

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

WEDNESDAY
June 15, 2011
11:30 A.M.

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

AGENDA

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

DISCUSSION ITEMS

3. APPROVE RESOLUTION NO. 4178 TO CONTINUE WATER AND SEWER AVAILABILITY CHARGES FOR DISTRICT CUSTOMERS FOR FISCAL YEAR 2011-2012 TO BE COLLECTED THROUGH PROPERTY TAX BILLS (MENDEZ-SCHOMER) [5 minutes]
4. APPROVE RESOLUTION NO. 4177 TO ESTABLISH THE TAX RATE FOR IMPROVEMENT DISTRICT NO. 27 AT \$0.005 FOR FISCAL YEAR 2011-2012 (BELL) [5 minutes]
5. APPROVE AGREEMENTS WITH THE FOLLOWING: (STEVENS) [5 minutes]
 - AZTECA SYSTEMS INC., IN THE AMOUNT OF \$95,000 FOR INITIAL LICENSE AGREEMENT FOR WORK MANAGEMENT SOFTWARE, SOFTWARE MODIFICATION, AND IMPLEMENTATION SERVICES
 - ESRI FOR A THREE-YEAR LICENSE AGREEMENT FOR GIS SOFTWARE IN AN AMOUNT NOT-TO-EXCEED \$163,125 (\$54,375 PER YEAR)
 - ONE-YEAR SERVICE AGREEMENTS FOR FY 2012 WITH:
 - AT&T IN THE AMOUNT OF \$110,000 FOR LOCAL AND LONG DISTANCE TELEPHONE AND INTERNET SERVICE

- VERIZON WIRELESS IN THE AMOUNT OF \$108,000 FOR CELL PHONE AND WIRELESS SERVICES
- SOFTCHOICE IN THE AMOUNT OF \$78,490 FOR SOFTWARE LICENSES UNDER THE MICROSOFT ENTERPRISE AGREEMENT
- EDEN SYSTEMS IN THE AMOUNT OF \$139,000 TO COVER THE COSTS OF A SOFTWARE MAINTENANCE AGREEMENT, ANNUAL SUPPORT, AND CONSULTING SERVICE
- ESRI IN THE AMOUNT OF \$50,000 FOR SOFTWARE CONSULTING SERVICES

6. ADOPT RESOLUTION NO. 4179 TO ELECT THREE REPRESENTATIVES TO SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S BOARD OF DIRECTORS (SARNO) [5 minutes]

7. ADJOURNMENT

BOARD MEMBERS ATTENDING:

Gary Croucher, Chair
David Gonzalez

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 June 10, 2011 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 June 10, 2011.



 Susan Cruz, District Secretary



STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	July 6, 2011
SUBMITTED BY:	Alice Mendez-Schomer, <i>AM</i> Customer Service Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Joseph R. Beachem, <i>RB</i> Chief Financial Officer		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Finance and Administration		
SUBJECT:	Adopt Resolution No. 4178 to Continue Water and Sewer Availability Charges for District Customers for Fiscal Year 2011-2012 to be Collected through Property Tax Bills		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopts Resolution No. 4178 to continue water and sewer availability charges for District customers for Fiscal Year 2011-2012 to be collected through property tax bills.

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

To present for the Board's consideration the adoption of Resolution No. 4178 to continue water and sewer availability charges for District customers for Fiscal Year 2011-2012 to be collected through property tax bills.

ANALYSIS:

State Water Code Section 71630-71637 authorizes the District to assess such availability charges. The District levies availability charges each year on property in both developed and undeveloped areas. In order to place these charges on the tax roll the County of San Diego requires the District to provide a resolution authorizing the charges. Each year, the District provides a resolution along with the listing of charges by parcel.

Current legislation provides that any amount up to \$10 per parcel (one acre or less) is for general use and any amount over \$10 per parcel (\$30 per acre for parcels over one acre) is restricted, to be expended in and for that Improvement District. The District uses amounts over \$10 per parcel to develop water and sewer systems within the Improvement Districts where the funds are collected. In accordance with the legislation, the District places amounts up to \$10 per parcel in the General Fund.

FISCAL IMPACT: RKB

The availability charges, as budgeted, will generate approximately \$1.2 million in revenue.

STRATEGIC GOAL:

This revenue source will help the District meet its fiscal responsibility to its ratepayers.

LEGAL IMPACT: _____

None.

Mark Watson
General Manager

Attachments:

- A) Committee Action Form
- B) Resolution No. 4178



ATTACHMENT A

SUBJECT/PROJECT:	Adopt Resolution No. 4178 to Continue Water and Sewer Availability Charges for District Customers for Fiscal Year 2011-2012 to be Collected through Property Taxes
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COMMITTEE ACTION:

That the Finance, Administration and Communications Committee recommends that the Board adopt Resolution No. 4178 to continue water and sewer availability charges for District customers for Fiscal Year 2011-2012 to be collected through property taxes.

NOTE:

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

RESOLUTION NO. 4178

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT CONTINUING PREVIOUSLY ESTABLISHED WATER AND SEWER AVAILABILITY CHARGES FOR FISCAL YEAR 2011-2012; REQUESTING THE COUNTY TO COLLECT SUCH AVAILABILITY CHARGES ON THE 2011-2012 SECURED TAX ROLL AND TAKING OTHER RELATED ACTIONS

WHEREAS, the Otay Water District (herein "District") is a member of the San Diego County Water Authority and the Metropolitan Water District of Southern California and, as a member, the District is entitled to purchase water for distribution within the District and water so purchased is available to property in the District that is also within the San Diego County Water Authority and the Metropolitan Water District of Southern California, without further need for annexation to any agency; and

WHEREAS, Improvement Districts No. 14 and 18 and Assessment District No. 4 (Hillsdale) have been formed within the Otay Water District (herein "District") and sanitary sewers have been constructed and sewer service is available to land within each of the said districts; and

WHEREAS, in consideration of the benefit that water availability confers upon property within the District, and in further consideration of the need for revenue to pay the cost of water storage and transmission facilities which directly and specially benefit property within the District, the District has previously determined that water availability charges be fixed and established under applicable provisions of law; and

WHEREAS, in consideration of the benefit which sewer availability confers upon property within Improvement Districts No. 14 and 18 and within Assessment District No. 4 (Hillsdale), and in further consideration of the need to pay the cost of sanitary sewers which directly and specifically benefit those properties, the District has previously determined that sewer availability charges be fixed and established for Improvement Districts No. 14 and 18 and Assessment District No. 4 (Hillsdale), all as provided under applicable provisions of law; and

WHEREAS, the District desires to continue the collection of such water and sewer availability charges without increases or revisions in methodology or application.

