

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

MONDAY
December 14, 2009
11:30 P.M.

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

AGENDA

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

DISCUSSION ITEMS

3. DISCUSSION OF THE 2009 OTAY WATER DISTRICT CUSTOMER OPINION AND AWARENESS SURVEY (BUELNA) [10 minutes]
4. 1ST QUARTER FISCAL YEAR 2010 DIRECTORS EXPENSES UPDATE (PRENDERGAST) [5 minutes]
5. DECLARE EQUIPMENT AND VEHICLES AS SURPLUS TO THE DISTRICT'S NEEDS (DOBRAWA) [5 minutes]
6. APPROVE AMENDMENTS TO SECTION 7.2.6, PURCHASES EXEMPT FROM COMPETITIVE PRICING; AND SECTION 7.2.8, BOARD AUTHORIZED PURCHASES EXCEEDING THE GENERAL MANAGER'S AUTHORITY; OF THE DISTRICT'S PURCHASING MANUAL (DOBRAWA) [5 minutes]
7. APPROVE AN AGREEMENT WITH UCM FOR THE REVIEW OF SDG&E RATES AND PAST INVOICES TO EVALUATE FOR ERRORS IN RATE APPLICATION FOR POTENTIAL REFUNDS AND FUTURE SAVINGS (DOBRAWA) [5 minutes]
8. ADOPT ORDINANCE NO. 521 TO INCLUDE WATER CONSERVATION REQUIREMENTS WITHIN SECTIONS 9 AND 27 OF THE DISTRICT'S CODE OF ORDINANCES (GRANGER) [5 minutes]

9. ADOPT ORDINANCE NO. 522 REVISING THE DISTRICT'S WATER SHORTAGE RESPONSE PROGRAM AS CONTAINED WITHIN SECTION 39 OF THE DISTRICT'S CODE OF ORDINANCES (WILLIAM) [5 minutes]
10. APPROVE AN AMENDMENT TO THE EXISTING CONTRACT WITH WESTIN ENGINEERING FOR \$110,000, INCREASING ITS AMOUNT FROM \$224,280 TO \$334,280 AND INCREASING ITS SCOPE TO INCLUDE THE ASSET MANAGEMENT DATA COLLECTION EFFORT; AND AUTHORIZE THE GENERAL MANAGER TO NEGOTIATE AND ENTER INTO A CONTRACT WITH SPATIAL WAVE FOR \$80,000 TO COVER THE COST OF SOFTWARE DEVELOPMENT AND MODIFICATION TO THE FIELD MAPPLET APPLICATION AND RELATED SOFTWARE TO ACCOMMODATE ASSET MANAGEMENT PROCESS IMPROVEMENTS (STEVENS) [5 minutes]
11. UPDATE REPORT REGARDING THE DISTRICT'S PENDING DEBT FINANCING (BEACHEM) [10 minutes]
12. ADJOURNMENT

BOARD MEMBERS ATTENDING:

Jaime Bonilla, Chair
Jose Lopez

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

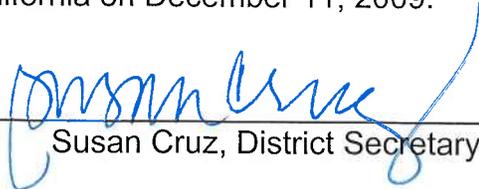
The Agenda, and any attachments containing written information, are available at the District's website at www.otaywater.gov. Written changes to any items to be considered at the open meeting, or to any attachments, will be posted on the District's website. Copies of the Agenda and all attachments are also available through the District Secretary by contacting her at (619) 670-2280.

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 December 11, 2009 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 December 11, 2009.



Susan Cruz, District Secretary



AGENDA ITEM 3

STAFF REPORT

TYPE MEETING:	Finance, Administration, and Communications Committee	MEETING DATE:	12/14/09
SUBMITTED BY:	Armando Buelna, <i>AB</i> Communications Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
SUBJECT:	2009 Otay Water District Customer Opinion and Awareness Survey, Draft Survey Questionnaire		

GENERAL MANAGER'S RECOMMENDATION:

That the Finance, Administration, and Communications Committee review and provide comments on the draft questionnaire to be used in the 2009 Otay Water District Customer Opinion and Awareness Survey.

PURPOSE:

To provide the Finance, Administration, and Communications Committee with the opportunity to review the draft questionnaire to be used in the 2009 Otay Water District Customer Opinion and Awareness Survey.

BACKGROUND:

The Otay Water District's Strategic Business Plan, Objective 1.1.1.1, calls for capturing customer attitudes and awareness through a repeatable customer survey program. Attachment B is the draft questionnaire, developed by Rea & Parker Research Inc. and District staff, that will be used in the 2009 Customer Opinion and Awareness Survey.

In this survey, 300 customers will be selected at random from those residing within the Otay Water District's service area. This will result in a margin of error of +/- 5.7% at the 95% confidence level. Rea & Parker estimates it will take approximately 10 to 12 minutes to administer this survey.

Comments received from your committee will be incorporated into the final survey questionnaire, which will be administered the week of December 14th. Responses will be recorded, analyzed, then a draft report will be presented to your committee in January, 2010. The final report will be presented to the full Board in March, 2010.

FISCAL IMPACT:



The cost of conducting this survey, including analyzing data, writing the report and presenting the findings to the Board of Directors will total \$14,250. Full funding for this survey is included in the 2009/2010 General Manager's Outside Services Budget (GL 11-2101-526101).

LEGAL IMPACT:

None.



General Manager

Attached

Attachment A - Committee Action

Attachment B - 2009 Customer Opinion and Awareness Survey Draft Questionnaire



ATTACHMENT A

SUBJECT/PROJECT:	2009 Otay Water District Customer Opinion and Awareness Survey
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COMMITTEE ACTION:

This item was presented to the Finance, Administration, and Communications Committee on December 14, 2009.

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
General Survey 2009

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. 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

Q2. 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]**

Q3. These next questions are related to the water supply in San Diego County. How confident are you in the ability of local water agencies to provide enough water to you? 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]**

Q4. 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]**

Q4a. How much trust do you have in the Otay Water District to obtain this water for you at a reasonable price? 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]**

WATER SHORTAGE—————**WATER RATES**

Q5a-c. 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 (11a)	SECOND (11b)	THIRD (11c)
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

Q6. In the past year, do you believe that your water rates have...

- 1 - gone up,
- 2 - gone down, -----> **GO TO Q6b**
- 3 - stayed about the same, -----> **GO TO Q6b**
- 4 - or are you not sure? -----> **GO TO Q6b**
- 9 - REF-----> **GO TO Q6b**

Q6a. Have **[for Q6=1]**/ Would **[for Q6 >1]** higher water rates motivate(d) you to conserve more water?

- 1 - YES
- 2 - NO-----> **GO TO Q7**
- 9 - DK/REF-----> **GO TO Q7**

Q6b. **[IF Q6a=1]** What specific major step has (for Q6=1)/will (for Q6>1) your household taken in the past six months **(for Q6=1/take (for Q6>1)** to reduce your water usage?

99-DK/REF

[DO NOT READ-----CODE USING FOLLOWING SCHEMA:]

- 1 - OUTDOOR WATER LESS TIME
- 2 - USE THE **WATERING CALCULATOR FOUND ON THE DISTRICT'S WEBSITE OR AT WWW.BEWATERWISE.COM** TO SET A WATER-WISE IRRIGATION SCHEDULE
- 3 - IRRIGATE EARLIER IN THE MORNING OR LATER AT NIGHT
- 4 - LET MY LANDSCAPE/LAWN DIE
- 5 - OUTDOOR WATERING FEWER DAYS DAY PER WEEK
- 6 - CHECK THE SOIL'S MOISTURE LEVEL BEFORE WATERING
- 7 - REPLACE UNUSED TURF WITH LOW-WATER PLANTS
- 8 - UPGRADE IRRIGATION SYSTEM TO INCLUDE NEW, HIGH-EFFICIENCY EQUIPMENT
- 9 - PURCHASE A HIGH EFFICENCY CLOTHES WASHER

- 10 – WASH ONLY FULL LOADS OF CLOTHES OR DISHES
- 11 – TAKE SHORTER SHOWERS
- 12 – USE A BROOM INSTEAD OF A HOSE ON PAVED AREAS
- 13 – FIX INDOOR LEAKS (TOILET, FAUCET, ETC.)
- 14 – FIX OUTDOOR LEAKS (SPRINKLERS, SPAS, ETC.)
- 15-- DO NOT LET WATER RUN
- 16 – COLLECT AND REUSE
- 17 – REPLACE GRASS WITH ARTIFICIAL/SYNTHETIC TURF
- 20 – OTHER, SPECIFY _____
- 99—DK/REF

ASK EVERYONE

Q7. Do you recall seeing or hearing messages about the current water supply shortage?

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

Q8. What do you believe to be the single major cause of the water shortage?

[DO NOT READ; RECORD ONE]

- 1--COURT ORDERED CUTBACKS
- 2--LESS RAIN IN SAN DIEGO THAN NORMAL
- 3--CLIMATE CHANGE
- 4--LESS WATER AVAILABLE IN RIVERS THAN PLANNED
- 5--POPULATION GROWTH
- 6--EVAPORATION
- 7--LESS SNOWFALL IN MOUNTAINS
- 15—OTHER, SPECIFY _____
- 99—DK/REF

Q9. Due to statewide water shortages, it is becoming more likely that water costs may increase again from our suppliers **next year**, resulting in a rate increase to our customers of an additional 15% to 20%.

Based on this information do you plan to reduce your water consumption?

- 1. YES
- 2. NO -- GO TO Q10
- 3. DK/REF -- GO TO Q10

Q9a. **[IF Q9=1]** By what percentage do you plan to try to reduce your water consumption? _____

Q9a-1. IF RESPONDENT SAYS "DON'T KNOW," OFFER FOLLOWING INTERVALS

Do you think that you might try to reduce your consumption by ...

1. 50% or more
2. 30% but less than 50%
3. 20% but less than 30%
4. 10% but less than 20%
5. Less than 10%
9. DK/REF

Q9b-1-3. What steps are you most willing to take to achieve this reduction?

1. _____ 99-DK/REF
2. _____ 99-DK/REF
3. _____ 99-DK/REF

[DO NOT READ-----CODE USING FOLLOWING SCHEMA--RECORD UP TO THREE RESPONSES:]

- 1 - OUTDOOR WATER LESS TIME
- 2 - USE THE WATERING CALCULATOR AT WWW.BEWATERWISE.COM TO SET A WATER-WISE IRRIGATION SCHEDULE
- 3 - IRRIGATE EARLIER IN THE MORNING OR LATER AT NIGHT
- 4 - LET MY LANDSCAPE/LAWN DIE
- 5 - OUTDOOR WATERING FEWER DAYS PER WEEK
- 6 - CHECK THE SOIL'S MOISTURE LEVEL BEFORE WATERING
- 7 - REPLACE UNUSED TURF WITH LOW-WATER PLANTS
- 8 - UPGRADE IRRIGATION SYSTEM TO INCLUDE NEW, HIGH-EFFICIENCY EQUIPMENT
- 9 - PURCHASE A HIGH EFFICENCY CLOTHES WASHER
- 10 - WASH ONLY FULL LOADS OF CLOTHES OR DISHES
- 11 - TAKE SHORTER SHOWERS
- 12 - USE A BROOM INSTEAD OF A HOSE ON PAVED AREAS
- 13 - FIX INDOOR LEAKS (TOILET, FAUCET, ETC.)
- 14 - FIX OUTDOOR LEAKS (SPRINKLERS, SPAS, ETC.)
- 15 - DO NOT LET WATER RUN
- 16 - COLLECT AND REUSE
- 17 - REPLACE GRASS WITH ARTIFICIAL/SYNTHETIC TURF
- 20 - OTHER, SPECIFY _____

99-DK/REF

Q10. The Otay Water District is exploring the installation of smart water meters that will enable consumers to see their actual water consumption. Is this something that sounds useful to you?

- 1 – YES
- 2 – NO (GO TO Q11)
- 9 - DK/REF (GO TO Q11)

Q10a-e. (IF Q10 = 1). Please indicate whether any of the following types of information that can be provided by such a meter would be of interest to you.

- | | YES | NO |
|--|-----|----|
| a. Be able to monitor your overall water usage daily | | |
| b. Be able to monitor your overall water usage several times per day | | |
| c. Be informed when your usage is approaching a higher rate class | | |
| d. Be able to view and compare charts and graphs of your water usage over time | | |
| e. Be informed about leaks | | |

Q10f. How would you most prefer that this information be provided to you?

- 1. On your computer
- 2. Or some other way

Q10f-oth: What other way might that be?

Q10g. Would you pay extra for the ability to obtain this information?

- 1 – YES
- 2 – NO (GO TO Q11)
- 9 - DK/REF (GO TO Q11)

Q10h. In addition to your current monthly amount, how much more would you be willing to pay monthly to have such a meter available to you?

(GET RESPONSES IN DOLLAR AMOUNTS) DK/REF =999

OUTDOOR WATERING---ASK EVERYONE

Q11. 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 Q12
- 9 - DK/REF -----> GO TO Q12

Q11a. Does your landscaping include a lawn?

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

Q11b. Do you have an automatically-controlled sprinkler system for your landscaping?

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

Q11c. **[IF Q11b = 1]** 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
- 9 - DK/REF

DESALINATION

Q12. This next question is about desalination, the process of making drinking water from ocean or salty ground water. Do you believe that desalination is important to maintaining a reliable supply of water?

- 1- Yes, very important
- 2- Yes, somewhat important
- 3- No, not very important **[GO TO Q14]**
- 4- No, not at all important **[GO TO Q14]**
- 9- DK/REF---**[DO NOT READ—ONLY IF VOLUNTEERED] [GO TO Q14]**

Q13. [IF Q12 = 1 or 2] A seawater desalination plant is planned for the City of Rosarito Beach, Mexico and the Otay Water District may purchase some of that water that can be piped into San Diego County. Would you be in favor of pursuing such an international agreement with Mexico to develop additional supplies of water from seawater desalination?

1. Yes—GO TO Q14
2. No
3. DK/REF—GO TO Q14

Q13b. [IF Q13 = 2] Why are you not in favor of desalinated water from Mexico?

WATER RECYCLING

Q14a-b. The use of recycled water is another way to increase the 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 watering residential front yards?	1	2	3	4	9

CONSERVATION GARDEN

Q15. Have you ever seen or heard anything about the Water Conservation Garden at Cuyamaca College?

- 1 - YES
- 2 - NO-----> **GO TO Q16**
- 9 - DK/REF -----> **GO TO Q16**

Q15a. **[IF YES:]** Have you or any member of your family ever visited the garden?

- 1 - YES
- 2 - NO -----> **GO TO Q16**
- 9 - DK/REF -----> **GO TO Q16**

Q15b. Have you made any changes to your watering or landscaping practices as a result of visiting the Garden?

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

Q15c. [IF Q 15b = 1] What is the most significant change you have made as a result of visiting the garden?

[DO NOT READ]-----CODE USING FOLLOWING SCHEMA]

1. Adjusted sprinklers/reduced water usage
2. Changed plants to be more drought-tolerant/waterwise
3. Eliminated plants/let plants die
4. Eliminated lawn/let lawn die—replaced with waterwise ground cover
5. Replaced unused turf with low-water plants
6. Check the soil's moisture level before watering
7. Upgraded irrigation system to include new, higher-efficiency equipment
9. Other, specify _____

BILLS/PUBLICATIONS

Q16 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

Q17. 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

Q18 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

Q19. Is it important to you that other information from the District be made available in Spanish?

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

WEBSITE

Q20. Have you ever visited the Otay Water District website?

- 1 - YES
- 2 - HAVE ACCESS TO INTERNET, BUT HAVE NOT VISITED WEBSITE -----
-----> **GO TO Q21**
- 3 - DO NOT HAVE ACCESS TO THE INTERNET----->**GO TO Q22**
- 9 - DK/REF -----> **GO TO Q22**

Q20a. [IF Q20 = 1] How would you rate the website? Would you say...

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

Q21. Is your Internet access...

- 8. cable
- 9. dsl
- 10. satellite
- 11. dial-up
- 12. other _____
- 9. DK/REF

SATISFACTION

Q22: 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

Q23: Have you called the Otay Water District for service or other help during the past 6 months?

- 1 - YES
- 2 - NO - [GO TO PPH]

9 - DK/REF – [GO TO PPH]

Q23a-- How would you rate your overall level of satisfaction with the service you received when you called for service or help?

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

ASK ALL:

In closing, these questions are for comparison purposes only.

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...

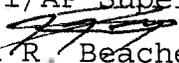
- 1 - under \$25,000,
- 2 - \$25,000 up to but not including \$50,000,
- 3 - \$50,000 up to (but not including) \$75,000,
- 4 - \$75,000 up to (but not including) \$100,000, or
- 5 - \$100,000 up to but not including \$150,000?
- 9 - DK/REF

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



AGENDA ITEM 4

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 6, 2010
SUBMITTED BY:	Sean Prendergast, 	W.O./G.F. NO:	DIV. NO. All
	Payroll/AP Supervisor		
APPROVED BY: (Chief)	Joseph R. Beachem, Chief Financial Officer 		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Administration and Finance 		
SUBJECT:	Director's Expenses for the 1st Quarter of Fiscal Year 2010		

GENERAL MANAGER'S RECOMMENDATION:

This is an informational item only.

COMMITTEE ACTION: _____

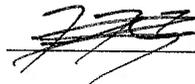
Please see Attachment A.

PURPOSE:

To inform the Board of the Director's expenses for the 1st quarter of Fiscal Year 2010.

ANALYSIS:

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

FISCAL IMPACT: 

None.

STRATEGIC GOAL:

Prudently manage District funds.

LEGAL IMPACT: _____

Compliance with State law.

Mad Wath^{sc}

General Manager

Attachments:

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



ATTACHMENT A

SUBJECT/PROJECT:	Director's Expenses for the 1st Quarter of Fiscal Year 2010
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COMMITTEE ACTION:

This is an informational item only.

NOTE:

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

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

**FINANCE, ADMINISTRATION, AND
COMMUNICATIONS COMMITTEE MEETING
DECEMBER 14, 2009**

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

- Fiscal Year 2010, 1st Quarter.
- The expenses are shown in detail by Board member, month and expense type.
- This presentation is in alphabetical order.
- This information was presented to the Finance, Administration, and Communications Committee on December 14, 2009.

