See Lesson plan
3/6/2008	High Tech High	9-12	40	1	X	
3/13/2008	Olympic View	3	45	3	X	
3/27/2008	Parkview	3	40	5	X	
4/3/2008	Sweetwater Springs	4	60	5	X	
4/7/2008	Parkview	3	45	5	X	
4/14/2008	Parkview	5	77	5	X	2 classes + Special Ed
4/28/2008	Clear view	5	65*	5*		2 classes
5/15/2008	Eastlake	3	45*	5*	X	2 classes
5/19/2008	La Presa	3	45*	5*	X	
5/23/2008	La Presa	3	45*	5*	x	
5/22/2008	Eastlake	3	45*	5*	X	2 classes
5/29/2008	La Presa	3	45*	5*	X	
	<b>Total</b>		<b>1491*</b>	<b>145*</b>		<b>* = projected</b>

## Otay Annual School Education Program

Fiscal Year	Tours	Students	Presentations	Students	Teacher's workshops	Annual Student Totals	Splash Labs	Mini-Grants
FY 95	25	1,506	66	2,812		4,318		
FY 96	26	1,618	89	3,584		5,202		
FY 97	26	1,550	81	3,594		5,144		
FY 98	32	1,892	132	5,218		7,110		
FY 99	25	1,444	220	6,607		8,051		
FY 00	32	2,053	157	6,068		8,121		
FY 01	28	1,806	203	7,069		8,875		
FY 02	34	2,291	193	6,108		8,399		
FY 03	41	2,855	128	4,377	1	7,232		
Fiscal Year	Tours	Students	Kits	Students	Teacher's workshops	Annual Student Totals		
FY 04	37	2318	18	1965	1	4240		
FY 05	31	1934	12	1355	1	3353		
FY 06	30	1688	11	1400	1	3088	18	1
FY 07	28	1245	11	840	1	2085		1
FY08	30	1491	10	960	0	2451	3	2
<b>TOTAL</b>						<b>77,669</b>		

CWA Programs						
			Presentations	Students	Teacher's workshops	Annual Student Totals
FY 01			29	2807	5	2807
FY 02			29	2807	5	2807
FY 03			123	6892	5	6892
FY 04				6892	5	6892
FY 05			30	3780		3780
FY 06						
<b>TOTAL</b>						<b>100,847</b>



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Otay School Education Programs Update
-------------------------	---------------------------------------

### COMMITTEE ACTION:

This item was presented to the Finance/Administration Committee on April 22, 2008 and the committee supported presentation to the full board.

### NOTE:

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

## Otay Annual School Education Program

Fiscal Year	Tours	Students	Presentations	Students	Teacher's workshops	Annual Student Totals	Splash Labs	Mini-Grants
FY 95	25	1,506	66	2,812		4,318		
FY 96	26	1,618	89	3,584		5,202		
FY 97	26	1,550	81	3,594		5,144		
FY 98	32	1,892	132	5,218		7,110		
FY 99	25	1,444	220	6,607		8,051		
FY 00	32	2,053	157	6,068		8,121		
FY 01	28	1,806	203	7,069		8,875		
FY 02	34	2,291	193	6,108		8,399		
FY 03	41	2,855	128	4,377	1	7,232		
Fiscal Year	Tours	Students	Kits	Students	Teacher's workshops	Annual Student Totals		
FY 04	37	2318	18	1965	1	4240		
FY 05	31	1934	12	1355	1	3353		
FY 06	30	1688	11	1400	1	3088	18	1
FY 07	28	1245	11	840	1	2085		1
FY08	30	1491	10	960	0	2451	3	2
<b>TOTAL</b>						<b>77,669</b>		

CWA Programs						
			Presentations	Students	Teacher's workshops	Annual Student Totals
FY 01			29	2807	5	2807
FY 02			29	2807	5	2807
FY 03			123	6892	5	6892
FY 04				6892	5	6892
FY 05			30	3780		3780
FY 06						
<b>TOTAL</b>						<b>100,847</b>

**GARDEN TOURS 2007-2008**

	Completed tour					
Tour Date	School	Grade	# Kids	# Adults	Bus?	Notes
10/11/2007	Avocado	3	32	5	No	Walking from School
10/15/2007	Jamul Primary	2	40	10	X	
10/18/2007	Vista Grande	3	45	5	X	2 classes
11/26/2007	Tiffany	2	45	6	X	Lunch-
11/29/2007	Tiffany	2	45	6	X	Lunch-
12/6/2007	Rancho San Diego	5	60	3	X	1 ½ classes
12/13/2007	Rancho San Diego	5	60	3	X	1 ½ classes
12/17/2007	Jamul Primary	2	40	5	X	
1/10/2008	Avondale	3	45	5	X	
1/17/2008	Avondale	3	45	5		
1/31/2008	Avocado	3	45	4	X	2 classes
2/4/2008	McMillan	3	45	6	X	
2/7/2008	Avocado	3	32	4		Walking from school
2/11/2008	McMillan	3	45	6	X	
2/19/2008	Valle Lindo	5	60	4	X	
2/21/2008	Valle Lindo	5	60	4	X	
2/25/2007	McMillan	3	45	6	X	
2/28/2008	Veterans	5	65	3	X	2 classes
3/3/2008	High Tech High	9-12	40	1	X	See Lesson plan
3/6/2008	High Tech High	9-12	40	1	X	
3/13/2008	Olympic View	3	45	3	X	
3/27/2008	Parkview	3	40	5	X	
4/3/2008	Sweetwater Springs	4	60	5	X	
4/7/2008	Parkview	3	45	5	X	
4/14/2008	Parkview	5	77	5	X	2 classes + Special Ed
4/28/2008	Clear view	5	65			2 classes
5/15/2008	Eastlake	3	45		X	2 classes
5/19/2008	La Presa	3	45		X	
5/23/2008	La Presa	3	45		x	
5/22/2008	Eastlake	3	45		X	2 classes
5/29/2008	La Presa	3	45		X	
	<b>Total</b>		<b>1491</b>	<b>145</b>		

## **ITEM 5**

Otay Water District  
Staff Report Attachments for Otay School Education  
Programs Update

Please reference Item 5 Attachments posted to  
Otay Water District website.



# AGENDA ITEM 6

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 7, 2008
SUBMITTED BY:	Stephen Dobrawa, <i>[Signature]</i> Purchasing Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:	Rom Sarno, Chief, Administrative Services <i>[Signature]</i> (Chief)		
APPROVED BY:	German Alvarez, <i>[Signature]</i> (Asst. GM): Assistant General Manager, Finance and Administration		
SUBJECT:	RATIFICATION OF RESOLUTION 4122 AMENDING THE DISTRICT'S CODE OF ORDINANCE		

### GENERAL MANAGER'S RECOMMENDATION:

That the Board ratify Resolution 4122, amending Code of Ordinance:

Policy #7, Conditions for Installment or Deferred Payments to the District ("Attachment C"),  
Policy #15, Use of District Credit Cards, Petty Cash, and Expenditures involving District Credit ("Attachment D").

### COMMITTEE ACTION:

See "Attachment A".

### PURPOSE:

To request that the Board ratify Resolution 4122 amending Policies 7 and Policy 15 of the Code of Ordinance.

### ANALYSIS:

On April 2, 2008 the Board adopted Resolution 4122 amending the Code of Ordinance Policy 7 (Conditions for Installment or Deferred Payments to the District) and Policy 15 (Use of District Credit Cards, Petty Cash, and Expenditures involving District Credit). While the staff report for this action contained correctly amended attachments, Resolution 4122 contained an incorrect underscored draft attachment of Policy 15.

To correct this error and have the record show the complete and correct information, staff is requesting that the Board ratify the resolution with the proper underscored document attached.