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

1. SCHEDULE OF WATER CHARGES

(A) The water availability charges previously fixed and established are hereby continued for Fiscal Year 2011-2012 at the existing rates, as follows:

- (1) In Improvement Districts No. 5 and La Presa No. 1 the charge shall be \$10.00 per acre of land and \$10.00 per parcel of land less than one acre.
- (2) In Improvement Districts No. 2, 3, 7, 9, 10, 19, 20, 22, 25 and 27 the charge shall be \$30.00 per acre of land and \$10.00 per parcel of land less than one acre.

- (3) For land located outside an improvement district and within one mile of a District water line, the charge shall be \$10.00 per acre of land and \$10.00 for each parcel less than one acre.
- (4) For land located outside an improvement district and greater than one mile from District facilities, the charge shall be \$3.00 per acre of land and \$3.00 for each parcel less than one acre.

(B) Modifications The charges provided for in subparagraphs (1) through (4) in (A) above shall be modified upon petition by the property owner where the property does not receive water from the District as follows:

- (1) where a parcel of land or a portion thereof is within an open space easement approved by San Diego County, the charge for such parcel or portion thereof shall be fifty percent (50%) of the charge determined pursuant to paragraph (A), provided the owner files with the District proof, satisfactory to the District, that said parcel of land or portion thereof is within such a designated permanent open space area;
- (2) where a parcel of land or portion thereof is in an agricultural reserve under a Land Conservation Contract with the County of San Diego, pursuant to the Land Conservation Act of 1965 as amended, the charge for such parcel shall be \$3.00 per acre, provided the owner files with the District proof,

- satisfactory to the District, that said parcel of land or portion thereof is within such an agricultural preserve;
- (3) where a parcel of land or a portion thereof is within an area designated as a floodplain by the County of San Diego, the charge for such a parcel or portion thereof shall be \$3.00 per acre, provided the owner files with the District proof, satisfactory to the District, that said parcel of land or portion thereof is within such designated floodplain; and
- (4) where a parcel of land or portion thereof exceeds a 30% slope, and where such is not within a legal subdivision, lot-split or planned residential development, the charge for the slope portion shall be \$3.00 per acre, or if such a parcel is less than one acre and more than one-half of the area exceeds 30% slope, \$3.00 for the parcel, provided the owner files with the District proof, satisfactory to the District, that said parcel of land or portion thereof meets or exceeds the slope.

(C) Exceptions The charges provided for in (A) and (B) above shall not apply, upon petition by the property owner, to the following:

- (1) land located within an area designated as a floodway by the County of San Diego;

- (2) land designated as a vernal pool area by a governmental agency authorized to make such a designation and which designation prohibits use of such area for any purpose;
- (3) land owned by non-profit, tax-exempt conservation organizations specializing in identifying and protecting the natural habitat of rare species; or
- (4) land that is located within the boundaries of the Otay Water District but not within the boundaries of the Metropolitan Water District of Southern California and the San Diego County Water Authority.

2. SCHEDULE OF SEWER CHARGES

(A) Sewer standby assessment or availability charges are hereby fixed and established for Fiscal Year 2011-2012 as follows:

- (1) In Improvement Districts No. 14, 18 and Assessment District No. 4 (Hillsdale), the charges shall be \$30.00 per acre of land and \$10.00 per parcel of land less than one acre. The preceding charges shall not apply, upon petition by the property owner, to the following:
 - (a) any portion of a parcel which is undeveloped and maintained in its natural state within an Open Space Area as a requirement under the San Diego County General Plan, provided the owner of such parcel files proof,

satisfactory to the District, of such
designed Open Space Area;

- (b) any portion of a parcel located within an area designated by the County of San Diego as a floodway or floodplain; or
- (c) any portion of a parcel of land which exceeds a slope of 30% and which is not within a legal subdivision, lot split or planned lot split or planned residential development.

3. DEFERRALS

(A) Deferral of Charge, Purpose Situations may arise when an owner of a parcel of land does not use and has no present intention of using water and/or sewer provided by the District on a parcel of land, as defined in Section 4. The purpose of this section is to permit an evaluation by the District, on a case-by-case basis, of the circumstances which pertain to such situations to determine whether a deferral of charges should be approved according to the terms and conditions herein provided.

Any owner of a parcel of land who believes that the amount of the water and/or sewer availability charges fixed against such parcel should be deferred may file an application with the District for deferral of the charge, as follows:

- (a) Application The application shall include a statement describing the circumstances and factual elements which support the request for deferral.
- (b) The General Manager shall consider the request within sixty (60) days after the filing of a

completed application. If the application for deferral meets the established criteria, the General Manager may decide whether to approve the request and order the charge deferred accordingly. If the request is denied, the applicant shall be notified in writing stating the reasons for the denial.

(B) Appeal to Board of Directors If the General Manager denies a request, the owner may file an appeal with the Board of Directors within sixty (60) days after such denial. No new application for deferral need be considered by the General Manager until expiration of twelve (12) months from the date of a denial, unless differently directed by the Board of Directors.

(C) Deferred Charges on Restricted Parcels, Criteria The levy of the charge may be deferred annually as to any parcel of land which meets each of the following criteria:

- (a) The owner of such parcel makes a timely application requesting deferral of the charge.
- (b) The parcel, which is the subject of the request, will become subject to enforceable restrictions which prohibits the connection to the District sewer system or use of water on the parcel, except by means of natural precipitation or runoff; provided, however, if considered appropriate by the General Manager, local water may be used for limited domestic stock watering and irrigation uses.

- (c) The owner executed a recordable agreement which includes provisions that:
- (1) set forth the enforceable restrictions pertinent to the subject parcel;
 - (2) the agreement may be terminated upon written request by the owner and payment of all deferred water and/or sewer availability charges, plus interest thereon, compounded annually, and accruing at the legal rate from the date such charges would have been otherwise due and payable;
 - (3) no water and/or sewer service from the District shall be provided to such parcel for a period of ten (10) years after the total amount due for the charges deferred, plus annually compounded interest, is paid in full to the District, unless a surcharge penalty as described below is paid to the District prior to connection of any water and/or sewer service;
 - (4) if the surcharge is not paid, during the ten (10) year period, while water and/or sewer service is not available to the subject land, the owner shall pay all annual water or availability charges as fixed; and
 - (5) contains such other provisions considered by the General Manager to be appropriate.