Board of Directors' Expenses and Per-Diems
Fiscal Year 2010 Quarter 1 (Jul 09- Sep 09)

• Director Bonilla	\$0.00
• Director Breitfelder	\$1,113.90
• Director Croucher	\$800.00
• Director Lopez	\$1,179.20
• Director Robak	<u>\$882.55</u>
• Total	\$3,975.65

Director Bonilla

Fiscal Year 2010 Quarter 1

	Jul 09	Aug 09	Sep 09	Qtr 1
• Mileage Commute				
• Mileage Business				
• Travel and Seminars				
• Business Meetings				
• Director's Fees				
Monthly Totals	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
Quarterly Total				0.00
• Meetings Attended				
• Meetings Paid*				
• Fiscal Year-to-Date 2009 (Jul 09-Sep 09)				\$0.00

*Director Bonilla does not request per-diem reimbursements

Director Breitfelder

Fiscal Year 2010 Quarter 1

	Jul 09	Aug 09	Sep 09	Qtr 1
• Mileage Commute	82.50		37.40	
• Mileage Business	22.00		22.00	
• Travel and Seminars				
• Business Meetings		25.00	25.00	
• Director's Fees	<u>600.00</u>		<u>300.00</u>	
Monthly Totals	<u>704.50</u>	<u>25.00</u>	<u>384.40</u>	
Quarterly Total				\$1,113.90
• Meetings Attended	7		3	
• Meetings Paid	6		3	
• Fiscal Year-to-Date 2009 (Jul 09-Sep 09)				\$1,113.90

Director Croucher

Fiscal Year 2010 Quarter 1

	Jul 09	Aug 09	Sep 09	Qtr 1
• Mileage Commute				
• Mileage Business				
• Travel and Seminars				
• Business Meetings				
• Director's Fees	<u>500.00</u>		<u>300.00</u>	
Monthly Totals	<u>500.00</u>		<u>300.00</u>	
Quarterly Total				\$800.00
• Meetings Attended	5		4	
• Meetings Paid	5		3	
• Fiscal Year-to-Date 2009 (Jul 09-Sep 09)				\$800.00

Director Lopez

Fiscal Year 2010 Quarter 1

	Jul 09	Aug 09	Sep 09	Qtr 1
• Mileage Commute	22.00	33.00	11.00	
• Mileage Business		13.20		
• Travel and Seminars				
• Business Meetings				
• Director's Fees	<u>300.00</u>	<u>500.00</u>	<u>300.00</u>	
Monthly Totals	<u>322.00</u>	<u>546.20</u>	<u>311.00</u>	
Quarterly Total				\$1,179.20
• Meetings Attended	3	5	3	
• Meetings Paid	3	5	3	
• Fiscal Year-to-Date 2009 (Jul 09-Sep 09)				\$1,179.20

Director Robak

Fiscal Year 2010 Quarter 1

	Jul 09	Aug 09	Sep 09	Qtr 1
• Mileage Commute	2.20	4.40	2.20	
• Mileage Business	20.35	45.10	3.30	
• Travel and Seminars		50.00	15.00	
• Business Meetings	20.00	20.00		
• Director's Fees	<u>200.00</u>	<u>300.00</u>	<u>200.00</u>	
Monthly Totals	<u>242.55</u>	<u>419.50</u>	<u>220.50</u>	
Quarterly Total				\$882.55
• Meetings Attended	4	7	4	
• Meetings Paid	2	3	2	
• Fiscal Year-to-Date 2009 (Jul 09-Sep 09)				\$882.55

Board of Directors' Expenses and Per Diems
Fiscal Year 2010 to Date (Jul 09- Sep 09)

• Director Bonilla	\$0.00
• Director Breitfelder	\$1,113.90
• Director Croucher	\$800.00
• Director Lopez	\$1,179.20
• Director Robak	<u>\$882.55</u>
• Total	\$3,975.65

Board of Directors' Expenses and Per Diems
***Projected Fiscal Year 2010 (Jul 09- Jun 10)**

• Director Bonilla	\$ 0.00
• Director Breitfelder	\$ 4,455.00
• Director Croucher	\$ 3,200.00
• Director Lopez	\$ 4,716.00
• Director Robak	<u>\$ 3,532.00</u>
• Total	\$ 15,903.00

- *Based on actual expenses through 1st quarter

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2009 THROUGH SEPTEMBER 30, 2009**

DIRECTOR'S NAME: BONILLA, JAIME

ATTACHMENT D

Account Name	Date	Descriptions	SECTION D Amount
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**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2009 THROUGH SEPTEMBER 30, 2009**

DIRECTOR'S NAME: BREITFELDER, LARRY

ATTACHMENT E

Account Name	Date	Descriptions	SECTION E Amount
Business meetings	8/18/2009	COUNCIL OF WATER UTILITIES	\$ 25.00
	9/15/2009	COUNCIL OF WATER UTILITIES	25.00
Business meetings Total			50.00
Director's Fee	7/1/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	7/6/2009	CONSERVATION ACTION COMMITTEE MEETING	100.00
	7/7/2009	INTRA SITE TOUR - DISTRICT FACILITY SITE (1296-3 RESERVOIR)	100.00
	7/10/2009	AD HOC LEGAL MATTERS COMMITTEE MEETING	100.00
	7/20/2009	GM REVIEW - AGENDA BRIEFING	100.00
	7/27/2009	ENGINEERING, OPERATIONS AND WATER RESOURCES COMMITTEE MEETING	100.00
	9/15/2009	CONSERVATION ACTION COMMITTEE MEETING	100.00
	9/28/2009	ENGINEERING, OPERATIONS AND WATER RESOURCES COMMITTEE MEETING	100.00
	9/2/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
Director's Fee Total			900.00
Mileage - Business	7/31/2009	MEETING - JULY 6, 2009	22.00
	9/28/2009	MEETING - SEPT. 15, 2009	22.00
Mileage - Business Total			44.00
Mileage - Commuting	7/31/2009	MEETING - JULY 1, 7, 10, 20 & 27, 2009	82.50
	9/28/2009	MEETING - SEPT. 2 & 28, 2009	37.40
Mileage - Commuting Total			119.90
Grand Total			\$ 1,113.90

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2009 THROUGH SEPTEMBER 30, 2009**

DIRECTOR'S NAME: CROUCHER, GARY

Account Name	Date	Descriptions	ATTACHMENT F SECTION F Amount
Director's Fee	7/1/2009	REGULAR BOARD OF DIRECTORS MEETING	\$ 100.00
	7/7/2009	INTRA SITE TOUR - DISTRICT FACILITY SITE (1296-3 RESERVOIR)	100.00
	7/10/2009	LEGAL AD HOC COMMITTEE	100.00
	7/27/2009	ENGINEERING, OPERATIONS AND WATER RESOURCES COMMITTEE MEETING	100.00
	7/30/2009	AGENDA REVIEW WITH GM AND COUNCIL	100.00
	9/17/2009	GM REVIEW - AGENDA BRIEFING	100.00
	9/28/2009	ENGINEERING, OPERATIONS AND WATER RESOURCES COMMITTEE MEETING	100.00
Director's Fee Total	9/30/2009	WATER RATES AD HOC COMMITTEE MEETING	<u>100.00</u>
			<u>\$ 800.00</u>
Grand Total			<u><u>\$ 800.00</u></u>

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2009 THROUGH SEPTEMBER 30, 2009**

DIRECTOR'S NAME: LOPEZ, JOSE

			ATTACHMENT G SECTION G Amount
Account Name	Date	Descriptions	
Director's Fee	7/1/2009	REGULAR BOARD OF DIRECTORS MEETING	\$ 100.00
	8/5/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/24/2009	SPECIAL REGULAR BOARD MEETING	100.00
	7/8/2009	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	7/22/2009	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	8/10/2009	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	8/25/2009	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
	8/31/2009	GM REVIEW - AGENDA BRIEFING	100.00
	9/28/2009	CHULA VISTA WATER TASK FORCE	100.00
	9/2/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/14/2009	FINANCE AND ADMINISTRATIVE COMMITTEE MEETING	100.00
Director's Fee Total			<u>1,100.00</u>
Mileage - Business	8/31/2009	MEETING - AUG. 10, 2009	<u>13.20</u>
Mileage - Business Total			<u>13.20</u>
Mileage - Commuting	8/31/2009	MEETING - AUG. 5, 24, & 25 2009	<u>33.00</u>
	7/31/2009	MEETING - JULY 1 & 22, 2009	22.00
	9/30/2009	MEETING - SEPT. 2, 2009	<u>11.00</u>
Mileage - Commuting Total			<u>66.00</u>
Grand Total			<u><u>\$ 1,179.20</u></u>

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2009 THROUGH SEPTEMBER 30, 2009**

DIRECTOR'S NAME: ROBAK, MARK

Account Name	Date	Descriptions	ATTACHMENT H SECTION H Amount
Business meetings	7/10/2009	THE CHAMBER SAN DIEGO EAST COUNTY	\$ 20.00
	8/7/2009	THE CHAMBER SAN DIEGO EAST COUNTY	20.00
Business meetings Total			<u>40.00</u>
Director's Fee	7/1/2009	REGULAR BOARD OF DIRECTORS MEETING	<u>100.00</u>
	7/9/2009	SAN VICENTE DAM RAISE CEREMONY	100.00
	8/5/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	8/19/2009	WATER REUSE SAN DIEGO CHAPTER MEETING	100.00
	8/24/2009	SPECIAL REGULAR BOARD MEETING	100.00
	9/2/2009	REGULAR BOARD OF DIRECTORS MEETING	100.00
	9/3/2009	GM REVIEW - DISCUSSION OF GENERAL BUSINESS GOALS & OBJECTIVES FOR NEW YEAR	100.00
Director's Fee Total			<u>700.00</u>
Mileage - Business	8/31/2009	MEETING - AUG. 5, 19 & 24 2009	<u>45.10</u>
	7/31/2009	MEETING - JULY 6 & 31, 2009	20.35
	9/2/2009	MEETING - SEPTEMBER 2, 2009	3.30
Mileage - Business Total			<u>68.75</u>
Mileage - Commuting	8/31/2009	MEETING - AUG. 5 & 24 2009	<u>4.40</u>
	7/31/2009	MEETING - JULY 1, 2009	2.20
	9/2/2009	MEETING - SEPTEMBER 2, 2009	2.20
Mileage - Commuting Total			<u>8.80</u>
Seminars and conferences	8/21/2009	SAN DIEGO EAST COUNTY - WATER CONSERVATION	<u>50.00</u>
	9/25/2009	THE RANCHO SAN DIEGO-JAMUL BREAKFAST MEETING	15.00
Seminars and conferences Total			<u>65.00</u>
Grand Total			<u><u>\$ 882.55</u></u>



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

Pay to: Larry Breitfelder

Period Covered:
From 7-1-09 to 7-30-09

Employee Number: 7013

Date	Meeting Name	Purpose / Issues Discussed	Mileage	
			Home to OWD OWD to Home	Other Locations
✓* 7-1	OWD Bod		30 ✓	
✓* 7-6	CAC			40
✓* 7-7	Infra Site Tour		30 ✓	
✓* 7-10	Ad Hoc Legal Matters Committee		30 ✓	
7-16	Ee Apprec			
✓* 7-20	GM Review		30 ✓	
✓* 7-27	EOGWR Committee		30 ✓	
			150	40

TOTAL MEETING PER DIEM: \$ 600.00
(\$145 per meeting)

TOTAL MILEAGE CLAIMED: 190 miles

[Signature]
(Director's Signature)

GM Approval Date: [Signature]
8-20-09

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT = \$ _____
✓ Dee Susan Cruz 8-20-09





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

EXHIBIT B

NOV 13 2009

Pay To: Larry Breitfelder

Period Covered:

Employee Number: 7013

From: 9/1/09 To: 9/30/09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1.	9/2/09	OWD Board Meeting	District Business	34	
2.	9/15/09	CAC	Conservation Action Committee		40
3.	9/28/09	OWD EO&WR Comm	Engineering, Operations & Water Resources Committee Meeting	34	
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					

Total Meeting Per Diem: \$300.00
(\$100 per meeting)

Total Mileage Claimed: 108 miles

(Director's Signature)

GM Receipt:

Date: 11-19-2009

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

*received
11/23/09
from Susan Cruz*



AB000-1B4000-2101-528101

300.00

AB000-1B4000-2101-521102

22.00

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

EXHIBIT B

Pay To: Jose Lopez

Period Covered:

Employee Number: 7010

From: 7/01/09 To: 7/31/09

Table with 6 columns: ITEM, DATE, MEETING, PURPOSE / ISSUES DISCUSSED, MILEAGE HOME to OWD OWD to HOME, MILEAGE OTHER LOCATIONS. Includes handwritten entries for items 1-3 and calculations for items 8-18.

Per Diems

Mileage

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

Total Mileage Claimed: 40 miles

Director's Signature

GM Receipt: [Signature] 9.11.09

Date: 9/9/09

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$

Handwritten notes and dates: 9/15/09



AB000-1B4000-2101-528101
AB000-1B4000-2101-521102

300.00
33.00

EXHIBIT B

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

Pay To: Jose Lopez

Period Covered:

Employee Number: 7010

From: 8/01/09 To: 8/31/09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1.	8/05	OWD	BOARD MEETING	20	
✓ 2.	8/10	WCG	WATER CONSERVATION GARDEN MTG		24
✓ 3.	8/24	OWD	SPECIAL BOARD MEETING (218)	20	
✓ 4.	8/25	OWD	FINANCE/ADMIN COMMITTEE MEETING	20	
✓ 5.	8/31	OWD	Agenda Briefing - Gen Mgr.		0
6.				0*	
7.					
8.				0*	
9.					
10.				5*	
11.				100*00=	
12.				500*00*	
13.				0*	
14.				20*+	
15.				20*+	
16.				20*+	
17.				60**	
18.				60**	

Per Diem

Mileage

Total Meeting Per Diem: \$ 500.
(\$100 per meeting)

Total Mileage Claimed: 84 miles

Jose C. Lopez
(Director's Signature)

GM Receipt: [Signature] 9.11.09

Date: 9/9/09

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

9/15/09
9.15.09



EXHIBIT B

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

Pay To: Jose Lopez

Period Covered:

Employee Number: 7010

From: 09/01/09 To: 09/30/09

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1.	9/2/09	OWD	BOARD OF DIRECTORS MEETING	20	
✓ 2.	9/14/09	OWD	ADMIN & FINANCE COMMITTEE MTG	0	
✓ 3.	9/28/09	CVTF	CHULA VISTA WATER TASK FORCE		0
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					

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

Total Mileage Claimed: 20 miles


(Director's Signature)

GM Receipt: 

Date: 11-4-2009

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____



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

Pay To: Mark Robak

Period Covered:

Employee Number: 70140809

From: 8-1-09 To: 8-31-09

3217 Fair Oaks Lane, Spring Valley, CA 91978

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓ 1	8-5	Monthly Otay Board Meeting	General District Business	4	6
2	8-7	East County Chamber First Friday Breakfast – Singing Hills	General East County business updates and speakers – No Charge	0	0
✓ 3	8-19	Water ReUse San Diego Chapter Meeting – Quail Gardens	Speakers on water reuse topics (See Exhibit A – Agenda)	0	70
4	8-21	Politics in Paradise – Water Conservation Garden	Forum of locally elected officials – No Charge	0	0
✓ 5	8-24	Special Otay Board Meeting	Rate Hearing	4	6
6	8-26	1296-3 Reservoir Tour	Site visit to see construction progress – No Charge	0	0
7	8-28	Rancho San Diego Jamul Chamber Fourth Friday Breakfast	General area business updates and speakers – No Charge	0	0
				8	82

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

Total Mileage Claimed: 90 miles

Mark Robak

(Director's Signature)

Receipt
GM Approval: *MW*

Date: 9.21.09

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____





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

NOV 13 2009

Pay To: Mark Robak

Period Covered:

Employee Number: 70140909

From: 9-1-09 To: 9-30-09

3217 Fair Oaks Lane, Spring Valley, CA 91978

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE	
				HOME to OWD OWD to HOME	OTHER LOCATIONS
✓ 1	9-2	Monthly Otay Board Meeting	General District Business	4	6
2	9-3	Meeting with Otay GM	Discussion of general District business and goals & objectives for new fiscal year	0	0
3	9-26	YMCA Branding Event	Annual Community Event - No Charge	0	0
4	9-27	Jamulfest at St. Pius	Annual Community Event - No Charge	0	0
Total Meeting Per Diem: \$200 ((\$100 per meeting)				4	6

*2 per
res. charges*

Total Meeting Per Diem: \$200
((\$100 per meeting)

Total Mileage Claimed: 10 miles

Mark Robak

(Director's Signature)

Receipt
GM Approval: *[Signature]*

Date: 11-29-09

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____



AGENDA ITEM 5

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 6, 2010
SUBMITTED BY:	Stephen Dobrawa,  Purchasing Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Rom Sarno,  Chief, Administrative Services		
APPROVED BY: (Asst. GM):	German Alvarez,  Assistant General Manager, Finance and Administration		
SUBJECT:	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 are various vehicles and equipment that have been determined by the user departments to be of no use, obsolete (spare parts and service not available), beyond useful life and, or, not cost effective to repair or operate and therefore, surplus to the District's needs.

Vehicles Identified as Surplus

<u>Item</u>	<u>Qty</u>	<u>Description</u>	<u>Reason for Declaration</u>
1	1	1993 Ford Ranger pickup truck, unit #11, VIN 1FTCR14X9PTA52901, 150,905 miles	No longer meets District's operational specifications. No longer cost effective to maintain and operate.
2	1	1990 Ford Ranger pickup truck, unit #33, VIN 1FTCR10T4LUA54367, 95,516 miles.	Same as above.
3	1	1996 Ford F250 pickup truck, unit #90, VIN 1FTHF25G8TEA54494, 86,171 miles.	Same as above.
4	1	1994 Ford Ranger pickup truck, unit #60, VIN 1FTCR14XXRPA45337, 95,936 miles.	Same as above.
5	1	1992 GMC 2500 pickup truck, unit #108, VIN 1GDGC24XXF047114, 93,217 miles.	Same as above.
6	1	2000 Ford Explorer SUV, unit #113, VIN 1FMZU73EOYA21767, 89,392 miles.	Same as above.
7	1	2001 Ford Ranger pickup truck, unit #129, VIN 1FTYR14U61PA73331, 99,615 miles.	Same as above.
8	1	2001 Ford Ranger pickup truck, unit #130, VIN 1FTYR14U1PA73330, 94,442 miles.	Same as above.
9	1	2001 Ford Explorer SUV, unit #131, VIN 1FMZU63E81ZA59702, 102,664 miles.	Same as above.
10	1	2003 Ford Ranger pickup truck, unit #121, VIN 1FTNX20L43MB16391, 84,184 miles.	Same as above.
11	1	2003 Ford Ranger pickup truck, unit #145, VIN 1FTRZ44V43PB00060, 112,808 miles.	Same as above.

Equipment Identified as Surplus

<u>Item</u>	<u>Qty</u>	<u>Description</u>	<u>Reason for Declaration</u>
12	1	1998 Honda Forman Quad ATV, ID 3099, VIN 478TE2018WA000018, 6958 miles.	No longer meets operational specifications or requirements. No longer required.
13	1	Engine 28 EOC/OPS Emergency Stand-by Gen Set, Serial # 2016484.	No longer cost effective to maintain and operate. No longer needed.
14	1	Canon Printer, Image Runner 6000 Model, Serial #NSN05242	Same as above.

Before 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. Typically, items declared surplus are disposed of 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

SUBJECT/PROJECT:	DECLARATION OF SURPLUS, VEHICLES AND EQUIPMENT
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee met on December 14, 2009 to review this item. The Committee supports presentation to the full Board for their consideration.

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 6



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 6, 2010
SUBMITTED BY:	Stephen Dobrawa, <i>[Signature]</i> Purchasing Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief):	Rom Sarno, Chief, Administrative Services <i>[Signature]</i>		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Finance and Administration <i>[Signature]</i>		
SUBJECT:	AMENDMENT OF THE DISTRICT'S PURCHASING MANUAL		

GENERAL MANAGER'S RECOMMENDATION:

That the Board amend the District's Purchasing Manual Section 7.2.6, Purchases Exempt from Competitive Pricing, and Section 7.2.8, Board Authorized Purchases Exceeding the General Manager's Authority, as identified in "Attachment B".

COMMITTEE ACTION:

See "Attachment A".

PURPOSE:

To request that the Board amend the District's Purchasing Manual as presented in "Attachment B".

ANALYSIS:

The Board of Directors establishes the operational guidelines and procedures with respect to purchasing the materials, equipment, and services necessary to conduct the District's business. These procedures are defined and published in the District's Purchasing Manual.

As a normal course of business, the manual is reviewed from time-to-time and changes to it are recommended that are intended to improve the operation of the District.

Temporary Labor

The District relies on the ability to fill temporary labor positions on an as-needed basis through direct employment or through temporary labor companies or other labor providers.

On June 7, 2006, the Code of Ordinances was amended to consolidate Policy 36, Appointment of Temporary and Contract Employees, into Policy 24, Recruitment, Selection, and Employment. The consolidation of the policies was to simplify the Board's policy related to recruitment and selection and to better reflect the District's recruitment, selection and employment process.

To make clear that the General Manager has authority to fill temporary vacant positions either directly or through temporary labor service companies and other labor providers, it is recommended that temporary labor services be added to the lists of purchases indentified within Section 7.2.6, Purchases Exempt from Competitive Pricing, and Section 7.2.8, Board Authorized Purchases Exceeding The General Manager's Authority.