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

Ratifying Resolution 4122 amending the Code of Ordinance Policy 7 and Policy 15 will have no negative fiscal impact.

**STRATEGIC GOAL:**

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

**LEGAL IMPACT:** \_\_\_\_\_

None



\_\_\_\_\_  
**General Manager**

- Attachment A - Committee Action
- Attachment B - Resolution and Strikethrough Copy of Policies 7 & 15
- Attachment C - Policy 7 Clean Copy
- Attachment D - Policy 15 Clean Copy



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	RATIFICATION OF RESOLUTION 4122 AMENDING THE DISTRICT'S CODE OF ORDINANCE
-------------------------	--

### COMMITTEE ACTION:

Resolution No. 4122 was adopted at the March 5<sup>th</sup> regular Board meeting. It is being brought back by staff to clarify the record and present a corrected strikethrough copy of Policy 15.

RESOLUTION NO. 4122

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
OTAY WATER DISTRICT  
AMENDING POLICY NO. 7, CONDITIONS FOR  
INSTALLMENT OR DEFERRED PAYMENTS TO THE  
DISTRICT AND POLICY NO. 15, USE OF DISTRICT  
CREDIT CARDS, PETTY CASH, AND EXPENDITURES  
INVOLVING DISTRICT CREDIT

WHEREAS, staff routinely reviews and makes recommendations to update, revise and replace Board policies, in order to ensure that the policies are maintained to promote best management practices, and

WHEREAS, it has been determined that there is a need to amend Board of Directors Policy No. 7, Conditions for Installment or Deferred Payments to the District and Policy No. 15, Use of District Credit Cards, Petty Cash, and Expenditures Involving District Credit, to match current practices and recent changes to the Code of Ordinances and Purchasing Manual; and

WHEREAS, the changes will standardize the General Manager's signing authority so it is consistent with recent changes to the District's Code of Ordinances and Purchasing Manual; and

WHEREAS, the changes will also provide guidelines for deferral agreements and clarify the issuance and use of credit cards and petty cash; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Otay Water District that Policy Numbers 7 and 15 be amended as noted in the attached strike-thru copies of these policies.

BE IT FURTHER RESOLVED THAT the amended policies shall become effective immediately upon adoption.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 2<sup>nd</sup> day of April, 2008.

Ayes:  
Noes:  
Abstain:  
Absent:

---

President

ATTEST:

---

Secretary

OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
CONDITIONS FOR INSTALLMENT OR DEFERRED PAYMENTS TO THE DISTRICT	07	10/15/84	1/7/98

PURPOSE

To establish a policy regarding conditions for making installment or deferred payments to the District.

BACKGROUND

~~Occasionally the District receives requests to permit allow payment of certain district fees or connection charges or other payments on an installment or deferred basis. Approval of these agreements will occur in very limited circumstances where it is in the District's best interest that the agreement be made. In addition, if the District is to consider such requests, the District must not be in a position of risk of loss in the event of non-payment. An arrangement for payment must assure that the District is protected in the transaction.~~

POLICY

The following procedures, terms and conditions shall apply to requests and arrangements for payment to the District on an installment or deferred basis:

1. Requests for installment or deferred payments shall be reviewed by the District Staff. Each request shall indicate the terms desired with a maximum term of 12 months. The person or party making the request shall furnish all financial information or data deemed necessary by the Staff District to review the request.
2. The General Manager shall have authority to negotiate and execute deferral agreements with residential customers where the value of the agreement does not exceed the General Manager's signatory authority as established in Chapter 2, Section 2.01-D of the Code of Ordinance. Deferral agreements requested by non-residential customers shall be presented to the Board prior to execution.  
~~In emergency situations, the General Manager is authorized to enter into a deferral agreement exceeding his/her authority to allow a customer to connect to the District system without the customer having paid the balance of the deferral agreement in full. The General Manager shall advise the Board of the deferral agreement at the next regularly scheduled Board meeting.~~
23. Where the value of the proposed agreement exceeds the General Manager's authority, After reviewing the request, the the

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
CONDITIONS FOR INSTALLMENT OR DEFERRED PAYMENTS TO THE DISTRICT	07	10/15/84	1/7/98

District ~~Staff~~ shall make a recommendation to the Board of Directors for approval or disapproval, with reasons for the recommendation. ~~If approval is recommended, the Staff District shall also recommend the terms and conditions that should apply.~~

4. In emergency situations, the General Manager is authorized to enter into a deferral agreement exceeding his/her authority to allow a customer to connect to the District's system. The General Manager shall submit all such deferral agreements to the Board for ratification at the next regularly scheduled Board meeting.

~~5. The General Manager shall advise the Board of all deferral agreements made at the next regularly scheduled Board meeting.~~

~~3. The Board of Directors will review the Staff recommendation and approve, modify, or deny the request.~~

564. A minimum down payment of ten percent (10%) of the total amount to be paid in installments or on a deferred basis is typically required and is nonrefundable.

~~5. The agreement shall require that if a party to a deferral agreement desires service to a unit prior to all installment payments being made, the balance in full for the EDU to be served shall be paid. In emergency situations, the General Manager is authorized to enter into a deferral agreement to allow a customer to connect to the District system without the customer having paid the balance of the deferral agreement in full. The General Manager shall advise the Board of the deferral agreement at the next regularly scheduled Board meeting.~~

676. The agreement shall require that any increases in rates, fees, or charges shall apply to all connections which have not been made at the time the increase is adopted, including but not limited to capacity fees, and annexation fees.

78. The only fees that will be considered for deferral are Otay Capacity Fees and Annexations fees. All labor and materials costs will not be considered for deferral as this would place the District in a position of risk in the event of default. In addition the District will not make arrangements for deferral of CWA or MWD fees collected by the District on behalf of other governmental entities. These fees must be paid prior to the execution of the agreement or payment

OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
CONDITIONS FOR INSTALLMENT OR DEFERRED PAYMENTS TO THE DISTRICT	07	10/15/84	1/7/98

arrangements must be obtained from the CWA or MWD by the applicant.

~~789.~~ For each installment or deferred payment arrangement a promissory note, payable to the District, shall be executed to provide for terms of payment of the balance of principal due, with interest payable monthly at a rate equal to five percent (5%) per annum over the Federal Reserve Discount Rate. ~~The rate of interest shall be adjusted upward or downward at the end of each calendar quarter. The date to be used for establishment of the adjusted rate for the next quarter shall be the 25th day of the third month in each calendar quarter.~~

~~8910.~~ In addition to execution of a promissory note for the balance of the payment, the Board of Directors District may will consider requiring security to guarantee payment of the promissory note, such as but not limited to, a letter of credit, performance bond, lien contract, certificate of deposit, or other security satisfactory to the District.

~~101.~~ An administrative fee for the establishment of a deferral agreement of \$500.00 will be charged for all such agreements.

OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
USE OF DISTRICT CREDIT CARDS, PETTY CASH, AND EXPENDITURES INVOLVING DISTRICT CREDIT	15	4/7/86	11/15/2000

PURPOSE

To prescribe rules and regulations for use of District credit cards, petty cash and expenditures involving District credit.

BACKGROUND

The General Manager may authorize the issuance of credit cards only for use in connection with approved District-related business. In addition, ~~certain~~ District employees may be authorized to make petty cash expenditures on behalf of the District.