(D) Surcharge Upon termination of the deferral agreement, an owner may elect to receive water and/or sewer service prior to the expiration of the ten (10) year penalty period upon payment of a surcharge. The surcharge shall be equal to the amount of the annual water and/or sewer availability charges fixed for the parcel(s) of land in the year of election to receive water and/or sewer service multiplied by the number of years remaining of the ten (10) year penalty period. This surcharge shall also apply if a property owner develops a parcel that is subject to a deferral agreement without termination of said agreement.

(E) Enforcement Procedures In order to insure that terms and conditions of the recordable agreement are being met, the General Manager shall:

- (1) Maintain a record of all parcels approved for deferral of the water assessments or availability charges.
- (2) Report to the Board of Directors any instances where the terms of the agreement are being violated.
- (3) Take such other actions or procedures considered appropriate.

4. DEFINITION OF PARCEL The term "parcel" as used herein shall mean a parcel of land as shown on the assessment rolls of the County Assessor of San Diego County as of March, 2011.

5. NOTICE AND REQUEST TO THE BOARD OF SUPERVISORS AND AUDITOR
As provided in Sections 71634 to 71637, on or before the third

Monday in August, 2011, the Secretary of this District shall furnish, in writing to the Board of Supervisors of San Diego County and to the County Auditor, a description of the land within the District upon which availability charges are to be levied and collected for Fiscal Year 2011-2012 together with the amount of the assessments or charges. At the time and in the manner required by law for the levying of taxes for county purposes, the Board of Supervisors of San Diego County shall levy, in addition to taxes it levies, water and/or sewer availability charges in the amounts fixed by this Resolution for the respective parcels of land described in Section 1 of this Resolution. All County officers charged with the duty of collecting taxes shall collect the charges with the regular property tax payments in the same form and manner as County taxes are collected. Such availability charges are a lien on the property with respect to which they are fixed. Collection of the charges may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

6. CERTIFICATION TO COUNTY BOARD OF SUPERVISORS The District certifies that this Resolution complies with the provisions of Article XIIIID of the California Constitution in that the availability charges are existing charges first set by the Board of Directors of the District prior to November 6, 1996. At the time the availability charges were initially established, the District followed the applicable provisions of law then in effect, and the District has continued to comply with such provisions, including any requirements for notices or hearings,

as from time to time in effect. Therefore, pursuant to Section 71632 and Section 71638 of the California Water Code, as currently in effect, the District may continue the availability charges in successive years at the same rate. The District further certifies that the charge is not increased hereby and the methodology for the rate is the same as in previous years. The charge is imposed exclusively to finance the capital costs, maintenance and operating expenses of the water or sewer system of the District, as applicable.

7. CERTIFIED COPIES The Secretary of this District shall deliver certified copies of this Resolution to the Board of Supervisors and to the Auditor of San Diego County with the list of charges described in Section 4 above.

8. CORRECTIONS; OTHER ACTIONS The General Manager of the District is hereby authorized to correct any clerical error made in any assessment or charge pursuant to this Resolution and to make an appropriate adjustment in any assessment or charge made in error. Furthermore, the General Manager and the Secretary of this District are hereby directed to take any further actions and deliver such documents and certificates as necessary to carry out the purpose of this Resolution.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting duly held this 6th day of July, 2011.

President

ATTEST:

Secretary

I HEREBY CERTIFY that the foregoing Resolution No. 4178 was duly adopted by the BOARD OF DIRECTORS of the OTAY WATER DISTRICT at a regular meeting thereof held on the 6th day of July, 2011 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

District Secretary



AGENDA ITEM 4

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 6, 2011
SUBMITTED BY:	Rita Bell, <i>Rita Bell</i> Finance Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:	Joseph R. Beachem, Chief Financial Officer (Chief)		
APPROVED BY:	German Alvarez, Assistant General Manager, Finance and (Asst. GM): Administration		
SUBJECT:	Adopt Resolution No. 4177 to Establish the Tax Rate for Improvement District No. 27 (ID 27) for Fiscal Year 2011-2012		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution No. 4177 to establish the tax rate for Improvement District No. 27 (ID 27) at \$0.005 for Fiscal Year 2011-2012.

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

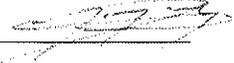
Each year, tax rates are calculated for Improvement District 27 which has outstanding general obligation bonds to ensure the amount of tax collections will meet the annual debt service. Currently, Improvement District No. 27 is the only improvement district with outstanding general obligation debt service.

BACKGROUND:

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

With the refinancing of bonds in 1998, and the rapid growth in past years, the tax rate for ID 27 had been reduced several times. In Fiscal Year 2010, the bonds were refinanced again, reducing the annual debt payment even further. The tax rate was kept at \$0.005 last fiscal year, despite a further reduction in the assessed values of properties in the region of 2.4%. The County Assessor anticipates a minimal increase of 0.3% in

assessed values for next fiscal year. Staff is proposing to keep the rate at \$0.005, drawing down the reserves, rather than raising the rate. The rate and reserve balance will be reevaluated again next year. It is anticipated that the \$0.005 rate can be maintained for a number of years.

FISCAL IMPACT: 

The \$0.005 tax rate will generate \$608,134 in revenue. The estimated revenue and the current fund balance will meet the annual debt service payment of \$756,638 for ID 27 and allow the fund to maintain a positive cash balance for the foreseeable future. This action also brings this fund balance closer to the target level of six months of bond payments.

STRATEGIC GOAL:

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

LEGAL IMPACT: _____

None.



General Manager

Attachments:

- A) Committee Action Form
- B) Resolution No. 4177
- C) ID 27 Tables



ATTACHMENT A

SUBJECT/PROJECT:	Adopt Resolution No. 4177 to Establish the Tax Rate for Improvement District No. 27 (ID 27) for Fiscal Year 2011-2012
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COMMITTEE ACTION:

That the Finance, Administration and Communications Committee recommends that the Board adopt Resolution No. 4177 to establish the tax rate for Improvement District No. 27 (ID 27) at \$0.005 for Fiscal Year 2011-2012.

NOTE:

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

RESOLUTION NO. 4177

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TAX RATES FOR FISCAL YEAR 2011-2012 FOR PAYMENT OF PRINCIPAL AND INTEREST ON GENERAL OBLIGATION BONDS OF IMPROVEMENT DISTRICTS (GF 1600)

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

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

1. Findings. It is necessary that this Board of Directors cause taxes to be levied in Fiscal Year 2011-2012 for Improvement District No. 27 of the Otay Water District to pay the amount of the principal and interest on the bonded debt of such improvement district.

