

OTAY WATER DISTRICT

BOARD OF DIRECTORS MEETING
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

WEDNESDAY
September 7, 2016
3:30 P.M.

AGENDA

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. APPROVE THE MINUTES OF THE REGULAR BOARD MEETING OF JULY 6, 2016
5. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

PUBLIC HEARING

6. PUBLIC HEARING ON THE FINAL ENVIRONMENTAL IMPACT REPORT/FINAL ENVIRONMENTAL IMPACT STATEMENT FOR THE DISTRICT'S OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM PROJECT

THE BOARD WILL BE HOLDING A PUBLIC HEARING TO CONSIDER CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT/FINAL ENVIRONMENTAL IMPACT STATEMENT (FINAL EIR/EIS) FOR THE DISTRICT'S OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM PROJECT. THE BOARD INVITES THE PUBLIC TO PROVIDE COMMENTS ON THE REPORT.

- a) CERTIFY THAT THE FINAL EIR/EIS FOR THE DISTRICT'S OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM PROJECT HAS BEEN COMPLETED IN COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, THE CURRENT STATE GUIDELINES, AND THE DISTRICT'S LOCAL GUIDELINES, AND THAT IT REFLECTS THE INDEPENDENT JUDGMENT OF THE DISTRICT; FIND THAT THE POTENTIALLY SIGNIFICANT EFFECTS OF THE PROJECT WILL BE

AVOIDED THROUGH THE ADOPTION OF FEASIBLE MITIGATION MEASURES, AS SHOWN IN THE FINAL EIR/EIS AND THE MITIGATION, MONITORING AND REPORTING PROGRAM FOR THE FINAL EIR/EIS; AND APPROVE THE FINDINGS AND THE STATEMENT OF OVERRIDING CONSIDERATIONS FOR THE PROJECT (COBURN-BOYD)

CONSENT CALENDAR

7. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:
- a) ADOPT RESOLUTION NO. 4313 AMENDING POLICY NO. 21 OF THE DISTRICT'S CODE OF ORDINANCES TO REDEFINE THE FEE LIMITS FOR MINOR PROJECTS OF LESS THAN \$50,000 AND ADD CLARIFYING LANGUAGE FOR EXISTING PRACTICES WITH RESPECT TO PROFESSIONAL CONSULTING SERVICES
 - b) ADOPT RESOLUTION NO. 4315 ELECTING THAT THE DISTRICT BE SUBJECT TO THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (CUPCCAA) PROCEDURES AND ADOPTING BOARD OF DIRECTORS POLICY NO. 53, INFORMAL BIDDING PROCEDURES UNDER THE CUPCCAA; AND AMEND SECTION 7 PRICING/BIDDING REQUIREMENTS OF THE OTAY WATER DISTRICT PURCHASING MANUAL
 - c) ADOPT ORDINANCE NO. 557 AMENDING THE APPENDIX OF SECTION 6, CONFLICT OF INTEREST CODE (COIC), CONTAINED WITHIN THE DISTRICT'S CODE OF ORDINANCES TO UPDATE THE POSITION TITLES REQUIRED TO FILE A FORM 700 AND TO INCLUDE LANGUAGE IN SECTION 6.02 WHICH WILL ALLOW THE GENERAL MANAGER OR HIS DESIGNEE TO DESIGNATE POSITIONS TO BE INCLUDED IN THE COIC'S APPENDIX AT ANY TIME BETWEEN THE BIENNIAL REVIEW PERIODS
 - d) ADOPT RESOLUTION NO. 4311 TO UPDATE BOARD POLICY NO. 19, SMOKING, TOBACCO, AND NICOTINE FREE CAMPUS, DUE TO RECENT LEGISLATION EXPANDING THE WORKPLACE PROHIBITION AGAINST SMOKING INCLUDING ELECTRONIC CIGARETTES
 - e) RATIFY THE EMERGENCY CONTRACTED WORK PERFORMED BY KIRK PAVING FOR THE GREENVIEW DRIVE MAIN BREAK REPAIR
 - f) ADOPT ORDINANCE NO. 558 AMENDING SUBDIVISION "E" OF SECTION 2.01 OF THE DISTRICT'S CODE OF ORDINANCES TO ESTABLISH THE GENERAL MANAGER'S SIGNATORY AUTHORITY AT \$125,000

ACTION ITEMS

8. ENGINEERING AND WATER OPERATIONS
 - a) APPROVE THE CONTINUANCE OF THE TEMPORARY MORATORIUM ON THE INSTALLATION OF NEW RECYCLED WATER FACILITIES ON OTAY MESA FOR A PERIOD OF ONE YEAR TO JULY 2017 (MARTIN)
9. BOARD
 - a) DISCUSSION OF THE 2016 BOARD MEETING CALENDAR

INFORMATIONAL ITEM

10. THE FOLLOWING ITEMS ARE PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS:
 - a) FISCAL YEAR 2016 YEAR-END REPORT FOR THE DISTRICT'S FISCAL YEAR 2015-2018 STRATEGIC PLAN (SEGURA)
 - b) FOURTH QUARTER OF FISCAL YEAR 2016 CAPITAL IMPROVEMENT PROGRAM UPDATE (MARTIN)

REPORTS

11. GENERAL MANAGER'S REPORT
 - a) SAN DIEGO COUNTY WATER AUTHORITY UPDATE
12. DIRECTORS' REPORTS/REQUESTS
13. PRESIDENT'S REPORT/REQUESTS

RECESS TO CLOSED SESSION

14. CLOSED SESSION
 - a) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:

1 CASE
 - b) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
[GOVERNMENT CODE §54956.9]

THE AFFORDABLE HOUSING COALITION OF SAN DIEGO v. SANDOVAL;
CASE NO. 34-2012-80001158-CU-WM-GDS

RETURN TO OPEN SESSION

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

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

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 (619) 670-2280 at least 24 hours prior to the meeting.

Certification of Posting

I certify that on September 2, 2016, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 72 hours in advance of the regular meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on September 2, 2016.

/s/ Susan Cruz, District Secretary

AGENDA ITEM 4

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE OTAY WATER DISTRICT July 6, 2016

1. The meeting was called to order by President Thompson at 3:36 p.m.

2. ROLL CALL

Directors Present: Lopez, Robak, Smith and Thompson

Directors Absent: Croucher (out-of-town on preplanned vacation)

Staff Present: General Manager Mark Watton, Attorney Jeanne Blumenfeld, Asst. General Manager German Alvarez, Chief Financial Officer Joe Beachem, Chief of Administration and Information Technology Adolfo Segura, Chief of Operations Pedro Porras, Asst. Chief of Operations Jose Martinez, District Secretary Susan Cruz and others per attached list.

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

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

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

to approve the agenda.

5. APPROVE THE MINUTES OF THE REGULAR BOARD MEETINGS OF APRIL 6, 2016 AND MAY 4, 2016

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

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

to approve the minutes of the regular board meetings of April 6, 2016 and May 4, 2016.

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

No one wished to be heard.

CONSENT CALENDAR

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

President Thompson pulled items 6f, REQUEST THAT THE BOARD OF DIRECTORS CONSIDER PLACING A PERMANENT MORATORIUM ON THE INSTALLATION OF NEW RECYCLED WATER FACILITIES ON OTAY MESA, for discussion.

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

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

to approve the following consent calendar items:

- a) APPROVE A SECOND AMENDMENT TO CALTRANS UTILITY AGREEMENT NUMBER 33622 FOR THE SR 11/125/905 CONNECTOR RAMPS BLOW OFF RELOCATION PROJECT IN THE AMOUNT OF \$847.79
- b) APPROVE A THIRD AMENDMENT TO THE CAROLLO ENGINEERS, INC. PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR DESIGN AND CONSTRUCTION SUPPORT OF THE 870-2 PUMP STATION PROJECT IN AN AMOUNT NOT-TO-EXCEED \$42,700
- c) APPROVE A FIVE (5) YEAR AGREEMENT (THREE [3] YEARS WITH TWO [2] ADDITIONAL YEARS AT THE DISTRICT'S OPTION) WITH ALLIANT INSURANCE SERVICES, INC. (ALLIANT) FOR BENEFIT CONSULTING AND BROKER SERVICES IN AN AMOUNT NOT-TO-EXCEED \$148,480 AND IDENTIFYING ALLIANT AS THE DISTRICT'S BROKER OF RECORD
- d) ADOPT RESOLUTION NO. 4309 UPDATING BOARD OF DIRECTORS POLICY NO. 22, DRUG-FREE WORKPLACE POLICY AND PROCEDURE, TO CHANGE THE RANDOM TESTING PERCENTAGES

FOR ALL EMPLOYEES SUBJECT TO THIS POLICY AND REVISE THE DEFINITION OF SAFETY-SENSITIVE DUTIES

- e) ADOPT RESOLUTION NO. 4308 AMENDING BOARD OF DIRECTORS POLICY NO. 35, THE MEDICAL RESERVE FUND FOR DISTRICT RETIREES, OF THE DISTRICT'S CODE OF ORDINANCES TO REFLECT THE CURRENT PROCESSES AND PROCEDURES FOR THE MEDICAL RESERVE FUND

President Thompson presented item 6f for discussion:

- f) REQUEST THAT THE BOARD OF DIRECTORS CONSIDER PLACING A PERMANENT MORATORIUM ON THE INSTALLATION OF NEW RECYCLED WATER FACILITIES ON OTAY MESA

Engineering Manager Dan Martin provided an update on the activities following the placement of a temporary moratorium on the installation of new recycled water facilities in the Otay Mesa area. He indicated that this item recommends placing a *permanent* moratorium on the installation of recycled facilities in the Otay Mesa area. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Mr. Martin's report.

In response to an inquiry from Director Smith, Mr. Martin indicated that the developers installed the recycled water infrastructure for their Otay Mesa developments in good faith that the District would be able to deliver recycled water to the system. The capacity fees for the San Diego County Water Authority (CWA) were not collected when the meters were installed as the meters were for recycled water. The 16.4 miles of recycled infrastructure, from a cost basis, more than offsets the cost of the capacity fees. It was indicated that the District does not have plans to go back and collect the capacity fees. Staff has indicated that the cost value (\$1.3 million) of the capacity fees is noted within the staff report and this is what would be paid to the CWA to convert the recycled meters to potable. The District would also need to return grant monies (\$950,000) received for the recycled system to the Bureau of Reclamation. These costs have been factored into the evaluation of placing a permanent moratorium on the installation of new recycled water facilities in the Otay Mesa area.

President Thompson inquired if there was anything that would need to be waived (ie., a fee structure) within the District's Code of Ordinances when the District pays CWA the capacity fees and the recycled meters are designated as potable. He stated that before the District did anything, he felt the District should review this.

Director Smith inquired if the District had enough recycled water to serve the existing recycled customers in the Otay Mesa area. He commented that if the District did, then all the recycled meters would not need to be converted to potable which would save the District from paying the capacity fees. It was

indicated that the recycled system in the Otay Mesa area is currently being served potable water. General Manager Watton indicated that staff has not looked into that yet and in further discussions it was indicated that the review would also need to include the recycled water capacity fees that were paid by the District and the cost for maintenance of the backflow system which is required for the service of recycled water.

Director Smith also indicated that he felt the cost for the lost opportunity to sell recycled water in the Otay Mesa area should be factored in as well. He indicated that once the District makes the decision to place a permanent moratorium in the area, the system will never become cost feasible. Because of this fact, the Engineering Operations and Water Resources Committee suggested that the Board have an opportunity to discuss this item before a decision was made. He noted that other agencies have had to make a similar decision. The City of San Diego determined, through feasibility studies, that recycled water was not their answer and that direct potable reuse was a better option. He noted that in California, it is not just the cost to consider, but there is also the responsibility to conserve water by reusing it. He indicated that this is a difficult decision to make long term and inquired what the advantage was in the District designating a permanent moratorium. General Manager Watton indicated that the water use in the Otay Mesa area is fairly well set (industrial development, low water use landscaping, etc.) and, thus, the estimated recycled water needs in the area would be about 1,200 acre feet (AF) annually. The low amount of water needed for the area versus the cost (\$30 million) to install a separate recycled system and streets, outweighed the cost to provide recycled water. Thus, the cost to install and maintain a whole separate system does not make sense.

Staff indicated that another advantage of a permanent moratorium is that backflow testing would not be required and the District would not have to maintain a separate recycled system in the Otay Mesa area, thus, there would be savings over time.

Director Robak indicated that he felt that he did not see any reason why the temporary moratorium could not be extended for another two (2) years and the District could revisit this issue after the two (2) years. He stated that it did not seem like the right thing to do when the State is still in a drought. He indicated he understood the practical aspect of the moratorium, but at the same time, he did not see a compelling need for it.

A motion was made by Director Robak, seconded by President Thompson to continue the temporary moratorium for another two (2) years.

President Thompson indicated that he felt that there was a benefit for extending the temporary moratorium and he felt that business owners could be provided time to thoroughly review this proposal. He suggested that this item be tabled for another 60 days which would provide time for those impacted by this item to more thoroughly review the implications of this proposal and provide their

comments. He asked that staff to include those comments in their report to the board.

Director Robak indicated that he was not against tabling this issue for another 60 days and withdrew his motion to continue the temporary moratorium for another two (2) years.

A motion was made by President Thompson, seconded by Director Robak to table this item for 60 days to allow staff to contact interested parties in the Otay Mesa area and allow these parties time to review the implications of the moratorium and provide their comments. In further discussions, President Thompson amended his motion to table this item for 90 days instead. Director Robak accepted the amendment and the motion carried with the following vote:

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

ACTION ITEMS

8. ENGINEERING AND WATER OPERATIONS

- a) APPROVE THE WATER SUPPLY ASSESSMENT REPORT DATED MAY 2016 FOR THE OTAY 250 SUNROAD EAST OTAY MESA BUSINESS PARK SPECIFIC PLAN AMENDMENT PROJECT, AS REQUIRED BY SENATE BILLS 610 AND 221

Environmental Compliance Specialist Lisa Coburn-Boyd stated her presentation describes the Water Supply Assessment and Verification Report (WSAVR) prepared for the Otay 250 Sunroad East Otay Mesa Business Park Specific Plan Amendment Project. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Ms. Coburn-Boyd's report.

Director Smith noted that the County of San Diego had approved the land use changes and had encouraged the development of residential homes in the area. It was discussed that this made sense as there are many jobs in the Otay Mesa area and not many homes and, thus, it would help with commuter traffic.

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

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

to approve staff's recommendation.

9. FINANCE, ADMINISTRATION AND INFORMATION TECHNOLOGY

- a) ADOPT RESOLUTION NO. 4310 DECLARING AN END TO WATER SHORTAGE RESPONSE LEVEL 2- SUPPLY ALERT CONDITION; AND
- b) ADOPT ORDINANCE NO. 556 AMENDING SECTION 39, WATER SHORTAGE RESPONSE PROGRAM, OF THE DISTRICT'S CODE OF ORDINANCES

Customer Service Manager Andrea Carey indicated that she is requesting that the board adopt Resolution No. 4310 declaring an end to Water Shortage Response Level 2. She stated this action would take the District out of all water shortage response levels. Please reference the Committee Action notes attached to staff's report (Attachment A) for the details of Ms. Carey's report.

President Thompson suggested that items 8a, ADOPT RESOLUTION NO. 4310 DECLARING AN END TO WATER SHORTAGE RESPONSE LEVEL 2- SUPPLY ALERT CONDITION, and 8b, ADOPT ORDINANCE NO. 556 AMENDING SECTION 39, WATER SHORTAGE RESPONSE PROGRAM, OF THE DISTRICT'S CODE OF ORDINANCES, be acted on by the board together.

Director Smith inquired why the District is suggesting to end the water shortage response as opposed to going to a Level 1 response level. Ms. Carey indicated that the County has stated that our region has ample supplies to meet our needs over the next three (3) years and it is felt that we are not at a Shortage Level 1 which requests a conservation level of 10%. She stated that most of the restrictions in Level 1 are voluntary with the exception of the watering restrictions which the District feels is no longer appropriate.

It was indicated that customers are updated/informed on the current water shortage levels through mailers, the District's website, and through the District's customer service staff when they call the customer call center.

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

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

to approve staff's recommendation for both agenda items 8a and 8b.

10. BOARD

- a) DISCUSSION OF THE 2016 BOARD MEETING CALENDAR

President Thompson indicated that he will not be available to attend the July Finance, Administration and Communications Committee meeting and asked Director Robak to attend the meeting on his behalf. Director Robak indicated that he would be available to attend the meeting.

There were no changes to the board meeting calendar.

REPORTS

11. GENERAL MANAGER'S REPORT

General Manager's Report

General Manager Watton reviewed some handouts that were placed on the dias for each member of the board. He stated with regard to the National Resources Defense Council (NRDC) report, "What's in your Water? Flint and Beyond," that there has been a series of news releases and articles about problems in water systems around the Country. However, this report makes it seem that all water districts have lead in their water and that they are not properly performing the testing and reporting within their Consumer Confidence Reports. He stated that this is really mischaracterization of the majority of water utilities in California, including the Otay Water District. The District does all the rigorous testing and reports the outcome of this testing to the California Department of Drinking Water. He stated that the District is not picking up any lead or copper in these tests and any reports that water districts are not doing the testing properly or are lying about the testing is absolutely false for our region.

General Manager Watton also presented information from his report which included information on the workshop regarding doing business with the Otay WD, recruitments and new hires, the new SCADA System, the Rosarito Desalination Project, inspections by the Air Pollution Control District, lead and copper testing of the District's water system, and the status of water conservation.

In response to an inquiry from President Thompson, Customer Service Manager Andrea Carey indicated that the District has two collections agencies. Financial Credit Network (FCN) is the contingency collection agency (second phase collections agency) and customers forwarded to FCN are those which the District does not have a forwarding address for and are difficult to locate. It was noted that the District works with customers who are in arrears and, thus, the District has very few collection accounts. Accounts are forwarded to collections twice a month and the last time accounts were sent to collections, there were only five (5) forwarded. General Manager Watton indicated that the FCN agreement was executed under the General Manager's authority in response to another inquiry from President Thompson.

CWA Report

General Manager Watton indicated that CWA officer nominations are coming up in August and the officers are elected and take their offices in October. Director Croucher will be nominated for the secretary position, which would put him in the rotation for the position of CWA Chair four years from now.

12. DIRECTORS' REPORTS/REQUESTS

Director Lopez indicated besides the regular District board and committee meetings that he attends, he attended a Metro Commission meeting where the commission's budget was discussed.

Director Smith also indicated that besides the regular District committee and board meetings, he attended a meeting at Sweetwater Authority on June 29, 2016 to discuss the upcoming Chula Vista Interagency meeting. He also shared that he has changed his Otay Water District water bill payment to automatically pay on his credit card as he understands that this provides savings to the District. He indicated that it also supports the District's encouragement of customers to utilize the auto pay method.

Director Robak stated that he attended the Water Conservation Garden (Garden) Board Meeting and Ms. Elyssa Robertson, Executive Director, is working on moving the Garden towards a more focused direction. He stated they also discussed the future agency funding for the Garden. He noted that he saw the District's insert regarding lead in the water and he commended staff for doing a good job in educating the District's customers about the testing the District does to assure the safety of the water it delivers.

13. PRESIDENT'S REPORT

President Thompson presented his report on meetings he attended during the month of June 2016 (his report is attached). He noted that he attended the City of Chula Vista Development Forum on June 9, 2016. He stated that Developers reviewed their building plans for Chula Vista and the forum was well attended with about 125 persons in attendance. He asked that staff inform the board of future developer forums as it is an informative meeting sponsored by the City.

He indicated that he also attended a meeting of the Garden members and they had discussed the original intent was that the water agencies contributions would remain the same and the Garden would grow other funding. He indicated that there has been a push from a couple members of the Garden (CWA and Sweetwater Authority) to reduce agency funding. The Garden is taking this suggestion seriously and it is expected that a three-year horizon proposal will be presented soon that would work towards reducing agency contributions. He stated that he felt the Garden has good leadership with the new Executive Director and feels the Garden is in good hands.

He also indicated that he wished to thank Director Croucher for his service to the public. He stated that not only does Director Croucher serve on the boards of the

Otay Water District and CWA, he is also very busy fighting fires. He stated that he seems to have a limitless capacity and dedication to give back to the public.

He lastly shared that he has approximately four months before his seat is up for election on the Otay Water District board and he wished to dedicate the remaining months of his term to his sister, Ms. Cynthia Thompson, who recently passed away.

14. CLOSED SESSION

The board recessed to closed session at 5:12 p.m. to discuss the following matter:

- a) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:

1 CASE

Director Robak left at 5:15 p.m. and did not participate in the closed session discussion.

The board reconvened at 6:12 p.m. and Attorney Jeanne Blumenfeld reported that the board met in closed session and took no reportable actions.

15. ADJOURNMENT

With no further business to come before the Board, President Thompson adjourned the meeting at 6:12 p.m.

President

ATTEST:

District Secretary

President's Report
July 6, 2016 Board Meeting

A) Meetings attended during the Month of June 2016:

- 1) **June 1: OWD Regular Board Meeting**
- 2) **June 8: Attended a meeting of the Water Conservation Garden JPA.**
- 3) **June 9: Attended the City of Chula Vista Development Forum**
- 4) **June 16: Met with City of Chula Vista City Manager, Gary Halbert.** Discussed items mutual to both the City and the District and provided an update on District issues.
Attendee: General Manager Watton
- 5) **June 17: Committee Agenda Briefing.** Met with General Manager Watton to review items that will be presented at the June committee meetings.
- 6) **June 22: Attended the District's Finance, Administration and Communications Committee.** Reviewed, discussed, and made recommendation on items that will be presented at the July board meeting.
- 7) **June 27: Met with Water Conservation Garden JPA Members and Executive Director.** Discussed future funding of the WCG.
- 8) **June 29: Met with Sweetwater Authority.** Discussed issues for the City of Chula Vista Interagency Task Force.
Attendees: Director Smith and General Manager Watton.

AGENDA ITEM 6a



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
SUBMITTED BY:	Lisa Coburn-Boyd Environmental Compliance Specialist Bob Kennedy Engineering Manager	PROJECT:	P2451- DIV. NO. 2 001101
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief, Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Certification of the Final Environmental Impact Report/Environmental Impact Statement for the Otay Mesa Conveyance and Disinfection System Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board):

- Certify that the Final Environmental Impact Report/Final Environmental Impact Statement (Final EIR/EIS) for the District's Otay Mesa Conveyance and Disinfection System Project (Project) has been completed in compliance with the California Environmental Quality Act, the current State Guidelines, and the District's Local Guidelines, and that it reflects the independent judgment of the District.
- Find that the potentially significant effects of the Project will be avoided through the adoption of feasible mitigation measures, as shown in the Final EIR/EIS and the Mitigation, Monitoring, and Reporting Program for the Final EIR/EIS.
- Approve the Findings and the Statement of Overriding Considerations for the Project.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board certification of the Final EIR/EIS for the Project (see Exhibit A for Project location).

ANALYSIS:

The Otay Mesa Conveyance and Disinfection System Project involves the design, construction, and operation of an approximately four-mile long, 48-54 inch diameter potable water pipeline, and a metering station within the Otay Mesa area of the District. The Project may also include a disinfection facility and/or pump station. The pipeline will begin at the U.S. - Mexico border and end at the District's Roll Reservoir on Otay Mesa. It will be used to convey desalinated water produced at the desalination plant that will be built in Rosarito, Baja California, Mexico, if the District is able to enter into an agreement to purchase the water. The Project would increase the District's potable water supply flexibility and reliability.

The potential crossing of the U.S. - Mexico border by a water pipeline requires that the District obtain a Presidential Permit (PP). In November 2013, the District submitted an application for a PP to the U.S. Department of State (Department), the federal agency responsible for processing PP's. An essential part of the PP process is the environmental review of a project to ensure consistency with the National Environmental Policy Act (NEPA). Since the Project must also comply with the California Environmental Quality Act (CEQA), as it is located in California, the Department and the District decided that a joint CEQA/NEPA document, an EIR/EIS, would be appropriate for the environmental review. AECOM, the consultant under contract to the District for the Project engineering and environmental work, prepared the EIR/EIS in conjunction with the Department and District staff.

The EIR/EIS identifies potential significant effects related to air quality, biological resources, cultural and paleontological resources, environmental justice, geology/soils, greenhouse gas emissions, hazards and hazardous materials, hydrology/water quality, noise and transportation/traffic. The mitigation measures that reduce any effects of the Project to insignificant

are presented in the document as well as in the Mitigation, Monitoring, and Reporting Plan (MMRP). The only issue area with the potential to result in significant and unavoidable impacts is greenhouse gas emissions related to the potential pump station. A conservative approach was taken for this analysis resulting in the potentially significant impact, although the actual design of the pump station, if it is needed, will likely result in less than significant greenhouse gas emissions. An analysis of the significant impacts is included in the Statement of Overriding Considerations included with the Final EIR/EIS. This statement details how the benefits of the Project outweigh the adverse environmental effects.

The draft EIR was submitted for a 45-day public review period on May 12, 2016 and thirteen (13) comment letters were received from federal, state and local agencies and organizations. AECOM worked with the District and the Department to prepare responses to these letters. Changes to the Final EIR/EIS in response to comments received are incorporated in the final document in strike-out/underline. The comment letters and responses are included in the Final EIR/EIS as Appendix D.

The next step in the PP process will be the submittal of the Final EIR/EIS to the Environmental Protection Agency (EPA) by the Department. The EPA will publish a notice in the Federal Register that the document is complete. At the same time, the State Department Bureau of Western Hemisphere Affairs (Bureau of WHA) will send a notice to other federal agencies about the Project and those agencies have 90-days to comment on whether they think the Project is in the national interest. Once the 90-days are complete, the Bureau of WHA will issue the Record of Decision/National Interest Determination (ROD/NID), and the federal agencies have an additional 15-days to review. Once the 15-days are complete, and if there is no opposition to the ROD/NID, the PP will be issued. Staff estimates that the entire process and issuance of the P.P. will be completed in mid-December 2016.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

No fiscal impact. See Attachment B for budget detail.

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional,

effective, and efficient manner” and the General Manager’s Vision, “A District that is at the forefront in innovations to provide water services at affordable rates, with a reputation for outstanding customer service.”

LEGAL IMPACT:

No legal impact is anticipated. However, in compliance with the California Environmental Quality Act process, the Final EIR/EIS will have the normal 30-day legal challenge period once recorded with the County of San Diego.

LC-B/BK:mlc

P:\WORKING\CIP P2451 Desalination Feasibility Study\Staff Reports\Board 09-07-16\BD 09-07-16, Staff Report, OMCDSF Final EIR-EIS Certification.docx

Attachments:

- Attachment A - Committee Action
- Attachment B - Budget Detail
- Exhibit A - Project Location
- Attachment C - Final EIR, MMRP, Findings, and Statement of Overriding Considerations



ATTACHMENT A

SUBJECT/PROJECT: P2451-001101	Certification of the Final Environmental Impact Report/Environmental Impact Statement for the Otay Mesa Conveyance and Disinfection System Project
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COMMITTEE ACTION:

The Desalination Committee (Committee) reviewed this item at a meeting held on August 29, 2016 and the following comments were made:

- Staff is requesting that the Board certify that the Final Environmental Impact Report/Environmental Impact Statement for the Otay Mesa Conveyance and Disinfection System Project has been completed in compliance with the California Environmental Quality Act, the current state guidelines, and the District's local guidelines and that it reflects the independent judgment of the District. Additionally, staff is asking for the approval of the Mitigation, Monitoring and reporting program, the findings and the Statement of Overriding Considerations for the project.
- Staff reviewed the information in the staff report.
- Staff indicated in Appendix D, Public Comments and Responses, of the Final EIR/EIS the State Department requested a matrix showing the public's comments and the District's response to those comments. They also requested that the District indicate where the EIR/EIS has been revised in response to the comments. Staff stated that most of the comment letters were straight forward. Several comments requested that some impact from the project be addressed to a greater degree and some wished additional information added to the EIR/EIS.
- Staff indicated that the District did receive one comment letter that was negative to the project. The correspondence was from the Surfrider Foundation and Wildcoast. This letter is the second to the last letter in Appendix D and was treated in the

same manner as all other comment letters. The District's comments are noted next to the letter within the EIR/EIS.

- The main points of their concerns were:
 - o The discharge of the brine from the desalination process into the ocean.
 - o It objects to the Punta Bandera/San Antonio de los Buenos Treatment Plant discharging sewage close to the Rosarito Desalination Plant.
 - o It suggests that the wastewater from the Punta Bandera/San Antonio de los Buenos Treatment Plant should be used as potential potable water as opposed to building a desalination plant.

- Staff determined that the comment letter from the Surfrider Foundation and Wildcoast is mainly concerned about the discharge from the Punta Bandera/San Antonio de los Buenos Treatment Plant which is not related to the desalination project itself or to the District's pipeline.

- It was discussed that the Rosarito Desalination Project is Mexico's project and the District has no jurisdiction over it. The District's only interest is in purchasing water from the project should the project go forward.

- Mexico plans to move forward with the Rosarito Desalination Project whether the District takes water from the project or not.

- Staff stated that the State Department had an opportunity to review the District's response to the Surfrider Foundation and Wildcoast letter and they felt that the District's response was appropriate.

Following the discussion, the Committee recommended to set a Public Hearing at the September 7, 2016 board meeting to allow the public to provide comments before the full Board takes action on this item.

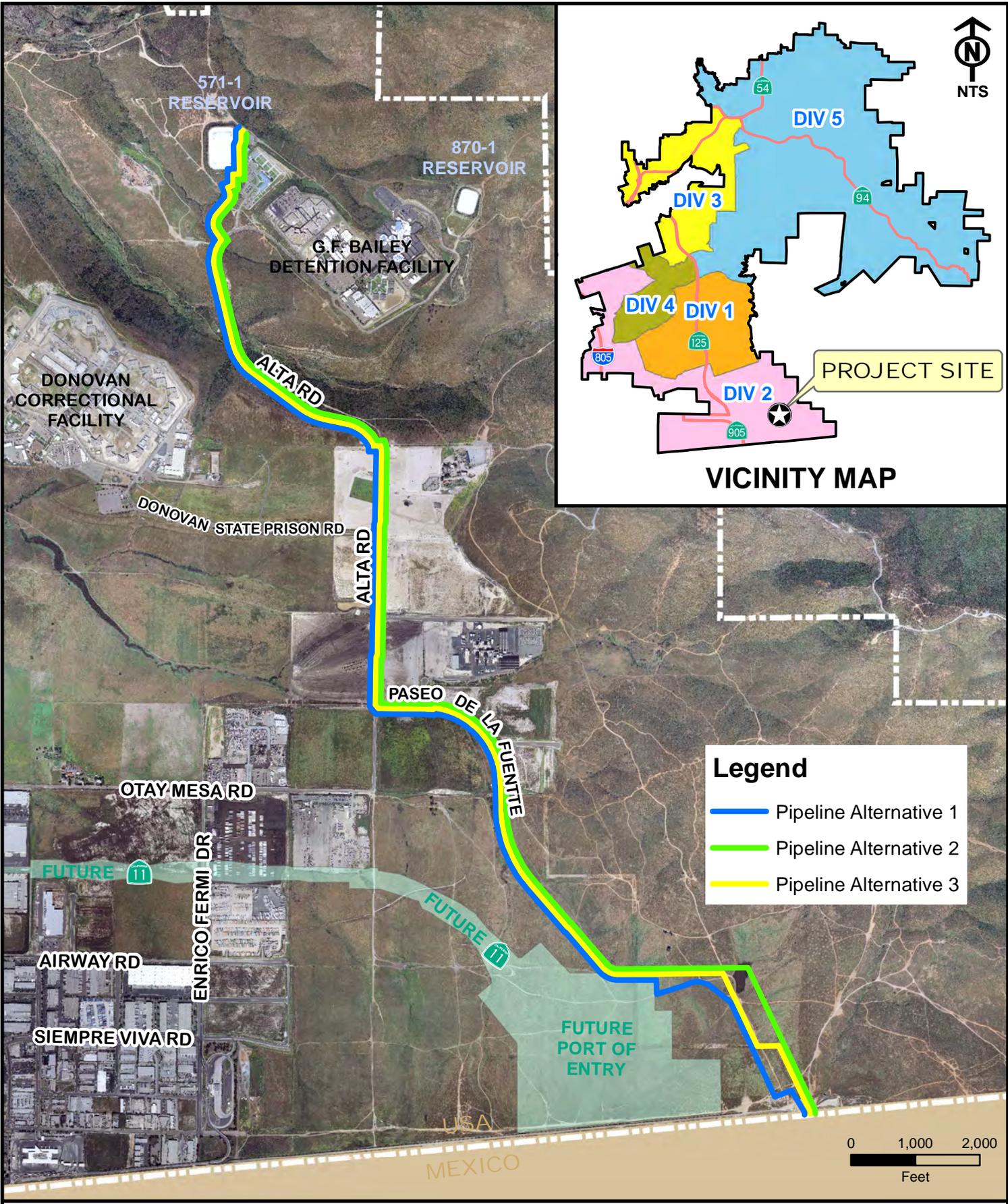


ATTACHMENT B – Budget Detail

SUBJECT/PROJECT:	Certification of the Final Environmental Impact Report/Environmental Impact Statement for the Otay Mesa Conveyance and Disinfection System Project
P2451-001101	

Otay Water District					Date Updated: 8/2/2016
p2451 Otay Mesa Desalination Conveyance and Disinfection System					
Budget	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor/Comments
30,000,000					
Phases					
Planning					
Consultant Contracts	98,577	98,577	-	98,577	CAMP DRESSER & MCKEE INC
	13,311	13,311	-	13,311	CPM PARTNERS INC
	380,200	380,200	-	380,200	HECTOR I MARES-COSSIO
	71,531	71,531	-	71,531	MARSTON & MARSTON INC
	26,155	15,646	10,509	26,155	BROWNSTEIN HYATT FARBER
	26,700	26,700	-	26,700	REA & PARKER RESEARCH
	4,173	4,173	-	4,173	SALVADOR LOPEZ-CORDOVA
	224,355	224,355	-	224,355	SILVA-SILVA INTERNATIONAL
Meals, Travel, Incidentals	21,846	21,846	-	21,846	STAFF
Printing	61	61	-	61	MAIL MANAGEMENT GROUP INC
Professional Legal Fees	568	568	-	568	ARTIANO SHINOFF
	162,041	162,041	-	162,041	GARCIA CALDERON & RUIZ LLP
	43,175	43,175	-	43,175	SOLORZANO CARVAJAL GONZALEZ Y
	32,612	32,612	-	32,612	STUTZ ARTIANO SHINOFF
Regulatory Agency Fees	2,142	2,142	-	2,142	STATE WATER RESOURCES
Service Contracts	500	500	-	500	REBECA SOTURA NICKERSON
	875	875	-	875	LEONARD VILLAREAL
	32,463	32,463	-	32,463	(W)RIGHT ON COMMUNICATIONS INC
	39,500	39,500	-	39,500	BUSTAMANTE & ASSOCIATES LLC
	290	290	-	290	SAN DIEGO DAILY TRANSCRIPT
	685	685	-	685	SAN DIEGO UNION-TRIBUNE, THE
Standard Salaries	1,131,461	1,131,461	-	1,131,461	
Total Planning	2,313,221	2,302,712	10,509	2,313,221	
Design					
Consultant Contracts	3,952	3,952	-	3,952	AIRX UTILITY SURVEYORS INC
	5,000	5,000	-	5,000	ATKINS
	8,818	8,818	-	8,818	CPM PARTNERS INC
	30,270	30,270	-	30,270	MICHAEL R WELCH PHD PE
	5,109	5,109	-	5,109	MARSTON+MARSTON INC
	3,800,863	1,356,484	2,444,379	3,800,863	AECOM TECHNICAL SERVICES INC
Professional Legal Fees	7,761	7,761	-	7,761	STUTZ ARTIANO SHINOFF
Meals, Travel, Incidentals	3,457	3,457	-	3,457	STAFF
Service Contracts	1,084	1,084	-	1,084	SAN DIEGO UNION-TRIBUNE LLC
	114	114	-	114	REPROHAUS CORP
Standard Salaries	198,043	198,043	-	198,043	
Total Design	4,064,471	1,620,092	2,444,379	4,064,471	
Construction					
Standard Salaries	-	-	-	-	
Total Construction	-	-	-	-	
Grand Total	6,377,692	3,922,804	2,454,888	6,377,692	

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OTAY WATER DISTRICT

OTAY MESA DESALINATION CONVEYANCE AND DISINFECTION SYSTEM PROJECT



EXHIBIT A

[CLICK HERE FOR EIR/EIS DOCUMENT](#)

**Final Environmental Impact Report/
Environmental Impact Statement for
the Otay Mesa Conveyance and
Disinfection System Project,
San Diego County, California
Presidential Permit Application
Review**

SCH No. 2014111033

August 2016

CEQA Lead Agency:

Otay Water District
2554 Sweetwater Springs Boulevard
Spring Valley, California 91978-2096

Federal Lead Agency:

U.S. Department of State
2201 C Street NW
Washington, DC 20520

AGENDA ITEM 7a



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
SUBMITTED BY:	Bob Kennedy Engineering Manager	PROJECT:	Various DIV.NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief of Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Adopt Resolution No. 4313 Amending Policy No. 21 for the Selection of Professional Consultants of the District's Code of Ordinances and Amend Section 7.2.4 Request for Proposals of the Otay Water District Purchasing Manual		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) adopt/amend:

1. Adopt Resolution No. 4313 (see Attachment B) amending Policy No. 21 (see Attachment B, Exhibit 1) for the Selection of Professional Consultants of the District's Code of Ordinances for Engineering projects.
2. Amend Section 7.2.4 Request for Proposals of the Otay Water District Purchasing Manual.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

The purpose of the proposed amendment outlined in this staff report is to update Policy No. 21 of the District's Code of Ordinances to redefine the fee limits of up to \$50,000 for minor projects and add clarifying language for existing practices with respect to

Professional Consulting Services for Engineering projects (see Attachment B, Exhibit 1) and amend Section 7.2.4 Request for Proposals of the Otay Water District Purchasing Manual.

ANALYSIS:

Policy No. 21 of the District's Code of Ordinances establishes the guidelines for the District's selection of Professional Consultants.

The current Policy No. 21, dated March 13, 2006, established the guidelines for the selection of Professional Consultants for minor projects with fees of less than \$5,000 to be in accordance with the Purchasing Manual. The proposed amendment included in Policy No. 21 (see Attachment B, Exhibit 1) for the Selection of Professional Consultants of the District's Code of Ordinances is intended to increase the fee limits up to \$50,000 for the selection of Professional Consultants for minor projects. This will align Policy No. 21 with the language in Section 7.2.4(a) of the District's Purchasing Manual (see Attachment C) and allow staff more flexibility to quickly hire Professional Consultants for Engineering projects and still obtain competitive pricing.

The process for selection of Professional Consultants for minor projects will require an advertisement in the Daily Transcript or a paper of equivalent circulation and require a Letter of Interest and Statement of Qualification be submitted before receiving the Request for Proposal (Proposal). The Project Manager will be required to solicit proposals from three (3) or more Professional Consultants. The Project Manager will strive to have a five (5) member panel review, but will have at least a panel of three (3). The Project Manager will not be part of the evaluation panel (see Attachment B, Exhibit 2).

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

These changes have the potential to reduce project costs.

STRATEGIC GOAL:

Adoption of Resolution No. 4313 supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional, effective, and efficient manner" and the General Manager's Vision, "A District that is at the forefront in innovations to provide water services at affordable rates, with a reputation for outstanding customer service."

LEGAL IMPACT:

None.

BK/RP:jf

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- Attachments:
- Attachment A - Committee Action
 - Attachment B - Resolution No. 4313
 - Exhibit 1 - Strike-through Policy No. 21
 - Exhibit 2 - Final Revised Policy No. 21
 - Attachment C - Strike-through of Section 7.2.4 Request for Proposals of the Otay Water District Purchasing Manual
 - Attachment D - Final Revision of Section 7.2.4 Requests for Proposals of the Otay Water District Purchasing Manual



ATTACHMENT A

SUBJECT/PROJECT: VARIOUS	Adopt Resolution No. 4313 Amending Policy No. 21 for the Selection of Professional Consultants of the District's Code of Ordinances and Amend Section 7.2.4 Request for Proposals of the Otay Water District Purchasing Manual
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a Committee Meeting held on August 22, 2016, and the following comments were made:

- Staff reviewed the staff report to the Committee and indicated that the purpose of the proposed amendment of Policy No. 21 of the District's Code of Ordinances is to redefine the fee limits of up to \$50,000, as opposed to \$5,000, for minor projects and add clarifying language for existing practices with respect to Professional Consulting Services for Engineering projects (see Attachment B, Exhibit 1) and amend Section 7.2.4 Request for Proposals of the Otay Water District Purchasing Manual.
- It was noted that this proposed amendment to Policy 21 only applies to the selection of consultants.
- In response to a question from the Committee, staff indicated that the proposed amendment to Policy 21 would increase staff efficiency by having a minimum of three (3) panel members to review proposals as it is sometimes difficult to organize a five (5) member panel. This requirement would allow projects to move forward in a timely manner. However, it was noted that a five (5) member panel would be organized for major/complicated projects. It was also noted that project managers are not part of panel reviews.
- Staff stated that consultant contracts are listed in the Quarterly CIP reports and also the monthly General Manager's report. The Committee discussed if there was an easier way for

board members to identify new consultant agreements, such as creating a "New Consultant Agreement" report.

Following the discussion, the Committee supported staffs' recommendation and presentation to the full board on the consent calendar with further discussion on how to report new consultant contracts to the board.

RESOLUTION NO. 4313

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY
WATER DISTRICT AMENDING POLICY 21 SELECTION OF
PROFESSIONAL CONSULTANTS OF THE DISTRICT'S CODE OF
ORDINANCES

WHEREAS, the Otay Water District Board of Directors has been presented with an amended Policy No. 21 of the District's Code of Ordinances for the management of the Otay Water District; and

WHEREAS, the amended Policy No. 21 has been reviewed and considered by the Board, and it is in the interest of the District to adopt the amended policy; and

WHEREAS, the strike-through copy of the proposed policy is attached as Exhibit 1 to this resolution; and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the Otay Water District that the amended Policy No. 21, incorporated herein as Exhibit 2, is hereby adopted.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of Otay Water District at a board meeting held this 7th day of September 2016, by the following vote:

Ayes:
Noes:
Abstain:
Absent:

President

ATTEST:

District Secretary

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
POLICY FOR SELECTION OF PROFESSIONAL CONSULTANTS	21	8/1/90	3/13/06 <u>9</u> <u>/07/16</u>

I. PURPOSE

The purpose of this policy is to establish procedures governing the selection of professional consultants ~~in the performance of~~ needed for District Engineering work projects.

II. SCOPE

This policy is applicable to selection of Professional Consultants ~~all District departments and offices directly responsible to the General Manager~~ needed for Engineering projects.

III. POLICY

For the purpose of this policy, "professional consultants" means any "Firm" qualified and authorized to provide "architectural, landscape architectural, engineering, environmental, and land surveying services" or "construction project management" or "environmental services," as each of those terms or services is defined in the California Government Code, commencing with Section §4525, as hereinafter amended or renumbered (the "Professional Services Provisions").

This Policy provides a method and procedure pursuant to which professional consultants in engineering, architectural, landscape architectural, environmental, land surveying and construction management, including plan checking, inspection, and projects requiring a special expertise, may be retained from the private sector to augment the District's professional capabilities or for the performance of specialized services not available to the District from the existing District work-force.

Services provided to the District by professional consultants may cover a wide range of professional activity, including, but not limited to, studies, special reports, design and related activities on such projects as pipelines, pump stations, reservoirs, planning studies and other expert testimony capabilities.

Pursuant to the Professional Services Provisions, and particularly the provisions of the California Government Code Section §4526, the Otay Water District may adopt procedures that assure that professional services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices. Furthermore, maximum participation of small business firms, as defined in Government Code Section 14837, and disadvantaged business enterprises (DBEs) shall be encouraged. Government Code Section 14837 defines "small business" as a business in which the principal office is located in California and the officers of such business are domiciled in

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
POLICY FOR SELECTION OF PROFESSIONAL CONSULTANTS	21	8/1/90	3/13/06 <u>3/13/06</u> <u>/07/16</u>

California, which is independently owned and operated and which is not dominant in its field of operation.

IV. METHOD OF SELECTION OF PROFESSIONAL CONSULTANTS

A. Major Projects - Anticipated Fee Greater than \$200,000

1. The District will advertise in at least one local newspaper of general circulation, on the District's webpage, and through CWA's Small Contractor Outreach and Opportunities Programs, and any other medium deemed appropriate by the project manager, before a Request for Proposal (RFP) is issued. Interested parties will be required to submit a Letter of Interest and a Statement of Qualifications within the time-frame specified in the publication. The "Statement of Qualifications" shall be a written document, shall contain background information on the firm that is current as of the date of submission of the statement and must highlight the work, expertise, and experience that qualify the firm to undertake the work required by the District, as such work is described in the publication.
2. All parties who submit Letters of Interest and a Statement of Qualifications, and are deemed qualified as a result of the Statement of Qualifications process, will receive a copy of the RFP. Proposals will only be accepted from those firms that submitted the Letter of Interest and the Statement of Qualifications within the time-frame specified in the publication. The form of the proposal will be prescribed by the District. If a firm has submitted a Statement of Qualifications within a calendar year and the qualifications remain correct and accurate, then only a Letter of Interest will suffice.
3. The General Manager and the appropriate department head(s) shall approve the selection criteria and the associated weighing factor to be used in evaluating the proposals accepted by the District, in accordance with Paragraph 2, above. The General Manager, or his/her designee, shall appoint a review panel of no fewer than five qualified staff to review and evaluate the proposals, and to rank the firms in the order from most qualified to least qualified. The panel will interview only those firms, which in the panel's opinion, appear to have the most desirable qualifications. If, in the opinion of the panel, none of the firms are qualified, all proposals may be rejected. In the event of an

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
POLICY FOR SELECTION OF PROFESSIONAL CONSULTANTS	21	8/1/90	3/13/06 <u>9/07/16</u>

unusual project, which poses special problems beyond the scope previously encountered by staff personnel, the review panel may be augmented by an unbiased, qualified member of the profession being considered, so long as he/she has not and will not submit a proposal.

4. If a firm is rejected on the basis of its proposal, and is not asked to appear for an interview, the firm may appeal the decision by submitting a protest to the General Manager or his/her designee. A copy of the proposal shall be submitted with the protest. The protest shall be filed within five business days of the rejection notification. The protest shall provide a compelling reason why the firm believes the original proposal contained all relevant experience or other requested information. If the General Manager, or his/her designee, concurs with the appellant, the firm shall be added to the interview list.
5. Immediately upon conclusion of oral interviews, the review panel's oral scores will be combined with the written proposals scores and shall designate the order of preference of the candidates.
6. The department head designated by the General Manager, or his/her designee, shall commence negotiations of an agreement with the first choice of the review panel for the extent of service to be rendered and the compensation. If agreement is not reached within a reasonable time, the department head shall terminate the negotiations with the first choice and shall open negotiations with the second choice of the review panel and so on until a firm is retained or the list of selected firms is exhausted. Professional societies and organizations have published schedules of fees for professional services, which may be used as a guide following adjustment to reflect the actual scope of work expected of the firm selected.

B. Intermediate Projects - Fees of \$50,000 to \$200,000

1. The process for selecting consultants for intermediate projects shall be the same as prescribed in Sections IV-A and V of this policy, with the exception of formal interviews of the highest ranked consultants, which are not required, and subject to other applicable exceptions described below.

~~C. Minor Intermediate Projects - Fees of \$5,000 to \$50,000~~

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
POLICY FOR SELECTION OF PROFESSIONAL CONSULTANTS	21	8/1/90	3/13/06 <u>9</u> <u>/07/16</u>

~~1. The process for selecting consultants for minor intermediate projects shall be the same as prescribed in Sections IV B and V of this policy, with the exception of advertisement in a paper of major circulation, and subject to other applicable exceptions described below.~~

~~DC. Minor Projects -- Fees up to Less than \$5,000~~\$50,000

1. The process for selecting consultants for minor projects shall be in accordance with the Purchasing Manual ~~as adopted by the Board.~~

V. PROCEDURAL REQUIREMENTS FOR SELECTION OF CONSULTANTS FOR MAJOR AND INTERMEDIATE AND MINOR INTERMEDIATE PROJECTS

1. The appropriate department head receives proposals from all interested parties; which are defined as consultants that have submitted a Letter of Interest and a Statement of Qualifications as defined in Section IV-A-1.

2. The evaluating panel shall consider the qualifications and demonstrated experience of the prospective consultants as well as the fee proposed by each firm to provide the services as requested in the RFP. The panel will determine which firm offers the best value for the work required. Such determination will be made with due consideration to all factors, including the qualifications, approach to the scope of work, and experience of the consultant, relative to the project as measured in the score matrix. The weight assigned to each factor under consideration will be reflected in the score matrix included in the RFP.

3. A review panel is appointed in accordance with this policy. Review panel member names are not made available to consultants prior to a call for interview.

4. The first choice of the review panel is called for negotiation. If an agreement cannot be negotiated, the first choice will be dismissed from further consideration on that particular project. Following the dismissal of the first choice, negotiations will commence with the second choice.

5. The District's project manager will contact the references provided by the consultant and he/she evaluates the past performance, as well as internet search about the consulting company. A report is made part of the recommendation to the Board.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
POLICY FOR SELECTION OF PROFESSIONAL CONSULTANTS	21	8/1/90	3/13/06 <u>/07/16</u>

- ~~56.~~ A successful negotiation shall result in presentation by the department head to the General Manager~~7~~ or his/her designee, of a professional agreement signed by the selected firm. The agreement may provide for differing methods of compensation based upon the type of work to be performed. "Per diem" or "hourly" compensation is the general rule when specific scope of work is yet to be determined. This type of compensation should carry a stated maximum amount~~1~~ which will not be exceeded except by prior District approval. Fixed-fee or cost-plus-fixed-fee compensation is commonly used after scope of work has been explicitly identified. Compensation is paid as services are performed rather than in advance.
- ~~67.~~ 7. All contracts in excess of the amount authorized by the Board to the General Manager, or his/her designee, in accordance with Section 2.01 of the District's Code of Ordinances, shall be submitted to the Board for consideration.
- ~~78.~~ All agreements for professional services shall provide for the management phase of the resulting contract. A single project manager shall be designated by the consultant and a liaison manager shall be designated by the District for purposes of contract administration.
- ~~89.~~ Late responses or untimely responses by prospective candidates should not be considered for further action. The ability to respond to a publication or an invitation for consideration in a timely and responsive manner is essential to a future satisfactory contract relationship.
- ~~910.~~ All proposed contracts shall be reviewed by the District's Legal Counsel and approved as to form prior to presentation to the General Manager or his/her designee.
- ~~101.~~ The department head shall ~~e~~insure that other departments~~1~~ which have a proper interest in the work under consideration~~1~~ are kept informed as to the progress of the work and that user decisions and desires are constructively considered within the constraints of financial and practical limitations.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
POLICY FOR SELECTION OF PROFESSIONAL CONSULTANTS	21	8/1/90	9/07/16

I. PURPOSE

The purpose of this policy is to establish procedures governing the selection of professional consultants needed for District Engineering projects.

II. SCOPE

This policy is applicable to selection of Professional Consultants needed for Engineering projects.

III. POLICY

For the purpose of this policy, "professional consultants" means any "Firm" qualified and authorized to provide "architectural, landscape architectural, engineering, environmental, and land surveying services" or "construction project management" or "environmental services," as each of those terms or services is defined in the California Government Code, commencing with Section §4525, as hereinafter amended or renumbered (the "Professional Services Provisions").

This Policy provides a method and procedure pursuant to which professional consultants in engineering, architectural, landscape architectural, environmental, land surveying and construction management, including plan checking, inspection, and projects requiring a special expertise, may be retained from the private sector to augment the District's professional capabilities or for the performance of specialized services not available to the District from the existing District workforce.

Services provided to the District by professional consultants may cover a wide range of professional activity, including, but not limited to, studies, special reports, design and related activities on such projects as pipelines, pump stations, reservoirs, planning studies and other expert testimony capabilities.

Pursuant to the Professional Services Provisions, and particularly the provisions of the California Government Code Section §4526, the Otay Water District may adopt procedures that assure that professional services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices. Furthermore, maximum participation of small business firms, as defined in Government Code Section 14837, and disadvantaged business enterprises (DBEs) shall be encouraged. Government Code Section 14837 defines "small business" as a business in which the principal office is located in California and the officers of such business are domiciled in

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
POLICY FOR SELECTION OF PROFESSIONAL CONSULTANTS	21	8/1/90	9/07/16

California, which is independently owned and operated and which is not dominant in its field of operation.

IV. METHOD OF SELECTION OF PROFESSIONAL CONSULTANTS

A. Major Projects - Anticipated Fee Greater than \$200,000

1. The District will advertise in at least one local newspaper of general circulation, on the District's webpage, and through CWA's Small Contractor Outreach and Opportunities Programs, and any other medium deemed appropriate by the project manager, before a Request for Proposal (RFP) is issued. Interested parties will be required to submit a Letter of Interest and a Statement of Qualifications within the timeframe specified in the publication. The "Statement of Qualifications" shall be a written document, shall contain background information on the firm that is current as of the date of submission of the statement and must highlight the work, expertise, and experience that qualify the firm to undertake the work required by the District, as such work is described in the publication.
2. All parties who submit Letters of Interest and a Statement of Qualifications, and are deemed qualified as a result of the Statement of Qualifications process, will receive a copy of the RFP. Proposals will only be accepted from those firms that submitted the Letter of Interest and the Statement of Qualifications within the timeframe specified in the publication. The form of the proposal will be prescribed by the District. If a firm has submitted a Statement of Qualifications within a calendar year and the qualifications remain correct and accurate, then only a Letter of Interest will suffice.
3. The General Manager and the appropriate department head(s) shall approve the selection criteria and the associated weighing factor to be used in evaluating the proposals accepted by the District, in accordance with Paragraph 2, above. The General Manager, or his/her designee, shall appoint a review panel of no fewer than five qualified staff to review and evaluate the proposals, and to rank the firms in the order from most qualified to least qualified. The panel will interview only those firms, which in the panel's opinion, appear to have the most desirable qualifications. If, in the opinion of the panel, none of the firms are qualified, all proposals may be rejected. In the event of an unusual project, which poses special problems beyond the

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
POLICY FOR SELECTION OF PROFESSIONAL CONSULTANTS	21	8/1/90	9/07/16

scope previously encountered by staff personnel, the review panel may be augmented by an unbiased, qualified member of the profession being considered, so long as he/she has not and will not submit a proposal.

4. If a firm is rejected on the basis of its proposal, and is not asked to appear for an interview, the firm may appeal the decision by submitting a protest to the General Manager or his/her designee. A copy of the proposal shall be submitted with the protest. The protest shall be filed within five business days of the rejection notification. The protest shall provide a compelling reason why the firm believes the original proposal contained all relevant experience or other requested information. If the General Manager, or his/her designee, concurs with the appellant, the firm shall be added to the interview list.
5. Immediately upon conclusion of oral interviews, the review panel's oral scores will be combined with the written proposals scores and shall designate the order of preference of the candidates.
6. The department head designated by the General Manager, or his/her designee, shall commence negotiations of an agreement with the first choice of the review panel for the extent of service to be rendered and the compensation. If agreement is not reached within a reasonable time, the department head shall terminate the negotiations with the first choice and shall open negotiations with the second choice of the review panel and so on until a firm is retained or the list of selected firms is exhausted. Professional societies and organizations have published schedules of fees for professional services, which may be used as a guide following adjustment to reflect the actual scope of work expected of the firm selected.

B. Intermediate Projects - Fees of \$50,000 to \$200,000

1. The process for selecting consultants for intermediate projects shall be the same as prescribed in Sections IV-A and V of this policy, with the exception of formal interviews of the highest ranked consultants, which are not required and subject to other applicable exceptions described below.

C. Minor Projects - Fees up to \$50,000

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
POLICY FOR SELECTION OF PROFESSIONAL CONSULTANTS	21	8/1/90	9/07/16

1. The process for selecting consultants for minor projects shall be in accordance with the Purchasing Manual.

V. PROCEDURAL REQUIREMENTS FOR SELECTION OF CONSULTANTS FOR MAJOR AND INTERMEDIATE PROJECTS

1. The appropriate department head receives proposals from all interested parties; which are defined as consultants that have submitted a Letter of Interest and a Statement of Qualifications as defined in Section IV-A-1.
2. The evaluating panel shall consider the qualifications and demonstrated experience of the prospective consultants as well as the fee proposed by each firm to provide the services as requested in the RFP. The panel will determine which firm offers the best value for the work required. Such determination will be made with due consideration to all factors, including the qualifications, approach to the scope of work, and experience of the consultant, relative to the project as measured in the score matrix. The weight assigned to each factor under consideration will be reflected in the score matrix included in the RFP.
3. A review panel is appointed in accordance with this policy. Review panel member names are not made available to consultants prior to a call for interview.
4. The first choice of the review panel is called for negotiation. If an agreement cannot be negotiated, the first choice will be dismissed from further consideration on that particular project. Following the dismissal of the first choice, negotiations will commence with the second choice.
5. The District's project manager will contact the references provided by the consultant and he/she evaluates the past performance, as well as internet search about the consulting company. A report is made part of the recommendation to the Board.
6. A successful negotiation shall result in presentation by the department head to the General Manager or his/her designee, of a professional agreement signed by the selected firm. The agreement may provide for differing methods of compensation based upon the type of work to be performed. "Per diem" or "hourly" compensation is the general rule when specific scope of work is yet to be determined. This type of compensation should carry a stated maximum amount, which will not be exceeded except by prior District approval. Fixed-fee or cost-plus-fixed-fee compensation is commonly used after scope

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
POLICY FOR SELECTION OF PROFESSIONAL CONSULTANTS	21	8/1/90	9/07/16

of work has been explicitly identified. Compensation is paid as services are performed rather than in advance.

7. All contracts in excess of the amount authorized by the Board to the General Manager, or his/her designee, in accordance with Section 2.01 of the District's Code of Ordinances, shall be submitted to the Board for consideration.
8. All agreements for professional services shall provide for the management phase of the resulting contract. A single project manager shall be designated by the consultant and a liaison manager shall be designated by the District for purposes of contract administration.
9. Late responses or untimely responses by prospective candidates should not be considered for further action. The ability to respond to a publication or an invitation for consideration in a timely and responsive manner is essential to a future satisfactory contract relationship.
10. All proposed contracts shall be reviewed by the District's Legal Counsel and approved as to form prior to presentation to the General Manager or his/her designee.
11. The department head shall ensure that other departments, which have a proper interest in the work under consideration, are kept informed as to the progress of the work and that user decisions and desires are constructively considered within the constraints of financial and practical limitations.

Otay Water District Purchasing Manual

7.2.4 Request for Proposals:

a. For the Solicitation of Professional Consulting (Engineering):

The General Manager, or his/her designee, will establish a review panel to evaluate and rank submittals (proposals) using criteria published in the Request for Proposals package. Documents, invitations, and evaluation of submittals for professional consulting services shall be made in compliance with Government Code Section 4526-4529 and District Policy #21 - Policy for Selection of Professional Consultants.

b. For the Solicitation of General Consulting and Services:

The General Manager, or his/her designee, shall determine the method for soliciting and evaluating proposals for general consulting and services. The request for proposal must be in written form and must provide sufficient information to clearly identify the work required and provide respondents with a clear understanding of the District's needs, work specifications, expectations, and the criteria that will be used to evaluate submittals.

Otay Water District Purchasing Manual

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a. For the Solicitation of Professional Consulting (Engineering):

The General Manager, or his/her designee, will establish a review panel to evaluate and rank submittals (proposals) using criteria published in the Request for Proposals package. Documents, invitations, and evaluation of submittals for professional consulting services shall be made in compliance with Government Code Section 4526-4529 and District Policy #21 - Policy for Selection of Professional Consultants.

b. For the Solicitation of General Consulting and Services:

The General Manager, or his/her designee, shall determine the method for soliciting and evaluating proposals for general consulting and services. The request for proposal must be in written form and must provide sufficient information to clearly identify the work required and provide respondents with a clear understanding of the District's needs, work specifications, expectations, and the criteria that will be used to evaluate submittals.

AGENDA ITEM 7b



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
SUBMITTED BY:	Bob Kennedy Engineering Manager	PROJECT:	Various DIV.NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief of Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Adopt Otay Water District Resolution No. 4315 Electing to be Subject to the California Uniform Public Construction Cost Accounting Act (CUPCCAA) Procedures and Adopting Policy 53 Informal Bidding Procedures under the Uniform Public Construction Cost Account Act, and Amend Section 7 Pricing/Bidding Requirements of the Otay Water District Purchasing Manual		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) adopt/amend:

1. Adopt Resolution No. 4315 Electing to be Subject to the California Uniform Public Construction Cost Accounting Act (CUPCCAA or Act) Procedures and Adopting Policy No. 53 Informal Bidding Procedures under the Uniform Public Construction Cost Account Act (see Attachment B).
2. Amend Section 7 Pricing/Bidding Requirements of the Otay Water District Purchasing Manual (see Attachment C).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE :

That the District's Board adopt Otay Water District Resolution No. 4315 Electing to be Subject to the CUPCCAA Procedures and Adopting Policy No. 53 Informal Bidding Procedures under the Uniform Public Construction Cost Account Act (Attachment B); and amend Section 7 Pricing/Bidding Requirements of the Otay Water District Purchasing Manual (Attachment C) to align with the CUPCCAA informal bidding procedures for Public Works contracts of less than \$175,000.

ANALYSIS :

The California Uniform Public Construction Cost Accounting Act (CUPCCAA) was created in 1983, as an alternative bidding procedure designed to reduce costs, expedite the awards process, reduce inefficiencies, and simplify administration of smaller public projects. CUPCCAA is contained in the Public Contracts Code Sections 22000 through 22045. CUPCCAA provides alternative bidding procedures when an agency performs public project work by contract.

The Act provides public agencies economic benefits and greater freedom in expediting public works projects. Agencies electing to follow the cost accounting procedures set forth in the Cost Accounting Policies and Procedures Manual prescribed by the California Uniform Construction Cost Accounting Commission (CUCCAC), will have a force account limit of \$45,000 and an alternative informal bidding procedure.

Any city, county, redevelopment agency, special district, school district, and community college district can voluntarily elect to become a participant of the Act. After opting into the CUPCCAA, by resolution of its governing board, participants enjoy the advantage of the streamlined awards process, as well as reductions in paperwork related to advertising and report filing. In return, the District agrees to provide cost accounting information in the format prescribed in the Cost Accounting Policies and Procedure Manual and to adhere to the terms of the Act until the District formally opts out.

The informal contracting limits in CUPCCAA are modified from time to time by the CUCCAC. The proposed ordinance provides that when these limits are modified under state law, these new limits will take effect.

When constructing public projects, the District must follow the State Public Contract Code; the updated Section 22032 increased to \$175,000 beginning July 1, 2011. This increase is pursuant to the terms of

the CUPCCAA and is at the recommendation of the CUCCAC. District's Purchasing Manual Sections 7.2.1, 7.2.3, and 7.2.4(a) have been amended to reflect the changes (see Attachment D).

Under the CUPCCAA, Public projects of \$45,000 or less may be performed by negotiated contract or by purchase order; Public projects of \$175,000 or less may be let to contract by the informal bidding procedures set forth in the Act and Policy; Public projects of more than \$175,000 must be let to contract by traditional formal bidding procedures.

Contracts procured through informal procedures would be awarded by the General Manager within his authority, otherwise, would go to the entire Board for approval. Contracts requiring formal bidding procedures would be awarded by the Board.

CUPCCAA also allows a public agency to perform project work with its own workforce in an amount up to \$45,000, if the public agency follows the accounting procedures set forth in the Act. These accounting procedures basically require an agency to track labor, equipment, material, and overhead costs to a specific project. Approximately, 294 Special Districts have adopted the CUPCCAA guidelines. A list of frequently asked questions have been compiled to assist agencies that are participating in CUPCCAA (see Attachment E).

It is important to note that the District's participation in the CUPCCAA does not affect the District's obligation to complete projects at the lowest possible cost, nor does it relieve the District from its obligations to require the payment of prevailing wages for any public project of \$1,000 or more.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

Aside from staff time to implement this new program, there is no cost to adopt CUPCCAA. However, once adopted, the use of the alternative bidding procedures has the opportunity to reduce project costs.

STRATEGIC GOAL:

This project supports the District's Mission statement, "To provide the best quality of water and wastewater service to the customers of the Otay Water District in a professional, effective, and efficient manner" and the District's strategic goal, "Identify and evaluate improvements to enterprise and departmental business processes."

LEGAL IMPACT:

None.

BK/RP:jf

- Attachments:
- Attachment A - Committee Action
 - Attachment B - Resolution No. 4315 Electing to be Subject to the California Uniform Public Construction Cost Accounting Act Procedures
 - Exhibit 1 - Policy No. 53 Informal Bidding Procedures under the Uniform Public Construction Cost Accounting Act
 - Attachment C - Redlined Section 7 Pricing/Bidding Requirements of the Otay Water District Purchasing Manual
 - Attachment D - Final Section 7 Pricing/Bidding Requirements of the Otay Water District Purchasing Manual
 - Attachment E - California Uniform Public Construction Cost Accounting Act Frequently Asked Questions (FAQs)
 - Attachment F - PowerPoint presentation, "California Uniform Public Construction Cost Accounting Act (CUPCCAA)"



ATTACHMENT A

SUBJECT/PROJECT: Various	Adopt Otay Water District Resolution No. 4315 Electing to be Subject to the California Uniform Public Construction Cost Accounting Act (CUPCCAA) Procedures and Adopting Policy 53 Informal Bidding Procedures under the Uniform Public Construction Cost Account Act, and Amend Section 7 Pricing/Bidding Requirements of the Otay Water District Purchasing Manual
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a meeting held on August 22, 2016, and the following comments were made:

- Staff reviewed the PowerPoint presentation (Attachment F) with the Committee and recommended that the Board adopt Resolution No. 4315 electing to be subject to the California Uniform Public Construction Cost Accounting Act (CUPCCAA or Act) Procedures and adopting Policy 53 Informal Bidding Procedures under the CUPCCAA, and amend Section 7 Pricing/Bidding Requirements of the Otay Water District Purchasing Manual.
- It was indicated that 292 special districts throughout the State participate in the CUPCCAA and that the total participating member agencies (Cities, Community College Districts, Counties, School Districts) amount to 996 as of June 30, 2016. Staff provided the benefits of participating in the CUPCCAA, which are listed on Page 5 and 6 of the PowerPoint presentation.
- In response to a question from the Committee, staff stated that they have consulted with the District's auditor to compare District procedures with the State's requirements and has determined that the majority of the procedures are in compliance with the State.
- In response to a question from the Committee, Legal Counsel stated that the CUPCCAA does not apply to the District's emergency contract limit amount. Page 11 of the PowerPoint presentation provides details of how the CUPCCAA is applicable to the District's emergency contracts.

- Staff stated that to date, agencies who have opted in to CUPCCAA have not opted out.

Following the discussion, the Committee supported staffs' recommendation and presentation to the full board on the consent calendar.

RESOLUTION NO. 4315

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OTAY WATER DISTRICT ELECTING TO BECOME SUBJECT TO THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (CUPCAA or Act) PROCEDURES AND ADOPTING POLICY NO. 53 INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT OF THE DISTRICT'S CODE OF ORDINANCE

WHEREAS, Public Contract Code Section 22000 et seq., the California Uniform Public Construction Cost Accounting Act, establishes a uniform cost accounting standard; and

WHEREAS, prior to the passage of Assembly Bill No. 1666, Chapter 1054, Status of 1983, which added Chapter 2, commencing with Section 22000, to Part 3 of Division 2 of the Public Contract Code, existing law did not provide a uniform cost accounting standard for construction work performed or contracted by local public agencies; and

WHEREAS, the Act allows for alternative procurement methods for projects up to \$175,000; and

WHEREAS, the alternative procurement methods provide flexibility and opportunities for significant cost savings to the District.

WHEREAS, the Otay Water District Board of Directors has been presented with a Policy No. 53 Informal Bidding Procedures Under the Uniform Public Construction Cost Accounting Act, to establish a policy for informal bidding procedures; and

WHEREAS, Policy No. 53 has been reviewed and considered by the Board, and it is in the interest of the District to adopt Policy No. 53;

WHEREAS, a copy of the proposed Policy No. 53 is attached as Exhibit 1 to this resolution; and

WHEREAS, staff plans to start complying with CUPCCAA on October 1, 2016; this time allows for modification of existing practices.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the Board of Directors of the Otay Water District, hereby elects under Public Contract Code Section 22030 to implement the California Uniform Public Construction Cost Accounting Act as of October 1, 2016, and to become subject to the California Uniform Public Construction Cost Accounting Procedures set forth in the Act and to the California Uniform Construction Cost Accounting Commission's policies and procedures manual and cost accounting review procedures, as they may each from time to time be amended, and directs that the General Manager notify the State Controller forthwith of this election; and that Policy No. 53, incorporated herein as Exhibit 1, is hereby adopted.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of Otay Water District at a board meeting held this 7th day of September 2016, by the following vote:

Ayes:
Noes:
Abstain:
Absent:

President

ATTEST:

District Secretary

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (Section 22000 et seq. of the Public Contract Code)	53	09/07/16	

Purpose

To establish a policy for informal bidding procedures under the Uniform Public Construction Cost Accounting Act ("Act").

Background

The District elected to become subject to the Act by Resolution No. 4315 approved by the Board of Directors at a regular Board meeting held September 7, 2016. In accordance with Section 22034 of the Public Contract Code, the District hereby establishes an informal bid policy to govern the selection of contractors to perform public projects pursuant to the subdivision (b) of Section 22032 of the Public Contract Code.

Policy

- A. Informal Bid Procedures. Public projects, as defined by the Act and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.
- B. Contractors List. A list of contractors ("List") shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.
- C. Notice Inviting Informal Bids. Where a public project is to be performed which is subject to the provisions of the Act, a notice inviting informal bids may be mailed or sent by electronic means, not less than ten (10) calendar days before bids are due, to all contractors for the category of work to be bid, as shown on the List; and/or may be mailed or sent by electronic means not less than ten (10) calendar days before bids are due to all construction trade journals, as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the discretion of the department/section soliciting bids, provided however:
 1. If there is no list of qualified contractors maintained by the District for the particular category of work to be performed,

the notice inviting bids shall include the construction trade journals specified by the Commission.

2. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time, place and manner for the submission of bids.

- D. Award of Contracts. The General Manager is authorized to award informal contracts pursuant to the limits set forth by Section 22032 of the Public Contract Code.
- E. Bids Exceeding Informal Bid Limit. If all bids are in excess of the informal bid limit as set forth by the Act, and if it is determined that the cost estimate obtained by the department/section soliciting the bid was reasonable, the Board of Directors may, by four-fifths vote, award the contract to the lowest responsible bidder pursuant to subdivision (f) of Section 22034 of the Public Contract Code.

Otay Water District Purchasing Manual

Section 7 – Pricing/Bidding Requirements

7.0 PURPOSE:

To provide requirements, policies, and guidelines for the pricing/bidding of the purchases within the Otay Water District.

7.1 GENERAL:

It is the District's policy to request competitive pricing from responsible vendors for all purchases exceeding \$5,000. Pricing, although important, is not the only factor in determining the overall cost and value of a product. Quality, service and delivery are factors that must also be considered when comparing quotations. It is by weighing these factors that an intelligent decision can be made to purchase the product with the greatest value for the least overall price.

7.2 REQUIREMENTS:

7.2.1 Formal Advertising:

Public works purchases, as defined in the State of California's government and contract code, shall follow the procedure outlined under the California Uniform Public Construction Cost Accounting Act (CUPCCAA) (Sect 22000 et seq. of the California Contract Code and as set by the California Uniform Construction Cost Accounting Commission (CUCCAC).equal to or exceeding \$35,000 must be formally advertised. Solicitations shall be advertised in a newspaper of general circulation at least one, a minimum of ten (10) calendar days prior to the date of the bid opening. Solicitations must contain a brief description of the goods or services required, state where prospective bidders may obtain plans and specifications and make any required deposits, state the time and place of the bid opening, and state that the District reserves the right to reject one or all bids.

7.2.2 Quotations:

For purchases greater than \$5,000, ~~excluding public work purchases exceeding \$35,000 that require formal advertising and bidding,~~ excluding public works subject to CUPCCAA or formal bidding, a minimum of three competitive quotations must be obtained. Quotations received may be in written or oral form. Should oral quotations be received, written documentation must be made identifying the bidder's name, contact name, telephone number, the date of the quotation and the price bid. Should three quotations not be obtainable, documentation in the form of a notation of memorandum must be provided and attached to the purchase requisition. Where only one price is obtainable, the actions taken to obtain competitive pricing shall be documented and attached to the purchase requisition and the purchase may be made and the requirements of this section shall be satisfied.

7.2.3 Public Works – Construction:

Public work purchases equal to or exceeding ~~\$35,000~~ what is authorized under the California Uniform Public Construction Cost Accounting Act (CUPCCAA) (Sect 22000 et seq. of the California Code and as set by the California Uniform Construction Cost Accounting Commission (CUCCAC)) ~~in value~~ must be formally advertised and sealed bids received.

The Purchasing and Facilities Manager or the General Manager's designee, in conjunction with the project manager, and where appropriate, the District's legal counsel, shall publicly open all sealed bids and tabulate the results. The bid tabulation, along with a recommendation for award contract or possible rejection of bids, shall be forwarded to the District's General Manager.

In the event that the value of the purchase exceeds the General Manager's signatory authority, a summary of bids shall be presented together with staff's recommendation for an award of contract or possible rejection of bids to the Board of Directors of the District during a formal board meeting. The Board of Directors will then authorize the execution of the contract on behalf of the District.

Award shall be made to the response and responsible bidder who has submitted the lowest bid meeting the requirements and criteria set forth in the invitation to bid. After approval as to form and legality of the contract documents by legal counsel, the successful bidder and the appropriate District representative(s) shall execute the contract. A copy of the executed contract shall be promptly provided to the Finance Department for proper accounting review.

7.2.4 Request for Proposals:

- a. For the Solicitation of Professional Consulting (Engineering):

The General Manager, or his/her designee, will establish a review panel to evaluate and rank submittals (proposals) using criteria published in the Request for Proposals package. Documents, invitations, and evaluation of submittals for professional consulting services shall be made in compliance with Government Code Section 4526-4529 and District Policy #21 - Policy for Selection of Professional Consultants.

- b. For the Solicitation of General Consulting and Services:

The General Manager, or his/her designee, shall determine the method for soliciting and evaluating proposals for general consulting and services. The request for proposal must be in written form and must provide sufficient information to clearly identify the work required and provide respondents with a clear understanding of the District's needs, work specifications, expectations, and the criteria that will be used to evaluate submittals.

Otay Water District Purchasing Manual

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For purchases greater than \$5,000, excluding public works subject to CUPCCAA or formal bidding, a minimum of three competitive quotations must be obtained. Quotations received may be in written or oral form. Should oral quotations be received, written documentation must be made identifying the bidder's name, contact name, telephone number, the date of the quotation and the price bid. Should three quotations not be obtainable, documentation in the form of a notation of memorandum must be provided and attached to the purchase requisition. Where only one price is obtainable, the actions taken to obtain competitive pricing shall be documented and attached to the purchase requisition and the purchase may be made and the requirements of this section shall be satisfied.

7.2.3 Public Works – Construction:

Public work purchases equal to or exceeding what is authorized under the California Uniform Public Construction Cost Accounting Act (CUPCCAA) (Sect 22000 et seq. of

the California Code and as set by the California Uniform Construction Cost Accounting Commission (CUCCAC) must be formally advertised and sealed bids received.

The Purchasing and Facilities Manager or the General Manager's designee, in conjunction with the project manager, and where appropriate, the District's legal counsel, shall publicly open all sealed bids and tabulate the results. The bid tabulation, along with a recommendation for award contract or possible rejection of bids, shall be forwarded to the District's General Manager.

In the event that the value of the purchase exceeds the General Manager's signatory authority, a summary of bids shall be presented together with staff's recommendation for an award of contract or possible rejection of bids to the Board of Directors of the District during a formal board meeting. The Board of Directors will then authorize the execution of the contract on behalf of the District.

Award shall be made to the response and responsible bidder who has submitted the lowest bid meeting the requirements and criteria set forth in the invitation to bid. After approval as to form and legality of the contract documents by legal counsel, the successful bidder and the appropriate District representative(s) shall execute the contract. A copy of the executed contract shall be promptly provided to the Finance Department for proper accounting review.

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The General Manager, or his/her designee, shall determine the method for soliciting and evaluating proposals for general consulting and services. The request for proposal must be in written form and must provide sufficient information to clearly identify the work required and provide respondents with a clear understanding of the District's needs, work specifications, expectations, and the criteria that will be used to evaluate submittals.

CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING

ACT FREQUENTLY ASKED QUESTIONS (FAQs)

These FAQs have been compiled to assist agencies that are participating in the California Uniform Public Construction Cost Accounting Act ("the Act"). Public Contract Code section 22000 et seq. Unless stated otherwise, all references are to the Public Contract Code.

1. What is the Uniform Public Construction Cost Accounting Act?

The Act is legislation that was enacted in 1983 to help promote "uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state." Section 22001. The Act is a voluntary program that is available to all public entities in the State but it only applies to those public agencies that have "opted in" to the provisions set forth by the Act. The entirety of the Act is found at Sections 22000-22045.

2. What are some of the key provisions of the Act?

The Act allows for public project work in the amount of \$45,000 or less to be performed by the public agency's force account, by negotiated contract, or by purchase order. Section 22032(a). Public projects in the amount of \$175,000 or less can use the informal bidding procedures set forth in the Act in Section 22032(b). Public projects at a cost of more than \$175,000 shall use formal bidding procedures to let the contract. Section 22032(c).

3. What are the benefits of the program?

- a) Increased force account limit
- b) Informal bidding for projects that are \$175,000 or less which do not require advertising.
- c) Reduces the number of formal bids.
- d) Expedited contracting for small projects.

Many participants laud the program because it gives them more leeway in the execution of public works projects; has speeded up the awards process; has improved timeliness of the project completion; has eliminated considerable red tape and cumbersome paperwork relative to advertising and filing of reports; and has simplified administration. Many agencies have encountered only minimal challenges with the accounting requirements and the overhead portion. Moreover, where required, the adjustment was relatively simple; most of the required procedures were already actually in place, so there was no noticeable change in the existing operations. The Standard Accounting Codes Structure will satisfy the reporting requirements when used properly.

4. Is the Uniform Public Construction Cost Accounting Act mandatory for public agencies?

No. The Act is a voluntary program.

5. How does a public agency become subject to the Act?

The governing body must elect by resolution to become subject to the Act and file a copy of the resolution with the State Controller's Office. Section 22030. Sample documents are available at: http://www.sco.ca.gov/ard_cuccac.html. Once an agency has opted into the Act it will remain a part of the program.

6. May a public agency withdraw from the Act?

Yes. An agency may withdraw from the Act by filing a resolution of the agency's election to withdraw with the State Controller's Office.

7. What is the California Uniform Construction Cost Accounting Commission?

It is the Commission created to administer the Act. Section 22010. It consists of fourteen (14) members: thirteen (13) members are appointed by the State Controller and one is a designated member of the Contractors' State License Board. Seven members represent the public sector (counties, cities, school districts, and special districts). Six members represent the private sector (public works contractors and unions). The Commission members receive no salary, but are eligible for reimbursement of their direct expenses related to the Commission.

8. What are the Uniform Public Construction Cost Accounting Procedures?

They are procedures to be used to estimate costs for determining if a public project is required to be bid out and to capture and record actual costs when a public project is performed by the agency's own work force found at www.sco.ca.gov/ard_cuccac.html. The procedures follow normal accounting in the industry and in many cases are not much different from those already in place at the agency. Sample forms are available in the CUCCAC [Cost Accounting Policies and Procedures Manual](#) at http://www.sco.ca.gov/Files-ARD-Local/CUCCAC_Manual.pdf

~~School districts may use the Standard Accounting Code Structure to comply with the tracking requirements.~~

9. Are the cost accounting policies and procedures applicable for agencies whose work force only performs maintenance tasks as defined in the Act and that contract all of its public projects to third parties?

The cost accounting policies and procedures are only applicable for agencies that perform public project work by force account. This does not exclude from the program agencies whose public projects are all contracted out. In fact, they might want to review the benefits available and elect to participate now in the event conditions change at some time in the future.

10. What is meant by the term “qualified contractors” as it pertains to the Act?

Qualified contractors are legally qualified contractors who perform work as a licensed contractor. In addition, the Commission has determined that nothing in the Act prohibits a participating agency from, at their discretion, using an objective pre-qualification process in the formation and maintenance of their Qualified Contractors lists.

11. Can a public agency disqualify or exclude certain contractors from the Qualified Contractors List required in Section 22034(a)(1)?

Agencies may disqualify contractors from the Qualified Contractors List when a contractor fails to furnish information to meet the minimum criteria as established by the Commission.

12. For agencies that do not maintain an informal bidders list, are they allowed to choose who will get notifications on information projects?

No. Section 22034(a)(2) provides for notifications to construction trade journals and exchanges in lieu of sending notifications to contractors on an informal bidders list.

13. What is the difference between qualifying contractors under the Act and requalification of contractors under Section 20101?

Qualifying contractors is a process that allows contractors to register with a public agency for notification of public works opportunities. The prequalification process under Section 20101 is a more complex process that requires a standardized questionnaire and evaluation of contractors using standard scoring criteria and does not apply to the Act. The prequalification process is applicable under the Local Agency Public Construction Act.

14. Must a public agency: (1) Notify contractors about public projects if the contractor is believed to not have the skills, credentials, or experience to perform the work required for the public project? (2) Consider bids submitted by a contractor that the public agency believes does not have the skills, credentials, or experience to perform the work?

a) Yes. If a contractor is on the Qualified Contractors List the contractor must be notified by the agency of public projects for which he is licensed to perform. Section 22034(a)(1)

b) Yes. All bids received from qualified contractors must be considered. Section 22034(a)(1).

15. Does the Act allow flexibility in cases of emergency and when repair or replacements are necessary to permit the continued conduct of the operations or services of a public agency?

For the purposes of the Public Contract Code, “emergency” is defined at Section 1102 as “a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.”

The Act sets forth in Section 22035(a) how a governing body would proceed in the case of emergency repairs or replacements. This section states, "In cases of emergency when repair or replacements are necessary, the governing body may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the governing body, by contractor, or by a combination of the two."

Section 22050 et seq. provides the emergency contract procedures to be followed in these cases.

16. Do the alternative bidding procedures apply only to public projects as defined in Section 22002(c)?

No. The alternative bidding procedures can be used when contracting for "maintenance work" as defined at Section 22002(d) or when contracting for other work that does not fall within the definition of "public work" as defined in Section 22002(c).

17. What will membership in the Act cost my agency?

Nothing. There are no membership fees or dues. However, the Commission does accept grants to assist it in carrying out its duties. Section 22015(c).

18. What are the most common concerns addressed by the Act?

These are:

- a) Cost accounting policies and procedures;
- b) Informal bidding procedures;
- c) Accounting procedures review.

The cost accounting requirements follow those common to the construction industry. The informal bidding on public projects up to \$175,000 is seen by the agencies as an asset enhancing project completion. Maintenance of a Qualified Contractor Bid List is routine, since interested contractors make it a point to be included on the list. While an accounting procedures review could potentially hold up a project for a minimum of 45 days pursuant to Section 22043(c)(1), these types of reviews have been rare in the Commission's history.

19. Does an agency have to calculate an overhead rate in order to apply the accounting procedures?

No. Cities with populations of less than 75,000 shall assume an overhead rate equal to 20% of the total costs of the public project, including the costs of material, equipment and labor. Section 22017(b)(1). Cities with a population of more than 75,000, may either calculate an actual overhead or assume an overhead rate of 30% of the total costs of a public project including the costs of material, equipment and labor. Section 22017(b)(2).

20. When a public entity opts into the Act, does the Act supersede other contracting legal requirements such as statutory requirements for performance bonds, prevailing wages, and certificates of insurance, etc.?

No. The Act only supersedes the bidding procedures used once a public agency has opted into the Act and has notified the Controller. All other contracting requirements are applicable.

21. Can a public agency, claim to be to be exempt from following all of the requirements in the Public Contract Code by claiming they only have to follow the language and procedures within the Act?

The Act is part of the Public Contract Code therefore, if the Act is silent on a particular matter the rest of the Public Contract Code would apply.

22. If public agencies are not following the advertising requirements in the Act, will the Commission address those agencies? Can a complaint be brought to the Commission?

No. The Commission cannot review any complaint of improper advertising by any public agency. The Commission can only review the accounting procedures of a public agency when a complaint from an interested party provides evidence that the participating agency:

- 1.) Performs work, after rejecting all bids, claiming it can do it less expensively. (Section 22042(a))
- 2.) The work performed exceeded the force account limits. (Section 22042(b))
- 3.) The work has been improperly classified as maintenance. (Section 22042(c))
- 4.) A public agency is accused of not complying with the informal bidding procedures set forth at Section 22034. (Section 22042.5)

23. Section 20112 specifically requires school districts to advertise twice for a two week period, while Section 22037 requires advertising once, 14 days in advance of the date of opening of bids. How do participating school districts reconcile this conflict?

When the Act is in conflict with any other section in the Public Contract Code, the Act shall supersede. Advertising once, 14 days in advance of the date of opening of bids is what is required by the Act. Districts participating in the Act may choose to maximize their outreach by continuing to advertise twice.

24. May a public agency contract separately for like work at the same site at the same time using the under \$45,000 Force Account method?

No. Section 22033 provides that, "It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding". Separating "like work" would only be permitted as long as the total of all the "like work" is less than \$45,000. If the work is more than \$45,000, the work needs to be advertised and bid according to the provisions of the Act (i.e. bid informally if the total amount is less than \$175,000 and bid formally if the total amount exceeds \$175,000).

25. May a public agency bid out 2 separate projects that occur at the same time and site, but are different types of work?

Yes, there is no violation if the work is being competitively bid. If the agency wants to use the negotiated or informal bidding processes, the agency must apply the appropriate limits to each of the projects. Each project must be separate in scope. Projects may not be separated by trade to avoid bidding. If the total of all jobs is greater than \$45,000; the informal or formal bid limits will apply.

26. How does a public agency process change orders when the standard code conflicts with the Act?

For contracts below \$45,000, the total cost of the contract may not exceed \$45,000. For informal contracts, under the Act, the limit is \$175,000. If the public agency is a school district, there may be additional limits and it is recommended the agency consult with their legal counsel for interpretation of change order limits.

27. Does a public agency by opting into the Act, automatically bring all departments of the public agency into the Act?

Yes. When a public agency elects to become subject to the uniform construction cost accounting procedures, the entire legal entity is considered subject to the Act and no divisions or departments will be exempt.

28. When a public agency opts into the Act, does it automatically bring all districts under control of the Board into the Act?

No. Special Districts, which are governed by a board of supervisors or city council, are only subject if a separate election is made for each special district.

29. PCC 22034 requires that participating agencies adopt an Informal Bidding Ordinance. What do school and special districts that cannot adopt Ordinances do to comply?

The Commission cannot provide legal advice. The school districts and special districts should check with their own legal counsel on how to comply with Section 22034.

Additional inquiries and questions can be directed to:

State Controller's Office
Division of Accounting and Reporting
Local Government Policy Section
P.O. Box 942850
Sacramento, CA 94250

Or email

LocalGovPolicy@sco.ca.gov

California Uniform Public Construction Cost Accounting Act (CUPCCAA)

September 7, 2016

Presented by Bob Kennedy, Engineering Manager



WHAT IS CUPCCAA?

- The California Uniform Public Construction Cost Accounting Act (Act) was established in 1983 under Public Contract Code §22000 et seq.
- The California Uniform Construction Cost Accounting Commission (CUCCAC) was created by Public Contract Code §22010 to govern the Act



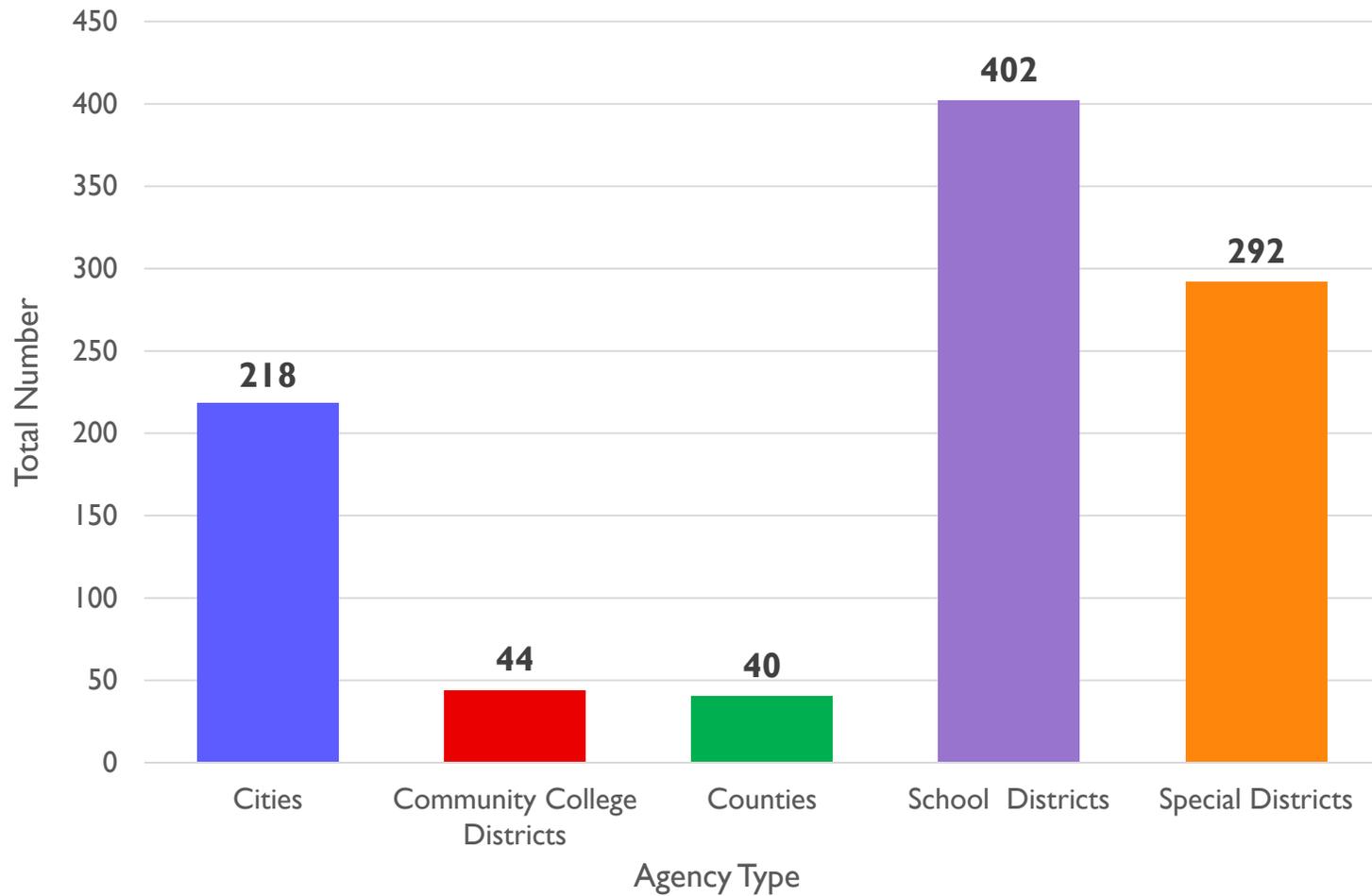
Who May Participate?

- Any local agency may opt into the Act
 - Cities
 - Counties
 - Community College Districts
 - School Districts
 - Special Districts
- Participation is voluntary



Participating Agencies

Total Participating Member Agencies – 996
as of June 30, 2016



Benefits of the Act

Allows participating agencies to:

- Raise bidding thresholds
- Simplify bidding process for small projects
- Perform larger projects with agency employees

No Bids Required:

- Projects below \$45,000 may be performed by:
 - Agency's own workforce, by force account
 - Negotiated Contract
 - Purchase Order

To ensure the District is getting the required scope of work for the best price, obtaining multiple quotes will be solicited.



Benefits of the Act (cont'd)

Informal Bids:

- Project value \$45,000 - \$175,000
- Competitive bids using informal bidding procedures:
 - Bidders list
 - Trade journals and exchanges
- Award bids by the General Manager within his authority, otherwise, would go to the Board

Formal Bids:

- Public projects greater than \$175,000
- Competitive bids following Public Contract Code



How to Opt In

- Board adopts a resolution
- District adopts a policy outlining informal bidding procedures
- District notifies the State Controller's office
- District follows the regulations and guidelines outlined in the Cost Accounting Policies and Procedures Manual
- Entire District becomes subject to the Act
- Once the District has opted in, it must conform to the uniform cost accounting procedures until the District opts out of the Act by adopting a resolution opting out and forwarding said resolution to the State Controller



Public Works Laws Still Apply

- **Contractor Must Pay Prevailing Wages** (Labor Code §1771)
- **Payment Bond Required**
 - Civil Code §9550: “Every original contractor to whom is awarded a contract by a public entity...in excess...of \$25,000 for any public work shall file a payment bond.”
- **SB 854 – Agency must comply with the requirements**
 - DIR Registered Contractors
 - Notification of award to DIR
 - Specifying requirements in bid and contract documents



Procedures for Informal Bidding

- District procedures for informal bidding:
 - District maintains list of registered contractors, identified by work category;
 - District mails notice inviting bids at least ten (10) days before bids due to:
 - All contractors on list for category of work; or
 - Specified trade journals; or
 - Both
- Notice should describe project in general terms with information for how to obtain detailed information and time and place for submission of bids.
 - Will often include site walk, where appropriate



Procedures for Informal Bidding (cont'd)

- Notice need not include drawings, plans, etc., unless required for preparing bid.
- If all bids received exceed \$175,000, Board may pass a resolution by a four-fifths majority awarding contract at \$187,500 or less to lowest responsible bidder, if it determines District's cost estimate was reasonable.



Emergency Contracts

- In cases of emergency when repair or replacements are necessary, the Board may proceed at once to replace or repair any facility without adopting plans, specifications, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the Board, by contractor, or by a combination of the two.
- By a four-fifths vote of the Board, may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts.
- By a four-fifths vote of the Board, the authority to enter emergency contracts may be delegated as long as the designee takes the action to the Board within seven (7) days or at its next regularly scheduled meeting which shall be no more than fourteen (14) days after the action was taken. The designee must report at each following meeting until the action is terminated (contract completed).
 - Code is in conflict with boards that meet on a monthly basis. For the District, this is very unlikely; but if this happens, the District will need to call for a Special Board Meeting.



Accounting Procedures Under CUPCCAA

- Agencies must account for force account work. There are a number of methods that may be used to accomplish the accounting requirements.
- The Commission notes that all cost elements -- personnel, materials, supplies and subcontracts, equipment and overhead -- associated with a project must be recorded and reported at the project level (see worksheet provided on State Controller's website).



Questions / Reference Sources

CUCCAC web page:

http://www.sco.ca.gov/ard_cuccac.html

- Cost Accounting Policies and Procedures Manual
- FAQs
- References and Resources
- Past Meeting Minutes and Reports
- Contact Commissioners and State Controller's office





AGENDA ITEM 7c

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
APPROVED BY:			
SUBJECT:	Adoption of Ordinance No. 557 Amending the Appendix of the Conflict of Interest Code		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Ordinance No. 557 amending the Appendix of Section 6, Conflict of Interest Code (COIC), contained within the District's Code of Ordinances to update the position titles required to file a Form 700 and to include language in Section 6.02 which will allow the General Manager or his designee to designate positions to be included in the COIC's Appendix at any time between the biennial review periods.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To amend the Appendix of Section 6, COIC, contained within the District's Code of Ordinances to update the position titles required to file a Form 700 and to include language that allows the General Manager or his designee to designate positions to be included in the COIC's Appendix at any time between the biennial review periods.

ANALYSIS:

As required by the Political Reform Act ("Act"), staff has conducted a biennial review of the District's COIC. The District's Attorney has advised that there were no changes in the law which needs to be addressed in the District's COIC. However, the District's Attorney has suggested that the District include the following paragraph in Section 6.02 of the COIC should it be determined, between the biennial review periods, that a new position must be included in the Appendix's list of designated Form 700 filers:

"The General Manager or his/her designee shall have the authority to designate any person holding a position within the District as a person designated to provide disclosures

regardless of whether or not the position that the person holds is included in the Appendix if, in the view of the General Manager or his/her designee, the person has the potential to make or participate in the making of decisions which may foreseeably have a material effect on financial interests."

The District has also made organizational changes that affect the titles listed in its Conflict of Interest Code. The following titles no longer exist and are being deleted from the Appendix of the COIC:

- Asst. Chief Administrative Services and Information Technology
- Chief Information Officer
- Water Conservation Manager

Additionally, the titles of Safety and Security Administrator and Senior Buyer are being changed as follows respectively:

- Safety and Security Specialist
- Senior Procurement and Contracting Analyst

Ordinance No. 557 is submitted for the Board's ratification to amend the Appendix of Section 6 as noted above. A strike-thru copy of the Appendix is attached to the ordinance for reference.

FISCAL IMPACT:

None.

LEGAL IMPACT:

None.

Attachments:

- Attachment A - Committee Notes
- Attachment B - Ordinance No. 557
Strike-Thru Copy of the Appendix of Section 6



ATTACHMENT A

SUBJECT/PROJECT:	Adoption of Ordinance No. 557 Amending the Appendix of the Conflict of Interest Code
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on August 23, 2016 and the following comments were made:

- The Conflict of Interest Code is reviewed biannually as required by the Political Reform Act.
- Staff reviewed the information in the staff report.
- Staff indicated that the Conflict of Interest Code (COIC) has also been reviewed by the District's Attorney and she indicated that there were no new statutes which need to be reflected within the District's COIC.

Upon completion of the discussion, the committee supported staff's recommendation and presentation to the full board on the consent calendar.

ORDINANCE NO. 557

AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE OTAY WATER DISTRICT
AMENDING SECTION 6,
CONFLICT OF INTEREST CODE,
OF THE DISTRICT'S CODE OF ORDINANCE

BE IT ORDAINED by the Board of Directors of Otay Water District that the Appendix of the District's Conflict of Interest Code, Section 6 of the Code of Ordinances shall be amended as per Exhibit 1 (attached).

NOW, THEREFORE, BE IT RESOLVED that the amendments to Section 6, Conflict of Interest Code, of the District's Code of Ordinances shall become effective immediately upon adoption.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting duly held this 7th day of September 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

President

ATTEST:

District Secretary

DIVISION I DISTRICT ADMINISTRATION
CHAPTER 5 PERSONNEL PRACTICES
SECTION 6 CONFLICT OF INTEREST CODE

6.01 DEFINITIONS

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. Sections 18100, *et seq.*), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

6.02 DESIGNATED EMPLOYEES

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

The General Manager or his/her designee shall have the authority to designate any person holding a position within the District as a person designated to provide disclosures regardless of whether or not the position that the person holds is included in the Appendix if, in the view of the General Manager or his/her designee, the person has the potential to make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

6.03 DISCLOSURE CATEGORIES

This Code does not establish any disclosure obligation for those designated employees who are also specified in Government Code Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their financial interest pursuant to Article 2 of Chapter 2 of the Political Reform Act, Government Code Sections 87200, *et seq.*¹ In addition, this code does not establish any disclosure obligation for any designated public officials who are designated in a conflict of interest code for another agency, if all of the following apply:

¹ Designated employees who are required to file statements of economic interest under any other agency's Conflict of Interest Code or under Article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interest in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and district statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code Section 81004.

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code Section 87200; and

(C) The filing officer is the same for both agencies.

Such persons are covered by this Code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of financial interest are reportable. Such a designated employee shall disclose in his or her statement of economic interest those financial interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the financial interests set forth in a designated employee's disclosure categories are the kinds of financial interest which he or she foreseeably can affect materially through the conduct of his or her office.

6.04 STATEMENTS OF ECONOMIC INTERESTS: PLACE OF FILING

All officials and employees required to submit a statement of economic interest (employees in Designated Positions) shall file their statements with the General Manager, or his or her designee. The District shall make and retain a copy of all statements filed by Designated Positions and forward the originals of such statements to the Executive Office of the Board of Supervisors of San Diego County. All retained statements, originals or copies shall be available for public inspection and reproduction. (Cal. Gov't Code § 81008)²

6.05 STATEMENTS OF ECONOMIC INTERESTS: TIME OF FILING

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject

² See Government Code section 81010 and 2 Cal. Code of Regs. section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

6.06 STATEMENTS FOR PERSONS WHO RESIGN PRIOR TO ASSUMING OFFICE

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or a leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

1. File a written resignation with the appointing power; and
2. File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

6.07 CONTENTS OF AND PERIOD COVERED BY STATEMENTS OF ECONOMIC INTERESTS

(A) Contents of Initial Statements

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or on the date of appointment, and income received during the 12 months prior to the date of assuming office or the date of being appointed, respectively.

(C) Contents of Annual Statements

Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office, whichever is later.

(D) Contents of Leaving Office Statements

Leaving office statements shall disclose reportable investments, interest in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

6.08 MANNER OF REPORTING

Statements of economic interest shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investments and Real Property Disclosure

When an investment or an interest in real property³ is required to be reported⁴, the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property exceeds two thousand dollars (\$2,000), exceeds ten thousand dollars (\$10,000), exceeds

³ For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

⁴ Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

one hundred thousand dollars (\$100,000), or exceeds one million dollars (\$1,000,000).

(B) Personal Income Disclosure

When personal income is required to be reported⁵, the statement shall contain:

1. The name and address of each source of income aggregating \$500 or more in value or \$50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or greater than one hundred thousand dollars (\$100,000);
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;
5. File In the case of a loan, the annual interest rate and the security, if any, given for the loan.

(C) Business Entity Income Disclosure

When income of a business entity, including income of a sole proprietorship is required to be reported⁶, the statement shall contain:

1. The name, address and a general description of the business activity of the business entity;

⁵ A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

⁶ Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than \$10,000.

(D) Business Position Disclosure

When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period

In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

6.09 PROHIBITION ON RECEIPT OF HONORARIA

A. No designated public official shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

Subdivisions (a), (b), and (c) of Government Code Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.

6.10 PROHIBITION ON RECEIPT OF GIFTS IN EXCESS OF AMOUNT ESTABLISHED BY LAW⁷

A. No designated public official shall accept gifts with a total value of more than the maximum amount established by law, in any calendar year, from any single source, if the member or employee would

⁷ Designated Persons are prohibited from accepting gifts from any single source in a calendar year with a total value in excess of designated amounts. See Govt. Code § 89503, sub-divisions (e), (f) and (g). [Note: Pursuant to 2 CCR § 18940.2 (b), the FPPC adjusts the gift limit every odd-numbered year to reflect changes in the Consumer Price Index; therefore, the \$390 limit adopted by the FPPC in January of 2007 will be updated in January 2009 and every odd year thereafter, until further notice.]

be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.

6.11 LOANS TO PUBLIC OFFICIALS

A. No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

B. No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

C. No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

D. No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision

shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

E. This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.

2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

6.12 LOAN TERMS

A. Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of five hundred dollars (\$500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

B. This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

4. Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

6.13 PERSONAL LOANS

A. Except as set forth in subdivision (B), a personal loan received by any designated public official shall become a gift to the designated public official for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of one hundred dollars (\$100) or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$250) during the previous 12 months.

B. This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

C. Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

6.14 DISQUALIFICATION

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the

making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

- (A) Any business entity in which the designated employee has a direct or indirect investment worth \$2,000 or more;
- (B) Any real property in which the designated employee has a direct or indirect interest worth \$2,000 or more;
- (C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;
- (D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or
- (E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating to the maximum amount established by law, or more, in value provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

6.15 LEGALLY REQUIRED PARTICIPATION

No designated public official shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated public official who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

6.16 DISQUALIFICATION OF STATE OFFICERS AND EMPLOYEES

In addition to the general disqualification provisions of Section 6.14, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

- (A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or
- (B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value \$1000 or more.

6.17 DISCLOSURE OF DISQUALIFYING INTEREST

When a designated public official determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

6.18 ASSISTANCE OF THE COMMISSION AND COUNSEL

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code Section 83114 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

6.19 VIOLATIONS

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code Sections 81000 - 91015. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code Section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code Section 91003.

6.20 PROHIBITED TRANSACTIONS

Members of the Board of Directors and Designated Employees shall comply with the Prohibited Transactions policy, annexed hereto as Exhibit A, pursuant to California Government Code Sections 1090, et seq.

6.21 INCOMPATIBLE ACTIVITIES

Members of the Board of Directors, District officers, and all other District employees shall comply with the Incompatible Activities policy, annexed hereto as Exhibit B, pursuant to California Government Code Sections 1126, et seq.

APPENDIX

OTAY WATER DISTRICT
CONFLICT OF INTEREST CODE
DESIGNATED POSITIONS

The Treasurer and all District Officials who manage the investment of public funds are included in and governed by this Conflict of Interest Code only with respect to its disqualification provisions. For purposes of disclosure, the Treasurer and all District Officials who manage the investment of public funds are governed by the statutory conflict of interest provisions of Article 2 of Chapter 7 of the Political Reform Act of 1974. (Government Code Sections 87200, et seq.)

DESIGNATED EMPLOYEES'

<u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES ASSIGNED</u>
Members of the Board of Directors	1, 2, 3, 4, 5, 6
General Manager	1, 2, 3, 4, 5, 6
District Secretary	6
Assistant Chief Administrative Services and Information Tech.	1, 2, 3, 4, 5, 6
Assistant Chief of Water Operations	1, 2, 3, 4, 6, 7
Assistant General Manager	1, 2, 3, 4, 5, 6, 7
Chief of Administrative Services	1, 2, 3, 4, 5, 6, 7
Chief Financial Officer	1, 2, 5, 6, 7
Chief Information Officer	1, 2, 3, 6, 7
Chief of Engineering	1, 2, 3, 4, 6, 7
Chief of Water Operations	1, 2, 3, 4, 6, 7
Associate Civil Engineer	1, 2, 3, 4, 7
Communications Officer	6
Customer Service Manager	2, 5, 7
Environmental Compliance Specialist	1, 2, 3, 4, 7

Engineering Manager	1, 2, 3, 4, 7	
Field Services Manager	1, 2, 3, 4, 7	
Finance Manager, Controller, and Budget	2, 5, 7	
Finance Manager, Treasury, and Accounting	2, 5, 7	
GIS Manager	3, 6, 7	
Human Resources Manager	3, 6	
IT Manager	3, 6, 7	
Network Engineer	3, 6, 7	
Purchasing and Facilities Manager	2, 6	
Safety and Security Administrator <u>Specialist</u>	1, 2, 3, 4, 6	
Senior Buyer <u>Procurement and Contracting Analyst</u>		6
Senior Civil Engineer	1, 2, 3, 4, 7	
System Operations Manager	1, 2, 3, 4, 7	
Utility Services Manager	1, 2, 3, 4, 7	
Water Conservation Manager	2, 3, 4, 6	
Consultant ⁸	1, 2, 3, 4, 5, 6	

⁸ Consultants are required to file disclosure statements where they: (a) conduct research and arrive at conclusions with respect to rendition of information, advice, recommendation or counsel independent of control and direction of the agency or any agency official other than normal contract monitoring; and (b) possess no authority with respect to any agency decision beyond the rendition of information, advice, recommendation or counsel. The determination as to whether a consultant shall be required to file a disclosure statement shall be made by the General Manager or his or her designee.

APPENDIX, CONTINUED

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of investments, business entities, sources of income, or real property which the designated employee must disclose for each disclosure category to which he or she is assigned.

Category 1: All investments and business positions in, and sources of income from, all business entities that do business or own real property in the District, plan to do business or own real property in the District within the next year or have done business or owned real property in the District within the past two years.

Category 2: All interests in real property which are located in whole or in part within, or not more than two (2) miles outside the boundaries of the District.

Category 3: All investments and business positions in, and sources of income from, business entities subject to the regulatory, permit or licensing authority of the Designated Employee's Department, will be subject to such authority within the next year or have been subject to such authority within the past two years.

Category 4: All investments, business positions, and sources of income from, business entities that are engaged in land development, construction or the acquisition or sale of real property in the District, plan to engage in such activities in the District within the next year or have engaged in such activities in the District within the past two years.

Category 5: All investments and business positions in, and sources of income from, business entities that are banking, savings and loan or other financial institutions.

Category 6: All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery or equipment of a type purchased, leased, used, or administered by the District.

Category 7: All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery or equipment of a type purchased, leased, used, or administered by the Designated Employee's Department.

EXHIBIT A

Prohibited Transactions for Specified Personnel

Members of the Board of Directors ("Members") shall comply with this Prohibited Transactions policy pursuant to California Government Code §§ 1090, *et seq.*

Members shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Members shall not be purchasers at any sale or vendors at any purchase made by them in their official capacity. Members shall not be deemed to be interested in a contract entered into by a body or board of which they are members if the Member has only a remote interest in the contract and if the fact of that interest is disclosed to the body or board of which the Member is a member and noted in its official records, and thereafter the body or board authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the Board of Directors member with the remote interest. "Remote interest" shall be defined as in California Government Code § 1091(b).

Members shall not be considered to be financially interested in a contract if their interest is including, but not limited to, any of the following (Government Code § 1091.5):

1. That of an officer in being reimbursed for his/her actual and necessary expenses incurred in the performance of an official duty;
2. That of a recipient of public services generally provided by the public body or board of which he/she is a member, on the same terms and conditions as if he or she were not a member of the board;
3. That of a landlord or tenant of the contracting party if such contracting party is the federal government or any federal department or agency, this state or an adjoining state, any department or agency of this state or an adjoining state, any county or city of this state or an adjoining state, or an public corporation or special, judicial or other public district of this state or an adjoining state unless the subject matter of such contract is the property in which such officer or employee has such interest as landlord or tenant in which even his/her interest shall be deemed a remote interest within the meaning of, and subject to, the provisions of Government Code 1091;
4. That of a spouse of an officer or employee of a public agency if his/her spouse's employment or office-holding has

existed for at least one year prior to his/her election or appointment;

5. That of a non-salaried member of a nonprofit corporation, provided that such interest is disclosed to the board at the time of the first consideration of the contract, and provided further that such interest is noted in its official records;
6. That of a non-compensated officer of a nonprofit, tax-exempt corporation, which, as one of its primary purposes, supports the functions of the board or to which the board has legal obligation to give particular consideration, and provided further that such interest is noted in its official records;
7. That of compensation for employment with a governmental agency, other than the governmental agency that employs the officer or employee, provided that the interest is disclosed to the board at the time of consideration of the contract, and provided further that the interest is noted in its official records;
8. That of an attorney of the contracting party of that of an owner, officer, employee or agent of a firm which renders, or has rendered, service to the contracting party in the capacity of stockbroker, insurance agent, insurance broker, real estate agent, or real estate broker if these individuals have not received and will not receive remuneration, consideration, or a commission as a result of the contract and if these individuals have an ownership interest of less than 10 percent in the law practice or firm, stock brokerage firm, insurance firm or real estate firm.

In addition, Members shall not be deemed to be interested in a contract made pursuant to competitive bidding under a procedure established by law if their sole interest is that of an officer, director, or employee of a bank or savings and loan association with which a party to the contract has the relationship of borrower or depositor, debtor or creditor (Government Code § 1091.5).

Authority:

California Government Code §§ 1090, *et seq.*

EXHIBIT B

Incompatible Activities Policy

District officers, members of the Board of Directors, and all other District employees (collectively, "district personnel") shall comply with this Incompatible Activities policy pursuant to California Government Code §§ 1126, *et seq.*

District personnel shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to his or her duties as a member of the Board of Directors, or with the duties, functions, or responsibilities of his or her appointing power or the agency by which he or she is employed.

The outside employment, activity, or enterprise of district personnel is prohibited if it: (1) involves the use for private gain or advantage of his or her local District time, facilities, equipment and supplies; or the badge, uniform, prestige, or influence of his or her local District office or employment or, (2) involves receipt or acceptance by district personnel of any money or other consideration from anyone other than the District for the performance of an act which district personnel, if not performing such act, would be required or expected to render in the regular course or hours of their local District employment or as a part of their duties as a local District officer or employee or, (3) involves the time demands as would render performance of his or her duties as a local district personnel member less efficient.

Nothing in this policy shall be interpreted to prohibit any outside employment, activity, counsel, or enterprise on behalf of another governmental entity, subject to common law and professional conflict of interest rules.

Copies of this regulation shall be posted in prominent places at the District Office. District personnel who violate this regulation may be subject to discipline as set forth in the applicable Code of Ordinances and Policies. Board of Directors members who violate this section may be subject to censure. Disciplinary appeals by district personnel shall be handled pursuant to applicable Code of Ordinances and Policies.

Authority:

California Government Code §§ 1125, *et seq.*

AGENDA ITEM 7d



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
		PROJECT:	DIV. NO. ALL
SUBMITTED BY:	Kelli Williamson Human Resources Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Adolfo Segura, Chief, Administrative Services <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	ADOPT RESOLUTION #4311 TO UPDATE BOARD POLICY #19, SMOKING, TOBACCO, AND NICOTINE FREE CAMPUS		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Resolution #4311 to update Board Policy #19, Smoking, Tobacco, and Nicotine Free Campus, due to recent legislation expanding the workplace prohibition against smoking including electronic cigarettes.

COMMITTEE ACTION:

Please see "Attachment A".

PURPOSE:

To request that the Board adopt Resolution #4311 to update Board Policy #19, Smoking, Tobacco, and Nicotine Free Campus.

ANALYSIS:

Consistent with the District's Strategic Plan and Board Policy #44, Review of Procedures, the District regularly reviews policies and procedures to ensure they are streamlined and are clear and consistent with applicable laws.

Based on recent changes to the California Legislation on electronic cigarettes, District staff is recommending revisions to the attached policy, Smoking, Tobacco, and Nicotine Free Campus (Attachment C).

Updates are detailed below and revisions are shown in the attached strike-through version of the policy (Exhibit 1).

Smoking, Tobacco, and Nicotine Free Campus (Board Policy #19)

The Smoking, Tobacco, and Nicotine Free Campus is being updated due to recent legislation expanding the workplace prohibition against smoking including electronic cigarettes. Therefore, the District is recommending to include in the policy the prohibition of various smoking products such as e-cigarettes, vaping (with or without nicotine) and tobacco and nicotine products on District property, in District vehicles and at areas designated as District field work sites. In addition, definitions were added to ensure there is clarity and consistency in administering the policy.

The Association has agreed to the policy as presented and General Counsel has reviewed the proposed updates.

Based on the above, it is recommended that the Board of Directors adopt Resolution #4311 in support of the proposed revisions.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

None.

STRATEGIC GOAL:

Optimize the District's Operating Efficiency.

LEGAL IMPACT:

None.

ATTACHMENTS:

Attachment A - Committee Action Report

Attachment B - Resolution #4311

Exhibit 1 - Smoking, Tobacco, and Nicotine Free Campus

Attachment C - Proposed Copy, Smoking, Tobacco, and Nicotine Free Campus
(Board Policy #19)



ATTACHMENT A

SUBJECT/PROJECT:	ADOPT RESOLUTION #4311 TO UPDATE BOARD POLICY #19, SMOKING, TOBACCO, AND NICOTINE FREE CAMPUS
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on August 23, 2016 and the following comments were made:

- Staff indicated that this report covers proposed updates to Board Policy No. 19, Smoking, Tobacco and Nicotine Free Campus Policy.
- The updates include adding definitions and expanding the policy to include newer forms of smoking such as vaping and e-cigarettes (with or without nicotine). The definitions mirror definitions in legislation that were recently adopted. The District wishes to ensure that it is clear that no smoking of any kind is allowed on the District premises, in District vehicles and at District field work sites.
- Staff noted that the Employee Association has reviewed the policy and had no questions.
- Staff is recommending that the board adopt Resolution No. 4311 to update Board Policy No. 19, Smoking, Tobacco, and Nicotine Free Campus.

Upon completion of the discussion, the committee supported staff's recommendation and presentation to the full board on the consent calendar.

RESOLUTION NO. 4311

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE OTAY WATER DISTRICT TO
REVISE DISTRICT POLICY

WHEREAS, the Board of Directors of Otay Water District have established policies, procedures, ordinances, and resolutions for the efficient operation of the District; and

WHEREAS, it is the policy of the District to establish procedures to review policies, procedures, ordinances, and resolutions periodically to ensure they are current and relevant; and

WHEREAS, District staff has identified Board Policy #19, Smoking, Tobacco, and Nicotine Free Campus, as requiring revisions as per the attached strike-through copy.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Otay Water District amends the Board Policies indicated above in the form presented to the Board at this meeting.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting held this 7th of September, 2016.

President

ATTEST:

Secretary

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
<u>SMOKING, TOBACCO AND NICOTINE</u> FREE CAMPUS	19	3/6/89	10/7/09 <u>9/7/16</u>

PURPOSE

To establish the policy regarding smoking, vaping, and the use of e-cigarettes, tobacco, and nicotine products on District property. This policy applies to all employees, consultants, volunteers and visitors while on District property, in District vehicles, and at areas designated as District field work sites.

DEFINITIONS

1. "Smoking" means inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, or pipe, or any other lighted or heated tobacco or plant product intended for inhalation, whether natural or synthetic, in any manner or form. "Smoking" includes the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking.
2. "Tobacco and Nicotine product" means any of the following:
 - A. A product containing, made, or derived from tobacco or nicotine that is intended for human consumption, whether smoked, heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including, but not limited to cigarettes, cigars, little cigars, chewing tobacco, smokeless tobacco, dissolvable tobacco, pipe tobacco, or snuff.
 - B. An electronic device that delivers nicotine or other vaporized liquids to the person inhaling from the device, including, but not limited to, an electronic cigarette, cigar, pipe, or hookah.
 - C. Any component, part, or accessory of a tobacco product, whether or not sold separately.
3. "Use" means any method of consuming Tobacco and Nicotine Products including, but not limited to, Smoking, inhaling, chewing, burning, vaping (with or without nicotine), or the use of e-cigarettes and similar methods and devices.

POLICY

1. The Otay Water District is dedicated to maintaining a safe and productive working environment for its employees and is committed to taking appropriate action to eliminate threats to employees' health and safety posed by Smoking, vaping, e-cigarettes and the Use of Tobacco and Nicotine Products. ~~"Use" means a method of consuming tobacco products, including but not limited to smoking,~~

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
<u>SMOKING, TOBACCO AND NICOTINE</u> FREE CAMPUS	19	3/6/89	10/7/09 <u>9/7/16</u>

~~inhaling and chewing. "Tobacco product" means any substance containing tobacco leaf, including but not limited to cigarettes, cigars, pipe tobacco, snuff, chewing tobacco, dipping tobacco, bidis or any other preparation of tobacco.~~

2. This policy prohibits Smoking, vaping (with or without nicotine), e-cigarettes, and the Use of Tobacco and Nicotine Products within District--controlled properties where employees and other persons will be exposed to secondhand smoke, vaping and/or smokeless Tobacco and Nicotine residue. ~~Accordingly~~Hence, Smoking, vaping, e-cigarettes and the Use of Tobacco and Nicotine Products is prohibited on all District-owned property, vehicles and ~~at~~on District--designated field work sites. Notwithstanding the foregoing, the Use of nicotine gum and patches intended and used for smoking-cessation are permissible.

3. No ashtrays or other ash receptacles will be placed in areas where Smoking, vaping, e-cigarettes or the Use of Tobacco and Nicotine Products is prohibited. The only exceptions will be outside the public entrances to District facilities, in order to assist visitors in discarding of their ~~tobacco~~products.

RESPONSIBILITY

Managers and supervisors are responsible for enforcing this policy in areas under their control.

**OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY**

Subject	Policy Number	Date Adopted	Date Revised
SMOKING, TOBACCO AND NICOTINE FREE CAMPUS	19	3/6/89	9/7/16

PURPOSE

To establish the policy regarding smoking, vaping, and the use of e-cigarettes, tobacco, and nicotine products on District property. This policy applies to all employees, consultants, volunteers and visitors while on District property, in District vehicles, and at areas designated as District field work sites.

DEFINITIONS

1. "Smoking" means inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, or pipe, or any other lighted or heated tobacco or plant product intended for inhalation, whether natural or synthetic, in any manner or form. "Smoking" includes the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking.
2. "Tobacco and Nicotine product" means any of the following:
 - A. A product containing, made, or derived from tobacco or nicotine that is intended for human consumption, whether smoked, heated, chewed, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, including, but not limited to cigarettes, cigars, little cigars, chewing tobacco, smokeless tobacco, dissolvable tobacco, pipe tobacco, or snuff.
 - B. An electronic device that delivers nicotine or other vaporized liquids to the person inhaling from the device, including, but not limited to, an electronic cigarette, cigar, pipe, or hookah.
 - C. Any component, part, or accessory of a tobacco product, whether or not sold separately.
3. "Use" means any method of consuming Tobacco and Nicotine Products including, but not limited to, Smoking, inhaling, chewing, burning, vaping (with or without nicotine), or the use of e-cigarettes and similar methods and devices.

POLICY

1. The Otay Water District is dedicated to maintaining a safe and productive working environment for its employees and is committed to taking appropriate action to eliminate threats to employees' health and safety posed by Smoking, vaping, e-cigarettes and the Use of Tobacco and Nicotine Products.

OTAY WATER DISTRICT
BOARD OF DIRECTORS POLICY

Subject	Policy Number	Date Adopted	Date Revised
SMOKING, TOBACCO AND NICOTINE FREE CAMPUS	19	3/6/89	9/7/16

2. This policy prohibits Smoking, vaping (with or without nicotine), e-cigarettes, and the Use of Tobacco and Nicotine Products within District-controlled properties where employees and other persons will be exposed to secondhand smoke, vaping and/or smokeless Tobacco and Nicotine residue. Accordingly, Smoking, vaping, e-cigarettes and the Use of Tobacco and Nicotine Products is prohibited on all District-owned property, vehicles and at District-designated field work sites. Notwithstanding the foregoing, the Use of nicotine gum and patches intended and used for smoking-cessation are permissible.
3. No ashtrays or other ash receptacles will be placed in areas where Smoking, vaping, e-cigarettes or the Use of Tobacco and Nicotine Products is prohibited. The only exceptions will be outside the public entrances to District facilities, in order to assist visitors in discarding of their products.

RESPONSIBILITY

Managers and supervisors are responsible for enforcing this policy in areas under their control.



AGENDA ITEM 7e

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
		PROJECT:	DIV. NO. All
SUBMITTED BY:	Rita Bell, Finance Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Joseph R. Beachem, Chief Financial Officer <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Ratify Emergency Contracted Work Performed by Kirk Paving for the Greensview Drive Main Break Repair		

GENERAL MANAGER'S RECOMMENDATION:

That the Board ratify the emergency contracted work performed by Kirk Paving for the Greensview Drive main break repair.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To request that the Board ratify the contract entered into with Kirk Paving for emergency repairs associated with the Greensview main break as previously authorized by the General Manager under an emergency declaration consistent with the Code of Ordinances.

ANALYSIS:

On May 4, 2016, the General Manager presented to the Board a Declaration of Emergency (see Attachment B) due to the Greensview Drive main break. This main break occurred on May 3, 2016 and because of the extensive damage, the repair cost exceeded \$500,000.

In the past, our insurance carrier, SDRMA, would contract for the work directly, but they changed their processes, necessitating the District to contract for this work and then request reimbursement from SDRMA. Because the contract with Kirk Paving exceeded the General Manager's authority under Code of Ordinances Section 2.01,

ratification of the contract with Kirk Paving is required by the Board.

The following is a summary of the expenditures and reimbursements from SDRMA:

Vendor	Service	Amount
Kirk Paving	Emergency Paving	\$ 49,100.07
	Paving	\$ 457,106.65
	Sealing, Striping	\$ 62,552.38
	Subtotal Kirk Paving (contract to be ratified)	\$ 568,759.10
Hudson Safe-T-Lite	Traffic Control	\$ 567.60
City of Chula Vista	CCTV sewer main and storm drains, clean storm drain line	\$ 4,250.09
Kenny's Clean Sweep	Street Sweeping So. Greensview	\$ 600.00
	Subtotal Other Cost	\$ 5,417.69
	Total Cost	\$ 574,176.79
	Reimbursement from SDRMA	\$ (573,676.79)
	Deductible	\$ 500.00

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

None.

STRATEGIC GOAL:

Ensure that all contracts are approved in accordance with the Code of Ordinances.

LEGAL IMPACT:

None.

Attachments:

- A - Committee Action
- B - Declaration of Emergency Memo



ATTACHMENT A

SUBJECT/PROJECT:	Ratify Emergency Contracted Work Performed by Kirk Paving for the Greensview Drive Main Break Repair
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on August 23, 2016 and the following comments were made:

- Staff is requesting that the Board ratify the emergency contracted work performed by Kirk Paving for the repair of the Greensview Drive main break.
- Staff reviewed the information in the staff report.
- Staff noted that staff will need to change its practices to adapt to SDRMA's new claim procedures. The District did not know of the new procedures until the Greensview Drive main break occurred. Staff explained that after the pipeline is repaired, the damaged road would need to be repaired. Road repair is not the District's specialty and the City of Chula Vista would be the claimant for the road repair. In the past, SDRMA would have handled and managed the road repair which has now been turned over to the District. SDRMA has verbally indicated that the District is now responsible for the management of this repair along with the pipeline repair.
- Now that staff is aware of the new procedures, staff is exploring the possibility of reimbursement of (third party) Construction Management.

Upon completion of the discussion, the committee supported staff's recommendation and presentation to the full board on the consent calendar.



MEMORANDUM

TO: Board of Directors

FROM: Mark Watton

Date 5/4/16

SUBJ: Greensview Drive Main Break - Declaration of Emergency

Incident

On May 3, 2016 at approximately 3:00 p.m. staff was notified of a main break and discovered a 16" potable water main broke underneath the road on Greensview and West Hunte Parkway in Chula Vista.

Pipeline & Sinkhole Repair Status

Staff have completed Greensview Drive repairs of the 16 inch pipeline and are restoring it to service at this time. Additionally, we expect to complete the immediate repairs of the associated sinkhole this afternoon.

Road Repair Status

Staff completed the joint meeting today and coordinated the needed immediate, interim and permanent road repairs needed for safe public access. The District was to complete the immediate repairs to the sinkhole today and the remaining repairs were to be contracted and completed by our insurance carrier, SDRMA, per our standard protocol. However, SDRMA informed us this afternoon that they can no longer contract work out directly and needed the District to contract the repair work and then request to be reimbursed. The temporary repairs are estimated to be approximately \$60k and may exceed the authority of the General Manager.

Therefore, staff requested that the General Manager declare an emergency pursuant to the District Code of Ordinance 2.01 (I) to expedite the needed repairs to allow safe access. Based on the declaration made by the General Manager, staff has contacted the emergency paving contractor who will be mobilizing this afternoon and commence temporary repairs.

As a reminder, we anticipate full reimbursement by SDRMA of these temporary road repairs.

Below is the relevant code section:

I. To declare an emergency and, in such event, to have the additional powers specified in the District's emergency management plan, referred to as the National Incident Management System (NIMS), and below, pursuant to California Contract Code Section 22050. An emergency is a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent and mitigate the loss or impairment of life, health, property, or essential public services. 1. In a declared emergency, the General Manager may direct employees, take action to continue or restore service capability, and execute any contracts for necessary equipment, services, or supplies directly related and required by the emergency. Notwithstanding the limits imposed in the prior paragraphs of this Section 2.01, or by any other policy or guideline of the District, in an emergency, the General Manager may award and execute contracts for goods, services, work, facility or improvement, without bidding and without regard to said limits, provided that the goods, services, work, facilities or improvements acquired or contracted for are of an urgent nature, directly and immediately required by the emergency. Any contract for goods or services with a value of more than \$250,000 shall be subject to ratification by the Board at its first regularly scheduled meeting following the declaration of the emergency to which the contract relates. Any contract for work, facilities or improvements with a value of more than \$500,000 shall be subject to ratification by the Board at its first regularly scheduled meeting following the declaration of the emergency to which the contract relates.

2. The General Manager shall report to the Board not later than 48 hours after the emergency action or at the next regularly scheduled meeting, whichever is earlier. The report shall include the details of the emergency and reasons justifying the actions taken, and provide an accounting of the funds expended or yet to be expended in connection with the emergency.

AGENDA ITEM 7f



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
		PROJECT:	Various DIV.NO. ALL
SUBMITTED BY:	Kent Payne Purchasing and Facilities Manager		
APPROVED BY:	<input checked="" type="checkbox"/> Adolfo Segura, Chief, Administrative Services <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	ADOPT ORDINANCE NO. 558 TO ESTABLISH A GENERAL MANAGER'S PURCHASE AUTHORIZATION AUTHORITY OF \$125,000		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Ordinance No. 558 amending subdivision "E" of Section 2.01 of the Code of Ordinance to establish a General Manager's signatory authority of \$125,000.

COMMITTEE ACTION:

See "Attachment A".

PURPOSE:

To establish a General Manager signatory authority of \$125,000 to align with the current operating budget; to support the streamlined and efficient procurement of goods and services; and, to reduce project, service and material acquisition times.

ANALYSIS:

At the Board meeting held January 17, 2001, the Board of Directors adopted Ordinance No. 485 amending the District's Code of Ordinances raising the General Manager's signatory authorization limit to \$50,000. The District's operating budget for that fiscal year (2000-2001) was \$33.4 million with a staffing level of 161 employees. The District's current 2015-2016 operating budget is \$89 million or 2.7 times that of 2000-2001 with a staffing level of 135 for an 8.4% reduction in force. A General Manager's signatory authority today, by 2000-2001 standards, would be equal to \$133,234.

A sample survey of signatory authority and operating budgets of local and regional agencies was conducted and results are as follows:

AGENCY	AUTHORITY	OPERATING BUDGET (MIL)	OTAY EQUIVALENT AUTHORITY
Rincon del Diablo Water District	\$25,000	\$16	\$139,063
Padre Dam Water District	\$50,000	\$25	\$178,000
City of Santa Cruz Water Admin	\$100,000	\$27	\$329,630
Rainbow Water District	\$50,000	\$34	\$130,882
Ramona Water District	\$30,000	\$34	\$78,529
Santa Fe Irrigation District	No Limit	\$35	
San Diego Convention Center	\$100,000	\$36	\$247,222
Sweetwater Authority	\$75,000	\$46	\$145,109
Olivenhain Water District	\$50,000	\$70	\$63,571
City of Carlsbad	\$100,000	\$72	\$123,611
Helix Water District	\$50,000	\$73	\$60,959
City of Poway	No Limit	\$83	
Otay Water District	\$50,000	\$89	\$50,000
Otay Water District - 2001	\$50,000	\$33	\$133,234
Western Municipal Water District	\$100,000	\$113	\$78,761
Port of San Diego	\$125,000	\$169	\$65,828
City of Corona	\$125,000	\$270	\$41,204
City of Chula Vista	\$75,000	\$294	\$22,704
County Water Authority	\$50,000	\$1,500	\$2,967
City of San Diego	\$1,000,000	\$3,300	\$26,970

The average authority for the survey group is \$126,764 which ranges from a low of \$25,000 to \$1 million for the City of San Diego. The average equivalent authority is \$109,877 (equivalent authority calculates the differences between Agency and District operating budgets and adjusts the Agency authority for that difference). Making allowances for the agencies with no limits and throwing out the City of San Diego as an outlier, the equivalent authority for the survey group is \$122,274.

Neighboring water agencies Padre Dam and Sweetwater Authority each have an equivalent authority of \$178,000 and \$145,109, respectively, while Helix Water District is just under \$61,000. The average of the three is equal to \$128,022.

Staff conducted additional analysis utilizing two inflation indexes, the Engineering News-Record (ENR) index, which is used widely in the construction industry, and the Consumer Price Index for the San Diego region (CPI-U). The ENR analysis resulted in an inflated authority of \$78,864 for the 2001-2016 period and similarly, the CPI-U analysis resulted in an inflated authority of \$78,451. While inflationary indexes are appropriate for tracking the cost of goods and services over a period of time, it does not reflect the growth in the District's operations during that same time period along with the efficiencies

required from a smaller workforce.

Staff recommends establishing a General Manager's signatory authority of \$125,000, which is consistent with the survey group and neighboring agency equivalent authorities and is below the District's own equivalent authority of \$133,234. The higher authority also positions the General Manager to leverage the consolidation of and savings from day-to-day consumables, services and other routine contracts not in need of additional review. Finally, in light of the changes in the manner that emergency repairs are managed by SDRMA, the District's liability insurer, the General Manager will have greater latitude to quickly respond to the average emergency repair thereby limiting its impact on the community being served.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

Although we do estimate savings, it is difficult to quantify specific savings at this time.

STRATEGIC GOAL:

Supports the Districts Strategy: Ensure financial health through formalized policies, prudent investing, and efficient operations.

LEGAL IMPACT:

None.

ATTACHMENTS:

Attachment A - Committee Action Report

Attachment B - Ordinance No. 558
Exhibit 1 - Section 2.01 E, Authority of the General
Manager, of the District's Code of Ordinances

Attachment C - Proposed Copy, Section 2.01 E, Authority of the
General Manager, of the District's Code of Ordinances



ATTACHMENT A

SUBJECT/PROJECT:	ADOPT ORDINANCE NO. 558 TO ESTABLISH A GENERAL MANAGER'S PURCHASE AUTHORIZATION AUTHORITY OF \$125,000
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on August 23, 2016 and the following comments were made:

- In January 2001, the GM's authorization limit of \$50,000 was established and since that time, the District has grown significantly and has become more efficient with its ability to do more work with fewer employees over that same time period.
- Staff indicated that, recently, there have been a few events and changes in both ongoing and upcoming District procedures that have highlighted the need to review the GM's purchasing authority limit.
 - Last June, staff presented to the Board an amendment to the Caltrans Utility Agreement in the amount of \$847.79 because the change orders on the \$2.25 million dollar project had exceed the GM's \$50,000 authority. The GM's authority represented 2% of the overall value of the project. A purchasing authority equal to 5% would have been \$112,500 and would have avoided the need to bring an action to the Board. The costs to just prepare the action far exceeds the value of the request itself.
 - At the Engineering Operations & Water Resources Committee meeting held on August 22, staff presented and requested that the committee approve and refer to the full Board the adoption of the California Uniform Construction Cost Accounting Act (the Act) with its higher formal bid limit of \$175,000 for public works contracts. The District's current formal bid limit is \$35,000 wherein the District is required to follow strict guidelines. The purpose of the Act is to raise bid limits and to simplify the process for agencies and special districts like Otay WD, to contract smaller projects under the California Public Contract Code. While staff is not asking for a GM authority equal to

the new bid limit, a complimentary limit would allow the District to take greater advantage of the efficiencies afforded by the Act which includes soliciting and awarding contracts in as little as 10 days.

- At today's committee meeting, staff is requesting that the board ratify emergency contract work for the Greensview Drive main break (Item No. 5). SDRMA is now requiring that the District contract and manage all emergency repair work and submit a reimbursement request for the cost. While the Greensview Drive main break (costing over \$500,000) is a very rare case and required the declaration of an emergency, the majority of the main break repair work falls below the \$125,000 requested limit. Conceivably, many of these repairs could be managed without the need to declare an emergency. For example, utility staff are currently working to complete street repairs on Telegraph Canyon Road. The emergency repairs were completed by District staff in short order and temporary road repairs allowed for the roadway to be put back into service which precluded the need to declare an emergency.

The challenge begins with contracting street and curb final repairs which is estimated to be approximately \$86,000 in this case. The temporary repairs are intended to last a couple of weeks. However, it would take one to two months to solicit formal bids and request authorization from the Board to approve an agreement for the final street repairs. With the adoption of the Cost Accounting Act and its limit of \$175,000 along with an increase in the GM's authority, the District could solicit and issue a contract in as little as 10 days, well within the two week lifespan of the temporary repairs. This streamlined process would not only facilitate the remediation of main break third party losses, but can also be applied to more routine projects, as well as, capture cost savings through multi-year agreements for consumables or certain routine support services.

- Staff reviewed the information in the staff report with regard to surveying surrounding and regional agencies on their GM authorization levels and the comparison of the District's 2001 budget versus today's equivalent.
- Staff is requesting that the Board adopt Ordinance No. 558 establishing the GM's authority at \$125,000 in order to take

further advantage of efficiencies provided under the Cost Accounting Act, to facilitate the timely repair of third party losses and to generally streamline the procurement of consumables and other routine goods and services.

- It was discussed that the procedures that the District has in place provides protection from fraud and it would take a conspiracy of many employees to defraud the District.
- The committee requested that the Board be apprised of expenditures handled under the GM's authority. Staff indicated that such expenditures are reported in the GM's monthly report and the Capital Improvement Program quarterly report.

Upon completion of the discussion, the committee supported staff's recommendation and presentation to the full board on the consent calendar.

ORDINANCE NO. 558

AN ORDINANCE OF THE BOARD OF DIRECTORS OF
THE OTAY WATER DISTRICT
AMENDING SECTION 2.01 E, AUTHORITY OF THE GENERAL MANAGER,
OF THE DISTRICT'S CODE OF ORDINANCES

BE IT ORDAINED by the Board of Directors of Otay Water District that the District's Code of Ordinances Section 2.01 E, Authority of the General Manager, be amended as per Exhibit 1 (attached).

NOW, THEREFORE, BE IT RESOLVED that the new proposed Section 2.01 E, Authority of the General Manager (Attachment C), of the Code of Ordinances, shall become effective September 7, 2016.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a regular meeting duly held this 7th day of September 2016, by the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

President

ATTEST:

District Secretary

CHAPTER 2 ADMINISTRATION OF THE DISTRICT

SECTION 2 MANAGEMENT OF THE DISTRICT

2.01 AUTHORITY OF THE GENERAL MANAGER

Pursuant to Sections 71362 and 71363 of the California Water Code, and other applicable laws of the State of California, the General Manager shall, subject to the approval and direction of the Board of Directors, operate and manage the affairs of the District. The General Manager shall have the following specifically enumerated powers and authority:

A. To control the administration, maintenance, operation and construction of the water and sewer systems and facilities of the District in an efficient manner.

B. To employ and discharge all employees and assistants, other than those referred to in Section 71340 of the California Water Code, and to prescribe their duties and promulgate specific rules and regulations for such employees and assistants.

C. To promulgate policies and procedures necessary to enhance the security of the District and increase the transparency of District operations, including provisions for the disclosure of conflicts of interest by employees.

D. To establish the terms and conditions for collection of receivables, thereby facilitating the efficient administration of the District's receivables. The General Manager or designee is given this authority as well as the authority to waive, adjust, or reduce any receivable for amounts up to \$10,000.

E. To execute agreements, contracts, other documents, or commitments on behalf of the District where the amount involved does not exceed ~~\$50,000~~ \$125,000, provided that Public Works Contracts shall be awarded in compliance with applicable laws.

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E. To execute agreements, contracts, other documents, or commitments on behalf of the District where the amount involved does not exceed \$125,000, provided that Public Works Contracts shall be awarded in compliance with applicable laws.

AGENDA ITEM 8a



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
SUBMITTED BY:	Dan Martin Engineering Manager	PROJECT:	Various DIV.NO. 2
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief, Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Continue the Temporary Moratorium on the Installation of New Recycled Water Facilities on Otay Mesa for a Period of One Year to July 2017		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) continue the temporary moratorium on the installation of new recycled water facilities on Otay Mesa for a period of one year to July 2017 (See Exhibit A for Project location).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To continue the temporary moratorium on the installation of new recycled water facilities on Otay Mesa for a period of one year to July 2017.

ANALYSIS:

Currently, recycled water is not available on Otay Mesa. The existing recycled water infrastructure on Otay Mesa is being supplied with potable water. As the District has pursued expansion of the District's recycled water supply system to the Otay Mesa area, the District has encountered a number of issues and risks,

when considered in total, challenge both the technical and financial feasibility of delivering recycled water to Otay Mesa. On July 2, 2014, staff presented information to the Board on the uncertainty of recycled water availability for Otay Mesa, the financial feasibility considerations associated with anticipated recycled water rates from the City of San Diego (City), the uncertainty of securing easements to support the Otay Mesa Recycled Water Supply Link Project, and the delivery horizon of Indirect Potable Reuse (IPR) and/or Direct Potable Reuse (DPR). As a result of the information presented to the Board, the Board voted to place a temporary moratorium on the installation of new recycled water facilities on Otay Mesa.

On July 6, 2016, staff presented to the Board an update on a number of efforts related to the temporary moratorium on the installation of new recycled water facilities on Otay Mesa. These efforts included the following:

- Continued efforts with the City to discuss issues and amendments to the agreements between the District and the City.
- Close out of developer recycled water projects in the planning, design, and construction phases on Otay Mesa.
- Meeting with representatives of the East Otay Mesa Property Owners Association and the Otay Mesa Property Owners Association.

Continued Efforts with the City of San Diego to Discuss Issues and Amendments to the Agreements between the District and the City

Since the date the Temporary Moratorium was put in place by the District in July of 2014, District staff has sent correspondence and held meetings with the City staff regarding issues related to the October 23, 2003 Agreement Between the Otay Water District and the City of San Diego for Purchase of Reclaimed Water from the South Bay Water Reclamation Plant ("Agreement"). District staff has presented proposals regarding the City's recycled water rates, the "Take-Or-Pay" requirement included in the Agreement, and miscellaneous terms missing from the Agreement. Although District staff has met with City staff to discuss the issues and how they impact the delivery of recycled water to Otay Mesa, these items remain unresolved. On November 17, 2015, the City voted to raise the rate for recycled water from the then current rate of \$0.80/HCF (\$348/AF) to a new Unitary Rate of \$1.73/HCF (\$753/AF). This new Unitary Rate was effective on January 1, 2016. District staff has met with the City as recently as June 6, 2016 to discuss the District's proposals

outlined above. In that meeting, the City expressed no interest in revising the existing Agreement.

Close-out of Developer Recycled Water Projects in the Planning, Design, and Construction Phases on Otay Mesa

As noted in the November 5, 2014 update to the Board, District staff completed a review of the developer projects on Otay Mesa that are affected by the temporary moratorium. In total, thirty (30) projects were identified. These projects, which include both private recycled water systems and public recycled water mains, were found to be in various stages of project development ranging from planning to construction. Since the last update to the Board, staff has completed the closeout of all developer recycled water projects that were in the planning and design phases on Otay Mesa. The associated recycled water project developer accounts have also been closed out.

Staff has also worked cooperatively with developers on active recycled water projects that were in construction on Otay Mesa when the temporary moratorium was put into place in July 2014. On those active projects that were nearing completion, staff worked with the developers to allow the projects to move forward to completion with the knowledge that potable meters will be set on the newly constructed infrastructure to serve the projects' locations. On projects that were in the early stages of construction when the temporary moratorium was placed, staff worked with the developers to implement changes on the projects that would delete the recycled water infrastructure and mitigate project impacts. At this time, there is only one recycled water construction project located on Alta Road that remains to be closed out. The remaining work on that project consists of final paving and punch list work to accept the developer installed main. There is no action on the part of District staff other than for the developer to complete the project and request final reimbursement.

As of July 2014, only potable water meters have been purchased and set on Otay Mesa for permanent service.

Meeting with Representatives of the East Otay Mesa Property Owners Association and the Otay Mesa Property Owners Association

In the July 6, 2016 report to the Board, staff reported on meetings held with the representatives from the East Otay Mesa Property Owners Association and the Otay Mesa Property Owners Association (EOMPOA/OMPOA) in December 2014. It was noted that staff provided an in-depth review of the District's financial analysis that supported the placement of a temporary moratorium on the

installation of new recycled water facilities on Otay Mesa. As part of the discussions in December 2014, the District granted a request made by the EOMPOA/OMPOA representatives to extend the temporary moratorium on the installation of new recycled water facilities on Otay Mesa to July of 2016. It was explained that during the one (1) year extension, the EOMPOA/OMPOA could focus on attracting businesses to Otay Mesa that have a high demand for recycled water use. Additionally, the EOMPOA/OMPOA representatives explained that the District could use this time to seek funding opportunities that could offset the capital costs of implementing recycled water infrastructure on Otay Mesa.

At the July 6, 2016 Board meeting, staff presented a summary update on the factors included in the Otay Mesa Recycled Water Financial Analysis in support of a staff recommendation to place a permanent moratorium on the installation of new recycled water facilities on Otay Mesa. These factors include cost of supply, infrastructure cost, recycled water demand, and the expiration of recycled water incentives. The summary update also included a sensitivity analysis that suggests that significant changes in the current trends would be needed with respect to the factors included in the Otay Mesa Recycled Water Financial Analysis in order to make delivery of recycled water on Otay Mesa financially feasible. In consideration of the information presented, the Board requested that staff solicit formal feedback from the EOMPOA/OMPOA for consideration before taking Board action.

On August 11, 2016, staff provided a formal presentation to the EOMPOA/OMPOA and updated the EOMPOA/OMPOA on the cost of water and current status of factors included in the District's financial analysis contained within the July 6, 2016 report to the Board. Feedback was solicited from the EOMPOA/OMPOA at that meeting. In consideration of the information presented, the EOMPOA/OMPOA provided a formal request to extend the temporary moratorium on the installation of new recycled water facilities on Otay Mesa for an additional year to July 2017. It was explained that the outlook for development has improved over the last year and that the one (1) year extension would provide additional time for the EOMPOA/OMPOA to continue efforts to attract businesses to Otay Mesa that have a high demand for recycled water use. Additionally, the EOMPOA/OMPOA representatives explained that funding opportunities that could offset the capital costs of implementing recycled water infrastructure on Otay Mesa may materialize within the requested one (1) year extension.

In consideration of the EOMPOA/OMPOA's request, staff is recommending that the Board approve a one (1) year extension of the

temporary moratorium on the installation of new recycled water facilities on Otay Mesa to July 2017.

As included in the July 6, 2016 Board report, the District has not collected San Diego County Water Authority (SDCWA) capacity fees on meters set and designated as future recycled water meters in anticipation that recycled water would be available on Otay Mesa. The value of the avoided SDCWA fees based on an analysis of SDCWA capacity and treatment fees that would have been due at the time of meter purchase totals \$1,340,684.00.

Lastly, the approved Fiscal Year 2017 budget includes a Capital Improvement Program project "Repurpose Otay Mesa Recycled Water Lines" (R2123) (Project) to evaluate alternative uses for the recycled waterlines installed on Otay Mesa. Initial work on this Project in FY 2017 will consist of hydraulic modeling to assess the potential for alternative use of the existing recycled water infrastructure should it be determined that a permanent moratorium be placed at the a future date.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

Overall, it has been determined that the financial benefits of a permanent moratorium outweigh the identified financial costs. There are financial costs associated with a permanent moratorium. Those costs include a potential reimbursement of \$950,000 in grant funds that were received from the United States Bureau of Reclamation (USBR) and SDCWA capacity fees.

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide high value water and wastewater services to the customers of the Otay Water District in a professional, effective, and efficient manner" and the District's Vision, "A District that is innovative in providing water services at affordable rates, with a reputation for outstanding customer service."

LEGAL IMPACT:

None.

DM/RP:mlc

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Attachments: Attachment A - Committee Action
 Exhibit A - Project Location Map



ATTACHMENT A

SUBJECT/PROJECT: Various	Continue the Temporary Moratorium on the Installation of New Recycled Water Facilities on Otay Mesa for a Period of One Year to July 2017
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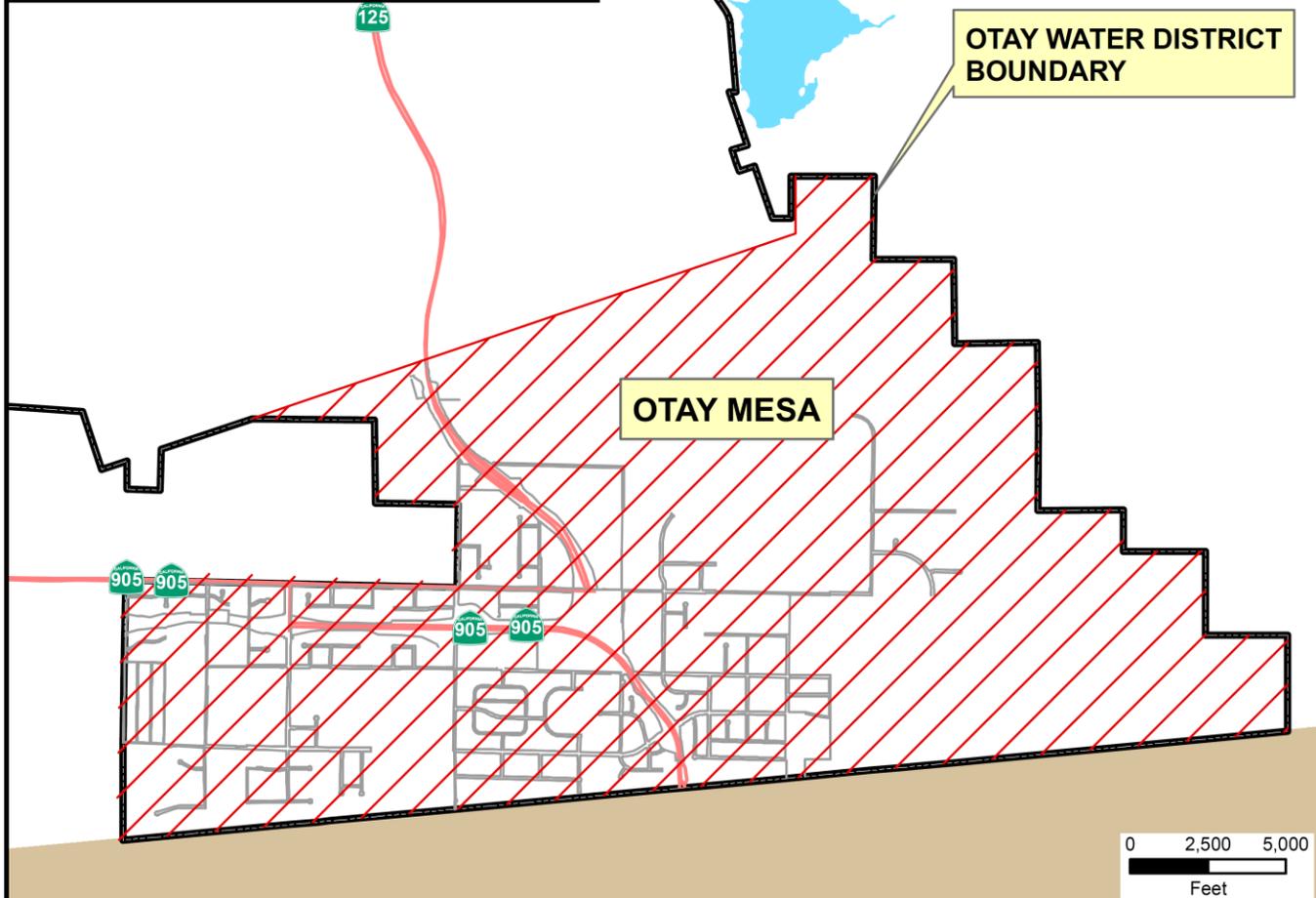
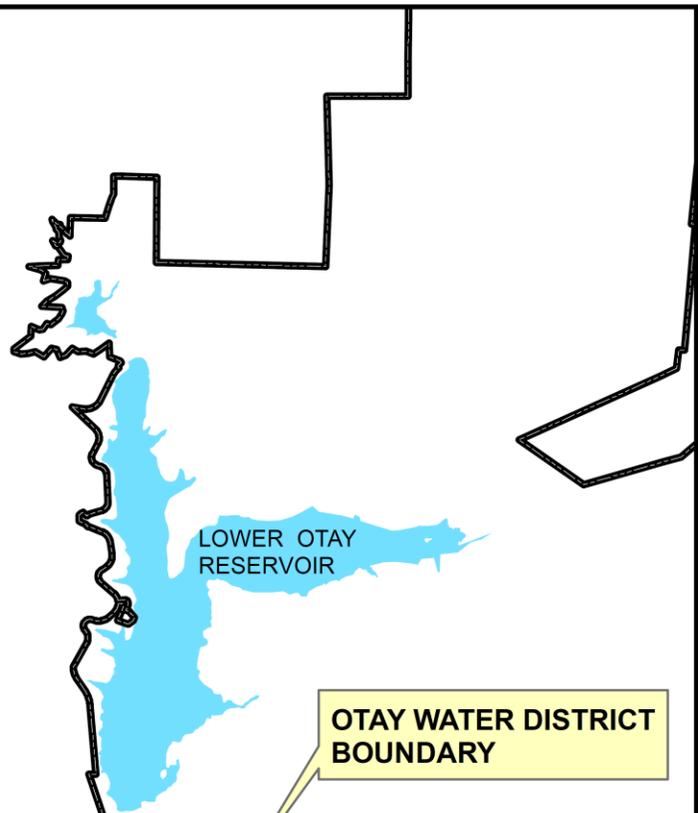
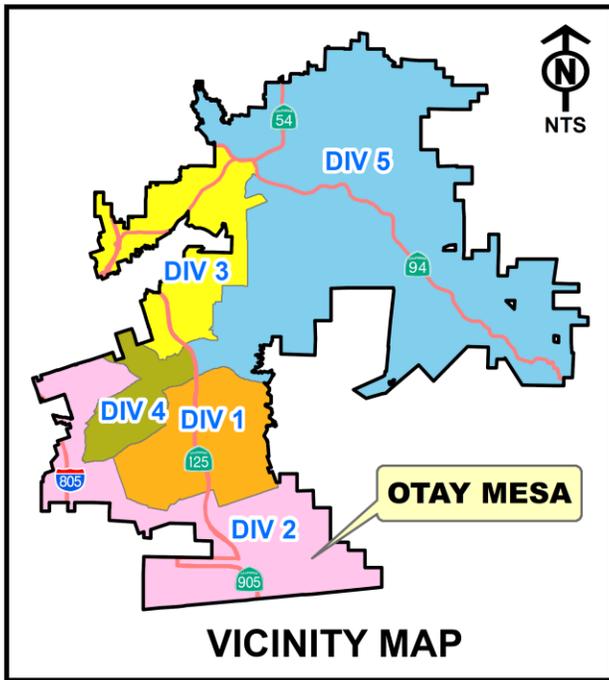
COMMITTEE ACTION:

Finance, Admin, and Communications Committee (Committee) reviewed this item at a meeting held on August 23, 2016, and the following comments were made:

- The Committee inquired about the East Otay Mesa Property Owners Association's and the Otay Mesa Property Owners Association's (EOMPOA/OMPOA) purpose for requesting an extension of the temporary moratorium to July 2017. Staff stated that the EOMPOA/OMPOA requested the 1-year extension to continue their efforts to attract businesses to Otay Mesa that have a high demand for recycled water use. The Associations also noted that funding opportunities may occur that could offset costs of implementing recycled water infrastructure on Otay Mesa.
- In response to a question from the Committee, staff stated that the temporary moratorium was implemented due to the uncertainty of recycled water availability for Otay Mesa, the financial feasibility considerations associated with recycled water rates from the City of San Diego, and the uncertainty of securing easements from the City. Considering the capital costs of providing recycled water for such a limited amount of use was also a factor to implementing a moratorium in Otay Mesa.
- The Committee suggested that staff add to their staff report a background of what the Board members' recommendations/actions were from the July 6, 2016 board meeting associated with the moratorium. In response to the Committee's suggestion, reference is made to the meeting minutes of the July 6, 2016 Board meeting where the Board voted to table the permanent moratorium item for 90 days to allow staff to contact interested parties in the Otay Mesa area and allow the parties time to review the implications of the moratorium and provide their comments.

- After discussing the financial analysis for expanding recycled water to Otay Mesa, the Committee commented that a permanent moratorium is more likely to be considered in the future.
- The Committee requested that staff invite the EOMPOA/OMPOA to the September 7, 2016 board meeting.

Following the discussion, the Committee supported staffs' recommendation and presentation to the full board on the action calendar.



OTAY WATER DISTRICT
OTAY MESA RECYCLED WATER AREA



EXHIBIT A



AGENDA ITEM 9a

STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	September 7, 2016
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
APPROVED BY:	<input checked="" type="checkbox"/> Susan Cruz, District Secretary <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Board of Directors 2016 Calendar of Meetings		

GENERAL MANAGER'S RECOMMENDATION:

At the request of the Board, the attached Board of Director's meeting calendar for 2016 is being presented for discussion.

PURPOSE:

This staff report is being presented to provide the Board the opportunity to review the 2016 Board of Director's meeting calendar and amend the schedule as needed.

COMMITTEE ACTION:

N/A

ANALYSIS:

The Board requested that this item be presented at each meeting so they may have an opportunity to review the Board meeting calendar schedule and amend it as needed.

STRATEGIC GOAL:

N/A

FISCAL IMPACT:

None.

LEGAL IMPACT:

None.

Attachment: Calendar of Meetings for 2016

**Board of Directors, Workshops
and Committee Meetings
2016**

Regular Board Meetings:

January 6, 2016
February 3, 2016
March 2, 2016
April 6, 2016
May 4, 2016
June 1, 2016
July 6, 2016
August 3, 2016
September 7, 2016
October 5, 2016
November 2, 2016
December 7, 2016

**Special Board or Committee Meetings (3rd
Wednesday of Each Month or as Noted)**

January 20, 2016
February 17, 2016
March 16, 2016
April 20, 2016
May 18, 2016
June 15, 2016
July 20, 2016
August 23, 2016
September 14, 2016
October 19, 2016
November 16, 2016
December 21, 2016

SPECIAL BOARD MEETINGS:

AGENDA ITEM 10a



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
		PROJECT:	DIV. NO.: ALL
SUBMITTED BY:	Adolfo Segura, Chief of Administrative Services		
APPROVED BY:	<input checked="" type="checkbox"/> German Alvarez, Assistant General Manager		
	<input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	FY16 YEAR-END REPORT FOR THE DISTRICT'S FY15-18 STRATEGIC PLAN		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION:

Please see "Attachment A".

PURPOSE:

To provide a year-end report on the District's FY15-18 Strategic Performance Plan for FY16.

ANALYSIS:

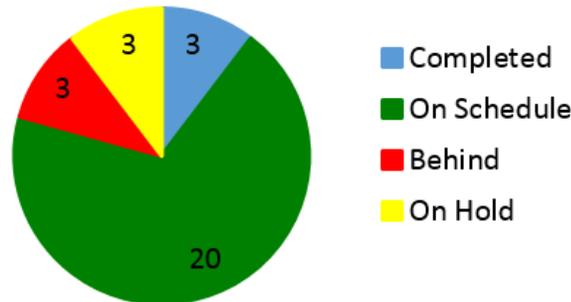
Summary

The current Otay Water District Strategic Plan is a four-year plan ranging from the start of FY15 through the end of FY18. This report details the year-end results for the second year of our four-year plan.

Strategic Plan Objectives - Target 90%

Strategic Plan objectives are designed to ensure the District is executing mission designed objectives and making the appropriate high-level changes necessary to guide the agency's efforts to meet new challenges and positively adapt to change. Objective results for FY16 year-end are below target at 88%, with 23 of 26 active items completed or on schedule. Two objectives are on hold and three are not scheduled to begin until FY17 and FY18.

23 of 26 Active Objectives are Completed or On Schedule (88%)



The following objectives have been reported to be behind schedule. These projects have identified appropriate actions and are expected to be back on schedule in FY17.

1. *Enhance Management Control of Non-Inventory Items* - Due to unplanned repairs and staffing issues, staff was unable to complete the review of non-inventory items and develop adequate recommendations. The review and recommendations are expected to be completed by FY17 Q2.
2. *Evaluate Efficiencies for Delivering Capital Assets* - Final assessment and recommendation of the BIM 3D model effort will be completed as the 870-1 Pump Station Design reaches completion in FY17 Q2.
3. *Streamline Input of Operations Data* - Staff has identified business processes and forms that should be automated and auto-populated. However, with the delay of the SCADA project closeout, a complete action list could not be completed. The SCADA Roadmap is expected to be completed in FY17 Q1.

The following objectives have been put on hold:

1. *Evaluate Requirements for Future Emergency Communication System* - The existing communication system is expected to be vendor supported for an additional 5 years. Staff will continue to explore new technologies should the communication system need to be replaced sooner than expected.
2. *Evaluate the Viability of Implementing an Indirect Potable Reuse Program* - Staff from the District and Sweetwater Authority have completed the study and cost-estimate and have determined that this project is not feasible at this time.
3. *Implement a Habitat Conservation Plan that will Streamline O&M within District Easements* - The draft habitat conservation plan

has not been submitted to wildlife agencies. Plan preparations are expected to be back on schedule FY17 Q1.

Performance Measures - Target 75%

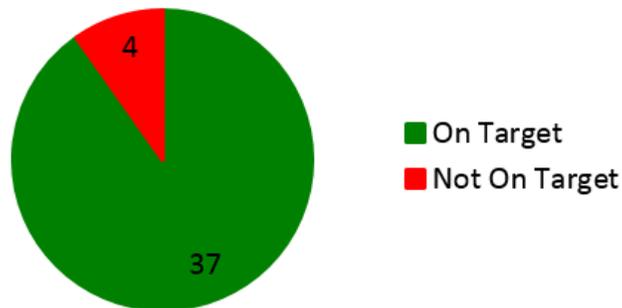
Performance measures are designed to track the District's day-to-day performance. These items measure the effectiveness and efficiency of daily operations and essential services. The overall goal is that at least 75% of these measures be rated "on target". FY16 year-end results are well above target with 37 of 41 (90%) items achieving the desired level or better.

Three new measures have been added and staff will begin reporting in FY17. Staff will strive to keep as many measures the same in order to collect and analyze multi-year data.

New measures in FY17 include:

- Accounts Per FTE
- Percent of Customers Paying Bills Electronically
- Injury Incident Rate

37 of 41 Measures are On Target (90%)



Items Not On Target

1. *CIP Project Expenditures vs. Budget* - Year-to-date CIP expenditures amounted to \$10,605,000 vs. the budgeted amount of \$11,811,000 (-11.37%).
2. *Overtime Percentage* - Year-to-date expenditures amounted to \$121,164 vs. the budgeted amount of \$94,000 (+28.89%).
3. *Water Rate Ranking* - The March 2016 rate increase has moved the District up from number 11 in FY15, to number 12 in FY16, out of 22 member agencies.
4. *Reserve Level* - Year-end result is 78%, target was 85%.

AWWA (formerly QualServe) Benchmarking Perspective

As a result of AWWA modifying how indicators are calculated, the District has moved away from most of the AWWA benchmarks. However, the following performance indicators have remained unchanged and the District will continue to use them as benchmarks:

- Collection System Integrity
- Sewer Overflow Rate
- Technical Quality Complaint
- Potable Water Compliance Rate

Composition of Balanced Scorecard Objectives and Measures

The Balanced Scorecard continues to be used as the core methodology for the District's Strategic Plan, and is widely adopted by businesses internationally. The Balanced Scorecard itself was developed by Kaplan and Norton and published in 1992 in the Harvard Business Review. The model has evolved over time and is now in its third-generation. In brief, the Balanced Scorecard emphasizes an integrated strategy approach for the development of goals and measures in four basic areas: customer, financial, business processes, and learning and growth.



Each objective is broken down by the balanced scorecard, strategy, and goal required to meet the specific challenge.



Strategy: Deliver high quality services to meet and increase confidence of the customer in the value the District provides

Goal: Increase customer confidence in the District

Objectives:

1. Enhance communications with customers

Goal: Improve and expand communications

Objectives:

1. Regularly produce and evaluate communications tools and explore the effective use of new media options
2. Evaluate requirements for future emergency communication system

Goal: Provide effective water services

Objectives:

1. Optimize SCADA program

Strategy: Manage the financial issues that are critical to the District

Goal: Improve financial information and systems

Objectives:

1. Streamline procurement and contractor on-boarding process via web-based eProcurement technology
2. Electric power and fuel management practices
3. Optimize operations inventory management

Goal: Maintain District financial strength

Objectives:

1. Strengthen internal audit program
2. Implement a cost-benefit program

Strategy: Maximize efficiency and effectiveness

Goal: Actively manage water supply as well as support for water and sewer services

Objectives:

1. Evaluate and enhance the District's water conservation programs and services
2. Evaluate the City of San Diego's pure water program planning/implementation
3. Sewer system business evaluation
4. Address dependency on imported water
5. Leak detection and repair program
6. Pressure vessel maintenance program



7. Evaluate the viability of implementing an indirect potable reuse program

Goal: Identify and evaluate improvements to enterprise and departmental business processes

Objectives:

1. Optimize asset management program
2. Enhance District's enterprise facilities physical security
3. Improve and streamline meter related processes
4. Evaluate efficiencies for delivering capital assets
5. Enhance District's enterprise confined space program
6. Operations workflow process evaluation
7. Streamline input of operations data
8. Streamline work processes in four strategic areas including departmental synergies, technology, procurements, and alignment of business practices
9. Revise business practices by modifying the master recycled water permit
10. Implement a habitat conservation plan that will streamline O&M within District easements
11. Advance business processes and operational efficiencies through implementation of information technology
12. Evaluate implementation of an online performance management system



Strategy: Provide leadership and management expertise

Goal: Reinforce a results-oriented and accountable culture

Objectives:

1. Negotiate a Successor Memorandum of Understanding for represented employees for 2017 and beyond, and related compensation and benefits for unrepresented employees with emphasis on making necessary updates to employee health benefits related to health care reform
2. Evaluate requirements for future emergency communication system

Goal: Focus on achieving a lean flexible workforce

Objectives:

1. Evaluate opportunities to combine or transfer similar work functions

2. Evaluate training and development programs for new and existing supervisors/managers

Next Steps - FY17-18

The completion of Phase 2 of the FY15-18 Strategic Plan was a significant accomplishment. The successful implementation and rapid adoption of next generation technology solutions, has allowed the District to continue to gain efficiencies, improve department functions, and sustain a growing customer base with a reduced work force. Staff will be tracking a number of new objectives and measures during FY17.

Measurement of continuous improvement is essential to demonstrate the efficiency gains achieved by the District. During FY17, staff will be analyzing collected productivity data to further gauge efficiencies gained and elevate or create new performance metrics where warranted. Also, staff will continue to train and cross-train to further leverage the value-added functions of our enterprise business systems. Additional improvements to our Asset Management program will also be addressed via a recently developed SCADA roadmap. Staff will be targeting utility smart power management, additional remote/mobile capabilities, production management, and enhanced cyber security mechanisms. Much of this will be used to set key performance objectives in FY18, to include the evolution of key service programs across the District. The Board will receive an update of our measurements progress during the FY17 mid-year Strategic Plan presentation in March 2017.

Committee Reports - Slideshow

The Strategic Plan results are presented to both the Finance, Administration, and Communications Committee and the Engineering, Operations, and Water Resources Committee with a specific focus on the most relevant information for each Committee.

Strategic Plan is available on the Board VPN

All of the Strategic Plan results and associated details are provided in a real-time, interactive web-based application available to the Board via secured remote access, VPN. The District Secretary can facilitate any password or access issues.

FISCAL IMPACT: Joe Beachem, Chief Financial Officer

Informational item only; no fiscal impact.

STRATEGIC GOAL:

Strategic Plan and Performance Measure reporting is a critical element in providing performance reporting to the Board and staff.

LEGAL IMPACT:

None.

ATTACHMENTS:

Attachment A - Committee Action Report

Attachment B - FY16 Year-End Strategic Plan Results Presentation



ATTACHMENT A

SUBJECT/PROJECT:	FY16 YEAR-END REPORT FOR THE DISTRICT'S FY15-18 STRATEGIC PLAN
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COMMITTEE ACTION:

The Engineering, Operations and Water Resources Committee and Finance, Administration, and Communications Committee reviewed this item at a meetings held on August 22 and 23, 2016, respectively. The following comments were made:

- Staff presented the Strategic Plan's year-end update and indicated that the District is currently completing its second year of the 4-year Plan (FY15-18).
- Staff indicated that during the first year (2015) of the Strategic Plan, the District focused on the implementation of a number of next-generation productivity systems and enhance some enterprise processes. In the second year (2016), the focus was on aligning many of the District's enterprise processes with new solutions. And in the third year (2017), the District will continue to populate its new systems with operational data in order to analyze and further measure the efficiencies gained to help elevate or create new performance metrics or objectives if warranted.
- Staff will continue with the Balance Scorecard strategic approach which will focus on the alignment of customer service, financial sustainability, business processes, and learning and growth perspectives.
- Staff indicated that AWWA's benchmark has moved towards a *Time* approach as an element for metric calculations. It was discussed that some agencies are adopting the *Time* approach, but the District will continue to use the *Cost* approach as staff believes the bottom line affect is *Cost* that runs services as opposed to *Time*.
- Staff indicated that 88% (23 of 26) of the District's "Objectives" are completed or on schedule. The target is 90%.

Staff noted that although the graph shows 29 "Objectives," three (3) were not included in the total as those "Objectives" have no activity and are on hold. Three (3) objectives have been completed: Update of SCADA Program, Enterprise E-Commerce (Purchasing/Contracting) Solution - BidSync, and Automation and Enhancement of District-wide Operational Forms and Workflows; three (3) objectives are on hold: Evaluate requirements for future emergency communication system, Evaluate the viability of implementing an indirect potable reuse program, and Implement a Habitat Conservation Plan that will streamline O&M within District easements; and three (3) objectives are behind schedule: Enhance management control of non-inventory items, Evaluate efficiencies for delivering capital assets, and Streamline input of Operations data.

- Staff noted that the one objective on hold, evaluate the viability of implementing an Indirect Potable Reuse (IPR) program, is actually complete as District staff determined that IPR is not financially feasible for the District. This information was presented to the board at the August 3, 2016, regular board meeting.
- The year-end result for Performance Measures is 90% (target is 75%), or 37 of 41 measures are on schedule.
- It was indicated that during the Mid-Year Strategic Plan presentation, the board requested that staff provide a multi-year trend starting with FY 2013. Staff noted that graphical changes were made to the PowerPoint presentation to reflect the board's request. The Committee suggested that the "AVG" graphical bars in the PowerPoint presentation be changed to "YTD" (Year-to-Date).
- Staff indicated in response to an inquiry from the Committee with regard to the performance measure, "Employee Turnover Rate," that the turnover that the District measures is voluntary turnover; employees who leave to work for another agency or firm.
- Staff stated for the measure Project Closeout Time, staff has 45 days to closeout projects once they are completed. The target was not met this quarter because of a dispute with a contractor related to the rehabilitation of three (3) reservoirs and, thus, staff could not closeout the project.
- Staff indicated that the measure for the Overtime Percentage did not meet the set target because of unforeseen breaks within the District's service area. The target should be less than 100% of

the budgeted overtime per quarter in a year, or \$94,100; however, the Overtime Percentage exceeded the budgeted amount by approximately 28%.

- Staff stated that the District ranks 12 out of 22 member agencies for the lowest water service provider; in FYs 2014 and 2015 the District ranked number 11. It was discussed that the District's rank was affected by the City of San Diego's Recycled Water Agreement that required the District to increase its rates 9.9%. In addition, water sales decreased due to customers conserving water due to the drought. The Committee inquired if other agencies also increased their rates in response to the City of San Diego's action and mandatory water conservation. Staff stated that they had contacted the other agencies about their proposed rate increases and for the agencies that did not respond, staff utilized the average of all the agencies combined. Staff noted that current water sales is above the projected FY 2017 budget. Potable water sales is more than 6% above budget and recycled is above budget by approximately 16%. This will have a positive impact on rates in the next fiscal year (2018) and the District may recover its position.
- Staff indicated that the Reserve Level target was not met as the target allows for only one reserve level to be under target (the target is 85%). As of June 30, 2016, the District had two (2) reserve levels below target. In the rate model the CalTrans reimbursement of \$1.9 million was included in Expansion Reserve, but it should have been placed in the Replacement Reserve. This caused the Replacement Reserve to be approximately \$2 million off target. Also impacting both reserves is the actual FY 2015 CIP spending was higher than the forecast (approximately \$377,000) than was used in the rate model. These caused the reserves to be lower than budget. Staff noted that each year during the budget process the reserve targets get reset. They were reset for the FY 2017 budget and unless the District has a large difference in CIP spending or in grant funding, the reserves should be on target for FY 2017. The Committee commented that these were all internal targets and should not impact the District's bond rating. Staff agreed.
- Staff indicated that the measure, "Percent of Customers Paying Bills Electronically," is a new measure. In response to an inquiry from the Committee, staff stated that the District is charged approximately 1.7% to process payments made by credit cards. Staff indicated that they will research the percentage of customers using debit versus credit cards. Staff explained that because this is a new measure, a target has not been set for FY 2016. A baseline will be established in FY 2016 and

staff would like to do some research and an appropriate target will be set next fiscal year.

- The Committee inquired if staff was thinking of shutting down the Ralph W. Chapman Water Reclamation Facility (RWCWRF) now that it has been determined that IPR is not financially feasible for the District. Staff indicated that they are not looking at shutting the plant down, but are looking into an optimization plan for the RWCWRF to become more automated.
- In response to several inquiries from the Committee, staff stated that at this time there are no plans to modify the current four-year Strategic Plan. However, early next calendar year, staff will be planning for the next four-year Strategic Plan and will be looking at new strategies and objectives that will align with AWWA standards. Staff is also looking into new metrics for the District's management and SCADA systems that will provide tools to enhance efficiency. Staff also discussed that employees collaborate with management to provide input that would help increase efficiencies for the District. Pre-evaluation forms are also made available to employees who wish to provide any additional input to the District. In addition, staff indicated that board members have access to the Strategic Plan information via the extranet to review the information on the extranet and contact staff with any questions that they might have.

Following the discussion, the committees recommended presentation to the full board as an informational item.



STRATEGIC PLAN

FY16 YEAR-END REPORT



Introduction

The completion of Phase 2 of the FY15-18 Strategic Plan was a significant accomplishment. The successful implementation and rapid adoption of next generation technology solutions has allowed the District to continue to gain general work efficiencies, improve department functions, and sustain a growing customer base with a reduced work force.

Measurement of continuous improvement is essential to demonstrate the efficiency gains achieved by the District. During FY17, staff will be analyzing collected productivity data to further measure efficiencies gained and elevate or create new performance metrics if warranted. Staff will also continue to train and cross-train to further leverage the value-added functions of our enterprise business systems and work processes. Additional improvements to our Asset Management Program will also be addressed via a recently developed multi-year SCADA roadmap.

Balanced Scorecard Strategies and Goals



Deliver high quality services to meet and increase confidence of the customer

1. Increase customer confidence in the District
2. Improve and expand communications
3. Provide effective water services



Manage the financial issues that are critical to the District

1. Improve financial information and systems
2. Maintain District financial strength



Maximize efficiency and effectiveness

1. Actively manage water supply as well as support for water and sewer services
2. Identify and evaluate improvements to enterprise and departmental business processes



Provide leadership and management expertise

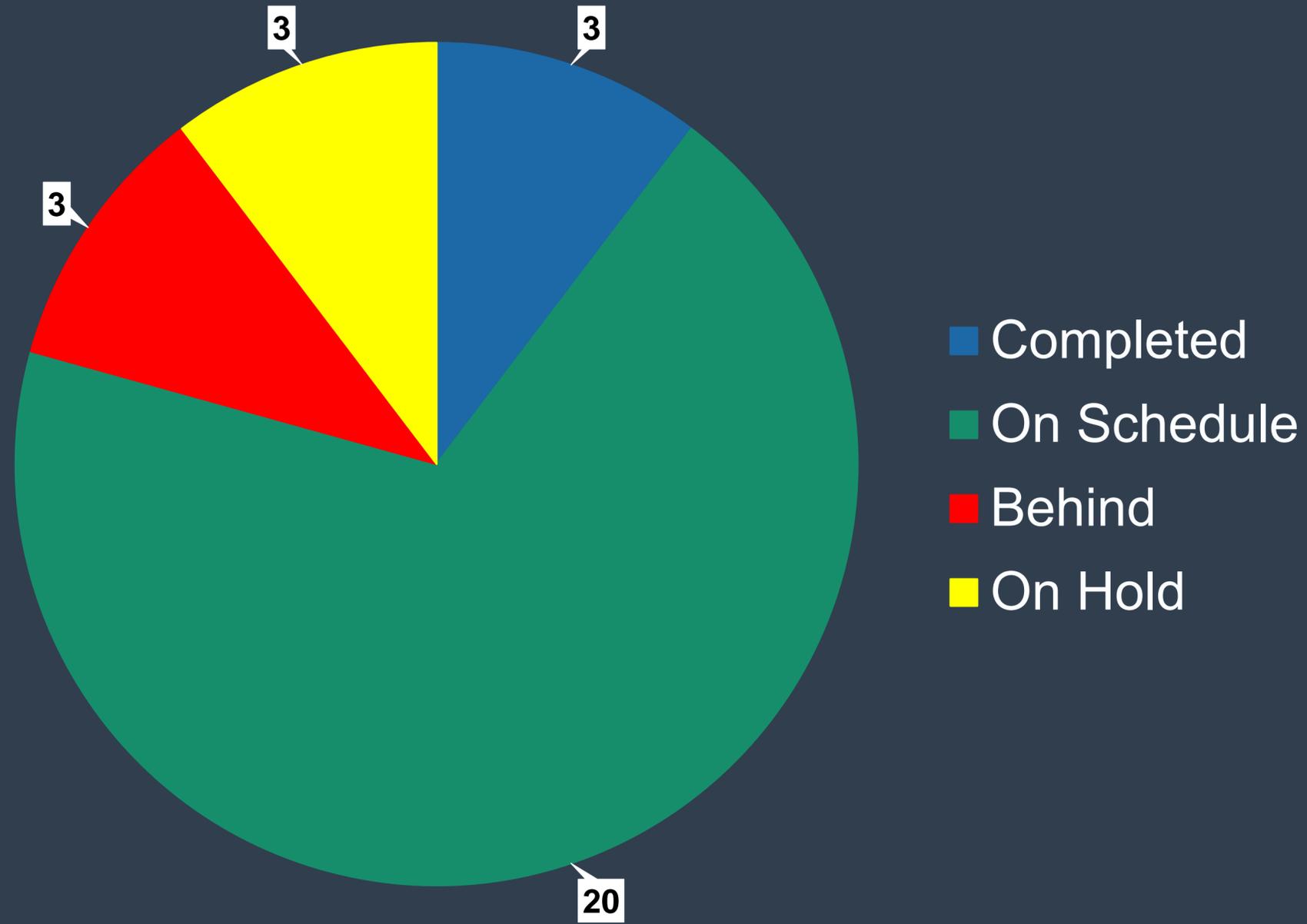
1. Reinforce a results-oriented and accountable culture
2. Focus on achieving a lean flexible workforce

AWWA Benchmarks

- 1 Technical Quality Complaint
- 2 Potable Water Compliance Rate
- 3 Collection System Integrity
- 4 Sewer Overflow Rate

Objectives

88% are Completed or On Schedule



Objective Reports
26 Total

Objectives

✓ COMPLETED

1. Update of SCADA Program
2. Enterprise E-Commerce (Purchasing/Contracting) Solution – BidSync
3. Automation and Enhancement of District-wide Operational Forms and Workflows



Objectives

⏸ ON HOLD

1. Evaluate requirements for future emergency communication system
2. Evaluate the viability of implementing an indirect potable reuse program
3. Implement a Habitat Conservation Plan that will streamline O&M within District easements

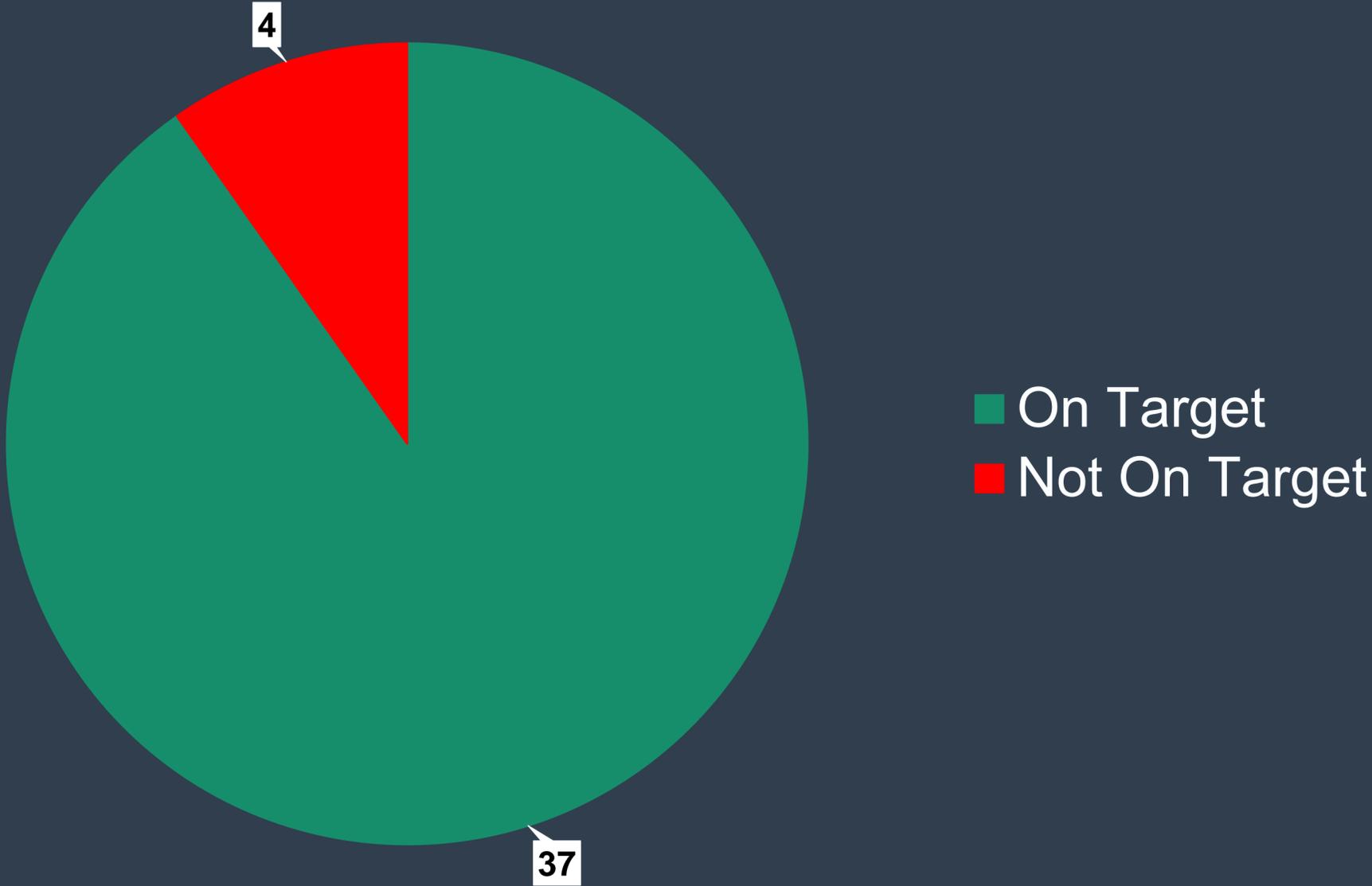
✗ BEHIND SCHEDULE

1. Enhance management control of non-inventory items
2. Evaluate efficiencies for delivering capital assets
3. Streamline input of Operations data



Performance Measures

90% On Target



Measure Reports
41 Total

Performance Measures

X NOT ON TARGET

1. CIP Project Expenditures vs. Budget
2. Overtime Percentage
3. Reserve Level
4. Water Rate Ranking



Year-End Results

Administrative Services

Enterprise System Availability

Target: No less than 99.5% availability per quarter in a year



Q&Y

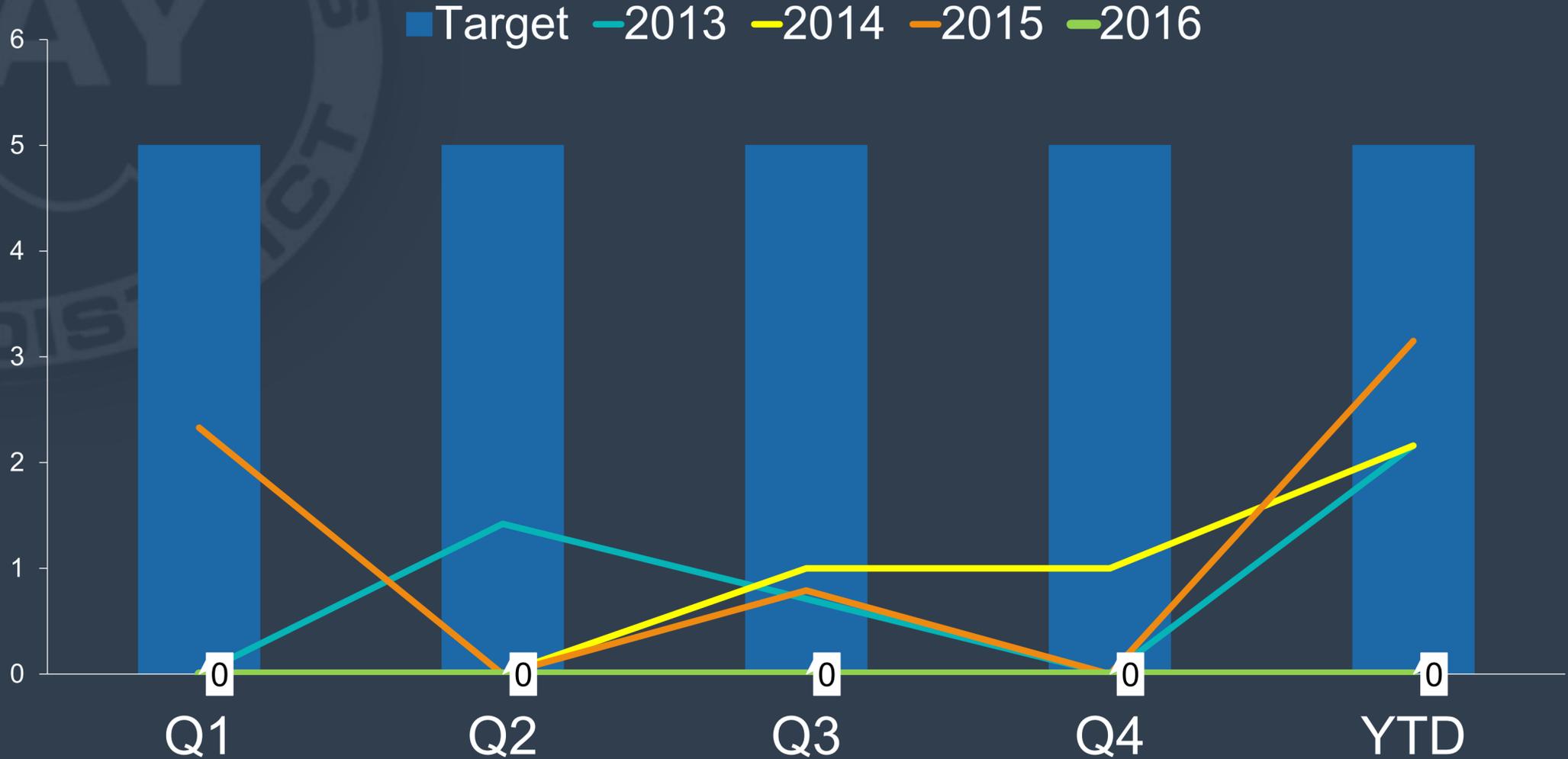
Quarter & Annual Average Measurement

99.5% = 3.60 hours of downtime per month/1.83 days of downtime in a year

*FY14 – FY16 results are 99.99%

Employee Turnover Rate

Target: Less than 5% turnover in a year



Quarter Measurement

of voluntary resignations (not including retirements)/average # of employees



Annual Average Measurement

YTD # of voluntary resignations (not including retirements)/average # of employees

Training Hours Per Employee

Target: 12 hours or more general formal training per employee in a year
(excludes safety training)



Quarter Measurement

Total qualified training hours for all employees/average # of FTEs

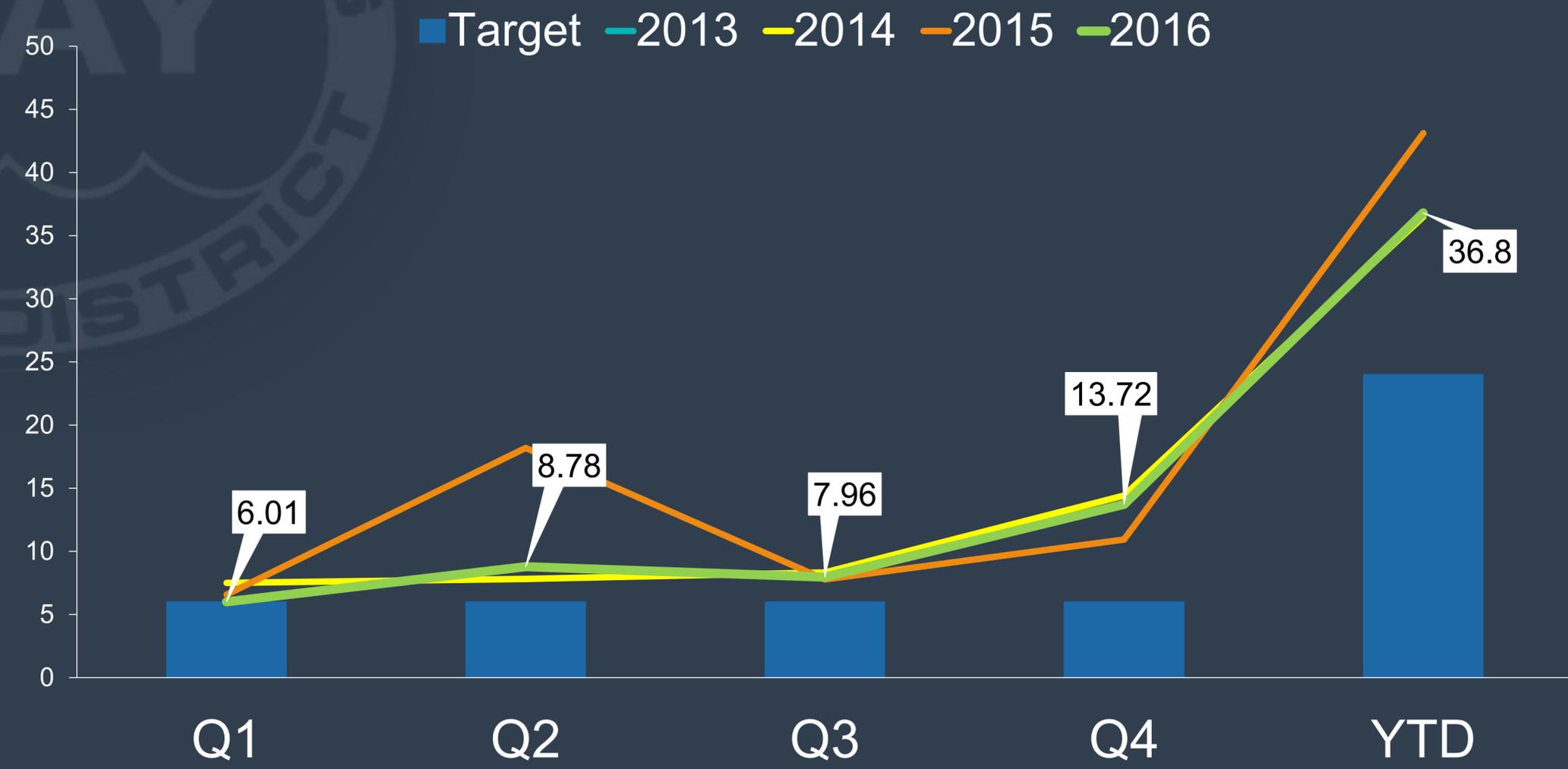


Annual Average Measurement

YTD Total qualified training hours for all employees/Average # of FTEs

Safety Training Program

Target: 24 hours or more safety training per field employee in a year



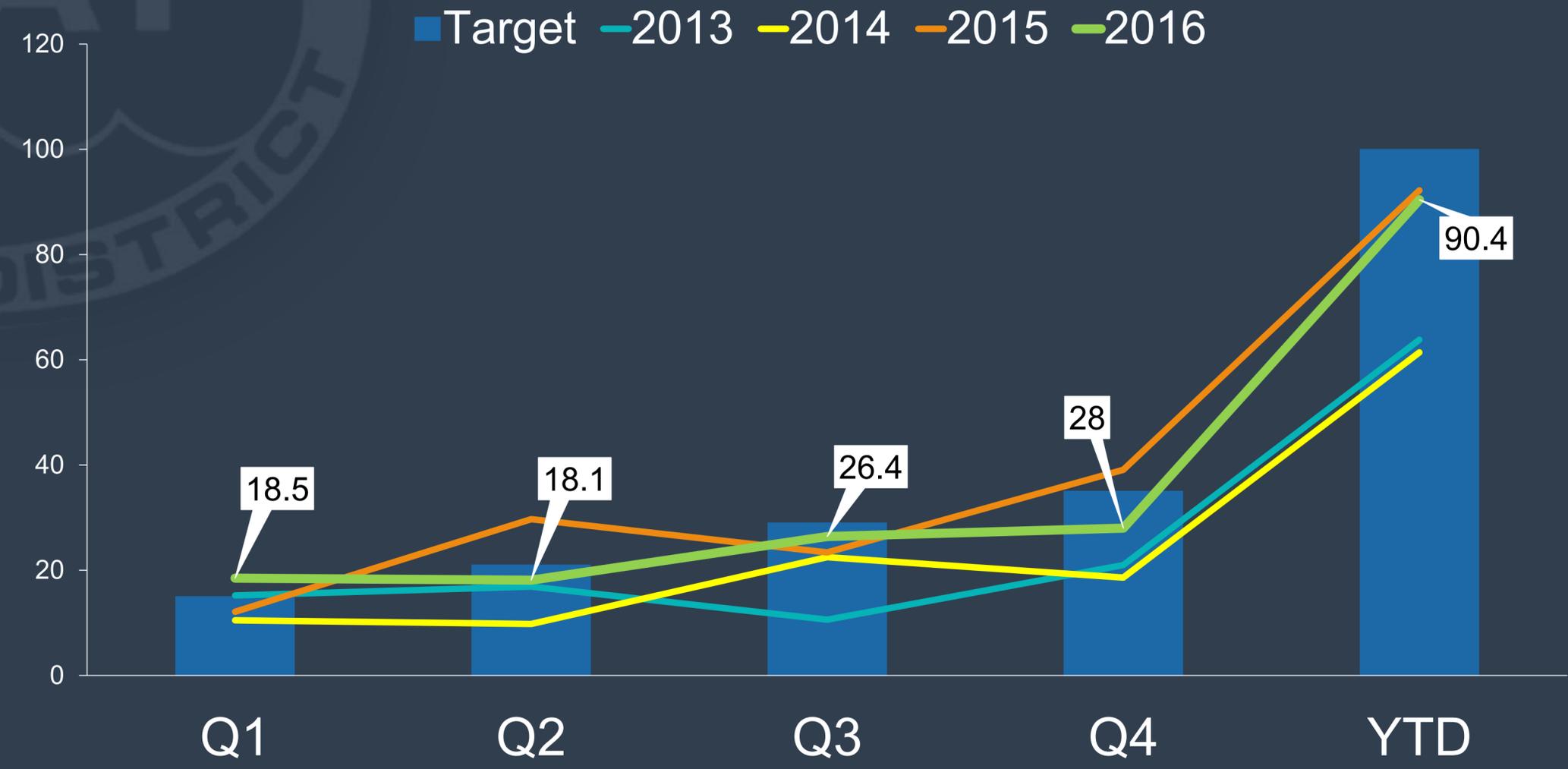
Q Quarter Measurement
of safety training hours for the quarter/ # of field employees

Y Annual Average Measurement
YTD Total qualified safety training hours for field employees/average # of field employees

Engineering

CIP Project Expenditures vs. Budget

Target: 95% of budget but not to exceed 100%
Being below target gives the measure a “not on target” status



Q

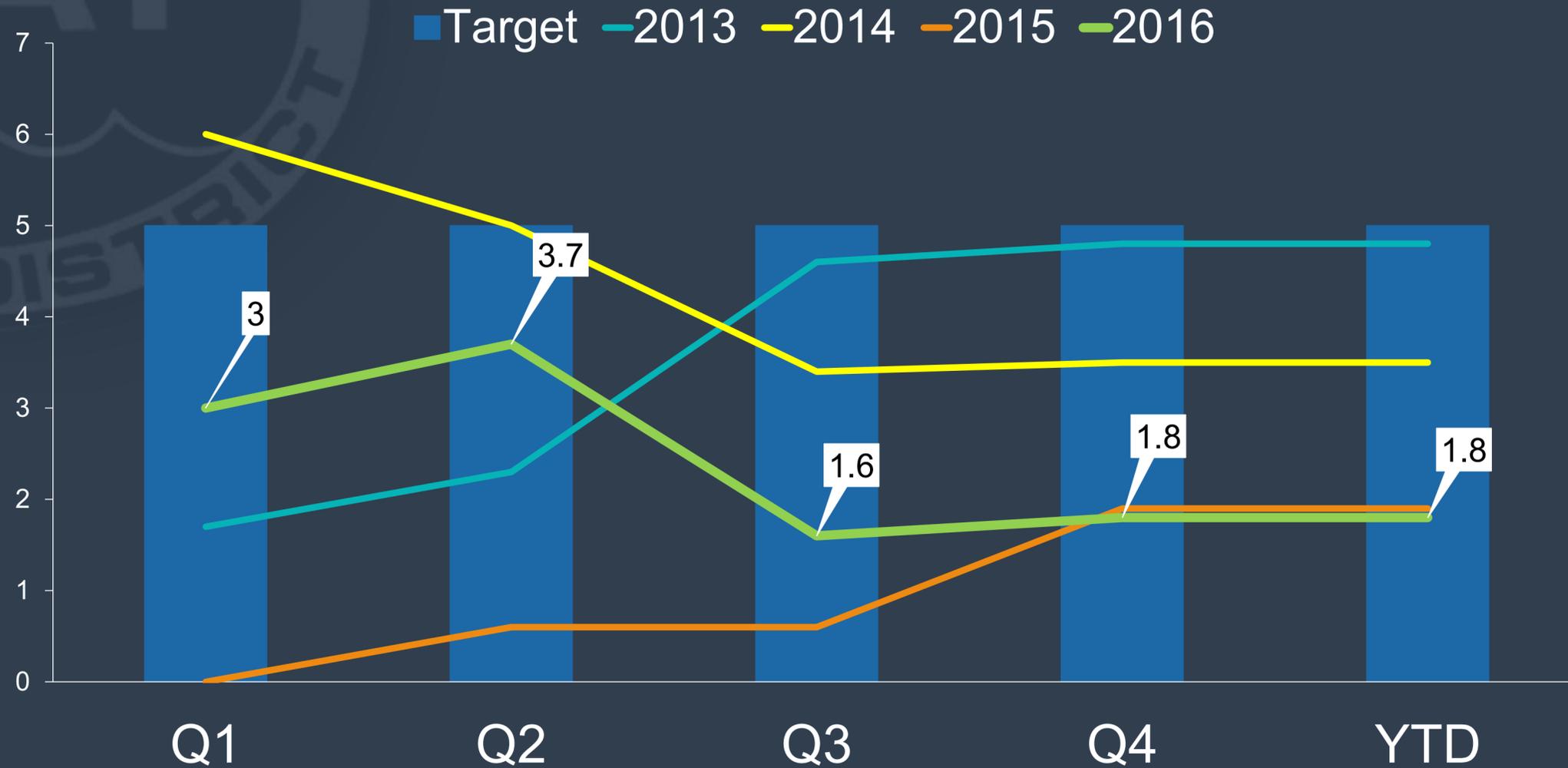
Quarter Measurement
Actual quarterly expenditures/Annual budget

Y

YTD Measurement
YTD expenditures/Annual budget

Construction Change Order Incidence (w/o allowances)

Target: No more than 5% per quarter in a year



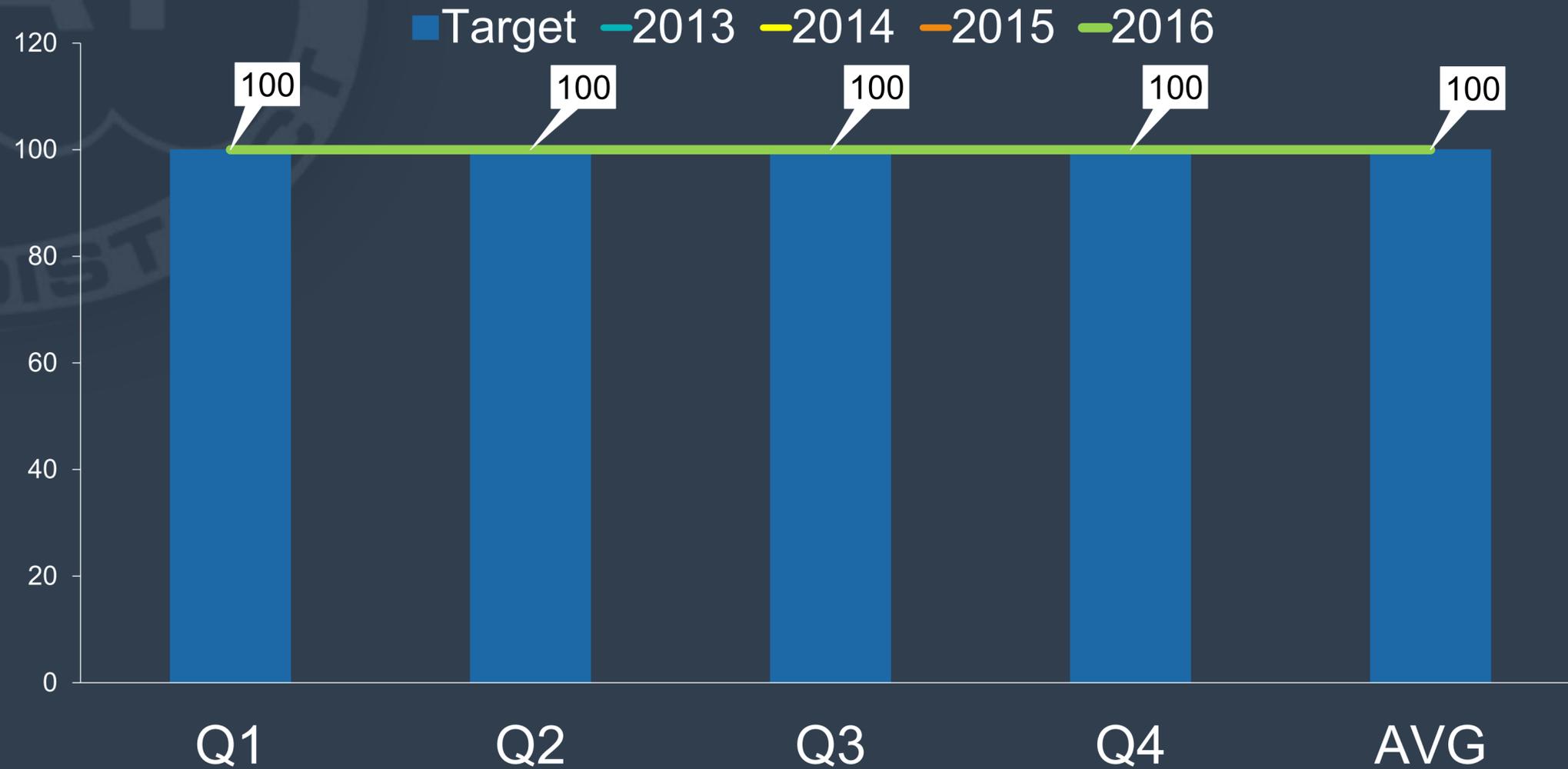
Q&Y

Quarter & YTD Measurement

Total cost of Change Orders (not including allowances)/Total original construction contract amount (not including allowances)

Mark-Out Accuracy

Target: No less than 100% mark-out accuracy per quarter in a year



Q&A

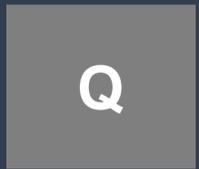
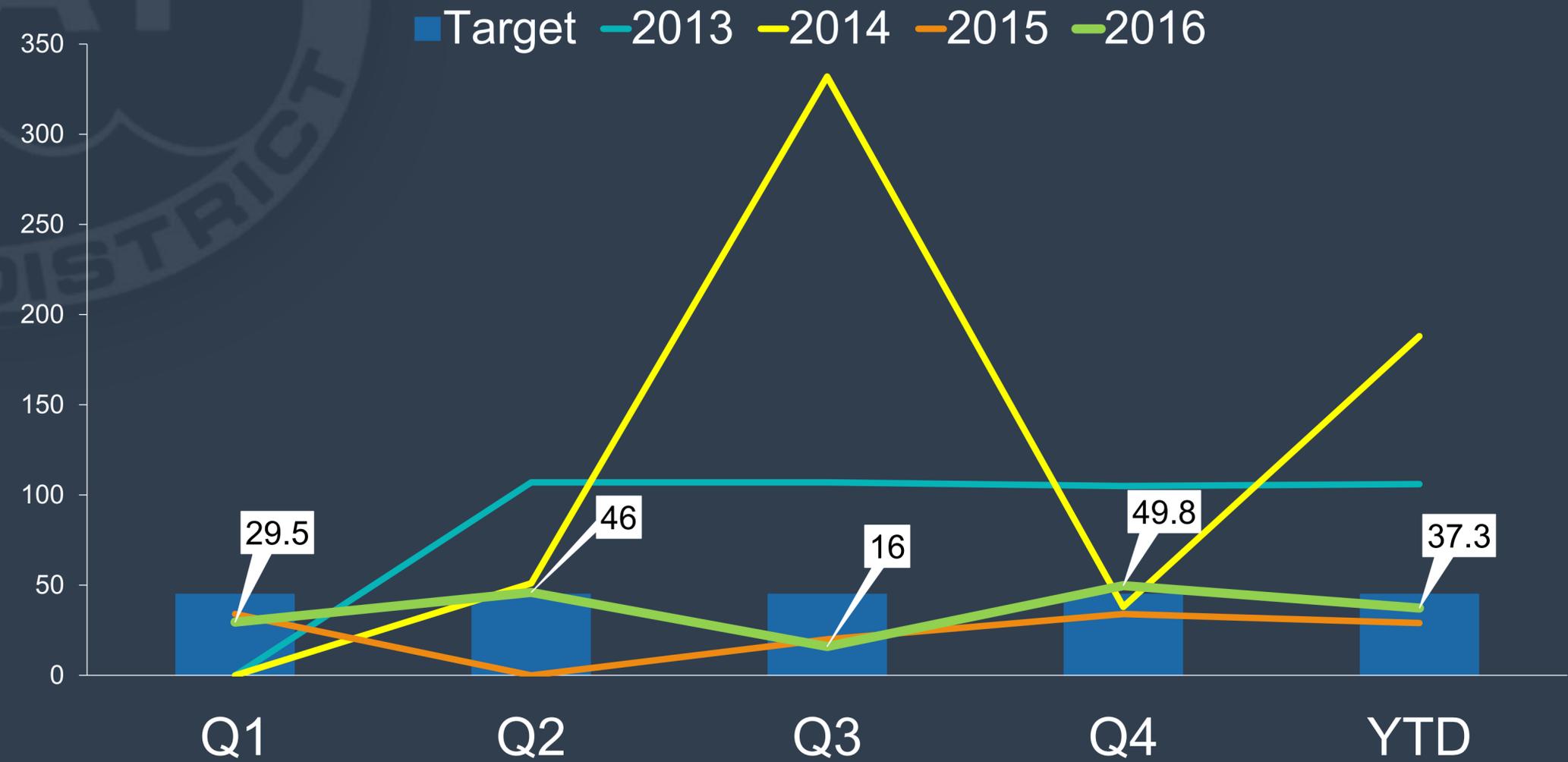
Quarter & Annual Average Measurement

of mark-outs performed without an at-fault hit, which is damage to a District facility that results from a missing or erroneous mark-out/Total # of mark-outs performed

*FY13 – FY16 results are 100%

Project Closeout Time

Target: No more than a 45 day average per quarter in a year



Quarter Measurement

of days between NOSC and NOC for all construction projects within the quarter/# of construction projects within the quarter

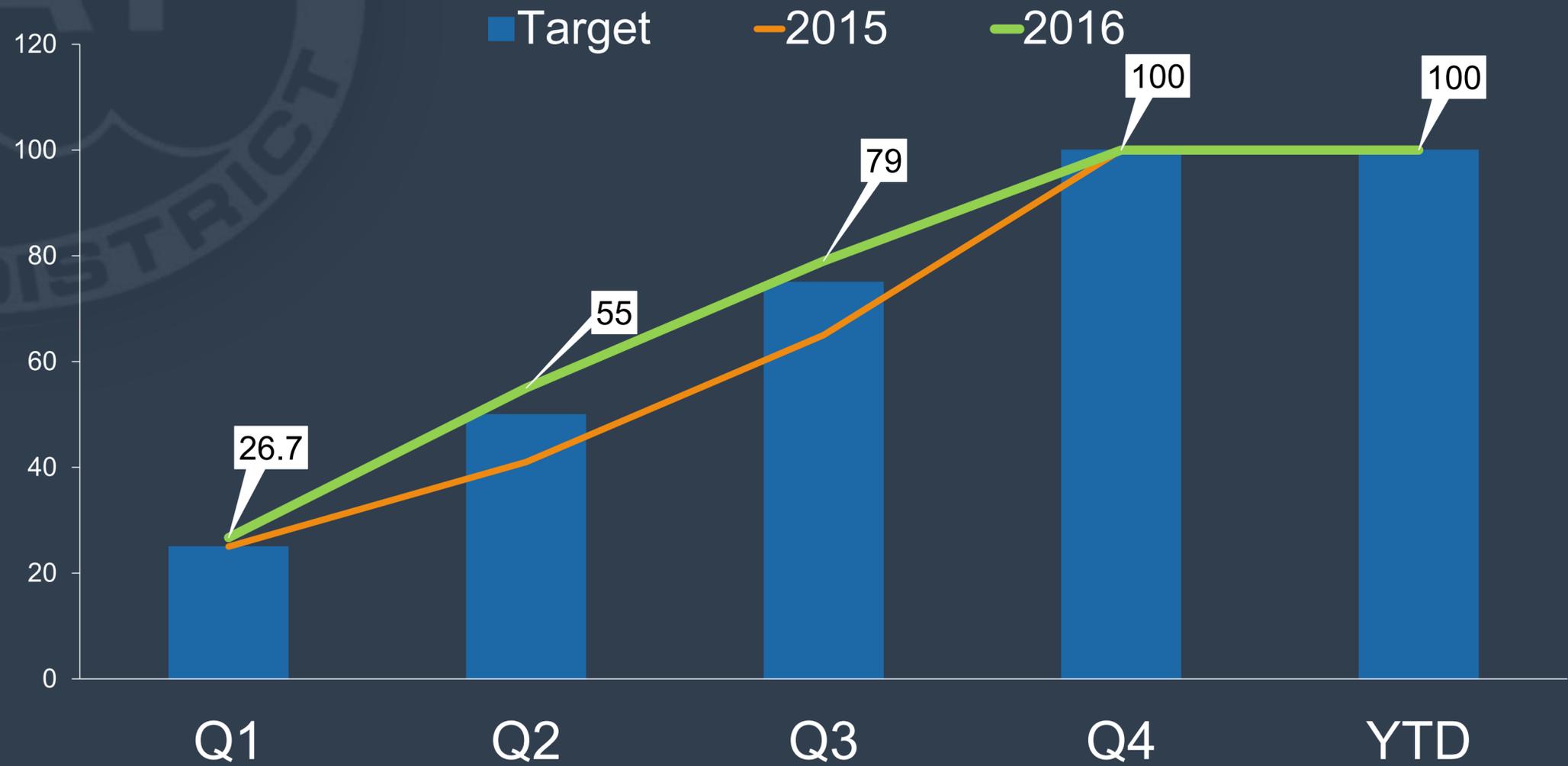


YTD Measurement

YTD # of days between NOSC and NOC for all construction projects within the quarter/YTD # of construction projects within the quarter

Annual Recycled Water Site Inspections

Target: 100% of recycled sites inspected in a year
(There are 112 recycled water use sites scheduled for FY16)



Q&Y

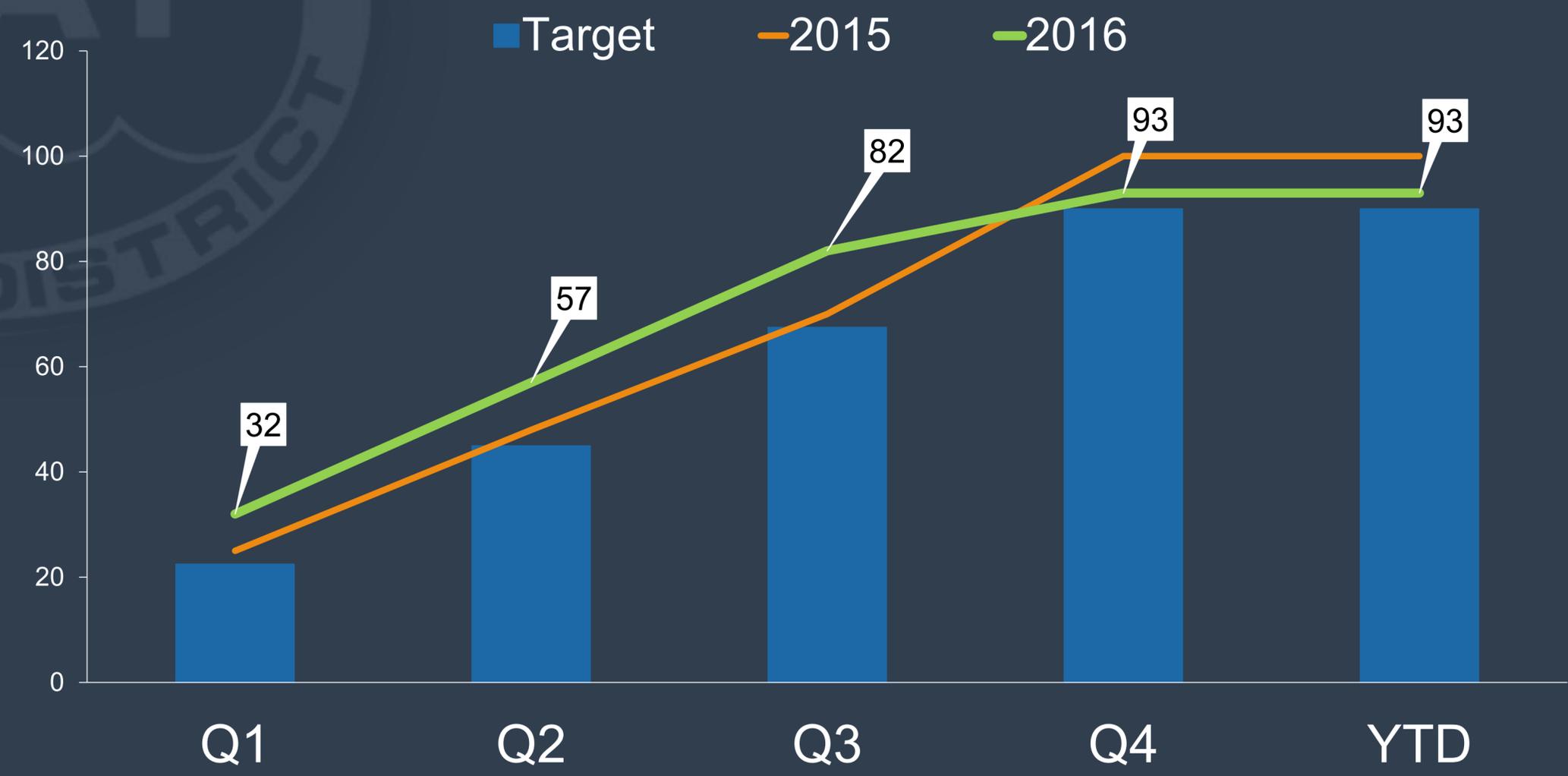
Quarter & YTD Measurement

Cumulative % of recycled sites inspected per quarter of those required by DEH

*Measure was created in FY15

Recycled Water Shutdown Testing

Target: No less than 90% of recycled site shut down tests in a year
(There are 31 recycled water use sites due for shutdown in FY16)



Q&Y

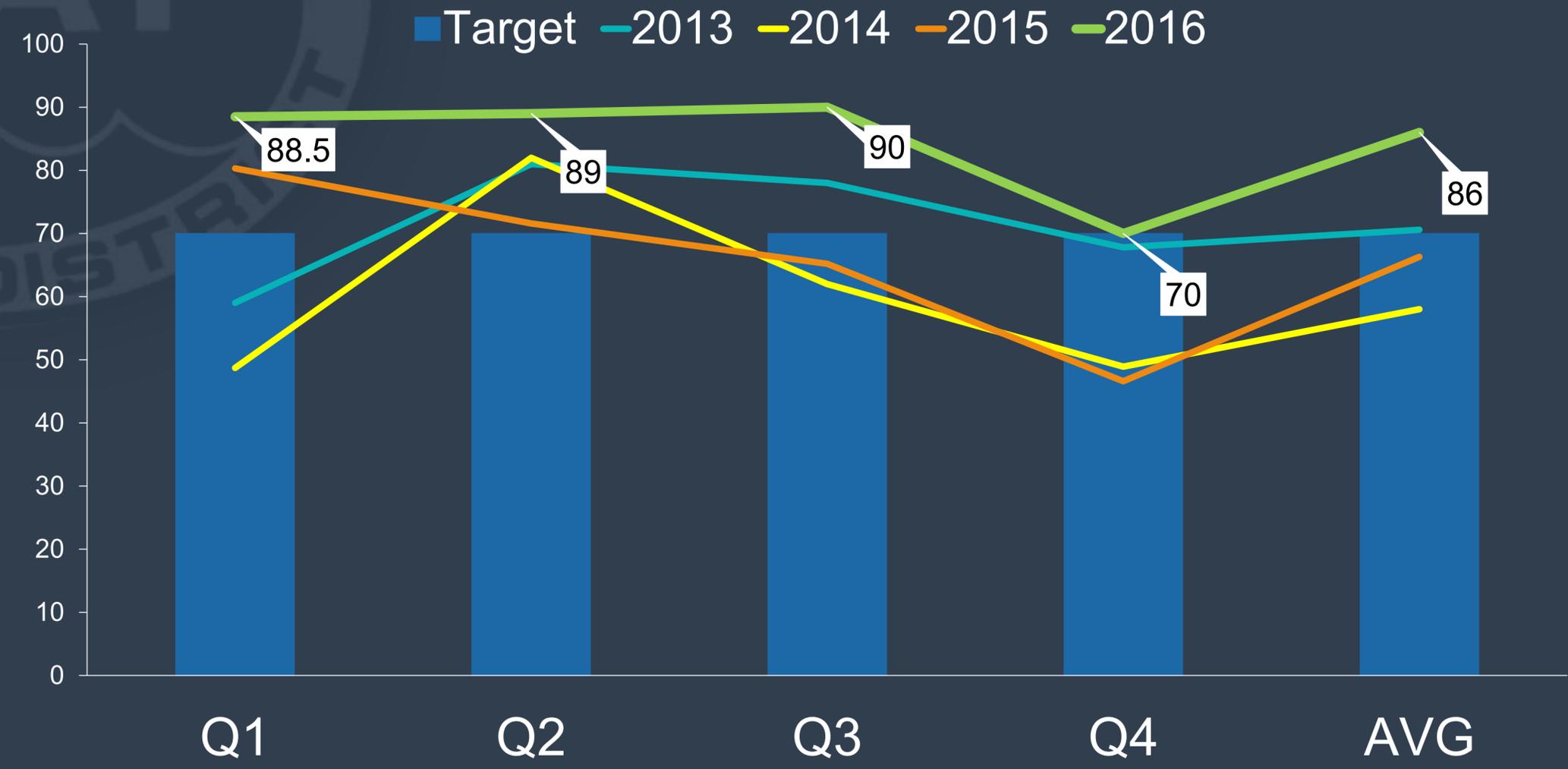
Quarter & YTD Measurement

Cumulative % of recycled site shutdown tests performed per year compared to those scheduled

*Measure was created in FY15

Planned Recycled Water Maintenance Ratio in \$

Target: No less than 70% of all labor spent on preventative maintenance per quarter in a year



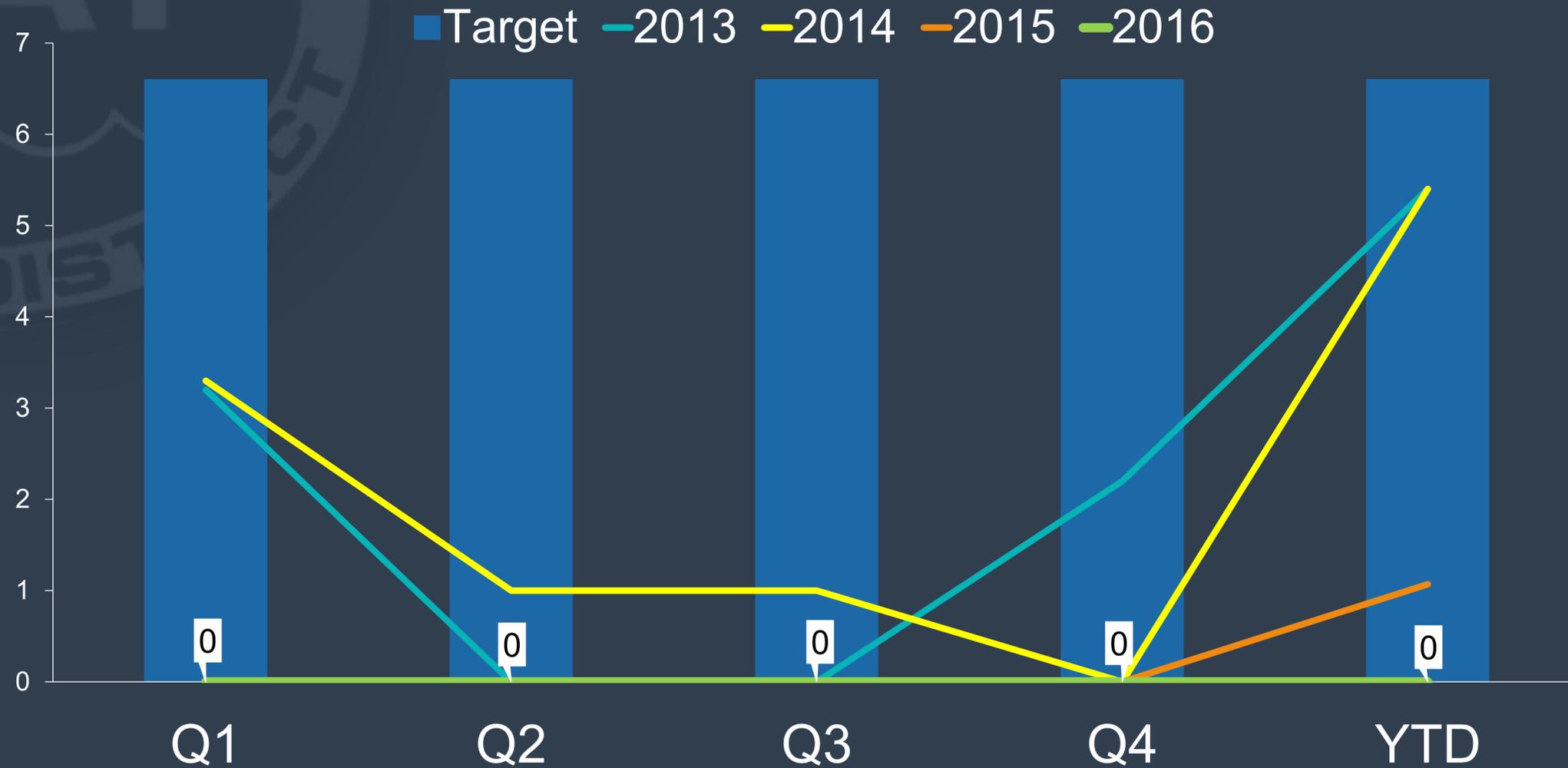
Q&Y

Quarter & Annual Average Measurement

Total planned maintenance costs/Total maintenance costs

Recycled Water System Integrity

Target: No more than 6.6 leaks or breaks per 100 miles of recycled distribution system in a year



Q&Y

Quarter & YTD Measurement

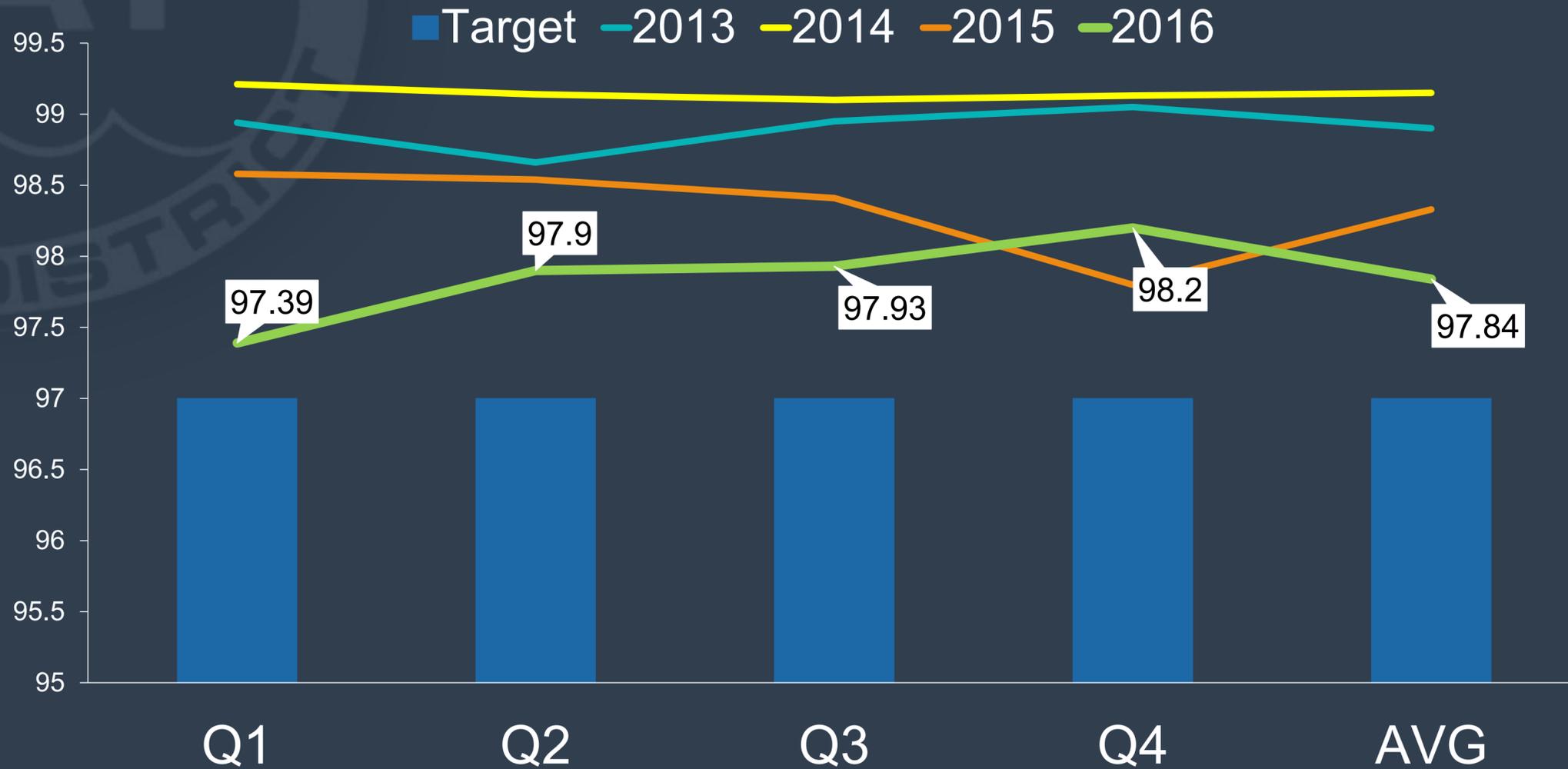
(100 x # of leaks or breaks) / # of miles of distribution system

Finance



Answer Rate

Target: No less than 97% average answer rate per quarter in a year



Quarter Measurement

of all calls answered/ # of all calls received during a quarter



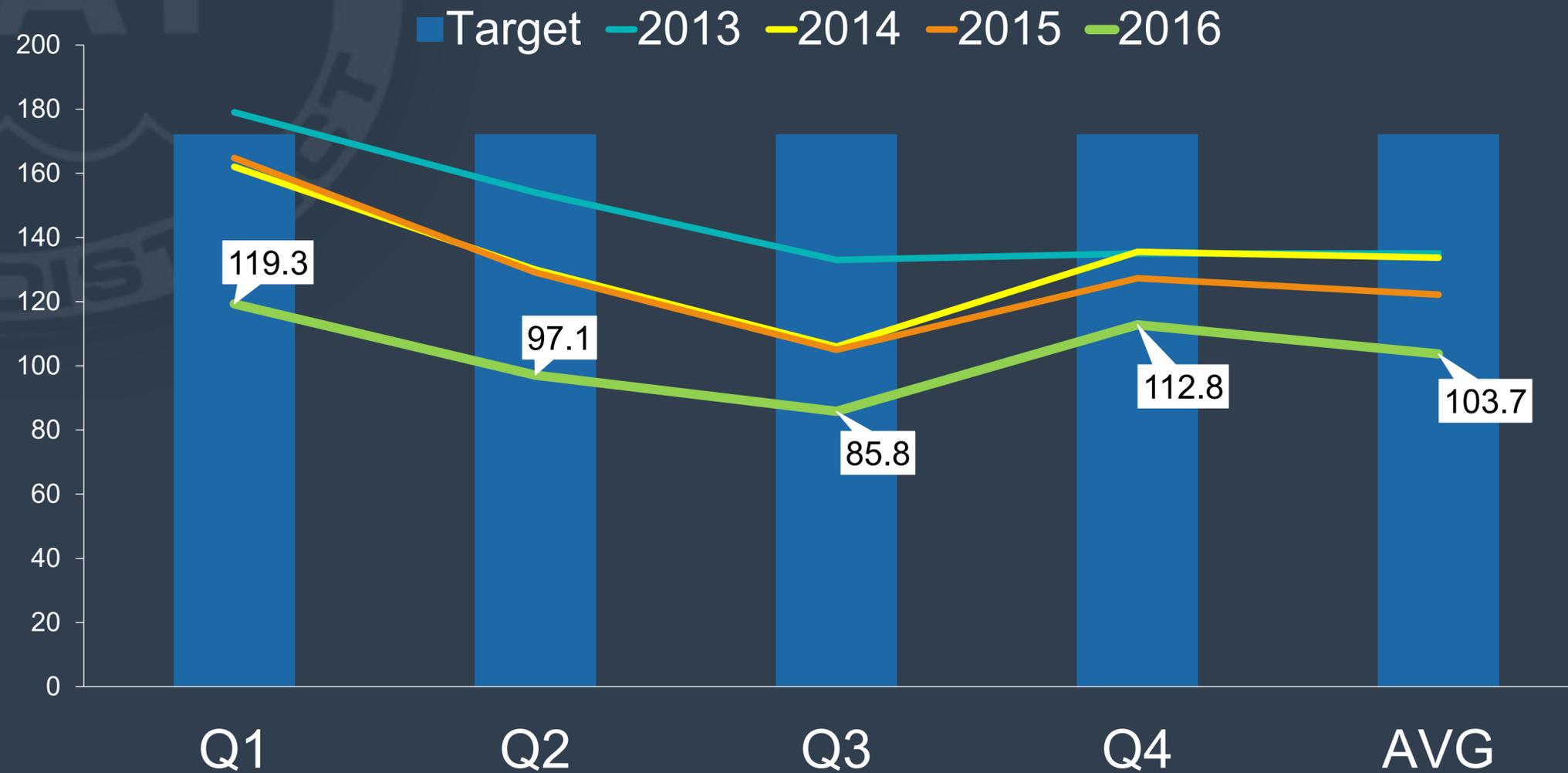
Annual Average Measurement

YTD # of all calls answered/ YTD # of all calls received

Gallons Per Capita Per Day

Target: Below 172 gallons per day

(Target comes from California Urban Water Control Council & the State Water Resources Control Board)



Q

Quarter Measurement

Total potable water purchased/Population (from SANDAG)/Number of days through the end of the quarter

A

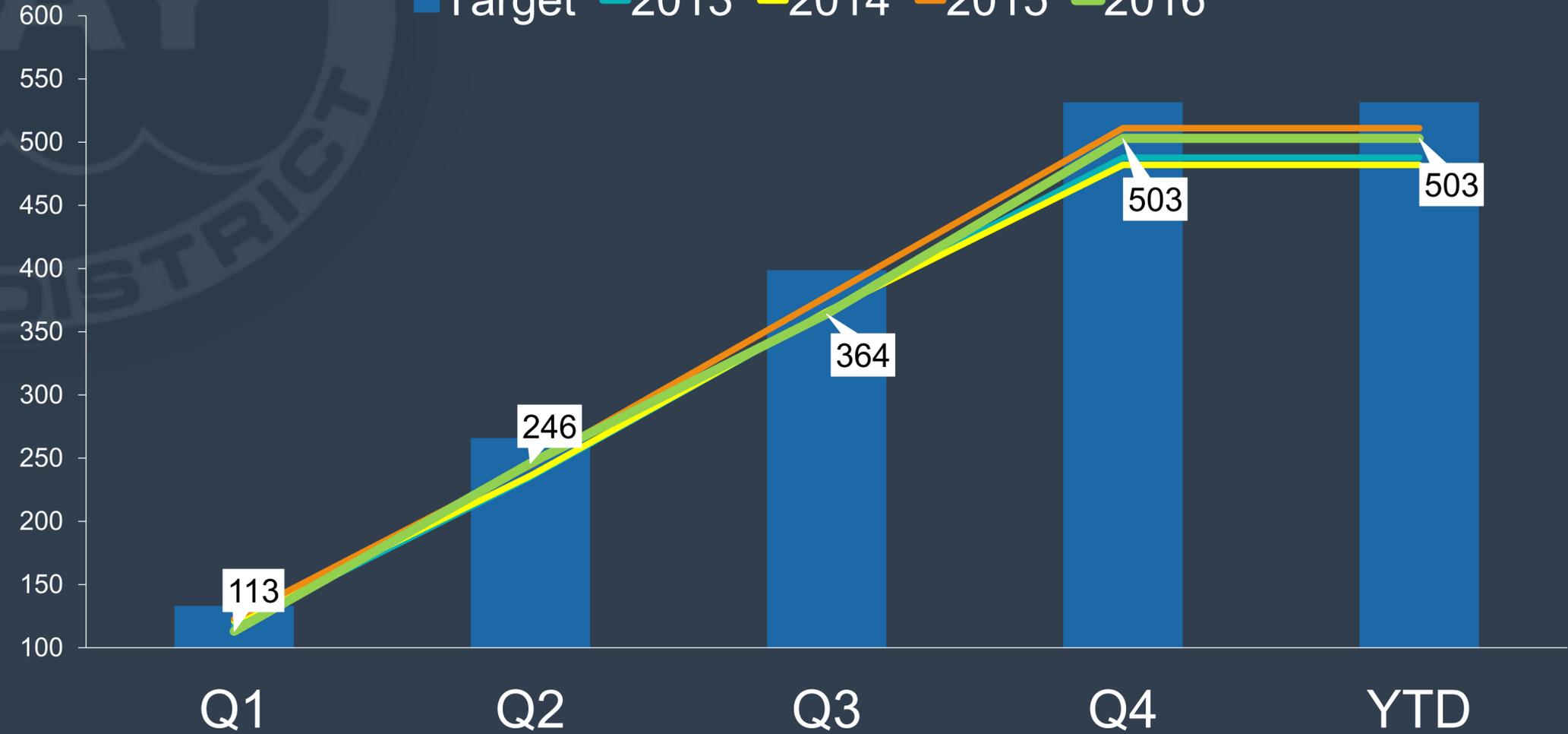
Annual Average Measurement

Total annual potable water purchased/Annual population estimate from SANDAG/Number of days through the end of the quarter

O&M Cost Per Account

Target: Less than \$531.12 per account in a single year
(Target is based on Operating Budget)

■ Target — 2013 — 2014 — 2015 — 2016



Q

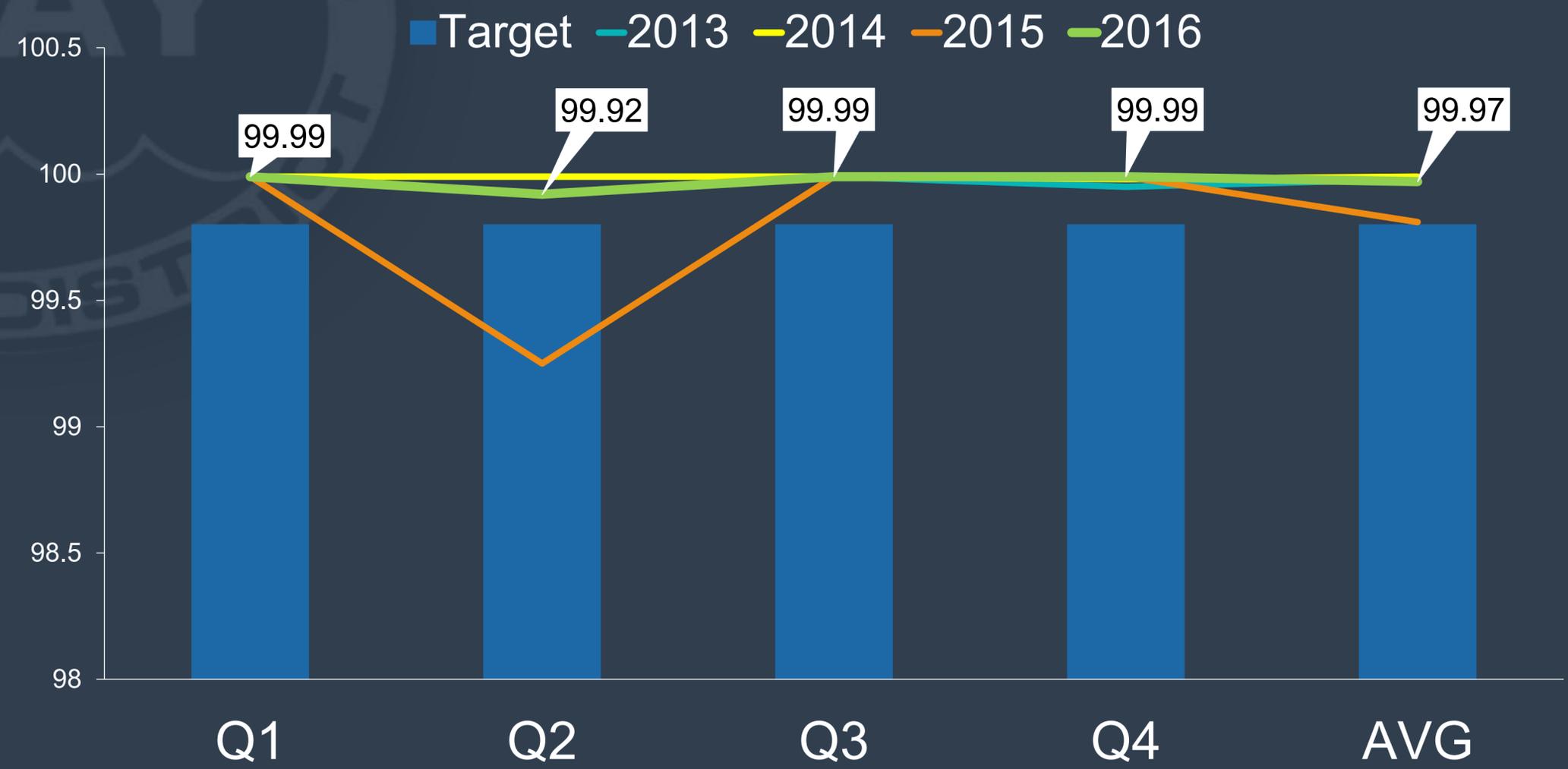
Quarter Measurement
Total operations O&M costs/ # of accounts

Y

YTD Measurement
YTD total operations O&M costs/ # of accounts

Billing Accuracy

Target: No less than 99.8% billing accuracy per quarter in a year

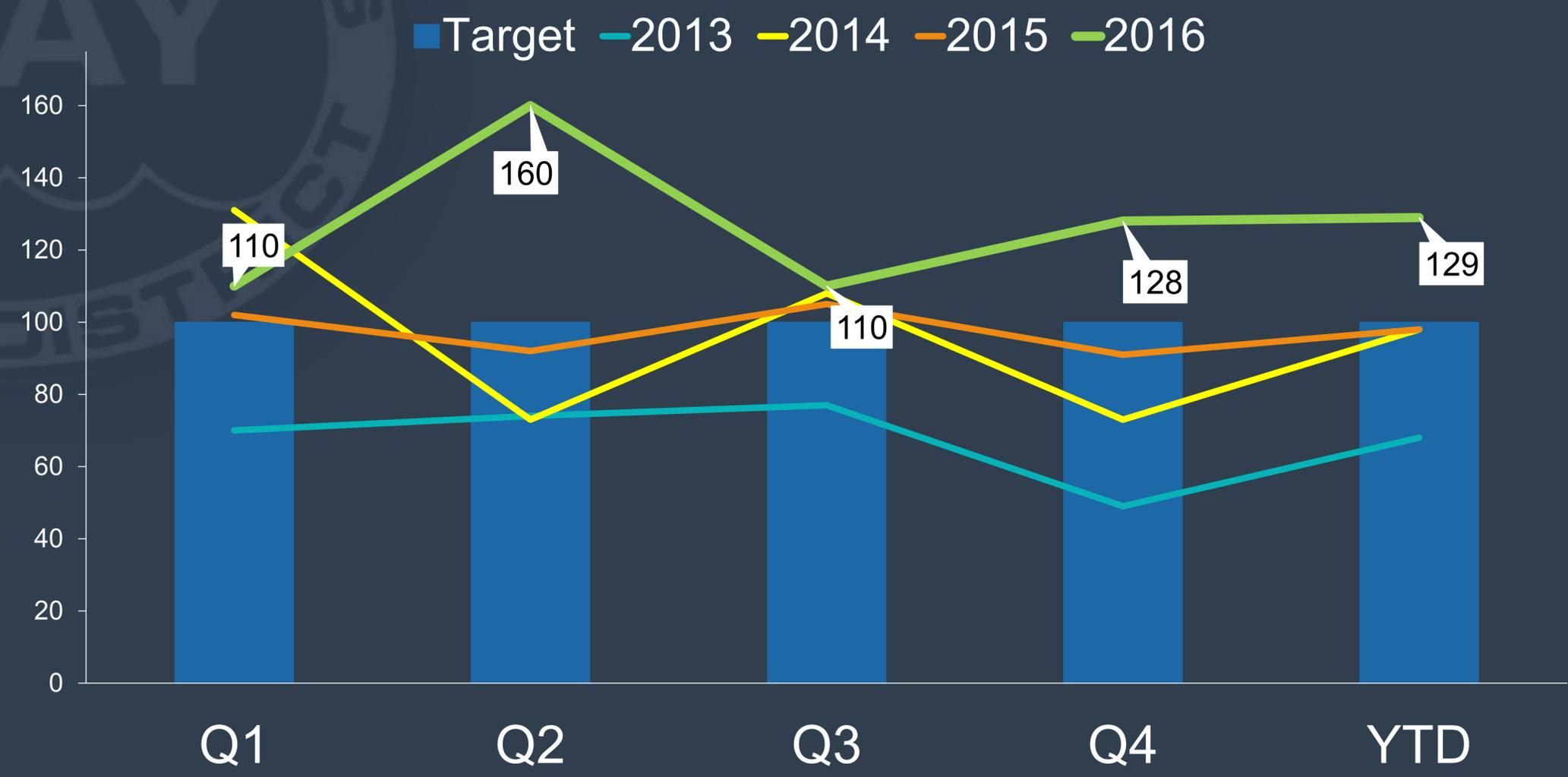


Q **Quarter Measurement**
of correct bills during the reporting period / # of total bills during the reporting period

A **Annual Average Measurement**
YTD # of correct bills during the reporting period / YTD # of total bills during the reporting period

Overtime Percentage

Target: Less than 100% of budgeted overtime per quarter in a year
(Target is based on Operating Budget; FY16 Overtime Budget is \$94,100)

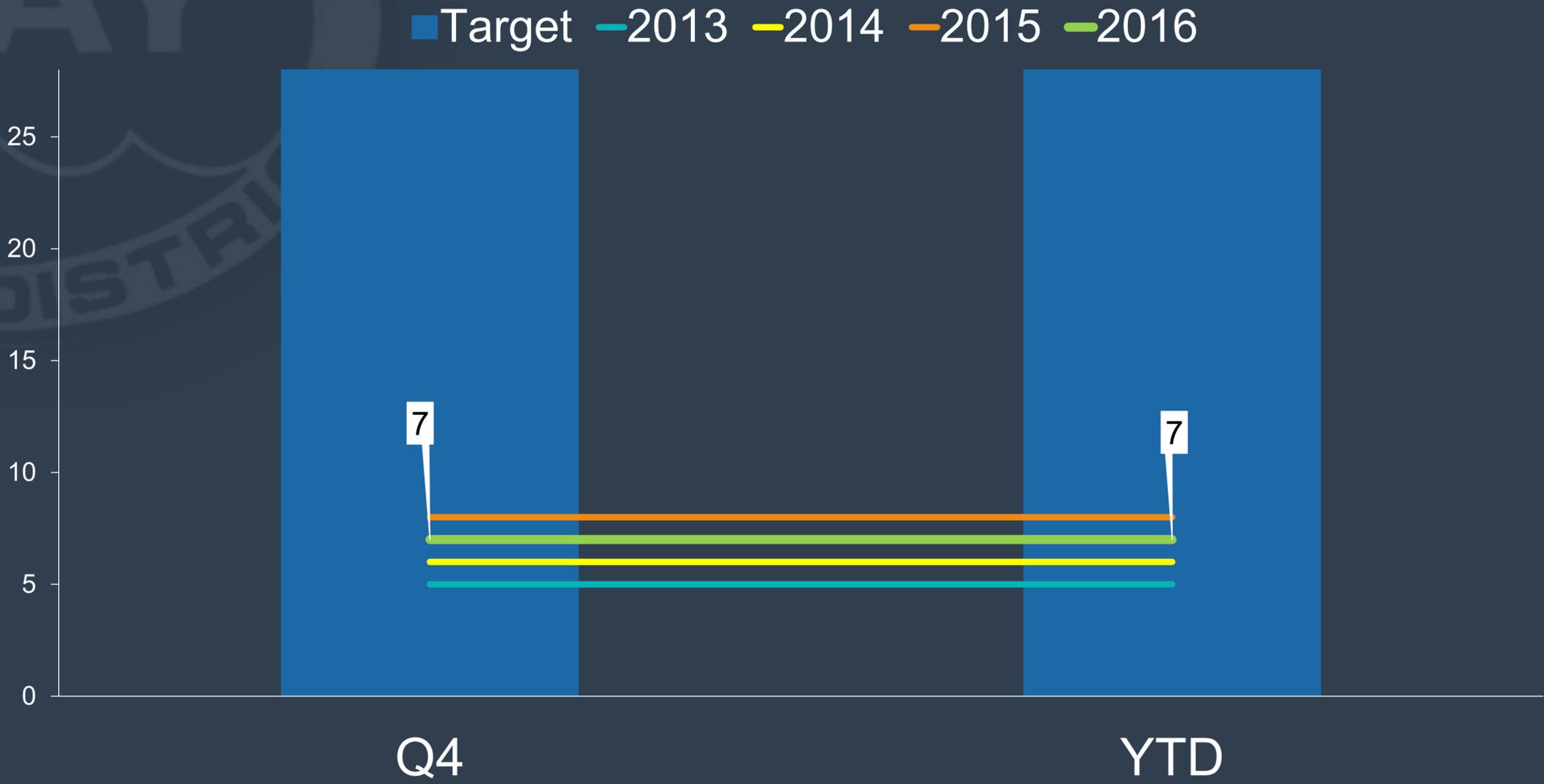


Q Quarter Measurement
Actual overtime costs (including comp time)/
Budgeted overtime costs

Y YTD Measurement
YTD actual overtime costs (including comp
time)/ YTD budgeted overtime costs

Sewer Rate Ranking

Target: Bottom 50 percentile for the 28 sewer service providers in San Diego
(Otay ranks 7 out of 28 sewer service providers)



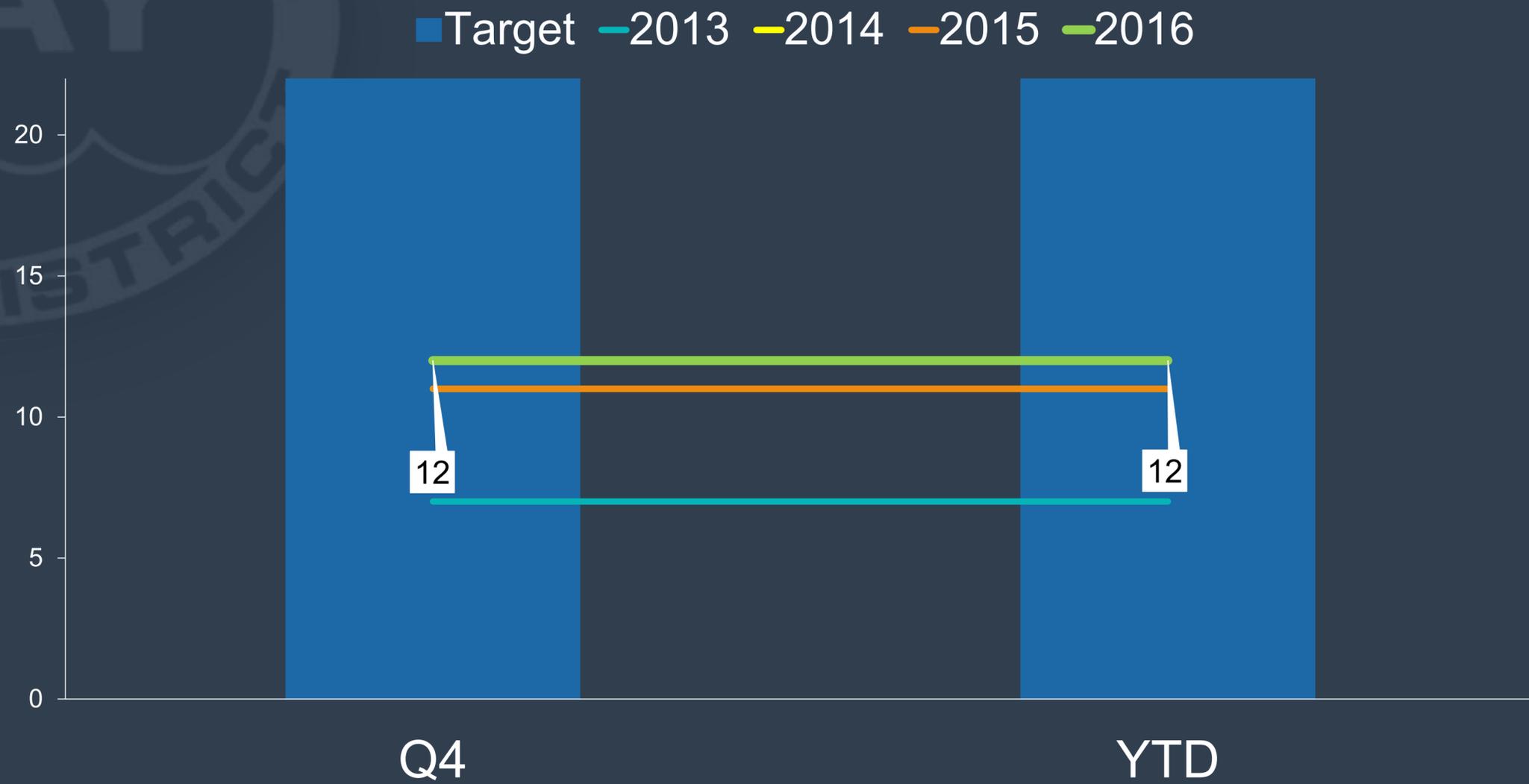
Q&Y

Quarter & YTD Measurement

Otay ranking for the average bill for sewer/ # of sewer agencies

Water Rate Ranking

Target: Bottom 50 percentile for the 22 member agencies in San Diego
(Otay ranks 12 out of 22 member agencies)



Q&Y

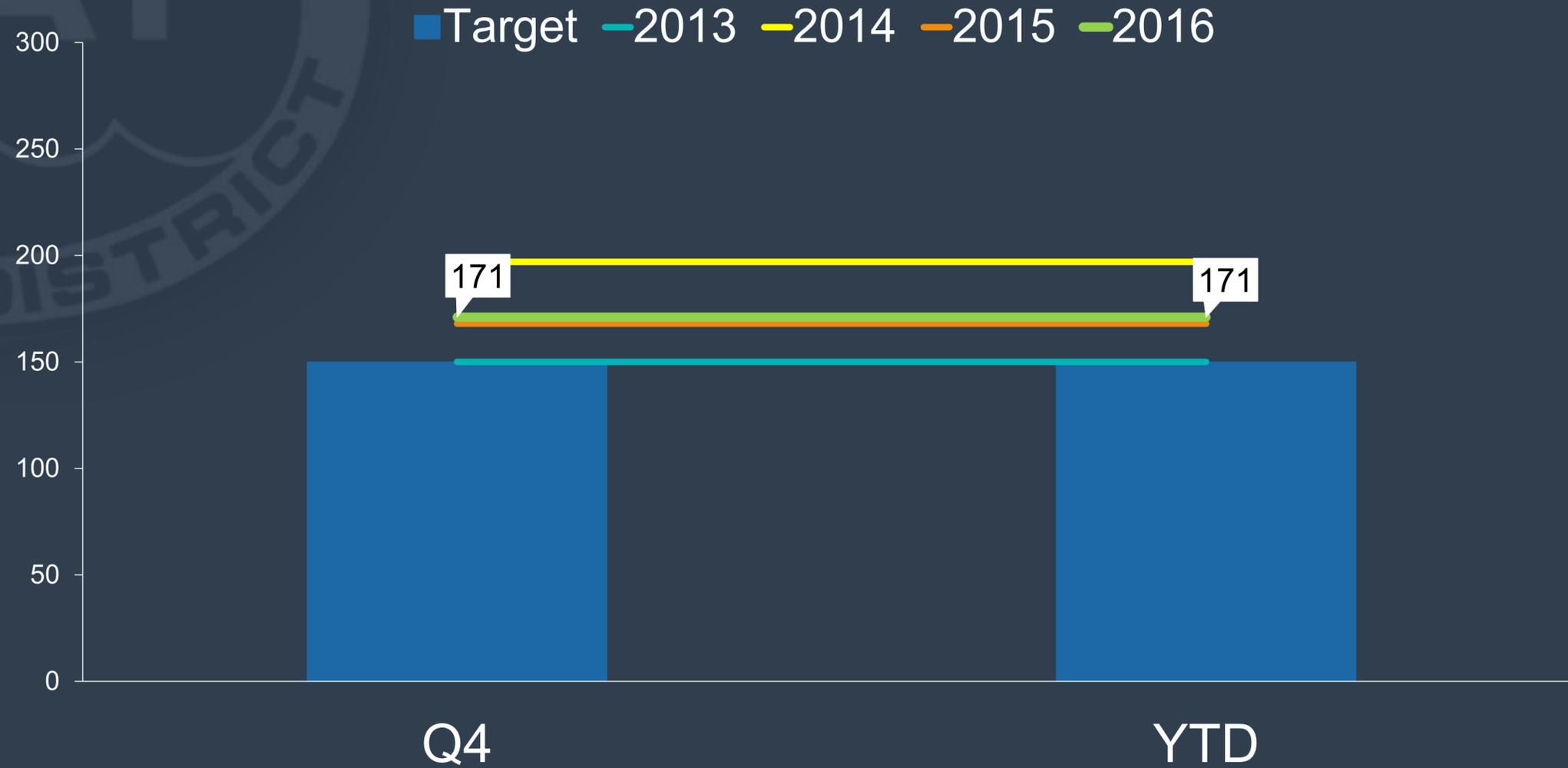
Quarter & YTD Measurement

Otay ranking for the average water bill among CWA member agencies

*FY14 and FY15 Otay rates were 11th lowest
 **FY17 Rates were compared to 22 member agencies
 (Padre Dam E and Padre Dam W are now counted as one agency)

Debt Coverage Ratio

Target: Above 150% to have sufficient debt coverage
(This is measured at year end)



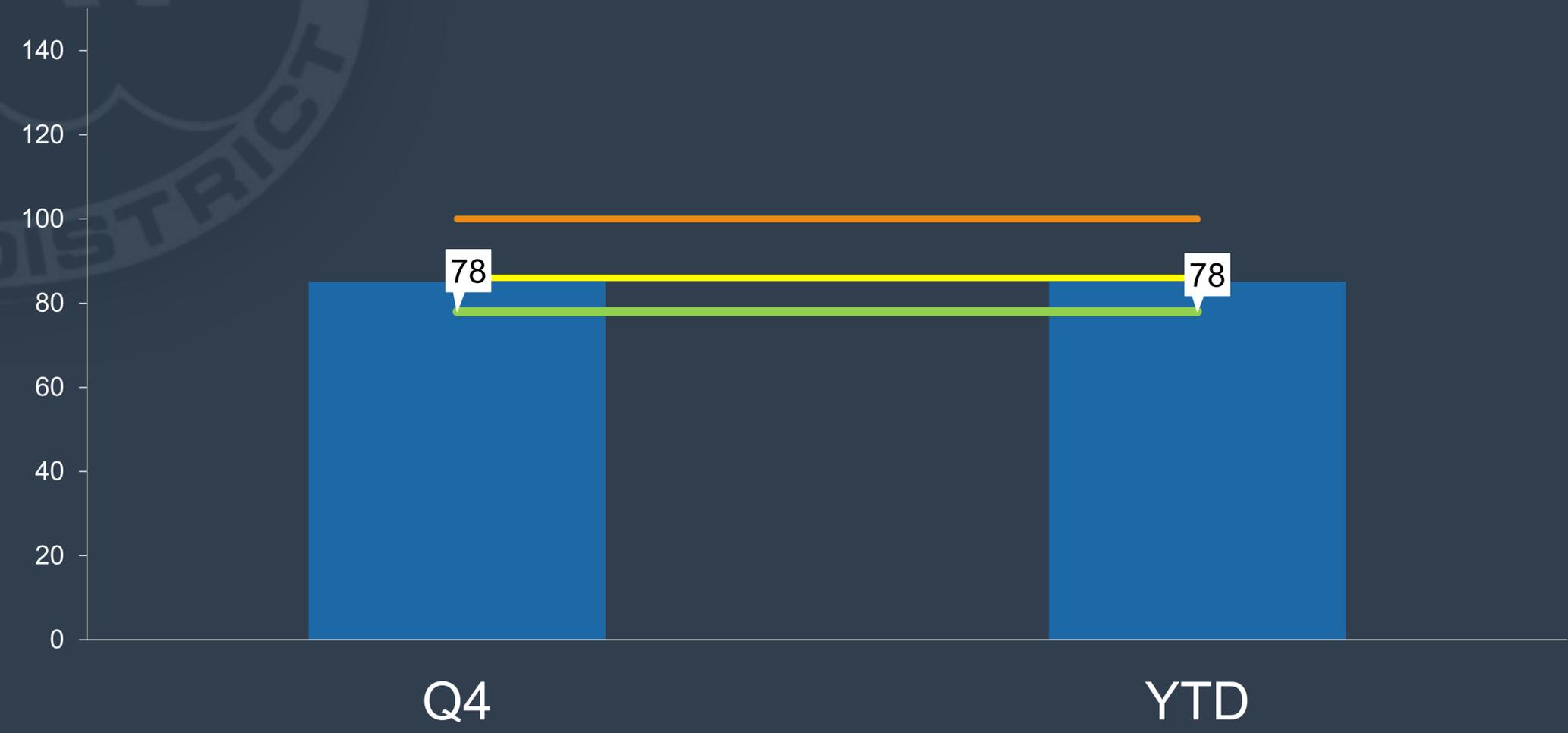
Quarter & YTD Measurement

Qualified net operating revenues/debt service requirements (measured at year end)

Reserve Level

Target: Equal or exceed 85%
(This is measured at year end)

■ Target —2013 —2014 —2015 —2016



Q&Y

Quarter & YTD Measurement

of reserve funds that meet or exceed fund target levels/ Total # of reserve funds

*FY13 & FY14 results are 85%

Percent of Customers Paying Bills Electronically

Target: In development

(No set targets in FY16; a baseline will be established in FY16 and appropriate targets will be recommended for the FY17-18 Strategic Plan)



Q

Quarter Measurement

of customers paying bills electronically/ Total # of customers

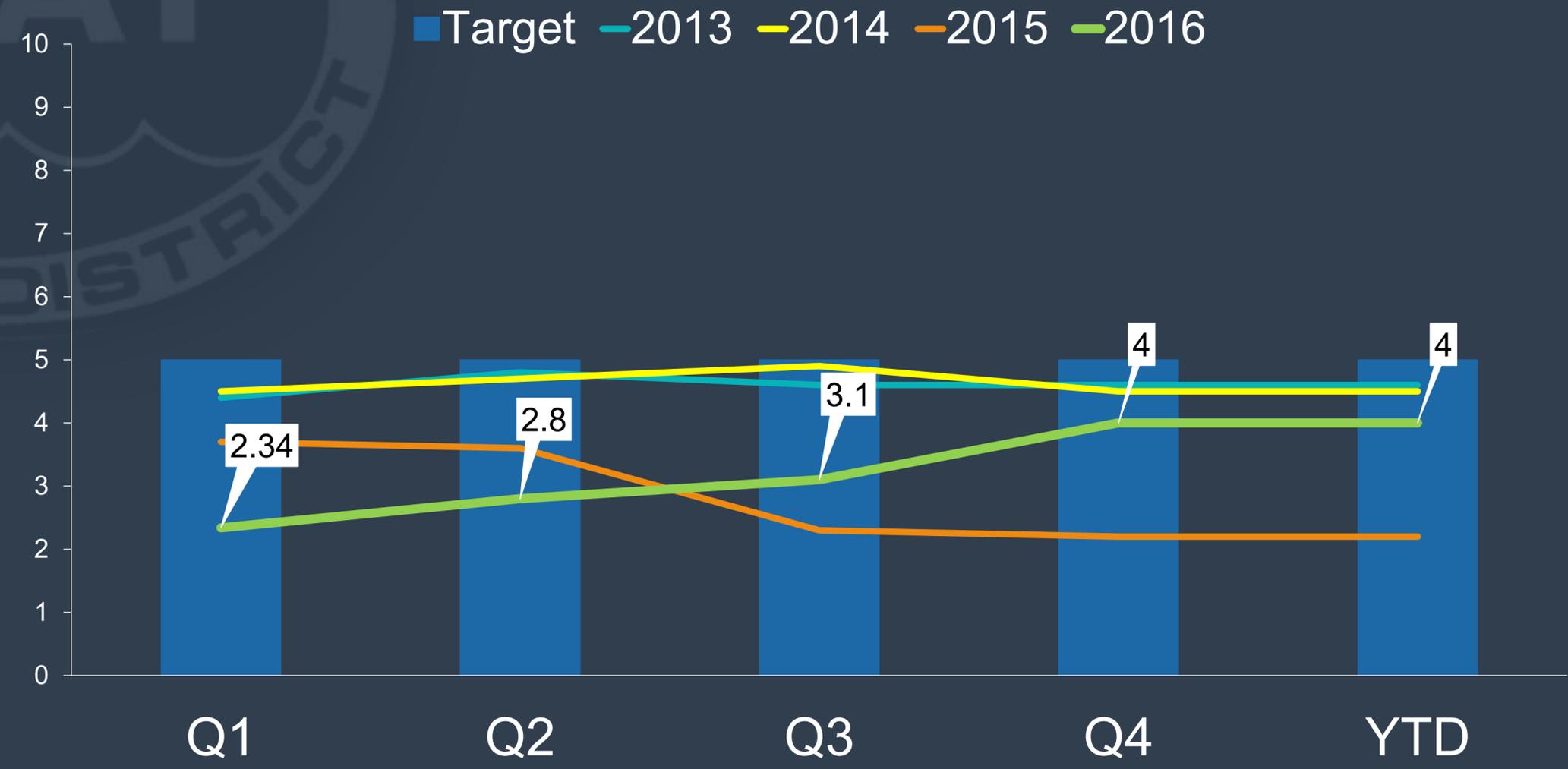
A

Annual Average Measurement

YTD # of customers paying bills electronically/
Total # of customers

Distribution System Loss

Target: Less than 5% of unaccounted water loss per quarter in a year



Q&Y

Quarter & YTD Measurement

$100 \frac{[\text{volume purchased (from CWA)} - (\text{volume sold (to customers)} + \text{volume used District usage})]}{\text{volume purchased (from CWA)}}$

Operations



Technical Quality Complaint (AWWA)

Target: No more than 9 complaints per 1000 customer accounts in a year

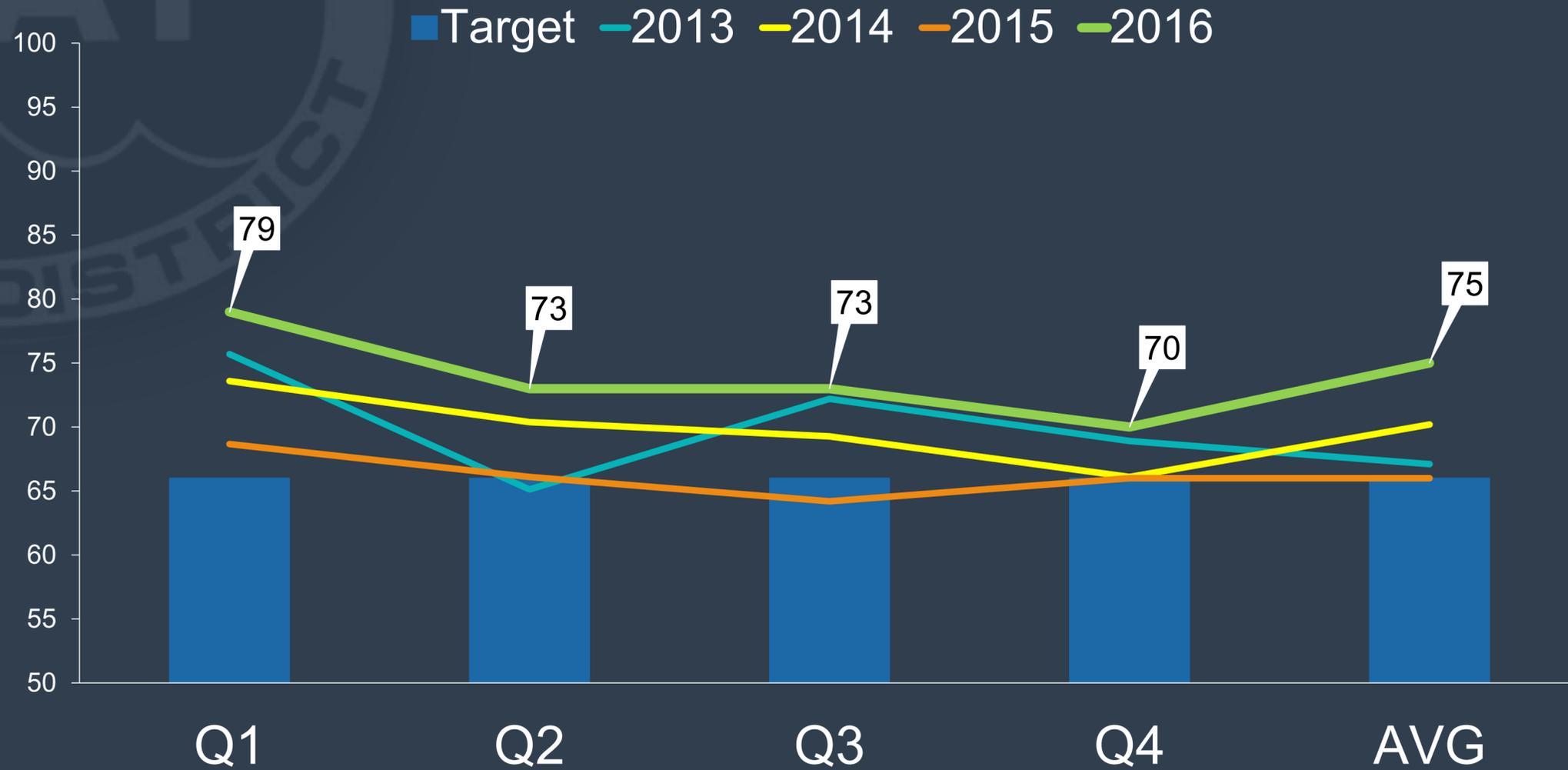


Q **Quarter Measurement**
1000 (# of technical quality complaints per quarter)/# of active customer accounts per reporting period

Y **YTD Measurement**
Cumulative technical quality complaints in FY

Planned Potable Water Maintenance Ratio in \$

Target: No less than 66% of all labor dollars spent on preventative maintenance per quarter in a year



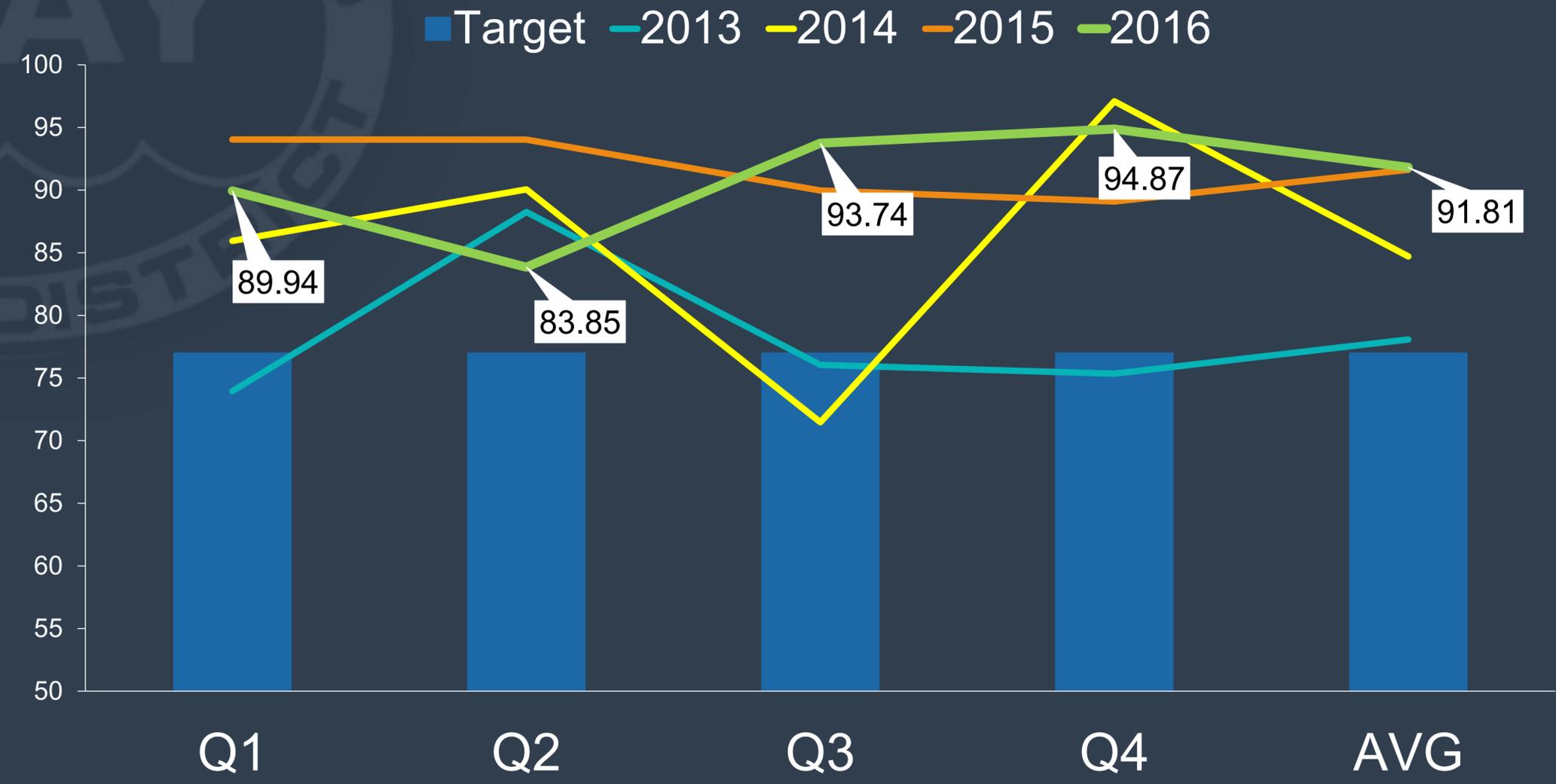
Q&A

Quarter & Annual Average Measurement

Total planned maintenance cost/Total maintenance cost

Planned Wastewater Maintenance Ratio in \$

Target: No less than 77% of all labor dollars spent on preventative maintenance per quarter in a year



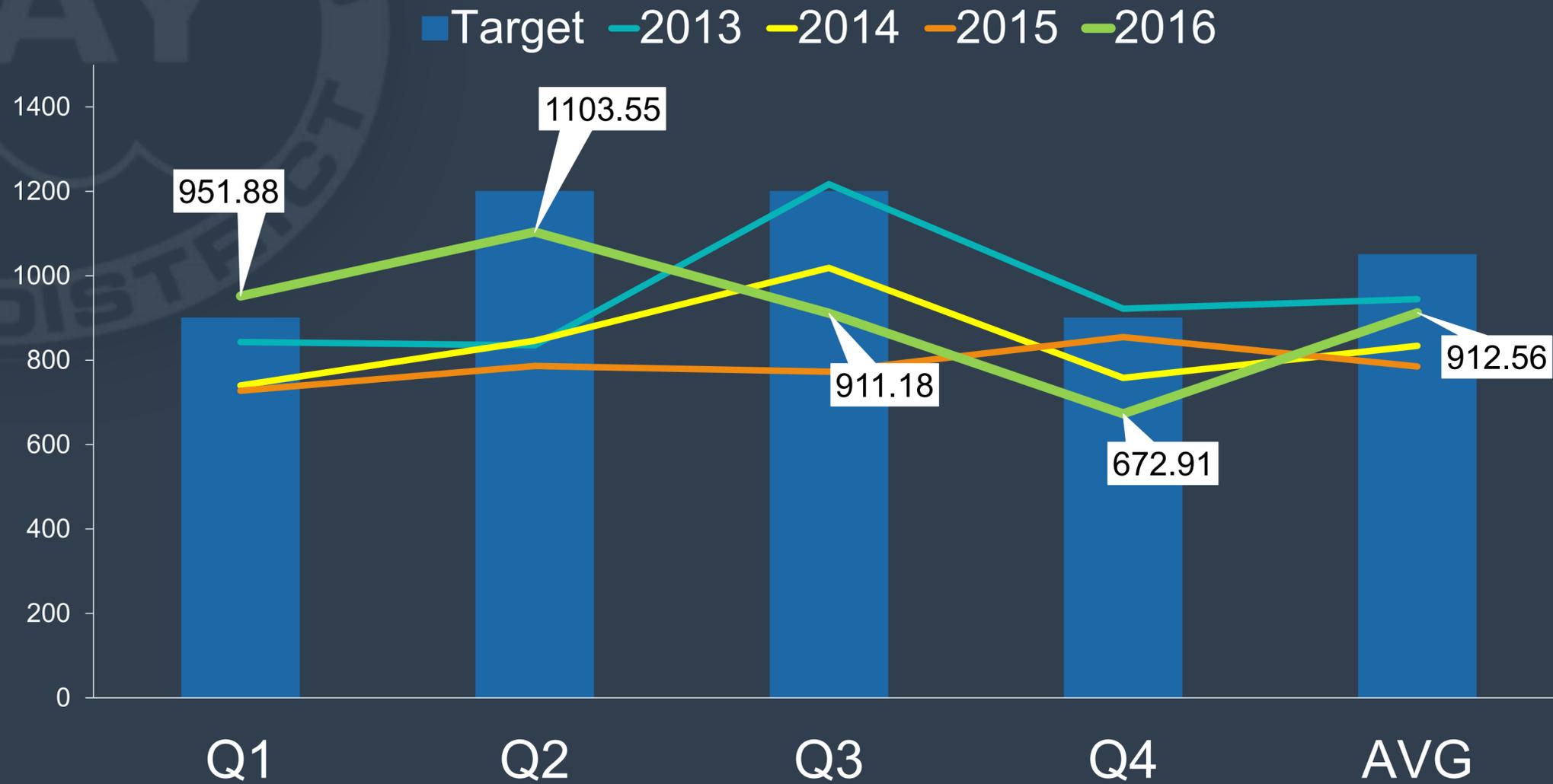
Q&A

Quarter & Annual Average Measurement

Total planned maintenance cost/Total maintenance cost

Direct Cost of Treatment Per MGD

Target: No more than \$1050 per MG spent on wastewater treatment per quarter in a single year
(Targets each quarter will vary based on high and low demand times)



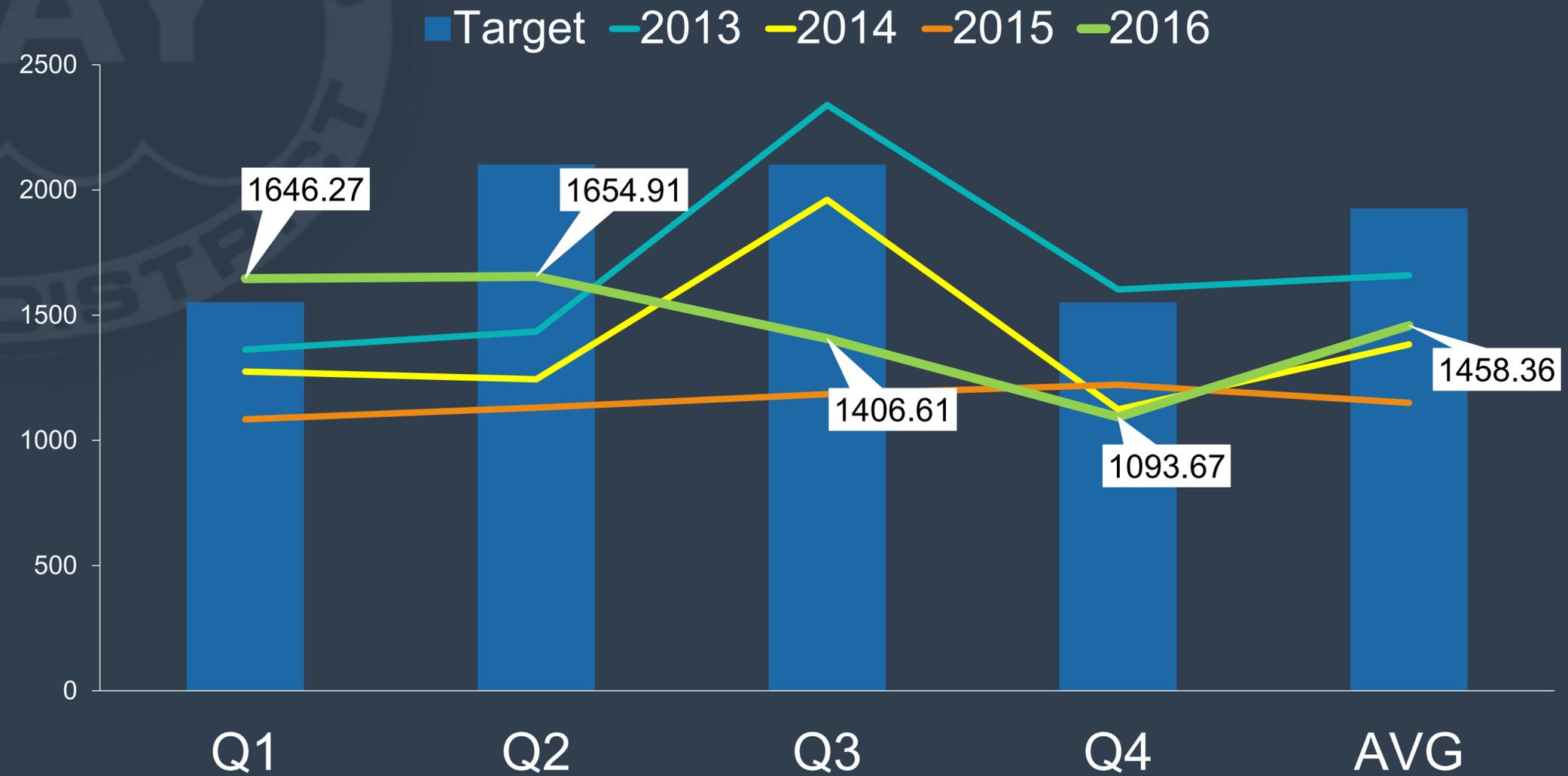
Q&A

Quarter & Annual Average Measurement

Total O&M costs directly attributable to sewer treatment/ Total volume in MG

O&M Cost Per MG Processed of Wastewater

Target: No more than \$1925 per MG spent on O&M for wastewater treatment in a year
 (Targets each quarter will vary based on high and low demand times)

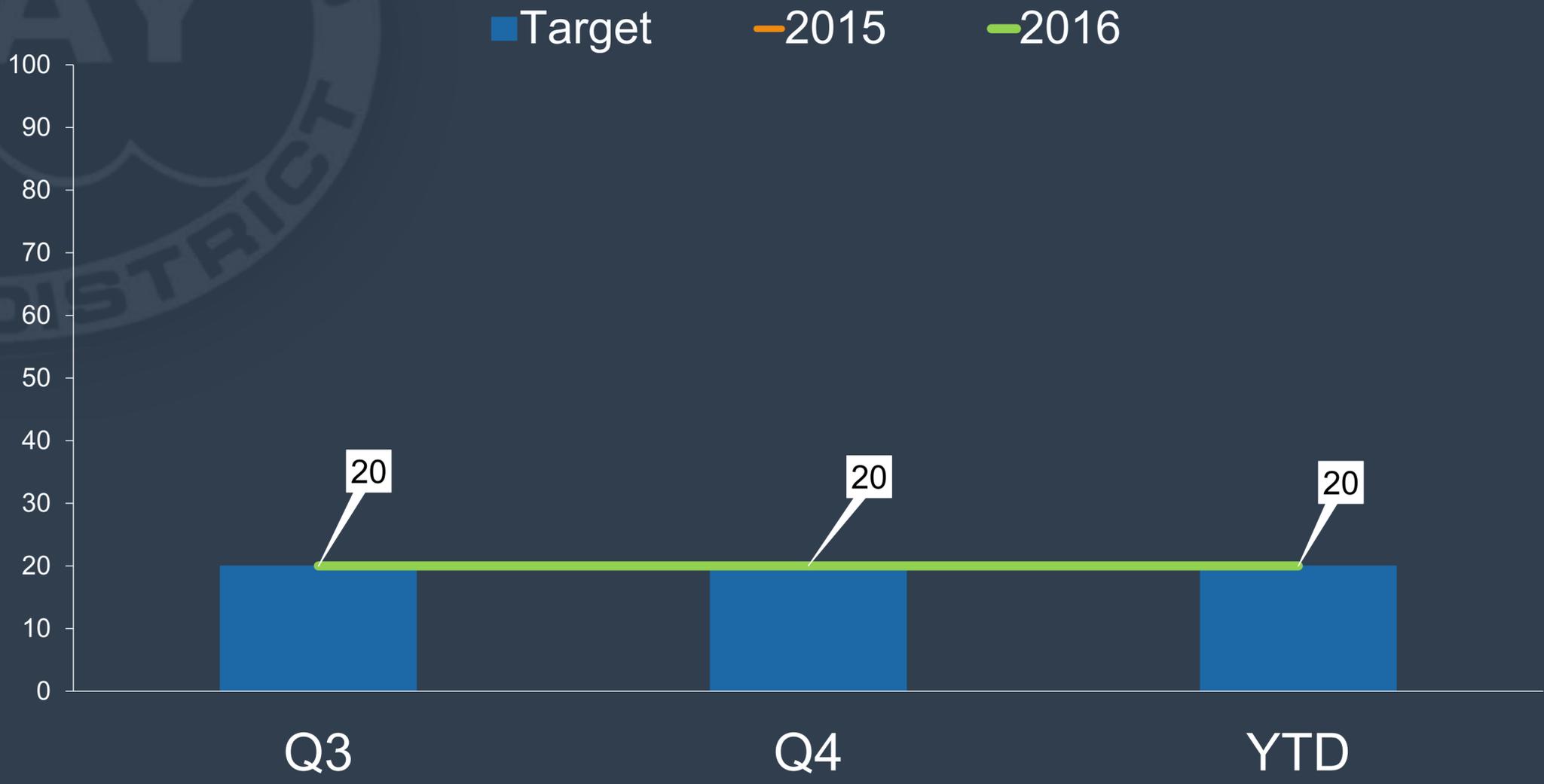


Q **Quarter Measurement**
 Total O&M cost/ MGP
 $FYTD\ O\&M\ Cost = (Power\ Cost) + (Staff\ Cost) + (Equipment\ Cost) / FYTP\ MGP$

A **Annual Average Measurement**
 $FYTD\ O\&M\ Cost\ MGP / FYTD\ Total\ MGP$

Leak Detection Program

Target: Perform leak detection on 20% of potable distribution system



Q&Y

Quarter & YTD Measurement

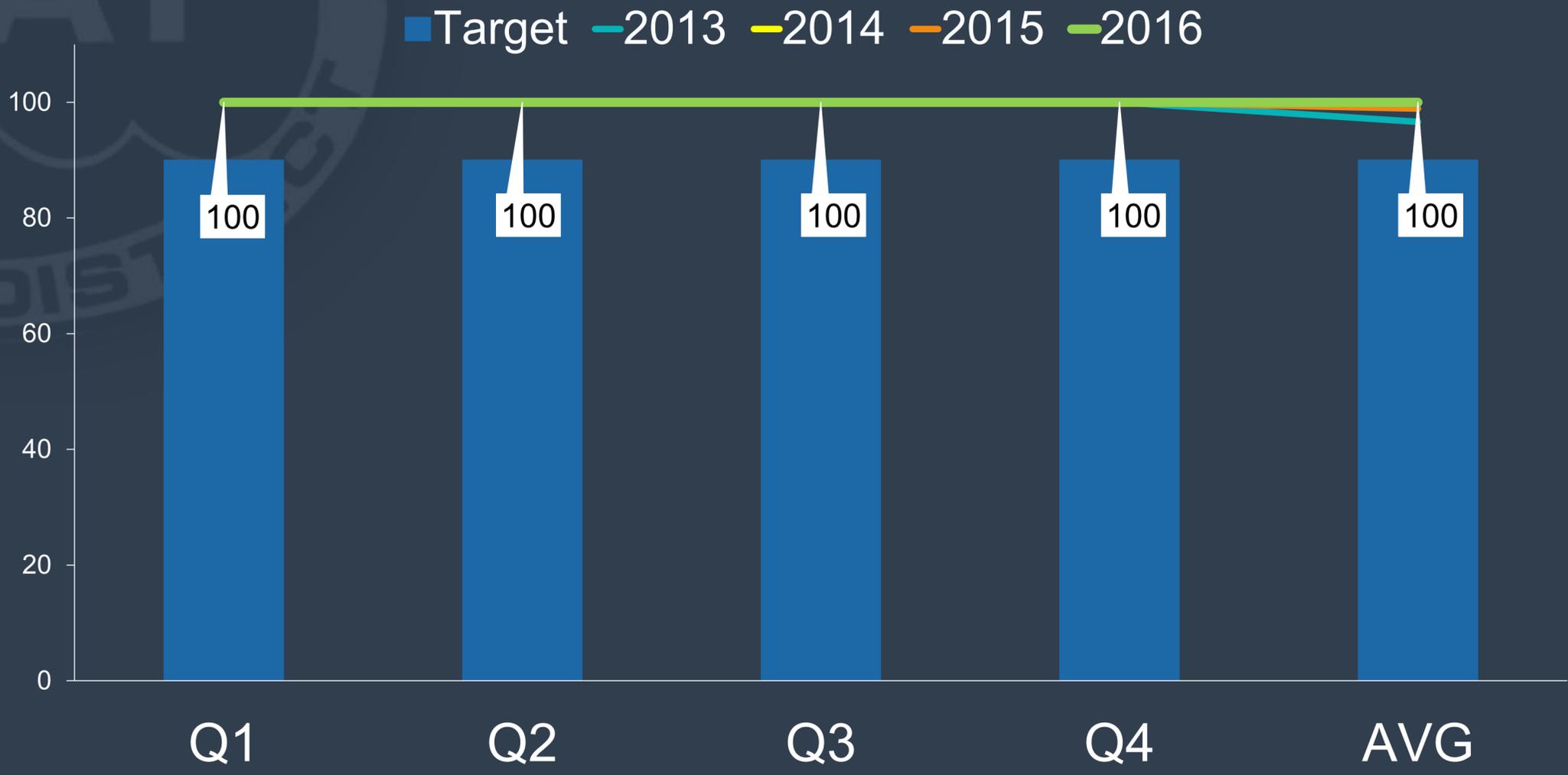
% of potable distribution pipelines surveyed. The calculation is miles of pipe surveyed divided by total miles of pipe times 100.

*FY15 – FY16 results are 20%

**Measure was created in FY15

Percent of PMs Completed – Fleet Maintenance

Target: No less than 90% of scheduled PM's completed per quarter in a year



Q&A

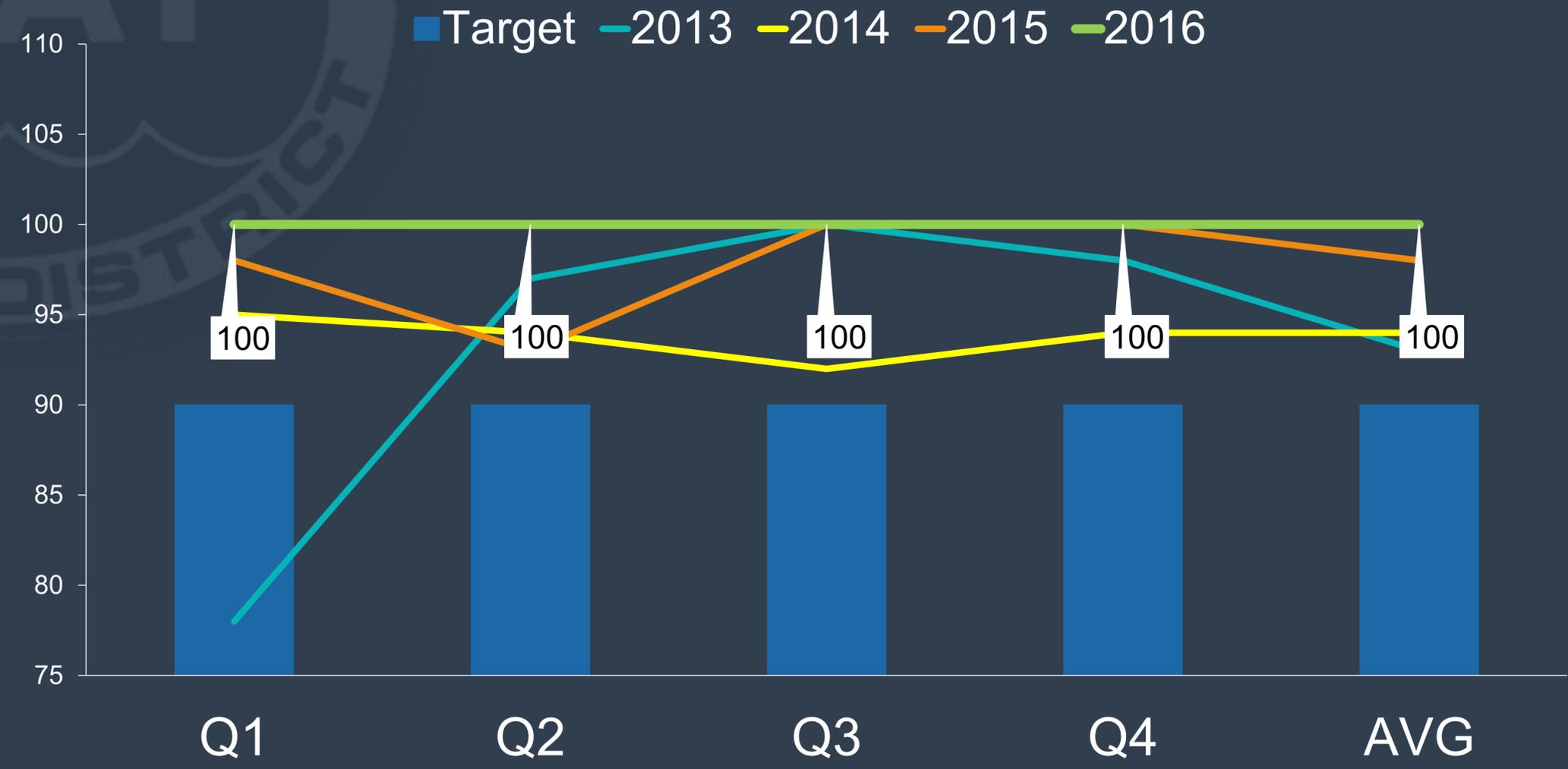
Quarter & Annual Average Measurement

of PM's completed/ # of PM's scheduled to be completed

*FY14 & FY16 results are 100%

Percent of PMs Completed – Reclamation Plant

Target: No less than 90% of scheduled PM's completed per quarter in a year



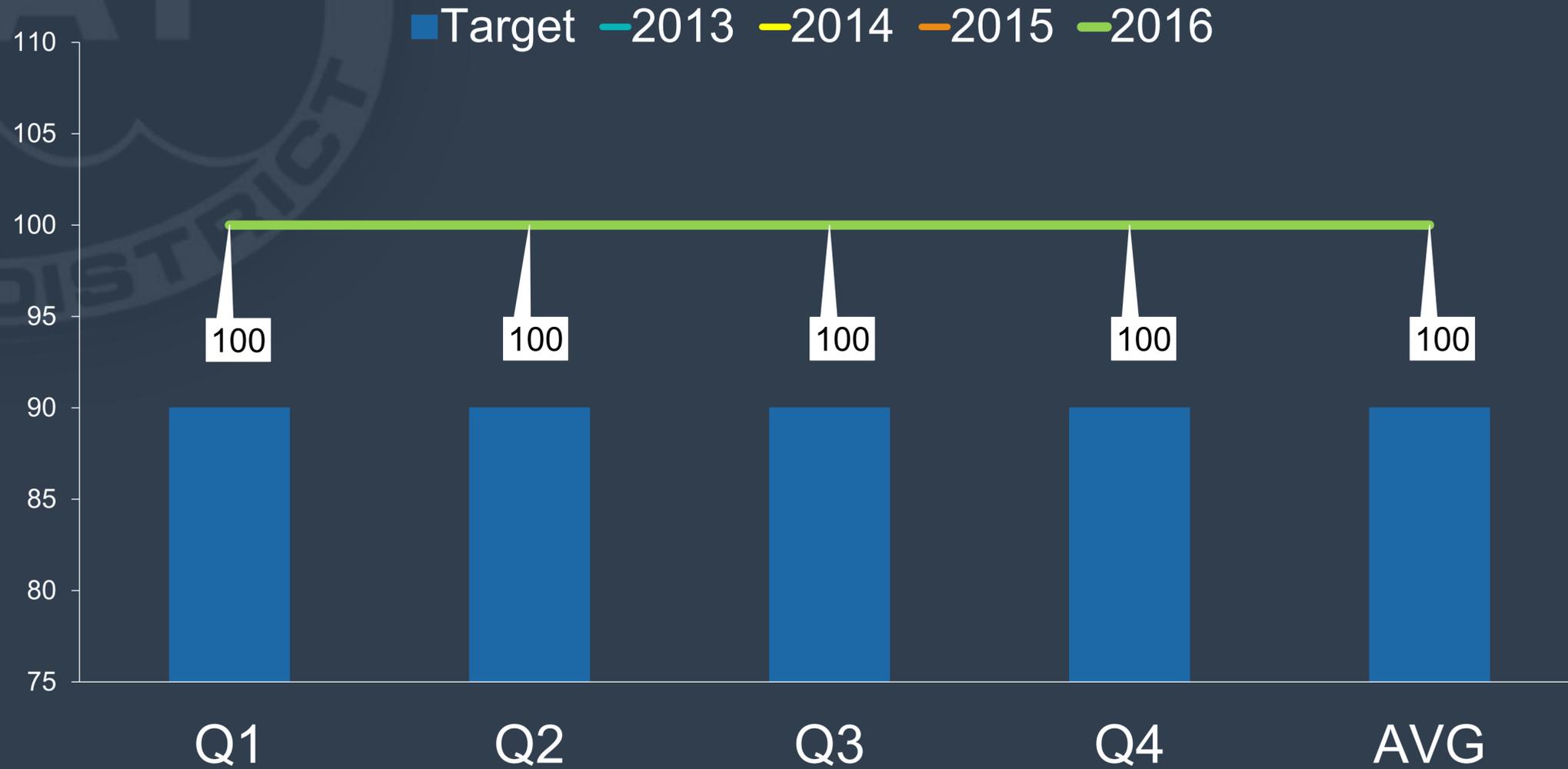
Q&A

Quarter & Annual Average Measurement

of PM's completed/ # of PM's scheduled to be completed in a reporting period

Percent of PMs Completed – Pump/Electric Section

Target: No less than 90% of scheduled PM's completed per quarter in a year



Q&A

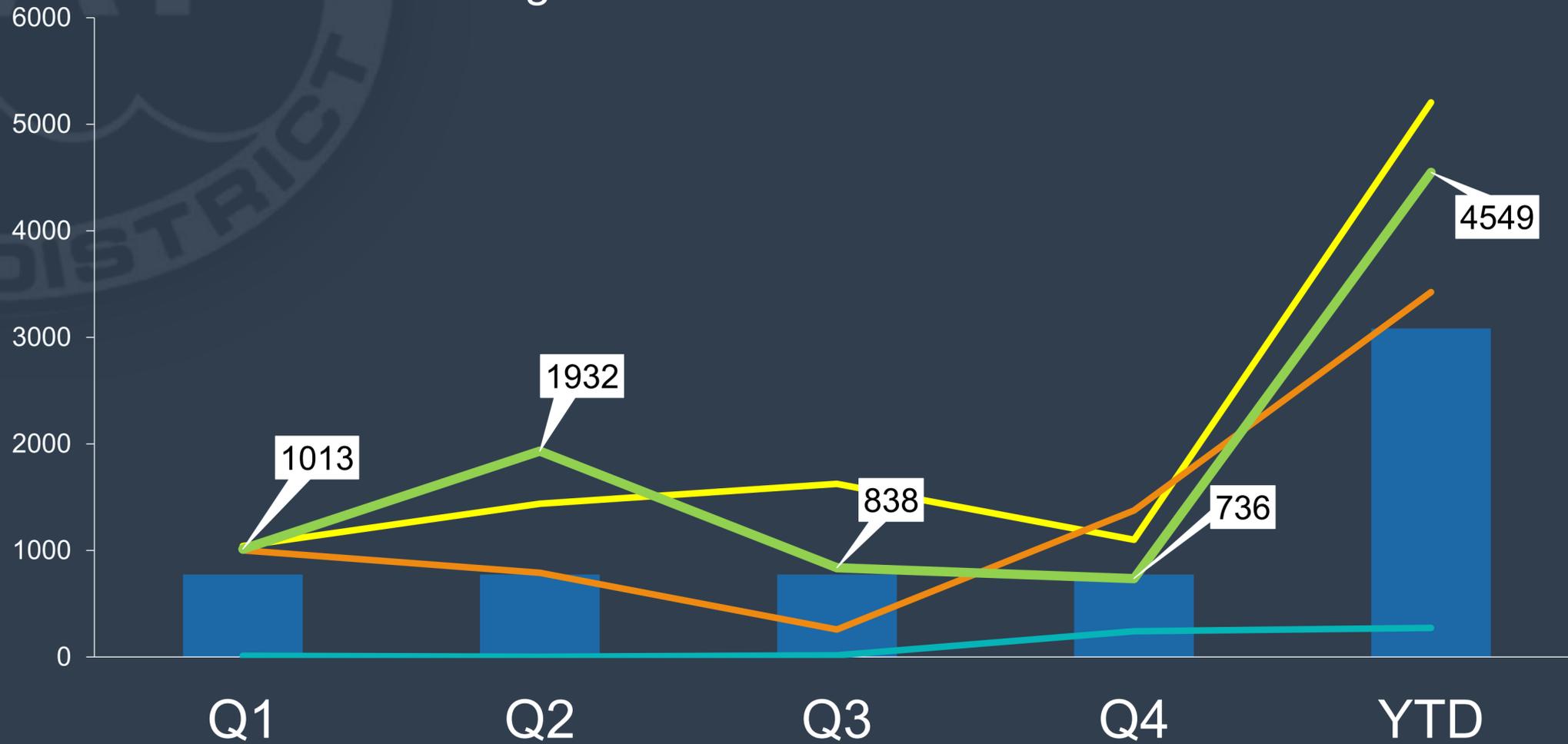
Quarter & Annual Average Measurement

of PM's completed/ # of PM's scheduled to be completed in a reporting period *FY13 – FY16 results are 100%

System Valve Exercising Program

Target: Exercise 770 valves per quarter or 3080 valves by the end of fiscal year

■ Target — 2013 — 2014 — 2015 — 2016



Q&Y

Quarter & YTD Measurement

Actual number of valves exercised in the reporting period

Potable Water Distribution System Integrity

Target: No more than 16 leaks and breaks per 100 miles of distribution piping in a year



Q Quarter Measurement
100 (annual total number of leaks + annual total number of breaks) / total miles of distribution piping

Y YTD Measurement
Cumulative number of leaks and breaks per quarter in a FY

Potable Water Compliance Rate (AWWA)

Target: No less than 100% of all health related drinking water standards each quarter in a year



Q&Y

Quarter Measurement

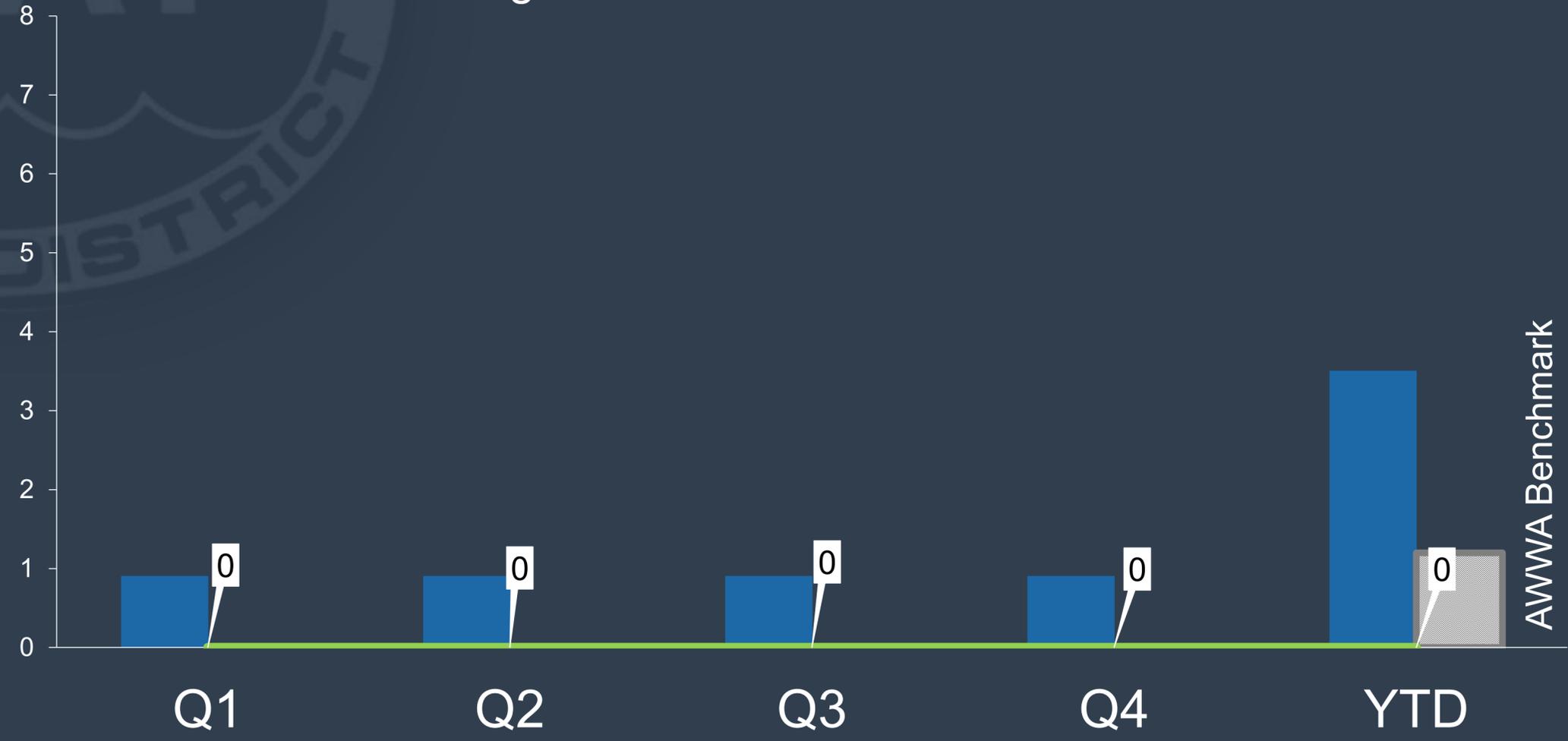
100 (# of days the primary health regulations are met) / # of days in the reporting period

*FY13 – FY16 results are 100%

Collection System Integrity (AWWA)

Target: No more than 3.6 system failures per 100 miles of collection system pipeline in a year

■ Target ■ AWWA — 2013 — 2014 — 2015 — 2016



Q **Quarter Measurement**
 100 (total number of collection system failures during the year) / total miles of collection system piping

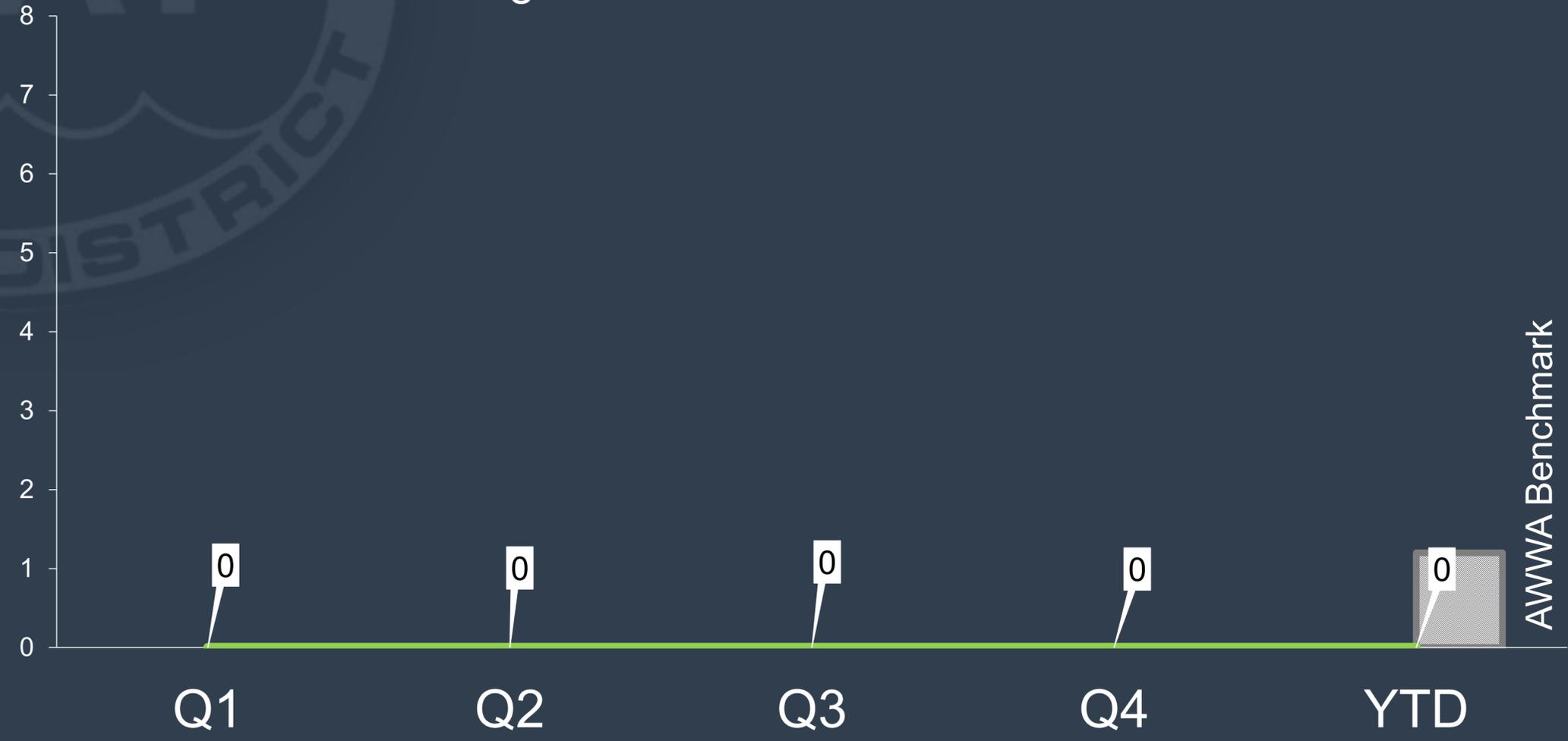
Y **YTD Measurement**
 Cumulative number of failures per quarter in a FY

*FY 13 – FY 16 results are 0 failures

Sewer Overflow Rate (AWWA)

Target: 0 overflows per quarter in a year

■ Target ■ AWWA — 2013 — 2014 — 2015 — 2016



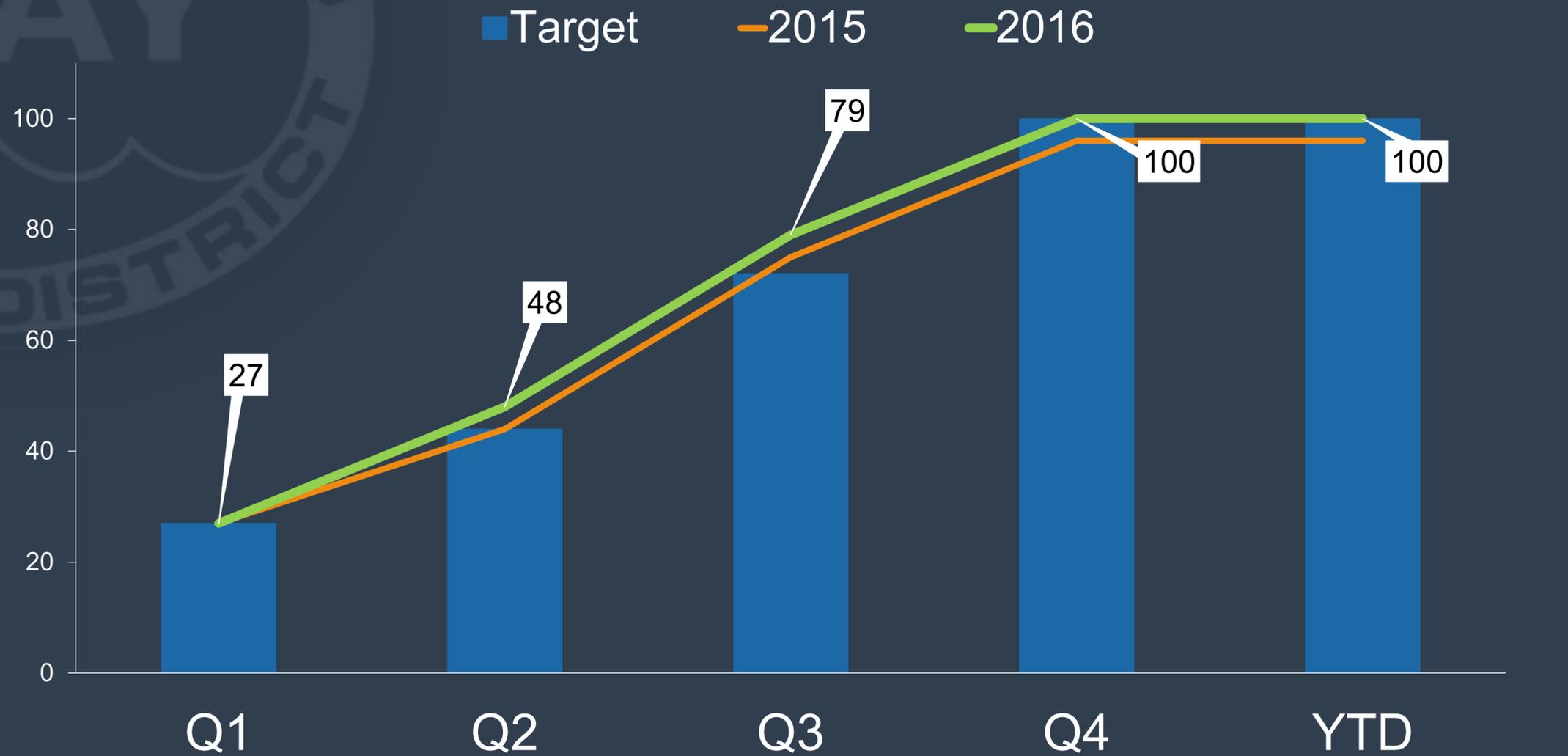
Q **Quarter Measurement**
 100 (total number of sewer overflows during the reporting period) / total miles of pipe in the sewage collection system

Y **YTD Measurement**
 Cumulative number of overflows per quarter in a FY

*FY 13 – FY 16 results are 0 overflows

Emergency Facility Power Testing

Target: 100% of the District's facilities tested per year
(The District currently has 29 powered ready facilities)



Q

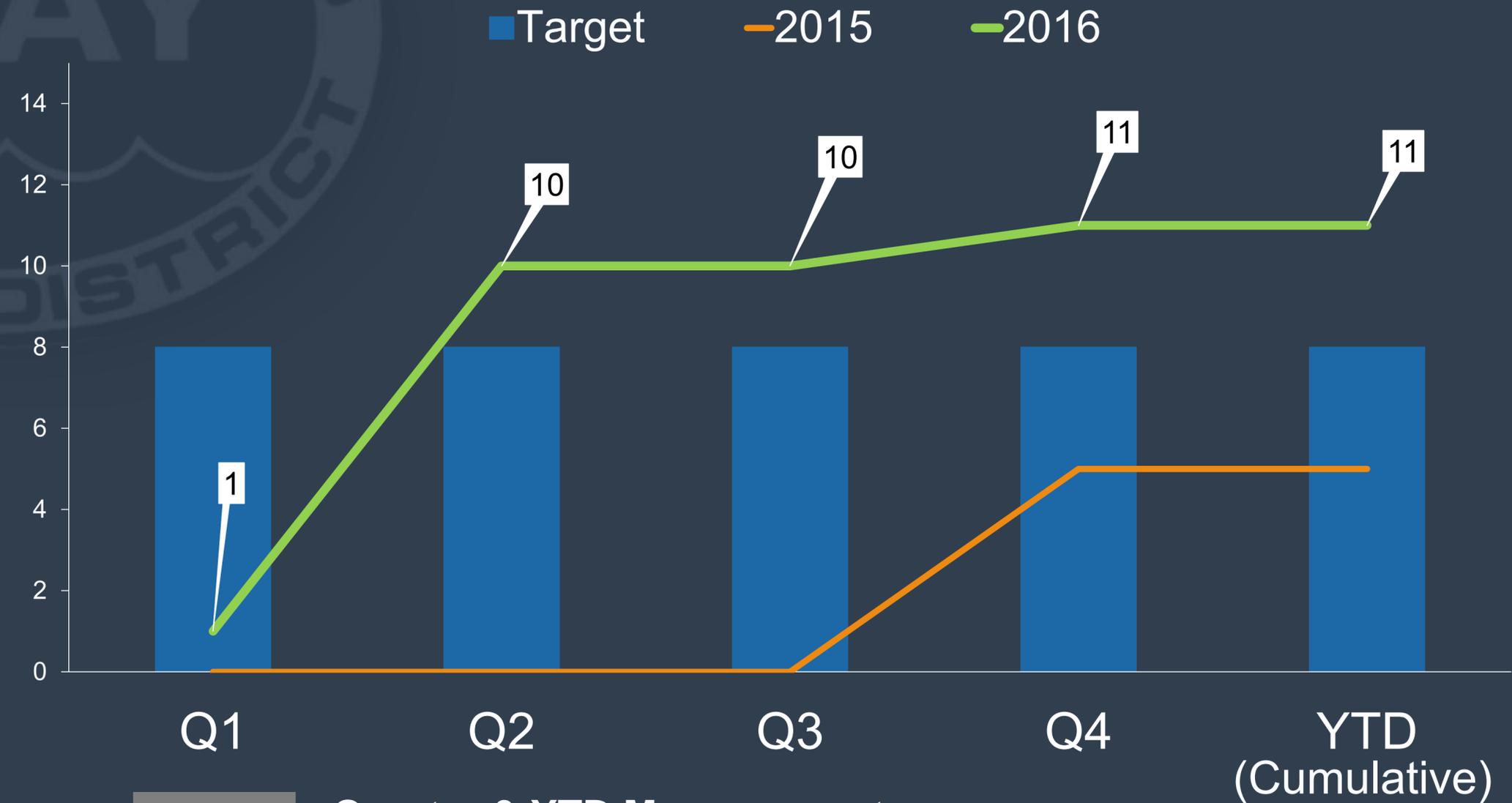
Quarter Measurement
Number of facilities tested / total facilities

Y

YTD Measurement
YTD number of facilities tested / total facilities

Tank Inspection and Cleaning

Annual Target: Clean and inspect 8 tanks or more per year

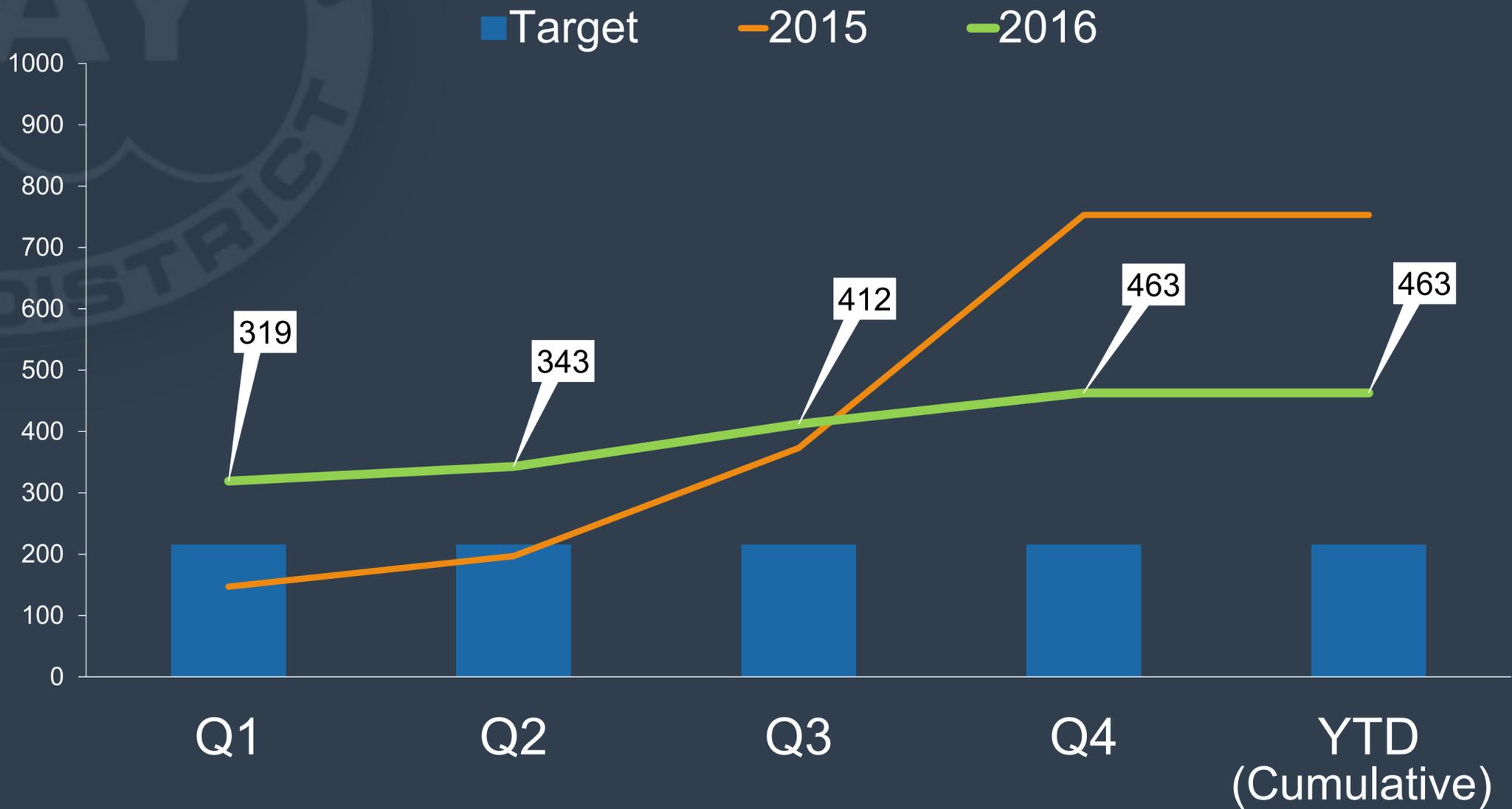


Q&Y Quarter & YTD Measurement
Number of tanks cleaned and inspected in a reporting period

*Measure was created in FY15

Main Flushing and Fire Hydrant Maintenance

Target: 215 or more mains flushed and fire hydrants maintained in a single year
(The target of 215 is comprised of 165 hydrants and 50 mains)

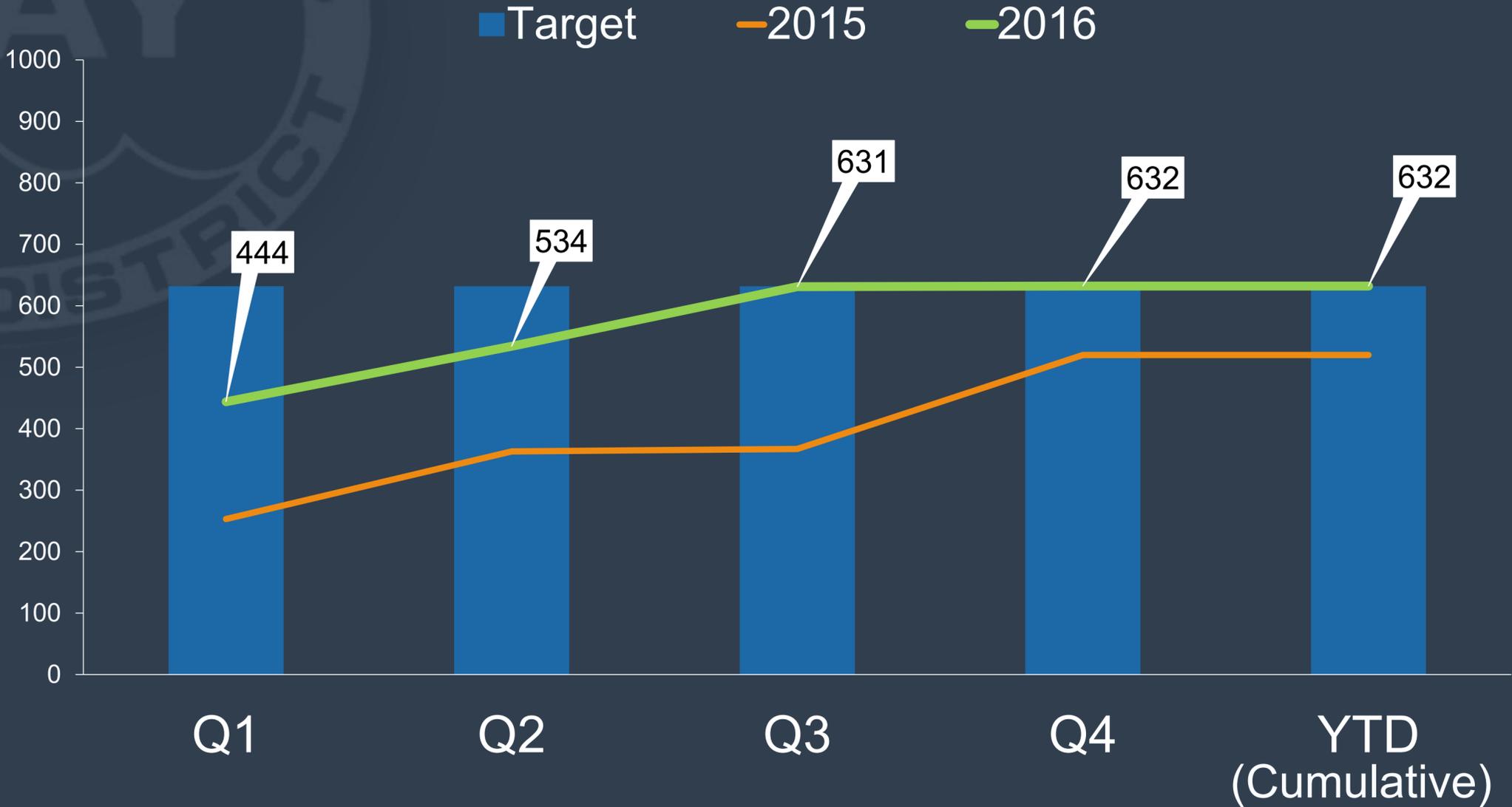


Q&Y Quarter & YTD Measurement
Number of mains flushed and hydrants maintained in a reporting period

*Measure was created in FY15

Critical Valve Exercising

Target: No less than 631 identified critical valves exercised in a year



Q&Y

Quarter & YTD Measurement

of critical valves exercised in a reporting period

*Measure was created in FY15

Next Steps

- 1 Monitor Deliverables from Project Plans
- 2 Utilize Updated Systems to Collect Performance Data
- 3 Begin to Analyze Performance-Based Data
- 4 Set New Targets Based on Data Collected

AGENDA ITEM 10b



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
SUBMITTED BY:	Dan Martin Engineering Manager	PROJECT:	VARIOUS DIV. NO. ALL
APPROVED BY:	<input checked="" type="checkbox"/> Rod Posada, Chief of Engineering <input checked="" type="checkbox"/> German Alvarez, Assistant General Manager <input checked="" type="checkbox"/> Mark Watton, General Manager		
SUBJECT:	Informational Item - Fourth Quarter Fiscal Year 2016 Capital Improvement Program Report		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

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

ANALYSIS:

To keep up with growth and to meet our ratepayers' expectations to adequately deliver safe, reliable, cost-effective, and quality water, each year the District staff prepares a Six-Year CIP Plan that identifies the District's infrastructure needs. The CIP is comprised of four categories consisting of backbone capital facilities, replacement/renewal projects, capital purchases, and developer's reimbursement projects.



ATTACHMENT A

SUBJECT/PROJECT:	Informational Item - Fourth Quarter Fiscal Year 2016 Capital Improvement Program Report
VARIOUS	

COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee (Committee) reviewed this item at a Committee Meeting held on August 22, 2016, and the following comments were made:

- Staff provided a PowerPoint presentation to the Committee and indicated that the expenditures through the fourth quarter of FY 2016 totaled \$10.6 million, which is about 90% of the District's fiscal year budget.
- Staff indicated that the District's FY 2016 CIP budget consists of 80 projects that total \$11.8 million and is divided into four categories:
 - Capital Facilities= \$3.5 million
 - Replacement/Renewal= \$7.2 million
 - Capital Purchases= \$1.1 million
 - Developer Reimbursement= \$1.0 thousand
- The PowerPoint presentation included the following:
 - Total Life-to-Date Expenditures
 - CIP Budget Forecast vs. Expenditures
 - Major CIP Projects
 - CIP Projects in Construction
 - Construction Contract Status of projects, contract amount with allowances, net change orders, and percent of project completion
 - Consultant Contract Status of contract amounts, approve payments to date, change orders, dates when contracts were signed and the end date of contracts
- Staff provided an update of the following construction projects that were active during the fourth quarter:

- o 980-1 Reservoir Interior/Exterior Coating and Upgrades (P2545) that was completed and put into service on August 22, 2016.
 - o 711-1 and 711-2 Reservoirs Interior/Exterior Coating and Upgrades (P2530 and P2529) that is estimated to be completed by September 2016.
 - o Operations Yard Property Acquisition Improvements (P2537) that was completed in June 2016.
 - o Rancho San Diego Basin Sewer Rehabilitation - Phase I (S2033-003103) that is estimated to be completed by November 2016.
- Staff highlighted that during the fourth quarter of FY 2016 the rate for Change Orders with Allowance Credit equaled to -1.3%.
 - The Committee commented that the total CIP Budget Expenditures for FY 2016 were previously projected to be approximately 80-85% and inquired how staff was able to increase it to 90%. Staff stated that they were conservative in their projection for the FY 2016 total CIP Budget Expenditures and that they were able to accelerate some projects such as the 980-1 Reservoir Interior/Exterior Coating & Upgrades (P2545). In addition, it was noted that invoices were received and payments were made by the District for County of San Diego reimbursement projects that reached substantial completion.

Following the discussion, the Committee supported staffs' recommendation and presentation to the full board as an informational item.

FISCAL YEAR 2016
4th QUARTER REPORT
(Expenditures through 06/30/2016)
(\$000)

Attachment B

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 06/30/16				LIFE-TO-DATE, 06/30/16				Comments
			FY 2016 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance	Expense to Budget %	
CAPITAL FACILITY PROJECTS											
P2040	Res - 1655-1 Reservoir 0.5 MG	Cameron	\$ 25	\$ 6	\$ 19	24%	\$ 2,200	\$ 484	\$ 1,716	22%	Project was delayed one year during the FY 2017 budget process.
P2083	PS - 870-2 Pump Station Replacement	Marchioro	350	345	5	99%	15,000	1,664	13,336	11%	On target.
P2267	36-Inch Main Pumpouts and Air/Vacuum Ventilation Installations	Marchioro	50	49	1	98%	735	459	276	62%	On target.
P2325	PL-10" to 12" Oversize, 1296 Zone, PB Road-Rolling Hills Hydro PS/PB Bndy	Beppler	1	19	(18)	1900%	22	19	3	86%	Developer reimbursement request approved. Request came in earlier than anticipated. Overall project is complete and under budget.
P2451	Otay Mesa Desalination Conveyance and Disinfection System	Kennedy	350	310	40	89%	30,000	3,570	26,430	12%	Spending more than expected, but less than budgeted.
P2466	Regional Training Facility	Coburn-Boyd	8	1	7	13%	300	288	12	96%	There was minimal work/reporting on this project in FY 2016.
P2469	Information Technology Network and Hardware	Kerr	175	174	1	99%	1,684	2,061	(377)	122%	No further expenditures on this project.
P2470	Financial System Enhancements	Kerr	100	40	60	40%	1,765	1,707	58	97%	Spent \$5K for reporting services for CityWorks.
P2486	Asset Management Plan Condition Assessment and Data Acquisition	Zhao	75	20	55	27%	1,015	879	136	87%	We negotiated \$20K initial service contract for infoMaster Pilot Study towards final implementation.
P2511	Otay Interconnect Pipeline	Marchioro	420	450	(30)	107%	2,601	2,535	66	97%	On target.
P2537	Operations Yard Property Acquisition Improvements	Beppler	450	562	(112)	125%	775	728	47	94%	Construction contract accepted within this fiscal year. FY 2016 expenses exceeded FY 2016 budget, but not overall project budget.
P2540	Work Order Management System Replacement	Kerr	60	169	(109)	282%	500	466	34	93%	No further expenditures for this CIP.
P2541	624 Pressure Zone PRSs	Marchioro	525	518	7	99%	750	742	8	99%	Construction contract accepted. On target.
P2547	District Administration Vehicle Charging Stations	Beppler	1	9	(8)	900%	60	20	40	33%	Overall budget increased to \$125,000 for FY 2017 to reflect design cost estimate. Design accelerated and included with P2555. Cost to date well within project budget.
P2549	Fuel System Upgrade	Payne	30	29	1	97%	30	29	1	97%	Complete.
P2551	Blossom Lane Helix WD and Otay WD Interconnection	Beppler	150	161	(11)	107%	193	168	25	87%	Construction mostly complete at end of this fiscal year. Billing from Helix WD received, exceeded this fiscal year budget, but remains under the overall project budget.
P2552	South Barcelona Helix WD and Otay WD Interconnection	Beppler	150	157	(7)	105%	200	165	35	83%	Construction mostly complete at end of this fiscal year. Billing from Helix WD received, exceeded this fiscal year budget, but remains under the overall project budget.
P2554	640/340 PRS at Energy Way and Nirvana Avenue	Marchioro	1	1	-	100%	400	1	399	0%	On target.
P2555	Administration and Operations Parking Lot Improvements	Cameron	10	48	(38)	480%	500	48	452	10%	Project has been accelerated. Design began in Q3.
P2561	Res - 711-3 Reservoir Cover/Liner Replacement	Marchioro	5	1	4	20%	1,800	1	1,799	0%	No progress anticipated in FY 2016.
P2562	Res - 571-1 Reservoir Cover/Liner Replacement	Marchioro	1	-	1	0%	2,600	-	2,600	0%	On target.
P2563	Res - 870-1 Reservoir Cover/Liner Replacement	Marchioro	1	-	1	0%	1,000	-	1,000	0%	On target.
P2568	Technology Business Processes Improvement	Kerr	40	25	15	63%	115	25	90	22%	No expenditure for 4th quarter 2016.
P2569	Metro Ethernet Implementation/ District Facilities - Pilot	Kerr	100	106	(6)	106%	100	106	(6)	106%	On target. Project budget increased to \$145K for FY 2017.
P2570	SCADA Equipment & Infrastructure Enhancement	Kerr	-	-	-	0%	300	-	300	0%	No expenditures anticipated in FY 2016.
P2571	Datacenter Network Enhancement & Replacement of Infrastructure Componets	Kerr	-	-	-	0%	200	-	200	0%	No expenditures anticipated in FY 2016.
P2572	Enterprise Resource Planning (ERP) Replacement	Kerr	-	-	-	0%	250	-	250	0%	No expenditures anticipated in FY 2016.
R2077	RecPL - 24-Inch, 860 Zone, Alta Road - Alta Gate/Airway	Beppler	5	2	3	40%	2,850	2,811	39	99%	Project on hold during temporary moratorium.
R2107	RWCWRF Screening Compactor and Chlorine Injectors Enclosure	Vaclavek	7	3	4	43%	215	180	35	84%	Project is complete.
R2108	Res - 927-1 Reservoir Cover Replacement	Marchioro	10	4	6	40%	1,090	1,086	4	100%	Final warranty inspection completed FY 2016. Project will be closed out.
R2110	RecPS - 944-1 Optimization and Pressure Zone Modifications	Marchioro	25	46	(21)	184%	200	130	70	65%	Construction contract completed FY 2016. Overall project within budget.
R2114	Large Recycle Pump Replacement at the RWCWRF 927-1 Pump Station	Anderson	40	-	40	0%	120	89	31	74%	Project is complete.
R2117	RWCWRF Disinfection System Improvements	Beppler	110	7	103	6%	2,500	111	2,389	4%	Waiting on results of IPR/DPR study, WRF Master Plan, and force main condition assessment before determining the next step. No additional costs this fiscal year.

**FISCAL YEAR 2016
4th QUARTER REPORT**
(Expenditures through 06/30/2016)
(\$000)

Attachment B

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 06/30/16				LIFE-TO-DATE, 06/30/16				Comments	
			FY 2016 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance	Expense to Budget %		
R2118	Steele Canyon Sewer PS Chopper Pump	Beppler	40	5	35	13%	40	5	35	13%	Change to scope of work required structural design. This necessitated waiting for the new as-needed engineering design contract to be awarded as not enough budget remained in previous one.	
R2119	Treatment Plant Automation & Security Upgrades	Beppler	50	33	17	66%	200	33	167	17%	Master Plan scope not anticipated during budgeting of the project, accelerated the spending on this. Project remains within overall budget.	
R2121	Res - 944-1 Reservoir Cover/Liner Replacement	Marchioro	25	19	6	76%	1,400	19	1,381	1%	Final design of replacement cover/liner postponed until FY 2017 since inspection diver suggested replacement might be postponed a few years.	
R2122	Emergency Recycled Water Fire Hydrant Installations	Cameron	75	32	43	43%	75	32	43	43%	Project is on schedule. Construction to be completed in Q4. Approval for use will be received in FY 2017.	
S2043	RWCWRF Sludge Handling System	Beppler	1	-	1	0%	47	40	7	85%	No spending on this project during the past fiscal year. Budget allowance was for any unexpected activity.	
Total Capital Facility Projects			Total:	3,466	3,351	115	97%	73,832	20,701	53,131	28%	
REPLACEMENT/RENEWAL PROJECTS												
P2382	Safety and Security Improvements	Ramirez	300	315	(15)	105%	2,667	2,573	94	96%	Facility security and access enhancements on schedule; unanticipated trenching expenses pushed over FY 2016 budget.	
P2453	SR-11 Utility Relocations	Marchioro	5	180	(175)	3600%	2,250	1,598	652	71%	Construction contract not completed in FY 2015 as anticipated; however, two construction contracts completed FY 2016. Overall project within budget.	
P2485	SCADA Communication System and Software Replacement	Segura	75	257	(182)	343%	2,014	1,667	347	83%	Project on schedule for FY 2016. Accelerating project increased spending for FY 2016.	
P2493	624-2 Reservoir Interior/Exterior Coating	Cameron	55	6	49	11%	1,675	1,543	132	92%	Warranty inspection was rescheduled for FY 2017 to group it with another inspection. This helped reduce cost. Expenditures will be done FY 2017 Q1.	
P2494	Multiple Species Conservation Plan	Coburn-Boyd	87	7	80	8%	950	853	97	90%	Will not use any additional budget this FY, project was delayed waiting for information from WFMP.	
P2495	San Miguel Habitat Management/Mitigation Area	Coburn-Boyd	120	102	18	85%	2,100	1,241	859	59%	On track; will not use 15% of budget.	
P2496	Otay Lakes Road Utility Relocations	Martin	20	1	19	5%	325	283	42	87%	Contract accepted in June 2016. Phase II work complete.	
P2504	Regulatory Site Access Road and Pipeline Relocation	Cameron	50	-	50	0%	900	330	570	37%	Project is driven by County Fire. Awaiting Punch List items to be completed.	
P2507	East Palomar Street Utility Relocation	Cameron	25	23	2	92%	940	717	223	76%	Request for reimbursement to be requested in FY 2017.	
P2508	Pipeline Cathodic Protection Replacement Program	Marchioro	150	65	85	43%	725	249	476	34%	Pace slowed. Limited activity for the remainder of FY 2016.	
P2515	870-1 Reservoir Paving	Beppler	15	4	11	27%	510	510	-	100%	Project warranty inspection performed in February 2016. Project is complete.	
P2518	803-3 Reservoir Interior/Exterior Coating	Cameron	20	7	13	35%	700	645	55	92%	Project is in the warranty period, dive inspection performed in Q3. Warranty repairs to be executed in FY 2017.	
P2519	832-2 Reservoir Interior/Exterior Coating	Cameron	20	8	12	40%	750	670	80	89%	Project is in the warranty period, dive inspection performed in Q3. Warranty repairs to be executed in FY 2017.	
P2520	Motorola Mobile Radio Upgrade	Martinez	30	2	28	7%	135	79	56	59%	Project on target. Anticipate the balance to be spent as per the FY 2017 budget plan.	
P2529	711-2 Reservoir Interior & Exterior Coating	Cameron	600	344	256	57%	790	360	430	46%	Project construction began in Q2. Project was delayed due to unforeseen necessary structural upgrades. Project scheduled to complete in FY 2017 Q1.	
P2530	711-1 Reservoir Interior & Exterior Coating	Cameron	800	889	(89)	111%	1,040	905	135	87%	Reservoir placed into service in May 2016. Project on schedule.	

FISCAL YEAR 2016
4th QUARTER REPORT
 (Expenditures through 06/30/2016)
 (\$000)

Attachment B

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 06/30/16				LIFE-TO-DATE, 06/30/16				Comments
			FY 2016 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance	Expense to Budget %	
P2531	944-1 Reservoir Interior & Exterior Coating	Cameron	205	300	(95)	146%	390	311	79	80%	Contract accepted in April 2016. Close out of project pending release of Stop Payment Notices filed against project.
P2532	944-2 Reservoir Interior & Exterior Coating	Cameron	101	50	51	50%	946	937	9	99%	Contract accepted in April 2016. Close out of project pending release of Stop Payment Notices filed against project.
P2533	1200-1 Reservoir Interior & Exterior Coating	Cameron	5	-	5	0%	565	-	565	0%	Project rescheduled for FY 2018.
P2534	978-1 Reservoir Interior & Exterior Coating	Cameron	-	-	-	0%	325	-	325	0%	No expenditures for FY 2016.
P2535	458-2 Reservoir Interior & Exterior Coating & Upgrades	Cameron	294	400	(106)	136%	839	774	65	92%	Contract accepted in April 2016. Close out of project pending release of Stop Payment Notices filed against project.
P2538	Administration and Operations Building Fire Sprinkler Replacement Program	Cameron	5	25	(20)	500%	110	89	21	81%	Project is complete and in the 1 year warranty period.
P2539	South Bay Bus Rapid Transit (BRT) Utility Relocations	Cameron	100	49	51	49%	940	879	61	94%	SANDAG driven project. SANDAG has notified the District that they are behind schedule and expenditures are not expected until FY 2017.
P2542	850-3 Reservoir Interior Coating	Cameron	230	382	(152)	166%	530	527	3	99%	Construction Contract accepted in Q2. Project is in the 2 yr. warranty period.
P2543	850-1 Reservoir Interior/Exterior Coating	Cameron	-	-	-	0%	575	-	575	0%	No expenditures for FY 2016.
P2544	850-2 Reservoir Interior/Exterior Reservoir Coating	Cameron	5	-	5	0%	940	-	940	0%	Inspection work was rescheduled for FY 2017 to group it with other work and reduce cost.
P2545	980-1 Reservoir Interior Exterior Coating	Cameron	950	997	(47)	105%	1,495	997	498	67%	Project is on schedule. Construction began in the 3rd Qtr FY 2016. Project completion anticipated in FY 2017 Q1.
P2546	980-2 Reservoir Interior/Exterior Coating	Cameron	-	-	-	0%	1,450	-	1,450	0%	No expenditures for FY 2016.
P2550	Fuel Island Upgrade	Payne	75	-	75	0%	75	-	75	0%	Contract issued; permit application and construction pending. Estimated completion beginning of FY 2017 Q2.
P2553	Heritage Road Bridge Replacement and Utility Relocation	Cameron	10	5	5	50%	1,200	5	1,195	0%	City of Chula Vista driven project.
P2557	520 Res Recirculation Pipeline Chemical Supply and Analyzer Feed Replacement Project	Beppler	1	9	(8)	900%	100	9	91	9%	Spending exceeded fiscal year budget in response to operations request. Upon determining an action plan, design was delayed until FY 2017.
P2558	Additional Pump Station Fuel Storage	Rahders	25	5	20	20%	25	5	20	20%	\$15K savings. Unable to retrofit one site due to power requirements. No further activity in this area for Fiscal Year 2016.
P2559	Pressure Vessel Repair and Replacement Program	Marchioro	50	47	3	94%	300	47	253	16%	On target.
P2564	Administration Carpet Replacement Program	Payne	65	-	65	0%	215	-	215	0%	Project pushed to FY 2018 due to budget constraints.
P2565	803-2 Reservoir Interior/Exterior Coating & Upgrades	Cameron	-	-	-	0%	725	-	725	0%	No expenditures for FY 2016.
P2566	520-2 Reservoir Interior/Exterior Coating & Upgrades	Cameron	-	-	-	0%	1,790	-	1,790	0%	No expenditures for FY 2016.
P2567	1004-2 Reservoir Interior/Exterior Coating & Upgrades	Cameron	-	-	-	0%	565	-	565	0%	No expenditures for FY 2016.
R2109	Sweetwater River Wooden Trestle Improvement for the Recycled Water Forcemain	Beppler	400	233	167	58%	516	353	163	68%	Project construction is complete. Warranty work is budgeted for next fiscal year. Project is under budget.
R2111	RWCWRF - RAS Pump Replacement	Beppler	250	406	(156)	162%	600	555	45	93%	Project construction is complete. Warranty work is budgeted for next fiscal year. Project is under budget.
R2112	450-1 Disinfection Facility Rehabilitation	Cameron	40	62	(22)	155%	265	213	52	80%	Project is in the warranty period.
R2116	RecPL - 14-Inch, 927 Zone, Forcemain Assessment and Repair	Marchioro	225	290	(65)	129%	1,750	656	1,094	37%	Pace accelerated; however, overall project within budget.
R2120	RWCWRF Filtered Water Storage Tank Improvements	Beppler	10	-	10	0%	500	-	500	0%	Scope of work requires structural design, necessitating waiting for the new as-needed engineering design contract to be awarded as not enough budget remained in previous one.
S2012	San Diego County Sanitation District Outfall and RSD Outfall Replacement	Beppler	50	-	50	0%	1,935	1,020	915	53%	County design project, costs are as invoiced by them. Project is within overall budget.
S2024	Campo Road Sewer Main Replacement	Beppler	500	512	(12)	102%	5,500	1,115	4,385	20%	Design is complete. Easement acquisition will be in next fiscal year. Project is within overall budget.
S2027	Rancho San Diego Pump Station Rehabilitation	Beppler	320	226	94	71%	3,500	300	3,200	9%	County design project costs are as invoiced by them. Project is within overall budget.

**FISCAL YEAR 2016
4th QUARTER REPORT**
(Expenditures through 06/30/2016)
(\$000)

Attachment B

CIP No.	Description	Project Manager	FISCAL YEAR-TO-DATE, 06/30/16				LIFE-TO-DATE, 06/30/16				Comments
			FY 2016 Budget	Expenses	Balance	Expense to Budget %	Budget	Expenses	Balance	Expense to Budget %	
S2033	Sewer System Rehabilitation	Beppler	900	430	470	48%	6,000	2,000	4,000	33%	Construction of the RSD Sewer Phase 1 is behind schedule due to contractor's delay in starting. Pushing much of the unspent budget into FY 2017. Construction completion anticipated in FY 2017 Q2.
Total Replacement/Renewal Projects			7,188	6,638	550	92%	53,137	25,015	28,122	47%	
CAPITAL PURCHASE PROJECTS											
P2282	Vehicle Capital Purchases	Rahders	556	529	27	95%	5,191	3,635	1,556	70%	No further activity in this area for FY 2016.
P2285	Office Equipment and Furniture Capital Purchases	Payne	15	15	-	100%	589	551	38	94%	FY 2016 complete.
P2286	Field Equipment Capital Purchases	Rahders	50	56	(6)	112%	1,808	1,359	449	75%	Overage due to \$26.2K non-budgeted purchase of a replacement forklift to the Warehouse. No further activity in this area for FY 2016.
P2366	APCD Engine Replacements and Retrofits	Rahders	535	16	519	3%	3,835	2,551	1,284	67%	No further activity in this area for FY 2016.
Total Capital Purchase Projects			1,156	616	540	53%	11,423	8,096	3,327	71%	
DEVELOPER REIMBURSEMENT PROJECTS											
P2556	HWY 94 Upsized Utility Relocations at Melody Lane	Beppler	1	-	1	0%	250	-	250	0%	No activity this fiscal year.
Total Developer Reimbursement Projects			1	-	1	0%	250	-	250	0%	
89			\$ 11,811	\$ 10,605	\$ 1,206	90%	\$ 138,642	\$ 53,812	\$ 84,830	39%	

Otay Water District Capital Improvement Program

Fiscal Year 2016
Fourth Quarter
(through June 30, 2016)



Operations Yard Property Acquisition Improvements - Parking Lot

Background

The approved CIP Budget for Fiscal Year 2016 consists of 80 projects that total \$11.8 million. These projects are broken down into four categories.

1. Capital Facilities \$ 3.5 million
2. Replacement/Renewal \$ 7.2 million
3. Capital Purchases \$ 1.1 million
4. Developer Reimbursement \$ 1.0 thousand

Overall expenditures through the Fourth Quarter of Fiscal Year 2016 totaled \$10.6 million, which is approximately 90% of the Fiscal Year budget.

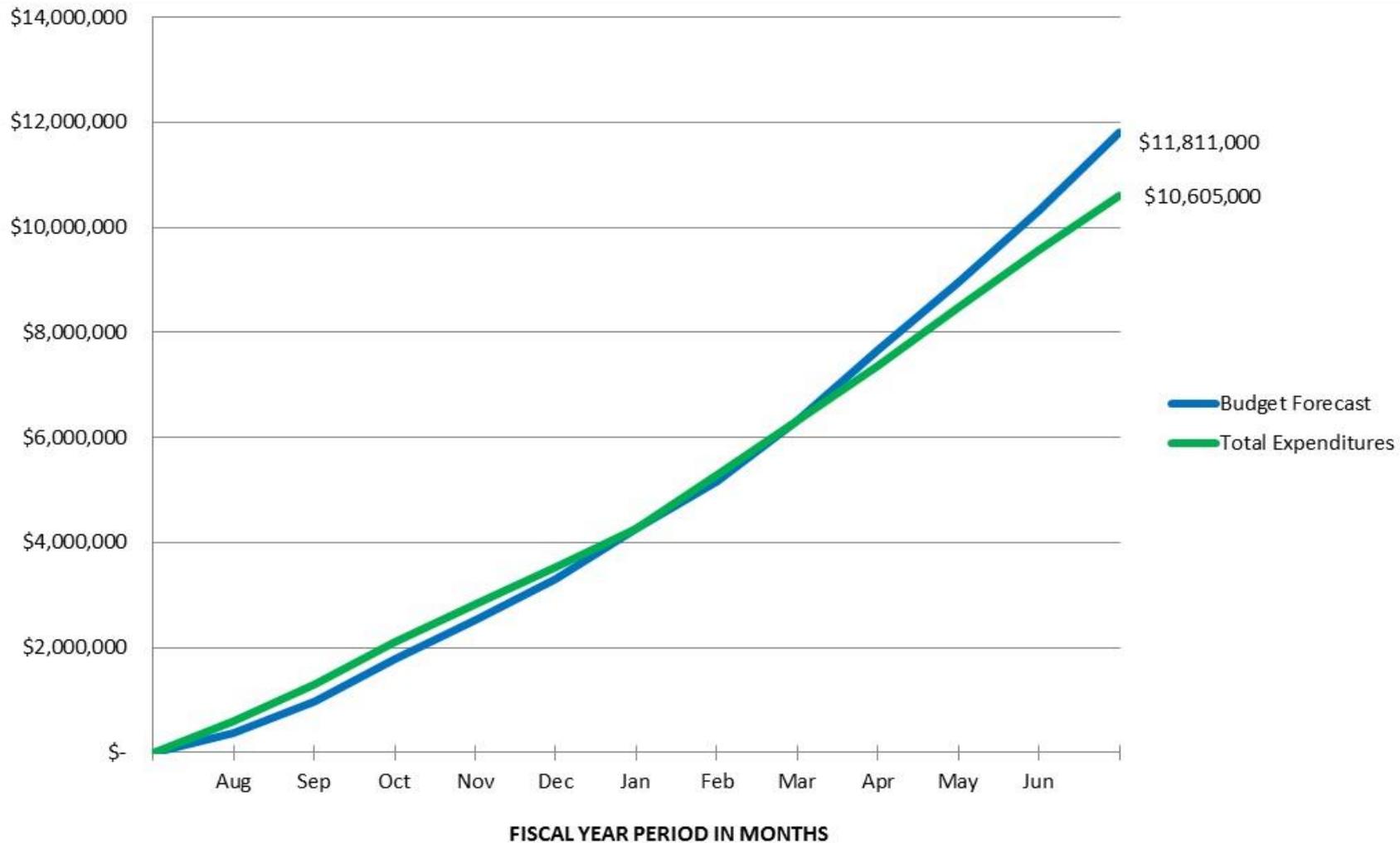
Fiscal Year 2016

Fourth Quarter Update

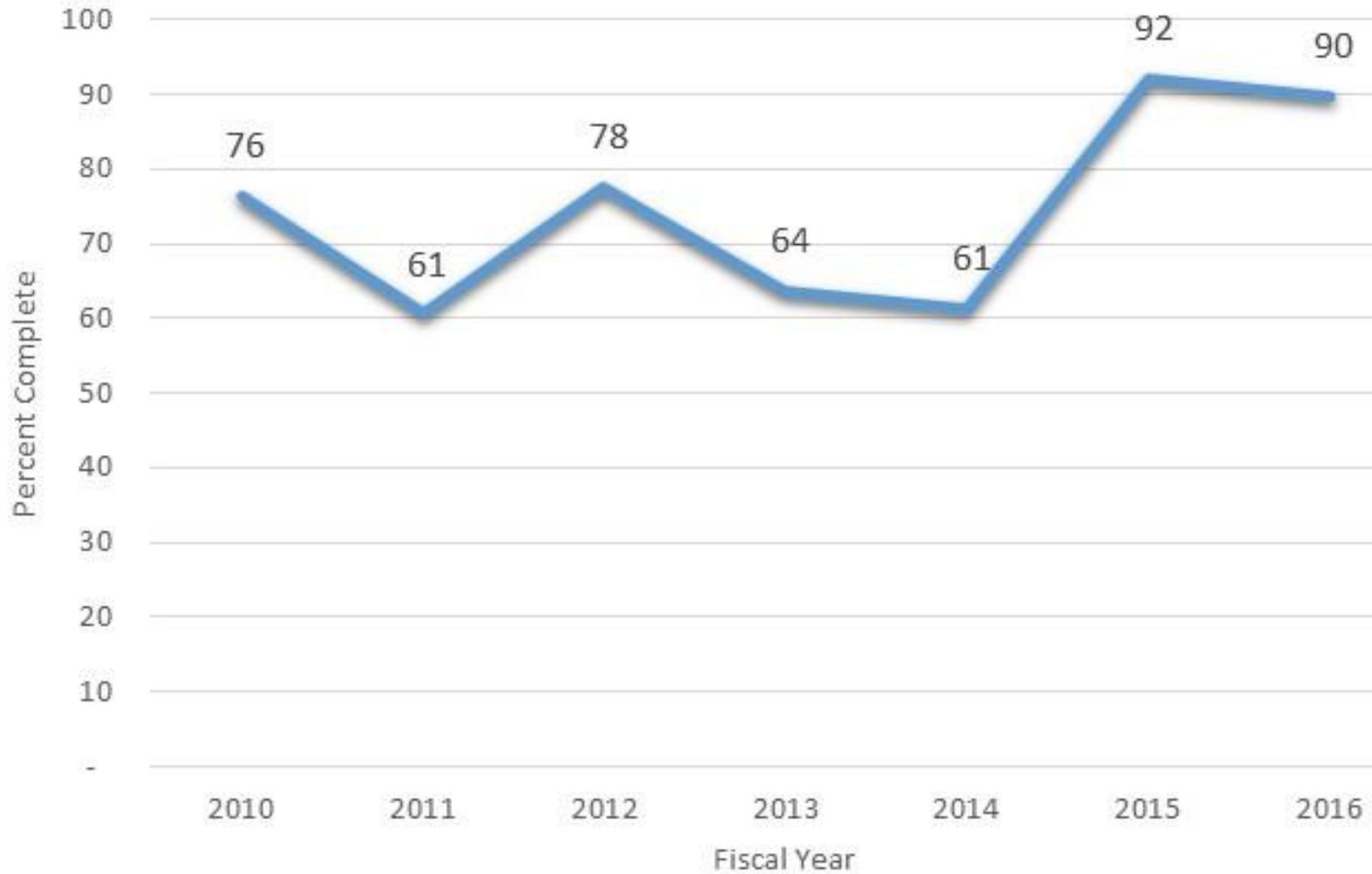
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CIP CAT	Description	FY 2016 Budget	FY 2016 Expenditures	% FY 2016 Budget Spent	Total Life-to-Date Budget	Total Life-to-Date Expenditures	% Life-to-Date Budget Spent
1	Capital Facilities	\$3,466	\$3,351	97%	\$73,832	\$20,701	28%
2	Replacement/ Renewal	\$7,188	\$6,638	92%	\$53,137	\$25,015	47%
3	Capital Purchases	\$1,156	\$616	53%	\$11,423	\$8,096	71%
4	Developer Reimbursement	\$1	\$0	0%	\$250	\$0	0%
	Total:	\$11,811	\$10,605	90%	\$138,642	\$53,812	39%

Fiscal Year 2016 Fourth Quarter CIP Budget Forecast vs. Expenditures

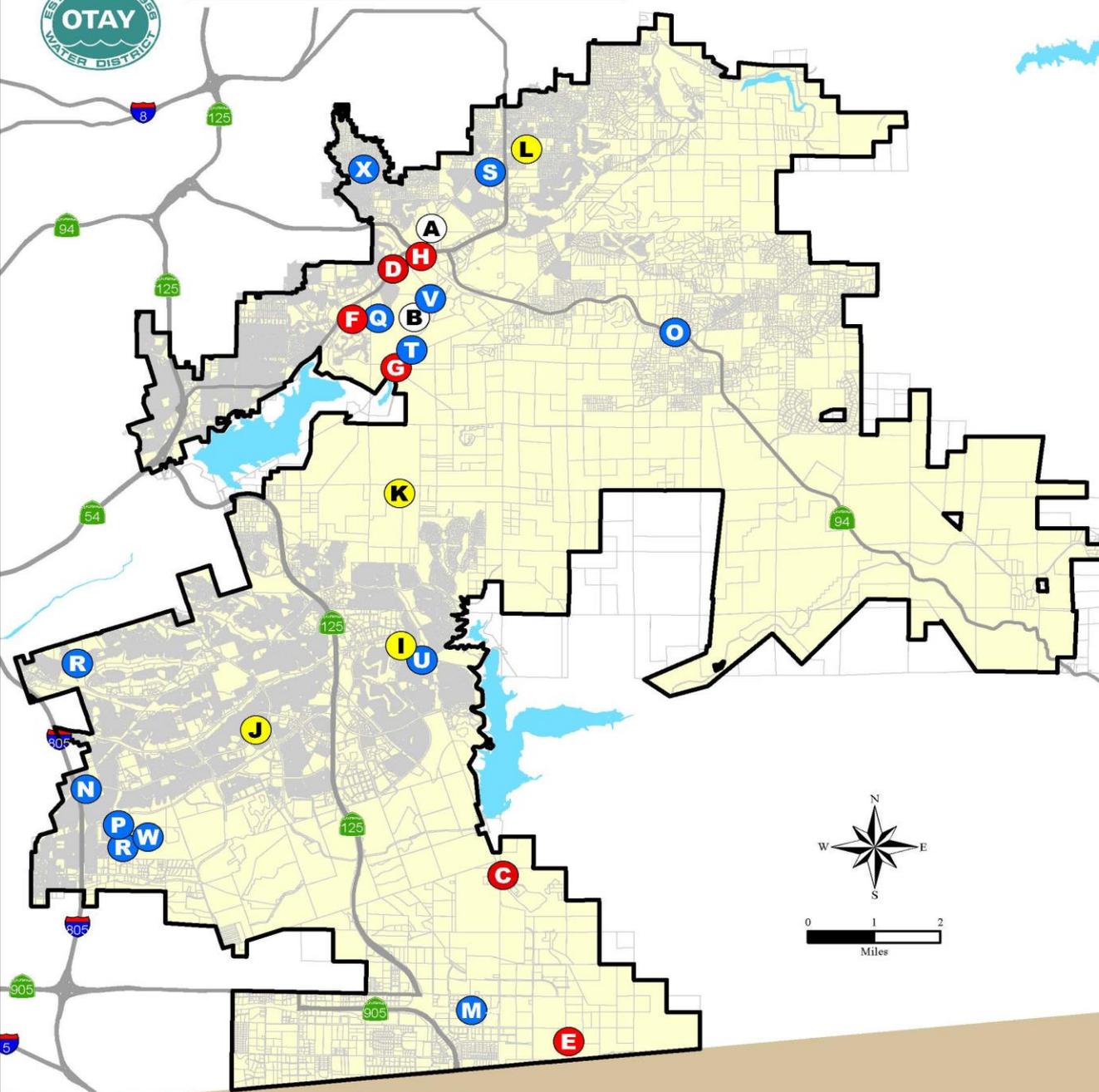


Annual CIP Expenditures vs. Budget





MAJOR CIP PROJECTS Fiscal Year 2016 - 4th Quarter



PLANNING - 2

- A** P2504 - Regulatory Site Access Road & Pipeline Relocation
- B** R2117 - RWCWRF Contact Basin Expansion

DESIGN - 6

- C** P2083 - 870-2 Pump Station Replacement
- D** P2267 - 36-Inch Main Pumpouts and Air/Vac Installations
- E** P2451 - Otay Mesa Conveyance and Disinfection System
- F** P2547 - District Administration Vehicle Charging Stations
- G** R2116 - 14-Inch Forcemain Assessment and Repair
- H** S2024 - Campo Road Sewer Main Replacement

CONSTRUCTION - 4

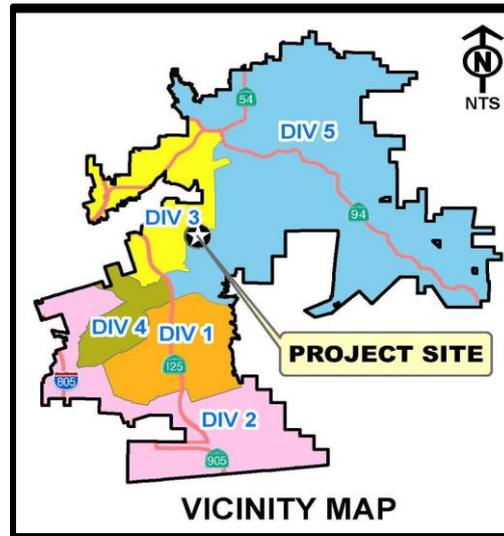
- I** P2530/P2529 - 711-1 & 711-2 Reservoir Interior/Exterior Coating
- J** P2539 - South Bay Bus Rapid Transit (BRT) Utility Relocations
- K** P2545 - 980-1 Reservoir Interior/Exterior Coating
- L** S2033 - Rancho San Diego Basin Sewer Rehab - Phase 1

COMPLETED - 12

- M** P2453 - SR-11 Utility Relocations
- N** P2507 - East Palomar Street Utility Relocation
- O** P2531/P2532 - 944-1 & 944-2 Reservoir Interior/Exterior Coating
- P** P2535 - 458-2 Reservoir Interior/Exterior Coating
- Q** P2537 - Operations Yard Property Acquisition Improvements
- R** P2541 - 624 PZ Pressure Reducing Stations
- S** P2542 - 850-3 Reservoir Interior Coating
- T** R2109 - Sweetwater River Trestle Improvements
- U** R2110 - 944-1 Optimization and Pressure Zone Modifications
- V** R2111 - RAS Pump Replacement
- W** R2112 - 450-1 Disinfection Facility Rehabilitation
- X** S2033 - Calavo Basin Sewer Rehab - Phase 1

CIP Projects in Construction

- 980-I Reservoir Interior/Exterior Coating & Upgrades (P2545)
- Remove and Replace Deteriorating Reservoir Coatings.
- Structural Modifications to Increase Service Life.
- \$1.50M Budget
- Start: February 2016
- Estimated Completion: August 2016



Division No. 5

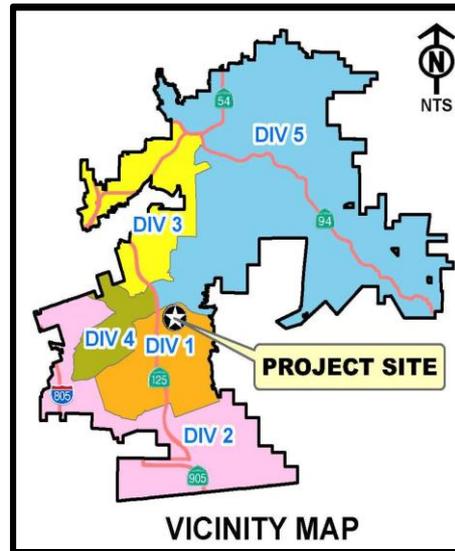
Location:
North End of
Salt Creek Golf
Course, Hunte
Parkway, Chula
Vista



980-I Reservoir (5.0 MG) – Exterior
Containment and Sandblasting

CIP Projects in Construction

- 711-1 & 711-2 Reservoirs Interior/Exterior Coating & Upgrades (P2530, P2529)
- Remove and Replace Deteriorating Reservoir Coatings.
- Structural Modifications to Increase Service Life.
- \$1.88M Budget
- Start: November 2015
- Estimated Completion: September 2016



Division No. 1

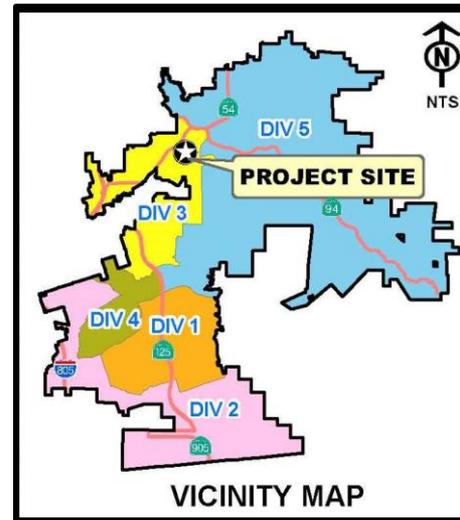
Location:
Park Meadows
Road, Chula
Vista. Adjacent
to East Lake
County Club
Golf Course



711-2 Reservoir (2.3 MG) – Exterior Scaffold Installation

CIP Projects in Construction

- Operations Yard Property Acquisition Improvements (P2537)
- Provide parking to separate employee vehicles from District equipment.
- Will serve as Emergency staging area.
- \$0.78M Budget
- Start: January 2016
- Completed: June 2016



Division No. 3

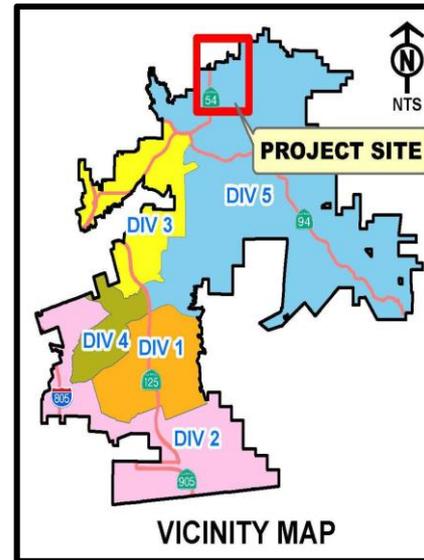
Location:
Sweetwater
Springs
Boulevard, Spring
Valley. Adjacent
to District
Operations Yard



Operations Yard Property Acquisition Improvements – Asphalt Concrete Paving

CIP Projects in Construction

- Rancho San Diego Basin Sewer Rehabilitation – Phase I (S2033-003103)
- Sewer system repairs at 14 locations
- 3,250 LF of 8-inch sewer
- 4 new sewer manholes
- \$3.00M Budget
- Start: March 2016
- Estimated Completion: November 2016



Division No. 5
Locations:
14 locations including Hillsdale Road, Donahue Drive, Juliana Street, Vista Grande Road, and Sundale Road.