POLICY

The following rules shall apply to the use of District credit cards, petty cash and expenditures involving District credit:

1. Credit Cards

a. The General Manager may be issued and may authorize bank credit cards to be issued to Department Heads, General Counsel, District employees and to District Board Secretaries. ~~No other District official or employee may be issued credit cards. The bank credit cards will shall be issued and be issued jointly in the names of both the authorized employee and the District and will be used only for approved District business in compliance with the District's Purchasing Manual and applicable statutes and laws.~~

~~b. Qualifying expenses shall be paid directly by the District and may include:~~

- ~~• Travel expenses such as lodging, meals and transportation;~~
- ~~• Meals associated with District business, such as luncheons for organizations of which the District is a member and meals with customers or consultants while conducting District business;~~
- ~~• Annual conferences and other such national, regional, state and local government groups, boards and committees of which employee serves as a member;~~
- ~~• Any other expense for which the District would normally take responsibility for paying, such as continuing professional development, seminars, and supplies.~~

OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
USE OF DISTRICT CREDIT CARDS, PETTY CASH, AND EXPENDITURES INVOLVING DISTRICT CREDIT	15	4/7/86	11/15/2000

~~c. The District Secretary may charge expenses on behalf of the Board Members. The District Secretary shall not be personally responsible for charges made on behalf of Board Members' travel, hotel rooms and registration fees associated with District business.~~

~~d. The District will pay credit card charges after detailed receipts and a justification of each charge is submitted to the accounting department. Justification and receipts for any expenses shall be submitted monthly. No payment will be authorized for personal or unsubstantiated charges or for any charges the Chief Financial Officer determines were not legitimate District business expenses.~~

~~e. With General Manager approval, District credit card may be used to make capital purchases that are time-sensitive or urgent or where it is not feasible to go through the regular purchasing process.~~

~~f. The General Manager may issue gasoline credit cards. Gas credit cards shall be issued in the District's name and credit charges shall be paid directly by the District. Use of gasoline credit cards shall be for District vehicles only.~~

2. Petty Cash

a. District petty cash funds shall be used for the convenience of the operation of the District. ~~only for District expenses and purchases when due to time constraints it is not feasible to go through the purchasing process or anticipate the expense in advance. On going programs, such as Tuition Reimbursement, safety shoes, etc. may not be paid through petty cash. Expenses associated with overnight travel may not be paid through petty cash.~~

b. Petty cash, to the limit established by the General Manager, may be obtained from the District ~~business office~~ Finance Department only upon completion of the proper form and approval ~~of a duly authorized supervisor. Tby the~~ General Manager or his/her designee ~~shall approve requests for petty cash for Department Heads. Department Heads shall be authorized to approve reimbursement from petty cash for authorized purchases by duly authorized supervisors. At least~~

OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
USE OF DISTRICT CREDIT CARDS, PETTY CASH, AND EXPENDITURES INVOLVING DISTRICT CREDIT	15	4/7/86	11/15/2000

~~annually, Department Heads shall provide a list of the names of persons they so authorize to make purchases.~~

- c. Cash advanced must be used or returned as soon as practical, but not later than 15 days from date issued. ~~where possible, during the business day for which it was requested, or in any event, not later than the next business day.~~
- d. Reconciliation of petty cash and expenditures must be made on the prescribed District form. Receipts for expenditures must accompany such reconciliation. Occasionally receipts may not be available; and, if so, such fact must be noted on the reconciliation form and the reason presented.
- e. Petty cash may be utilized to advance monies during \_\_\_\_\_ District emergencies.

OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
CONDITIONS FOR INSTALLMENT OR DEFERRED PAYMENTS TO THE DISTRICT	07	10/15/84	4/2/08

PURPOSE

To establish a policy regarding conditions for making installment or deferred payments to the District.

BACKGROUND

Occasionally the District receives requests to allow payment of certain connection charges on an installment or deferred basis. Approval of these agreements will occur in very limited circumstances where it is in the District's best interest that the agreement be made. In addition, if the District is to consider such requests, the District must not be in a position of risk of loss in the event of non-payment.

POLICY

The following procedures, terms and conditions shall apply to requests and arrangements for payment to the District on an installment or deferred basis:

1. Requests for installment or deferred payments shall be reviewed by the District. Each request shall indicate the terms desired with a maximum term of 12 months. The person or party making the request shall furnish all financial information or data deemed necessary by the District to review the request.
2. The General Manager shall have authority to negotiate and execute deferral agreements with residential customers where the value of the agreement does not exceed the General Manager's signatory authority as established in Chapter 2, Section 2.01-D of the Code of Ordinance. Deferral agreements requested by non-residential customers shall be presented to the Board prior to execution.
3. Where the value of the proposed agreement exceeds the General Manager's authority, the District shall make a recommendation to the Board of Directors for approval or disapproval, with reasons for the recommendation.
4. In emergency situations, the General Manager is authorized to enter into a deferral agreement exceeding his/her

**OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
CONDITIONS FOR INSTALLMENT OR DEFERRED PAYMENTS TO THE DISTRICT	07	10/15/84	4/2/08

authority to allow a customer to connect to the District's system. The General Manager shall submit all such deferral agreements to the Board for ratification at the next regularly scheduled Board meeting.

5. A minimum down payment of ten percent (10%) of the total amount to be paid in installments or on a deferred basis is required and is nonrefundable.
6. Any increases in rates, fees, or charges shall apply to all connections which have not been made at the time the increase is adopted, including but not limited to capacity fees and annexation fees.
7. The only fees that will be considered for deferral are Otay Capacity Fees and Annexations fees. All labor and materials costs will not be considered for deferral as this would place the District in a position of risk in the event of default. In addition the District will not make arrangements for deferral of fees collected by the District on behalf of other governmental entities. These fees must be paid prior to the execution of the agreement or payment arrangements must be obtained from the CWA or MWD by the applicant.
8. For each installment or deferred payment arrangement a promissory note, payable to the District, shall be executed to provide for terms of payment of the balance of principal due, with interest payable monthly at a rate equal to five percent (5%) per annum over the Federal Reserve Discount Rate.
9. In addition to execution of a promissory note for the balance of the payment, the District will consider requiring security to guarantee payment of the promissory note, such as but not limited to, a letter of credit, performance bond, lien contract, certificate of deposit, or other security satisfactory to the District.
10. An administrative fee for the establishment of a deferral agreement of \$500.00 will be charged for all such agreements.

OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
USE OF DISTRICT CREDIT CARDS, PETTY CASH, AND EXPENDITURES INVOLVING DISTRICT CREDIT	15	4/7/86	4/2/08

PURPOSE

To prescribe rules and regulations for use of District credit cards, petty cash and expenditures involving District credit.

BACKGROUND

The General Manager may authorize the issuance of credit cards only for use in connection with approved District-related business. In addition, District employees may be authorized to make petty cash expenditures on behalf of the District.

POLICY

The following rules shall apply to the use of District credit cards, petty cash and expenditures involving District credit:

1. Credit Cards

- a. The General Manager may be issued and may authorize credit cards to be issued to District employees and to District Board Secretaries. Credit cards shall be issued and used in compliance with the District's Purchasing Manual and applicable statutes and laws.

2. Petty Cash

- a. District petty cash funds shall be used for the convenience of the operation of the District.
- b. Petty cash, to the limit established by the General Manager, may be obtained from the District Finance Department only upon completion of the proper form and approval by the General Manager or his/her designee.
- c. Cash advanced must be used or returned as soon as practical, but not later than 15 days from date issued.
- d. Reconciliation of petty cash and expenditures must be made on the prescribed District form. Receipts for expenditures must accompany such reconciliation. Occasionally receipts may not be available; and, if so,

OTAY WATER DISTRICT  
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
USE OF DISTRICT CREDIT CARDS, PETTY CASH, AND EXPENDITURES INVOLVING DISTRICT CREDIT	15	4/7/86	4/2/08

such fact must be noted on the reconciliation form and the reason presented.

- e. Petty cash may be utilized to advance monies during District emergencies.