2. Amounts to be Raised by Taxes. The amount required to be raised by taxation during Fiscal Year 2011-2012 for the principal and interest on the bonded debt of Improvement District No. 27 is as follows:

Improvement District No. 27 \$608,134

3. Tax Rates. The tax rates per one hundred dollars (\$100) of the full value of all taxable property within said improvement district necessary to pay the aforesaid amounts of principal and interest on the bonded debt of said improvement district for Fiscal Year 2011-2012 is hereby determined and fixed as follows:

Improvement District No. 27 \$0.005

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

PASSED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 6th day of July, 2011.

Ayes:
Noes:
Abstain:
Absent:

President

ATTEST:

Secretary

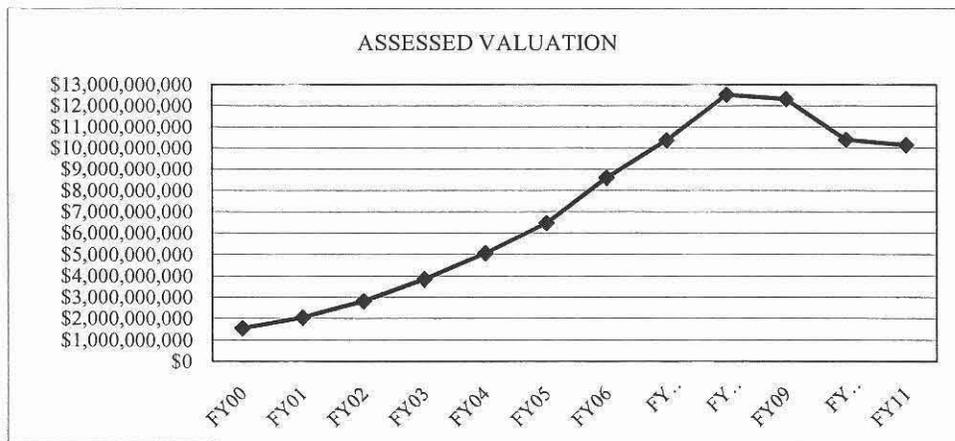
IMPROVEMENT DISTRICT 27

History

- 1989 Improvement District 27 was formed with \$100,000,000 bonding authorized.
- 1992 District issued \$11,500,000 in General Obligation Bonds primarily for the construction of a 30 million gallon storage reservoir.
- 1998 District refinanced outstanding debt of \$10,900,000.
- 2009 District refinanced again outstanding debt of \$7,780,000.

Historical Data						
	TAXES COLLECTED	DEBT SERVICE	NET	TAX RATE	ASSESSED VALUATION	INC%
FY00	\$1,796,000	\$844,900	\$951,100	\$0.10000	\$1,539,762,365	38%
FY01	\$1,628,500	\$841,500	\$787,000	\$0.06000	\$2,037,206,308	32%
FY02	\$570,300	\$842,000	(\$271,700)	\$0.02000	\$2,809,479,840	38%
FY03	\$725,085	\$848,600	(\$123,515)	\$0.01500	\$3,837,693,353	37%
FY04	\$829,036	\$848,700	(\$19,664)	\$0.01400	\$5,047,625,296	32%
FY05	\$997,082	\$840,800	\$156,282	\$0.01200	\$6,454,909,846	28%
FY06	\$1,081,991	\$840,385	\$241,606	\$0.01000	\$8,579,576,581	33%
FY 07	\$868,624	\$837,936	\$30,688	\$0.00700	\$10,348,663,242	21%
FY 08	\$917,168	\$835,017	\$82,151	\$0.00600	\$12,518,643,676	21%
FY09	\$764,971	\$830,823	(\$65,852)	\$0.00500	\$12,308,043,285	-2%
FY10⁽¹⁾	\$605,405	\$934,674	(\$329,269)	\$0.00500	\$10,378,404,507	-16%
FY11	\$600,685	\$781,144	(\$180,459)	\$0.00500	\$10,131,397,697	-2%

Change in Fund Balance						
	TAXES COLLECTED	DEBT SERVICE	NET	TAX RATE	ASSESSED VALUATION	INC%
	Fund Balance 6/30/11		\$1,161,133			
FY12	\$608,134	\$756,638	(\$148,504)	\$0.00500	\$10,161,791,890	0.3%
	Interest		\$21,363			
	Est Fund Balance 6/30/12		\$1,033,992			



⁽¹⁾ Due to the debt refinancing in FY2009, there was a refunding cost of \$150,625 that added to the debt service amount this year.



AGENDA ITEM 5

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	July 6, 2011
SUBMITTED BY:	Bill Jenkins IT Operations Manager	W.O./G.F. NO:	DIV. NO. ALL
APPROVED BY: (Chief)	Geoffrey Stevens Chief Information Officer		
APPROVED BY: (Asst. GM):	German Alvarez Assistant General Manager, Finance and Administration		
SUBJECT:	IT RELATED O&M AND CAPITAL CONTRACTS FOR FY 2012 REQUIRING BOARD APPROVAL		

GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to enter into the following agreements with:

- 1) Azteca Systems, Inc., in the amount of \$95,000 for initial license agreement for work management software, software modification, and implementation services.
- 2) ESRI for a three-year license agreement for GIS software in an amount not to exceed \$163,125 (\$54,375 per year).
- 3) One-year service agreements for FY 2012 with:
 - a) AT&T in the amount of \$110,000 for local and long distance telephone and internet service.
 - b) Verizon Wireless in the amount of \$108,000 for cell phone and wireless services.
 - c) SoftChoice in the amount of \$78,490 for software licenses under the Microsoft Enterprise Agreement.
 - d) EDEN Systems in the amount of \$139,000 to cover the costs of a software maintenance agreement, annual support, and consulting service.
 - e) ESRI in the amount of \$50,000 for software consulting services.

COMMITTEE ACTION: _____

Please see "Attachment A".

PURPOSE:

To authorize the purchase of equipment and services necessary to support IT daily operations and enhance District systems to meet emerging business needs as identified in the District Strategic Plan.

ANALYSIS:

The IT Department presents to the Board specific technology related expenses that require Board approval because they exceed the General Manager's authorized approval limit of \$50,000 for a specific contract. These contracts and purchases are required to either operate the District's technology environment or to make planned technology related infrastructure improvements. Each item requiring the District to issue a purchase order or contract for greater than \$50,000 is described in detail in the following section. All of the items in this report are specifically itemized in the FY 2012 Budget as well. By presenting these items collectively, we want to provide to the Board a more detailed view of expenses related to the District's information systems.