Water Meters, Water Treatment Chemicals and Gasses, and Fuel

On October 7, 2009 the Board authorized the General Manager to purchase ¾"-2" water meters on an as-needed basis. The intent of this action was to allow the General Manager to purchase the water meters without regard to the limits contained in Section 2 of the Code of Ordinance. To support this intent, it is recommended that this authority be identified within the District's Purchasing Manual, Section 7.2.8, Board Authorized Purchases Exceeding The General Manager's Authority.

To maintain water quality and to meet regulatory requirements and operational demands, the District purchases various chemicals and gasses for treating potable and recycled water.

On December 2, 2009, the Board's Engineering and Operations Committee reviewed a request to award a blanket purchase order to cover the acquisition of sodium hypochlorite. During the meeting the committee recommended that the District consider adding the purchase of water treatment chemicals and gasses, to the list of purchases identified in section 7.2.8 and review

other similar purchases that may also be listed. After review, it is recommended that fuel, needed to run the District's vehicles and equipment, also be added to the list.

FISCAL IMPACT: _____

None.

STRATEGIC GOAL:

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

LEGAL IMPACT: _____

None.



General Manager

Attachment A - Committee Action

Attachment B - Strike-thru Copy, Sections 7.2.6 and 7.2.8

Attachment C - Proposed Copy, Section 7.2.6 and 7.2.8

ATTACHMENT A

SUBJECT/PROJECT:	AMENDMENT OF THE DISTRICT'S PURCHASING MANUAL
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee met on December 14, 2009 to review this item. The Committee supports presentation to the full Board for their consideration.

NOTE:

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

~~ATTACHMENT B~~
 (Sections 7.2.6 through 7.2.8 of the District's Purchasing Manual)

7.2.6 Purchases Exempt from Competitive Pricing:

a. The following contract/purchases are exempt from competitive pricing ~~(Ref: California Contracting Code 10335-10381):~~

~~1. Contracts:~~

1. With Federal, State or Local Agencies,
2. ~~T~~~~For~~ temporary labor ~~contracts for~~ services to fill time-limited employment needs,

~~4. For services that can only be performed by a public agency,~~

~~4.3.~~ _____ For the sole purpose of obtaining expert witness for litigation, and

~~5.4.~~ _____ That are for legal defense, legal advice, or legal services.

7.2.7 Emergency Purchases:

During times when the General Manager has declared an emergency, where the immediate acquisition of materials, goods, and services is required, the purchase of needed materials, goods, and services shall be made in accordance with California state statutes and per the District's Code of Ordinances.

7.2.8 Board Authorized Purchases Exceeding the General Manager's Authority:

a. The General Manager or his/her Designee is authorized to exceed his/her delegated purchasing authority and purchase the following goods and services without regard to ~~cost~~ limits on the amount of delegated authority under Section 2 of the Code of Ordinance:

1. Gas and electric utility for the operation of the District
2. Water
3. Temporary labor services
4. Chemicals and gasses for the treatment of potable and recycled water.
5. Fuel, gasoline and diesel

| 6. Water Meters

(Sections 7.2.6 through 7.2.8 of the District's Purchasing Manual)

7.2.6 Purchases Exempt from Competitive Pricing:

The following contract/purchases are exempt from competitive pricing:

1. With Federal, State or Local Agencies,
2. Temporary labor services to fill time-limited employment needs,
3. For the sole purpose of obtaining expert witness for litigation, and
4. That are for legal defense, legal advice, or legal services.

7.2.7 Emergency Purchases:

During times when the General Manager has declared an emergency, where the immediate acquisition of materials, goods, and services is required, the purchase of needed materials, goods, and services shall be made in accordance with California state statutes and per the District's Code of Ordinances.

7.2.8 Board Authorized Purchases Exceeding the General Manager's Authority:

- a. The General Manager or his/her Designee is authorized to exceed his/her delegated purchasing authority and purchase the following goods and services without regard to limits on the amount of delegated authority under Section 2 of the Code of Ordinance:
 1. Gas and electric utility for the operation of the District
 2. Water
 3. Temporary labor services
 4. Chemicals and gasses for the treatment of potable and recycled water.
 5. Fuel, gasoline and diesel
 6. Water Meters



AGENDA ITEM 7

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 6, 2010
SUBMITTED BY:	Stephen Dobrawa,  Purchasing Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Rom Sarno, Chief, Administrative Services 		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Finance and Administration 		
SUBJECT:	AUTHORIZE AGREEMENT WITH UTILITY COST MANAGEMENT, LLC (UCM) FOR SAN DIEGO GAS AND ELECTRIC (SDG&E) BILL REVIEW.		

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to enter into an agreement with UCM, presented in "Attachment B", for the review of SDG&E rates and rate application to past invoices for potential refunds and future savings.

COMMITTEE ACTION:

See "Attachment A".

PURPOSE:

To request that the Board authorize the General Manager to enter into an agreement with UCM to review the prior three (3) years of SDG&E invoices to evaluate for errors in rate application and bill accuracy that may result in a refund due to over payment, and to provide the basis for the accuracy of future billing.

ANALYSIS:

UCM is a firm that provides utility bill auditing services to businesses and institutions throughout California. The firm was established in 1991 and has developed a broad-based clientele that includes numerous California municipalities and special districts.

UCM will review current and past gas and electricity billing data to identify any past overcharges and make rate changes that will reduce charges going forward. If errors are found in the

billing and in the application of rates, UCM will recover any refunds and correct any rate changes. UCM will receive their fee only if the District receives a refund or realizes any actual and verifiable bill reductions.

UCM is endorsed by the California Special Districts Association (CSDA), which has negotiated a discounted fee for CSDA members. UCM's normal fee is 50% of refunds obtained, and 50% of ongoing savings for three years. Under the discounted CSDA-negotiated fee, UCM is providing its services to Otay Water District and other CSDA members at 42% of refunds obtained and 42% of ongoing savings for three years.

The District has checked references of special districts that have contracted with UCM under the CSDA-negotiated fee structure, and contacted Sweetwater Authority, Fallbrook Public Utility District, and San Lorenzo Valley Water District, and all were positive.

FISCAL IMPACT:



Approving the execution of the UCM agreement will have no negative fiscal impact and may result in a refund for bills paid to SDG&E.

STRATEGIC GOAL:

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

LEGAL IMPACT:

None



General Manager

Attachment A - Committee Action

Attachment B - Agreement to Provide Utility Bill Auditing Service.

ATTACHMENT A

SUBJECT/PROJECT:	AUTHORIZE AGREEMENT WITH UTILITY COST MANAGEMENT, LLC (UCM) FOR SAN DIEGO GAS AND ELECTRIC (SDG&E) BILL REVIEW
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee met on December 14, 2009 to review this item. The Committee supports presentation to the full Board for their consideration.

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.

**AGREEMENT TO PROVIDE
UTILITY BILL AUDITING SERVICE**

This agreement is made by and between Utility Cost Management LLC ("UCM") and the entity signing below ("Client") as follows:

1. **Applicable to Client's Utility Accounts.** This Agreement applies to all gas and electricity accounts (and any related utility user taxes, other taxes, assessments, surcharges or fees) with respect to which Client:
 - (a) is receiving utility service as of the Effective Date (as defined below),
 - (b) has received utility service within three years prior to the Effective Date,
 - (c) receives utility service within one year after the Effective Date, or
 - (d) has permitted or authorized UCM to obtain a copy of the utility bill.
 The gas and electric accounts described in this paragraph are hereinafter referred to as "Utility Accounts". The "Effective Date", as that term is used above, is the first day of the calendar month after both UCM and Client have signed this Agreement.
2. **Client to Provide Utility Bills.** On or promptly after Client's execution of this Agreement, Client will provide UCM with a copy of at least one month's utility bills for all of Client's Utility Accounts.
3. **UCM Authorized to Obtain Information on Utility Accounts.** UCM is hereby authorized to obtain and review information relating to the Utility Accounts.
4. **UCM's Findings Letter.** UCM will use its best efforts to identify the basis for any refunds, credits or Future Savings (as defined below) on Client's Utility Accounts. UCM will send a "Findings Letter" to Client that generally sets forth the basis for any refunds, credits or Future Savings identified by UCM. UCM may, from time to time, supplement or amend its Findings Letter, and such supplement or amendment will be deemed to have occurred on the date the original Findings Letter was sent to Client.
5. **Steps to Obtain Refunds or Savings.** UCM will obtain prior written authorization from Client before it pursues any refunds, credits or Future Savings identified in the Findings Letter. If so authorized, UCM will make a good faith effort to pursue such refunds, credits or Future Savings. Any efforts to pursue such refunds, credits and Future Savings shall be subject to applicable laws and this Agreement. UCM's efforts to pursue refunds, credits and Future Savings (if authorized by Client) may include, but are not limited to, communicating, negotiating and dealing with utility providers (or, in the case of utility user taxes or other governmental charges, the appropriate government entity), and seeking relief from the California Public Utilities Commission in a complaint proceeding or other proceeding.
6. **Cooperation By Client.** Client will cooperate with UCM, as reasonable, in UCM's efforts to carry out the purposes and intent of this Agreement. Such cooperation will include, but not be limited to, providing information upon request by UCM concerning Client's utility expenditures, utility service and operations.
7. **UCM's Compensation.**

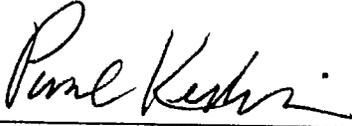
UCM's compensation will consist of the amounts set forth in both (a) and (b) below.

- (a) **Refunds or Credits.** If Client receives a refund or credit that was identified in the Findings Letter, then Client will pay to UCM 42% of the amount refunded or credited. Client will not be obligated to pay UCM fees for refunds or credits that are part of utility provider's routine issuance of rebates or refunds associated with its over-collection of revenues from the general customer population.. The amount of the refund or credit for this purpose will include all amounts refunded or credited (including any portion attributable to interest) for any overcharges that were incurred by Client prior to the date that the overcharges no longer appeared on the Client's utility bill. Payment of UCM's 42% compensation is due within 60 days of Client's receipt of a UCM invoice.
- (b) **Future Savings.** If Client obtains Future Savings that were identified in the Findings Letter then Client will pay UCM 42% of such Future Savings that accrue during a Three-Year Savings Period. "Future Savings" is the amount by which Client's charges on its Utility Accounts are reduced as a result of a change in the billing rate, calculation, method or procedure. Future Savings will be calculated as the difference between the amount Client was billed on

its Utility Accounts during the Three-Year Savings Period, and the amount that it would have been billed on its Utility Accounts during the Three-Year Savings Period if there had been no change in its billing rate, calculation, method or procedure. The Three-Year Savings Period begins on the date that the change in the billing rate, calculation, method or procedure is first reflected on Client's utility bill (but in no case more than 18 months after the Findings Letter was sent), and ends three years thereafter. UCM will submit invoices periodically to Client for payment based on the Future Savings as they accrue. The invoices will verify (a) that Future Savings have actually been realized by Client, and (b) the amount of such Future Savings. Payment of UCM's invoices is due within 60 days of the date the invoices are received by Client. The compensation under this subparagraph will not include compensation for Future Savings that are: (a) the result of a reduction in the amount of utility usage by Client, or (b) the result of Client's utilization of a different utility supplier that provides lower cost utility service.

- (c) **No Compensation for Pending Claim.** Client is not obligated to pay UCM pursuant to this paragraph for any refund, credit or Future Savings received by Client for which Client had submitted to the utility provider a written claim prior to the date of UCM's Findings Letter. However, Client is obligated to pay UCM pursuant to this paragraph for refunds, credits, or Future Savings resulting from UCM's actions, either in whole or in part, and whether or not Client knew of the basis for the refund, credit or Future Savings prior to the date of UCM's Findings Letter.
8. **Termination; Effect.** This Agreement will terminate 7 days after either party faxes a written notice of termination to the other party. Upon termination, UCM will cease all work on behalf of Client. However, if termination occurs after UCM has sent its Findings Letter to Client, then Client will remain obligated to pay UCM, pursuant to this Agreement, for any refunds, credits or Future Savings that were identified in the Findings Letter and that are thereafter obtained by Client. UCM may continue to obtain and review Client's utility billing and other information following termination in order to periodically verify whether Client has obtained a refund, credit or Future Savings that was identified in the Findings Letter.
9. **If Client Is Not Utility Customer.** By providing a copy of any utility bill to UCM, Client is thereby agreeing that the Utility Account represented by such bill will be governed by this Agreement, regardless of whether or not Client is the Utility Customer with respect to such Utility Account. For purposes of this Agreement, the Utility Customer is the entity that (i) is named on the Utility Account as reflected by the utility bill, (ii) receives the utility service on the Utility Account, (iii) pays for or is liable for the charges on the Utility Account, or (iv) is the owner of the property at which the utility service is provided on the Utility Account. If Client is not the Utility Customer for a Utility Account then, with respect to that Utility Account, Client represents that it is signing this Agreement in its capacity as agent for the Utility Customer, and as such is authorized to legally bind the Utility Customer to the terms of this Agreement. Client further agrees that the terms of this Agreement will be equally binding on both Client and Customer, that all references in this Agreement to "Client" will also be deemed to be references to the Utility Customer, and that Client and the Utility Customer will be jointly and severally liable for payment of UCM's compensation under this Agreement.
10. **No Legal Services.** Client acknowledges and understands that: (1) Only an attorney can provide legal services or advice, (2) UCM is not an attorney or law firm, and does not and will not provide legal services or advice, (3) UCM does not and will not act as an attorney for Client or any other person, (4) Nothing in this Agreement, and no act, omission or statement by UCM, or its owners or employees, will be construed to create an attorney-client relationship between UCM and Client or any other person, (5) UCM is not subject to the California Rules of Professional Conduct, which govern the conduct of attorneys, and (6) Client should consult an attorney if it wishes to receive legal services or advice.
11. **Disclosure of Information.** UCM may obtain information that pertains to Client's business, operations, or affairs, only if such information is related to, or necessary to clarify, Client's gas and electric utility charges and gas and electric utility usage. Unless specifically required to do so pursuant to a court order, or unless needed to pursue a refund or credit specifically authorized by Client, UCM shall not disclose or share any Client information with any third party without the Client's express prior written consent.
12. **Release of Claims Against UCM.** Client acknowledges and agrees that UCM has made no express or implied representation or warranty that it will be successful in obtaining any refunds, credits, or Future Savings on Client's Utility Accounts. Client hereby waives, releases and forfeits any current or future claim against UCM that is based upon or relates to any failure by UCM to identify or obtain refunds, credits, or Future Savings to which Client may be entitled, or that is based upon or relates to any services or advice provided by UCM.

13. **Representations Made By Client.** It may become necessary for Client to make certain representations to the utility provider or other entity in order obtain refunds, credits or Future Savings identified by UCM in its Findings Letter. Client hereby warrants that any such representations made by Client will be true and correct in all respects. Client understands and agrees that it is Client's responsibility, and not UCM's, to ensure that any such representations made by Client are true and correct in all respects.
14. **Late Payment.** If payment of any invoice is not made within 60 days of the date the invoice was accepted by Client, then interest will thereafter accrue at 1% per month on the outstanding balance due. An invoice is deemed accepted if the Client does not dispute any of the charges invoiced within (15) days from the date the District receives the invoice.
15. **Applicable Law.** This Agreement is executed in and intended to be performed in the State of California, and the laws of that state will govern its interpretation and effect.
16. **Venue.** Venue in any legal action arising from or related to this agreement will be San Diego County, California.
17. **Paragraph References.** A reference to a "paragraph" of this Agreement includes both the numbered paragraph, as well the subparagraphs, if any, that are part of such paragraph. Subparagraphs are designated by lower case letters (e.g., "(a)", "(b)", "(c)").
18. **Severability.** If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the rest of the agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
19. **Interpretation.** In construing this Agreement, no consideration shall be given to the fact or presumption that any party had a greater or lesser hand in drafting of this Agreement.
20. **Entire Agreement.** This instrument contains the entire Agreement of the parties relating to the rights granted and obligations assumed in this instrument. Any oral representations or modifications concerning this instrument shall be of no force or effect unless contained in a subsequent written modification signed by the party to be charged.
21. **Signor Authorized to Bind Client.** The individual signing this agreement on behalf of Client hereby represents and warrants that he/she is authorized to sign on behalf of the Client and to legally bind Client to the terms of this Agreement.

UTILITY COST MANAGEMENT LLC	
By:	
	_____ Signature
	PAUL KERKORIAN _____ Print Name
	MANAGING MEMBER _____ Title
	NOV. 2, 2009 _____ Date

CLIENT	
By:	_____ Signature
	_____ Print Name
	_____ Title
	_____ Date



AGENDA ITEM 8

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 6, 2010
SUBMITTED BY:	William E. Granger, <i>WG</i> Water Conservation Manager	W.O./G.F. NO:	N/A DIV. NO. All
APPROVED BY: (Chief)	Rom Sarno, Chief of Administrative Services <i>[Signature]</i>		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Finance & Administration <i>[Signature]</i>		
SUBJECT:	Adopt Ordinance 521, Amending Sections 9 and 27 of the District's Code of Ordinances		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Ordinance 521 to include water conservation requirements within Sections 9 and 27 of the District's Code of Ordinances.

COMMITTEE ACTION: _____

Please see "Attachment A".

PURPOSE:

To adopt Ordinance 521, which updates the District's current ordinance, as outlined in the red-lined versions of Section 9 and 27 of the District's Code of Ordinances.

ANALYSIS:

Section 9 of the District's Code of Ordinances currently lists requirements for annexations and Section 27 of the Code lists requirements and limitations for obtaining water service. As a condition of future annexations, the San Diego County Water Authority (Water Authority) and the Metropolitan Water District of Southern California (Metropolitan) require that the District include language within its Code of Ordinances that addresses water efficiency requirements for new developments and provide Metropolitan an annual report for six years following the approved annexation. For that reason, both Section 9 and 27 of the District's Code of Ordinances are being revised.

Several of the new requirements will become state law within five years, however, this new Code change will further increase

water efficiency in new developments. For example, by 2014, the state of California is requiring that only high efficiency toilets be sold. High Efficiency Clothes Washers are also expected to be the only type of clothes washer sold in the next few years. The Federal Department of Energy is currently working on an implementation schedule now that the 9th Circuit Court of Appeals has allowed California to have a stricter standard than the federal government for clothes washers sold in the state. In addition, the draft water efficient landscape requirements are similar to the Landscape Water Conservation Ordinance adopted by the City of Chula Vista and County of San Diego. Lastly, smart irrigation controllers are expected to be the state standard in 2012 because of the passage of AB 1881.

Draft Section 27 also includes a requirement that two irrigation schedules be posted: an establishment and post establishment schedule. This requirement will help better educate new homeowners. In the past, new homeowners would move into a home and would often fail to adjust their watering schedules after the initial establishment period. Many of these new homeowners were also unsure where their irrigation controller was located. Several other agencies with high rates of new growth such as Southern Nevada Water Agency have a similar requirement.

Combined, these new requirements will closely parallel the target water savings of 20% aspired for in the EPA Water Sense New Home Specifications and help the District achieve a 20% reduction in its baseline per capita potable water use by 2020 as required by the Governor's signing of SBX7 7 in November of 2009.

FISCAL IMPACT:



None at this time.

STRATEGIC GOAL:

Relates directly to objective 1.2.1.1 "Promote and encourage adoption of conservation practices for new construction within District service territory."

LEGAL IMPACT:

None at this time.

Mark Watton

General Manager

Attachment A - Committee Action Report

Attachment B - Ordinance 521

Attachment C - Clean copy of proposed Sections 9 & 27

ATTACHMENT A

SUBJECT/PROJECT:	Adopt Ordinance 521, Amending Sections 9 and 27 of the District's Code of Ordinances
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COMMITTEE ACTION:

This item was presented to the Finance, Administration and Communications Committee meeting on December 14, 2009 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.

ORDINANCE NO. 521

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
OTAY WATER DISTRICT AMENDING THE CODE OF
ORDINANCES SECTION 9, ANNEXATIONS AND DETACHMENTS
AND SECTION 27, REQUIREMENTS AND LIMITATIONS FOR
OBTAINING WATER SERVICE

BE IT ORDAINED by the Board of Directors of Otay Water
District that Section 9 and Section 27 shall be amended as
follows (strike-thru copies attached):

CHAPTER 6 MISCELLANEOUS ADMINISTRATION PROCEDURES

SECTION 9 ANNEXATIONS AND DETACHMENTS

9.01 REQUIREMENT OF ANNEXATION FOR SERVICE

Except as provided elsewhere in this Code, whenever utility service is requested for land outside the boundaries of an improvement district, the land to be serviced must first be annexed to an improvement district(s). If the land is located outside the boundaries of the District, the land must also be annexed to the District.

9.02 ANNEXATIONS TO OR DETACHMENTS FROM IMPROVEMENT DISTRICTS

An owner or owners of land within the District desiring to annex to or detach land from an improvement district within the District must file a petition for such proceeding with the District. Annexation proceedings shall be conducted pursuant to Chapter I (commencing with Section 72670) of Part 11, Division 20 of the California Water Code. Detachment or exclusion proceedings shall be conducted pursuant to Part 8.5 (commencing with Section 72080) of Division 20 of the California Water Code.

9.03 ANNEXATIONS TO OR DETACHMENTS FROM THE DISTRICT THROUGH LAFCO

An owner or owners desiring to annex land to or to detach land from the District may either (i) file a petition directly with the Local Agency Formation Commission (LAFCO) for the annexation or detachment or (ii) request the District to file the petition with LAFCO for such annexation or detachment. Any such proceeding for annexation or detachment, which is deemed a change of organization or reorganization pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, shall be initiated, conducted and completed pursuant to Title 6, Division 1 (commencing with Section 56000) of the California Government Code.

If the land proposed to be annexed is outside the boundaries of the territory served by the Metropolitan Water District of Southern California and the territory served by the San Diego County Water Authority, and no local sources of water are available to serve such land, the District will require that the land be annexed to those entities as well.

9.04 FEES AND CHARGES FOR ANNEXATIONS OR DETACHMENTS

A petitioner requesting an annexation to or detachment from the District or an improvement district within the District shall pay the following applicable fees and charges:

SECTION 27 REQUIREMENTS AND LIMITATIONS FOR OBTAINING WATER SERVICE

27.01 REQUIREMENT FOR WATER/SEWER PERMIT AND PAYMENT OF FEES, CHARGES, AND DEPOSITS

A. Requirement for Water/Sewer Permits. Water meters shall not be installed nor water service furnished until an application, in the form of a water/sewer permit, has been executed by the customer at the District office.

B. Requirement for Payment of Fees, Charges and Deposits. Payment of all required fees, charges and deposits shall be made by the customer at the time the water meter is purchased. A customer requesting water service shall pay the fees, charges, and deposits as set forth in Section 28 of this Code.

C. Requirement for a Building Permit. A customer requesting permanent water service shall be required to present a valid building permit for the property issued by the appropriate governmental agency, except that a building permit is not required by a customer requesting permanent water service to: 1) install and maintain landscaping prior to the construction of a building; 2) perform mass grading operations; or 3) to satisfy conditions imposed by other government agencies, including a single meter for grading for four lots or less which are part of the same parcel map. Government agencies shall be exempt from the requirement of presenting a valid building permit.

D. Requirement for a Service Lateral. The customer requesting water service shall either have an existing service lateral or purchase a new lateral installation at the time of the meter purchase.

E. Commercial Parcels - 5,000 square feet or Larger Irrigated Landscape. When a customer requests water service on a parcel of land with irrigated landscape equal to 5,000 square feet or more, a separate meter will be required for irrigation purposes on the site.

F. Reclaimed Water Service Areas. In areas designated as reclaimed water service areas, the customer shall be required to install a separate reclaimed water service lateral and meter to supply irrigation to the parcel.

G. Second Meter For Indoor Use. Any customer who obtained a single meter prior to October 17, 1990, a second meter for indoor use may be obtained, without paying water capacity fees, San Diego County Water Authority fees and applicable zone charges on the second meter, if the following criteria are met:

1. The additional meter is solely for the purpose of isolating current domestic (indoor) water use from that used for outdoor landscaping. The additional meter shall be on a separate lateral.

2. All costs of on-site plumbing changes, including approved back-flow prevention devices, will be the responsibility of the customer.

3. The customer acknowledges that adding a second meter will result in a second water bill and associated monthly system fee.

4. The customer will be required to pay all fees and charges prior to meter installation.

27.02 SIZE OF WATER METER

A water meter shall be sized to ensure that the maximum demand (in gallons per minute) will not exceed 80% of the manufacturer's recommended maximum flow rate, as shown in Section 27.03. In no case shall the water meter size be less than $\frac{3}{4}$ -inch. The size of the water meter and service lateral required for water service shall be determined by the General Manager as follows:

A. Detached Single-Family Residential Dwelling Unit. The customer may submit calculated maximum demand (in gallons per minute), provided that maximum demand must be more than twenty four (24) gallons per minute.

B. Apartments, Condominiums, Mobile Home Parks and other Multiple Family Residential Dwelling Units with Individual Meters. The calculated maximum demand shall be per Section 27.02A.

C. Business, Commercial, Industrial, Apartments, Condominiums, Mobile Home Parks and other Multiple-Family Residential Dwelling Units. The customer shall submit building plans signed by a licensed building architect. The plans shall list the number of fixture units, the parcel size (in acres),

and the calculated maximum demand (in gallons per minute) to be placed on each water meter.

D. Irrigation. The customer shall submit irrigation plans signed by a licensed landscape architect. The plans shall indicate the calculated maximum demand (in gallons per minute) to be placed on each water meter and the total area to be irrigated (in square feet). The plans must also be in compliance with the requirements of Section 27.05.

E. Other. In the case of other types of service not included above, the customer shall submit information as requested by the General Manager. Any customer may request and purchase a separate meter to isolate landscaping from indoor use.

F. Requirement for Multiple Meters. The General Manager may require multiple meters when it is in the best interest of the District.

27.03 MANUFACTURERS RECOMMENDED MAXIMUM FLOW RATE FOR DISTRICT METERS

Customers are cautioned to control the rates of flow of water through District meters. Operation of a meter at flows in excess of the manufacturer's recommendations will cause severe damage to operating parts. Rated capacities for meters used in this District are as follows:

ORDINARY METERS

<u>Meter Size In Inches</u>	<u>Manufacturer's Recommended Maximum Rate in U. S. Gallons per Minute</u>
3/4	30
1	50
1-1/2	100
2	160
3	530
4	1350
6	2700
8	3500
10	6500

COMPOUND METERS

(Multi-family, Apartments etc.)

2	285
3	480
4	750
6	1700

27.04 USE OF SUBMETERS FOR RESALE OR DISTRIBUTION OF WATER

Owners or operators of mobile home parks, apartments, condominium complexes, industrial complexes and land used for agricultural purposes may resell water furnished by the District through the use of a submetering system under the following conditions: (1) owners and operators shall comply with State law (California Code of Regulations Section 4090) prohibiting any surcharge on the water rate; (2) the water system on the private property side of the master meter, including the submeters, shall be solely the responsibility of the owner or operator; and (3) the owner or operator shall clearly delineate on the bill that any cost associated with the submeters is a cost imposed by the property owner or operator and not by Otay Water District.

27.05 CONSERVATION AND LOCAL SUPPLY USE REQUIREMENTS

The requirements below apply to all new residential and commercial developments or redevelopments. The landscape requirements also apply to any re-landscaping that is subject to review by the District, the County of San Diego, City of Chula Vista or the City of San Diego.

1. Indoor Fixtures and Appliances. All water fixtures and appliances installed, including the ones in the following list, must be high-efficiency:

- Toilets and urinals
- Faucets
- Showerheads
- Clothes Washers
- Dishwashers

"High-efficiency" means fixtures and appliances that comply with the most efficient specifications under the EPA WaterSense® or Energy Star programs,¹ as in effect at the time installation commences.

2. Landscape requirements. Only "Smart" irrigation controllers² may be installed and only low-water use plants may be used in non recreational landscapes. All landscapes must also be designed and managed consistent with requirements of the local agency within which the property is located, be it the

¹ Certified EPA WaterSense products, and Energy Star products, are at least 20% more efficient than the applicable federal standards.

² Smart Irrigation Controller means a controller that uses real time, soil moisture or weather data to automatically adjust irrigation run-times. Furthermore, to qualify as a Smart Irrigation Controller, the device must be certified by the Irrigation Association and/or the EPA WaterSense program.

County of San Diego, the City of Chula Vista or the City of San Diego.

a. Installed smart irrigation controllers shall be properly programmed/scheduled according to the manufacturer's instructions and/or site specific conditions based on soil type, plant type, irrigation type, weather and/or reference evapotranspiration data.

b. Two irrigation schedules shall be prepared, one for the initial establishment period of three months or until summer hardened, and one for the established landscape, which incorporates the specific water needs of the plants and turf throughout the calendar year. The schedules shall be continuously available on site to those responsible for the landscape maintenance and posted at the smart controller.

c. Any Covenants, Conditions, and Restrictions (CC&Rs) pertaining to a new subdivision/development shall not limit or prohibit the use and maintenance of low water use plant materials and the use of artificial turf, and shall require property owners to design and maintain their landscapes consistent with the applicable City and County's regulations.

d. Dedicated irrigation meters shall be installed in:

- All parks and common areas with 5,000 square feet or more of irrigated landscape
- Commercial sites with 5,000 square feet or more of irrigated landscape

e. In compliance with Section 23.03 of this Code of Ordinance, pressure regulators must be installed when and where appropriate to maximize the life expectancy and efficiency of the irrigation system.

5. New commercial developments must install separate, dual-distribution systems for potable and recycled water.

6. The requirements of this Section shall not be interpreted in any way to limit the owner's obligation to comply with any other applicable federal, state, or local laws or regulations.

PASSED, APPROVED AND ADOPTED by the Board of Directors of
the Otay Water District at a regular meeting duly held this 6th
day of January, 2010, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

President

ATTEST:

District Secretary

CHAPTER 6 MISCELLANEOUS ADMINISTRATION PROCEDURES

SECTION 9 ANNEXATIONS AND DETACHMENTS

9.01 REQUIREMENT OF ANNEXATION FOR SERVICE

Except as provided elsewhere in this Code, whenever utility service is requested for land outside the boundaries of an improvement district, the land to be serviced must first be annexed to an improvement district(s). If the land is located outside the boundaries of the District, the land must also be annexed to the District.

9.02 ANNEXATIONS TO OR DETACHMENTS FROM IMPROVEMENT DISTRICTS

An owner or owners of land within the District desiring to annex to or detach land from an improvement district within the District must file a petition for such proceeding with the District. Annexation proceedings shall be ~~conducted~~ ~~conducted~~ pursuant to Chapter I (commencing with Section 72670) of Part 11, Division 20 of the California Water Code. Detachment or exclusion proceedings shall be conducted pursuant ~~pursuant~~ to Part 8.5 (commencing with Section 72080) of ~~Division~~ ~~Division~~ 20 of the California Water Code.

9.03 ANNEXATIONS TO OR DETACHMENTS FROM THE DISTRICT THROUGH LAFCO

An owner or owners desiring to annex land to or to detach land from the District may either (i) file a petition directly with the Local Agency Formation Commission (LAFCO) for the annexation or detachment or (ii) request the District to file the petition with LAFCO for such annexation or detachment. Any such proceeding for annexation or detachment, which is deemed a change of organization or reorganization pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, shall be initiated, conducted and completed pursuant to Title 6, Division 1 (commencing with Section 56000) of the California Government Code.

If the land proposed to be annexed is outside the boundaries of the territory served by the Metropolitan Water District of Southern California and the territory served by the San Diego County Water Authority, and no local sources of water are available to serve such land, the District will require that the land be annexed to those entities as well.

9.04 FEEES AND CHARGES FOR ANNEXATIONS OR DETACHMENTS

A petitioner requesting an annexation to or detachment from the District or an improvement district within the District~~District~~ shall pay the following applicable fees and charges:

- A. Administrative Processing Fees
1. District Processing Fee. A District processing fee of \$500 shall be paid to the District for each annexation or detachment proceeding, regardless of the number of parcels involved, provided all parcels are included in one proceeding. The \$500 fee shall constitute the "base rate" on March 3, 1997. The base rate shall be adjusted annually for fluctuations in the Consumer Price Index (Urban Wage Earners and Clerical Workers - Los Angeles) and subsequent cost-of-living adjustment (COLA).
 3. Additional Processing Fees or Charges. The petitioner shall pay all processing fees and charges due LAFCO, the State Board of Equalization and any other applicable government agency.
 4. Concurrent Annexations to or Detachments from the District and an Existing Improvement District. No additional processing costs or fees will be charged to a petitioner for an annexation to or detachment from an existing improvement district when the proceeding is part of an annexation to or detachment from the District.
 5. Payment of Fees and Charges. The District Processing Fees and charges shall be paid to the District at the time the petition for such proceeding is filed. Where a petition is filed with LAFCO, the District shall notify LAFCO that payment of all required fees and charges to the ~~District~~ District shall be a condition for District approval of the annexation or detachment.
- B. Annexation Fees for Annexations to Water Improvement Districts. The ~~annexation~~ annexation fee of \$1,411 shall constitute the "base rate" on March 13, 2006 (effective July 1, 2006). The base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the Engineering News Record Construction Cost Index for the Los Angeles Region. The ENR Construction Cost Index of 8552.3 (as of March 13, 2006) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from March 13, 2006 to the date of payment.
1. No water annexation fee shall be required for existing and future agricultural water service

furnished by the District under the COMMERCIAL AGRICULTURAL category of Section 25 of the Code.

2. Non-permanent irrigation water service furnished by the District under Section 30 of the Code shall be available without payment of a water annexation fee.
3. Open Space to be Annexed. Open space lands shall not be excluded from annexations of land to a water improvement district.
4. Water Meter Type Exclusions. Annexation fees shall be collected on all water meters sold except for temporary water meters, water tank truck meters, nonpermanent irrigation water meters and outside user meters, all as defined elsewhere in this Code.
5. Effective Date. Annexation fees shall be collected on all lands annexing to a water improvement district on or after March 5, 1997.
6. Basis for Determination. For annexations of land to a water improvement district within the District, the petitioner shall pay an annexation fee. The fee shall be paid at the time of water meter purchase.

For permanent water meters, except for commercial agricultural meters, the annexation fee shall be determined on the basis of the demand to be placed on the District-wide water system. The fee will be determined on the basis of the size of the water meter required, as set forth in Section 27 of the Code. The fee shall be determined by multiplying the demand factor for the meter size, as set forth in Section 28 of the Code, by the annexation fee of \$1,411 per EDU.

- C. Annexation Fees for Annexations to Sewer Improvement Districts
 1. Improvement District Annexation. All annexation for sewer service shall be into Improvement District No. 18 on or after December 16, 1998.
 2. Open Space to be Annexed. Open space lands shall not be excluded from annexations of land to a sewer improvement district.
 3. Effective Date. Annexation fees shall be collected on all lands annexing to a sewer

improvement district on or after December 16, 1998.

4. Basis for Determination. For annexations of land to a sewer improvement district within the District, the petitioner shall pay an annexation fee. The fee shall be determined on the basis of the demand to be placed on the District sewer system. The fee shall be paid at the time of sewer service connection request or General Manager's approval of plans, whichever occurs earlier. The extent of the demand will be determined on the basis of each equivalent dwelling unit (EDU) of service which is to be connected to the District sewer system. The number of EDUs prescribed in Section 53 of the Code shall be the basis for computation of the amount of the annexation fee. The fee will be determined by multiplying the number of EDUs by the annexation fee of \$3,819 per EDU.

The annexation fee of \$3,819 shall constitute the "base rate" on December 16, 1998. The base rate shall be adjusted quarterly for fluctuations in construction costs as measured by the Engineering News Record Construction Cost Index for the Los Angeles Region. The ENR Construction Cost Index of 6,859.45 (as of November 9, 1998) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from November 9, 1998 to the date of payment.

D. Detachment Fees

For each detachment of land from an improvement district, the petitioner shall pay such fees as the General Manager determines are appropriate for the detachment. Determinations shall be made by the General Manager on a case-by-case basis.

9.05 TAXATION OF PROPERTY AFTER ANNEXATION TO IMPROVEMENT DISTRICT

Where property is annexed by a petitioner, other than a tax-exempt agency, the property in the annexed area shall be subject to taxation after the annexation thereof for the purposes of the improvement district, including the payment of principal and interest on bonds and other ~~obligations~~ obligations of the improvement district authorized and outstanding at the time of the annexation. The Board of Directors shall provide as a condition of the

annexation that the annexed area shall be subject to taxation as if the property had always been a part of the improvement district.

9.06 OTHER CONDITIONS OF ANNEXATION

By annexing to the District the owners and representatives of the annexing land agree, on behalf of themselves and all future owners and occupants of the annexed lands, to comply with all laws, statutes, policies, plans, conditions and requirements applicable to the services provided by the District to such lands, including without limitation any conservation or local supply use requirements.

| SECTION 27

REQUIREMENTS AND LIMITATIONS FOR
OBTAINING WATER SERVICE

| 27.01

REQUIREMENT FOR WATER/SEWER PERMIT AND
PAYMENT OF FEES, CHARGES, AND DEPOSITS

A. Requirement for Water/Sewer Permits. Water meters shall not be installed nor water service furnished until an application, in the form of a water/sewer permit, has been executed by the customer at the District office.

B. Requirement for Payment of Fees, Charges and Deposits. Payment of all required fees, charges and deposits shall be made by the customer at the time the water meter is purchased. A customer requesting water service shall pay the fees, charges, and deposits as set forth in Section 28 of this Code.

C. Requirement for a Building Permit. A customer requesting permanent water service shall be required to present a valid building permit for the property issued by the appropriate governmental agency, except that a building permit is not required by a customer requesting permanent water service to: 1) install and maintain landscaping prior to the construction of a building; 2) perform mass grading operations; or 3) to satisfy conditions imposed by other government agencies, including a single meter for grading for four lots or less which are part of the same parcel map. Government agencies shall be exempt from the requirement of presenting a valid building permit.

D. Requirement for a Service Lateral. The customer requesting water service shall either have an existing service lateral or purchase a new lateral installation at the time of the meter purchase.

E. Commercial Parcels - 5,000 square feet or Larger Irrigated Landscape. When a customer requests water service on a parcel of land with irrigated landscape equal to 5,000 square feet or more, a separate meter will be required for irrigation purposes on the site.

F. Reclaimed Water Service Areas. In areas designated as reclaimed water service areas, the customer shall be required to install a separate reclaimed water service lateral and meter to supply irrigation to the parcel.

G. Second Meter For Indoor Use. Any customer who obtained a single meter prior to October 17, 1990, a second meter for indoor use may be obtained, without paying water capacity fees, San Diego County Water Authority fees and applicable zone charges on the second meter, if the following criteria are met:

1. The additional meter is solely for the purpose of isolating current domestic (indoor) water use from that used for outdoor landscaping. The additional meter shall be on a separate lateral.

2. All costs of on-site plumbing changes, including approved back-flow prevention devices, will be the responsibility of the customer.

3. The customer acknowledges that adding a second meter will result in a second water bill and associated monthly system fee.

~~The resulting landscape dedicated meter will be subject to monthly water allotments under the District's Water Efficient Landscape Irrigation Program pursuant to Section 25 of the Code.~~

4. The customer will be required to pay all fees and charges prior to meter installation.~~The customer acknowledges that adding a second meter will result in a second water bill and associated monthly system fee.~~

~~5. The customer will be required to pay all fees and charges prior to meter installation.~~

27.02

SIZE OF WATER METER

A water meter shall be sized to ~~insure~~ ensure that the maximum demand (in gallons per minute) will ~~be no more than~~ not exceed 80% of the manufacturer's recommended maximum flow rate, as shown in Section 27.03. In no case shall the water meter size be less than $\frac{3}{4}$ -inch. The size of the water meter and service lateral required for water service shall be determined by the General Manager as follows:

A. Detached Single-Family Residential Dwelling Unit. The customer may submit calculated maximum demand (in gallons per minute), provided that maximum demand must be more than twenty four (24) gallons per minute.

B. Apartments, Condominiums, Mobile Home Parks and other Multiple Family Residential Dwelling Units with Individual Meters. The calculated maximum demand shall be per Section 27.02A.

C. Business, Commercial, Industrial, Apartments, Condominiums, Mobile Home Parks and other Multiple-Family Residential Dwelling Units. The customer shall submit building plans signed by a licensed building architect. The plans shall list the number of fixture units, the parcel size (in acres), and the calculated maximum demand (in gallons per minute) to be placed on each water meter.

D. Irrigation. The customer shall submit irrigation plans signed by a licensed landscape architect. The plans shall indicate the calculated maximum demand (in gallons per minute) to be placed on each water meter and the total area to be irrigated (in square feet). The plans must also be in compliance with the requirements of Section 27.05.

E. Other. In the case of other types of service not included above, the customer shall submit information as requested by the General Manager. Any customer may request and purchase a separate meter to isolate landscaping from indoor use.

F. Requirement for Multiple Meters. The General Manager may require multiple meters when it is in the best interest of the District.

27.03 MANUFACTURERS RECOMMENDED MAXIMUM FLOW RATE FOR DISTRICT METERS

Customers are cautioned to control the rates of flow of water through District meters. Operation of a meter at flows in excess of the manufacturer's recommendations will cause severe damage to operating parts. Rated capacities for meters used in this District are as follows:

ORDINARY METERS

<u>Meter Size Recommended</u> <u>In Inches</u>	<u>Manufacturer's</u> <u>Maximum Rate in U. S. Gallons</u> <u>per Minute</u>
3/4	30
1	50
1-1/2	100
2	160
3	530
4	1350
6	2700
8	3500
10	6500

COMPOUND METERS

(Multi-family, ~~Appartments~~ Appartments etc.)

2	285
3	480
4	750
6	1700

Owners or operators of mobile home parks, apartments, condominium complexes, industrial complexes and land used for agricultural purposes may resell water furnished by the District through the use of a submetering system under the following conditions: (1) owners and operators shall comply with State law (California Code of Regulations Section 4090) prohibiting any surcharge on the water rate; (2) the water system on the private property side of the master meter, including the submeters, shall be solely the responsibility of the owner or operator; and (3) the owner or operator shall clearly delineate on the bill that any cost associated with the submeters is a cost imposed by the property owner or operator and not by Otay Water District.

The requirements below apply to all new residential and commercial developments or redevelopments. The landscape requirements also apply to any re-landscaping that is subject to review by the District, the County of San Diego, City of Chula Vista or the City of San Diego.

1. Indoor Fixtures and Appliances. All water operated fixtures and appliances installed, including the ones in the following list, must be high-efficiency:

- Toilets and urinals
- Faucets
- Showerheads
- Clothes Washers
- Dishwashers

"High-efficiency" means fixtures and appliances that comply with the most efficient specifications under the EPA WaterSense® or Energy Star programs,¹ as in effect at the time installation commences.

2. Landscape requirements. Only "Smart" irrigation controllers² may be installed and only low-water use plants may be used ~~for~~ in non recreational landscapes. All landscapes must also be designed and managed consistent with requirements of the local agency within which the

¹ Certified EPA WaterSense products, and Energy Star products, are at least 20% more efficient than the applicable federal standards.

² Smart Irrigation Controller means a controller that uses real time, soil moisture or weather data to automatically adjust irrigation run-times. Furthermore, to qualify as a Smart Irrigation Controller, the device must be certified by the Irrigation Association and/or the EPA WaterSense program.

property is located, be it the County of San Diego, the City of Chula Vista or the City of San Diego.

a. Installed smart irrigation controllers shall be properly programmed/scheduled according to the manufacturer's instructions and/or site specific conditions based on soil type, plant type, irrigation type, weather and/or reference evapotranspiration data.

b. Two irrigation schedules shall be prepared, one for the initial establishment period of three months or until summer hardened, and one for the established landscape, which incorporates the specific water needs of the plants and turf throughout the calendar year. The schedules shall be continuously available on site to those responsible for the landscape maintenance and posted at the smart controller.

c. Any Covenants, Conditions, and Restrictions (CC&Rs) pertaining to a new subdivision/development shall not limit or prohibit the use and maintenance of low water use plant materials and the use of artificial turf, and shall require property owners to design and maintain their landscapes consistent with the applicable City and County's regulations.

d. Dedicated irrigation meters shall be installed in:

- All parks and common areas with 5,000 square feet or more of irrigated landscape
- Commercial sites with 5,000 square feet or more of irrigated landscape

e. In compliance with Section 23.03 of this Code of Ordinance, pressure regulators must be installed when and where appropriate to maximize the life expectancy and efficiency of the irrigation system.

5. New commercial developments must install separate, dual-distribution systems for potable and recycled water.

6. The requirements of this Section shall not be interpreted in any way to limit the owner's obligation to comply with any other applicable federal, state, or local laws or regulations.

CHAPTER 6 MISCELLANEOUS ADMINISTRATION PROCEDURES

SECTION 9 ANNEXATIONS AND DETACHMENTS9.01 REQUIREMENT OF ANNEXATION FOR SERVICE

Except as provided elsewhere in this Code, whenever utility service is requested for land outside the boundaries of an improvement district, the land to be serviced must first be annexed to an improvement district(s). If the land is located outside the boundaries of the District, the land must also be annexed to the District.

9.02 ANNEXATIONS TO OR DETACHMENTS FROM IMPROVEMENT DISTRICTS

An owner or owners of land within the District desiring to annex to or detach land from an improvement district within the District must file a petition for such proceeding with the District. Annexation proceedings shall be conducted pursuant to Chapter I (commencing with Section 72670) of Part 11, Division 20 of the California Water Code. Detachment or exclusion proceedings shall be conducted pursuant to Part 8.5 (commencing with Section 72080) of Division 20 of the California Water Code.

9.03 ANNEXATIONS TO OR DETACHMENTS FROM THE DISTRICT THROUGH LAFCO

An owner or owners desiring to annex land to or to detach land from the District may either (i) file a petition directly with the Local Agency Formation Commission (LAFCO) for the annexation or detachment or (ii) request the District to file the petition with LAFCO for such annexation or detachment. Any such proceeding for annexation or detachment, which is deemed a change of organization or reorganization pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, shall be initiated, conducted and completed pursuant to Title 6, Division 1 (commencing with Section 56000) of the California Government Code.

If the land proposed to be annexed is outside the boundaries of the territory served by the Metropolitan Water District of Southern California and the territory served by the San Diego County Water Authority, and no local sources of water are available to serve such land, the District will require that the land be annexed to those entities as well.

9.04 FEES AND CHARGES FOR ANNEXATIONS OR DETACHMENTS

A petitioner requesting an annexation to or detachment from the District or an improvement district within the District shall pay the following applicable fees and charges:

- A. Administrative Processing Fees
 1. District Processing Fee. A District processing fee of \$500 shall be paid to the District for each annexation or detachment proceeding, regardless of the number of parcels involved, provided all parcels are included in one proceeding. The \$500 fee shall constitute the "base rate" on March 3, 1997. The base rate shall be adjusted annually for fluctuations in the Consumer Price Index (Urban Wage Earners and Clerical Workers - Los Angeles) and subsequent cost-of-living adjustment (COLA).
 2. Additional Processing Fees or Charges. The petitioner shall pay all processing fees and charges due LAFCO, the State Board of Equalization and any other applicable government agency.
 3. Concurrent Annexations to or Detachments from the District and an Existing Improvement District. No additional processing costs or fees will be charged to a petitioner for an annexation to or detachment from an existing improvement district when the proceeding is part of an annexation to or detachment from the District.
 4. Payment of Fees and Charges. The District Processing Fees and charges shall be paid to the District at the time the petition for such proceeding is filed. Where a petition is filed with LAFCO, the District shall notify LAFCO that payment of all required fees and charges to the District shall be a condition for District approval of the annexation or detachment.
- B. Annexation Fees for Annexations to Water Improvement Districts. The annexation fee of \$1,411 shall constitute the "base rate" on March 13, 2006 (effective July 1, 2006). The base rate shall be adjusted quarterly for fluctuations in construction costs, as measured by the Engineering News Record Construction Cost Index for the Los Angeles Region. The ENR Construction Cost Index of 8552.3 (as of March 13, 2006) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost

Index from the base index for the period from March 13, 2006 to the date of payment.

1. No water annexation fee shall be required for existing and future agricultural water service furnished by the District under the COMMERCIAL AGRICULTURAL category of Section 25 of the Code.
2. Non-permanent irrigation water service furnished by the District under Section 30 of the Code shall be available without payment of a water annexation fee.
3. Open Space to be Annexed. Open space lands shall not be excluded from annexations of land to a water improvement district.
4. Water Meter Type Exclusions. Annexation fees shall be collected on all water meters sold except for temporary water meters, water tank truck meters, nonpermanent irrigation water meters and outside user meters, all as defined elsewhere in this Code.
5. Effective Date. Annexation fees shall be collected on all lands annexing to a water improvement district on or after March 5, 1997.
6. Basis for Determination. For annexations of land to a water improvement district within the District, the petitioner shall pay an annexation fee. The fee shall be paid at the time of water meter purchase.

For permanent water meters, except for commercial agricultural meters, the annexation fee shall be determined on the basis of the demand to be placed on the District-wide water system. The fee will be determined on the basis of the size of the water meter required, as set forth in Section 27 of the Code. The fee shall be determined by multiplying the demand factor for the meter size, as set forth in Section 28 of the Code, by the annexation fee of \$1,411 per EDU.

- C. Annexation Fees for Annexations to Sewer Improvement Districts
 1. Improvement District Annexation. All annexation for sewer service shall be into Improvement District No. 18 on or after December 16, 1998.

2. Open Space to be Annexed. Open space lands shall not be excluded from annexations of land to a sewer improvement district.
3. Effective Date. Annexation fees shall be collected on all lands annexing to a sewer improvement district on or after December 16, 1998.
4. Basis for Determination. For annexations of land to a sewer improvement district within the District, the petitioner shall pay an annexation fee. The fee shall be determined on the basis of the demand to be placed on the District sewer system. The fee shall be paid at the time of sewer service connection request or General Manager's approval of plans, whichever occurs earlier. The extent of the demand will be determined on the basis of each equivalent dwelling unit (EDU) of service which is to be connected to the District sewer system. The number of EDUs prescribed in Section 53 of the Code shall be the basis for computation of the amount of the annexation fee. The fee will be determined by multiplying the number of EDUs by the annexation fee of \$3,819 per EDU.

The annexation fee of \$3,819 shall constitute the "base rate" on December 16, 1998. The base rate shall be adjusted quarterly for fluctuations in construction costs as measured by the Engineering News Record Construction Cost Index for the Los Angeles Region. The ENR Construction Cost Index of 6,859.45 (as of November 9, 1998) shall be deemed the "base index." The adjustment shall be in an amount equal to the percentage change in the ENR Construction Cost Index from the base index for the period from November 9, 1998 to the date of payment.

D. Detachment Fees

For each detachment of land from an improvement district, the petitioner shall pay such fees as the General Manager determines are appropriate for the detachment. Determinations shall be made by the General Manager on a case-by-case basis.

9.05 TAXATION OF PROPERTY AFTER ANNEXATION TO IMPROVEMENT DISTRICT

Where property is annexed by a petitioner, other than a tax-exempt agency, the property in the annexed area

shall be subject to taxation after the annexation thereof for the purposes of the improvement district, including the payment of principal and interest on bonds and other obligations of the improvement district authorized and outstanding at the time of the annexation. The Board of Directors shall provide as a condition of the annexation that the annexed area shall be subject to taxation as if the property had always been a part of the improvement district.

9.06 OTHER CONDITIONS OF ANNEXATION

By annexing to the District the owners and representatives of the annexing land agree, on behalf of themselves and all future owners and occupants of the annexed lands, to comply with all laws, statutes, policies, plans, conditions and requirements applicable to the services provided by the District to such lands, including without limitation any conservation or local supply use requirements.

SECTION 27 REQUIREMENTS AND LIMITATIONS FOR OBTAINING
WATER SERVICE

27.01 REQUIREMENT FOR WATER/SEWER PERMIT AND PAYMENT OF
FEES, CHARGES, AND DEPOSITS

A. Requirement for Water/Sewer Permits. Water meters shall not be installed nor water service furnished until an application, in the form of a water/sewer permit, has been executed by the customer at the District office.

B. Requirement for Payment of Fees, Charges and Deposits. Payment of all required fees, charges and deposits shall be made by the customer at the time the water meter is purchased. A customer requesting water service shall pay the fees, charges, and deposits as set forth in Section 28 of this Code.

C. Requirement for a Building Permit. A customer requesting permanent water service shall be required to present a valid building permit for the property issued by the appropriate governmental agency, except that a building permit is not required by a customer requesting permanent water service to: 1) install and maintain landscaping prior to the construction of a building; 2) perform mass grading operations; or 3) to satisfy conditions imposed by other government agencies, including a single meter for grading for four lots or less which are part of the same parcel map. Government agencies shall be exempt from the requirement of presenting a valid building permit.

D. Requirement for a Service Lateral. The customer requesting water service shall either have an existing service lateral or purchase a new lateral installation at the time of the meter purchase.

E. Commercial Parcels - 5,000 square feet or Larger Irrigated Landscape. When a customer requests water service on a parcel of land with irrigated landscape equal to 5,000 square feet or more, a separate meter will be required for irrigation purposes on the site.

F. Reclaimed Water Service Areas. In areas designated as reclaimed water service areas, the customer shall be required to install a separate reclaimed water service lateral and meter to supply irrigation to the parcel.

G. Second Meter For Indoor Use. Any customer who obtained a single meter prior to October 17, 1990, a second meter for indoor use may be obtained, without paying water capacity fees, San Diego County Water Authority fees and applicable zone charges on the second meter, if the following criteria are met:

1. The additional meter is solely for the purpose of isolating current domestic (indoor) water use from that used for outdoor landscaping. The additional meter shall be on a separate lateral.

2. All costs of on-site plumbing changes, including approved back-flow prevention devices, will be the responsibility of the customer.

3. The customer acknowledges that adding a second meter will result in a second water bill and associated monthly system fee.

4. The customer will be required to pay all fees and charges prior to meter installation.

27.02 SIZE OF WATER METER

A water meter shall be sized to ensure that the maximum demand (in gallons per minute) will not exceed 80% of the manufacturer's recommended maximum flow rate, as shown in Section 27.03. In no case shall the water meter size be less than ¾-inch. The size of the water meter and service lateral required for water service shall be determined by the General Manager as follows:

A. Detached Single-Family Residential Dwelling Unit. The customer may submit calculated maximum demand (in gallons per minute), provided that maximum demand must be more than twenty four (24) gallons per minute.

B. Apartments, Condominiums, Mobile Home Parks and other Multiple Family Residential Dwelling Units with Individual Meters. The calculated maximum demand shall be per Section 27.02A.

C. Business, Commercial, Industrial, Apartments, Condominiums, Mobile Home Parks and other Multiple-Family Residential Dwelling Units. The customer shall submit building plans signed by a licensed building architect. The plans shall list the number of fixture units, the parcel size (in acres), and the calculated maximum demand (in gallons per minute) to be placed on each water meter.

D. Irrigation. The customer shall submit irrigation plans signed by a licensed landscape architect. The plans shall indicate the calculated maximum demand (in gallons per minute) to be placed on each water meter and the total area to be irrigated (in square feet). The plans must also be in compliance with the requirements of Section 27.05.

E. Other. In the case of other types of service not included above, the customer shall submit information as

requested by the General Manager. Any customer may request and purchase a separate meter to isolate landscaping from indoor use.

F. Requirement for Multiple Meters. The General Manager may require multiple meters when it is in the best interest of the District.

27.03 MANUFACTURERS RECOMMENDED MAXIMUM FLOW RATE FOR DISTRICT METERS

Customers are cautioned to control the rates of flow of water through District meters. Operation of a meter at flows in excess of the manufacturer's recommendations will cause severe damage to operating parts. Rated capacities for meters used in this District are as follows:

ORDINARY METERS

<u>Meter Size Recommended</u> <u>In Inches</u>	<u>Manufacturer's</u> <u>Maximum Rate in U. S. Gallons</u> <u>per Minute</u>
3/4	30
1	50
1-1/2	100
2	160
3	530
4	1350
6	2700
8	3500
10	6500

COMPOUND METERS

(Multi-family, Apartments etc.)

2	285
3	480
4	750
6	1700

27.04 USE OF SUBMETERS FOR RESALE OR DISTRIBUTION OF WATER

Owners or operators of mobile home parks, apartments, condominium complexes, industrial complexes and land used for agricultural purposes may resell water furnished by the District through the use of a submetering system under the following conditions: (1) owners and operators shall comply with State law (California Code of Regulations Section 4090) prohibiting any surcharge on the water rate; (2) the water system on the private property side of the master meter, including the submeters, shall be solely the responsibility of the owner or operator; and (3) the owner

or operator shall clearly delineate on the bill that any cost associated with the submeters is a cost imposed by the property owner or operator and not by Otay Water District.

27.05 CONSERVATION AND LOCAL SUPPLY USE REQUIREMENTS

The requirements below apply to all new residential and commercial developments or redevelopments. The landscape requirements also apply to any re-landscaping that is subject to review by the District, the County of San Diego, City of Chula Vista or the City of San Diego.

1. Indoor Fixtures and Appliances. All water fixtures and appliances installed, including the ones in the following list, must be high-efficiency:

- Toilets and urinals
- Faucets
- Showerheads
- Clothes Washers
- Dishwashers

"High-efficiency" means fixtures and appliances that comply with the most efficient specifications under the EPA WaterSense® or Energy Star programs,¹ as in effect at the time installation commences.

2. Landscape requirements. Only "Smart" irrigation controllers² may be installed and only low-water use plants may be used in non recreational landscapes. All landscapes must also be designed and managed consistent with requirements of the local agency within which the property is located, be it the County of San Diego, the City of Chula Vista or the City of San Diego.

a. Installed smart irrigation controllers shall be properly programmed/scheduled according to the manufacturer's instructions and/or site specific conditions based on soil type, plant type, irrigation type, weather and/or reference evapotranspiration data.

¹ Certified EPA WaterSense products, and Energy Star products, are at least 20% more efficient than the applicable federal standards.

² Smart Irrigation Controller means a controller that uses real time, soil moisture or weather data to automatically adjust irrigation run-times. Furthermore, to qualify as a Smart Irrigation Controller, the device must be certified by the Irrigation Association and/or the EPA WaterSense program.

b. Two irrigation schedules shall be prepared, one for the initial establishment period of three months or until summer hardened, and one for the established landscape, which incorporates the specific water needs of the plants and turf throughout the calendar year. The schedules shall be continuously available on site to those responsible for the landscape maintenance and posted at the smart controller.

c. Any Covenants, Conditions, and Restrictions (CC&Rs) pertaining to a new subdivision/development shall not limit or prohibit the use and maintenance of low water use plant materials and the use of artificial turf, and shall require property owners to design and maintain their landscapes consistent with the applicable City and County's regulations.

d. Dedicated irrigation meters shall be installed in:

- All parks and common areas with 5,000 square feet or more of irrigated landscape
- Commercial sites with 5,000 square feet or more of irrigated landscape

e. In compliance with Section 23.03 of this Code of Ordinance, pressure regulators must be installed when and where appropriate to maximize the life expectancy and efficiency of the irrigation system.

3. New commercial developments must install separate, dual-distribution systems for potable and recycled water.

4. The requirements of this Section shall not be interpreted in any way to limit the owner's obligation to comply with any other applicable federal, state, or local laws or regulations.



AGENDA ITEM 9

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 6, 2010
SUBMITTED BY:	William E. Granger, Water Conservation Manager <i>WG</i>	W.O./G.F. NO:	N/A DIV. NO. All
APPROVED BY: (Chief)	Rom Sarno, Chief of Administrative Services <i>[Signature]</i>		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Finance & Administration <i>[Signature]</i>		
SUBJECT:	Adopt Ordinance 522, Amending Section 39 of the District's Code of Ordinances		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Ordinance 522 revising the District's Water Shortage Response Program as contained within Section 39 of the District's Code of Ordinances.

COMMITTEE ACTION: _____

Please see "Attachment A".

PURPOSE:

To adopt Ordinance 522, which updates the District's current ordinance, as outlined in the red-lined version of Section 39 of the District's Code of Ordinances.

ANALYSIS:

Section 39 of the District's Code of Ordinances was last revised in June of 2008, several months ahead of the anticipated water shortage declaration by Metropolitan Water District and the San Diego County Water Authority (Water Authority). In the 19 months since Section 39 was revised, the region has declared a voluntary level 1 water shortage, and then in July of 2009, a mandatory regional cutback of 8% went into effect for Water Authority member agencies.

Several of the changes involve language revisions which will allow the Board and staff greater flexibility in implementing future water shortage levels. If adopted, for example, drought pricing would not automatically go into effect if a Level 2 water shortage were declared. In addition, the District would

now have the option to implement some or all of the Level 1 water conservation practices, if it were to declare a Level 2 water shortage. Also, should the District declare a Level 2, it no longer states that the General Manager would establish and post a watering schedule. This language was replaced with more generic and manageable language stating that the customer can water up to three days a week and no more than 15 minutes per irrigation station between May and October and 7 minutes per station between November and April.

In addition, in order to comply with the California Urban Water Conservation Council's Water Waste Prevention Best Management Practice, the District is moving several items to be in effect at all times instead of just when a Level 1 water supply shortage is declared. These include prohibitions against washing down paved surfaces except when necessary for health or safety reasons, excessive runoff from inefficient landscape irrigation and fixing known leaks within 48 hours. Staff also recommends that two of the other items 39.03, item 3 and 4 should be in effect at all times: serving water only upon request and giving hotel guests the option to reuse their towels and linens.

Other changes made throughout Section 39 include:

- The term "drought" has been replaced with "water shortage" throughout the Section.
- It is now clear when a Level 2 and 3 water shortage should be declared. A Level 2 is to be declared if the District needs to reduce its potable demand between 11 and 20 percent. A Level 3 water shortage shall be declared if the District needs to reduce potable demand by between 21 and 40 percent.
- Additional examples of vehicles and equipment were listed within the vehicle washing section in Level 1 (39.04, 5).
- At a Level 2, irrigation is not allowed during a rainstorm or forty-eight hours after one-quarter inch or more of rainfall is measured at Lindbergh Field.
- At a Level 2, homeowner's vegetable gardens and fruit trees are not held to the three day per week watering limitation.

- At a Level 3, vehicles that cannot be washed at a commercial car wash shall not be washed more frequently than once per week.

FISCAL IMPACT:



None at this time.

STRATEGIC GOAL:

Relates to objective 3.1.1.2 "Update District's Water Shortage Response Program including actions for enforcement".

LEGAL IMPACT:

None at this time.



General Manager

- Attachment A - Committee Action Report
- Attachment B - Ordinance 522
- Attachment C - Clean version of draft Section 39

ATTACHMENT A

SUBJECT/PROJECT:	Adopt Ordinance 522, Amending Section 39 of the District's Code of Ordinances
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COMMITTEE ACTION:

This item was presented to the Finance, Administration and Communications Committee on December 14, 2009 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.

ORDINANCE NO. 522

AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE OTAY WATER DISTRICT AMENDING THE
CODE OF ORDINANCES SECTION 39, WATER SHORTAGE
RESPONSE PROGRAM

BE IT ORDAINED by the Board of Directors of Otay Water
District that Section 39 shall be amended as follows

(strike-thru copy attached):

SECTION 39. WATER SHORTAGE RESPONSE PROGRAM

39.01 DECLARATION OF NECESSITY AND INTENT

(a) This Section establishes water management requirements necessary to conserve water, enable effective water supply planning, assure reasonable and beneficial use of water, prevent waste of water, prevent unreasonable use of water, prevent unreasonable method of use of water within the District in order to assure adequate supplies of water to meet the needs of the public, and further the public health, safety, and welfare, recognizing that water is a scarce natural resource that requires careful management not only in times of a water shortage, but at all times.

(b) This Section establishes regulations to be implemented during times of declared water shortages, or declared water shortage emergencies. It establishes four levels of actions to be implemented in times of shortage, with increasing restrictions on water use in response to worsening water shortage conditions and decreasing available supplies.

(c) The Level 1 water shortage response condition practices are voluntary and will be reinforced through local and regional public education and awareness measures that may be funded in part by the District. Beginning at the level 2 Water Shortage Response Condition, the District may implement water shortage pricing. When a water shortage response Level 2 condition is declared, all conservation practices and water-use restrictions may become mandatory and increasingly restrictive in order to attain escalating conservation goals.

(d) During a Water Shortage Response Level 3 condition or higher, the water conservation practices and water use

restrictions established by this ordinance are mandatory and violations are subject to criminal, civil, and administrative penalties and remedies specified in Section 72 of this ordinance.

39.02 DEFINITIONS APPLICABLE TO THE PROGRAM

(a) The following words and phrases whenever used in this Section shall have the meaning defined in this sub-section:

1. "Grower" refers to those engaged in the growing or raising, in conformity with recognized practices of husbandry, for the purpose of commerce, trade, or industry, or for use by public educational or correctional institutions, of agricultural, horticultural or floricultural products, and produced: (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption or for the market. "Grower" does not refer to customers who purchase water subject to the Metropolitan Interim Agricultural Water Program or the Water Authority Special Agricultural Rate programs.

2. "Water Authority" means the San Diego County Water Authority.

3. "DMP" means the Water Authority's Drought Management Plan in existence on the effective date of this Section and as readopted or amended from time to time, or an equivalent plan of the Water Authority to manage or allocate supplies during shortages.

4. "Metropolitan" means the Metropolitan Water District of Southern California.

5. "Person" means any natural person, corporation, public or private entity, public or private association, public or private agency, government agency or institution, school district, college, university, or any other user of water provided by the District.

39.03 APPLICATION

(a) The provisions of this Section apply to any person in the use of any water provided by the District.

(b) This Section is intended solely to further the conservation of water. It is not intended to implement any provision of federal, State, or local statutes, ordinances, or regulations relating to protection of water quality or control of drainage or runoff. Refer to the local jurisdiction or Regional Water Quality Control Board for information on any storm water ordinances and storm water management plans.

(c) Nothing in this Section is intended to affect or limit the ability of the District to declare and respond to an emergency, including an emergency that affects the ability of the District to supply water.

(d) The provisions of this Section do not apply to use of water from private wells or to recycled water.

(e) Nothing in this Section shall apply to use of water that is subject to a special supply program, such as the Metropolitan Interim Agricultural Water Program or the Water Authority Special Agricultural Rate programs. Violations of the conditions of special supply programs are subject to the penalties established under the applicable program. A person using water subject to a special supply program and other water provided by the District is subject to this Section in the use of the other water.

At all times, the following practices shall be in effect:

1. No washing down of paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.
2. Prevent water waste resulting from inefficient irrigation, such as runoff or overspray. Similarly, stop water flows onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscapes, roadways, or structures.
3. Serve and refill water in restaurants and other food service establishments only upon request.

4. Offer guests in hotels, motels, and other commercial lodging establishments the option of not laundering towels and linens daily.
5. Repair all water leaks within forty-eight hours (48) of notification by the District unless other arrangements are made with the General Manager.

39.04 WATER SHORTAGE RESPONSE LEVEL 1 - SUPPLY WATCH
CONDITION

(a) A Water Shortage Response Level 1 condition is also referred to as a "Supply Watch" condition. A Level 1 condition applies when the Water Authority notifies its member agencies that due to water shortage or other supply reductions, there is a reasonable probability there will be supply shortages and that a consumer demand reduction of up to 10 percent is required in order to ensure that sufficient supplies will be available to meet anticipated demands. The General Manager shall declare the existence of a Level 1 and take action to implement the Level 1 conservation practices identified in this Section.

(b) During a Level 1 condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement the following water conservation practices. The same water conservation practices may become mandatory if the District declares a Level 2 condition:

1. Irrigate residential and commercial landscape before 10 a.m. and after 6 p.m. only. Customers are to water no more than three days a week using the suggested watering schedule as found on the District's web page. New plantings and newly seeded areas are exempt for 30 days.

2. Use a hand-held hose equipped with a positive shut-off nozzle or bucket to water landscaped areas, including trees and shrubs located on residential and commercial properties that are not irrigated by a landscape irrigation system.

3. Irrigate nursery and commercial grower's products before 10 a.m. and after 6 p.m. only. Watering is permitted at any time with a hand-held hose equipped with a positive shut-off nozzle, a bucket, or when a drip/micro-irrigation system/equipment is used. Irrigation of nursery

propagation beds is permitted at any time. Watering of livestock is permitted at any time.

4. Use re-circulated water to operate ornamental fountains.

5. Wash vehicles, including but not limited to motorcycles, farm equipment, trailers, boats and boat engines and motorhomes using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Vehicle washing is limited to once per week.

6. Use recycled or non-potable water for construction purposes when available.

39.05 WATER SHORTAGE RESPONSE LEVEL 2 - SUPPLY ALERT
CONDITION

(a) A Water Shortage Response Level 2 condition is also referred to as a "Supply Alert" condition. A Level 2 condition applies when the Water Authority notifies its member agencies that due to cutbacks caused by water shortage or other reduction in supplies, a consumer demand reduction of 11 to 20 percent is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors may declare the existence of a Level 2 condition and implement the Level 2 conservation practices identified in this section of the ordinance. The District may decide to implement some or all of the Level 1 practices.

(b) All persons using District water shall make every effort to comply with Level 1 water conservation practices during a Level 2, and also to comply with the following additional conservation measures:

1. Limit residential and commercial landscape irrigation to no more than three (3) days per week. This section shall not apply to homeowner's vegetable gardens, fruit trees, commercial growers, or nurseries.

2. Limit lawn watering and landscape irrigation using sprinklers to no more than fifteen (15) minutes per watering station per day. During the months of November through April, landscape irrigation shall not exceed seven (7) minutes per watering station per assigned day.

Watering times may need to be shortened to avoid run-off. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems, rotating sprinkler nozzles and stream rotor sprinklers.

3. Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system on the same schedule set forth above by using a bucket, hand-held hose with positive shut-off nozzle, or low-volume non-spray irrigation.

4. Irrigation is not allowed during a rainstorm and for forty-eight hours after one-quarter inch or more of rainfall is measured at Lindbergh Field.

39.06 WATER SHORTAGE RESPONSE LEVEL 3 - SUPPLY CRITICAL CONDITION

(a) A Water Shortage Response Level 3 condition is also referred to as a "Supply Critical" condition. A Level 3 condition applies when the Water Authority notifies its member agencies that due to increasing cutbacks caused by water shortage or other reduction of supplies, a consumer demand reduction of between 21 and 40 percent is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors may declare the existence of a Level 3 condition and implement the Level 3 conservation practices identified in this Section.

(b) All persons using District water shall comply with Level 1 and Level 2 water conservation practices during a Level 3 condition and shall also comply with the following additional mandatory conservation measures:

1. Limit residential and commercial landscape irrigation to no more than two (2) assigned days per week on a schedule established by the General Manager and posted by the District. During the months of November through April, landscape irrigation is limited to no more than once per week on a schedule established by the General Manager and posted by the District. This section shall not apply to commercial growers or nurseries.

2. Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system on the same schedule set forth above by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation.

3. Stop filling or re-filling ornamental lakes or ponds, except to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a water shortage response level under this Section.

4. Stop operating non-residential ornamental fountains or similar decorative water features unless recycled water is used.

5. Stop washing vehicles except at commercial carwashes that re-circulate water, or by high pressure/low volume wash systems. If a commercial car wash cannot accommodate the vehicle because of the vehicle size or type, such as RVs, horse trailers, boats and commercial vehicles, customers will be allowed to wash vehicles using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system.

(c) Upon the declaration of a Level 3 condition, no new potable water service shall be provided, no new temporary meters or permanent meters shall be provided, and no statements of immediate ability to serve or provide potable water service (such as, will serve letters, certificates, or letters of availability) shall be issued, except under the following circumstances:

1. A valid, unexpired building permit has been issued for the project; or

2. The project is necessary to protect the public's health, safety, and welfare; or

3. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of the District.

This provision shall not be construed to preclude the resetting or turn-on of meters to provide continuation of water service or to restore service that has been interrupted.

(d) Upon the declaration of a Level 3 condition, the District will suspend consideration of annexations to its service area.

(e) The District may establish a water allocation for property served by the District using a method that takes into consideration the implementation of conservation methods or the installation of water saving devices. If the District establishes a water allocation, it shall provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for on-going water service. Following the effective date of the water allocation as established by the District, any person that uses water in excess of the allocation shall be subject to a penalty for each billing unit of water in excess of the allocation. The penalty for excess water usage shall be cumulative to any other remedy or penalty that may be imposed for violation of this Section.

39.07 WATER SHORTAGE RESPONSE LEVEL 4 - SUPPLY EMERGENCY CONDITION

(a) A Water Shortage Response Level 4 condition is also referred to as a "Supply Emergency" condition. A Level 4 condition applies when the Water Authority Board of Directors declares a water shortage emergency pursuant to California Water Code section 350 and notifies its member agencies that Level 4 requires a demand reduction of more than 40 percent in order for the District to have maximum supplies available to meet anticipated demands. The District shall declare a Level 4 in the manner and on the grounds provided in California Water Code section 350.

(b) All persons using District water shall comply with conservation measures required during Level 1, Level 2, and Level 3 conditions and shall also comply with the following additional mandatory conservation measures:

1. Stop all landscape irrigation, except crops and landscape products of commercial growers and nurseries. *This restriction shall not apply to the following categories of use unless the District has determined that*

recycled water is available and may be lawfully applied to the use.

A. Maintenance of trees and shrubs that are watered on the same schedule as noted in the Level 3 Condition, by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation;

B. Maintenance of existing landscaping necessary for fire protection as specified by the Fire Marshal of the local fire protection agency having jurisdiction over the property to be irrigated;

C. Maintenance of existing landscaping for erosion control;

D. Maintenance of plant materials identified to be rare or essential to the well being of rare animals;

E. Maintenance of landscaping within active public parks and playing fields, day care centers, school grounds, cemeteries, and golf course greens, provided that such irrigation does not exceed two (2) days per week according to the schedule established under the District's Level 3 Condition;

F. Watering of livestock; and

G. Public works projects and actively irrigated environmental mitigation projects.

2. Repair all water leaks within twenty-four (24) hours of notification by the District unless other arrangements are made with the District.

(c) The District may establish a water allocation for property served by the District. If the District establishes water allocation it shall provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for on-going water service. Following the effective date of the water allocation as established by the District, any person that uses water in excess of the allocation shall be subject to a penalty for each billing unit of water in excess of

the allocation. The penalty for excess water usage shall be cumulative to any other remedy or penalty that may be imposed for violation of any provision of this Section.

39.08 CORRELATION BETWEEN DROUGHT MANAGEMENT PLAN (DMP) AND WATER SHORTAGE RESPONSE LEVELS

(a) The correlation between the Water Authority's DMP stages and the District's water shortage response levels identified in this Section of the Code of Ordinance is described herein. Under DMP Stage 1, the District would implement Water Shortage Response Level 1 actions. Under DMP Stage 2, the District would implement Water Shortage Response Level 1 or Level 2 actions. Under DMP Stage 3, the District would implement Water Shortage Response Level 2, Level 3, or Level 4 actions.

(b) The water shortage response levels identified in this Section correspond with the Water Authority DMP as identified in the following table:

Water Shortage Response Levels	Use Restrictions	Conservation Target	DMP Stage
1 - Supply Watch	Voluntary	Up to 10%	Stage 1 or 2
2 - Supply Alert	Mandatory	11 to 20%	Stage 2 or 3
3 - Supply Critical	Mandatory	21 to 40%	Stage 3
4 - Supply Emergency	Mandatory	Above 40%	Stage 3

39.09 PROCEDURES FOR DETERMINATION AND NOTIFICATION OF WATER SHORTAGE RESPONSE LEVEL

(a) The existence of a Water Shortage Response Level 1 condition may be declared by the General Manager upon a written determination of the existence of the facts and circumstances supporting the determination. A copy of the written determination shall be filed with the Clerk or Secretary of the District and provided to the District Board of Directors. The General Manager may publish a notice of the determination of existence of Water Shortage Response Level 1 condition in one or more newspapers, including a newspaper of general circulation within the District. The District will also post notice of the condition on their website.

(b) The existence of Water Shortage Response Level 2 or Level 3 conditions may be declared by resolution of the District Board of Directors adopted at a regular or special public meeting held in accordance with State law. The mandatory conservation measures applicable to Water Shortage Response Level 2 or Level 3 conditions shall take effect on the tenth (10) day after the date the response level is declared. Within five (5) days following the declaration of the response level, the District shall publish a copy of the resolution in a newspaper used for publication of official notices.

(c) The existence of a Water Shortage Response Level 4 condition may be declared in accordance with the procedures specified in California Water Code sections 350 to 352 as note below:

*350. The governing body of a distributor of a public **water** supply, whether publicly or privately owned and including a mutual **water** company, may declare a **water** shortage emergency condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of **water** consumers cannot be satisfied without depleting the **water** supply of the distributor to the extent that there would be insufficient **water** for human consumption, sanitation, and fire protection.*

*351. except in event of a breakage or failure of a dam, pump, Pipe line or conduit causing an immediate emergency, the declaration shall be made only after a public hearing at which consumers of such **water** supply shall have an opportunity to be heard to protest against the declaration and to present their respective needs to said governing board.*

*352. Notice of the time and place of hearing shall be published pursuant to Section 6061 of the Government **Code** at least seven days prior to the date of hearing in a newspaper printed, published, and circulated within the area in which the **water** supply is distributed, or if there is no such newspaper, in any newspaper printed, published, and circulated in the county in which the area is located.*

The mandatory conservation measures applicable to Water Shortage Response Level 4 conditions shall take effect on the tenth (10) day after the date the response level is declared. Within five (5) days following the declaration of the response level, the District shall publish a copy of the resolution in a newspaper used for publication of official notices. If the District establishes a water allocation, it shall provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for on-going water service. Water allocation shall be effective on the fifth (5) day following the date of mailing or at such later date as specified in the notice.

(d) The District Board of Directors may declare an end to a Water Shortage Response Level by the adoption of a resolution at any regular or special meeting held in accordance with State law.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting duly held this 6th day of January, 2010, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

President

ATTEST:

District Secretary

SECTION 39. DROUGHT-WATER SHORTAGE RESPONSE CONSERVATION PROGRAM

39.01 DECLARATION OF NECESSITY AND INTENT

(a) This Section establishes water management requirements necessary to conserve water, enable effective water supply planning, assure reasonable and beneficial use of water, prevent waste of water, prevent unreasonable use of water, prevent unreasonable method of use of water within the District in order to assure adequate supplies of water to meet the needs of the public, and further the public health, safety, and welfare, recognizing that water is a scarce natural resource that requires careful management not only in times of drought a water shortage, but at all times.

(b) This Section establishes regulations to be implemented during times of declared water shortages, or declared water shortage emergencies. It establishes four levels of drought response actions to be implemented in times of shortage, with increasing restrictions on water use in response to worsening drought-water shortage conditions and decreasing available supplies.

(c) The Level 1 drought-water shortage response condition measures-practices are voluntary and will be reinforced through local and regional public education and awareness measures that may be funded in part by the District. Beginning at the level 2 drought-Water Shortage Response Condition, the District will begin to may implement drought-water shortage pricing. When a During drought water shortage response condition Levels 2 condition is declared, all conservation measures-practices and water-use restrictions are may become mandatory and become increasingly restrictive in order to attain escalating conservation goals.

(d) During a Drought-Water Shortage Response Level 3 condition or higher, the water conservation measures practices and water use restrictions established by this ordinance are mandatory and violations are subject to criminal, civil, and administrative penalties and remedies specified in Section 72 of this ordinance.

39.02 DEFINITIONS APPLICABLE TO THE PROGRAM

(a) The following words and phrases whenever used in this Section shall have the meaning defined in this subsection:

1. "Grower" refers to those engaged in the growing or raising, in conformity with recognized practices of husbandry, for the purpose of commerce, trade, or industry, or for use by public educational or correctional institutions, of agricultural, horticultural or floricultural products, and produced: (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption or for the market. "Grower" does not refer to customers who purchase water subject to the Metropolitan Interim Agricultural Water Program or the Water Authority Special Agricultural Rate programs.

2. "Water Authority" means the San Diego County Water Authority.

3. "DMP" means the Water Authority's Drought Management Plan in existence on the effective date of this Section and as readopted or amended from time to time, or an equivalent plan of the Water Authority to manage or allocate supplies during shortages.

4. "Metropolitan" means the Metropolitan Water District of Southern California.

5. "Person" means any natural person, corporation, public or private entity, public or private association, public or private agency, government agency or institution, school district, college, university, or any other user of water provided by the District.

39.03 APPLICATION

(a) The provisions of this Section apply to any person in the use of any water provided by the District.

——(b) This Section is intended solely to further the conservation of water. It is not intended to implement any provision of federal, State, or local statutes, ordinances, or regulations relating to protection of water quality or control of drainage or runoff. Refer to the local jurisdiction or Regional Water Quality Control Board for information on any storm water ordinances and storm water management plans.

——(c) Nothing in this Section is intended to affect or limit the ability of the District to declare and respond to an emergency, including an emergency that affects the ability of the District to supply water.

(d) The provisions of this Section do not apply to use of water from private wells or to recycled water.

(e) ~~(e)~~—Nothing in this Section shall apply to use of water that is subject to a special supply program, such as the Metropolitan Interim Agricultural Water Program or the Water Authority Special Agricultural Rate programs. Violations of the conditions of special supply programs are subject to the penalties established under the applicable program. A person using water subject to a special supply program and other water provided by the District is subject to this Section in the use of the other water.

At all times, the following practices shall be in effect:

1. No washing down of paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.
2. Prevent water waste resulting from inefficient irrigation, such as runoff or

overspray. Similarly, stop water flows onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscapes, roadways, or structures.

3. Serve and refill water in restaurants and other food service establishments only upon request.

4. Offer guests in hotels, motels, and other commercial lodging establishments the option of not laundering towels and linens daily.

5. Repair all water leaks within forty-eight hours (48) of notification by the District unless other arrangements are made with the General Manager.

39.04 DROUGHT-WATER SHORTAGE RESPONSE LEVEL 1 - DROUGHT SUPPLY WATCH CONDITION

(a) A Drought-Water Shortage Response Level 1 condition is also referred to as a "Drought-Supply Watch" condition. A Level 1 condition applies when the Water Authority notifies its member agencies that due to water shortages or other supply reductions, there is a reasonable probability there will be supply shortages and that a consumer demand reduction of up to 10 percent is required in order to ensure that sufficient supplies will be available to meet anticipated demands. The General Manager shall declare the existence of a Drought-Response Level 1 and take action to implement the Level 1 conservation practices identified in this Section.

(b) During a Level 1 Drought-Watch condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement the following water conservation practices. The same water conservation practices may become mandatory if the District declares a Level 2 Drought-Alert condition:

1. Irrigate residential and commercial landscape before 10 a.m. and after 6 p.m. only. Customers are to water no more than three days a week using the suggested watering schedule as found on the

District's web page. New plantings and newly seeded areas are exempt for 30 days. Stop washing down paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.

2. Stop water waste resulting from inefficient landscape irrigation, such as runoff, low head drainage, or overspray, etc. Similarly, stop water flows onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscapes, roadways, or structures. Use a hand-held hose equipped with a positive shut-off nozzle or bucket to water landscaped areas, including trees and shrubs located on residential and commercial properties that are not irrigated by a landscape irrigation system.

3. Irrigate residential and commercial landscape before 10 a.m. and after 6 p.m. only. Customers are encouraged to water no more than three days a week using the suggested watering schedule as found on the District's web page. New plantings and newly seeded areas are exempt for 30 days. Irrigate nursery and commercial grower's products before 10 a.m. and after 6 p.m. only. Watering is permitted at any time with a hand-held hose equipped with a positive shut-off nozzle, a bucket, or when a drip/micro-irrigation system/equipment is used. Irrigation of nursery propagation beds is permitted at any time. Watering of livestock is permitted at any time.

4. Use re-circulated water to operate ornamental fountains. Use a hand-held hose equipped with a positive shut-off nozzle or bucket to water landscaped areas, including trees and shrubs located on residential and commercial properties that are not irrigated by a landscape irrigation system.

5. Wash vehicles, including but not limited to motorcycles, farm equipment, trailers, boats and boat engines and motorhomes using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Vehicle washing is limited to once per week. Irrigate

~~nursery and commercial grower's products before 10 a.m. and after 6 p.m. only. Watering is permitted at any time with a hand-held hose equipped with a positive shut-off nozzle, a bucket, or when a drip/micro-irrigation system/equipment is used. Irrigation of nursery propagation beds is permitted at any time. Watering of livestock is permitted at any time.~~

6. Use recycled or non-potable water for construction purposes when available.~~Use re-circulated water to operate ornamental fountains.~~

~~7. Wash vehicles using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Avoid washing during hot conditions when additional water is required due to evaporation.~~

~~8. Serve and refill water in restaurants and other food service establishments only upon request.~~

~~9. Offer guests in hotels, motels, and other commercial lodging establishments the option of not laundering towels and linens daily.~~

~~10. Repair all water leaks within forty-eight hours (48) of notification by the District unless other arrangements are made with the General Manager.~~

~~11. Use recycled or non-potable water for construction purposes when available.~~

39.05 DROUGHT-WATER SHORTAGE RESPONSE LEVEL 2 - DROUGHT SUPPLY ALERT CONDITION

(a) A Drought-Water Shortage Response Level 2 condition is also referred to as a "Drought-Supply Alert" condition. A Level 2 condition applies when the Water Authority notifies its member agencies that due to cutbacks caused by water shortagedrought or other reduction in supplies, a consumer demand reduction of 11 up to 20 percent is required in order to have sufficient supplies available to meet anticipated demands. The District Board

of Directors shall ~~may~~ declare the existence of a ~~Drought Response~~ Level 2 condition and implement the Level 2 conservation ~~measures~~ practices identified in this section of the ordinance. The District may decide to implement some or all of the Level 1 practices.

(b) All persons using District water shall make every effort to comply with Level 1 ~~Drought Watch~~ water conservation practices during a Level 2 ~~Drought Alert~~, and also to comply with the following additional conservation measures:

1. Limit residential and commercial landscape irrigation to no more than three (3) ~~assigned~~ days per week ~~on a schedule established by the General Manager and posted by the District. During the months of November through April, landscape irrigation is limited to no more than once per week on a schedule established by the General Manager and posted by the District.~~ This section shall not apply to homeowner's vegetable gardens, fruit trees, commercial growers, or nurseries.

2. Limit lawn watering and landscape irrigation using sprinklers to no more than fifteen (15) minutes per watering station per ~~assigned~~ day. During the months of November through April, landscape irrigation shall not exceed seven (7) minutes per water watering station per assigned day. Watering times may need to be shortened to avoid run-off. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems, rotating sprinkler nozzles and stream rotor sprinklers.

~~3.~~ 3. Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system on the same schedule set forth above by using a bucket, hand-held hose with positive shut-off nozzle, or low-volume non-spray irrigation.

~~3.~~ 3. Irrigation is not allowed during a rainstorm and for forty-eight hours after ~~1/4"~~ one-quarter -inch or more of rainfall is measured at Lindbergh Field.

4.

39.06 DROUGHT-WATER SHORTAGE RESPONSE LEVEL 3 - DROUGHT
SUPPLY CRITICAL CONDITION

(a) A ~~Drought-Water Shortage~~ Response Level 3 condition is also referred to as a "~~Drought-Supply Critical~~" condition. A Level 3 condition applies when the Water Authority notifies its member agencies that due to increasing cutbacks caused by water shortagedrought or other reduction of supplies, a consumer demand reduction of ~~up to~~between 21 and 40 percent ~~are~~is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors ~~shall~~may declare the existence of a ~~Drought-Response~~ Level 3 condition and implement the Level 3 conservation ~~measures~~practices identified in this Section.

(b) All persons using District water shall comply with Level 1 ~~Drought-Watch~~ and Level 2 ~~Drought-Alert~~ water conservation practices during a Level 3 ~~Drought-Critical~~ condition and shall also comply with the following additional mandatory conservation measures:

1. Limit residential and commercial landscape irrigation to no more than two (2) assigned days per week on a schedule established by the General Manager and posted by the District. During the months of November through April, landscape irrigation is limited to no more than once per week on a schedule established by the General Manager and posted by the District. This section shall not apply to commercial growers or nurseries.

2. Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system on the same schedule set forth above by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation.

3. Stop filling or re-filling ornamental lakes or ponds, except to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a

water shortage~~drought~~ response level under this Section.

4. Stop operating non-residential ornamental fountains or similar decorative water features unless recycled water is used.

5. Stop washing vehicles except at commercial carwashes that re-circulate water, or by high pressure/low volume wash systems. If a commercial car wash cannot accommodate the vehicle because of the vehicle size or type, such as RVs, horse trailers, boats and commercial vehicles, customers will be allowed to wash vehicles using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system.

(c) Upon the declaration of a ~~Drought-Response~~-Level 3 condition, no new potable water service shall be provided, no new temporary meters or permanent meters shall be provided, and no statements of immediate ability to serve or provide potable water service (such as, will serve letters, certificates, or letters of availability) shall be issued, except under the following circumstances:

1. A valid, unexpired building permit has been issued for the project; or

2. The project is necessary to protect the public's health, safety, and welfare; or

3. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of the District.

This provision shall not be construed to preclude the resetting or turn-on of meters to provide continuation of water service or to restore service that has been interrupted.

(d) Upon the declaration of a ~~Drought-Response~~-Level 3 condition, the District will suspend consideration of annexations to its service area.

(e) The District may establish a water allocation for property served by the District using a method that takes into consideration ~~of~~ the implementation of conservation methods or the installation of water saving devices. If the District establishes a water allocation, it shall provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for on-going water service. Following the effective date of the water allocation as established by the District, any person that uses water in excess of the allocation shall be subject to a penalty for each billing unit of water in excess of the allocation. The penalty for excess water usage shall be cumulative to any other remedy or penalty that may be imposed for violation of this Section.

39.07 DROUGHT-WATER SHORTAGE RESPONSE LEVEL 4 - DROUGHT SUPPLY EMERGENCY CONDITION

(a) A Drought-Water Shortage Response Level 4 condition is also referred to as a "SupplyDrought Emergency" condition. A Level 4 condition applies when the Water Authority Board of Directors declares a water shortage emergency pursuant to California Water Code section 350 and notifies its member agencies that Level 4 requires a demand reduction of more than 40 percent in order for the District to have maximum supplies available to meet anticipated demands. The District shall declare a Drought-Emergency-Level 4 in the manner and on the grounds provided in California Water Code section 350.

(b) All persons using District water shall comply with conservation measures required during Level 1 Drought Watch, Level 2 Drought Alert, and Level 3 Drought Critical conditions and shall also comply with the following additional mandatory conservation measures:

1. Stop all landscape irrigation, except crops and landscape products of commercial growers and nurseries. *This restriction shall not apply to the following categories of use unless the District has determined that recycled water is available and may be lawfully applied to the use.*

A. Maintenance of trees and shrubs that are watered on the same schedule as noted in the

Level 3 ~~Drought Critical~~ Condition, by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation;

B. Maintenance of existing landscaping necessary for fire protection as specified by the Fire Marshal of the local fire protection agency having jurisdiction over the property to be irrigated;

C. Maintenance of existing landscaping for erosion control;

D. Maintenance of plant materials identified to be rare or essential to the well being of rare animals;

E. Maintenance of landscaping within active public parks and playing fields, day care centers, school grounds, cemeteries, and golf course greens, provided that such irrigation does not exceed two (2) days per week according to the schedule established under the District's Level 3 ~~Drought Critical~~ Condition;

F. Watering of livestock; and

G. Public works projects and actively irrigated environmental mitigation projects.

2. Repair all water leaks within twenty-four (24) hours of notification by the District unless other arrangements are made with the District.

(c) The District may establish a water allocation for property served by the District. If the District establishes water allocation it shall provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for on-going water service. Following the effective date of the water allocation as established by the District, any person that uses water in excess of the allocation shall be subject to a penalty for each billing unit of water in excess of the allocation. The penalty for excess water usage shall be cumulative to

any other remedy or penalty that may be imposed for violation of any provision of this Section.

39.08 CORRELATION BETWEEN DROUGHT MANAGEMENT PLAN (DMP) AND ~~DROUGHT-WATER SHORTAGE~~ RESPONSE LEVELS

(a) The correlation between the Water Authority's DMP stages and the District's ~~drought-water shortage~~ response levels identified in this Section of the Code of Ordinance is described herein. Under DMP Stage 1, the District would implement ~~Drought-Water Shortage~~ Response Level 1 actions. Under DMP Stage 2, the District would implement ~~Drought Water Shortage~~ Response Level 1 or Level 2 actions. Under DMP Stage 3, the District would implement ~~Drought-Water Shortage~~ Response Level 2, Level 3, or Level 4 actions.

(b) The ~~drought-water shortage~~ response levels identified in this Section correspond with the Water Authority DMP as identified in the following table:

<u>Drought-Water Shortage Response Levels</u>	<u>Use Restrictions</u>	<u>Conservation Target</u>	<u>DMP Stage</u>
1 - Drought-Supply Watch	Voluntary	Up to 10%	Stage 1 or 2
2 - Drought-Supply Alert	Mandatory	Up-11 to 20%	Stage 2 or 3
3 - Drought-Supply Critical	Mandatory	Up-21 to 40%	Stage 3
4 - Drought-Supply Emergency	Mandatory	Above 40%	Stage 3

39.09 PROCEDURES FOR DETERMINATION AND NOTIFICATION OF ~~DROUGHT-WATER SHORTAGE~~ RESPONSE LEVEL

(a) The existence of a ~~Drought-Water Shortage~~ Response Level 1 condition may be declared by the General Manager upon a written determination of the existence of the facts and circumstances supporting the determination. A copy of the written determination shall be filed with the Clerk or Secretary of the District and provided to the District Board of Directors. The General Manager may publish a notice of the determination of existence of ~~Drought-Water Shortage~~ Response Level 1 condition in one or more newspapers, including a newspaper of general

circulation within the District. The District will also post notice of the condition on their website.

(b) The existence of Drought-Water Shortage Response Level 2 or Level 3 conditions may be declared by resolution of the District Board of Directors adopted at a regular or special public meeting held in accordance with State law. The mandatory conservation measures applicable to Drought Water Shortage Response Level 2 or Level 3 conditions shall take effect on the tenth (10) day after the date the response level is declared. Within five (5) days following the declaration of the response level, the District shall publish a copy of the resolution in a newspaper used for publication of official notices.

(c) The existence of a Drought-Water Shortage Response Level 4 condition may be declared in accordance with the procedures specified in California Water Code sections 350 to 352 as note below:

*350. The governing body of a distributor of a public **water** supply, whether publicly or privately owned and including a mutual **water** company, may declare a **water** shortage emergency condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of **water** consumers cannot be satisfied without depleting the **water** supply of the distributor to the extent that there would be insufficient **water** for human consumption, sanitation, and fire protection.*

*351. except in event of a breakage or failure of a dam, pump, Pipe line or conduit causing an immediate emergency, the declaration shall be made only after a public hearing at which consumers of such **water** supply shall have an opportunity to be heard to protest against the declaration and to present their respective needs to said governing board.*

*352. Notice of the time and place of hearing shall be published pursuant to Section 6061 of the Government **Code** at least seven days prior to the date of hearing in a newspaper printed, published, and circulated within the area in which the **water** supply is distributed, or if there is no such newspaper, in any newspaper printed, published, and circulated in the county in which the area is located.*

The mandatory conservation measures applicable to Drought Water Shortage Response Level 4 conditions shall take effect on the tenth (10) day after the date the response level is declared. Within five (5) days following the declaration of the response level, the District shall publish a copy of the resolution in a newspaper used for

publication of official notices. If the District establishes a water allocation, it shall provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for on-going water service. Water allocation shall be effective on the fifth (5) day following the date of mailing or at such later date as specified in the notice.

(d) The District Board of Directors may declare an end to a Drought-Water Shortage Response Level by the adoption of a resolution at any regular or special meeting held in accordance with State law.

SECTION 39. WATER SHORTAGE RESPONSE PROGRAM

39.01 DECLARATION OF NECESSITY AND INTENT

(a) This Section establishes water management requirements necessary to conserve water, enable effective water supply planning, assure reasonable and beneficial use of water, prevent waste of water, prevent unreasonable use of water, prevent unreasonable method of use of water within the District in order to assure adequate supplies of water to meet the needs of the public, and further the public health, safety, and welfare, recognizing that water is a scarce natural resource that requires careful management not only in times of a water shortage, but at all times.

(b) This Section establishes regulations to be implemented during times of declared water shortages, or declared water shortage emergencies. It establishes four levels of actions to be implemented in times of shortage, with increasing restrictions on water use in response to worsening water shortage conditions and decreasing available supplies.

(c) The Level 1 water shortage response condition practices are voluntary and will be reinforced through local and regional public education and awareness measures that may be funded in part by the District. Beginning at the level 2 Water Shortage Response Condition, the District may implement water shortage pricing. When a water shortage response Level 2 condition is declared, all conservation practices and water-use restrictions may become mandatory and increasingly restrictive in order to attain escalating conservation goals.

(d) During a Water Shortage Response Level 3 condition or higher, the water conservation practices and water use restrictions established by this ordinance are mandatory and violations are subject to criminal, civil, and administrative penalties and remedies specified in Section 72 of this ordinance.

39.02 DEFINITIONS APPLICABLE TO THE PROGRAM

(a) The following words and phrases whenever used in this Section shall have the meaning defined in this subsection:

1. "Grower" refers to those engaged in the growing or raising, in conformity with recognized practices of husbandry, for the purpose of commerce, trade, or industry, or for use by public educational or correctional institutions, of agricultural, horticultural or floricultural products, and produced: (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption or for the market. "Grower" does not refer to customers who purchase water subject to the Metropolitan Interim Agricultural Water Program or the Water Authority Special Agricultural Rate programs.

2. "Water Authority" means the San Diego County Water Authority.

3. "DMP" means the Water Authority's Drought Management Plan in existence on the effective date of this Section and as readopted or amended from time to time, or an equivalent plan of the Water Authority to manage or allocate supplies during shortages.

4. "Metropolitan" means the Metropolitan Water District of Southern California.

5. "Person" means any natural person, corporation, public or private entity, public or private association, public or private agency, government agency or institution, school district, college, university, or any other user of water provided by the District.

39.03 APPLICATION

(a) The provisions of this Section apply to any person in the use of any water provided by the District.

(b) This Section is intended solely to further the conservation of water. It is not intended to implement any provision of federal, State, or local statutes, ordinances, or regulations relating to protection of water quality or control of drainage or runoff. Refer to the local jurisdiction or Regional Water Quality Control Board for information on any storm water ordinances and storm water management plans.

(c) Nothing in this Section is intended to affect or limit the ability of the District to declare and respond to an emergency, including an emergency that affects the ability of the District to supply water.

(d) The provisions of this Section do not apply to use of water from private wells or to recycled water.

(e) Nothing in this Section shall apply to use of water that is subject to a special supply program, such as the Metropolitan Interim Agricultural Water Program or the Water Authority Special Agricultural Rate programs. Violations of the conditions of special supply programs are subject to the penalties established under the applicable program. A person using water subject to a special supply program and other water provided by the District is subject to this Section in the use of the other water.

At all times, the following practices shall be in effect:

1. No washing down of paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.
2. Prevent water waste resulting from inefficient irrigation, such as runoff or overspray. Similarly, stop water flows onto non-targeted areas, such as adjacent

property, non-irrigated areas, hardscapes, roadways, or structures.

3. Serve and refill water in restaurants and other food service establishments only upon request.
4. Offer guests in hotels, motels, and other commercial lodging establishments the option of not laundering towels and linens daily.
5. Repair all water leaks within forty-eight hours (48) of notification by the District unless other arrangements are made with the General Manager.

39.04 WATER SHORTAGE RESPONSE LEVEL 1 - SUPPLY WATCH
CONDITION

(a) A Water Shortage Response Level 1 condition is also referred to as a "Supply Watch" condition. A Level 1 condition applies when the Water Authority notifies its member agencies that due to water shortage or other supply reductions, there is a reasonable probability there will be supply shortages and that a consumer demand reduction of up to 10 percent is required in order to ensure that sufficient supplies will be available to meet anticipated demands. The General Manager shall declare the existence of a Level 1 and take action to implement the Level 1 conservation practices identified in this Section.

(b) During a Level 1 condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement the following water conservation practices. The same water conservation practices may become mandatory if the District declares a Level 2 condition:

1. Irrigate residential and commercial landscape before 10 a.m. and after 6 p.m. only. Customers are to water no more than three days a week using the suggested watering schedule as found on the District's web page. New plantings and newly seeded areas are exempt for 30 days.

2. Use a hand-held hose equipped with a positive shut-off nozzle or bucket to water landscaped areas, including trees and shrubs located on residential and commercial properties that are not irrigated by a landscape irrigation system.

3. Irrigate nursery and commercial grower's products before 10 a.m. and after 6 p.m. only. Watering is permitted at any time with a hand-held hose equipped with a positive shut-off nozzle, a bucket, or when a drip/micro-irrigation system/equipment is used. Irrigation of nursery propagation beds is permitted at any time. Watering of livestock is permitted at any time.

4. Use re-circulated water to operate ornamental fountains.

5. Wash vehicles, including but not limited to motorcycles, farm equipment, trailers, boats and boat engines and motorhomes using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Vehicle washing is limited to once per week.

6. Use recycled or non-potable water for construction purposes when available.

39.05 WATER SHORTAGE RESPONSE LEVEL 2 - SUPPLY ALERT
CONDITION

(a) A Water Shortage Response Level 2 condition is also referred to as a "Supply Alert" condition. A Level 2 condition applies when the Water Authority notifies its member agencies that due to cutbacks caused by water shortage or other reduction in supplies, a consumer demand reduction of 11 to 20 percent is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors may declare the existence of a Level 2 condition and implement the Level 2

conservation practices identified in this section of the ordinance. The District may decide to implement some or all of the Level 1 practices.

(b) All persons using District water shall make every effort to comply with Level 1 water conservation practices during a Level 2, and also to comply with the following additional conservation measures:

1. Limit residential and commercial landscape irrigation to no more than three (3) days per week. This section shall not apply to homeowner's vegetable gardens, fruit trees, commercial growers, or nurseries.

2. Limit lawn watering and landscape irrigation using sprinklers to no more than fifteen (15) minutes per watering station per day. During the months of November through April, landscape irrigation shall not exceed seven (7) minutes per water watering station per assigned day. Watering times may need to be shortened to avoid run-off. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems, rotating sprinkler nozzles and stream rotor sprinklers.

3. Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system on the same schedule set forth above by using a bucket, hand-held hose with positive shut-off nozzle, or low-volume non-spray irrigation.

4. Irrigation is not allowed during a rainstorm and for forty-eight hours after one-quarter inch or more of rainfall is measured at Lindbergh Field.

39.06 WATER SHORTAGE RESPONSE LEVEL 3 - SUPPLY CRITICAL CONDITION

(a) A Water Shortage Response Level 3 condition is also referred to as a "Supply Critical" condition. A Level 3 condition applies when the Water Authority notifies its member agencies that due to increasing cutbacks caused by

water shortage or other reduction of supplies, a consumer demand reduction of between 21 and 40 percent is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors may declare the existence of a Level 3 condition and implement the Level 3 conservation practices identified in this Section.

(b) All persons using District water shall comply with Level 1 and Level 2 water conservation practices during a Level 3 condition and shall also comply with the following additional mandatory conservation measures:

1. Limit residential and commercial landscape irrigation to no more than two (2) assigned days per week on a schedule established by the General Manager and posted by the District. During the months of November through April, landscape irrigation is limited to no more than once per week on a schedule established by the General Manager and posted by the District. This section shall not apply to commercial growers or nurseries.

2. Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system on the same schedule set forth above by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation.

3. Stop filling or re-filling ornamental lakes or ponds, except to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a water shortage response level under this Section.

4. Stop operating non-residential ornamental fountains or similar decorative water features unless recycled water is used.

5. Stop washing vehicles except at commercial carwashes that re-circulate water, or by high pressure/low volume wash systems. If a commercial car wash cannot accommodate the vehicle because of the vehicle size or type, such as RVs, horse trailers, boats and commercial vehicles, customers will be

allowed to wash vehicles using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system.

(c) Upon the declaration of a Level 3 condition, no new potable water service shall be provided, no new temporary meters or permanent meters shall be provided, and no statements of immediate ability to serve or provide potable water service (such as, will serve letters, certificates, or letters of availability) shall be issued, except under the following circumstances:

1. A valid, unexpired building permit has been issued for the project; or

2. The project is necessary to protect the public's health, safety, and welfare; or

3. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of the District.

This provision shall not be construed to preclude the resetting or turn-on of meters to provide continuation of water service or to restore service that has been interrupted.

(d) Upon the declaration of a Level 3 condition, the District will suspend consideration of annexations to its service area.

(e) The District may establish a water allocation for property served by the District using a method that takes into consideration the implementation of conservation methods or the installation of water saving devices. If the District establishes a water allocation, it shall provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for on-going water service. Following the effective date of the water allocation as established by the District, any person that uses water in excess of the allocation shall be subject to a penalty for each billing unit of water in

excess of the allocation. The penalty for excess water usage shall be cumulative to any other remedy or penalty that may be imposed for violation of this Section.

39.07 WATER SHORTAGE RESPONSE LEVEL 4 - SUPPLY
EMERGENCY CONDITION

(a) A Water Shortage Response Level 4 condition is also referred to as a "Supply Emergency" condition. A Level 4 condition applies when the Water Authority Board of Directors declares a water shortage emergency pursuant to California Water Code section 350 and notifies its member agencies that Level 4 requires a demand reduction of more than 40 percent in order for the District to have maximum supplies available to meet anticipated demands. The District shall declare a Level 4 in the manner and on the grounds provided in California Water Code section 350.

(b) All persons using District water shall comply with conservation measures required during Level 1, Level 2, and Level 3 conditions and shall also comply with the following additional mandatory conservation measures:

1. Stop all landscape irrigation, except crops and landscape products of commercial growers and nurseries. *This restriction shall not apply to the following categories of use unless the District has determined that recycled water is available and may be lawfully applied to the use.*

A. Maintenance of trees and shrubs that are watered on the same schedule as noted in the Level 3 Condition, by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation;

B. Maintenance of existing landscaping necessary for fire protection as specified by the Fire Marshal of the local fire protection agency having jurisdiction over the property to be irrigated;

C. Maintenance of existing landscaping for erosion control;

D. Maintenance of plant materials identified to be rare or essential to the well being of rare animals;

E. Maintenance of landscaping within active public parks and playing fields, day care centers, school grounds, cemeteries, and golf course greens, provided that such irrigation does not exceed two (2) days per week according to the schedule established under the District's Level 3 Condition;

F. Watering of livestock; and

G. Public works projects and actively irrigated environmental mitigation projects.

2. Repair all water leaks within twenty-four (24) hours of notification by the District unless other arrangements are made with the District.

(c) The District may establish a water allocation for property served by the District. If the District establishes water allocation it shall provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for on-going water service. Following the effective date of the water allocation as established by the District, any person that uses water in excess of the allocation shall be subject to a penalty for each billing unit of water in excess of the allocation. The penalty for excess water usage shall be cumulative to any other remedy or penalty that may be imposed for violation of any provision of this Section.

39.08 CORRELATION BETWEEN DROUGHT MANAGEMENT PLAN (DMP)
AND WATER SHORTAGE RESPONSE LEVELS

(a) The correlation between the Water Authority's DMP stages and the District's water shortage response levels identified in this Section of the Code of Ordinance is described herein. Under DMP Stage 1, the District would implement Water Shortage Response Level 1 actions. Under DMP Stage 2, the District would implement Water Shortage

Response Level 1 or Level 2 actions. Under DMP Stage 3, the District would implement Water Shortage Response Level 2, Level 3, or Level 4 actions.

(b) The water shortage response levels identified in this Section correspond with the Water Authority DMP as identified in the following table:

Water Shortage Response Levels	Use Restrictions	Conservation Target	DMP Stage
1 - Supply Watch	Voluntary	Up to 10%	Stage 1 or 2
2 - Supply Alert	Mandatory	11 to 20%	Stage 2 or 3
3 - Supply Critical	Mandatory	21 to 40%	Stage 3
4 - Supply Emergency	Mandatory	Above 40%	Stage 3

39.09 PROCEDURES FOR DETERMINATION AND NOTIFICATION OF WATER SHORTAGE RESPONSE LEVEL

(a) The existence of a Water Shortage Response Level 1 condition may be declared by the General Manager upon a written determination of the existence of the facts and circumstances supporting the determination. A copy of the written determination shall be filed with the Clerk or Secretary of the District and provided to the District Board of Directors. The General Manager may publish a notice of the determination of existence of Water Shortage Response Level 1 condition in one or more newspapers, including a newspaper of general circulation within the District. The District will also post notice of the condition on their website.

(b) The existence of Water Shortage Response Level 2 or Level 3 conditions may be declared by resolution of the District Board of Directors adopted at a regular or special public meeting held in accordance with State law. The mandatory conservation measures applicable to Water Shortage Response Level 2 or Level 3 conditions shall take effect on the tenth (10) day after the date the response level is declared. Within five (5) days following the declaration of the response level, the District shall publish a copy of the resolution in a newspaper used for publication of official notices.

(c) The existence of a Water Shortage Response Level 4 condition may be declared in accordance with the procedures specified in California Water Code sections 350 to 352 as note below:

350. The governing body of a distributor of a public water supply, whether publicly or privately owned and including a mutual water company, may declare a water shortage emergency condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.

351. except in event of a breakage or failure of a dam, pump, Pipe line or conduit causing an immediate emergency, the declaration shall be made only after a public hearing at which consumers of such water supply shall have an opportunity to be heard to protest against the declaration and to present their respective needs to said governing board.

352. Notice of the time and place of hearing shall be published pursuant to Section 6061 of the Government Code at least seven days prior to the date of hearing in a newspaper printed, published, and circulated within the area in which the water supply is distributed, or if there is no such newspaper, in any newspaper printed, published, and circulated in the county in which the area is located.

The mandatory conservation measures applicable to Water Shortage Response Level 4 conditions shall take effect on the tenth (10) day after the date the response level is declared. Within five (5) days following the declaration of the response level, the District shall publish a copy of the resolution in a newspaper used for publication of official notices. If the District establishes a water allocation, it shall provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for on-going water service. Water allocation shall be effective on the fifth (5) day following the date of mailing or at such later date as specified in the notice.

(d) The District Board of Directors may declare an end to a Water Shortage Response Level by the adoption of a resolution at any regular or special meeting held in accordance with State law.



AGENDA ITEM 10

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 6, 2010
SUBMITTED BY:	Geoffrey Stevens  Chief Information Officer	W.O./G.F. NO:	DIV. NO. ALL
APPROVED BY: (Chief)			
APPROVED BY: (Asst. GM):	German Alvarez  Assistant General Manager, Finance and Administration		
SUBJECT:	Asset Management FY 2010 Contract Approvals		

GENERAL MANAGER'S RECOMMENDATION:

That the Board:

1. Amend the existing Westin Engineering contract by \$110,000 to increase its amount from \$224,280 to \$334,280 and increase its scope to include the asset management data collection efforts.
2. Authorize the General Manager to negotiate and enter into a contract with Spatial Wave for \$80,000 to cover the cost of software development and modification to the Field Mapplet application and related software to accommodate asset management process improvements.

COMMITTEE ACTION: _____

Please see "Attachment A".

PURPOSE:

To authorize the purchase of services necessary to support the asset management project through Fiscal Year 2010 as identified in the District's Strategic Plan.

ANALYSIS:

Developing and improving the District's ability to manage assets is becoming increasingly critical to the District's future success and fiscal health. While the book value of District assets is approximately \$551 million, that does not represent the replacement cost - which may be as high as \$750 million. The asset management project was initiated in FY 2009 and will likely continue through FY 2012. Currently staff has developed an overall asset management plan, and done detailed work to determine the types of asset information we currently have and where it is located, from a systems perspective.

Westin Engineering

On January 2, 2008, the Board authorized a contract with Westin Engineering in the amount of \$194,280 to provide professional services for the planning of the asset management project.

Phase 2 of the project - developing an asset management pilot project and determining how best to actually accumulate and benefit from asset related information is underway.

On October 2009, under the General Manager's authority, a \$30,000 change order to the contract was issued to begin Phase 2 of the asset management project. The change order was issued with the understanding that the District would return to the Board and present the complete scope of the project and efforts to be completed with the funding provided in the FY 2010 budget.

The purpose of this report is to obtain Board approval to amend the Westin contract to increase it from the amended amount of \$224,280 to \$334,280 and increase its scope to include all asset definition tasks required to complete the District's full asset inventory.

To date, staff has completed the definition of data requirements and is in the latter stages of the pilot program to verify the quality and quantity of data required for a small area of the District (Copp's Lane Pump Station and Disinfection Facility). The District is pleased with the quality and progress of the services and expertise that Westin has provided. Once the pilot is complete, the total data requirements for the District can be accurately scoped and estimated.

The recommended amendment will cover the costs to finish the pilot and prepare detailed estimates of the total cost to obtain District-wide asset data. The pilot project provides a verified list of specific assets and then defines the particular attribute information required to make asset management decisions. Once completed, these pilot results will be applied to the District as a whole and then detailed specifications for asset related tasks can be defined and

properly scoped and estimated. This is a significant undertaking given the over half billion dollars in assets managed by the District.

Spatial Wave

In union with Westins' work, the District requires that the data systems and architectures be modified to support these modifications required to the District's software. It is recommended that a firm specializing in this work be obtained.

The District has anticipated that the GIS and related systems would need modification to execute asset management. Consequently, we have previously acquired the Field Mapplet Software from Spatial Wave -- which is designed to link the District's field applications and hardware (Toughbook laptops) to these back end data systems like GIS and our work order system. As the type and structure of the data is known, the task to modify our databases in GIS and other data access tools (primarily Field Mapplet) to store and retrieve that data can then be achieved.

In order to implement the products being developed through the asset management project, Spatial Wave's software must be modified. The software is proprietary to the manufacturer and the manufacturer has provided a fixed price bid of \$80,000 to accomplish this required task. Staff has evaluated the proposed bid and determined that it is fair and reasonable and is recommending to the Board to authorize the General Manager to enter in to a contract with Spatial Wave as identified above.

FISCAL IMPACT:

RUB

Expenditures to date total \$38,000. The total budget for P2486, as approved in the FY 2010 budget, is \$800,000. Total expenditures, outstanding commitments, and the proposed action for \$190,000 are within the budgeted amount. The Project Manager has determined the CIP budgets are sufficient to support the project.

Finance has determined that funding will be available for CIP P2486. Funding for CIP P2009 will be 100% Replacement.

STRATEGIC GOAL :

These items are in support of the District's Strategic Plan:

- Develop and implement an Asset Management Program Plan to extend useful life of capital assets.
- Develop optimized field work processing using integrated technology
- Develop information systems support for asset management program. Specifically the strategy of Business Efficiency.

LEGAL IMPACT :

None.



General Manager

Attachment A - Committee Action Report

ATTACHMENT A

SUBJECT/PROJECT:	Asset Management FY 2010 Contract Approvals
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COMMITTEE ACTION:

This item was presented to the Finance, Administration and Communications Committee on December 14, 2009 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 11

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	January 6, 2010
SUBMITTED BY:	Joseph R. Beachem, Chief Financial Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)			
APPROVED BY: (Asst. GM):	German Alvarez Assistant General Manager, Administration and Finance		
SUBJECT:	Informational Report Regarding the Pending Debt Financing		

GENERAL MANAGER'S RECOMMENDATION:

That the Board receives this informational report regarding the District's pending debt financing.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To highlight the debt strategy as presented at the last Budget Workshop and show how the reduction in the current and future Capital Improvement Program (CIP) has provided the District with added flexibility on when to issue debt.

ANALYSIS:

Staff has reevaluated the need for debt financing and is now recommending that the District move forward in preparations to issue approximately \$25 million in debt to support the next two years of CIP expenditures.

Background

Each year, as a part of the budget process, a certain level of debt financing is identified as necessary to support the planned CIP. This past budget cycle, staff identified \$41 million to cover the next two years of CIP expenditures. The rates were set to support the debt coverage ratio at this level of debt. The Engineering Department has reevaluated the projected CIP reducing the six-year CIP by \$57.9 million. The reduction of the future CIP along with the delay on the 36" pipeline has significantly reduced the immediate need for debt financing,

making it possible to reduce the pending bond issuance from \$41 million to \$25 million.

It is staff's position, as well as the opinion of Suzanne Harrell, Financial Advisor to the District, that the District proceed with preparations to issue debt and if the debt markets remain stable to move forward with the issuance as early as February 2010.

Fund Balances

The District's reserve balances are expected to remain above minimum levels through the end of fiscal 2010 even without a debt issuance. They will however, drop below target levels by approximately \$2 million. In discussions with Suzanne Harrell, the rating agencies would not view these reserve balances as a negative as of year-end 2010. However, during the 2011 fiscal year the reserve levels would continue to be drawn down at a rate of approximately \$2 million per month. The longer a debt issuance is deferred the larger the gap between reserve levels and target levels. Allowing reserves to drop far below target is not recommended and an earlier debt issuance is recommended to insure a more stable financial position for the District. Such a delay also creates a narrower window for issuing debt, making the District more susceptible to market fluctuations.

California Budget Crisis

There are a few significant issues that place a large amount of uncertainty into the municipal bond market. The state of California is in an ongoing budget crisis that has not been resolved. Over the next several years, it is expected that as the state attempts to resolve its financial troubles that most municipal debt in California will be priced at a premium, raising the District's cost of issuing debt. This pricing premium could get larger the longer the budget crisis remains unresolved. The state budget process is expected to be very difficult and will no doubt put a fair amount of uncertainty into the debt issuing process. Having flexibility of when to issue debt will be quite valuable in avoiding potential swings in the market caused by unfavorable budget news from the state. Being prepared to issue debt as early as February provides the District excellent flexibility.

Interest Rate Forecast

A number of economic forecasts are pointing toward generally higher interest costs over the next year. A survey of economists for large banks and investment houses predicts that 10-year treasuries will increase by 55 basis points and 30-year

treasuries will increase by 41 basis points. While this is not the same market as municipal debt, it is related and is an indication of the magnitude of potential increases. Municipal rates may increase less as investors ease up on the "flight to quality" and increase the demand for municipal debt, holding rates down.

The sooner the debt is issued the more likely it is to lock in lower or reasonable interest costs. It should also be noted that delays in the issuance of debt limit the flexibility the District has, making the District more vulnerable to issuing debt in an unfavorable market. The longer the delay, the more the pressure to issue debt due to an increasingly limited time frame.

FISCAL IMPACT:



Debt financing is needed to fund construction of the CIP between June 2010 and June 2011. Early preparation for this issuance will provide valuable flexibility. Early execution of the debt will likely result in a lower interest cost and will lock down the cost of funds, avoiding future uncertainty in the municipal bond market.

STRATEGIC GOAL:

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

LEGAL IMPACT:

None.



General Manager

Attachments: \

- A) Committee Action Form



ATTACHMENT A

SUBJECT/PROJECT:	Informational Report Regarding the Pending Debt Financing
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COMMITTEE ACTION:

This is an informational item only.

NOTE:

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