# AGENDA ITEM 7

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 7, 2008
SUBMITTED BY:	Stephen Dobra, <i>[Signature]</i> Purchasing Manager Don Henderson, Construction Maintenance Manager	W.O./G.F. NO:	DIV. NO. A11
APPROVED BY: (Chief)	Rom Sarno, Chief, Administrative Services <i>[Signature]</i>		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Administration and Finance <i>[Signature]</i>		
SUBJECT:	DECLARATION OF SURPLUS VEHICLES AND EQUIPMENT		

### GENERAL MANAGER'S RECOMMENDATION:

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

### COMMITTEE ACTION: \_\_\_\_\_

See "Attachment A".

### PURPOSE:

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

### ANALYSIS:

Listed below is a list of various vehicles and equipment that have been recommended by the Operations Department to be declared surplus. The criteria used for making a recommendation is that the equipment no longer meets District required specifications that may include that the equipment is of no use, obsolete (spare parts and service not available), beyond useful life and, or, not cost effective to repair or operate.

Vehicles Recommended for Surplus

<u>Item</u>	<u>Qty</u>	<u>Description</u>	<u>Reason for Declaration</u>
1	1	2001 Ford F250 pickup truck, unit #124, 137,100 miles, VIN 1FTNX20L71EA97175, equipment #8124	No longer meets District's operational specifications.
2	1	2003 Ford F250 pickup truck, unit #143, 109,732 miles, VIN 3FTNX20L83MD16393, equipment #8143	Same as above.
3	1	2001 Ford F250 pickup truck, unit #125, 128,712 miles, VIN 1FTNX20L91EA97176, equipment #8125	Same as above.
4	1	2004 Ford F250 pickup truck, unit #114, 138,649 miles, VIN 1FTYR14XXYP21494, equipment #8114	Same as above.
5	1	1992 Ford Ranger pickup truck, unit #71, 151,473 miles, VIN 1FTCR10X5NUA98111, equipment #8071	Same as above.
6	1	1996 Ford Ranger pickup truck, unit #89, 120,338 miles, VIN 1FTCR14X6TTA49568, equipment #8089	Same as above.
7	1	1995 Ford Ranger pickup truck, unit #85, 119,633 miles, VIN 1FT6R14X8SPA02041, equipment #8085	Same as above.
8	1	1994 Ford Ranger pickup truck, unit #62, 120,388 miles, VIN 1FTCR14X4RPB48740, equipment #8062	Same as above.
9	1	1995 Ford Ranger pickup truck, unit #17, 107,333 miles, VIN 1FTCR14XXSPA02039, equipment #8017	Same as above.
10	1	1991 Ford F250 pickup truck, unit #57, 127,816 miles, VIN 2FTHF25G8MCA19560, equipment #8057	Same as above.
11	1	1994 Ford Ranger pickup truck, unit #61, 136,687 miles, VIN 1FTCR14X8RPA45336, equipment #8061	Same as above.
12	1	1992 Ford F250 pickup truck, unit #82, 99,104 miles, VIN 1FTHX25G6NKA29692, equipment #8082	Same as above.
13	1	1997 Ford F250 pickup truck, unit #97, 99,203 miles, VIN 1FTHF25H6VEA68213, equipment #8097	Same as above.
15	1	1998 Chevrolet C2500 pickup truck, unit #105, 128,225 miles, VIN 1GCGC24R5WE190612, equipment #8105	Same as above.
16	1	1998 Chevrolet C2500 pickup truck, unit #105, 150,000 miles, VIN 1GDGC24RXXF048649, equipment #8105	Same as above.
17	1	2000 Ford F250 pickup truck, unit #116, 95,200 miles, VIN 1FTNX20L7YEA99261, equipment #8116	Same as above.

18	1	2001 Ford Ranger pickup truck, unit #128, 81,000 miles, VIN 1FTYR14U61PA73328, equipment #8017	Same as above.
----	---	--	----------------

Equipment Recommended for Surplus

<u>Item</u>	<u>Qty</u>	<u>Description</u>	<u>Reason for Declaration</u>
20	1	1390 Case Tractor with mower attachment S#11121706, equipment #8800	Not cost effective to repair and no longer meets operational specifications or requirement.
21	1	1981 Ingersoll Rand compressor WJD185 S#120922 U81 932, equipment #8806	Same as above.
22	1	1994 Caterpillar D* dozer with disc attachment, S#9A 1806	Same as above.
23	1	1984 John Deere 650 tractor with mower attachment, S# CH0650S010266	Same as above.
24	1	1985 Ingersoll Rand compressor P185 WJD, S# 146243 U85 957	Same as above.
25	1	1985 Asplundh JEY816 Chipper. S# JEY18893BK	Same as above.
26	1	Sundowner portable light trailer, S#8708S03	Same as above.
27	1	1987 Gardener Denver Compressor S#R87468	Same as above.

Before the vehicles and equipment (where the individual acquisition cost exceeded \$5000) can be disposed of, the Board must first declare the items as surplus (*ref: Purchasing Manual, Section 12*).

The District's Purchasing Manual identifies the process for disposing of material, equipment, and supplies that have been declared surplus. It is the District's intention to dispose of the above identified vehicles and equipment by sale through public auction.

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

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

**STRATEGIC GOAL:**

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

**LEGAL IMPACT:** \_\_\_\_\_

None.



\_\_\_\_\_  
**General Manager**

Attachment A - Committee Action



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	DECLARATION OF SURPLUS VEHICLES AND EQUIPMENT
-------------------------	---

### COMMITTEE ACTION:

This item was presented to the Finance/Administration Committee on April 22, 2008 and the committee supported presentation to the full board.

### NOTE:

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



## AGENDA ITEM 8

### STAFF REPORT

TYPE MEETING:	Finance, Administration & Communications Committee	MEETING DATE:	April 22, 2008
SUBMITTED BY:	James Cudlip, Finance Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:	Joseph R. Beachem, Chief Financial Officer (Chief)		
APPROVED BY:	German Alvarez, Assistant General Manager (Asst. GM):		
SUBJECT:	Annual Financial Audit Discussion		

#### GENERAL MANAGER'S RECOMMENDATION:

This is an informational item only.

#### PURPOSE:

To provide FA&C Committee members the opportunity to discuss the upcoming audit of the District's financial statements for Fiscal Year 2008. The audit Partner-in-Charge, Mr. Richard Teaman, will be available to discuss various aspects of the audit and to answer specific questions from Committee members.

#### BACKGROUND:

The annual financial audit consists of two parts. First is the Interim Fieldwork, performed in late April, consisting primarily of a review of the District's policies, procedures, internal controls, and financial statement activity. This part of the audit covers the first nine months of the fiscal year. Second is the Year-end Fieldwork in late August, to audit all closing account balance information to be published in the District's Comprehensive Annual Financial Report (CAFR).

#### DISCUSSION:

Prior Audit Results: The Government Finance Officers Association (GFOA) awarded the District with its *Certificate of Achievement for Excellence in Financial Reporting* for the FY-2007 CAFR. This marks the fourth year in a row the Finance Department has received this recognition. GFOA's notification letter, dated March 27, 2008, is in Attachment B.

Financial Audit Process: A detailed overview of the financial statement audit process is outlined in Attachment A.

New Audit Requirements: The American Institute of Certified Public Accountants (AICPA) has issued two new *Statements on Auditing Standards (SAS)*, SAS-109 and SAS-110, effective for the District's Fiscal Year 2008 financial statements audit. These standards require a higher level of focus on internal controls and risk assessment in order to provide a basis for an opinion regarding the financial statements.

Open Discussion: The auditors are available to discuss special interest items as put forward by the Committee.

**FISCAL IMPACT:**



None. The FY-2008 audit fees have been approved by the Board and will be included in the District's upcoming annual budget.

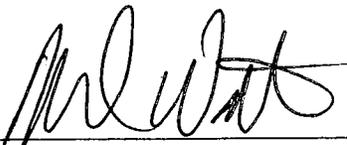
**STRATEGIC OUTLOOK:**

The District ensures its continued financial health through long-term financial planning and debt planning.

**LEGAL IMPACT:**

\_\_\_\_\_

None.



\_\_\_\_\_  
**General Manager**

**Attachments:**

- A) Overview of the Financial Statement Audit Process
- B) GFOA Letter, dated March 27, 2008: Certificate of Achievement for Excellence in Financial Reporting

**OTAY WATER DISTRICT  
OVERVIEW OF THE FINANCIAL STATEMENT AUDIT PROCESS  
PREPARED FOR THE DISTRICT**

---

**OTAY WATER DISTRICT  
FINANCIAL AUDIT PROCESS**

**INTRODUCTION:**

The audit process has four basic stages - planning, interim fieldwork, year-end fieldwork and, review and preparation of financial and other reports. In the planning stage, the auditor, audit committee and the finance department will discuss the timing of the audit, concerns with any accounting pronouncements, changes in the financial statements and reports or any other financial matter that may affect the audit. Interim fieldwork consists of testing internal controls to assess risk of certain areas, which may vary year to year. The interim process will also have some preliminary work done for year-end fieldwork and as well as any other concerns that may have arisen since the planning stage. The year-end fieldwork will consist of analyzing the year end balances of the District's assets, liabilities and major revenues and expenditures to allow the auditor to form an opinion on the Comprehensive Annual Financial Report (CAFR). The review and preparation of financial reports process is the final stage of the audit whereby the CAFR and other reports are prepared and reviewed by the auditor, finance department, and, Audit and Finance Committee.

**Planning Stage**

- Auditor and the District discuss dates and times for the following:
  - a) Interim Fieldwork
  - b) Year-end Fieldwork
  - c) Prospective date on presenting the Comprehensive Annual Financial Report and other reports to the Board.
  
- Discussion of any new pronouncements issued by the *Government Accounting Standards Board (GASB)*, *Financial Accounting Standards Board (FASB)* or any other government accounting standards that may affect the audit.
  
- Review and discuss any changes to the Comprehensive Annual Financial Report and other reports to the Board.
  
- Review and discuss any other concerns the District may have about the audit.
  
- Auditor prepares request list for the District for the interim and year-end fieldwork.
  
- Discussion of fraud as required by auditing standards - *SAS 99*.

**OTAY WATER DISTRICT  
OVERVIEW OF THE FINANCIAL STATEMENT AUDIT PROCESS  
PREPARED FOR THE DISTRICT**

---

**Interim Fieldwork**

- Update the request list of the District staff for any additional items.
- Update our understanding of internal controls if there were any changes by inquiry with District staff and performing certain tests on transactions and on the flow of information of the following areas:
  - a) Cash and Investments
  - b) Disbursements
  - c) Payroll
  - d) Utility Receivables
  - e) Revenues
- For *Cash and Investments*, we will test certain transactions for proper approvals and adherence to District Policy on a sample basis. Review a bank reconciliation done within the year under audit. Count petty cash during certain years. Investments will be compared to the District policy and current laws and regulations for any deviations on a sample basis.
- For *Disbursements*, we will test, on a sample basis, certain transactions for proper coding, approvals; disbursed amount matches invoice, and other controls to test the disbursement process.
- For *Payroll*, we will test, on a sample basis, certain transactions for proper approval of deductions, proper approval of salary wages, and timesheets of the payroll process. We will review payroll reconciliation within the year under audit.
- For *Utility Receivables and Revenues*, we will test, on a sample basis, certain transactions for the receipting of cash payments and determine proper coding. We will review a billing register and other utility reports for current rates and other controls to assess the cash receipting process.
- Send out confirmations related to utilities to certain customers to confirm payments made by the customer.
- Interviews about fraud (required under auditing standards - SAS 99)
- Update our files for new contracts, agreements, debt, employee information, Board Members, etc. that are related to the audit.
- Review concerns/issues from the previous year if they had been resolved or still ongoing.

**OTAY WATER DISTRICT  
OVERVIEW OF THE FINANCIAL STATEMENT AUDIT PROCESS  
PREPARED FOR THE DISTRICT**

---

**Interim Fieldwork - Continued**

- Begin testing payments related to the District's debt and inquire with the District staff of any new debt, refinancing or arbitrage calculations.
- Inquire and discuss with District staff any concerns or questions.
- Minutes of the District will be read as available.
- Discuss with District staff expectations and update on deadlines or expectations.

**Year-end Fieldwork**

- Discuss with District staff of any deadlines or other requirements that may have come up after the interim phase.
- Discuss with District staff on the preparation of the final reports.
- District prepares analysis for auditor on balance sheet accounts and other analysis.
- Auditor will perform tests of District prepared balance sheet accounts that are material to the audit. (Materiality of balance sheet accounts will be calculated by the auditor). Other balance sheet accounts that are not material will be reviewed. Some of the normal accounts analyzed and tested but not limited to are the following:
  - a) Cash and Investments
  - b) Accounts Receivable
  - c) Capital Assets
  - d) Accounts Payable
  - e) Accrued Payroll and Related Liabilities
  - f) Reimbursement Agreements
  - g) Long-term Debt
- Test certain areas of expenditures and revenues such as but not limited to the following:
  - a) Water Revenues
  - b) Amortizations related to Long-term Debt
  - c) Insurance
  - d) Developer Reimbursements
- Complete testing of long-term debt.

**OTAY WATER DISTRICT  
OVERVIEW OF THE FINANCIAL STATEMENT AUDIT PROCESS  
PREPARED FOR THE DISTRICT**

---

**Year-end Fieldwork**

- Preparation and receipt of confirmations for confirm certain balances such as cash, long-term debt, etc. (Prepared by the District and sent out before year-end fieldwork)
- Inquire with District staff matters related to:
  - a) Related Parties
  - b) Subsequent Events
  - c) Commitment and Contingencies
  - d) Debt Issued Subsequent to the End of the Fiscal Year
  - e) Other Questions Required under Auditing Standards.
- Gather information related to note disclosures for the financial statements.
- Gather information that may affect next year's audit or in the following fiscal year that may need disclosure as a subsequent event or may be used in the following year's audit.
- Follow up on any concerns or issues discussed with the District during the interim phase.
- Read the District's minutes for any major events that may effect the financial statements or of a financial nature.
- Discuss with District staff any final concerns, outstanding matters and issues that may have arise during the year-end fieldwork process.

**Review and Preparation of Financial and Other Reports**

- Auditor will assist the District in preparing their annual financial statements.
- Auditor will review the final Comprehensive Annual Financial Report and prepare the Auditors' Report.
- Auditor will assist the District in preparing the State Controller's Report
- Auditor will assist or prepare audit reports and management letters if necessary or any other reports as required by the State or other agency, *Generally Accepted Accounting Principles (GAAP)*, *Generally Accepted Auditing Standards (GAAS)* or other entities/laws.
- Obtain approval by the District of all draft reports prepared by the auditor.



Government Finance Officers Association  
203 N. LaSalle Street - Suite 2700  
Chicago, IL 60601

Phone (312) 977-9700 Fax (312) 977-4806

March 27, 2008

Joseph R. Beachem  
Chief Financial Officer  
Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley CA 91978-2096

Dear Mr. Beachem:

We are pleased to notify you that your comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2007, qualifies for a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

Each entity submitting a report to the Certificate of Achievement review process is provided with a "Summary of Grading" form and a confidential list of comments and suggestions for possible improvements in its financial reporting techniques. Your list has been enclosed. You are strongly encouraged to implement the recommended improvements into the next report and submit it to the program. If it is unclear what must be done to implement a comment or if there appears to be a discrepancy between the comment and the information in the CAFR, please contact the Technical Services Center (312) 977-9700 and ask to speak with a Certificate of Achievement Program in-house reviewer.