All purchasing guidelines have been met for the specific items in this report. Certain items, such as software licenses and vendor support, are sole source contracts, only if, the specific vendor can support the product. Certain items are also purchased utilizing state authorized competitive contracts, which guarantees competitive pricing. We have attempted, wherever possible, to synchronize our contract renewal dates with the District's fiscal year and budget approval process.

The following are detailed descriptions of the specific requests:

Summary Table

Item	Amount	Purchasing Process	Funding Source
Azteca Systems, Inc.	\$95,000	Sole Source	CIP P2486
ESRI (GIS Enhancements)	\$50,000	Sole Source	CIP P2470
Total from Capital Budget	\$145,000		
AT&T	\$110,000	Competitive Bid	IT O&M Budget
Verizon Wireless	\$108,000	Competitive Bid	IT O&M Budget
SoftChoice (Microsoft EA)	\$78,490	Competitive Bid	IT O&M Budget
EDEN Software Licenses	\$139,000	Sole Source	IT O&M Budget
ESRI (GIS Licenses)	\$54,375	Sole Source	IT O&M Budget
Total from O&M Budget	\$489,865		
Grand Total	\$634,865		

Software Maintenance Contracts

Azteca Systems, Inc. - \$95,000. We require a Platinum vendor who offers a geocentric system. Azteca is the only firm in this area who meets those requirements. Funding comes from CIP P2486 (Asset Management).

EDEN Systems - \$139,000. The software maintenance licenses for Utility Billing, Finance, Human Resources and permitting systems are provided by the integrated EDEN Systems product, which is wholly owned by Tyler Technologies. The core license and support costs include both the license and enhanced support agreements. This item is a sole source contract as this is the only product vendor who is authorized to provide maintenance support. Funding comes from the IT O&M budget.

ESRI - \$104,375. The District purchases software and server licenses for ESRI GIS products. ESRI is the market leading vendor for public GIS software and has been our adopted standard since 2001. These expenses specifically cover the GIS licenses for our servers, associated GIS applications and database products (\$50,000 plus \$4,375 tax per year). By signing this three year contract, the District will be able to lock in an annual \$54,375 license fee. In addition, we purchase consulting support from ESRI that are extensions of the core software (\$50,000). The license fees will be paid from the operating budget, and the support will be paid from CIP P2470 (Application Systems Development and Integration).

Softchoice - \$78,490. This is the sixth year of our Enterprise Agreement with Microsoft for desktop and server software licensing and the third year in which we pay only for software assurance upgrades. The District will be eligible for upgrades to any Microsoft product versions through our Enterprise Agreement and Software Assurance. Funding comes from the IT O&M budget.

Communications Costs

AT&T - \$110,000. This year, the District conducted a detailed Telecom RFP with the major vendors for telecom services. AT&T was the lowest bidder for telephone services supporting the District's local and long distance telephone expenses, Internet access and coverage for copper based SCADA telephone connections. Funds for these services are in the IT O&M budget.

Verizon Wireless - \$108,000. Verizon was the lowest bidder for wireless telephone services. The District currently purchases high speed wireless communications services from Verizon. Verizon has the most reliable high speed wireless internet connections used in our mobile ToughBook platform and BlackBerry phones. The quality of data connection from the Verizon service is superior in our area compared to other vendors. Funds for these services are in the IT O&M budget.

FISCAL IMPACT:

RKB

This project will utilize funds from both the IT Operating Budget and two FY 2012 CIPs(P2470 and P2486).

The items referenced above request a total not to exceed \$634,865, plus applicable taxes. These items are also specifically included in the adopted FY 2012 Capital and O&M Budgets.

Capital Funding:

The approved FY 2012 budget for CIP P2470 (Application Systems Development and Integration) is \$430,000. As this is the first of the year, expenditures to date are \$0. The remaining balance for FY 2012 is \$430,000, of which no more than \$50,000 will be used in these enhancements.

The Project Manager anticipates, based on financial analysis, that the budget will be sufficient to support this project.

Finance has determined that 40% of the funding for this project is available from the Expansion Fund and 60% from the Replacement Fund.

The approved total budget for CIP P2486 (Asset Management) as approved in the FY 2012 budget is \$400,000. Expenditures to date are \$0. The remaining balance for FY 2012 is \$400,000, of which no more than \$95,000 will be used in these purchases.

The Project Manager anticipates, based on financial analysis, that the budget will be sufficient to support this project.

Finance has determined that 100% of the funding for this project is available from the Replacement Fund. These funds are budgeted, unencumbered, and funds are available for these purchases.

STRATEGIC GOAL:

These items are in support of the District's Strategic Plan, specifically the strategy of Business Process Efficiency.

LEGAL IMPACT:

None.

Mark Watton
Mark Watton
General Manager

ATTACHMENT A

SUBJECT/PROJECT:	IT RELATED O&M AND CAPITAL CONTRACTS FOR FY 2012 REQUIRING BOARD APPROVAL
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee met on June 15, 2011 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:	July 6, 2011
SUBMITTED BY:	Rom Sarno Chief, Administrative Services	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Asst. GM):	German Alvarez Assistant General Manager, Finance and Administration		
SUBJECT:	ADOPT RESOLUTION NO. 4179 TO ELECT THREE REPRESENTATIVES TO SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S BOARD OF DIRECTORS		

GENERAL MANAGER'S RECOMMENDATION:

That the Board consider casting votes to elect three representatives to the Special District Risk Management Authority's (SDRMA) Board of Directors by adopting Resolution No. 4179.

PURPOSE:

To present for the Board's consideration, the ballot to elect three representatives to the Special District Risk Management Authority's (SDRMA) Board of Directors.

COMMITTEE ACTION: _____

Please see "Attachment A".

ANALYSIS:

SDRMA is holding an election to fill three seats on its Board of Directors. Staff has reviewed each candidate's background, experience and expertise, and in an effort to provide a good balance of representation (based on agencies represented) on SDRMA's Board, staff is recommending that the following be considered for election to their Board:

Ms. Terry Burkhart
Board President, Bighorn-Desert View Water Agency

Mr. Ed Gray (Incumbent)
Director, Chino Valley Independent Fire District

Mr. Edmund K. Sprague (Incumbent)
Board President, Olivenhain Municipal Water District

The ballot requests that the District select three of the candidates when placing its vote. Attached are the Statements of Qualifications received from several of the candidates requesting the District's support of their candidacy.

The ballot must be mailed and received by SDRMA by 5:00 p.m. on Friday, September 16, 2011.

FISCAL IMPACT: _____

None.

STRATEGIC GOAL:

Participating would support the strategic goal of maintaining effective communications with other cities, special districts, State and Federal governments, community organizations and Mexico.