Trench Restoration in Singing Hills Mobile Estates Easement

Construction Contract Status

FY 2016 CIP CONSTRUCTION PROJECTS

CIP NO.	PROJECT TITLE	CONTRACTOR	BASE BID AMOUNT	CONTRACT AMOUNT W/ ALLOWANCES	NET CHANGE ORDERS LTD*		CURRENT CONTRACT AMOUNT	TOTAL EARNED TO DATE	% CHANGE ORDERS W/ ALLOWANCE CREDIT**	% COMPLETE	EST. COMP. DATE
					PROJECT TOTAL	%					
P2453-002103	SR-11 Potable Water Utility Relocations - Sequence 1	Coffman Specialties, Inc.	\$947,380	\$992,380	\$29,480	3.1%	\$976,860	\$976,860	-1.6%	100.0%	Completed June 2016
P2531 P2532 P2535	944-1, 944-2, & 458-2 Reservoirs Interior/Exterior Coating & Upgrades	Olympus and Associates Inc.	\$1,146,008	\$1,206,008	\$88,738	7.7%	\$1,294,746	\$1,286,355	7.4%	99.4%	Completed April 2016
R2111	RWCWRF RAS Pumps Replacement	Cora Constructors Inc.	\$295,315	\$315,315	\$0	0.0%	\$300,087	\$300,087	-4.8%	100.0%	Completed February 2016
R2112	450-1 Disinfection Facility Rehabilitation	Fordyce Construction, Inc.	\$108,350	\$128,350	(\$360)	-0.3%	\$107,990	\$107,990	-15.9%	100.0%	Completed August 2015
S2033	Calavo Basin Sewer Rehabilitation Phase 1	Arrieta Construction Inc.	\$521,890	\$529,490	(\$34,531)	-6.6%	\$494,959	\$494,959	-6.5%	100.0%	Completed August 2015
P2542	850-3 Reservoir Interior Coating	Abhe & Svoboda Inc.	\$336,720	\$366,720	\$22,533	6.7%	\$389,253	\$389,253	6.1%	100.0%	Completed November 2015

Construction Contract Status

FY 2016 CIP CONSTRUCTION PROJECTS

CIP NO.	PROJECT TITLE	CONTRACTOR	BASE BID AMOUNT	CONTRACT AMOUNT W/ ALLOWANCES	NET CHANGE ORDERS LTD*		CURRENT CONTRACT AMOUNT	TOTAL EARNED TO DATE	% CHANGE ORDERS W/ ALLOWANCE CREDIT**	% COMPLETE	EST. COMP. DATE
					PROJECT TOTAL	%					
R2109	Sweetwater River Trestle Improvements	Fordyce Construction, Inc.	\$153,740	\$173,740	\$0	0.0%	\$157,047	\$157,047	-9.6%	100.0%	Completed January 2016
P2537	Operations Yard Property Acquisition Improvements	Montgomery Construction Services, Inc.	\$401,456	\$449,611	\$2,319	0.6%	\$422,668	\$406,033	-6.0%	96.1%	Completed June 2016
P2529 P2530	711-1 & 711-2 Reservoir Interior/Exterior Coating & Upgrades	Advanced Industrial Services, Inc.	\$1,103,715	\$1,195,695	\$0	0.0%	\$1,120,535	\$863,220	-6.3%	77.0%	September 2016
P2545	980-1 Reservoir Interior/Exterior Coating & Upgrades	Advanced Industrial Services, Inc.	\$769,000	\$876,500	\$8,000	1.0%	\$882,600	\$819,100	0.7%	92.8%	August 2016
S2033	Rancho San Diego Basin Sewer Rehabilitation - Phase 1	Transtar	\$951,470	\$970,970	\$0	0.0%	\$951,470	\$211,154	-2.0%	22.2%	November 2016
P2541 R2110	624 Zone PRSs & 944-R PRS Improvements	CCL Contracting Inc.	\$445,209	\$455,209	\$15,777	3.5%	\$460,986	\$460,986	1.3%	100.0%	Completed May 2016
		TOTALS:	\$7,180,253	\$7,659,988	\$131,957	1.8%	\$7,559,201	\$6,473,043	-1.3%		

*NET CHANGE ORDERS DO NOT INCLUDE ALLOWANCE ITEM CREDITS. IT'S A TRUE CHANGE ORDER PERCENTAGE FOR THE PROJECT

**THIS CHANGE ORDER RATE INCLUDES THE CREDIT FOR UNUSED ALLOWANCES

Consultant Contract Status

PM	Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
PLANNING											
BK	ATKINS	Varies	2015 WATER FACILITIES MASTER PLAN UPDATE	\$ 434,731.00	\$ -	\$ 434,731.00	\$ 355,261.69	0.0%	81.7%	1/28/2014	12/31/2016
SB	CAROLLO ENGINEERS, INC.	VARIES	2015 INTEGRATED WATER RESOURCES PLAN UPDATE	\$ 99,993.00	\$ 6,300.00	\$ 106,293.00	\$ 69,823.37	6.3%	65.7%	11/17/2014	6/30/2016
	CH2M HILL ENGINEERS INC	Varies	2015 URBAN WATER MANAGEMENT PLAN UPDATE	\$ 49,839.00		\$ 49,839.00	\$ 45,697.77	0.0%	91.7%	9/10/2015	6/30/2018
SB	WATER SYSTEMS CONSULTING INC	VARIES	AS-NEEDED HYDRAULIC MODELING FY15/16	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 93,789.00	0.0%	53.6%	7/15/2014	6/30/2017
DESIGN											
BK	AECOM	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (DESIGN ENGINEER)	\$ 3,910,297.00	\$ (109,434.00)	\$ 3,800,863.00	\$ 1,356,484.17	-2.8%	35.7%	1/6/2011	6/30/2018
BK	ARCADIS U.S., INC.	P2434, P2511	VALUE ENGINEERING AND CONSTRUCTIBILITY REVIEW	\$ 153,628.00	\$ -	\$ 153,628.00	\$ 70,208.73	0.0%	45.7%	1/24/2012	6/30/2016 COMPLETED
SB	ARCADIS U.S. INC	VARIES	AS-NEEDED DESIGN FY 15-16	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 211,336.02	0.0%	70.4%	9/11/2014	6/30/2017
JM	ATKINS	Varies	AS-NEEDED ENGINEERING DESIGN SERVICES FY12-13	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 173,861.56	0.0%	99.3%	10/26/2011	6/30/2016 COMPLETED
SC	BROWNSTEIN HYATT FARBER SCHRECK	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 47,609.50	0.0%	47.6%	7/1/2015	6/30/2017
KC	BSE ENGINEERING INC	Varies	AS-NEEDED ELECTRICAL SERVICES	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 56,829.87	0.0%	56.8%	7/1/2012	6/30/2017
JM	CAROLLO ENGINEERS INC	P2083	DESIGN/CONSTRUCTION FOR 870-2 PS	\$ 624,910.00	\$ 135,500.00	\$ 760,410.00	\$ 508,823.29	21.7%	66.9%	10/11/2013	12/31/2017
JM	HDR ENGINEERING INC	Varies	CORROSION SERVICES FY14-FY16	\$ 684,750.00	\$ 45,000.00	\$ 729,750.00	\$ 637,525.69	6.6%	87.4%	11/22/2013	12/31/2016
BK	LATITUDE 33	P1210	SALT CREEK GOLF COURSE STUDY	\$ 9,000.00		\$ 9,000.00	\$ 9,000.00	0.0%	100.0%	4/20/2016	12/31/2016
JM	LEE & RO INC	P2511	OTAY INTERCONNECT PIPELINE	\$ 2,769,119.00	\$ -	\$ 2,769,119.00	\$ 1,112,174.73	0.0%	40.2%	11/4/2010	12/31/2015 COMPLETED



Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
MICHAEL D.KEAGY REAL ESTATE	Varies	AS-NEEDED APPRAISAL SERVICES FY13-14	\$ 45,000.00	\$ -	\$ 45,000.00	\$ 43,000.00	0.0%	95.6%	9/17/2012	6/30/2016 COMPLETED
NINYO & MOORE	Varies	GEOTECHNICAL SERVICES	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 63,382.25	0.0%	36.2%	4/9/2015	6/30/2018
PIPELINE INSPECTION & CONDITION ANALYSIS CORPORATION	R2116	INSPECTION AND CONDITION ASSESSMENT OF THE RALPH W. CHAPMAN WATER RECYCLING FACILITY 14-INCH FORCE MAIN	\$ 302,092.00	\$ 18,000.00	\$ 320,092.00	\$ 105,500.00	6.0%	33.0%	12/18/2014	4/30/2017
PSOMAS	VARIABLES	AS-NEEDED DESIGN FY 15-16	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 37,916.83	0.0%	12.6%	9/11/2014	6/30/2017
RFYEAGER	Varies	AS-NEEDED CORROSION ENGINEERING AND RESERVOIR COATING INSPECTION	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 161,636.50	0.0%	92.4%	2/9/2015	12/31/2016
RICK ENGINEERING COMPANY	S2024	CAMPO ROAD SEWER MAIN REPLACEMENT PROJECT	\$ 805,705.00	\$ -	\$ 805,705.00	\$ 687,231.45	0.0%	85.3%	5/27/2014	12/31/2017
RICK ENGINEERING COMPANY	Varies	TRAFFIC ENGINEERING SERVICES FY 16-18	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 5,878.88	0.0%	3.4%	7/1/2015	6/30/2018
SILVA SILVA CONSULTING	P2451	OTAY MESA CONVEYANCE AND DISINFECTION SYSTEM (BINATIONAL WATER AND RELATED ISSUES)	\$ 115,000.00	\$ -	\$ 115,000.00	\$ 72,289.05	0.0%	62.9%	5/1/2014	6/30/2016 COMPLETED
CONSTRUCTION SERVICES										
AIRX UTILITY SURVEYORS	Varies	AS-NEEDED SURVEYING SERVICES FY 14-15	\$ 175,000.00	\$ 45,000.00	\$ 220,000.00	\$ 219,933.00	25.7%	100.0%	9/18/2013	6/30/2016 COMPLETED
AIRX UTILITY SURVEYORS	Varies	UTILITY LOCATING SERVICES FY 16-18	\$ 350,000.00		\$ 350,000.00	\$ 54,222.00	0.0%	15.5%	10/12/2015	6/30/2018
ALYSON CONSULTING	Varies	CONSTRUCTION MGMT/INSPECTION FY 13-15	\$ 350,000.00	\$ 41,820.00	\$ 391,820.00	\$ 391,706.25	11.9%	100.0%	10/24/2012	6/30/2016 COMPLETED
ALYSON CONSULTING	Varies	CONSTRUCTION MGMT/INSPECTION FY 16-17	\$ 350,000.00	\$ (6,820.00)	\$ 343,180.00	\$ 138,400.00	-1.9%	40.3%	7/1/2015	6/30/2017
CORRPRO COMPANIES INC	Varies	COATING INSPECTION FY 2016-2018	\$ 175,000.00		\$ 175,000.00	\$ 55,598.25	0.0%	31.8%	1/7/2016	6/30/2018
HUNSAKER & ASSOCIATES	Varies	LAND SURVEYING FY16-18	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 20,298.00	0.0%	11.6%	1/20/2016	6/3/2018
MICHAEL BAKER INT'L INC	P2083	870-2 PS CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES	\$ 853,457.00	\$ -	\$ 853,457.00	\$ 27,220.50	0.0%	3.2%	7/30/2014	12/31/2017



Consultant Contract Status

Consultant	CIP No.	Project Title	Original Contract Amount	Total Change Orders	Revised Contract Amount	Approved Payment To Date	% Change Orders	% Project Complete	Date of Signed Contract	End Date of Contract
ENVIRONMENTAL										
HELIX ENVIRONMENTAL	VARIES	MAINTENANCE AND MONITORING OF THE SAN MIGUEL HABITAT MANAGEMENT AREA AND CIP ASSOCIATED MITIGATION PROJECTS	\$ 476,173.00	\$ -	\$ 476,173.00	\$ 185,954.54	0.0%	39.1%	12/19/2014	12/31/2017
ICF INTERNATIONAL JONES & STOKES INC	VARIES	AS-NEEDED ENVIRONMENTAL SERVICES FY 15/16/17	\$ 375,000.00	\$ -	\$ 375,000.00	\$ 180,822.81	0.0%	48.2%	7/18/2014	6/30/2017
RECON	P2494	PREPARATION OF THE SUBAREA PLAN	\$ 270,853.00	\$ -	\$ 270,853.00	\$ 220,133.36	0.0%	81.3%	3/28/2008	6/30/2018
WATER RESOURCES										
MICHAEL R. WELCH	Varies	ENGINEERING PLANNING SVCS.	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 16,800.00	0.0%	16.8%	4/9/2014	6/30/2019
PUBLIC SERVICES										
AEGIS	Varies	AS-NEEDED DEVELOPER PROJECTS FY 15-16	\$ 400,000.00	\$ -	\$ 400,000.00	\$ 188,703.01	0.0%	47.2%	2/12/2015	6/30/2017
TOTALS:			\$ 15,729,547.00	\$ 175,366.00	\$ 15,904,913.00	\$ 7,625,052.07	1.1%			



QUESTIONS?

AGENDA ITEM 11



STAFF REPORT

TYPE		MEETING			
MEETING:	Regular Board	DATE:	September 7, 2016		
SUBMITTED	Mark Watton	W.O./G.F.	N/A	DIV.	N/A
BY:	General Manager	NO:	NO.		
APPROVED BY:	<input checked="" type="checkbox"/> Mark Watton, General Manager				
SUBJECT:	General Manager's Report				

ADMINISTRATIVE SERVICES:

Purchasing and Facilities:

- Cal-Card Oversight through Analytics - The District has made an effort to move low value transactions to Cal-Card to reduce purchasing and payment processing costs. However, to maintain oversight, the District is deploying US Bank's complimentary online analytics service that monitors 100% of all Cal-Card transactions. The service looks for uses that do not conform to the District's policies based on standard and customized rules. If a transaction profile matches one or more of these rules, a notification is sent immediately to a designated supervisor. Under certain circumstances, an investigative case file is opened for additional review and resolution.
- Security and Access Upgrade Program - The District and its security services provider have begun the second and final year of the upgrade program approved by the Board at its regular meeting held June 3, 2015. The Administration building is currently being upgraded with new wiring, access controllers, and break glass sensors to detect intruders entering through ground floor windows. The new management software, Entré, will go-live when the Administrative facility is completed. The finalized program will give the District real-time access control and reliable intrusion detection across all of its facilities.

Human Resources:

- Employee Recognition Luncheon - Mark your calendars to attend the District's Recognition Luncheon scheduled for Wednesday, October 12th, at 11:30 am, at the Operations Center.

- Benefits - HR is working with our benefits consultant to prepare for Open Enrollment, which will be held during the month of October. The rates for 2017 came in at a minimal increase rate of 3.7% for the EPO and PPO plans, and a 9% decrease for the HMO plan. In addition, our benefits consultant is comparing rates for our life insurance plans since the District is at the end of its three-year rate guarantee.
- Recruitments/New Hires - The District is currently recruiting for a Communications Assistant, Senior Procurement and Contracting Analyst, and a Utility Worker. These positions are critical to District operations.

Safety & Security:

- Emergency Preparedness - Staff completed the monthly WebEOC exercise, which consisted of accessing the County of San Diego Office of Emergency Services status board, and providing a test update of the District's EOC status under a simulated proclamation of an emergency. In addition, the District's WebEOC Committee reviewed and agreed to add paper copies of the following: draft condensed emergency response plan; Levels 1 thru 3 emergency response flow chart; WebEOC quick user reference guide; and a copy of EPA's starter guide for water and wastewater utilities "Hazard Mitigation for Natural Disasters."

INFORMATION TECHNOLOGY AND STRATEGIC PLANNING:

- SCADA Roadmap - Staff, with the assistance from an outside consultant, completed a multi-year enterprise SCADA Roadmap. The comprehensive and detailed report provides a strategic outline of goals for the District's new SCADA system. The roadmap is a multi-year plan designed to leverage additional value-added functions such as enhanced remote/mobile control of system, enterprise view and reporting of system activities, smart energy monitoring and analytics, operator process improvements, and system security enhancements, to name a few. Staff will be coordinating information meetings with the Engineering and Operations departments to discuss next steps.
- ArcGIS Portal - Staff completed the deployment of ArcGIS Portal, ESRI's new web platform. The ArcGIS Portal will enable staff to quickly build and share maps, applications, and provide greater mobility to many of the District's current GIS resources. The ArcGIS Portal technology will also help to further streamline the District's yearly assessment effort, and improve the ease of use in order to extend GIS services to additional staff.

FINANCE:

- o Budget Book - Staff is preparing the FY17 Budget books and will be submitting them to the GFOA for award consideration. The

deadline for submission is September 30, 2016.

- o Audited Financial Statements - Outside auditors have concluded their audit field work. A draft report will be sent to the District for review prior to completion.
- Financial Reporting:
 - o For the first month ending July 31, 2016, there are total revenues of \$8,996,848 and total expenses of \$8,129,088. The revenues exceeded expenses by \$867,760.
 - o The market value shown in the Portfolio Summary and in the Investment Portfolio Details as of July 31, 2016 total \$83,647,098 with an average yield to maturity of 0.95%. The total earnings year-to-date are \$70,250.

ENGINEERING AND WATER SYSTEM OPERATIONS:

Engineering:

- **Fred C. Sanders Jr. 2015 Revocable Trust Sewer Annexation to Improvement District (ID) No. 18:** On August 3, 2016, the Board approved Resolution No. 4312 approving the annexation to the Otay Water District ID No. 18 (APN: 498-153-47-00) "11996 Paseo Fuerte, El Cajon, CA." The Resolution included a term and condition that requested the applicant pay the State Board of Equalization filing fee in the amount of \$3,500. This was a typographical error and should have indicated only \$350. This is just to inform the board of the oversight, which did not cause any delays in the annexation.
- **927 Zone, Force Main Assessment and Repair Project:** This Project consists of inspection, condition assessment, and repair of the existing Ralph W. Chapman Water Reclamation Facility (RWCWRF) 1980 era, 16,000 feet long, 14-inch diameter steel force main. Pipeline Inspection and Condition Analysis Corporation (PICA) will return to inspect the lower 12,000 feet of force main in December 2016. A construction contract was awarded to Charles King, Inc. at the August Board Meeting for blow off replacements, cathodic protection system rehabilitation, and other improvements. The Notice to Proceed for that contract was issued on August 18, 2016 to allow time for submittal review and materials procurement ahead of the planned work in October 2016. A fourth amendment to PICA's agreement has been negotiated to coordinate work with Charles King's construction contract award and delays due to cultural resources (artifacts) found at several sites. The fourth amendment includes a credit for dewatering the main. (R2116)

- **36-Inch Main Pumpouts and Air/Vacuum Ventilation Installations:** This project consists of inspection, repairs, and improvements to the District's La Presa 36-Inch Pipeline between San Diego County Water Authority Flow Control Facility Number 11 and the District's Regulatory site. Formal bids to relocate six (6) existing air/vacuum valves from underground vaults to above ground locations were opened August 2, 2016. Award is scheduled for the October 5, 2016 Board Meeting. The project is within budget and on schedule to be completed in February 2017. (P2267)
- **978-1 & 850-2 Reservoir Interior/Exterior Coatings & Upgrades:** This project consists of removing and replacing the interior and exterior coatings of the 978-1 0.5 MG Reservoir and the 850-2 3.1 MG Reservoir, along with providing structural upgrades, to ensure the tanks comply with both State and Federal OSHA standards as well as the American Water Works Association and the County Health Department standards. This project was advertised for construction on August 4, 2016, and the bid opening was held on August 25, 2016. The results of the bid opening will be presented at the September Committee/October Board Meetings. (P2534 & P2544)
- **SR-11 Potable Water Utility Relocations:** Construction for the first two (2) rounds of relocations associated with the SR-11 freeway are complete. A second amendment to Caltrans Utility Agreement Number 33622 was executed on July 11, 2016. Caltrans provided final reimbursement payments for both Caltrans Utility Agreement Numbers 33592 and 33622 early August 2016. The overall project is within budget and on schedule. (P2453)
- **944-1, 944-2, & 458-2 Reservoir Interior/Exterior Coatings & Upgrades:** This project consists of removing and replacing the interior and exterior coatings of the 944-1 0.3 MG Reservoir, the 944-2 3.0 MG Reservoir, and the 458-2 1.8 MG Reservoir, along with providing structural upgrades to ensure the tanks comply with both State and Federal OSHA standards as well as the American Water Works Association and the County Health Department standards. A Notice of Completion for the project was recorded with the County of San Diego on May 5, 2016. The District has received a total of four (4) Stop Payment Notices from subcontractors on the project. The District has been notified that three (3) of the Stop Payment Notices have been resolved. In accordance with applicable State law, the District is withholding funds and retaining contract bonding for the final Stop Payment Notice. Olympus & Associates Inc., Crosno Construction Inc., and the District have entered into an agreement to resolve the final Stop Payment Notice. The agreement allows the District to distribute the final payment and retention funds due. The project is within budget. (P2531, P2532, P2535)

- **711-1 & 711-2 Reservoir Interior/Exterior Coatings & Upgrades:** This project consists of removing and replacing the interior and exterior coatings of the 711-1 3.1 MG Reservoir and the 711-2 2.3 MG Reservoir, along with providing structural upgrades, to ensure the tanks comply with both State and Federal OSHA standards as well as the American Water Works Association and the County Health Department standards. The contractor, Advanced Industrial Services, Inc., has completed the work on the 711-1 Reservoir and the reservoir has been placed into service. The contractor has completed the interior coating work and is currently coating the exterior of the 711-2 Reservoir. It is anticipated that removal and replacement of the exterior coating will be completed in early September 2016. The project is within budget and on schedule to be completed in late September 2016. (P2529 & P2530)
- **980-1 Reservoir Interior/Exterior Coatings & Upgrades:** This project consists of removing and replacing the interior and exterior coatings of the 980-1, 5.0 MG, Reservoir, along with providing structural upgrades, to ensure the tank complies with both State and Federal OSHA standards as well as the American Water Works Association and the County Health Department standards. The contractor, Advanced Industrial Services, Inc., completed the interior and exterior coating work in July. The test results of the newly filled reservoir indicated that the water met all requirements of the State of California and as a result, the 980-1 reservoir was placed into service on August 22, 2016. The project is within budget and the construction contract was accepted by the District in August 2016. (P2545)
- **Rancho San Diego Basin Sewer Rehabilitation - Phase 1:** This project consists of sewer system improvements at fourteen (14) locations within the Rancho San Diego Basin. The work includes replacement of approximately 3,250 linear feet of 8-inch gravity sewer main and the installation of four (4) new manholes. The contractor, Transtar Pipeline, Inc., has installed sewer along Hillsdale Road, Juliana Street, and Donahue Drive with final paving and punch list work pending. Sewer replacement work located within Vista Grande Road is currently under construction. The project is within budget, however, the construction is significantly behind schedule as a result of a late start by the contractor and slow contractor progress. It is anticipated that construction will be completed in November 2016. The contractor has been notified that the project is subject to liquidated damages associated with late delivery. (S2033)
- **Operations Yard Property Acquisition Improvements:** This project consists of the construction of an approximate 27,700 square-foot asphalt concrete parking lot, including storm drainage facilities, chain-link fence, and area lighting. The District accepted the construction contract performed by Montgomery Construction Services,

Inc. on June 30, 2016. A Notice of Completion for the construction contract was recorded by the District with the County of San Diego on July 14, 2016. The parking lot is currently in use. Since the date of contract acceptance, the District has been notified by eight (8) separate suppliers and subcontractors regarding non-payment by Montgomery Construction Services, Inc. Effective Stop Payment Notices for the contract currently total \$123,203.61 on an accepted contract amount of \$422,667.64. As a result of the Stop Payment Notices received by the District, the District is currently withholding final payment, retention, and bonding as required by State law. The project is within budget. (P2537)

- **Water Facilities Master Plan Update:** This project will update the District's existing Water Resources Master Plan that was previously updated in October 2008 and revised in May 2013. The draft Program Environmental Impact Report (PEIR) 45-day public comment period began August 3, 2016. The final PEIR and Water Facilities Master Plan Update should be ready for Board consideration before the end of the year. (P1210)
- **Pure Water Cost Allocation Update:** On August 4, 2016, the City of San Diego and Bureau of Reclamation filed a Notice of the Preparation of an Environmental Impact Report and Scoping Meetings for the first phase of the Pure Water Program to construct a pump station, pipeline, expanded wastewater treatment at the North City Water Reclamation Plant from 30 MGD to 52 MGD, 30 MGD advanced water purification facility, and conveyance pipeline to Miramar Reservoir. At the Metro TAC Meeting held on August 17, 2016, the City of San Diego presented an update on the cost allocation discussions for the project. This is the first of several meetings to go over the framework for project cost allocation between Metro Wastewater and City of San Diego Water Departments.
- **Groundwater Basin Boundary Modification:** On August 16, 2016, staff met with AECOM and Gillingham Water Planning to get an update on the basin boundary modification for the San Diego Formation and the next steps. The City of San Diego filed an application with the California Department of Water Resources (DWR) for a scientific-based modification to the boundaries of the San Diego Formation Groundwater Aquifer, and on April 8, 2016, DWR classified the application as complete and ready for public review. DWR is expected to classify the basin as a medium priority basin as early as September 2016 after which the District will have two (2) years to establish a Groundwater Sustainability Agency (GSA) or form a Joint Powers Authority (JPA) with other stakeholders. The District will have five (5) years from the classification date to submit a Groundwater Sustainability Plan (GSP) to DWR. A GSP may be a single plan for the entire basin developed and implemented by one GSA or it could be a single plan covering the entire basin developed and implemented by multiple GSAs. An alternative, subject to Water Code

Section 10727.6, multiple GSP implemented by multiple GSAs would need to be coordinated pursuant to a single coordination agreement that covers the entire basin.

- **Recycled Water Fire Hydrant Installations:** This project consists of installing fire hydrants/filling stations on the recycled water system for fire suppression. The project includes meeting Title 22 requirements, obtaining regulatory approval, establishing protocol, and site selection. On April 13, 2016, a fill station was constructed at the end of Hunte Parkway. The facility is a locked enclosure within a District easement with easy access to fire department trucks and street sweepers. Staff submitted the project to be enrolled in Order WQ 2014-0090-DWQ, General Waste Discharge Requirements for Recycled Water Use (General Order). On July 20, 2016, the District received approval of the Rules and Regulations for Recycled Water Use by the Regional Board, however, the State Board will require the District to transition to Order WQ 2016-0068-DDW, the new statewide permit that was adopted on June 7, 2016. Staff contacted potential users again to remind them that the recycled water fill station is available for use, subject to the restrictions identified by the Rules and Regulations. (R2122)
- **Ralph W. Chapman Water Reclamation Facility (RWCWRF) Facility Master Plan:** On February 29, 2016, the District issued a Task Order to Arcadis to prepare a Master Plan for the RWCWRF to develop a phased approach to implement improvements with prioritizing identified improvements considering the needs, overall costs, long-term payback on investment, and other factors. The District assembled a list of projects to begin the study, but Arcadis will draw upon their expertise to identify additional work that would improve the operation of the facility. Improved instrumentation to enhance the operation and automation is also being studied. A draft of the master plan was submitted to the District at the end of July 2016. The final plan will be completed in September 2016 and will be used for prioritizing future CIP projects. (R2119)
- **Rosarito Desalination:** NSC Agua, a subsidiary of Consolidated Water Company (CWC0), has emerged as the top-ranked bidder for the seawater desalination plant at Playas de Rosarito, Mexico. NSC Agua finalized a definitive public-private partnership agreement with the State on August 25, 2016. District staff and representatives from NSC Agua continue to coordinate on complying with the California Water Resources Control Board Drinking Water Program regulatory requirements related to source water quality testing. On June 23, 2016, the 45-day public review period ended for the draft EIR/EIS. District staff, U.S. Department of State, and AECOM are working on the responses to the comments for certification of the EIR/EIS by the September 7, 2016 Board Meeting. An update of the project was presented to the Desalination Committee on August 29, 2016. (P2451)

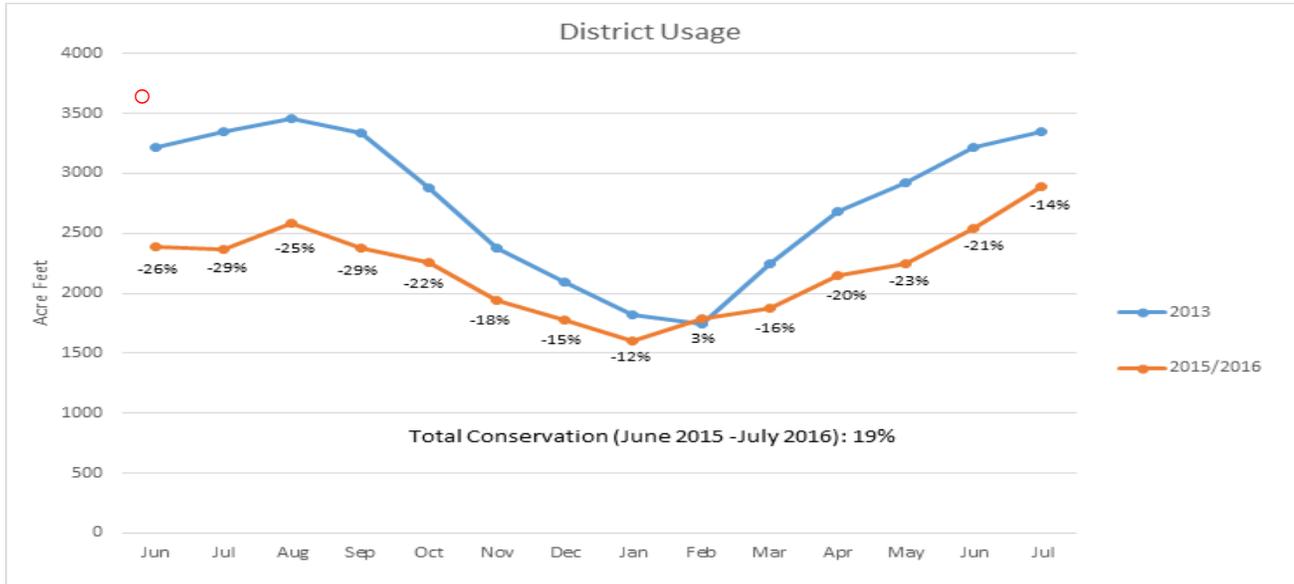
- For the month of July 2016, the District sold 3 meters (26 EDUs), generating \$247,140 in revenue. Projection for this period was 9.7 meters (28.5 EDUs), with budgeted revenue of \$270,175. Total revenue for Fiscal Year 2017 is \$247,140 against the annual budget of \$3,242,100.
- The following table summarizes Engineering's project purchases and Change Orders issued during the period of June 24, 2016 through August 30, 2016 that were within staff signatory authority:

Date	Action	Amount	Contractor/ Consultant	Project
08/04/16	C.O.	\$42,700.00	Carollo Engineers, Inc	870-2 Pump Station (P2083)
08/22/16	P.O.	\$6,511.37	Watchlight Corporation	944-1 & 2 Reservoir/1296-1 Pump Station (P2531)
08/24/16	P.O.	\$10,661.66	Watchlight Corporation	980-1 Reservoir (P2545)

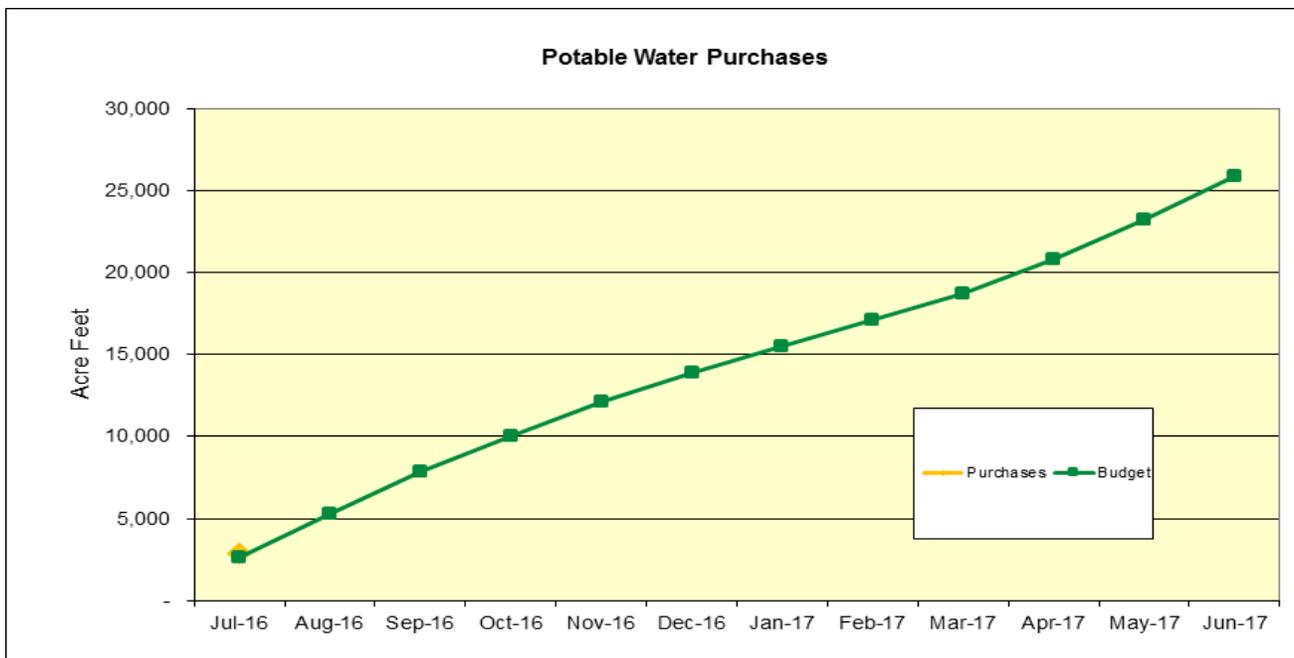
Water System Operations (reporting for July):

- As previously mentioned, on July 14, the District experienced an emergency main break on the 24-inch 624 pressure zone line on Telegraph Canyon Rd. between Apache Drive and Buena Vista. Three customers were initially affected and water trailers were provided until they were high-lined and their water service restored. The cause of the break was a steel saddle for a 2-inch service and the overall condition of about 27-inches of pipe that failed. The main was repaired on July 18, due to the difficulty of the repair, proximity with other utilities, depth, and extremely hard soil.
- On August 1, an APCD inspector came to the District to inspect nine sites. Five gensets and four engines were inspected. No violations were noted. The inspector was so impressed with the necessary documentation by staff that he noted in an email to staff that the level of records organization and professionalism from Otay Water was outstanding and the inspection went quickly and with no violations and saved a lot of time for both agencies.
- Staff has completed the second and final round of special lead and copper sampling as required by the State Water Resources Control Board. The samples have been collected and sent to a lab for testing. The results are expected to be available by the second week of September.

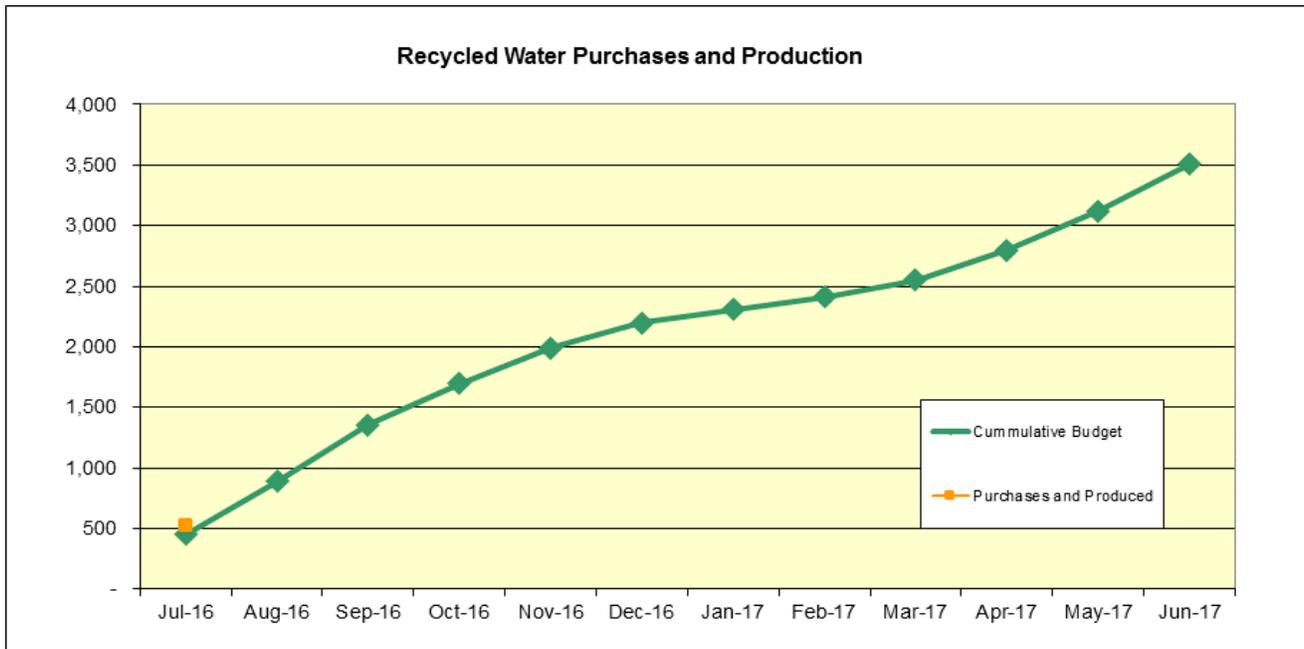
- Conservation - District customers continue to conserve water, however, the overall conservation rate in July was the lowest it has been since February 2016. July 2016 usage was 14% lower than July 2013 usage. Since the State's conservation mandate began in June 2015, customers have saved an average of 19%.



- The July potable water purchases were 2,891.6 acre-feet which is 8.9% above the budget of 2,656.4 acre-feet.



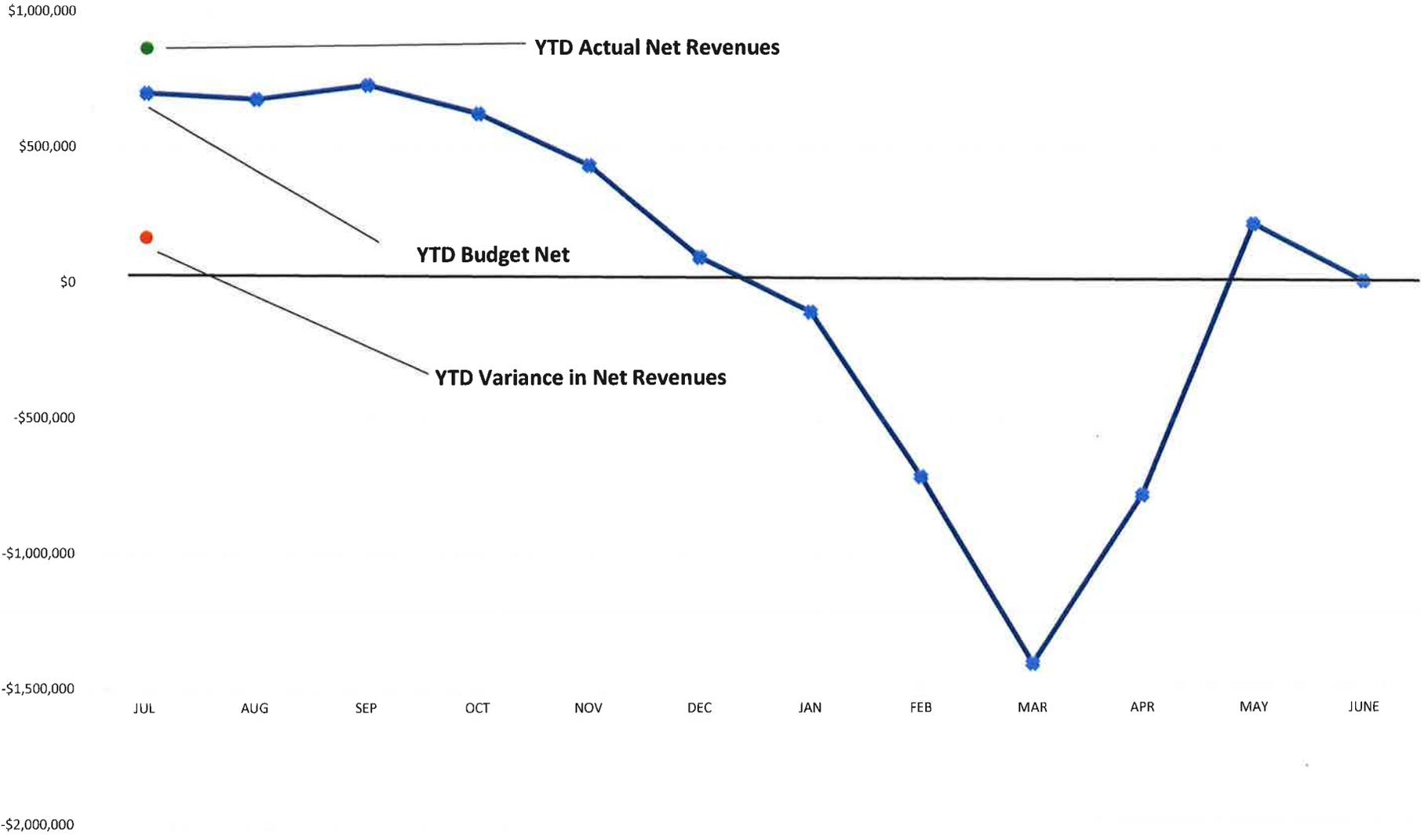
- The July recycled water purchases and production were 519.5 acre-feet which is 14.8% above the budget of 452.7.0 acre-feet.



Potable, Recycled, and Sewer (Reporting up to the month of July):

- Total number of potable water meters is 49,547.
- Recycled water consumption for the month of July is as follows:
 - Total consumption was 539.7 acre-feet or 175,802,440 gallons and the average daily consumption was 5,671,046 gallons per day.
 - Total cumulative recycled water consumption since July 1, 2016 is 539.7 acre-feet.
 - Total number of recycled water meters is 710.
- Wastewater flows for the month of July were as follows:
 - Total basin flow, gallons per day: 1,532,568. This is an increase of 3.61% from June 2015.
 - Spring Valley Sanitation District Flow to Metro, gallons per day: 506,769.
 - Total Otay flow, gallons per day: 1,025,774.
 - Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 936,742.
 - Flow to Metro from Otay Water District was 89,051 gallons per day.
- By the end of July there were 6,101 wastewater EDUs.

**COMPARATIVE BUDGET SUMMARY
NET REVENUES AND EXPENSES
FOR ONE MONTH ENDED JULY 31, 2016**



The July actual net revenues were positive \$867,760, which is \$167,779 below the year-to-date budgeted positive net revenues of \$699,981.

OTAY WATER DISTRICT
COMPARATIVE BUDGET SUMMARY
 FOR ONE MONTH ENDED JULY 31, 2016

	Annual Budget	Actual	Budget	YTD Variance	Var %
REVENUES:					
Potable Water Sales	\$ 44,450,600	\$ 4,782,157	\$ 4,311,700	\$ 470,457	10.9%
Recycled Water Sales	8,900,300	1,143,958	1,041,400	102,558	9.8%
Potable Energy Charges	2,164,200	292,166	271,900	20,266	7.5%
Potable System Charges	12,204,600	1,105,857	1,103,300	2,557	0.2%
Potable MWD & CWA Fixed Charges	12,535,200	1,093,301	1,091,000	2,301	0.2%
Potable Penalties	884,000	59,409	88,300	(28,891)	(32.7%)
Total Water Sales	<u>81,138,900</u>	<u>8,476,848</u>	<u>7,907,600</u>	<u>569,248</u>	<u>7.2%</u>
Sewer Charges	2,918,900	255,166	257,000	(1,834)	(0.7%)
Meter Fees	66,200	4,961	5,500	(539)	(9.8%)
Capacity Fee Revenues	1,248,200	94,944	104,000	(9,056)	(8.7%)
Non-Operating Revenues	2,179,300	122,769	149,100	(26,331)	(17.7%)
Tax Revenues	4,033,100	30,117	25,300	4,817	19.0%
Interest	156,900	12,044	13,100	(1,056)	(8.1%)
Total Revenues	<u>\$ 91,741,500</u>	<u>\$ 8,996,848</u>	<u>\$ 8,461,600</u>	<u>\$ 535,248</u>	<u>6.3%</u>
EXPENSES:					
Potable Water Purchases	\$ 31,271,300	\$ 3,368,714	\$ 3,093,700	\$ (275,014)	(8.9%)
Recycled Water Purchases	3,615,900	326,412	266,950	(59,462)	(22.3%)
CWA-Infrastructure Access Charge	1,976,400	161,143	161,100	(43)	(0.0%)
CWA-Customer Service Charge	1,714,200	145,549	145,500	(49)	(0.0%)
CWA-Reliability Charge	1,848,000	158,342	158,300	(42)	0.0%
CWA-Emergency Storage Charge	4,579,800	383,671	383,700	29	0.0%
MWD-Capacity Res Charge	988,800	80,037	80,000	(37)	(0.0%)
MWD-Readiness to Serve Charge	1,428,000	105,680	132,300	26,620	20.1%
Subtotal Water Purchases	<u>47,422,400</u>	<u>4,729,548</u>	<u>4,421,550</u>	<u>(307,998)</u>	<u>(7.0%)</u>
Power Charges	2,938,000	371,021	296,300	(74,721)	(25.2%)
Payroll & Related Costs	20,899,900	1,545,687	1,553,800	8,113	0.5%
Material & Maintenance	3,456,300	200,695	203,140	2,445	1.2%
Administrative Expenses	4,900,100	267,637	276,495	8,858	3.2%
Legal Fees	250,000	25,000	20,833	(4,167)	(20.0%)
Transfer to General Fund Reserve	1,482,500	123,500	123,500	-	0.0%
Expansion Reserve	4,093,600	341,100	341,100	-	0.0%
Betterment Reserve	3,466,400	288,900	288,900	-	0.0%
Replacement Reserve	464,500	38,700	38,700	-	0.0%
Transfer to Sewer General Fund	1,371,800	114,300	114,300	-	0.0%
OPEB Trust	961,000	80,100	80,100	-	0.0%
New Supply Reserve	35,000	2,900	2,900	-	0.0%
Total Expenses	<u>\$ 91,741,500</u>	<u>\$ 8,129,088</u>	<u>\$ 7,761,619</u>	<u>\$ (367,469)</u>	<u>(4.7%)</u>
EXCESS REVENUES(EXPENSE)	<u>\$ -</u>	<u>\$ 867,760</u>	<u>\$ 699,981</u>	<u>\$ 167,779</u>	

**OTAY WATER DISTRICT
INVESTMENT PORTFOLIO REVIEW
July 31, 2016**

INVESTMENT OVERVIEW & MARKET STATUS:

The federal funds rate has remained constant for over 5 years. On December 16, 2015, at the Federal Reserve Board’s regular scheduled meeting, the federal funds rate was increased from 0.25% to 0.50%” in response to the nation’s gradual economic improvement. The Committee judges that there has been considerable improvement in labor market conditions this year, and it is reasonably confident that inflation will rise, over the medium term, to its 2 percent objective. The stance of monetary policy remains accommodative after this increase, thereby supporting further improvement in labor market conditions and a return to 2 percent inflation. There have been no further changes made to the federal funds rate at the Federal Reserve Board’s subsequent regular meetings, the most recent of which was held on July 27, 2016. In determining the timing and size of future adjustments to the target range for the federal funds rate, they went on to say: *“the Committee will assess realized and expected economic conditions relative to its objectives of maximum employment and 2 percent inflation. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments. In light of the current shortfall of inflation from 2 percent, the Committee will carefully monitor actual and expected progress toward its inflation goal. The Committee expects that economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run. However, the actual path of the federal funds rate will depend on the economic outlook as informed by incoming data.”*

The District’s overall effective rate of return at July 31, 2016 was 0.95%, which was thirteen basis points higher than the previous month. At the same time the LAIF return on deposits has improved over the previous month, reaching an average effective yield of 0.588% for the month of July 2016. Based on our success at maintaining a competitive rate of return on our portfolio during this extended period of low interest rates, no changes in investment strategy regarding returns on investment are being considered at this time. The desired portfolio mix is important in mitigating any liquidity risk from unforeseen changes in LAIF or County Pool policy.

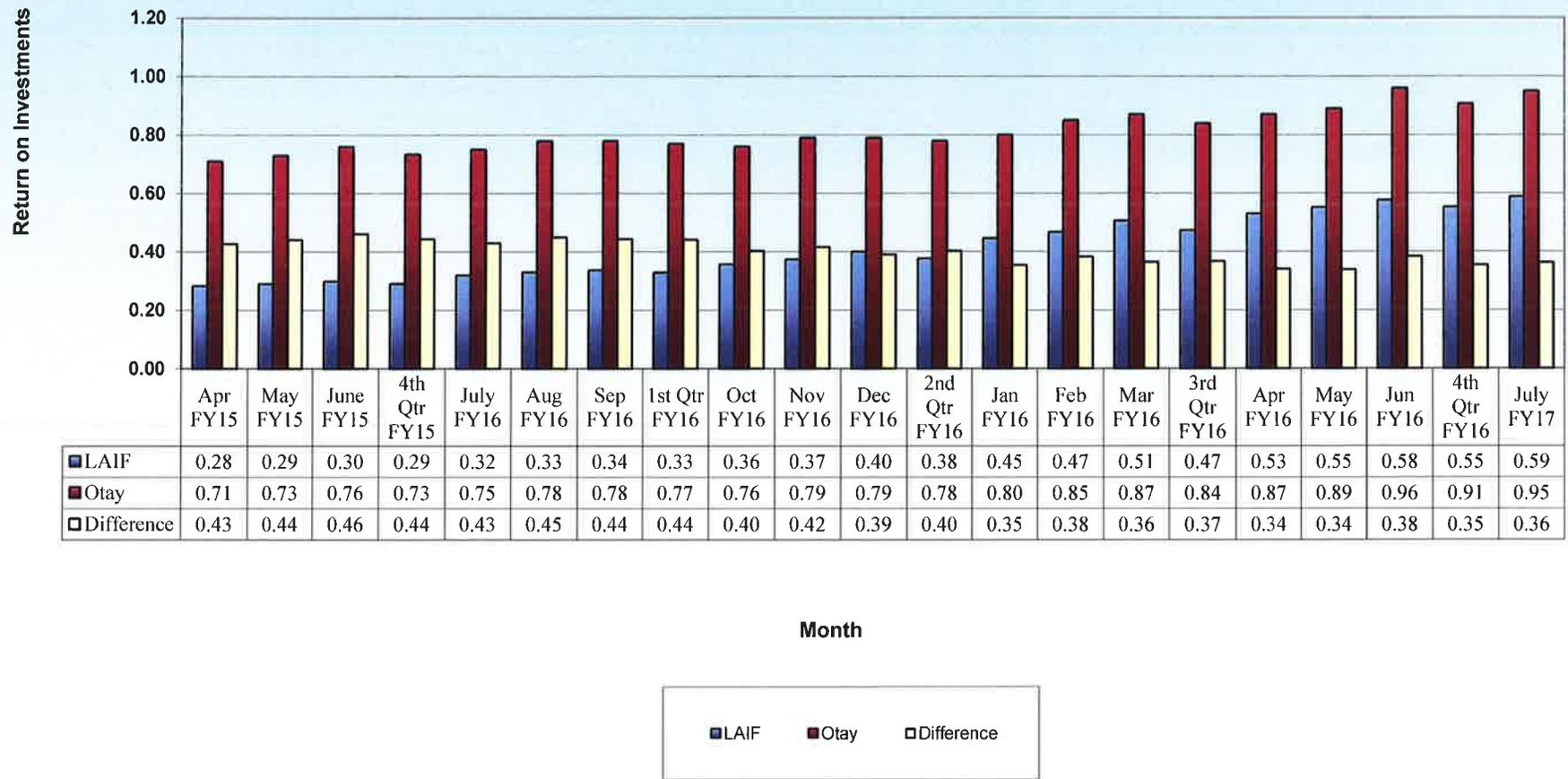
In accordance with the District’s Investment Policy, all District funds continue to be managed based on the objectives, in priority order, of safety, liquidity, and return on investment.

PORTFOLIO COMPLIANCE: July 31, 2016

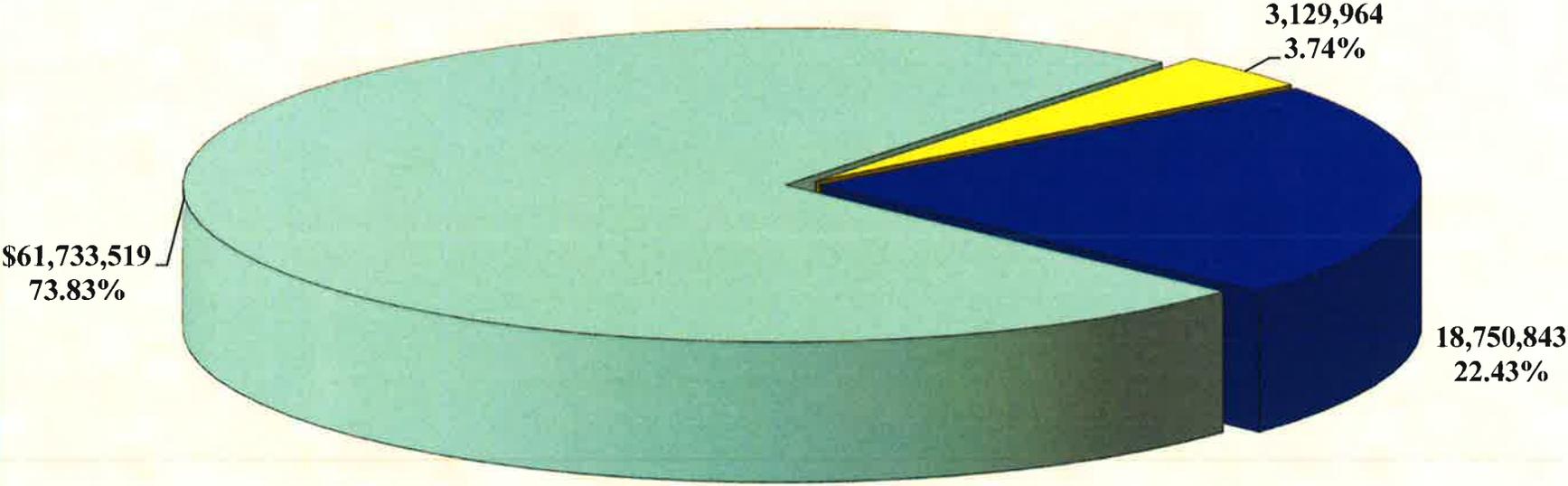
	<u>Investment</u>	<u>State Limit</u>	<u>Otay Limit</u>	<u>Otay Actual</u>
8.01:	Treasury Securities	100%	100%	0
8.02:	Local Agency Investment Fund (Operations)	\$65 Million	\$65 Million	\$5.34 Million
8.02:	Local Agency Investment Fund (Bonds)	100%	100%	0
8.03:	Federal Agency Issues	100%	100%	73.83%
8.04:	Certificates of Deposit	30%	15%	.10%
8.05:	Short-Term Commercial Notes	25%	10%	0
8.06:	Medium-Term Commercial Debt	30%	10%	0
8.07:	Money Market Mutual Funds	20%	10%	0
8.08:	San Diego County Pool	100%	100%	16.04%
12.0:	Maximum Single Financial Institution	100%	50%	3.64%

Performance Measure FY-17 Return on Investment

Target: Meet or Exceed 100% of LAIF



Otay Water District Investment Portfolio: 07/31/2016



Total Cash and Investments: \$83,614,326

■ Banks (Passbook/Checking/CD)

■ Pools (LAIF & County)

■ Agencies & Corporate Notes

**Month End
Portfolio Management
Portfolio Summary
July 31, 2016**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Federal Agency Issues- Callable	57,735,000.00	57,763,341.70	57,735,000.00	71.66	932	773	1.052	1.066
Federal Agency Issues - Coupon	4,000,000.00	4,000,100.00	3,998,519.06	4.96	759	131	0.610	0.618
Certificates of Deposit - Bank	81,833.21	81,833.21	81,833.21	0.10	731	539	0.030	0.030
Local Agency Investment Fund (LAIF)	5,340,374.48	5,343,692.04	5,340,374.48	6.63	1	1	0.580	0.588
San Diego County Pool	13,410,468.41	13,410,000.00	13,410,468.41	16.65	1	1	0.868	0.880
Investments	80,567,676.10	80,598,966.95	80,566,195.16	100.00%	706	561	0.967	0.980
Cash								
Passbook/Checking (not included in yield calculations)	3,048,130.55	3,048,130.55	3,048,130.55		1	1	0.128	0.130
Total Cash and Investments	83,615,806.65	83,647,097.50	83,614,325.71		706	561	0.967	0.980

Total Earnings	July 31 Month Ending	Fiscal Year To Date
Current Year	70,250.01	70,250.01
Average Daily Balance	87,308,177.54	87,308,177.54
Effective Rate of Return	0.95%	0.95%

I hereby certify that the investments contained in this report are made in accordance with the District Investment Policy Number 27 adopted by the Board of Directors on May 4, 2016. The market value information provided by Interactive Data Corporation. The investments provide sufficient liquidity to meet the cash flow requirements of the District for the next six months of expenditures.



 Joseph Beachem, Chief Financial Officer

8-26-16

**Month End
Portfolio Management
Portfolio Details - Investments
July 31, 2016**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity	Maturity Date
Federal Agency Issues- Callable												
3134G5A47	2301	Federal Home Loan Mortgage		06/30/2014	2,000,000.00	2,005,060.00	2,000,000.00	0.650		0.641	151	12/30/2016
3136G23G0	2304	Federal National Mortgage Assoc		08/15/2014	2,000,000.00	2,000,300.00	2,000,000.00	1.050		1.036	379	08/15/2017
3134G8NM7	2345	Federal Home Loan Mortgage		03/29/2016	2,000,000.00	2,000,720.00	2,000,000.00	0.850	AA	0.838	424	09/29/2017
3134G8WW5	2349	Federal Home Loan Mortgage		04/27/2016	2,000,000.00	2,000,360.00	2,000,000.00	0.850	AA	0.838	452	10/27/2017
3134G9D38	2363	Federal Home Loan Mortgage		06/29/2016	2,000,000.00	1,998,720.00	2,000,000.00	0.700	AAA	0.690	515	12/29/2017
3133EEYE4	2320	Federal Farm Credit Bank		04/16/2015	2,000,000.00	2,000,000.00	2,000,000.00	1.000		0.986	533	01/16/2018
3130A85A7	2355	Federal Home Loan Bank		05/26/2016	2,000,000.00	2,000,160.00	2,000,000.00	0.900	AAA	0.888	574	02/26/2018
3130A7H73	2346	Federal Home Loan Bank		03/29/2016	2,000,000.00	2,002,700.00	2,000,000.00	1.000	AA	0.986	605	03/29/2018
3134G9AF4	2350	Federal Home Loan Mortgage		04/26/2016	2,000,000.00	2,000,280.00	2,000,000.00	1.050	AA	1.036	633	04/26/2018
3133EGJU0	2362	Federal Farm Credit Bank		07/05/2016	2,000,000.00	1,997,660.00	2,000,000.00	0.820	AA	0.809	703	07/05/2018
3130A8KR3	2358	Federal Home Loan Bank		06/23/2016	2,000,000.00	1,999,760.00	2,000,000.00	0.820		0.809	704	07/06/2018
3134G8XA2	2348	Federal Home Loan Mortgage		04/27/2016	2,000,000.00	2,001,440.00	2,000,000.00	1.000	AA	0.986	725	07/27/2018
3133EGBG9	2354	Federal Farm Credit Bank		05/23/2016	2,000,000.00	2,000,460.00	2,000,000.00	1.000		0.986	752	08/23/2018
3135G0G64	2336	Fannie Mae		10/30/2015	2,000,000.00	1,997,700.00	2,000,000.00	1.100		1.085	819	10/29/2018
3134G9GB7	2353	Federal Home Loan Mortgage		05/02/2016	2,000,000.00	2,000,000.00	2,000,000.00	1.200		1.184	823	11/02/2018
3136G2R665	2334	Fannie Mae		11/19/2015	2,000,000.00	2,000,460.00	2,000,000.00	1.150		1.134	840	11/19/2018
3130A6UZ8	2338	Federal Home Loan Bank		12/28/2015	2,000,000.00	2,005,040.00	2,000,000.00	1.375		1.356	879	12/28/2018
3134G9ZR1	2360	Federal Home Loan Mortgage		06/28/2016	2,000,000.00	1,999,180.00	2,000,000.00	1.000		0.986	879	12/28/2018
3134G8KL2	2340	Federal Home Loan Mortgage		02/26/2016	2,000,000.00	2,000,680.00	2,000,000.00	1.300		1.282	939	02/26/2019
3136G2ZW0	2342	Federal National Mortgage Assoc		02/26/2016	1,030,000.00	1,030,226.60	1,030,000.00	1.125		1.110	939	02/26/2019
3136G2ZW0	2343	Federal National Mortgage Assoc		02/26/2016	2,705,000.00	2,705,595.10	2,705,000.00	1.125		1.110	939	02/26/2019
3134G8Q44	2344	Federal Home Loan Mortgage		03/29/2016	2,000,000.00	2,000,520.00	2,000,000.00	1.350		1.332	970	03/29/2019
3134G9AW7	2347	Federal Home Loan Mortgage		04/26/2016	2,000,000.00	2,001,940.00	2,000,000.00	1.150	AA	1.134	998	04/26/2019
3134G8ZM4	2351	Federal Home Loan Mortgage		04/29/2016	2,000,000.00	2,001,380.00	2,000,000.00	1.300	AA	1.282	1,001	04/29/2019
3130A7WK7	2352	Federal Home Loan Bank		05/24/2016	2,000,000.00	2,005,440.00	2,000,000.00	1.250		1.233	1,026	05/24/2019
3133EGCZ6	2357	Federal Farm Credit Bank		06/06/2016	2,000,000.00	2,005,680.00	2,000,000.00	1.300	AA	1.282	1,039	06/06/2019
3133EGGS8	2359	Federal Farm Credit Bank		06/27/2016	2,000,000.00	2,000,320.00	2,000,000.00	1.200	AA	1.184	1,060	06/27/2019
3134G9SL2	2356	Federal Home Loan Mortgage		06/28/2016	2,000,000.00	2,004,900.00	2,000,000.00	1.300		1.282	1,061	06/28/2019
3133EGJR7	2361	Federal Farm Credit Bank		07/05/2016	2,000,000.00	1,996,660.00	2,000,000.00	1.020		1.006	1,068	07/05/2019
Subtotal and Average			59,618,870.97		57,735,000.00	57,763,341.70	57,735,000.00			1.052	773	
Federal Agency Issues - Coupon												
3135G0YE7	2286	Federal National Mortgage Assoc		04/01/2014	2,000,000.00	2,000,460.00	2,000,080.92	0.625		0.558	25	08/26/2016
3133EEC73	2329	Federal Farm Credit Bank		06/26/2015	2,000,000.00	1,999,640.00	1,998,438.14	0.550	AA	0.661	238	03/27/2017

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**Month End
Portfolio Management
Portfolio Details - Investments
July 31, 2016**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity	Maturity Date
Subtotal and Average			3,998,471.62		4,000,000.00	4,000,100.00	3,998,519.06			0.610	131	
Certificates of Deposit - Bank												
2050003183-7	2341	California Bank & Trust		01/22/2016	81,833.21	81,833.21	81,833.21	0.030		0.030	539	01/22/2018
Subtotal and Average			81,833.21		81,833.21	81,833.21	81,833.21			0.030	539	
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA			5,340,374.48	5,343,692.04	5,340,374.48	0.588		0.580	1	
LAIF BABS 2010	9012	STATE OF CALIFORNIA		07/01/2016	0.00	0.00	0.00	0.267		0.263	1	
Subtotal and Average			6,525,791.31		5,340,374.48	5,343,692.04	5,340,374.48			0.580	1	
San Diego County Pool												
SD COUNTY POOL	9007	San Diego County			13,410,468.41	13,410,000.00	13,410,468.41	0.880		0.868	1	
Subtotal and Average			13,396,523.32		13,410,468.41	13,410,000.00	13,410,468.41			0.868	1	
Total and Average			87,308,177.54		80,567,676.10	80,598,966.95	80,566,195.16			0.967	561	

**Month End
Portfolio Management
Portfolio Details - Cash
July 31, 2016**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 360	Days to Maturity
Union Bank											
UNION MONEY	9002	STATE OF CALIFORNIA			2,025,006.69	2,025,006.69	2,025,006.69	0.010		0.010	1
PETTY CASH	9003	STATE OF CALIFORNIA			2,950.00	2,950.00	2,950.00			0.000	1
UNION OPERATING	9004	STATE OF CALIFORNIA			941,320.46	941,320.46	941,320.46	0.400		0.395	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2016	27,861.29	27,861.29	27,861.29			0.000	1
RESERVE-10 COPS	9010	STATE OF CALIFORNIA			2,263.76	2,263.76	2,263.76	0.010		0.010	1
RESERVE-10 BABS	9011	STATE OF CALIFORNIA			5,945.58	5,945.58	5,945.58	0.010		0.010	1
UBNA-2010 BOND	9013	STATE OF CALIFORNIA		07/01/2016	0.00	0.00	0.00			0.000	1
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA		07/01/2016	42,782.77	42,782.77	42,782.77			0.000	1
Average Balance			0.00								1
Total Cash and Investments			87,308,177.54		83,615,806.65	83,647,097.50	83,614,325.71			0.967	561

**Month End
GASB 31 Compliance Detail
Sorted by Fund - Fund
July 1, 2016 - July 31, 2016**

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
3134G8KL2	2340	99	Amortized	02/26/2019	2,000,000.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00
3134G8XA2	2348	99	Fair Value	07/27/2018	2,002,300.00	0.00	0.00	0.00	0.00	-860.00	2,001,440.00
3134G9AW7	2347	99	Fair Value	04/26/2019	2,002,900.00	0.00	0.00	0.00	0.00	-960.00	2,001,940.00
3134G8NM7	2345	99	Amortized	09/29/2017	2,000,000.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00
3134G8Q44	2344	99	Fair Value	03/29/2019	2,001,020.00	0.00	0.00	0.00	0.00	-500.00	2,000,520.00
3134G8WW5	2349	99	Fair Value	10/27/2017	2,000,180.00	0.00	0.00	0.00	0.00	180.00	2,000,360.00
3134G5A47	2301	99	Fair Value	12/30/2016	2,005,720.00	0.00	0.00	0.00	0.00	-660.00	2,005,060.00
3134G9AF4	2350	99	Fair Value	04/26/2018	2,000,900.00	0.00	0.00	0.00	0.00	-620.00	2,000,280.00
3134G9ZR1	2360	99	Fair Value	12/28/2018	2,000,360.00	0.00	0.00	0.00	0.00	-1,180.00	1,999,180.00
3134G9D38	2363	99	Fair Value	12/29/2017	1,999,940.00	0.00	0.00	0.00	0.00	-1,220.00	1,998,720.00
3134G8ZM4	2351	99	Fair Value	04/29/2019	2,000,480.00	0.00	0.00	0.00	0.00	900.00	2,001,380.00
3134G9SL2	2356	99	Amortized	06/28/2019	2,000,000.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00
3134G9GB7	2353	99	Fair Value	11/02/2018	2,000,160.00	0.00	0.00	0.00	0.00	-160.00	2,000,000.00
3136G23G0	2304	99	Fair Value	08/15/2017	2,001,040.00	0.00	0.00	0.00	0.00	-740.00	2,000,300.00
3136G2ZW0	2342	99	Amortized	02/26/2019	1,030,000.00	0.00	0.00	0.00	0.00	0.00	1,030,000.00
3136G2ZW0	2343	99	Fair Value	02/26/2019	2,706,460.70	0.00	0.00	0.00	0.00	-865.60	2,705,595.10
3135G0YE7	2286	99	Fair Value	08/26/2016	2,000,460.00	0.00	0.00	0.00	0.00	0.00	2,000,460.00
3130A8KR3	2358	99	Fair Value	07/06/2018	2,002,680.00	0.00	0.00	0.00	0.00	-2,920.00	1,999,760.00
3130A85A7	2355	99	Fair Value	02/26/2018	2,000,480.00	0.00	0.00	0.00	0.00	-320.00	2,000,160.00
3130A7H73	2346	99	Fair Value	03/29/2018	2,003,680.00	0.00	0.00	0.00	0.00	-980.00	2,002,700.00
3130A7WK7	2352	99	Fair Value	05/24/2019	2,006,780.00	0.00	0.00	0.00	0.00	-1,340.00	2,005,440.00
3130A56B0	2325	99	Fair Value	05/04/2018	1,200,048.00	0.00	0.00	1,200,000.00	0.00	-48.00	0.00
3130A72G9	2339	99	Amortized	01/29/2019	2,000,000.00	0.00	0.00	2,000,000.00	0.00	0.00	0.00
3130A6UZ8	2338	99	Amortized	12/28/2018	2,000,000.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00
UBNA-2010 BOND	9013	99	Amortized		0.00	0.00	0.00	0.00	0.00	0.00	0.00
RESERVE-10 BABS	9011	99	Amortized		5,944.45	0.00	1.13	0.00	0.00	0.00	5,945.58
PAYROLL	9005	99	Amortized		0.00	27,861.29	0.00	0.00	0.00	0.00	27,861.29
RESERVE-10 COPS	9010	99	Amortized		2,263.42	0.00	0.34	0.00	0.00	0.00	2,263.76
UNION MONEY	9002	99	Amortized		59,205.66	0.00	9,186,112.58	7,220,311.55	0.00	0.00	2,025,006.69
PETTY CASH	9003	99	Amortized		2,950.00	0.00	0.00	0.00	0.00	0.00	2,950.00

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Month End
GASB 31 Compliance Detail
 Sorted by Fund - Fund

CUSIP	Investment #	Fund	Investment Class	Maturity Date	Beginning Invested Value	Purchase of Principal	Addition to Principal	Redemption of Principal	Adjustment in Value		Ending Invested Value
									Amortization Adjustment	Change in Market Value	
Fund: Treasury Fund											
UNION OPERATING	9004	99	Amortized		1,266,016.03	0.00	1,485,316.56	1,810,012.13	0.00	0.00	941,320.46
LAIF BABS 2010	9012	99	Fair Value		0.00	0.00	0.00	0.00	0.00	0.00	0.00
UBNA-FLEX ACCT	9014	99	Amortized		0.00	50,891.84	0.00	8,109.07	0.00	0.00	42,782.77
LAIF	9001	99	Fair Value		6,331,635.28	0.00	4,510,138.56	5,500,000.00	0.00	1,918.20	5,343,692.04
3133EEC73	2329	99	Amortized	03/27/2017	1,998,239.59	0.00	0.00	0.00	198.55	0.00	1,998,438.14
3133EGJR7	2361	99	Amortized	07/05/2019	0.00	2,000,000.00	0.00	0.00	0.00	0.00	2,000,000.00
3133EGGS8	2359	99	Fair Value	06/27/2019	2,001,060.00	0.00	0.00	0.00	0.00	-740.00	2,000,320.00
3133EGJU0	2362	99	Fair Value	07/05/2018	0.00	2,000,000.00	0.00	0.00	0.00	-2,340.00	1,997,660.00
3133EEXC9	2323	99	Fair Value	04/06/2017	2,000,040.00	0.00	0.00	2,000,000.00	0.00	-40.00	0.00
3133EGCZ6	2357	99	Fair Value	06/06/2019	2,007,080.00	0.00	0.00	0.00	0.00	-1,400.00	2,005,680.00
3133EELR9	2317	99	Fair Value	01/27/2017	2,000,000.00	0.00	0.00	2,000,000.00	0.00	0.00	0.00
3133EEYE4	2320	99	Fair Value	01/16/2018	2,000,020.00	0.00	0.00	0.00	0.00	-20.00	2,000,000.00
3133EGBG9	2354	99	Fair Value	08/23/2018	2,000,940.00	0.00	0.00	0.00	0.00	-480.00	2,000,460.00
2050003183-7	2341	99	Amortized	01/22/2018	81,833.21	0.00	0.00	0.00	0.00	0.00	81,833.21
3136G2R665	2334	99	Amortized	11/19/2018	2,000,000.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00
3135G0G64	2336	99	Amortized	10/29/2018	2,000,000.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00
SD COUNTY POOL	9007	99	Fair Value		13,386,000.00	0.00	22,752.51	0.00	0.00	1,247.49	13,410,000.00
Subtotal					86,108,816.34	4,078,753.13	15,204,321.68	21,738,432.75	198.55	-14,147.91	83,639,509.04
Total					86,108,816.34	4,078,753.13	15,204,321.68	21,738,432.75	198.55	-14,147.91	83,639,509.04

**Month End
Activity Report
Sorted By Issuer
July 1, 2016 - July 31, 2016**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
Issuer: STATE OF CALIFORNIA										
Union Bank										
UNION MONEY	9002	STATE OF CALIFORNIA			0.010		9,186,112.58	7,220,311.55		
UNION OPERATING	9004	STATE OF CALIFORNIA			0.400		1,485,316.56	1,810,012.13		
PAYROLL	9005	STATE OF CALIFORNIA					27,861.29	0.00		
RESERVE-10 COPS	9010	STATE OF CALIFORNIA			0.010		0.34	0.00		
RESERVE-10 BABS	9011	STATE OF CALIFORNIA			0.010		1.13	0.00		
UBNA-FLEX ACCT	9014	STATE OF CALIFORNIA					50,891.84	8,109.07		
Subtotal and Balance				1,336,379.56			10,750,183.74	9,038,432.75		3,048,130.55
Local Agency Investment Fund (LAIF)										
LAIF	9001	STATE OF CALIFORNIA			0.588		4,510,138.56	5,500,000.00		
Subtotal and Balance				6,330,235.92			4,510,138.56	5,500,000.00		5,340,374.48
Issuer Subtotal				10.032%	7,666,615.48		15,260,322.30	14,538,432.75		8,388,505.03
Issuer: California Bank & Trust										
Certificates of Deposit - Bank										
Subtotal and Balance				81,833.21						81,833.21
Issuer Subtotal				0.098%	81,833.21		0.00	0.00		81,833.21
Issuer: Fannie Mae										
Federal Agency Issues- Callable										
Subtotal and Balance				4,000,000.00						4,000,000.00
Issuer Subtotal				4.784%	4,000,000.00		0.00	0.00		4,000,000.00
Issuer: Federal Farm Credit Bank										

**Month End
Activity Report
July 1, 2016 - July 31, 2016**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
Issuer: Federal Farm Credit Bank										
Federal Agency Issues- Callable										
3133EELR9	2317	Federal Farm Credit Bank			0.625	07/01/2016	0.00	2,000,000.00		
3133EEXC9	2323	Federal Farm Credit Bank			0.690	07/06/2016	0.00	2,000,000.00		
3133EGJR7	2361	Federal Farm Credit Bank			1.020	07/05/2016	2,000,000.00	0.00		
3133EGJU0	2362	Federal Farm Credit Bank			0.820	07/05/2016	2,000,000.00	0.00		
Subtotal and Balance				12,000,000.00			4,000,000.00	4,000,000.00		12,000,000.00
Federal Agency Issues - Coupon										
Subtotal and Balance				2,000,000.00						2,000,000.00
Issuer Subtotal			16.743%	14,000,000.00			4,000,000.00	4,000,000.00		14,000,000.00
Issuer: Federal Home Loan Bank										
Federal Agency Issues- Callable										
3130A56B0	2325	Federal Home Loan Bank			1.120	07/08/2016	0.00	1,200,000.00		
3130A72G9	2339	Federal Home Loan Bank			1.500	07/29/2016	0.00	2,000,000.00		
Subtotal and Balance				13,200,000.00			0.00	3,200,000.00		10,000,000.00
Issuer Subtotal			11.959%	13,200,000.00			0.00	3,200,000.00		10,000,000.00
Issuer: Federal Home Loan Mortgage										
Federal Agency Issues- Callable										
Subtotal and Balance				26,000,000.00						26,000,000.00
Issuer Subtotal			31.095%	26,000,000.00			0.00	0.00		26,000,000.00
Issuer: Federal National Mortgage Assoc										
Federal Agency Issues- Callable										
Subtotal and Balance				5,735,000.00						5,735,000.00
Federal Agency Issues - Coupon										
Subtotal and Balance				2,000,000.00						2,000,000.00

Month End
Activity Report
July 1, 2016 - July 31, 2016

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
Issuer Subtotal			9.251%	7,735,000.00			0.00	0.00	7,735,000.00
Issuer: San Diego County									
San Diego County Pool									
SD COUNTY POOL	9007	San Diego County			0.880		22,752.51	0.00	
Subtotal and Balance				13,387,715.90			22,752.51	0.00	13,410,468.41
Issuer Subtotal			16.038%	13,387,715.90			22,752.51	0.00	13,410,468.41
Total			100.000%	86,071,164.59			19,283,074.81	21,738,432.75	83,615,806.65

**Month End
Duration Report
Sorted by Investment Type - Investment Type
Through 07/31/2016**

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
3134G5A47	2301	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,005,060.00	.6500000	0.641	0.144	12/30/2016	0.413
3136G23G0	2304	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,000,300.00	1.050000	1.036	1.036	08/15/2017	1.026
3133EEYE4	2320	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	2,000,000.00	1.000000	0.986	1.000	01/16/2018	1.443
3136G2R665	2334	99	Fannie Mae	Amort	2,000,000.00	2,000,000.00	2,000,460.00	1.150000	1.134	1.140	11/19/2018	2.257
3135G0G64	2336	99	Fannie Mae	Amort	2,000,000.00	2,000,000.00	1,997,700.00	1.100000	1.085	1.152	10/29/2018	2.204
3130A6UZ8	2338	99	Federal Home Loan Bank	Amort	2,000,000.00	2,000,000.00	2,005,040.00	1.375000	1.356	1.269	12/28/2018	2.359
3134G8KL2	2340	99	Federal Home Loan Mortgage	Amort	2,000,000.00	2,000,000.00	2,000,680.00	1.300000	1.282	1.287	02/26/2019	2.505
3136G2ZW0	2342	99	Federal National Mortgage Assoc	Amort	1,030,000.00	1,030,000.00	1,030,226.60	1.125000	1.110	1.116	02/26/2019	2.513
3136G2ZW0	2343	99	Federal National Mortgage Assoc	Fair	2,705,000.00	2,705,000.00	2,705,595.10	1.125000	1.110	1.116	02/26/2019	2.513
3134G8Q44	2344	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,000,520.00	1.350000	1.332	1.340	03/29/2019	2.594
3134G8NM7	2345	99	Federal Home Loan Mortgage	Amort	2,000,000.00	2,000,000.00	2,000,720.00	.8500000	0.838	0.819	09/29/2017	1.149
3130A7H73	2346	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,002,700.00	1.000000	0.986	0.918	03/29/2018	1.638
3134G9AW7	2347	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,001,940.00	1.150000	1.134	1.114	04/26/2019	2.678
3134G8XA2	2348	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,001,440.00	1.000000	0.986	0.963	07/27/2018	1.960
3134G8VW5	2349	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,000,360.00	.8500000	0.838	0.836	10/27/2017	1.227
3134G9AF4	2350	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,000,280.00	1.050000	1.036	1.042	04/26/2018	1.711
3134G8ZM4	2351	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,001,380.00	1.300000	1.282	1.275	04/29/2019	2.679
3130A7WK7	2352	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,005,440.00	1.250000	1.233	1.152	05/24/2019	2.751
3134G9GB7	2353	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	2,000,000.00	1.200000	1.184	1.200	11/02/2018	2.210
3133EGBG9	2354	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	2,000,460.00	1.000000	0.986	0.989	08/23/2018	2.031
3130A85A7	2355	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,000,160.00	.9000000	0.888	0.895	02/26/2018	1.552
3134G9SL2	2356	99	Federal Home Loan Mortgage	Amort	2,000,000.00	2,000,000.00	2,004,900.00	1.300000	1.282	1.214	06/28/2019	2.843
3133EGCZ6	2357	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	2,005,680.00	1.300000	1.282	1.198	06/06/2019	2.782
3130A8KR3	2358	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,999,760.00	.8200000	0.809	0.826	07/06/2018	1.909
3133EGGS8	2359	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	2,000,320.00	1.200000	1.184	1.194	06/27/2019	2.844
3134G9ZR1	2360	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,999,180.00	1.000000	0.986	1.017	12/28/2018	2.371
3133EGJR7	2361	99	Federal Farm Credit Bank	Amort	2,000,000.00	2,000,000.00	1,996,660.00	1.020000	1.006	1.078	07/05/2019	2.874
3133EGJU0	2362	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	1,997,660.00	.8200000	0.809	0.881	07/05/2018	1.907
3134G9D38	2363	99	Federal Home Loan Mortgage	Fair	2,000,000.00	2,000,000.00	1,998,720.00	.7000000	0.690	0.746	12/29/2017	1.400

**Month End
Duration Report
Sorted by Investment Type - Investment Type
Through 07/31/2016**

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 360	Current Yield	Maturity/ Call Date	Modified Duration
3135G0YE7	2286	99	Federal National Mortgage Assoc	Fair	2,000,080.92	2,000,000.00	2,000,460.00	.6250000	0.558	0.579	08/26/2016	0.068
3133EEC73	2329	99	Federal Farm Credit Bank	Amort	1,998,438.14	2,000,000.00	1,999,640.00	.5500000	0.661	0.578	03/27/2017	0.652
2050003183-7	2341	99	California Bank & Trust	Amort	81,833.21	81,833.21	81,833.21	.0300000	0.030	0.030	01/22/2018	1.473 †
LAIF	9001	99	STATE OF CALIFORNIA	Fair	5,340,374.48	5,340,374.48	5,343,692.04	.5880000	0.580	0.588		0.000
LAIF BABS 2010	9012	99	STATE OF CALIFORNIA	Fair	0.00	0.00	0.00	.2670000	0.263	0.267		0.000
SD COUNTY	9007	99	San Diego County	Fair	13,410,468.41	13,410,468.41	13,410,000.00	.8800000	0.868	0.880		0.000
Report Total					80,566,195.16	80,567,676.10	80,598,966.95			0.954		1.509 †

† = Duration can not be calculated on these investments due to incomplete Market price data.

**Month End
Interest Earnings
Sorted by Fund - Fund
July 1, 2016 - July 31, 2016
Yield on Beginning Book Value**

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Annualized Rate	Annualized Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: Treasury Fund												
3134G8KL2	2340	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	02/26/2019	1.300	1.276	2,166.66	0.00	2,166.66
3134G8XA2	2348	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	07/27/2018	1.000	0.981	1,666.66	0.00	1,666.66
3134G9AW7	2347	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	04/26/2019	1.150	1.128	1,916.66	0.00	1,916.66
3134G8NM7	2345	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	09/29/2017	0.850	0.834	1,416.67	0.00	1,416.67
3134G8Q44	2344	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	03/29/2019	1.350	1.325	2,250.00	0.00	2,250.00
3134G8VW5	2349	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	10/27/2017	0.850	0.834	1,416.67	0.00	1,416.67
3134G5A47	2301	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	12/30/2016	0.650	0.638	1,083.33	0.00	1,083.33
3134G9AF4	2350	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	04/26/2018	1.050	1.030	1,750.00	0.00	1,750.00
3134G9ZR1	2360	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	12/28/2018	1.000	0.981	1,666.66	0.00	1,666.66
3134G9D38	2363	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	12/29/2017	0.700	0.687	1,166.66	0.00	1,166.66
3134G8ZM4	2351	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	04/29/2019	1.300	1.276	2,166.66	0.00	2,166.66
3134G9SL2	2356	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	06/28/2019	1.300	1.276	2,166.66	0.00	2,166.66
3134G9GB7	2353	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	11/02/2018	1.200	1.177	2,000.00	0.00	2,000.00
3136G23G0	2304	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	08/15/2017	1.050	1.030	1,750.00	0.00	1,750.00
3136G2ZW0	2342	99	MC1	1,030,000.00	1,030,000.00	1,030,000.00	02/26/2019	1.125	1.104	965.62	0.00	965.62
3136G2ZW0	2343	99	MC1	2,705,000.00	2,705,000.00	2,705,000.00	02/26/2019	1.125	1.104	2,535.93	0.00	2,535.93
3135G0YE7	2286	99	FAC	2,000,000.00	2,000,178.03	2,000,080.92	08/26/2016	0.625	0.556	1,041.67	-97.11	944.56
3130A8KR3	2358	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	07/06/2018	0.820	0.805	1,366.67	0.00	1,366.67
3130A85A7	2355	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	02/26/2018	0.900	0.883	1,500.00	0.00	1,500.00
3130A7H73	2346	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	03/29/2018	1.000	0.981	1,666.67	0.00	1,666.67
3130A7WK7	2352	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	05/24/2019	1.250	1.226	2,083.34	0.00	2,083.34
3130A56B0	2325	99	MC1	0.00	1,200,000.00	0.00	05/04/2018	1.120	1.136	261.33	0.00	261.33
3130A72G9	2339	99	MC1	0.00	2,000,000.00	0.00	01/29/2019	1.500	1.521	2,333.33	0.00	2,333.33
3130A6UZ8	2338	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	12/28/2018	1.375	1.349	2,291.66	0.00	2,291.66
RESERVE-10 BABS	9011	99	PA1	5,945.58	5,944.45	5,945.58		0.010	0.010	0.05	0.00	0.05
RESERVE-10 COPS	9010	99	PA1	2,263.76	2,263.42	2,263.76		0.010	0.010	0.02	0.00	0.02
UNION MONEY	9002	99	PA1	2,025,006.69	59,205.66	2,025,006.69		0.010	0.154	7.72	0.00	7.72
UNION OPERATING	9004	99	PA1	941,320.46	1,266,016.03	941,320.46		0.400	0.851	914.65	0.00	914.65
LAIF	9001	99	LA1	5,340,374.48	6,330,235.92	5,340,374.48		0.588	0.606	3,258.96	0.00	3,258.96

Data Updated: SET_ME8: 08/25/2016 09:33

Run Date: 08/25/2016 - 09:33

Portfolio OTAY

NL! AP

IE (PRF_IE) 7.2.0

Report Ver. 7.3.5

Month End
Interest Earnings
July 1, 2016 - July 31, 2016

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Ending Book Value	Maturity Date	Current Annualized Rate	Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: Treasury Fund												
3133EEC73	2329	99	FAC	2,000,000.00	1,998,239.59	1,998,438.14	03/27/2017	0.550	0.657	916.66	198.55	1,115.21
3133EGJR7	2361	99	MC1	2,000,000.00	0.00	2,000,000.00	07/05/2019	1.020	0.996	1,473.33	0.00	1,473.33
3133EGGS8	2359	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	06/27/2019	1.200	1.177	2,000.00	0.00	2,000.00
3133EGJU0	2362	99	MC1	2,000,000.00	0.00	2,000,000.00	07/05/2018	0.820	0.801	1,184.44	0.00	1,184.44
3133EEXC9	2323	99	MC1	0.00	2,000,000.00	0.00	04/06/2017	0.690	0.700	191.67	0.00	191.67
3133EGCZ6	2357	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	06/06/2019	1.300	1.276	2,166.66	0.00	2,166.66
3133EEYE4	2320	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	01/16/2018	1.000	0.981	1,666.66	0.00	1,666.66
3133EGBG9	2354	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	08/23/2018	1.000	0.981	1,666.67	0.00	1,666.67
2050003183-7	2341	99	BCD	81,833.21	81,833.21	81,833.21	01/22/2018	0.030	0.030	2.11	0.00	2.11
3136G2R665	2334	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	11/19/2018	1.150	1.141	1,937.50	0.00	1,937.50
3135G0G64	2336	99	MC1	2,000,000.00	2,000,000.00	2,000,000.00	10/29/2018	1.100	1.079	1,833.33	0.00	1,833.33
SD COUNTY POOL	9007	99	LA3	13,410,468.41	13,387,715.90	13,410,468.41		0.880	0.881	10,012.52	0.00	10,012.52
Subtotal				83,542,212.59	84,066,632.21	83,540,731.65			0.972	69,862.46	101.44	69,963.90
Total				83,542,212.59	84,066,632.21	83,540,731.65			0.972	69,862.46	101.44	69,963.90



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	September 7, 2016
SUBMITTED BY:	Rita Bell, Finance Manager, Treasury & Accounting Services	W.O./G.F. NO:	DIV. NO.
APPROVED BY:	Joseph Beachem, Chief Financial Officer (Chief)		
APPROVED BY:	German Alvarez, Assistant General Manager (Asst. GM)		
SUBJECT:	Accounts Payable Demand List		

PURPOSE:

Attached is the list of demands for the Board's information.

FISCAL IMPACT:

SUMMARY FOR PERIOD 7/21/2016 - 8/24/2016	NET DEMANDS
CHECKS (2046439 - 2046639)	\$ 2,241,611.34
VOID CHECKS (3)	(\$ 31,665.83)
TOTAL CHECKS	\$ 2,209,945.51
WIRE TO:	
CITY OF CHULA VISTA - BI-MONTHLY SEWER CHARGES (MAY-JUNE 2016)	\$ 3,296,552.88
CITY TREASURER - RECLAIMED WATER PURCHASE (6/3/16-7/5/16)	\$ 217,492.45
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 644.00
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 630.00
OTAY WATER DISTRICT - BI-WEEKLY PAYROLL DEDUCTION	\$ 630.00
PREFERRED BENEFIT INSURANCE - DENTAL & COBRA CLAIMS (JULY 2016)	\$ 15,053.70
PREFERRED BENEFIT INSURANCE - DENTAL BENEFITS (AUG 2016)	\$ 1,196.62
SAN DIEGO COUNTY WATER AUTH - CAPACITY FEES COLLECTED (4/1/16-6/30/16)	\$ 278,923.00
SAN DIEGO COUNTY WATER AUTH - WATER DELIVERIES & CHARGES (JUNE 2016)	\$ 4,021,161.83
SPECIAL DISTRICT RISK - HEALTH ADMINISTRATION (AUG 2016)	\$ 298,824.30
SPECIAL DISTRICT RISK - HEALTH ADMINISTRATION (SEPT 2016)	\$ 301,155.00
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 621.22
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 237.69
STATE DISBURSEMENT UNIT - BI-WEEKLY PAYROLL DEDUCTION	\$ 621.22
STATE OF CALIFORNIA - CA SALES USE TAX (2ND QTR 2016)	\$ 2,370.00
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 146,380.17
UNION BANK - BI-WEEKLY PAYROLL TAXES	\$ 147,486.10
UNION BANK NA - COPS 1996 (MONTHLY)	\$ 3,382.90
TOTAL CASH DISBURSEMENTS	\$ 10,943,546.28

RECOMMENDED ACTION:

That the Board received the attached list of demands.

Jb/Attachment

CHECK REGISTER

Otay Water District

Date Range: 7/21/2016 - 8/24/2016

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2046560	08/17/16	01910	ABCANA INDUSTRIES	991237	07/28/16	SODIUM HYPOCHLORITE	2,465.46	
				990510	07/19/16	SODIUM HYPOCHLORITE	2,401.11	
				990646	07/21/16	SODIUM HYPOCHLORITE	1,215.92	
				991084	07/27/16	SODIUM HYPOCHLORITE	1,161.18	
				990647	07/21/16	SODIUM HYPOCHLORITE	1,032.48	
				991238	07/28/16	SODIUM HYPOCHLORITE	1,026.72	
				990648	07/21/16	SODIUM HYPOCHLORITE	768.36	
				991243	07/28/16	SODIUM HYPOCHLORITE	624.29	
2046478	08/03/16	01910	ABCANA INDUSTRIES	989464	07/07/16	SODIUM HYPOCHLORITE	2,825.63	
				990036	07/14/16	SODIUM HYPOCHLORITE	2,508.68	
				989546	07/08/16	SODIUM HYPOCHLORITE	1,440.67	
				989547	07/08/16	SODIUM HYPOCHLORITE	816.38	
				989313	07/05/16	SODIUM HYPOCHLORITE	576.27	
				990107	07/14/16	SODIUM HYPOCHLORITE	537.85	
				990108	07/14/16	SODIUM HYPOCHLORITE	115.25	
2046561	08/17/16	08488	ABLEFORCE INC	6972	08/08/16	SHAREPOINT SERVICES (7/6/16-7/27/16)	1,200.00	1,200.00
2046522	08/10/16	17447	ABRIL GRUBER	Ref002464688	08/08/16	UB Refund Cst #0000204359	13.75	13.75
2046562	08/17/16	13901	ADVANCED INDUSTRIAL SVCS INC	807312016	07/30/16	711-1 & 2 RESERVOIR (ENDING 7/31/16)	169,182.65	220,553.90
				607312016	07/30/16	980-1 RESERVOIR (ENDING 7/31/16)	51,371.25	
2046439	07/27/16	17418	AGUSTIN GALEANA	Ref002463573	07/25/16	UB Refund Cst #0000225744	100.00	100.00
2046563	08/17/16	07732	AIRGAS SPECIALTY PRODUCTS INC	131447866	07/21/16	AQUA AMMONIA	3,096.00	4,621.00
				131447865	07/21/16	AQUA AMMONIA	1,525.00	
2046564	08/17/16	13753	AIRGAS USA LLC	9938337518	07/31/16	BREATHING AIR BOTTLES	52.02	52.02
2046565	08/17/16	15024	AIRX UTILITY SURVEYORS INC	607312016	07/28/16	UTILITY LOCATING SERVICES (6/28/16-7/15/16)	8,268.00	8,268.00
2046523	08/10/16	17443	ALEJANDRO YBARRA	Ref002464684	08/08/16	UB Refund Cst #0000123015	83.60	83.60
2046605	08/24/16	17480	ALLEXIS GAWORECKI	Ref002464832	08/22/16	UB Refund Cst #0000217650	35.75	35.75
2046479	08/03/16	14462	ALYSON CONSULTING	CM201652	07/05/16	MGMT/INSP (6/1/16-6/30/16)	9,170.00	18,470.00
				CM201649	07/05/16	MGMT/INSP (6/1/16-6/30/16)	3,300.00	
				CM201651	07/05/16	MGMT/INSP (6/1/16-6/30/16)	3,150.00	
				CM201650	07/05/16	MGMT/INSP (6/1/16-6/30/16)	2,850.00	
2046480	08/03/16	11590	AMERICAN DIGITAL CARTOGRAPHY	21316	07/25/16	SOFTWARE LICENSE (8/1/16-7/31/17)	8,201.00	8,201.00
2046524	08/10/16	17441	ANN FELICIANO	Ref002464682	08/08/16	UB Refund Cst #0000069303	85.59	85.59

CHECK REGISTER

Otay Water District

Date Range: 7/21/2016 - 8/24/2016

Check #	Date	Vendor	Vendor Name	Invoice	Inv. Date	Description	Amount	Check Total
2046566	08/17/16	17456	ANNA VALDEZ	5329081216	08/12/16	CUSTOMER REFUND	1,000.00	1,000.00
2046481	08/03/16	13171	ARCADIS US INC	0793172	07/07/16	AS-NEEDED DESIGN (5/23/16-6/30/16)	34,183.18	34,183.18
2046482	08/03/16	17264	ARTIANO SHINOFF	214425	07/26/16	LEGAL SERVICES (JUNE 2016)	20,836.91	20,836.91
2046483	08/03/16	12810	ATKINS NORTH AMERICA INC	18409791841010	07/08/16	2015 WFMP UPDATE (5/16/16-6/30/16)	8,521.40	8,521.40
2046484	08/03/16	12810	ATKINS NORTH AMERICA INC	1841064	07/11/16	DESIGN SERVICES (ENDING 6/30/16)	2,825.00	2,825.00
2046567	08/17/16	12468	ATLAS COPCO COMPRESSORS LLC	712652	07/25/16	HSI BLOWER SERVICE	1,033.14	1,033.14
2046485	08/03/16	00145	BARRETT ENGINEERED PUMPS	100340	07/08/16	DRUM PUMP	2,126.89	2,126.89
2046568	08/17/16	00145	BARRETT ENGINEERED PUMPS	100565	07/25/16	DRUM PUMP	2,164.29	2,164.29
2046569	08/17/16	15570	BEYOND IDEAS LLC	OWD0717	08/09/16	WEB CONSULTING	4,345.00	4,345.00
2046440	07/27/16	17412	BRIAN AXTHELM	Ref002463567	07/25/16	UB Refund Cst #0000221667	7.80	7.80
2046570	08/17/16	08156	BROWNSTEIN HYATT FARBER	647790	08/12/16	LEGISLATIVE ADVOCACY (THRU 7/31/16)	4,100.00	4,100.00
2046525	08/10/16	04071	CAPITOL WEBWORKS LLC	27983	07/31/16	OTHER AGENCY FEES	45.00	45.00
2046526	08/10/16	02758	CARMEL BUSINESS SYSTEMS INC	8040	06/20/16	REPROGRAPHICS SERVICES	346.75	346.75
2046486	08/03/16	15177	CAROLLO ENGINEERS INC	150262	07/11/16	DESIGN FOR 870-2 PS (6/1/16-6/30/16)	50,789.50	
				150110	07/08/16	2015 IWRP UPDATE (ENDING 6/30/16)	19,903.00	70,692.50
2046487	08/03/16	17022	CASTLE ACCESS INC	0223091809	08/01/16	COLOCATION SERVICES	2,098.25	2,098.25
2046527	08/10/16	10571	CCL CONTRACTING	00016521	08/04/16	RETAINAGE RELEASE	23,049.31	23,049.31
2046488	08/03/16	16746	CH2M HILL ENGINEERS INC	381071544	07/08/16	2015 UWMP UPDATE (3/26/16-6/24/16)	19,289.12	19,289.12
2046528	08/10/16	12130	CHAVEZ, KIM	08082016KC	08/08/16	TUITION REIMBURSEMENT	95.00	95.00
2046441	07/27/16	17409	CHELSY MARTIN	Ref002463564	07/25/16	UB Refund Cst #0000221245	11.10	11.10
2046529	08/10/16	17453	CHRISTIANSSEN AMUSEMENTS INC	Ref002464694	08/08/16	UB Refund Cst #0000229853	1,787.09	1,787.09
2046530	08/10/16	01719	CHULA VISTA CHAMBER OF	15658	08/05/16	MEMBERSHIP RENEWAL	175.00	175.00
2046442	07/27/16	15256	CIGNA GROUP INSURANCE / LINA	9267071016	07/10/16	AD&D & SUPP LIFE INS (JULY 2016)	4,612.24	4,612.24
2046606	08/24/16	15256	CIGNA GROUP INSURANCE / LINA	9267081016	08/24/16	AD&D & SUPP LIFE INS (AUG 2016)	4,210.84	4,210.84
2046571	08/17/16	00234	CITY TREASURER	1000174969	08/05/16	LABORATORY ANALYSIS (JULY 2016)	999.99	999.99
2046607	08/24/16	17471	CLARENCE PURVIS	Ref002464823	08/22/16	UB Refund Cst #0000088850	129.00	129.00
2046608	08/24/16	04119	CLARKSON LAB & SUPPLY INC	85816	07/31/16	BACTERIOLOGICAL TESTING (7/6/16)	530.00	
				85817	07/31/16	BACTERIOLOGICAL TESTING (7/12/16)	378.00	908.00

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2046531	08/10/16	17437	CLIFFORD B SMITH	Ref002464678	08/08/16	UB Refund Cst #0000000857	74.89	74.89
2046443	07/27/16	15616	COGENT COMMUNICATIONS INC	0002070116	07/01/16	INTERNET CIRCUITS (JULY 2016)	1,333.00	1,333.00
2046572	08/17/16	03288	COMPUTER PROTECTION	202571PMA	07/20/16	PREVENTATIVE MAINTENANCE	4,993.00	4,993.00
2046489	08/03/16	00099	COUNTY OF SAN DIEGO	DPWAROTAYMW	07/12/16	EXCAVATION PERMITS (JUNE 2016)	4,075.00	4,075.00
2046532	08/10/16	00184	COUNTY OF SAN DIEGO	3584061716	06/17/16	UPFP PERMIT RENEWAL (8/31/16-8/31/17)	1,689.00	
				2137061716	06/17/16	UPFP PERMIT RENEWAL (8/31/16-8/31/17)	487.00	2,176.00
2046444	07/27/16	00615	COUNTY OF SAN DIEGO	072516	07/25/16	EASEMENT REVIEW	2,000.00	2,000.00
2046490	08/03/16	02756	COX COMMUNICATIONS INC	6702072416	07/24/16	TELECOMM SVCS / METRO-E (7/24/16-8/23/16)	4,553.64	4,553.64
2046573	08/17/16	00693	CSDA, SAN DIEGO CHAPTER	08182016	08/11/16	BUSINESS MEETING	150.00	150.00
2046445	07/27/16	17398	DARRELL BILLINGS	Ref002463553	07/25/16	UB Refund Cst #0000059995	40.32	40.32
2046446	07/27/16	17416	DOMINIC FERRO	Ref002463571	07/25/16	UB Refund Cst #0000222924	25.58	25.58
2046447	07/27/16	17413	EIAD MATARIYEN	Ref002463568	07/25/16	UB Refund Cst #0000221765	50.44	50.44
2046574	08/17/16	17356	E-MEDIA PLUS INC	0056899IN	07/27/16	SMARTNET RENEWAL (7/1/16-6/30/17)	18,447.00	18,447.00
2046448	07/27/16	17402	EMMA SEWELL	Ref002463557	07/25/16	UB Refund Cst #0000196561	10.14	10.14
2046491	08/03/16	03227	ENVIROMATRIX ANALYTICAL INC	6070384	07/11/16	LAB ANALYSIS (6/17/16-6/28/16)	800.00	
				6070693	07/18/16	LAB ANALYSIS (7/1/16-7/7/16)	510.00	
				6070425	07/11/16	LAB ANALYSIS (6/29/16-6/30/16)	90.00	1,400.00
2046575	08/17/16	03227	ENVIROMATRIX ANALYTICAL INC	6080433	08/01/16	LAB ANALYSIS (7/14/16-7/21/16)	490.00	
				6070952	07/25/16	LAB ANALYSIS (7/8/16-7/18/16)	485.00	975.00
2046576	08/17/16	02939	ESCARCEGA, LUIS	072916	08/15/16	SAFETY BOOTS REIMBURSEMENT	136.07	136.07
2046609	08/24/16	14320	EUROFINS EATON ANALYTICAL INC	L0274256	07/26/16	OUTSIDE LAB SERVICES (7/11/16)	705.00	
				L0274788	07/28/16	OUTSIDE LAB SERVICES (7/5/16)	265.00	
				L0277864	08/18/16	OUTSIDE LAB SERVICES (8/1/16-8/2/16)	250.00	
				L0277862	08/18/16	OUTSIDE LAB SERVICES (8/3/16)	60.00	
				L0277734	08/17/16	OUTSIDE LAB SERVICES (8/9/16)	15.00	1,295.00
2046577	08/17/16	03546	FERGUSON WATERWORKS # 1083	0562240	07/26/16	INVENTORY	1,294.92	1,294.92
2046578	08/17/16	12187	FIRST AMERICAN DATA TREE LLC	9003400716	07/31/16	ONLINE DOCUMENTS (MONTHLY)	99.00	99.00
2046610	08/24/16	16469	FIRST CHOICE SERVICES	065505	08/16/16	COFFEE SERVICES	763.32	763.32
2046449	07/27/16	16469	FIRST CHOICE SERVICES	063911	07/18/16	COFFEE SERVICES	744.41	744.41
2046579	08/17/16	02591	FITNESS TECH	10135	08/01/16	EQUIPMENT MAINTENANCE (AUG 2016)	135.00	135.00

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2046580	08/17/16	11962	FLEETWASH INC	x823238	07/22/16	VEHICLE WASHING (7/22/16)	168.48	
				x823239	07/29/16	VEHICLE WASHING (7/29/16)	71.28	239.76
2046533	08/10/16	01612	FRANCHISE TAX BOARD	Ben2464737	08/11/16	BI-WEEKLY PAYROLL DEDUCTION	100.00	100.00
2046450	07/27/16	01612	FRANCHISE TAX BOARD	Ben2463605	07/28/16	BI-WEEKLY PAYROLL DEDUCTION	100.00	100.00
2046611	08/24/16	01612	FRANCHISE TAX BOARD	Ben2464873	08/25/16	BI-WEEKLY PAYROLL DEDUCTION	100.00	100.00
2046492	08/03/16	03094	FULLCOURT PRESS	30365	06/10/16	OUTSIDE SERVICES	2,799.36	2,799.36
2046493	08/03/16	15852	GFS CHEMICALS INC	550252	07/18/16	LABORATORY SUPPLIES	978.45	978.45
2046451	07/27/16	12907	GREENRIDGE LANDSCAPE INC	14430	06/30/16	LANDSCAPING SERVICES (JUNE 2016)	8,909.50	8,909.50
2046612	08/24/16	17481	GREGORY HOUSKA	Ref002464833	08/22/16	UB Refund Cst #0000225363	17.58	17.58
2046613	08/24/16	17473	GUSTAVO V NUNEZ	Ref002464825	08/22/16	UB Refund Cst #0000141597	329.88	329.88
2046452	07/27/16	09715	GUTIERREZ, JUAN	071516	07/21/16	SAFETY BOOTS	150.00	150.00
2046453	07/27/16	17397	HECTOR TORRES	Ref002463552	07/25/16	UB Refund Cst #0000052180	10.37	10.37
2046614	08/24/16	00062	HELIX WATER DISTRICT	4283081016	08/10/16	WATER USAGE (6/8/16-8/3/16)	47.52	
				3300081016	08/10/16	WATER USAGE (6/7/16-8/4/16)	43.55	91.07
2046615	08/24/16	17467	HERNANY DELEON	Ref002464819	08/22/16	UB Refund Cst #000004731	86.66	86.66
2046494	08/03/16	16769	HEWLETT PACKARD ENTERPRISE CO	60081879	07/05/16	MAINTENANCE AGREEMENT (7/1/16-6/30/17)	2,538.96	2,538.96
2046495	08/03/16	15622	ICF JONES & STOKES INC	0115768	07/06/16	ENVIRONMENTAL SERVICES (5/28/16-6/30/16)	1,615.00	
				0115772	07/06/16	ENVIRONMENTAL SERVICES (5/28/16-6/30/16)	1,100.00	2,715.00
2046581	08/17/16	01649	IDEXX DISTRIBUTION INC	3005110183	07/19/16	LABORATORY SUPPLIES	4,303.96	
				3005110185	07/19/16	LABORATORY SUPPLIES	653.94	4,957.90
2046582	08/17/16	08969	INFOSEND INC	108873	07/29/16	BILL PRINTING SERVICES (JULY 2016)	11,539.13	
				108872	07/29/16	BILL PRINTING SERVICES (JULY 2016)	5,900.97	
				109226	07/29/16	BILL PRINTING SERVICES (JULY 2016)	2,100.74	19,540.84
2046496	08/03/16	08969	INFOSEND INC	108146	07/11/16	SHIPPING CHARGES	8.17	8.17
2046616	08/24/16	08969	INFOSEND INC	108145	07/11/16	BILL PRINTING SERVICES (6/1/16-6/28/16)	316.39	316.39
2046534	08/10/16	17445	JAIME ESCOBEDO	Ref002464686	08/08/16	UB Refund Cst #0000187738	116.46	116.46
2046535	08/10/16	17440	JAMES FLYNN	Ref002464681	08/08/16	UB Refund Cst #0000043555	102.60	102.60
2046454	07/27/16	17405	JANETTE NOVOA	Ref002463560	07/25/16	UB Refund Cst #0000206624	150.00	150.00
2046583	08/17/16	10563	JCI JONES CHEMICALS INC	695035	07/19/16	CHEMICALS	1,837.80	1,837.80

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2046536	08/10/16	17448	JENNIFER CLARK	Ref002464689	08/08/16	UB Refund Cst #0000218081	5.75	5.75
2046455	07/27/16	17399	JENNIFER HULL	Ref002463554	07/25/16	UB Refund Cst #0000085470	154.97	154.97
2046537	08/10/16	17442	JENNIFER WHITSITT	Ref002464683	08/08/16	UB Refund Cst #0000070749	56.19	56.19
2046538	08/10/16	17450	JOEL RABAGO	Ref002464691	08/08/16	UB Refund Cst #0000222286	14.79	14.79
2046497	08/03/16	17420	JOJIE AQUINO	1225080216	08/02/16	CUSTOMER REFUND	1,588.98	1,588.98
2046539	08/10/16	17446	JORGE SANCEZ VALOIS	Ref002464687	08/08/16	UB Refund Cst #0000188475	83.64	83.64
2046617	08/24/16	17469	JOSEPH BONIN	Ref002464821	08/22/16	UB Refund Cst #0000031159	76.00	76.00
2046618	08/24/16	17474	JOSIE SANDNESS	Ref002464826	08/22/16	UB Refund Cst #0000162685	18.64	18.64
2046456	07/27/16	17414	KATHERINE ROGERS	Ref002463569	07/25/16	UB Refund Cst #0000222394	123.85	123.85
2046457	07/27/16	17419	KIRK PAVING INC	Ref002463574	07/25/16	UB Refund Cst #0000229358	1,707.19	1,707.19
2046619	08/24/16	17477	KITTY HAWK REALTY	Ref002464829	08/22/16	UB Refund Cst #0000194760	66.75	66.75
2046458	07/27/16	17406	KRISTEN THOMPSON	Ref002463561	07/25/16	UB Refund Cst #0000208831	135.52	135.52
2046498	08/03/16	02063	LA MESA - SPRING VALLEY	3986	07/05/16	GARDEN TOUR (06/03/16-06/10/16)	708.00	708.00
2046620	08/24/16	15615	LAYFIELD USA CORPORATION	E06682	07/31/16	TESTING SERVICES	4,754.90	4,754.90
2046621	08/24/16	17470	LUCILE PERSON	Ref002464822	08/22/16	UB Refund Cst #0000087611	17.03	17.03
2046459	07/27/16	17408	MARGARITA SANTAMARIA	Ref002463563	07/25/16	UB Refund Cst #0000217080	22.60	22.60
2046622	08/24/16	17482	MARIA QUINTERO	Ref002464834	08/22/16	UB Refund Cst #0000225886	11.62	11.62
2046623	08/24/16	17475	MARIE FERNANDEZ	Ref002464827	08/22/16	UB Refund Cst #0000193853	30.52	30.52
2046624	08/24/16	17478	MARIO PEGUERO	Ref002464830	08/22/16	UB Refund Cst #0000204378	7.11	7.11
2046460	07/27/16	17404	MAYRA PINEDA	Ref002463559	07/25/16	UB Refund Cst #0000199073	69.99	69.99
2046540	08/10/16	17295	MCMILLIN LOMAS VERDES MASTER	080416	08/04/16	CLAIM SETTLEMENT	9,335.15	9,335.15
2046541	08/10/16	17444	MELISSA VELZIS	Ref002464685	08/08/16	UB Refund Cst #0000157435	67.70	67.70
2046499	08/03/16	09581	MICHAEL R WELCH PHD PE	7145	07/07/16	ENGINEERING SERVICES (11/2/15-6/30/16)	900.00	900.00
2046542	08/10/16	16613	MISSION RESOURCE CONSERVATION	367	08/01/16	HOME WATER USE EVALUATION	62.50	62.50
2046543	08/10/16	16956	MONTGOMERY CONST SVCS INC	606302016	07/05/16	OPS YARD IMPROVEMENTS (ENDING 6/30/16)	15,803.21	15,803.21
2046584	08/17/16	16956	MONTGOMERY CONST SVCS INC	606302016	07/05/16	OPS YARD IMPROVEMENTS (ENDING 6/30/16)	15,803.21	15,803.21
2046461	07/27/16	17417	MONTGOMERY CONSTRUCTIONS SVCS	Ref002463572	07/25/16	UB Refund Cst #0000224766	2,046.00	2,046.00

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2046625	08/24/16	17479	MYRNA RIVERA	Ref002464831	08/22/16	UB Refund Cst #0000208152	397.78	397.78
2046462	07/27/16	17415	NATALIE YOUNG	Ref002463570	07/25/16	UB Refund Cst #0000222595	47.67	47.67
2046463	07/27/16	16255	NATIONWIDE RETIREMENT	Ben2463595	07/28/16	BI-WEEKLY DEFERRED COMP PLAN	8,005.12	8,005.12
2046544	08/10/16	16255	NATIONWIDE RETIREMENT	Ben2464727	08/11/16	BI-WEEKLY DEFERRED COMP PLAN	8,005.12	8,005.12
2046626	08/24/16	16255	NATIONWIDE RETIREMENT	Ben2464863	08/25/16	BI-WEEKLY DEFERRED COMP PLAN	8,005.12	8,005.12
2046500	08/03/16	16505	NIGHTCLUBPOOL LLC	111	08/01/16	WEB CONSULTING	440.00	440.00
2046585	08/17/16	16505	NIGHTCLUBPOOL LLC	110	07/06/16	WEB CONSULTING	990.00	990.00
2046501	08/03/16	00761	NINYO & MOORE GEOTECHNICAL AND	199808	07/06/16	GEOTECHNICAL SERVICES (5/28/16-6/30/16)	744.00	744.00
2046586	08/17/16	00510	OFFICE DEPOT INC	854123983001	08/01/16	OFFICE SUPPLIES	230.59	
				851782794001	07/19/16	OFFICE SUPPLIES	222.72	
				851171808001	07/15/16	OFFICE SUPPLIES	100.30	
				853605725001	07/28/16	OFFICE SUPPLIES	80.61	
				852559906001	07/22/16	OFFICE SUPPLIES	57.81	
				851171946001	07/15/16	OFFICE SUPPLIES	21.62	
				851782757001	07/20/16	OFFICE SUPPLIES	9.71	723.36
2046502	08/03/16	00510	OFFICE DEPOT INC	851063344001	07/15/16	OFFICE SUPPLIES	152.47	
				849401860001	07/08/16	OFFICE SUPPLIES	146.07	
				848856407001	07/05/16	OFFICE SUPPLIES	81.42	
				848856460001	07/05/16	OFFICE SUPPLIES	6.25	386.21
2046464	07/27/16	00510	OFFICE DEPOT INC	848050048001	07/01/16	OFFICE SUPPLIES	707.56	707.56
2046587	08/17/16	15856	OLYMPUS AND ASSOCIATES INC	00015861	08/15/16	RETAINAGE RELEASE	64,737.32	64,737.32
2046588	08/17/16	15856	OLYMPUS AND ASSOCIATES INC	13	01/22/16	RESERVOIR COATING (ENDING 12/31/15)	7,971.81	7,971.81
2046545	08/10/16	17452	ORTIZ CORPORATION	Ref002464693	08/08/16	UB Refund Cst #0000225971	1,853.49	1,853.49
2046546	08/10/16	17438	PAL SEGUI	Ref002464679	08/08/16	UB Refund Cst #0000030406	50.25	50.25
2046589	08/17/16	05497	PAYPAL INC	52914893	07/31/16	PHONE PAYMENT SVCS (JULY 2016)	54.10	54.10
2046465	07/27/16	00137	PETTY CASH CUSTODIAN	072616	07/26/16	PETTY CASH	954.69	954.69
2046503	08/03/16	07346	PRIME ELECTRICAL SERVICES INC	16191	07/12/16	RECONFIGURATION ELECTRICAL WORK	3,909.00	3,909.00
2046627	08/24/16	17472	PRISCILLA CARBALLO	Ref002464824	08/22/16	UB Refund Cst #0000124503	14.91	14.91
2046466	07/27/16	17407	PROPERTY PREPARATION SERVICES	Ref002463562	07/25/16	UB Refund Cst #0000214487	29.35	29.35
2046504	08/03/16	03613	PSOMAS	119799	07/07/16	AS-NEEDED DESIGN (ENDING 6/30/16)	94.33	94.33

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2046590	08/17/16	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2464729	08/11/16	BI-WEEKLY PERS CONTRIBUTION	194,718.71	194,718.71
2046505	08/03/16	00078	PUBLIC EMPLOYEES RET SYSTEM	Ben2463597	07/28/16	BI-WEEKLY PERS CONTRIBUTION	198,099.78	198,099.78
2046547	08/10/16	17436	RALPH BAUM	080416	08/04/16	CLAIM SETTLEMENT	1,125.00	1,125.00
2046548	08/10/16	17449	RAYMOND HANNA	Ref002464690	08/08/16	UB Refund Cst #0000221687	7.73	7.73
2046591	08/17/16	00021	RCP BLOCK & BRICK INC	30886269	07/26/16	CONCRETE	1,265.75	1,265.75
2046592	08/17/16	01196	REGIONAL TRAINING CENTER	13092	07/21/16	CONSORTIUM TRAINING FEE (2016-2017)	1,779.00	1,779.00
2046467	07/27/16	17400	RICARDO ZUNIGA DIAZ	Ref002463555	07/25/16	UB Refund Cst #0000121557	7.71	7.71
2046506	08/03/16	08972	RICK ENGINEERING COMPANY	0049592	07/06/16	CAMPO ROAD SUPPORT (6/1/16-6/30/16)	16,361.42	16,361.42
2046593	08/17/16	00521	RICK POST WELD & WET TAPPING	11235	07/24/16	DEVELOPER WET TAPS (7/20/16-7/21/16)	1,550.00	1,550.00
2046468	07/27/16	17396	ROBERT HELM	Ref002463551	07/25/16	UB Refund Cst #0000051738	64.50	64.50
2046507	08/03/16	16587	ROCHA, DAVID	073116	08/01/16	SAFETY BOOTS	134.88	134.88
2046508	08/03/16	12228	ROCKWELL ENGINEERING &	15746	07/05/16	CP #17 REPLACEMENT PORTABLE PUMPS	300,067.20	300,067.20
2046509	08/03/16	09148	S & J SUPPLY COMPANY INC	S100072981001	07/11/16	INVENTORY	5,985.36	5,985.36
2046628	08/24/16	17468	SABRINA DIXON	Ref002464820	08/22/16	UB Refund Cst #0000011406	14.33	14.33
2046469	07/27/16	17401	SALLY CONRAD	Ref002463556	07/25/16	UB Refund Cst #0000187422	135.54	135.54
2046549	08/10/16	17439	SAMANTHA MAJICA	Ref002464680	08/08/16	UB Refund Cst #0000034597	171.42	171.42
2046594	08/17/16	02586	SAN DIEGO COUNTY ASSESSOR	201600552	08/01/16	ASSESSOR DATA (7/6/16)	125.00	125.00
2046595	08/17/16	00003	SAN DIEGO COUNTY WATER AUTH	0000001442	07/19/16	MWD SCWS - HEWS	50.00	50.00
2046629	08/24/16	00003	SAN DIEGO COUNTY WATER AUTH	0000001415	07/01/16	MWD SCWS - HEWS	60.00	60.00
2046510	08/03/16	00121	SAN DIEGO GAS & ELECTRIC	072716	07/27/16	UTILITY EXPENSES (MONTHLY)	54,199.57	
				071916	07/19/16	UTILITY EXPENSES (MONTHLY)	31,458.30	
				072616	07/26/16	UTILITY EXPENSES (MONTHLY)	29,086.99	
				072416	07/24/16	UTILITY EXPENSES (MONTHLY)	306.13	115,050.99
2046470	07/27/16	00121	SAN DIEGO GAS & ELECTRIC	072016	07/20/16	UTILITY EXPENSES (MONTHLY)	11,922.03	11,922.03
2046596	08/17/16	00121	SAN DIEGO GAS & ELECTRIC	080216	08/02/16	UTILITY EXPENSES (MONTHLY)	35,002.58	35,002.58
2046550	08/10/16	00121	SAN DIEGO GAS & ELECTRIC	080316	08/03/16	UTILITY EXPENSES (MONTHLY)	51,764.31	
				072516	07/25/16	UTILITY EXPENSES (MONTHLY)	29,471.77	
				072716a	07/27/16	UTILITY EXPENSES (MONTHLY)	202.56	81,438.64
2046630	08/24/16	00121	SAN DIEGO GAS & ELECTRIC	080216a	08/02/16	UTILITY EXPENSES (MONTHLY)	62,624.63	

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				081716	08/17/16	UTILITY EXPENSES (MONTHLY)	35,024.08	97,648.71
2046597	08/17/16	03514	SANTOS, MARCIANO	0341081116	08/11/16	CERTIFICATION REIMBURSEMENT	140.00	140.00
2046551	08/10/16	10670	STANDARD & POOR'S FINANCIAL	11311932	07/13/16	ANALYTICAL SERVICES (7/1/16-6/30/17)	3,500.00	3,500.00
2046471	07/27/16	17411	STEPHANIE GRUNWALD	Ref002463566	07/25/16	UB Refund Cst #0000221649	32.45	32.45
2046472	07/27/16	17410	STEVE ODEKIRK	Ref002463565	07/25/16	UB Refund Cst #0000221582	22.51	22.51
2046631	08/24/16	15974	SUN LIFE FINANCIAL	Ben2464861	08/25/16	MONTHLY CONTRIBUTION TO LTD	5,072.69	5,072.69
2046473	07/27/16	15974	SUN LIFE FINANCIAL	Ben2463593	07/28/16	MONTHLY CONTRIBUTION TO LTD	5,070.45	5,070.45
2046511	08/03/16	10339	SUPREME OIL COMPANY	426530	07/13/16	UNLEADED FUEL	8,015.25	
				426531	07/13/16	DIESEL FUEL	4,326.05	12,341.30
2046598	08/17/16	10339	SUPREME OIL COMPANY	425456	06/16/16	RED DYED DIESEL FUEL TREATMENT PLANT	3,636.24	3,636.24
2046512	08/03/16	16610	SVPR COMMUNICATIONS	1115	06/01/16	OUTSIDE SERVICES	4,000.00	4,000.00
2046599	08/17/16	01554	SWANSON INSURANCE AGENCY	013538	08/11/16	NOTARY PUBLIC BOND RENEWAL	38.00	
				013539	08/11/16	NOTARY PUBLIC BOND RENEWAL	35.00	73.00
2046513	08/03/16	14576	SWIATKOWSKI, KEITH	07282016KS	08/01/16	TUITION REIMBURSEMENT	201.00	201.00
2046632	08/24/16	03770	TEAMAN RAMIREZ & SMITH INC	77196	08/18/16	AUDIT SERVICES FY 2016 (THRU 7/31/16)	10,000.00	10,000.00
2046633	08/24/16	17476	TERRIE WALKER	Ref002464828	08/22/16	UB Refund Cst #0000194580	93.74	93.74
2046552	08/10/16	15926	TEXAS CHILD SUPPORT UNIT	Ben2464739	08/11/16	BI-WEEKLY PAYROLL DEDUCTION	184.61	184.61
2046474	07/27/16	15926	TEXAS CHILD SUPPORT UNIT	Ben2463609	07/28/16	BI-WEEKLY PAYROLL DEDUCTION	184.61	184.61
2046634	08/24/16	15926	TEXAS CHILD SUPPORT UNIT	Ben2464875	08/25/16	BI-WEEKLY PAYROLL DEDUCTION	184.61	184.61
2046559	08/11/16	17455	THOMAS LA FLAM	0129081116	08/11/16	CUSTOMER REFUND	7,133.00	7,133.00
2046553	08/10/16	14177	THOMPSON, MITCHELL	070116073116	08/01/16	MILEAGE REIMBURSEMENT (JULY 2016)	15.12	
				060116063016b	08/02/16	EXPENSE REIMBURSEMENT (JUNE 2016)	15.00	30.12
2046514	08/03/16	17000	TRANSTAR PIPELINE INC	406302016	07/07/16	RSD SEWER REHAB PHASE 1 (ENDING 6/30/16)	136,683.34	136,683.34
2046600	08/17/16	00427	UNDERGROUND SERVICE ALERT OF	720160497	08/01/16	UNDERGROUND ALERTS (MONTHLY)	555.00	555.00
2046554	08/10/16	13047	UNION BANK NA	993469	07/24/16	ADM FEES 2010 BOND (7/1/16-6/30/17)	3,330.00	
				993435	07/24/16	ADM FEES FOR 2013 BOND (7/1/16-6/30/17)	2,013.00	
				993449	07/24/16	ADM FEES FOR COPS 2007 (7/1/16-6/30/17)	1,907.00	
				993549	07/24/16	ADM FEES FOR ID 27 (7/1/16-6/30/17)	635.00	7,885.00
2046515	08/03/16	16036	UNISOURCE SOLUTIONS INC	634926	07/11/16	CUBICLE RECONFIGURATION	11,396.88	

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				634954	07/12/16	DESIGN SERVICES	2,295.00	13,691.88
2046516	08/03/16	15675	UNITED SITE SERVICES INC	1144241857	07/19/16	PORTABLE TOILET RENTALS (7/14/16-8/10/16)	98.17	
				1144241942	07/19/16	PORTABLE TOILET RENTALS (7/15/16-8/11/16)	79.98	
				1144213936	07/12/16	PORTABLE TOILET RENTALS (7/6/16-8/2/16)	79.98	258.13
2046555	08/10/16	15675	UNITED SITE SERVICES INC	1144274023	07/26/16	PORTABLE TOILET RENTALS (7/22/16-8/18/16)	80.03	
				1144274021	07/26/16	PORTABLE TOILET RENTALS (7/22/16-8/18/16)	79.98	
				1144274022	07/26/16	PORTABLE TOILET RENTALS (7/22/16-8/18/16)	79.98	
				1144274020	07/26/16	PORTABLE TOILET RENTALS (7/23/16-8/19/16)	79.98	319.97
2046635	08/24/16	15675	UNITED SITE SERVICES INC	1144316998	08/10/16	PORTABLE TOILET RENTALS (8/3/16-8/30/16)	79.98	79.98
2046636	08/24/16	00350	UNITED STATES POSTAL SERVICE	3951082216	08/22/16	PREPAID POSTAGE MACHINE	6,000.00	6,000.00
2046518	08/03/16	07674	US BANK	CC20160722063	07/22/16	CAL CARD EXPENSES (MONTHLY)	121,034.09	121,034.09
2046601	08/17/16	06829	US SECURITY ASSOCIATES INC	1358773	07/31/16	PATROLLING SERVICES (JULY 2016)	110.00	110.00
2046602	08/17/16	11606	USA BLUE BOOK	014114	07/22/16	SUN SHIELDS	4,200.41	4,200.41
2046475	07/27/16	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2463601	07/28/16	BI-WEEKLY DEFERRED COMP PLAN	14,853.97	14,853.97
2046556	08/10/16	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2464733	08/11/16	BI-WEEKLY DEFERRED COMP PLAN	14,595.55	14,595.55
2046637	08/24/16	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2464869	08/25/16	BI-WEEKLY DEFERRED COMP PLAN	14,625.67	14,625.67
2046557	08/10/16	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2464735	08/11/16	BI-WEEKLY 401A PLAN	1,220.77	1,220.77
2046476	07/27/16	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2463603	07/28/16	BI-WEEKLY 401A PLAN	1,320.77	1,320.77
2046638	08/24/16	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2464871	08/25/16	BI-WEEKLY 401A PLAN	1,120.77	1,120.77
2046477	07/27/16	12686	VANTAGEPOINT TRANSFER AGENTS	Ben2463607	07/28/16	401A TERMINAL PAY	25,524.41	25,524.41
2046519	08/03/16	04441	VERIZON WIRELESS	1085072816	07/28/16	REFUND SITE 00411085	5,245.40	5,245.40
2046558	08/10/16	17451	W PARTNERS LLC	Ref002464692	08/08/16	UB Refund Cst #0000223063	76.20	76.20
2046639	08/24/16	15807	WATCHLIGHT CORPORATION, THE	460637	03/02/16	ALARM FOR 944-1 RESERVOIR	6,511.37	6,511.37
2046603	08/17/16	15807	WATCHLIGHT CORPORATION, THE	480298	07/12/16	SECURITY AND ACCESS UPGRADE	2,811.04	
				480296	07/12/16	SECURITY SYSTEM SERVICE CALL (7/7/16)	729.64	
				480293	07/12/16	SECURITY AND ACCESS UPGRADE (7/5/16)	651.90	4,192.58
2046520	08/03/16	15807	WATCHLIGHT CORPORATION, THE	480154	07/15/16	ALARM MONITORING (AUG 2016)	1,548.92	
				472199	05/11/16	CAMERA RELOCATION (5/3/16)	1,029.89	
				480295	07/12/16	SECURITY AND ACCESS UPGRADE (6/24/16)	319.52	
				480294	07/12/16	SECURITY SYSTEM SERVICE CALL (6/28/16)	136.00	3,034.33

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2046604	08/17/16	01343	WE GOT YA PEST CONTROL	106574	07/14/16	BEE REMOVAL (7/14/16)	115.00	115.00
2046521	08/03/16	01343	WE GOT YA PEST CONTROL	106498	07/08/16	BEE REMOVAL (7/8/16)	115.00	115.00
Amount Pd Total:							<hr/>	2,241,611.34
Check Grand Total:							<hr/>	2,241,611.34