Certificate of Achievement program policy requires that written responses to the comments and suggestions for improvement accompany the next fiscal year's submission. Your written responses should provide detail about how you choose to address each item that is contained within this report. These responses will be provided to those Special Review Committee members participating in the review.

When a Certificate of Achievement is awarded to a government, an Award of Financial Reporting Achievement (AFRA) is also presented to the individual(s) or department designated by the government as primarily responsible for its having earned the Certificate. Enclosed is an AFRA for:

**Finance Department, Otay Water District**

Your Certificate of Achievement plaque will be shipped to you under separate cover in about eight weeks. We hope that you will arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and that appropriate publicity will be given to this notable achievement. A sample news release has been enclosed. We suggest that you provide copies of it to local newspapers, radio stations and television stations. In addition, enclosed is the Certificate Program "Results" for reports with fiscal years ended during 2006 representing the most recent statistics available.

A current holder of a Certificate of Achievement may include a reproduction of the award in its immediately subsequent CAFR. A camera ready copy of your Certificate is enclosed for that purpose. If you reproduce your Certificate in your next report, please refer to the enclosed instructions. A Certificate of Achievement is valid for a period of one year. To continue to participate in the Certificate of Achievement Program it will be necessary for you to submit your next CAFR to our review process.

In order to expedite your submission we have enclosed a Certificate of Achievement Program application form to facilitate a timely submission of your next report. This form should be completed and sent (postmarked) with three copies of your report, three copies of your application, three copies of your written responses to the program's comments and suggestions for improvement from the prior year, and any other pertinent material with the appropriate fee by December 31, 2008.

Your continued interest in and support of the Certificate of Achievement Program is most appreciated. If we may be of any further assistance, please contact Delores Smith ([dsmith@gfoa.org](mailto:dsmith@gfoa.org) or (312) 578-5454).

Sincerely,  
Government Finance Officers Association

A handwritten signature in cursive script that reads "Stephen J. Gauthier". The signature is written in black ink and is positioned above the typed name.

Stephen J. Gauthier, Director  
Technical Services Center

SJG/ds



Government Finance Officers Association  
203 N. LaSalle Street - Suite 2700  
Chicago, IL 60601

Phone (312) 977-9700 Fax (312) 977-4806

03/27/2008

NEWS RELEASE

For Information contact:  
Stephen Gauthier (312) 977-9700

(Chicago)--The Certificate of Achievement for Excellence in Financial Reporting has been awarded to **Otay Water District** by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

An Award of Financial Reporting Achievement has been awarded to the individual(s), department or agency designated by the government as primarily responsible for preparing the award-winning CAFR. This has been presented to:

**Finance Department, Otay Water District**

The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

The GFOA is a nonprofit professional association serving approximately 17,000 government finance professionals with offices in Chicago, IL, and Washington, D.C.



The Government Finance Officers Association  
of the United States and Canada

*presents this*

# AWARD OF FINANCIAL REPORTING ACHIEVEMENT

*to*

**Finance Department**  
Otay Water District, California



*The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.*

Executive Director

Date March 27, 2008



# AGENDA ITEM 9

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 7, 2008
SUBMITTED BY:	<i>Rita Bell</i> Rita Bell, Finance Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:	<i>JRM</i> Joseph R. Beachem, Chief Financial Officer (Chief)		
APPROVED BY:	<i>German Alvarez</i> German Alvarez, Assistant General Manager (Asst. GM):		
SUBJECT:	Rate Structure Analysis for Potable and Reclaimed Water		

### GENERAL MANAGER'S RECOMMENDATION:

To inform the Board of a potable and reclaimed water rate structure conceptual framework as developed by staff. The analysis of the rate structure has highlighted numerous opportunities for improvement and simplification. Staff is looking for Board approval to further pursue some or all of the recommended changes.

### COMMITTEE ACTION:

See Attachment A.

### PURPOSE:

To inform the Board of a potable and reclaimed water rate structure conceptual framework as developed by staff. The analysis of the rate structure has highlighted numerous opportunities for improvement and simplification. Staff is looking for Board approval to further pursue some or all of the recommended changes (See Attachment B).

### ANALYSIS:

The District's potable and reclaimed water rate structure is a fundamental and critical part of the District's interactions with customers. The rate structure not only affects many internal departments such as Customer Service, Conservation, IT, Accounting, and Finance, but it also impacts the customer's water usage, customer satisfaction, and it certainly affects them financially. Due to the critical nature of the rate structure a periodic review is warranted. Staff has evaluated rates from several perspectives and has summarized the results in this report.

In the past, staff has hired a rate consultant to insure that an industry "best practices" perspective is built into the process. If further evaluation is approved, staff intends to hire a rate consultant and develop an implementation plan that will be folded into the general rate changes of the pending budget. In this manner, the changes will not have a financial impact on the District's overall budget.

#### CONSERVATION

One major reason to review the rate structure is the anticipation of the need for a drought rate structure, whereby large water consumption customers will be financially motivated to avoid over usage of water. Staff has met with other districts and has shared ideas on how to structure rates to accommodate the various stages of drought. Staff believes that in the next year there is a good possibility that CWA will call for significant conservation measures and declare a higher drought stage than currently exists. In the next few months, staff would like to look at updates to the code that will be consistent with other water districts in the county, that will have an overall neutral revenue impact, and that will motivate conservation. The following items are being considered by staff:

- Create drought stages for both residential and commercial (To be initiated as drought stages are declared)
- Create a tiered structure for commercial accounts.

#### RATE SIMPLIFICATION AND IMPROVED CUSTOMER SERVICE

Simplification is another important issue to consider for the District's rate structure. One of the Strategic Plan initiatives for FY 2009 to FY 2011 recognizes this challenge and calls for simplification of the water rate structure. There are many advantages to simplification, not the least of which is to maintain or improve the efficiency of the billing system. Otay has a complicated rate structure when compared to other district rate structures. This places large demands on the billing system such as overly complex quality assurance and internal controls, as well as significant testing of new releases of the billing software.

When growth returns and begins to ramp up, as it did in the 2000-2005 time period, the size of our billing cycles could increase by as much as 30%. Rate simplification offers the opportunity to decrease billing calculation times by up to 50%. Thus, we will be able to extend the capital investment in our billing system, lowering the cost to our customers.

Further benefits of the rate simplification will be the reduced training time of Customer Service Representatives and even more important is the improved ability to communicate and educate the District's ratepayers. Ratepayers often have difficulty understanding the many complexities of their water bills leading to misunderstanding.

In order to obtain these benefits the following are changes that are being considered:

- Eliminate the multi-residential monthly charge per unit as previously recommended by a rate consultant
- Convert multi-residential customers to commercial
- Roll the over-capacity fees into the tiered structure listed above
- Eliminate or reduce the number of pressure zones

**FISCAL IMPACT:**

The suggested rate structure changes will be revenue neutral as it would be incorporated into the general rate changes to be proposed in the FY 2009 budget. Staff anticipates hiring a rate consultant in Fiscal Year 2009 to ensure a firm understanding of industry perspectives and standards. Any recommendation for change of the rate structure will return to the board for approval during the Proposition 218 hearings later in the year.

**STRATEGIC GOAL:**

The District ensures its continued financial health through long-term financial planning and debt planning.

**LEGAL IMPACT:**

None.

  
**General Manager**

Attachments:

- A) Committee Action Form
- B) Summary of Recommended Changes
- C) Rate Structure Analysis Presentation



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Rate Structure Analysis for Potable and Reclaimed Water
-------------------------	---

### COMMITTEE ACTION:

This is an informational item only.

### NOTE:

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

## Rate Simplification Summary of Recommended Changes

Recommended Changes	Approximate Fiscal Impact *	Reasons to Change
1) Create Drought Stages for Both Residential and Commercial	TBD	This allows the District to change the ranges of the tiers and the charge for each unit based on drought stages declared by MWD and CWA. The District will be able to change this quickly in response to these stages.
2) Create a Tiered Structure for Commercial Accounts	A positive impact that will offset other changes listed below	Creates equity among rate payers, whereby large water users pay more for their water. Encourages conservation, treats all commercial customers the same. Landscape customers who are high water users will pay more under this structure which is what a prior rate consultant recommended.
3) Eliminate the Multi-Residential Monthly Charge per Unit	(725,840)	Prior rate consultant recommended elimination of this fee. Simplifies rate structure and training for customer service and customers.
4) Convert Multi-Residential Customers to Commercial	TBD	Simplifies rate structure, treats customers consistently, simplifies the training in customer service and education of customers.
5) Roll the Over-Capacity Fees into the Tiered Structure	(188,430)	Simplifies rate structure and redundant with the tiering of commercial rates.
6) Eliminate or Reduce the Number of Pressure Zones	(2,282,800)	The elimination or reduction of pressure zones will greatly enhance the efficiency of the billing system. Necessary details required for Engineering and Operations purposes can still be tracked in the parcel management data without putting pressure on the billing system.
<b>Total Impact</b>	<u>(\$3,197,070)</u>	

\* These changes are intended to be implemented along with the general rate changes and will be set in conjunction with the overall rate changes so that the overall rate change is not impacted. In this way the impact of these recommendations will be revenue neutral.

# Rate Structure Analysis for Potable and Reclaimed Water

# Changes to be Considered

## Conservation Based

- ❖ Create Drought Stages for Both Residential and Commercial
- ❖ Create a Tiered Water Rate Structure for Commercial Accounts

## Rate Simplification and Improved Customer Service

- ❖ Eliminate the Multi-Residential Monthly Charge per Unit
- ❖ Convert Multi-Residential Customers to Commercial
- ❖ Roll the Over-Capacity Fees into the Tiered Structure
- ❖ Eliminate or Reduce the Number of Pressure Zones

# Benefits of Changes

- ❖ Encourages Conservation
- ❖ Prepares the District for a Drought Rate Structure
- ❖ Simplifies the Billing System and Rate Structure
- ❖ Aligns the District with Other Agencies' Rate Structures
- ❖ Implements Prior Recommendations by Rate Consultants

Questions?



# AGENDA ITEM 10

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	May 7, 2008
SUBMITTED BY:	Elaine Henderson, <i>eh</i> Customer Service Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:	<i>[Signature]</i> Joseph R. Beachem, Chief Financial Officer (Chief)		
APPROVED BY:	<i>[Signature]</i> German Adams, Assistant General Manager (Asst. GM):		
SUBJECT:	Delinquent Account Processes		

### GENERAL MANAGER'S RECOMMENDATION:

This is an action and informational item to address issues discussed at the October Board Workshop regarding the collection process for delinquent accounts. This report includes proposed revisions to the Code of Ordinances, and items that will be incorporated, as necessary, into the Proposition 218 notices later this year.

### COMMITTEE ACTION: \_\_\_\_\_

See Attachment A.

### PURPOSE:

To provide information on the collection process for delinquent accounts.

### ANALYSIS:

In response to discussions at the October Board Workshop, staff is providing additional information on the collection process for delinquent accounts. Staff performed financial analysis, surveyed other agencies, and consulted with District counsel on a variety of topics. The topics are as follows and will be addressed individually in this report.

1. Investigate changes in the lock process.
2. Evaluate and analyze options for penalty charges.
3. Investigate methods to improve the collectability of account write-offs.

## 1. INVESTIGATE CHANGES IN THE LOCK PROCESS

### ***Using flow restrictors to establish minimal usage for customers with locked meters.***

Operations staff was consulted and an evaluation was performed to determine the feasibility of using flow restrictors. Staff was unable to find a flow restrictor that works with our meters. There is the option of restricting usage through a pipe modification. However, this process would delay reestablishing service and would cost approximately five times more than our current lock process. Staff does not recommend this option because of the high cost and inconvenience to customers.

Staff found that there are other meters that can support flow restrictors. However, Master Meter was selected as the District's standard meter. If Master Meter reconfigures its meters to support flow restrictors, staff will reconsider this option.

### ***Determine the feasibility of a policy for notifying social agencies of locked meters.***

Staff contacted Adult Protective Services and Child Welfare Services to determine if the District had a legal obligation to notify them of locked meters. Both agencies indicated that there are no legal requirements and this was confirmed by the District's legal counsel.

The agencies also shared that even if they had the information it is unlikely that they would launch timely investigations because more than 90% of the meters are turned back on within two days.

A survey of neighboring cities found that the City of Chula Vista and the City of San Diego are required by their Code Enforcement Divisions to report to child protective agencies if they have knowledge that service is off. However, these cities are indemnified from legal ramifications that can result from inaccurate reporting. The District, unlike police and fire, has no such legal indemnification.

Since Otay and our neighboring water agencies including Helix, Sweetwater, and Padre Dam have no indemnification, none have chosen to report. Staff and legal counsel recommend that we continue with our current practice.

## 2. EVALUATE AND ANALYZE OPTIONS FOR PENALTY CHARGES

Responding to a request from the Board, staff evaluated specific delinquency fees to determine if they should be eliminated, collapsed into the general rates, or remain unchanged.

### ***Evaluate various delinquency charges.***

A part of this analysis included determining the cost of our collection efforts given the technology and process improvements that staff has recently implemented.

The implementation of an automated calling system and proposed change from the hand delivery of shut-off notices to a mailing system will significantly reduce the cost of the collection process. The reduction in costs resulting from these improvements has prompted staff to propose eliminating the \$7.50 telephone charge and the \$10.00 tag charge. This will result in significant time and cost savings while maintaining the level of notification provided to our customers.

Currently, the base charge to turn on a locked meter is \$25.00. If the account has been delinquent ten or more times the charge is \$40.00. Having two charges increases the time and complexity of the process. Staff performed a cost analysis and determined that the charge should be approximately \$35.00 per meter turn-on. Collapsing the two-tiered \$25.00 and \$40.00 lock charge into one \$35.00 charge also coincides with our neighboring agencies as shown in the following chart.

	<b>Current Otay</b>	<b>Proposed Otay</b>	<b>Helix</b>	<b>Padre Dam</b>	<b>Sweetwater</b>
Meter Turn-on Charge	\$25.00 or \$40.00	\$35.00	\$28.50	\$40.00	\$29.00

All of the changes mentioned in this section will be formalized with changes into the Code of Ordinances after the required Proposition 218 notifications are completed later this year.

### ***Evaluate the best method of applying late penalty charges.***

The District's existing philosophy on late penalty charges is that the cost associated with the collection process should be born by the delinquent customers causing the expense. A part of this evaluation was a confirmation that the amount of revenue

being collected is in line with the expenses and that any amount over the cost of collection is a reasonable deterrent.

In determining the best method of charging penalties, staff needed to consider numerous objectives, such as: recovery of write-offs, a deterrent for paying late, legal restrictions, equity between customers, rate simplicity, and the impact on revenues.

Staff considered three methods for calculating late penalty charges. Each method was evaluated on the basis of meeting the various and sometimes competing objectives. The three methods are: 1) our current method of 5% on the most recent month's unpaid bill with no charge for earlier month's unpaid balance, 2) a charge calculated on the entire past due balance; and 3) a flat fee.

The analysis indicated that implementing a change in methodology from our current calculation would add complexity, potentially over collect revenues, cause inequities among customers, and create little additional incentive for customers to pay earlier.

Staff surveyed 13 neighboring agencies and found that four charge late fees on the previous month's unpaid bill, five charge on the entire past due amount, four do not charge late fees, and no agencies charge a flat fee. After considering the impact of potential changes on the District's objectives, staff is recommending to continue our current methodology of charging 5% on the most recent month's unpaid bill with no charge for earlier month's unpaid balance.

### 3. INVESTIGATE METHODS TO IMPROVE COLLECTABILITY OF ACCOUNT WRITE-OFFS

The dollar amount and number of accounts written-off have increased significantly in the past two years. The average annual number of accounts written-off in previous years was 420 as compared to 1,200 in the past two years. The average annual dollar amount of write-offs has increased from \$40,000 to \$141,000. These increases warrant an evaluation of the collection methods.

#### ***Investigate enhancing the enforceability of liens on foreclosed properties.***

The District's legal counsel outlined the rules and regulations regarding property liens and foreclosures. In the current

economy, if a foreclosure sale is initiated, usually by the lien holder of the first and/or second trust deeds, then the District's lien is likely to be terminated due to lack of equity. If there are any proceeds remaining after the first and/or second trust deeds are satisfied, then the excess proceeds are distributed to the District and other junior lien holders. Recently, most foreclosed properties have not had excess proceeds, which preclude the District from collecting. Since this process is established by statute, there are no options available to improve the District's ability to collect.

***Investigate the possibility of requiring owners to be responsible for tenant's bills.***

The State Water Code prohibits the District from making property owners responsible for tenant's bills. However, the District has the authority to require property owners, with habitually delinquent tenants, to keep the account in their name. In the past, staff has used this option to shore-up the collection efforts. However, this has not been a practice that has been used with much frequency. As this is a viable and effective option, staff is currently in the process of identifying owners in this situation. Notices will be mailed alerting owners that at the time of the next account change-over the bill will become their responsibility.

This change does not require an amendment to the code or to rates and will not have an impact on the Proposition 218 notices.

**FISCAL IMPACT:**



The proposed changes are expected to be revenue neutral as the costs of the collection efforts will be reduced and collectability will be increased.

**STRATEGIC GOAL:**

Improve the District's collection process.

**LEGAL IMPACT:**

None.

Mark Wattony  
**General Manager**

Attachments:

- A) Committee Action Form
- B) Delinquent Account Processes Presentation



## ATTACHMENT A

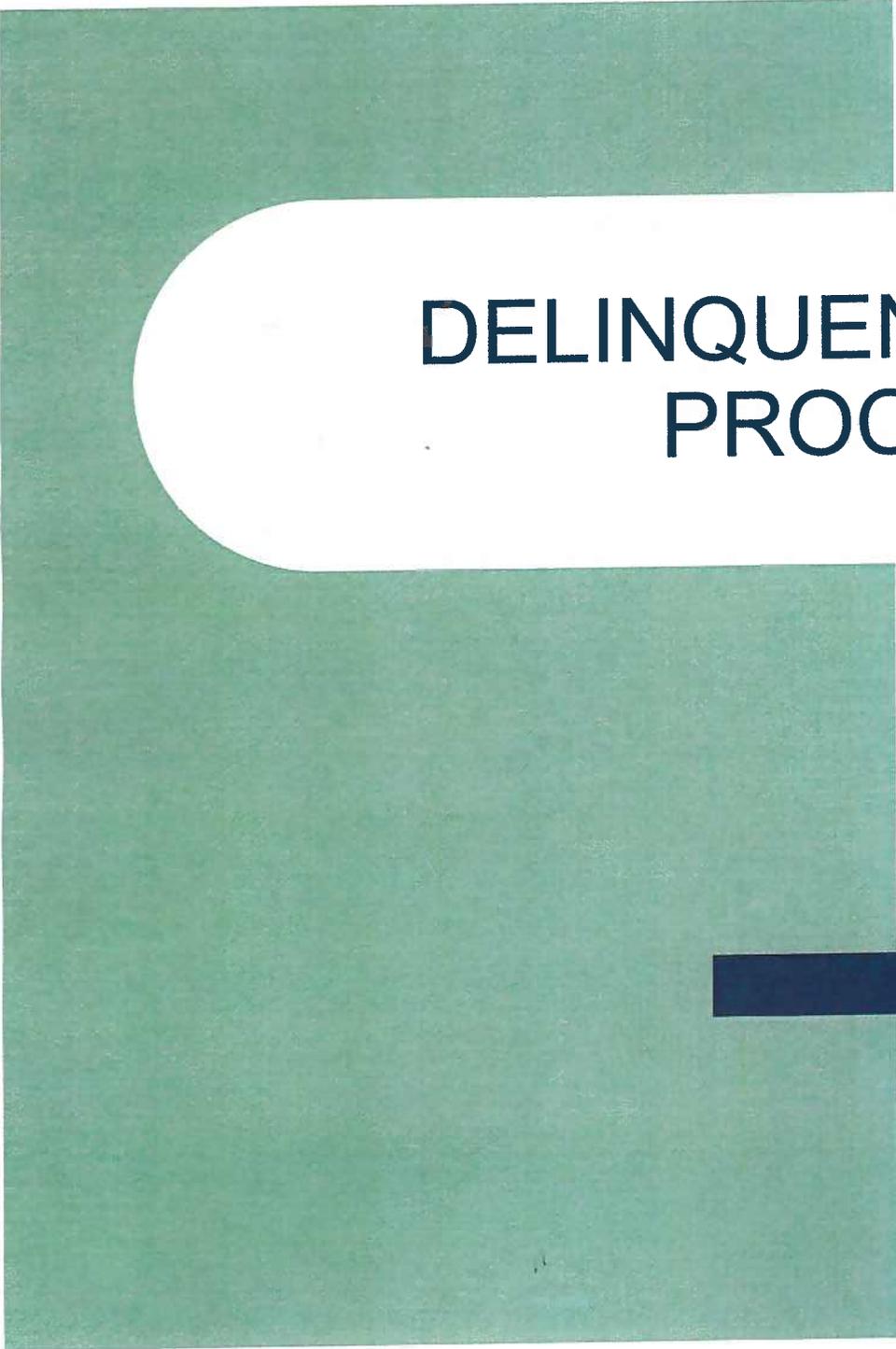
<b>SUBJECT/PROJECT:</b>	Delinquent Account Processes
-------------------------	------------------------------

### **COMMITTEE ACTION:**

This is an informational item only.

### **NOTE:**

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



# DELINQUENT ACCOUNT PROCESSES



# DELINQUENT ACCOUNT PROCESSES

- Use of flow restrictors
- Notification to social agencies
- Discontinue \$7.50 delinquent call charge
- Discontinue \$10.00 tagging charge
- Collapse \$25.00 and \$40.00 lock charges to \$35.00
- Late penalty charge
- Liens on foreclosed properties
- Owners responsibility for tenant's delinquencies

# RECOMMENDATIONS

## **NO CHANGE RECOMMENDED**

- Use of Flow Restrictors
- Notifying Social Agencies of Locked Meters
- Late Penalty Charges
- Lien Process on Foreclosed Properties

## **RECOMMENDED CHANGES**

- Discontinue \$7.50 Delinquent Call Charge
- Discontinue \$10.00 Tagging Charge
- Collapse \$25.00 and \$40.00 Lock Charges to \$35.00
- Routinely Require Owners to be Responsible for Habitually Late Accounts

**Questions?**