LEGAL IMPACT: _____

None.



Mark Watton
General Manager

Attachments:

- A) Committee Action Report
- B) Candidates' Statement of Qualifications
- C) Resolution No. 4179
- D) Election Ballot

ATTACHMENT A

SUBJECT/PROJECT:	ADOPT RESOLUTION NO. 4179 TO ELECT THREE REPRESENTATIVES TO SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S (SDRMA) BOARD OF DIRECTORS
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee met on June 15, 2011 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.

**Special District Risk Management Authority
Board of Directors
Candidates' State of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA

Nominee/Candidate: Sandy Raffelson
District/Agency: Herlong Public Utility District
Work Address: 448-805 Pole Line Rd, P O Box 515, Herlong CA 96113
Work Phone: (530) 827-3150 Home Phone: (530) 254-0234

Why do you want to serve on the SDRMA Board of Directors?

I think it would be a great experience to serve on the Board and I could give Northern California and Small District's a voice on the Board. I feel I would be an asset to the Board with my degree in business and my 25 years experience in accounting and auditing. I have audited small districts and know what they need and what they can afford.

I understand the challenges that small District face every day when it comes to managing liability insurance and worker's compensation for a few employees with limited revenues and staff. My education and experience gives me an appreciation of the importance of risk management services and programs, especially for smaller district's that lack expertise among staff because of not dealing with claims on a day to day basis to be proficient in it.

I feel I could be an asset to this Board and would love a chance to try.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization)

I am currently the District Clerk for the Herlong PUD Board of Directors for the last 3 years, before that serving as the Secretary to the Board of Herlong Utilities, Inc. I worked directly with the formation of our District which included working for 2 separate Board's of Directors and the transfer of assets from a public benefit corporation to a special district. As part of the team that worked to form the District I was directly involved with LAFCo, Lassen County Board of Supervisors and County Clerk to establish the District's initial Board of Directors as well as the transfer of multiple permits and closure procedures from multiple agencies for the seamless transition of our District operations. I closed out the Corporation books and established the books for the District transitioning to fund accounting. I have also administered the financial portion of a large capital improvement project as well as worked on the first ever successful water utility privatization project with the US Army and Department of Defense. I also am the primary administrator of a federal contract for utility services with the Federal Bureau of Prison.

In the last 15 years I have served on several Boards in Logan and Lassen County. I have served 4 years on a Preschool Board that during that time the school purchase property and moved the Preschool to a better location, hired a new Director and 2 new teachers.

I have served as PTA President for 2 years for a private K-8th grade school. After resigning from PTA President, I accepted a Board member position for 4 years during which time we hired 1 principal and 2 teachers, purchased computer lab equipment enough for all student, upgraded water system in building and purchased insulated windows to keep children warm and heating cost down.

**Special District Risk Management Authority
Board of Directors
Candidates' State of Qualifications**

I was nominated for Treasurer for Lassen County 4H Council, at which time I was also on several committees including Fair, Scholarship, Grant and Fundraising. I served as Treasurer for 3 years, paying all bills, reimbursing funds, making all deposits and did all bookkeeping for the Board. I also transformed the books from the 60's to the current age by setting the Council books up on a Bookkeeping Software and designing Financial Statements everyone could understand.

I am currently Lassen County Horse Show Manager for a 2 day horse show with over 100 classes. Also this is my 9th year putting together the Lassen County 4H/FFA Horse Show for the Community. This includes all fundraising/donations to run the shows, purchasing all awards, getting staff to help with shows, and managing the show on the event date.

What special skills, talents, or experience (including volunteer experience) do you have?

I have my Bachelors Degree in Business with a minor in Sociology. I have audited Small Districts for 5 years, worked for a Small District for 4 years and have 25 years of accounting experiences. I am a good communicator and organizer. I have served on several Boards and feel I work well within groups or special committees. I am willing to go that extra mile to see things get completed.

I believe in recognition for jobs well done. I encourage Incentive programs that get members motivated to participate and strive to do their very best to keep all losses at a minimum and reward those with no losses.

I have completed my Certificate for Special District Board Secretary/Clerk Program through CSDA and co-sponsored by SDRMA and California Special District Alliance. I have completed several of the SDRMA's Target Safety courses and CSDA courses. I am currently working on my completion of the CSDA Special District Leadership Academy and will complete these courses on April 28th, 2011.

I work for a District in Northeastern California that has undergone major changes from a Cooperative Company to a 501c12 Corporation, to finally a Public Utility District. I have worked with LAFCo to become a District. Through past experience I hope to make a great Board member representing the small districts of Northern California and their growing pains and make decisions that would help all rural/small districts.

What is your overall vision for SDRMA?

I appreciate the way the Board and staff has worked hard to make SDRMA programs affordable for small district and I would like to help continue in this direction. I would also like to grow the education program to help keep claims down and if claims are down than each district would benefit by less cost.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature: _____

Jandy Ruffelson

Date: _____

3/30/11

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate Emery Ross
District/Agency Mariposa County Resource Conservation District
Work Address 5009 Fairgrounds Road, P. O. Box 746, Mariposa, CA 95338
Work Phone 209-966-3431 Home Phone 209-852-2606

Why do you want to serve on the SDRMA Board of Directors?

- To gain more knowledge about the SDRMA and what factors affect the decisions it renders.
- To assist in maintaining SDRMA as a top-notch organization, from a Board member perspective.

What Board or committee experience do you have that would help you to be an effective Board member? (SDRMA or any other organization)

- Appointed to the Board of Directors of the Mariposa County Resource Conservation District in June 2010; served as an Associate Director for 1-1/2 years.
- Currently President of the Board of Directors of the Lake Don Pedro Community Services District; have served on the LDPCSD Board since 2008.

What special skills, talents or experience (including volunteer experience) do you have?

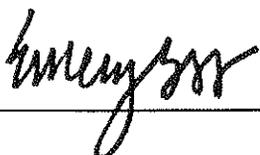
- 15 years experience working for a public agency with 250 employees where there was much exposure to risk management from all sides. During my years as a manager, worked with County District Attorney, judges and County Counsel.
- Work experience with family law firm.
- Independent columnist for local newspaper for past 7 years; ag editor.
- Cattle rancher in Mariposa County for past 18 years.

What is your overall vision for SDRMA?

See SDRMA broaden its existing resource capability in the area of training for elected officials and special district staff in order to reduce future exposure.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature  Date MAY-2-2011

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate Mike Scheafer

District/Agency Costa Mesa Sanitary District

Work Address 1551-B Baker St, Costa Mesa, CA 92626

Work Phone 714-435-0300

Home Phone 714-549-4961

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

I believe I have the qualifications and experience that enable me to assess the needs of Special Districts in risk management areas. I enjoy being able to help manage the risks of my customers, and would look forward to bringing that attitude and ability to Special Districts. I feel a commitment to serving a broad base of constituents and being able to provide a service if I can. Personally I enjoy examining the issues faced by Districts and then being able to provide help with solutions.

I believe serving on the SDRMA Board of Directors presents challenges and opportunities that will help me grow as a Director of my Special District.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

Former and current Special District Director, former City Councilmember City of Costa Mesa. Active in Lions Clubs International as a Past District Governor and member of several local, state and international committees. Service on several non profit boards of directors: Boys and Girls Clubs, Little League Baseball, AYSO, Costa Mesa Senior Center, others. Have served as President of all boards that I have been a member of.

Former member of Western Insurance Information Service, having served as a public speaker for that organization. I hold a community college teaching credential in Insurance Education.

Former instructor for AD Banker, Insurance Education. Taught California pre licensing classes as well as California Department of Insurance Continuing Education classes.

Participant and speaker for the insurance industry in both Sacramento and Washington DC. Served as political liaison for State Farm Insurance.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)

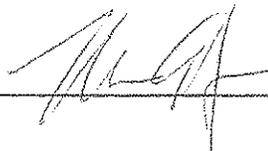
In almost every board that I have associated with I have been asked to take a leadership role, either on the board or as a speaker for that organization. I possess a skill in public speaking and interaction with people. I enjoy public speaking, especially for organizations and causes where I feel I can provide a service. I have years of volunteer experience in insurance, sports, youth activities, public service and other areas.

What is your overall vision for SDRMA? (Response Required)

I would look forward to continuing the excellent work that SDRMA currently does. I would like to be a part of expanding and marketing the work of SDRMA. As a Director I appreciate the need to manage the risk that we all face. My vision would be to continue that work, but look for ways to make sure that all Special Districts are aware of the service provided by SDRMA.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature _____



Date _____

4/11/11

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate **Edmund K. Sprague**
District/Agency **Olivenhain Municipal Water District**
Work Address **1966 Olivenhain Road, Encinitas, CA 92024**
Work Phone **(760) 753-6466** Home Phone **(760) 484-4404**

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

I have made a career-long commitment to safety and risk management, as a firefighter since 1986, emergency planner since 1993, and president of Olivenhain Municipal Water District's Board of Directors for the last three years, to which I was recently named to another term as president. My experience developing oversight standards and risk management assessment programs across several public agencies, combined with 14 years of leadership experience, is invaluable to a greater understanding of the field of risk management and my ability to properly navigate challenges faced by those in the industry.

Thankfully, I have been able to share my extensive knowledge and give back to the community in my capacity serving the customers of OMWD. A founding member of SDRMA, OMWD's commitment to safety far exceeds simply meeting minimum requirements, and this commitment has been renewed annually by the Board of Directors as part of our "Safety Has No Quitting Time" program. We have taken advantage of the Target Safety program since its inception, and have found it a cost-effective and valuable tool in providing employees with the training that they need to continually operate as safely as possible. Board members and management also routinely attend SDRMA trainings and events. Our commitment has yielded an unmatched lost-time injury rate and an exceptional experience modification factor—among the best in the state—proving that SDRMA has acted wisely in rewarding agencies such as ours with discounted premiums. OMWD has invested its trust in SDRMA, and SDRMA has most prudently returned the favor.

SDRMA's commitment to safety and risk management is just as extraordinary as at OMWD, and my successful track record of managing risk across agencies and disciplines provides me with a unique opportunity to positively contribute to the guidance of an organization as committed to risk management as I am.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

The lion's share of my board-level experience is as president of OMWD's Board of Directors. During my tenure, OMWD has responded to the economic crisis of the last several years by dedicating ourselves like never before to the efficient expenditure of public funds. The board enacted policies such as the "Holding the Line" program, a unique cost-containing initiative that recently earned CSDA's Innovative Program of the Year award. The Special District Leadership Foundation recognized OMWD as a District of Distinction based on our sound fiscal and administrative policies, also recognized by the Government Finance Officers Association of the US and Canada for Excellence in Financial Reporting. Further, I serve as an elected councilmember of the La Costa Heights School Site Council, which oversees budgets and planning for supplemental educational programs. I am proud of my successes in leading such fiscally prudent public organizations, and I look forward to sharing these same principles at SDRMA.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

Teamwork is critical when working together as a board, and I have proven as a member of Carlsbad Fire Department and OMWD's Board of Directors that my exemplary ability to work as part of a larger team is a valuable resource in pursuit of common goals. Compromise in the boardroom, however, is only effective when balanced with the ability to communicate one's informed position. This never-ceasing desire for maintaining my willingness to learn on behalf of my constituents is evidenced through my pursuit of a masters degree in Public Administration, as well as Special District Administrator certification through the Special District Leadership Academy. Just as important is sharing this knowledge with others; I ably convey lessons as a Battalion Chief with Carlsbad Fire, as a fire service instructor at Palomar College, as an Assistant Scoutmaster with Boy Scout Troop 2000, and as a volunteer with the Carlsbad Boys & Girls Club and Elfin Forest Recreational Reserve.

What is your overall vision for SDRMA? (Response Required)

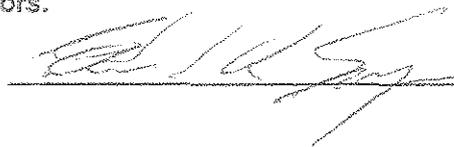
SDRMA is widely respected in the special district community for its commitment to risk management, insurance, safety, and service to its members. Even during my relatively brief tenure on OMWD's Board of Directors, I have witnessed SDRMA constantly striving to improve the services that it offers, and I hope to assist SDRMA in continuing and enhancing the level of service that it provides.

This is not to say that SDRMA shouldn't continue to explore opportunities to improve; streamlining of the CIP program by which to offer more competitive base-level premiums is one area that may be examined. Another area is ensuring that the package of services SDRMA provides is competitive with that of other providers; SDRMA may consider a program through which instructors visit job sites for specific trainings when a Target Safety module may not be sufficient.

However, the groundwork for effective administration of SDRMA has clearly already been set by the board, and I hope to continue the strong tradition of exemplary service to its members.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

4/20/11

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)

After serving in the US Army, I enjoyed a lengthy career in law enforcement retiring in 2004 as a Police Lieutenant. I learned early in my career, that to be an effective individual and leader, it was important to actively listen to people; to seek understanding of all sides of an issue; and make decisions based on common sense and "rightness".
My experience as an elected official has broadened my knowledge and reinforced my belief that decisions must be made based on what is right, and not on what is a personal preference.

What is your overall vision for SDRMA? (Response Required)

I see SDRMA as continuing its' journey as a successful, effective and efficient service provider through innovation, right thinking and conservative business strategies. I can visualize the organization exploring other avenues of financial endeavors that will benefit our customers.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

APRIL 21, 2011

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate Bethzabe Yanez
District/Agency East Palo Alto Sanitary District
Work Address 901 Weeks Street, East Palo Alto, CA 94303
Work Phone 650-325-9021 Home Phone

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

I want to serve on the SDRMA Board because risk management is one of the most important challenges facing our agency today. I've been involved in public service in various capacities in my community for the past ten (10) years and I've come to understand the importance of transparency, accountability, and fiscal responsibility. Managing risk is crucial to the success or failure of any Public Agency.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I'm currently serving as Board President on the East Palo Alto Sanitary District Board of Directors. In my position, I'm responsible for agenda preparation and the conduct of Regular Board meeting. I also serve on the District Finance Committee responsible for approving all district warrants and advising District Management on issues coming before the board. In these positions I have learned the art of negotiations and compromise to get projects developed and implemented that serve the best interest of our community. If selected, I bring my skills and commitment to the SDRMA Board.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

I offer the following skill set, that I feel will benefit the SDRMA Board if selected: Past President of the East Palo Alto YMCA, City of East Palo Alto Traffic & Transportation Commission, Board Member of the Mouton Mental Health Center, Owner Operator of Gaston & Betsy Catering Service. Also, I'm bilingual and have used my skills as an interpreter for various city agencies.

What is your overall vision for SDRMA? (Response Required)

I see the future of SDRMA as a primary source of education to member agencies leading the way in developing strategies that we can use to meet the risk management challenges of the future. While I believe the services currently being offered both crucial and important, I feel the ability to identify future agency needs and the education of member agencies is priority number one.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

4.26.11

Special District Risk Management Authority

Board of Directors

Candidate's Statement of Qualifications

Nominee/Candidate: Terry Burkhart
District/Agency: Bighorn-Desert View Water Agency
Work Address: 622 Jemez Trail, Yucca Valley, CA 92284

Why do you want to serve on the SDRMA Board of Directors?

I believe my thirty four years experience in the insurance industry, primarily in agency commercial departments, can be of value to SDRMA. I enjoy working with my current Board of Directors and expect SDRMA to be interesting, challenging, and educational.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization)

Currently I am President, Bighorn-Desert View Water Agency Board of Directors, in the second year of a two year term. Other Boards include Johnson Valley Improvement Association, nine years as board member or officer; Business and Professional Women (BPW), North Orange County BPW, board member and all offices; BPW Regional board – secretary.

Instructor for Insurance Educational Association for twelve years.

Completed Special District Leadership Academy

Completed Special District Institute three part course.

Committees: BDVWA – Planning, Legislative, Engineering, Grants & Security – chair

Various ad hoc committees: Reche Basin Recharge Project

Financial/Budget

Commissioner, Mojave Pipeline Commission

Representative to Mojave Water Agency Technical Advisory

Committee

What special skills, talents or experience (including volunteer experience) do you have?

34 years in insurance industry, much as agency Commercial Department Manager. Did policy analysis for risk management consultant for large international company. Experience noted above.

What is your overall vision for SDRMA?

The name speaks for itself: "Risk Management" must be the essential goal. Providing education to clients on avoidance of loss, mitigation of loss, as a means of achieving safety goals. Prompt response to client loss situations, working with the client to control/minimize loss, and where applicable prevent future loss is vital. Satisfied clients are apt to pay more attention to loss prevention information provided them.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature Terry B. M. Khat Date 4-29-2011

RESOLUTION NO. 4179

A RESOLUTION OF THE GOVERNING BODY OF THE
OTAY WATER DISTRICT
FOR THE ELECTION OF DIRECTORS TO THE
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
BOARD OF DIRECTORS

WHEREAS, Special District Risk Management Authority (SDRMA) is a Joint Powers Authority formed under California Government Code Section 6500 et seq., for the purpose of providing risk management and risk financing for California special districts and other local government agencies; and

WHEREAS, SDRMA'S Sixth Amended and Restated Joint Powers Agreement specifies SDRMA shall be governed by a seven member Board of Directors nominated and elected from the members who have executed the current operative agreement and are participating in a joint protection program; and

WHEREAS, SDRMA's Sixth Amended and Restated Joint Powers Agreement Article 7 - Board of Directors specifies that the procedures for director elections shall be established by SDRMA's Board of Directors; and

WHEREAS, SDRMA's Board of Directors approved Policy No. 2011-02 Establishing Guidelines for Director Elections specifies director qualifications, terms of office and election requirements; and

WHEREAS, Policy No. 2011-02 specifies that member agencies desiring to participate in the balloting and election of candidates to serve on SDRMA's Board of Directors must be made by resolution adopted by the member agency's governing body.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Otay Water District selects the following candidates to serve as Directors on the SDRMA Board of Directors:

(continued)

OFFICIAL 2011 ELECTION BALLOT
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
BOARD OF DIRECTORS

VOTE FOR ONLY THREE (3) CANDIDATES

Mark each selection directly onto the ballot, voting for no more than three (3) candidates. Each candidate may receive only one (1) vote per ballot. A ballot received with more than three (3) candidates selected will be considered invalid and not counted. All ballots must be sealed and received by mail or hand delivery in the enclosed self-addressed, stamped envelope at SDRMA on or before 5:00 p.m., Friday, September 16, 2011. Faxes or electronic transmissions are NOT acceptable.

- SANDY RAFFELSON**
District Clerk, Herlong Public Utility District
- EMERY ROSS**
Director, Mariposa County Resource Conservation District
- MIKE SCHEAFER**
Director/Secretary, Costa Mesa Sanitary District
- EDMUND K. SPRAGUE (INCUMBENT)**
Board President, Olivenhain Municipal Water District
- ED GRAY (INCUMBENT)**
Director, Chino Valley Independent Fire District
- BETHZABE YANEZ**
Board President, East Palo Alto Sanitary District
- TERRY BURKHART**
Board President, Bighorn-Desert View Water Agency

ADOPTED this ____ day of _____, 2011 by the Otay Water District by the following roll call votes listed by name:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST:

APPROVED:
