

OTAY WATER DISTRICT

BOARD OF DIRECTORS MEETING
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CALIFORNIA

TUESDAY

June 10, 2008

3:30 P.M.

AGENDA

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA
5. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING OF FEBRUARY 6, 2008 AND MARCH 5, 2008

CONSENT CALENDAR

6. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:
 - a) APPROVE CHANGE ORDER NO. 6 TO THE EXISTING CONTRACT WITH ZONDIROS CORPORATION FOR THE CONSTRUCTION OF THE CACTUS ROAD UTILITY RELOCATION PROJECT IN AN AMOUNT NOT TO EXCEED \$54,872
 - b) ADOPT ORDINANCE NO. 517 TO AMEND CODE OF ORDINANCE SECTION 2.01-E, AUTHORITY OF THE GENERAL MANAGER, OF THE DISTRICT'S CODE OF ORDINANCE
 - c) APPROVE THE ISSUANCE OF EIGHT (8) PURCHASE ORDERS TO VARIOUS VENDORS FOR A SOFTWARE MAINTENANCE AGREEMENT TO INCLUDE ANNUAL SUPPORT AND CONSULTING SERVICES; GIS SOFTWARE LICENSES AND SOFTWARE INTEGRATION SERVICES;

GBA SOFTWARE LICENSES AND INTEGRATION CONSULTING WORK; TELEPHONE AND INTERNET SERVICES; CELL PHONE AND WIRELESS AIR TIME; 7x24 REMOTE NETWORK MONITORING SERVICES; THE MICROSOFT ENTERPRISE AGREEMENT FOR ALL MICROSOFT LICENSES AND AN ADDITIONAL LICENSE FOR THE GIS SERVERS; AND IMPLEMENTATION SERVICES TO DESIGN, IMPLEMENT AND INSTALL A WIRELESS BROADBAND CONNECTION TO THE TREATMENT PLANT; TOTALING \$813,000 OF WHICH \$648,000 WILL BE FUNDED THROUGH THE PROPOSED FISCAL YEAR 2009 OPERATIONS BUDGET AND \$165,000 FROM THE PROPOSED CAPITAL BUDGET

- d) APPROVE A CONTRACT WITH INFOSEND TO PROVIDE MONTHLY BILL PRINTING, BILL INSERTION, AND MAILING SERVICES FOR THE DISTRICT'S WATER AND SEWER BILLS
- e) ADOPT ORDINANCE NO. 516 AMENDING SECTION 39, DROUGHT RESPONSE CONSERVATION PROGRAM, FORMERLY KNOWN AS "CONSERVATION AND WATER SHORTAGE RESPONSE PROGRAM," OF THE DISTRICT'S CODE OF ORDINANCES

WORKSHOP

- 7. ADOPT RESOLUTION NO. 4124, APPROVING THE FISCAL YEAR 2008-2009 OPERATING AND CAPITAL BUDGETS; APPROVE FUND TRANSFERS FOR POTABLE, RECYCLED, AND SEWER; AND DIRECT STAFF TO PROCEED WITH THE RATE STUDY AND PROPOSITION 218 HEARING AND NOTICES

ACTION ITEMS

- 8. BOARD
 - a) CONSIDERATION TO NOMINATE REPRESENTATIVES TO SAN DIEGO LOCAL AGENCY FORMATION COMMISSION (LAFCO)
 - b) DISCUSSION OF 2008 BOARD MEETING CALENDAR

INFORMATIONAL ITEMS (BY SUBMISSION)

- 9. THESE ITEMS ARE PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS.
 - a) REPORT ON BOARD OF DIRECTORS FISCAL YEAR 2008 3RD QUARTER EXPENSES (PRENDERGAST)
 - b) 3rd QUARTER CIP UPDATE (RIPPERGER)

- c) INFORMATIONAL REPORT ON THE REQUEST FROM SYCUAN BAND OF THE KUMEYAAY NATION ANNEXATION TO OTAY WATER DISTRICT FOR WATER SERVICE (SPECIFIED PARCELS ONLY) AND SEWER SERVICE (WATTON/CHARLES)

REPORTS

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

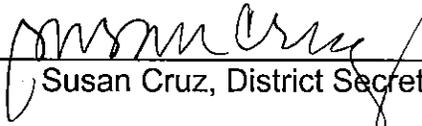
All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

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

Certification of Posting

I certify that on June 6, 2008, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Otay Water District, said time being at least 72 hours in advance of the regular meeting of the Board of Directors (Government Code Section §54954.2).

Executed at Spring Valley, California on June 6, 2008.



Susan Cruz, District Secretary

AGENDA ITEM 5

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE OTAY WATER DISTRICT AND February 6, 2008

1. The meeting was called to order by President Croucher at 3:31 p.m.
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL

Directors Present: Bonilla, Croucher, Breitfelder and Robak
Director Lopez arrived at 4:01 PM

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

4. APPROVAL OF AGENDA

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

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

to approve the agenda.

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

No one wished to be heard.

General Manager Watton acknowledged DeAndra'e Woods in the audience. DeAndra'e is the son of an Otay employee, Mr. Marvin Woods, who works in the Operations Department as a Utility Maintenance Technician. He is attending the Board meeting to audit proceedings for a government class he is taking.

INFORMATION / ACTION ITEMS

6. FINANCE AND ADMINISTRATIVE SERVICES

- a) ADOPT RESOLUTION NO. 4117 TO APPROVE AN AGREEMENT WITH THE CALIFORNIA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM TO PREFUND OTHER POST EMPLOYMENT BENEFITS (OPEB) THROUGH CALPERS; CERTIFY THE FUNDING POLICY OF THE BOARD AT 100% OF THE ANNUAL REQUIRED CONTRIBUTION; DELEGATE AUTHORITY TO REQUEST DISBURSEMENTS TO THE GENERAL MANAGER AND CHIEF FINANCIAL OFFICER; AUTHORIZE THE TRANSFER OF \$11,543,000 TO THE PERS TRUST TO FULLY FUND THE ACTUARIAL ACCRUED LIABILITY AND THE FIRST YEAR'S NORMAL COST; AND AUTHORIZE THE TRANSFER OF THE REMAINING MONEY IN THE DESIGNATED OPEB FUND TO THE GENERAL FUND TO PAY FOR THE APPROVED SIX-YEAR LABOR AGREEMENT (BEACHEM)

General Manager Watton indicated that this item was discussed at the Finance, Administration and Communications Committee meeting. Staff and committee thought that it was important enough to present for the full Board's review. He indicated the Chief Financial Officer Joe Beachem will present this item.

Mr. Beachem indicated that Other Post Employment Benefits (OPEB) are benefits that are paid to retired employees "other than pension. The retiree benefits are primarily medical and dental.

He indicated that an Actuary is a licensed professional who works for the insurance companies that calculate life spans and other calculations that determine how much the District will pay over the lifetime of all employees and how much it will cost the District to fund these benefits. They also calculate how much of the benefits have been earned to date. The OPEB liability is, as of today, the value of the future medical benefits that have been earned by prior service to the District for both retired and current employees.

The history of pension funding dates back to 1974 when the Employee Retirement Income Securities Act was enacted that affected pension reporting. In 1986, the Financial Accounting Standards Board (FASB) published a statement that required that all financial statements needed to report pension liabilities. This unified how pension information was presented.

In 1998, FASB came out with a preannouncement for corporations that defined how pension liabilities must be recorded and presented. Then finally in 2004, the Government Accounting Standards Board (GASB) implemented a standardized reporting of medical pensions.

Otay performed its first actuarial study in 1999. As a result of that study, the Board set aside \$4,000,000 to partially fund the OPEB liability. In 2004, GASB published their preannouncement for governments and the District performed another actuarial study. At that time, the full cost of the liability was determined to be \$12,100,000 and the Board authorized that the full amount be set aside to fund the pension.

In 2007, the District identified that if the \$12,100,000 was set up as a PERS Trust, it would save the District \$5,000,000. Chief Financial Officer Beachem explained the PERS Trust would allow for a higher rate of returns and the \$5,000,000 savings could be used to fund additional compensation and benefits for employees such as the 75th percentile and the Tier III OPEB. He further explained that the District usually invests at a one or two year term with a five year maximum. At the time the District was researching the PERS Trust, the return rate was 5.00%. However, if the District invested in a Trust Rate, or used a bank to manage the trust, the rate of return would be 7.00%. The actuaries also recognized PERS, because of its significant size, the rate of return would be 7.75%. The PERS Trust also meets the GASB trust criteria and is irrevocable. Under the GASB standards, the District can only claim it is fully funded if the money is setup as an irrevocable trust. Fortunately, the District is one of the few government agencies that is in a position, through decisions the Board has made in the past, to fully fund the trust. Staff is recommending implementation of the PERS Trust to obtain the savings.

He indicated that should the board approve the implementation of the PERS Trust, the District's fully funded status would put it in a very competitive position. The District will not be financially hindered by future funding requirements.

He also explained that the actuarial results indicate that the Actuarial Accrued Liability (AAL) is \$11,408,000 (the District's current liability for OPEB). He indicated if the Board takes action to fund the Trust, the future costs are limited to just the additional benefit that is earned on an annual basis. The actuaries have identified that cost to be \$135,000 (Annual Required Contribution [ARC]). If the District does not fund a trust, the OPEB would be considered unfunded and the District would pay the ARC of \$135,000 and the unfunded AAL of \$711,000 each year for a total expense of \$846,000 annually. The District's financial statements would reflect an expense of \$846,000 as opposed to \$135,000. This expense will make a difference when staff is presenting the District's financial information to the market.

General Manager Watton indicated that some of our neighboring water agencies are facing \$800,000 in annual costs.

Chief Financial Officer Beachem continued by noting that Governor Arnold Schwarzenegger stated that "...these [OPEB] benefits serve the public interest by attracting and retaining a workforce that protects the health and safety of the

State...". The Board of Directors of Otay has identified that benefit and its ability to retain and attract staff to provide for a quality workforce. He noted that unfunded pensions for the State of California total \$63.5 billion. The OPEB unfunded amount is much greater than just the unfunded pension.

He concluded the presentation by requesting that the Board approve Resolution No. 4117 which would:

- Authorize the agreement with PERS to prefund the OPEB Trust;
- Set the funding policy at 100% of the annual additional costs;
- Delegate authority to request disbursements to the General Manager and Chief Financial Officer;
- Authorize the transfer of \$11,543,000 to PERS;
- Authorize the transfer of the remaining designated funds to the General Fund to pay for negotiated benefits.

Director Bonilla asked if this will have any effect on the Employees' Union. Mr. Beachem responded that it is a positive effect.

Director Bonilla indicated that he would like to hear the comments from the Finance, Administration and Communications Committee Chair, Director Robak. Director Robak indicated that the benefits to the District are substantial. He indicated that he reviewed the actuarial information in detail and did have some questions for Mr. Beachem. He indicated that it appears that the actuary study assumes that there will be no new retirees. He asked Mr. Beachem to clarify this information.

Mr. Beachem indicated that the AAL is for the current employee and retiree population. The normal costs would take into consideration future earnings of current employees as well as future employees. Mr. Robak indicated that the assumption references a "closed group" or "no future new participants assumed." Mr. Beachem indicated that this refers to the AAL, Actuary Accrued Liability, which is the \$11,543,000 amount. There isn't a future employee cost included in this figure. There was discussion as to future tiers. There will be no future Tier I and Tier II; only Tier III. Every other year, PERS will require a review or actuary evaluation. He indicated that it is a minimal differential to include future employees in the calculation.

There was further discussion regarding the interest rate of 7.75%. Director Robak indicated that this figure seemed high. Mr. Beachem responded that this percentage is based on PERS history. If the market changes and interest rates are lower, it is expected that PERS would not earn 7.75%. However, the difference in the money that was expected will be spread over 30 years which will have a smoothing effect and balance the earnings. He stated that PERS suggested the 7.75% projected earnings and the actuary agrees. Mr. Robak indicated that it was determined by the committee that this is a positive for the

District and CalPERS is recommending this program for agencies of the District's size.

Chief Financial Officer Beachem indicated that the only negative impact for putting this money into an irrevocable trust is that it limits the District's ability to use that money for other purposes. The Board's intent is to use the money to fund retirement accounts so it wouldn't be contrary for that purpose anyway. The positive countering is that in the past, the District has been scrutinized for the level of funds in its reserve accounts. The State of California audited the District and questioned why the District's reserves were so high. Staff justified the large amount of money in reserves as being designated to fund retirement for employees. This program allows us to take this money off the books and limits any negative exposure and scrutiny.

Director Breitfelder indicated that Mr. Beachem did a great job in describing this situation and the advantages of it. He indicated that in light of the State under funding State employees' retirement accounts, it would be prudent to proceed with this program. It will be one of the greatest legacies of this Board. It is very important that everyone's questions and concerns are answered and that the full Board be in agreement regarding this matter.

Director Bonilla commented that he wanted to hear the committee's recommendation. Director Robak indicated that it is a significant contribution and shift of funds and the committee felt it is important that it be presented to the full Board. He indicated that the Finance, Administration and Communications Committee unanimously support Staff's recommendation.

Director Bonilla indicated that the Board needs to take into consideration that these funds, once established in a trust, cannot be moved. He inquired if the shortcomings been highlighted if the funds are needed? Chief Financial Officer Beachem indicated the District's Reserve Policy highlights all of the reserves and all are "on target" so there will be the ability to react to different economic conditions aside from this fund. Director Bonilla indicated that the future economic situation with the recession will be the worst that the economy has seen in two or three cycles. He explained that the District should take that into consideration. Chief Financial Officer Beachem explained that over the long run, moving this money into a PERS trust where a higher rate of return can be earned at a low cost to the District, counters the concern over a downturn in the economy.

There was discussion about the funds being "locked." Director Bonilla indicated that he prefers that the full Board be in attendance before this item is approved. Director Lopez was not present during this discussion. It was requested that this item be tabled until Director Lopez arrived.

Director Lopez arrived at 4:01 p.m. After further discussion, it was decided that this item be brought back to the next Board meeting.

A motion was made by President Croucher, seconded by Director Lopez to refer the item back to committee. The motion was withdrawn as the committee chair, Director Robak, indicated that the committee was comfortable with the information it had received during discussions at the Finance, Administration and Communications Committee and did not require further discussion.

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

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

to table Agenda Item 5a to be brought back to the next Board meeting. The Board President will decide in the meantime, the review process prior to the next Board meeting.

7. ENGINEERING AND WATER OPERATIONS

- a) APPROVAL OF AN 18-MONTH EXTENSION OF THE AGREEMENT TIME FOR THE JONES & STOKES PROFESSIONAL ENVIRONMENTAL SERVICES CONTRACT FOR THE HABITAT MANAGEMENT AREA (HMA) MAINTENANCE AND MONITORING (RIPPERGER/COBURN-BOYD)

President Croucher indicated that this item did go before the Engineering, Operations and Water Resources Committee on January 22, 2008. Although, the Committee is in agreement with Staff's recommendations, they felt it would be worthwhile for the presentation be presented to the full Board.

Environmental Compliance Specialist Lisa Coburn-Boyd indicated that staff is requesting an extension of the contract with Jones & Stokes for the maintenance and monitoring of the San Miguel Habitat Management Area (HMA). She indicated that staff also wished to present a PowerPoint presentation showing the damage to the HMA caused by the Harris Fire.

The HMA is a 230-acre biological preserve that surrounds the Salt Creek Golf Course in Chula Vista. She explained that the habitat is a mitigation bank which means that as projects and facilities are constructed in the District, if the projects will affect land, for example, a critical habitat, the HMA can be used for mitigation. The HMA can also be used in turn for impacts that are outside the District for projects and facilities. She noted that the HMA has a large amount of

coastal sage scrub which is important because it is a critical habitat for the Coastal California gnatcatcher. The gnatcatcher is an endangered species and often, projects and facilities that are built in the District have impacts on Coastal Sage Scrub. She indicated that there are large areas at the HMA that can be used to mitigate any impacts to the Coastal Sage Scrub.

She noted important areas within the HMA: Coastal Sage Scrub habitat which consists of 210-acres, the Rickey Pond Restoration Area and the Native Grasslands Area. She indicated that large projects such as the construction of the 30-inch pipeline, the 450-1 Reservoir and the 680-1 Pump Station have required the preservation and/or restoration of the following areas at the HMA:

- 6.23 acres of Otay Tarplant
- 1.20 acres of Coastal Sage Scrub habitat
- 0.68 acre of Maritime Succulent Scrub habitat
- 1.15 acres of non-native grasslands habitat
- 0.03 acre of jurisdictional wetlands
- 0.01 acre of Orcutt's Birds-Beak

A chart of the Mitigation Bank Transaction Summary was shown indicating the type of vegetation and the number of acres used and acres remaining for mitigation purposes.

Several slides of photographs were shown of the habitat before the Harris Fire followed by photographs depicting the damage to the habitat after the fire. Jones & Stokes has surveyed the damage from the fire and has developed a work plan for the area. Immediate work includes repairs to the damaged irrigation system and perimeter fencing and erosion control measures. Monitoring during the next six months will be increased to keep track of any rain related issues i.e., erosion, plant germination, etc. Jones & Stokes will meet with the wildlife agencies to discuss their expectations for designated project mitigation areas that were affected by the fire.

She indicated that many eucalyptus trees were burned by the fire and are in danger of falling. FEMA has surveyed the damage to the trees and marked trees which will be cut down and the District will be reimbursed for the costs of cutting down these trees. The eucalyptus trees are non-native trees and are not needed for mitigation.

The two mitigation areas that did not burn during the Harris Fire were the native grasslands area and the area around Rickey Pond. She also reported that a burrowing owl has returned to the habitat.

President Croucher commented that when the Engineering, Operations and Water Resources Committee reviewed this item at a meeting on January 22, 2008, staff was to meet with FEMA later that same day to get an estimate of

reimbursement costs to the District. He asked if staff had received a dollar amount from FEMA. The full amount is not know yet, but the District will receive full reimbursement from FEMA.

President Croucher indicated that the Engineering, Operations and Water Resources Committee supports staffs' recommendation to extend the contract with Jones & Stokes.

There was discussion regarding the District participating in an environmental group with Sweetwater Authority, Padre Dam and Helix. Ms. Coburn-Boyd indicated that a consultant will be hired to develop the Sub-Area Master Plan and following that the district will be in the process of joining Sweetwater Authority, Padre Dam and Helix's environmental group. She indicated that the District has met with the General Managers of both agencies and they are very positive of Otay joining their efforts.

There was further discussion regarding the exchange of solar power for mitigation credits. Staff indicated that this is probably not likely to take place. General Manager Watton indicated that there is new legislation regarding solar panels and green gas credits that would not be acceptable in exchange for mitigation credits.

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

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

to approve an extension of the agreement with Jones & Stokes.

8. BOARD

- a) ADOPT RESOLUTION NO. 4121 SUPPORTING KEITH LEWINGER OF FALLBROOK PUBLIC UTILITY DISTRICT FOR APPOINTMENT AS THE REGION 10 CHAIR TO THE BOARD OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES

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

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

to adopt Resolution No. 4121.

- b) APPROVE LETTERS OF SUPPORT TO BE FORWARDED TO LEGISLATORS FOR HELIX WATER DISTRICT'S EL MONTE VALLEY GROUNDWATER RECHARGE PROJECT

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

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

to approve letters supporting the Helix Water District's El Monte Valley Groundwater Recharge Project.

- c) DISCUSSION OF 2008 BOARD MEETING CALENDAR

There were no changes to the board calendar.

INFORMATION ITEMS

9. THESE ITEMS ARE PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS.

- a) DISCUSSION OF REVIEW PROCESS FOR DISTRICT'S CURRENT BANKING SERVICES

Chief Financial Officer, Joe Beachem indicated that the Board had asked that Staff develop a process to review the District's banking services to make sure that quality service was being received at a reasonable price.

Staff defined a review process as follows:

- Staff will interview other agencies of current services provided.
- Review the financial industry of all services available.
- Review and compare service fees.

After speaking with other water agencies and reviewing recent bids from various banks, staff is recommending that the District continue its banking services with Union Bank of California at this time.

Mr. Beachem noted that all of the District's financial processes are very integrated and complex between the District and its financial institution. When the District or other government entities change banks, auditors can view this as instability. Staff will conduct this review process every two to three years. A full request for pricing from the banking community will be surveyed every five years. If, at that time, there is indication that there could be improvement, financially or service wise, staff would then consider preparing an RFP.

Director Bonilla indicated that he had requested this survey and wished a more detailed review of services as follows:

- 1) Survey of the services the District receives from the bank;
- 2) Bank charges; and
- 3) An analysis of what other services are offered; possibly the District needs more or less services.

He noted that he would like to see a detailed analysis, with charts, comparing rates of the larger banks. General Manager Watton indicated that Finance Manager, Jim Cudlip, reviewed other bids and consulted with other water agencies that recently received bids from banks. He suggested that Staff bring this item back to the Board with more detail at the next meeting. Director Bonilla indicated that considering conditions of the economy and banking community within the past two years, he believes that the District may be able to obtain better services and rates.

Director Breitfelder also noted that the Finance, Administration and Communications Committee discussed putting a system in place in order to get the District the best "deal" on an on-going basis in terms of money and service. He indicated that there was discussion in the committee that addressed minimizing disruption costs to staff. Mr. Beachem noted that the recent change to Union Bank of California costs the District many hours of staff time because the change impacted many different departments within the District such as Information Technology and customer service. This impacted who and how our customers pay their water bills when they pay by phone or through our website. He indicated that disruption to these services should be limited.

Director Bonilla requested that this item be brought back to the Board as an information item at the next Board meeting with more detail. There was discussion as to whether this item should go back to the Finance, Administration and Communications Committee before it is agendaized for the next Board meeting. Director Breitfelder indicated that unless there are changes or additions that the Committee needs to be aware of before it goes to the Board, there is no need to bring this item back to the Committee.

- b) UPDATE ON ANNUAL CUSTOMER SURVEYS

General Manager Watton indicated that this item was presented to the Finance, Administration and Communications Committee primarily to make the Board aware that the annual customer surveys will be conducted soon and will be brought before the committees and the Board. After a competitive process, Rea & Parker Research was retained to perform the survey. Once the surveys are complete, the results will be presented to the committees and the full Board as an informational item.

REPORTS

10. GENERAL MANAGER'S REPORT

General Manager Watton presented Armando Buelna with a Service Award. Mr. Buelna has been with the District for five years as Communications Officer.

General Manger Watton noted handouts that he had provided the Board members' which included San Diego County Water Authority's (CWA) Capital Improvement Projects (CIP), Drought Management Plan and copies of a Legislative Update published by Carpi & Clay.

He indicated that he and staff will be meeting with the Jamul Planning Group on February 12, 2008 to provide an update on the progress of the 1296 Reservoir.

On February 14, 2008, the District will be hosting a meeting with CESPT, Tijuana State Water Agency, to show them the District's operations, the GIS system and to discuss options for desalinization.

He noted that in the General Manager's Report, there is an update on the 640-1 and 640-2 Reservoirs Project. He indicated that the project is on schedule.

He indicated that the District held the annual Employee Recognition Program at the San Diego Country Club and several of the Board members were in attendance. He stated the program is an opportunity to recognize District employees for various awards and accomplishments achieved over the past year.

As part of the Strategic Plan, an employee survey is being developed and will be implemented as an ongoing repeatable survey. After a review and selection process, Rea & Parker Research was retained to assist the District with this project.

He noted that some time ago, the Donovan Correctional Facility performed a water conservation study. Through the study, they discovered that there is an opportunity for the prison to save water. However, the prison did not have money at the time to match the funds that were going to be provided by the State. They now have funds from the State to go forward with some

improvements which will save approximately 270 acre-feet a year which will include installing electronic flush controls on all toilets.

Rancho San Diego Homeowners Association completed replacement of approximately 15,000 square feet of turf grass with water-wise plants through the District's Cash for Plants program.

He stated in the GM report staff noted an increase in the number of High Efficiency Clothes Washer vouchers that have been redeemed by customers. This will contribute to meeting the District's conservation goals.

He noted that the Continuous Improvement Teams have been formed to evaluate and implement process improvements in the areas of records management, remote field operations and physical and data security improvements. A CIT newsletter (copy attached) has been created to report on the activities of these teams.

He noted on page 5 of the report regarding Bond Insurance that the District purchased bond insurance through Ambac. Recently, Ambac's rating was downgraded due to its exposure to sub-prime lending. This does not affect the District's bonds but is representative of what is currently happening in the market. He noted that if the District issues bonds, it might need to go forward without bond insurance. He indicated that he has had conversations with Chief Financial Officer Beachem and colleagues at CWA and MET about this matter. CWA may go to the market without bond insurance. He indicated that with the turmoil in the market, the District may do the same next year. He indicated that since the District has an AA- credit rating, which is very beneficial to the District, it may be eligible to go forward with an uninsured bond where others may have some difficulties securing bond insurance.

He indicated that construction continues on the Olive Vista Drive Utility Relocation project. The cost of this project is about \$1.2 million. It is a very complex job that involves putting pipeline in a street that is accessed by multiple homes and an elementary school. There has been disruption of water service to some homeowners and the construction is causing some traffic disruption. General Manager Watton indicated that he wanted to make the board aware should they hear comments from the community.

On page 7 under Water Operations, he noted that the County Water Authority shut down Pipeline 4. The two week shutdown did not affect the District's customers because of the its relationship with neighboring agencies. He indicated that the District was able to supply our customers with flows from Helix Water District without disruption.

a) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

President Croucher reported that CWA switched liability insurance coverage from JPIA to SDRMA. SDRMA is the same insurance company that Otay Water District utilizes for liability and worker's compensation insurance coverage.

He also noted that CWA is investing a large sum of money into the *20 Gallon-a-Day Challenge* to encourage water conservation. This program make the public ware that though we have a significant amount of rainfall this season, that we're still in an eight year drought. In March, CWA Board members will be touring the All American Canal lining project. He indicated that if there are extra seats available for the tour, he will let the Board Secretary know so that Otay Board members can participate if they desire.

He indicated the QSA litigation involving the CEQA lawsuits were dismissed with regard to the South Coast Air Quality and the Imperial County Pollution Control Board. There are no remaining challenges that need to go to the State Board so the State Board will be able to move forward.

Representatives from CWA will be attending meetings at MWD this month to hear discussion on rate increases.

11. DIRECTORS' REPORTS / REQUESTS

Director Breitfelder reported that at the County Water Authority, there was discussion regarding BMPs. He indicated that BMPs are becoming a serious matter. At the Water Agency Association meeting, Poseidon Corporation presented information regarding the progress of the desalination plant in Carlsbad.

He indicated that he wanted to publicly thank General Manager Watton and Legal Counsel Yuri Calderon for meeting with the Chula Vista City Attorney to bring the City up-to-date on projects within the District that might concern the City.

Director Bonilla commented that he is also in agreement that the meeting between General Manager Watton and District Legal Counsel with the Chula Vista City Attorney was a good idea.

Director Bonilla requested a copy of the Channel 5 program on water. He asked that copies be distributed to the members of the board.

He asked General Manager Watton if the meeting with CESPT has been confirmed for February 14, 2008. Mr. Watton responded that Chief of Operations, Pedro Porras confirmed that on February 13, CESPT would like to take water from the Otay connection. Mr. Porras has been coordinating this transaction. He commented that if the Federal Governments of the United States and Mexico approve the transaction, Otay is prepared to deliver the water. There

was discussion about the existing contract between Otay and CESPT that it is currently still in effect through October. Mr. Watton indicated that if the Mexican Government does not make a deposit for the water deliveries, then Otay will not release the water. President Croucher indicated that if this does become an issue and the money is not deposited per the agreement, this item will be agendaized and brought to the Board for discussion.

Director Lopez reported that the Chula Vista Interagency Water Task Force met on January 28, 2008. Chief of Engineering, Rod Posada, provided a presentation to the Task Force regarding current water supply and reclaimed water. He indicated that the Councilmembers for the City of Chula Vista have a strong interest in reclaimed water.

Director Robak reported that there was discussion at the Metro Commission meeting regarding the waiver from the EPA concerning the Point Loma Sewage Treatment Plant. The Metro Commission is taking a very proactive role in that process with the City of San Diego. He feels this should be a high priority for all the participating agencies. The largest agency, of all the participating agencies, is in the District's service area, the City of Chula Vista. Over the next 12 months, he feels that the Metro Commission will be highlighted by the media as being involved with this issue with the EPA and the Point Loma Sewage Treatment Plant.

He also reported that he was recently a speaker, along with Armando Buelna, at the Rancho San Diego Spring Valley Rotary meeting. They presented information about Otay and highlighted some of the District's major projects.

He asked General Manager Watton about the gas turbines feeding power to the Ralph W. Chapman Treatment Plant. Mr. Watton commented that the turbines have been running for about two weeks. Director Robak asked if there would be a "grand opening" or "kick-off" of this project. Mr. Watton responded that there will be a dedication after the project has been up and running for a while. Director Robak also shared that a gentleman provided a presentation at the Rotary meeting regarding potable water projects in South America which the Rotary had funded.

12. PRESIDENT'S REPORT

a) DISCUSSION OF COMMITTEE MEMBER ASSIGNMENTS AND REVIEW OF DISTRICT MEMBERSHIPS AND PARTICIPATION IN ORGANIZATION EVENTS

President Croucher reported that he had not received any requests from the Board to make changes to the existing committee member assignments. He suggested that the Board member organization committee appointments remain the same. After discussion, he indicated that the Ad Hoc Ad Hoc General

Manager Review Committee will be dissolved and, until further discussion, to place on hold the Ad Hoc Fenton Business Center Committee and the creation of the Ad Hoc Recycled Water Committee.

He noted that he would like to add the Rancho San Diego Jamul Chamber of Commerce to the list of approved organizations for the Board members to attend. He commented that there will be discussion at the upcoming Board retreat regarding other organizations that the Board would like to add to the list or others that might be removed.

He asked Mr. Watton if members of the Ad Hoc Committee are invited to the meeting with CESPT on the 14th. He indicated that if other Board members would like to attend, please notify Board Secretary Susan Cruz because the meeting will require posting if there is a quorum of the Board in attendance.

Discussions at the Board retreat will include participation in organizations, the Finance policy, the reserve policy and MET and CWA rates, which will include a presentation, and current water resource levels to include local, state and desal and international.

RECESS TO CLOSED SESSION

13. CLOSED SESSION

The board recessed into closed session at 5:19 p.m. to discuss the following matter:

- b) ANTICIPATED LITIGATION (GOVERNMENT CODE §54956.9)
MULTIPLE CASES RELATED TO THE FENTON BUSINESS CENTER

RETURN TO OPEN SESSION

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

The board reconvened at 5:39 p.m. General Counsel Calderon indicated that a motion was made by Director Breitfelder, seconded by Director Lopez and carried with the following vote:

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

to partially approve the claim of Ms. Sherry Evans in the amount of \$100 and to reject seven (7) claims filed by employees and family members of tenants San Diego Electric Sign and Elements of Hardwood Floors and Stone Design.

15. ADJOURNMENT

With no further business to come before the Board, President Croucher adjourned the meeting at 5:40 p.m.

President

ATTEST:

Secretary

AGENDA ITEM 5

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE OTAY WATER DISTRICT AND March 5, 2008

1. The meeting was called to order by President Croucher at 3:31 p.m.
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL

Directors Present: Bonilla, Croucher, Breitfelder, Lopez and Robak

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

4. APPROVAL OF AGENDA

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

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

to approve the agenda.

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

No one wished to be heard.

6. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING OF NOVEMBER 7, 2007 AND SPECIAL MEETING OF NOVEMBER 19, 2007

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

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

to approve the minutes of the regular board meeting of November 7, 2007 and special meeting of November 19, 2007.

CONSENT CALENDAR

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

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

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

to approve the following consent calendar items and pulling item **6c**, AUTHORIZATION FOR EXECUTION OF AN AGREEMENT FOR OTAY BI-NATIONAL DESALINATION FEASIBILITY STUDY UPDATE WITH CAMP DRESSER & MCKEE, INC. IN AN AMOUNT NOT TO EXCEED \$94,552; and **6e**, ADOPT RESOLUTION NO. 4117 TO APPROVE AN AGREEMENT WITH THE CALIFORNIA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM TO PREFUND OTHER POST EMPLOYMENT BENEFITS (OPEB) THROUGH CALPERS; CERTIFY THE FUNDING POLICY OF THE BOARD AT 100% OF THE ANNUAL REQUIRED CONTRIBUTION; DELEGATE AUTHORITY TO REQUEST DISBURSEMENTS TO THE GENERAL MANAGER AND CHIEF FINANCIAL OFFICER; AUTHORIZE THE TRANSFER OF \$11,543,000 TO THE PERS TRUST TO FULLY FUND THE ACTUARIAL ACCRUED LIABILITY AND THE FIRST YEAR'S NORMAL COST; AND AUTHORIZE THE TRANSFER OF THE REMAINING MONEY IN THE DESIGNATED OPEB FUND TO THE GENERAL FUND TO PAY FOR THE APPROVED SIX-YEAR LABOR AGREEMENT; for discussion:

- a) AWARD OF A PROFESSIONAL SERVICES CONTRACT TO RBF CONSULTING FOR THE SEWER SYSTEM INSPECTION AND ASSESSMENT PROJECT AND TO AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH RBF IN AN AMOUNT NOT TO EXCEED \$121,185 DURING FISCAL YEARS 2008 AND 2009

- b) AWARD OF A PROFESSIONAL ENVIRONMENTAL CONSULTING SERVICES CONTRACT TO RECON FOR THE PREPARATION OF THE OTAY WATER DISTRICT SUBAREA PLAN AND TO AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH RECON IN AN AMOUNT NOT TO EXCEED \$270,853
- d) UPDATE REPORT OF DIRECTORS' EXPENSES FOR THE 2ND QUARTER OF FISCAL YEAR 2008

Director Breitfelder requested that Items 6c and 6e be pulled for further discussion.

- c) AUTHORIZATION FOR EXECUTION OF AN AGREEMENT FOR OTAY BI-NATIONAL DESALINATION FEASIBILITY STUDY UPDATE WITH CAMP DRESSER & MCKEE, INC. IN AN AMOUNT NOT TO EXCEED \$94,552

It was discussed that a feasibility study was completed on the viability of a desalination plant in Rosarito Beach. This new study proposed by staff will look at the viability of bringing desalinated water from Mexico to Otay's service area. The study would also explore the size of the plant based on interested participants.

Director Robak indicated that County Water Authority (CWA) has completed a study and their study had identified issues. He inquired if Sweetwater Authority (SWA) and CWA were invited to participate in the feasibility study. General Manager Watton indicated that the CWA study was completed and looked at several sites, but the majority of the focus was on the Posieden project. He stated that a bi-national project was a very bold move and the feasibility of a project must first be determined before the District can approach partners. Director Robak also inquired if grant monies were available for such a study. It was indicated that grant money was not available. Director Robak indicated that he was supportive of the vision of such a project, however, it is difficult for him to agree to the District shouldering the full \$100,000 cost of the study when the project would benefit the whole region.

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

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

to approve staffs' recommendation.

- e) ADOPT RESOLUTION NO. 4117 TO APPROVE AN AGREEMENT WITH THE CALIFORNIA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM TO PREFUND OTHER POST EMPLOYMENT BENEFITS (OPEB) THROUGH CALPERS; CERTIFY THE FUNDING POLICY OF THE BOARD AT 100% OF THE ANNUAL REQUIRED CONTRIBUTION; DELEGATE AUTHORITY TO REQUEST DISBURSEMENTS TO THE GENERAL MANAGER AND CHIEF FINANCIAL OFFICER; AUTHORIZE THE TRANSFER OF \$11,543,000 TO THE PERS TRUST TO FULLY FUND THE ACTUARIAL ACCRUED LIABILITY AND THE FIRST YEAR'S NORMAL COST; AND AUTHORIZE THE TRANSFER OF THE REMAINING MONEY IN THE DESIGNATED OPEB FUND TO THE GENERAL FUND TO PAY FOR THE APPROVED SIX-YEAR LABOR AGREEMENT

Chief Financial Officer Joe Beachem indicated that this item was presented to the board at the February 6, 2008 board meeting. The board had requested that staff review any long term financial impacts to transferring \$11.5 million into the CalPERS "Irrevocable Trust" to pre-fund Other Post Employment Benefits (OPEB). He noted that Mr. Bartel was available to discuss the actuarial results at today's meeting if needed and that Ms. Harrell, the District's Financial Advisor, had attended the District's committee meeting and has provided her opinion at the meeting and via correspondence (attached to staffs' report) .on the District's ability to meet its financial obligations while still funding the Irrevocable Trust.

He noted the following benefits of pre-funding the OPEB via the CalPERS Irrevocable Trust:

- Implements prudent recommendations consistent with the District's Financial Model and Reserve Policy
- Positively impacts credit rating as it eliminates the OPEB liability from the District's Balance Sheet
- Complies with the recommendation of the Governor's Commission
- Complies with GASB 45
- Earns a higher rate of return
- Reduces the cost of the OPEB benefits by \$5 million which will be placed in the General Fund allowing the District to cover the cost of the 2008 contract negotiations for six (6) years
- Protects reserves from state borrowing

Chief Financial Officer Beachem indicated that by pre-funding the OPEB, it does limit the District's financial flexibility, however, the drawbacks are small. He stated that should there be an economic slowdown or a major disaster, the District could pull monies from the following funds:

- 1st Funds that exceed their maximums are first to be considered for transfers. The Replacement Reserves and General Fund are

currently over their target levels and would be the first to be utilized if a situation arose.

2nd Funds that exceed their minimum requirements.

He noted that Restricted Reserves would never be utilized. He indicated that the District can temporarily avoid rate increases by drawing on reserves and before the District would utilize the OPEB fund, it would first utilize debt financing then rate increases.

He indicated that staff had presented at the October 9, 2007 Board Workshop what would occur should District growth slow by 50%. He stated that staff would cut the CIP to 75% of budget. The District is currently accomplishing 70 to 75% of the CIP and expects that this could continue. The impact to the Operating Budget is a temporary rate increase of 1%.

He indicated if water sales were cut by 10%, 20%, 30% and 20% in consecutive years, because of the diversification of revenues, the impact to the operating budget would be a temporary 2.6% increase. He stated that rates would be reduced back when sales returned to normal levels.

Director Breitfelder indicated that he felt staff has done a good job in outlining the benefits of the Irrevocable Trust. He indicated that he appreciates the \$5 million in savings it provides. He stated that it does somewhat tie the District's hands, but he felt that the trust was certainly a legitimate risk. He indicated that the committee did not specifically review this item in a recessionary environment, but it was taken for granted that staff had taken this into consideration. He indicated that the committee did inquire what the downside was in pre-funding the OPEB in an Irrevocable Trust and Chief Financial Officer Beachem was very frank in his answer. He stated that the board is to critically review the committee's recommendations and he felt it was handled properly by the board. He stated that, however, he did not agree that the item should have been forwarded for review by the Engineering, Operations and Water Resources Committee (EO&WR Committee) and should have been sent back to the Finance, Administration and Communications Committee (FA&C Committee) as it is the appropriate committee for such items. He stated that he felt that it was not good policy.

President Croucher indicated that he had a discussion with Director Robak, chair of the FA&C Committee, and he was fine with forwarding this item for the EO&WR Committee's review. President Croucher indicated that CWA also utilized this process.

Director Bonilla indicated that it was very difficult to predict what will happen during the recession. He stated that businesses require cash flow to make payroll, pay expenses, etc. and at the end of the day it is business flexibility that is very important. He stated that the District cannot be confident that nothing will

go wrong and he felt that the District was strong financially because it has planned carefully. He indicated that he believed that placing \$11.5 million into an Irrevocable Trust may impact the District's flexibility and he did not feel comfortable with funding the Irrevocable Trust as the risks outweighed the benefits of doing so.

Chief Financial Officer Beachem indicated that it is the board's decision whether to fund or not fund a trust. He stated that PERS did not offer a Revocable Trust. He stated that if the funds were placed in a Revocable Trust, it would provide \$4 million to the General Fund as opposed to \$5 million. The District would need to find an additional \$1 million to fund the General Fund.

President Croucher indicated that the board is discussing emergency funds versus a fund that has been set aside for OPEB which are monies that are not considered "useable." Should the District require emergency funds, then raising rates would be considered first prior to utilizing the funds earmarked for OPEB. Director Bonilla indicated that he understood, however, the situation could be that there are no customers in which rates can be raised. He stated that he did not feel it was worth the risk.

General Manager Watton indicated that Director Bonilla's concern was more of a timing issue (recessionary time) as opposed to placing the monies into a trust. He asked what level Director Bonilla would be comfortable in placing into a PERS Irrevocable Trust; \$5 million? It was discussed that if the District placed \$5 million in the trust, it would lose a little on the rate of return; 6.5% versus 7.75%

Director Robak indicated that he did not see a compelling reason not to fund the OPEB. He stated since the District did not need to borrow the monies to fund OPEB, then he felt the PROS far outweighed the CONS.

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

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

to place \$5 million into a PERS Irrevocable Trust to pre-fund OPEB.

ACTION ITEMS

8. GENERAL MANAGER

a) REVIEW OF CUSTOMER PIPELINE NEWSLETTER AND PROVIDE DIRECTION ON MOVING TO FULL-COLOR PRINTING

Communications Officer Armando Buelna indicated that the Finance, Administrative and Communications Committee had asked staff to research the cost to produce the customer *Pipeline Newsletter* in full color. The committee felt the newsletter would be more "eye-catching" and charts such as the *U.S. Drought Monitor* would have more impact as color can better represent intensity/severity.

He noted that the current cost per newsletter for the two color process on 70 lb. off-set paper stock is \$.08/newsletter or \$3,920/quarter (\$.08 X 49,000 copies). He indicated that staff reviewed two options:

- Full color printing on 70 lb. paper stock -- \$.10/newsletter or \$49,000/quarter (\$.10 X 49,000 copies).
- Full color printing on 100 lb. semi-gloss or glossy paper stock -- \$.11/newsletter or \$5,390/quarter (\$.11 X 49,000 copies).

The committee recommended that the District move to full color printing on glossy paper stock (this paper stock is similar to the paper used for the Consumer Confidence Report). It was indicated that the committee recommended presentation to the full board as it was felt that some ratepayers may feel that the District was spending too much money on such communications/public relations pamphlets. The committee wished the full board to have an opportunity to express their opinion.

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

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

to approve moving to full color on semi-gloss 100 lb. paper stock for the printing of the customer *Pipeline Newsletter*.

9. BOARD

a) DISCUSSION OF 2007 BOARD MEETING CALENDAR

It was noted that May 20, 2008 would not work for the scheduling of a Special Board Meeting to discuss the FY 2009 Budget. President Croucher requested that District Secretary Susan Cruz re-poll the board for a new date. There were no changes to the board calendar.

INFORMATIONAL ITEMS

2. THESE ITEMS ARE PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES ONLY. NO ACTION IS REQUIRED ON THE FOLLOWING AGENDA ITEMS.

a) DISCUSSION OF REVIEW PROCESS FOR DISTRICT'S CURRENT BANKING SERVICES

Accounting Manager James Cudlip indicated that this item was presented at the February 6, 2008 board meeting and the board had requested additional information concerning the specific pricing of the Union Bank of California contract and price comparisons for services with other banking institutions.

He presented a slide noting the specific bid results from the Request for Proposals (RFP) that was sent in November 2005 as follows:

- Union Bank of California's bid was \$8,774 with a fixed price for 5 years.
- Wells Fargo's bid was \$8,840 with fixed pricing for 90 days.
- Bank of America bid \$11,011 with fixed pricing for 90 days.

He stated that staff also performed an agency comparison in which staff compared the District's current contract with other agencies that are similar in size, complexity and range of services as the District. He noted that a spreadsheet was attached to staffs' report indicating all services that are included in the \$8,774 monthly fee.

The results of the agency comparison are as follows:

- | | |
|----------------------------------|----------|
| • Jurupa Community Svc. District | \$10,193 |
| • S. Coast Community District | \$ 9,391 |
| • City of Poway | \$ 9,090 |

The above represents the winning bids and the bids received in response to their RFP's involved a wide range of banks, including Union Bank of California, Wells Fargo, Bank of America and City National. He stated that it was difficult to get comparables as there is a great impact to operations when banking services are changed, so organizations rarely make changes (maybe three to four a year for all agencies in the southern area).

He stated staff is happy with current banking services and feels that no new or additional services are needed at this time. He indicated that total fees are lower than other banks and will remain fixed for another three (3) years. He stated staff will conduct a banking review every two to three (2 to 3) years and would make

full requests for pricing from the banking community on a five year basis unless the biannual review prompts that the District do it sooner.

Director Bonilla indicated that he felt that the banking industry would be changing in the next six (6) months due to the recession. He stated that he did not feel that the District should be tied to doing a review every two to three years, but that it should be open. He suggested that the District perform another review next year because of the state of the economy will create more competition for business. He stated that it is great to do this exercise as the District can show its ratepayers that it is getting the best deal possible for banking services. He commended staff on their work on the review. President Croucher agreed that the review should be done again in a year.

b) FISCAL YEAR 2008 MID-YEAR STRATEGIC PLAN AND PERFORMANCE MEASURES REPORT

Chief of Information Technology Geoff Stevens indicated that he would be presenting on the FY 2008 2nd Quarter Strategic Plan results. He stated that the District is on target with its Objectives with 94% on schedule or ahead of schedule. With regard to Performance Measures, the District's target is 75% and the District has met 87% of its measures. He stated in measuring the District against the industry (external view), the Balanced Scorecard, seven of eight measures are on track. From an internal view (departmental perspective), eight of ten performance measures are on track. He stated that next steps are that staff would be bringing to the board committee the proposed FY09-11 Strategic Plan. It is planned that staff will be taking the Information Technology, Administration and Finance portions of the FY09-11 Strategic Plan to the Finance, Administration and Communications Committee and the Engineering and Operations portions of the plan to the Engineering, Operations and Water Resources Committee during this month's (March) committee meetings. This will allow a more detailed review of the Strategic Plan. He stated that staff will be finalizing project plans, performance measures and setting Otay targets for performance measures.

c) 2ND QUARTER CIP UPDATE

Engineering Manager Ron Ripperger indicated that he wished to introduce two new Sr. Engineers who were hired two (2) weeks ago; Mr. Ron Grunow, who will supervise the District's Planning/Design Divisions of the Engineering Dept.; and Mr. Damon Bradon, Sr. Civil Engineer in the construction division. He stated that the District was very happy to have them as part of the team.

He then presented the Fiscal Year 2008 Second Quarter CIP update in which he highlights the status of CIP expenditures, significant issues and progress milestones on major projects.

He noted that the Fiscal Year 2008 CIP consists of 75 projects totaling \$34.5 million. He indicated that the District's CIP is broken down into four categories:

• Capital Facility Projects	\$24,900,000
• Replacement/Renewal	\$ 6,700,000
• Capital Purchases	\$ 1,400,000
• Developer Reimbursements	<u>\$ 1,500,000</u>
TOTAL:	\$34,500,000

He stated that overall expenditures through the first quarter of Fiscal Year 2008 totaled approximately \$14 million, which is approximately 82% of the District's target expenditure for the full fiscal year. He noted that construction change orders are at -.022%.

He presented a slide depicting a map showing the District's major CIP projects, their status and their location within the District's service area. He stated, of the fourteen projects in FY08, two are in the planning stage, five are in design, four in construction and three have been completed and in use. He reviewed the status of the District's flagship projects which included the SR-905 Utility Relocations, Olive Vista Drive Utility Relocations, 640-1&2 Reservoirs and the 36" Pipeline from FCF No. 14. He also noted that discussions are going well with the City of San Diego regarding an agreement to acquire local treatment capacity.

Engineering Manager Ripperger presented slides which provide the status of the various consultant contracts for planning, design, public services, construction/inspection and environmental. He also presented slides providing a listing of all CIP projects planned for Fiscal Year 2008 and the status of each.

Director Bonilla inquired with regard to the 640-1&2 reservoirs, what the cost difference was between reservoirs that are wrapped versus steel tanks. He stated that the wrapping process seemed very labor intensive. Engineering Manager Ripperger indicated that the City of San Diego had prepared a study which compared above ground steel tanks and pre-stressed concrete tanks. He stated that they found that the breakeven point was approximately at a 5 million gallon tank. He indicated, if the tank to be constructed is 5 million gallons or larger, then a pre-stressed tank is more economical as the maintenance cost of steel tanks are higher. As the District is building two (2) 10 million gallon tanks at the 640 reservoir site, the pre-stressed tanks were selected.

Director Robak inquired what the reason was for the Olive Vista Drive utility relocations project. Engineering Manager Ripperger indicated that every year the District receives requests from the County of San Diego, City of Chula Vista or City of San Diego to relocate some of the District's facilities. He stated that the County of San Diego is realigning Olive Vista Drive and the District's facilities must be moved so the County can realign the road. He stated in this particular case, because the District did not have prior rights with the County (the District's

facilities were in a public right-of-way versus an easement), it must relocate its facilities. It was noted that the relocation costs is at the District's expense because it does not have prior rights with the County. Chief of Engineering Rod Posada indicated that the project did provide the District an opportunity to replace asbestos cement pipe which is an area the District had wished to improve in future. General Counsel Calderon noted that one of the benefits of utilizing a public right-of-way is there is no cost to the District to place its facilities in a public right-of-way, whereas, an easement for facilities must be purchased.

Director Robak inquired how discussions were progressing with Cuyamaca College and the Water Conservation Garden regarding the placement of the 36" pipeline. Engineering Manager Ripperger indicated that staff, in fact, had met with Cuyamaca. He stated that discussions are going well and they are happy with the information they are receiving.

Director Robak also inquired about the monthly construction status reports that staff had been providing. He indicated he has not received any updates in awhile and was wondering if those communications were no longer being produced. Chief of Engineering Posada indicated that staff is a little behind in producing the reports as it has been short staffed and will get them back on-line.

President Croucher indicated that he also wished to thank staff for the \$6.4 million savings for the vault in the Olive Vista Drive project.

REPORTS

10. GENERAL MANAGER'S REPORT

General Manager Watton presented a Powerpoint on the water supply situation. He stated that this year, the county has had more of a regular storm pattern which has not been seen for some time due to the drought conditions. He stated that snowpack conditions are above average statewide, as well as in the Sierra Mountains. He stated, however, a judicial drought is being enforced in the Bay Delta to protect endangered species which is affecting water supply. He presented a slide showing rainfall from 1923 through 2008 with 2008 being close to an average rainfall year. He stated it is hoped that precipitation will continue to follow the average, however, if the weather warms and the Sierra's get above 50 degrees, we will begin to lose the snowpack. The water from the snow will begin to evaporate more than melt. He stated that though the snow conditions are good, it would take eight (8) to ten (10) years of good rain fall to get lake waters up to a comfortable level. He noted the water storage supply levels as of January 2008 were just under 1,800,000 AF. He stated that, depending on where the state allocation is, it is expected that approximately 600,000 AF would be utilized each year starting in 2008 which will provide for only two (2) to three (3) years supplies before the storage supplies are drawn down. He noted that cumulative runoff from the rainfall this year is a little over 35,000 AF. He stated

that CWA plans to utilize 68,000 AF this year, so additional local rain storms are needed to meet supply needs. He indicated that the *20 Gallon Challenge* has not been very successful in encouraging conservation. He indicated that, though, there was a reduction in water consumed in March 2008, it was not due to conservation, but to the rain. He stated that CWA has been working to assure that the needed water supplies for this year are met and they have been successful in establishing supplies to meet this year's demand.

General Manager Watton then reviewed items from his monthly GM Report and noted that staff is working with the City of El Cajon and CWA regarding the 36" pipeline, on alternative routes through Jamacha Road and Washington Street. He stated that it is a very busy intersection and, thus, a very difficult construction area and they are exploring alternative routes.

He noted that staff provided presentations at the AWWA Sustainable Water Sources Conference in Reno, Nevada in February 2008. The first presentation was on Smart Controllers and the second was on AMR. He stated that staffs' participation is not new and he just wished to make note of it to the board.

He indicated with regard to the Artificial Turfgrass rebate program, MWD has been delayed in implementing the regional program. Staff, along with other agencies (seven total), have decided to go ahead and implement the program as summer was approaching and there has been a lot of interest in the program. He indicated that he has executed the MOU with CWA under the GM authority.

He stated that staff is working on the FY2009 budget and the Strategic Plan and will be scheduling meetings in early May or late June to discuss them in detail.

He noted that PBS&J is preparing a technical memo for the North District Recycled Water Study. He stated that MWD has developed a retrofit program and CWA has voted to join the program. This will allow for a \$500/AF credit to retrofit properties. He stated that the program will provide incentives for some to retrofit their properties for recycled water use.

General Manger Watton also shared that the District had a minor sewer spill at the Russell Square Lift Station. He indicated that there was a failure on one of the system pumps. He stated that the SCADA System alarm worked and staff responded to the spill and cleaned up the 60 gallon spill.

He indicated that Mexico will be taking treated water through the District's system for the next couple of months. He noted that the water is Mexican water and it is sold through a wheeling service with MET, CWA and Otay. Mexico pays \$650/AF and the water serves as back-up emergency supplies to Mexico.

He lastly noted that the Microturbines at the treatment plant are up and running. He indicated that a Ribbon Cutting Ceremony is scheduled on April 10, 2008.

The program is in partnership with the County of San Diego utilizing their landfill gas to provide 100% of the electricity supply to the District's treatment plant during the winter months and approximately 65% in the summer.

Director Lopez inquired how much recycled water was being produced at the Chapman treatment plant; 1 MGD? General Manager Watton indicated that was correct, however, with the rain, production has been cutback. In the summer, recycled consumption is about 7 MGD.

a) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

General Manager Watton indicated that CWA was not getting the results it had wished with the *20 Gallon Challenge* campaign. To help improve the conservation message, CWA will be putting together an ad campaign for TV and Radio. They will be allocating \$162,000 to develop the ads and it is expected that CWA staff will be requesting that the board approve a \$1 to \$1.5 million budget for the ad campaign (mostly radio) at an upcoming board meeting. CWA will also discuss next steps, such as incentives to encourage landscape changes, etc.

He also shared that MWD indicated that their rate increase for next year will be 14.5% and the net increase from both MWD and CWA will be in the 10-12% range to OWD. He indicated that it is higher than staff had planned, but is manageable through the budget process.

President Croucher stated that there seems to be a comfort level due to the rains, however, he wished to note that the Colorado River is in an eight (8) year drought and its level is half of its normal level.

He also indicated with regard to the cost increases, power is the main driving force behind the increases. With regard to the conservation ads, he indicated that a little over \$112,000 to \$116,000 will be set aside to explore ads for radio, TV, billboards and they will also include ads to try and reach the Spanish speaking community. The board had indicated if CWA was going to invest \$1.5 to \$1.75 million in ads (to be run over a 4 to 5 month span) it requested that CWA staff also research marketing the ads to the youth (elementary school age as opposed to 18-24 year olds) where it would encourage children to speak with their parents regarding conservation. The board would like to see the conservation message spread out and not only directed to one group.

General Manager Watton also added that CWA plans to issue \$500 million in bonds to support their CIP. He indicated that there is only one bond insurance agency left. If CWA wished to insure the bond issue, it is expected that they would quote a very high rate. The good news is CWA has an "AA" rating and can go direct to the market and acquire a good interest rate without bond

insurance. He stated this rating is very important and will provide CWA many options with the bond issue.

11. DIRECTORS' REPORTS/REQUESTS

Director Robak thanked the board for joining the Rancho San Diego – Jamul Chamber of Commerce (RSDJ Chamber). He noted, at a meeting of the RSDJ Chamber, that the District had received a rebate on half of its membership fee indirectly as General Manager Watton had won the grand door prize for \$300 worth of advertising with the company that owns the *Star News*. He stated that the attendance of the meeting was certainly worth while. He also requested that staff agendaize for discussion at the next Finance, Administration and Communications Committee the mischarges that appeared on some of the customers' property tax bills. He stated he just wanted to look at the scope of the issue and a report be provided to the board.

Director Lopez indicated he wished to commend Asst. General Manager Manny Magana for his help with a customer's situation with newly installed copper pipes. The District's staff was able to assist the customer and the customer had written a very complimentary letter praising staff. Asst. General Manager Magana thanked the operations staff for their work in resolving the customer's issue.

Director Bonilla requested that staff provide an update report of the fiscal impact and status of the AMR program at the April board meeting. President Croucher asked staff to also include the impact to the CIP. Director Bonilla also requested an update on slowed growth and meter sales. He also commended the board for being very open minded on the funding of the OPEB (funding \$5 million funding instead of \$11.5 million). He indicated that he would rather see the District be more conservative during the slowed economy to avoid any negative impacts to the District (such as layoffs).

Director Breitfelder indicated that CSDA had a panel discussion that included two Fire Chiefs (one from San Miguel Consolidated Fire Protection District) concerning proposals for increasing fire service to the back country. Both chiefs felt that none of the many proposals reviewed would have a reasonable possibility of stopping a catastrophic fire in the back country and prevention aspects would be helpful to a limited degree. Most of the money discussed would be dedicated toward emergency response such as search and rescue. He also indicated with regard to the California Model Ordinance that if a jurisdiction does not approve its own conservation ordinance, it would have to follow the state ordinance. He stated that he was surprised to read how firm the State Ordinance is and that he felt it was stricter than the ordinance that is being worked on locally by the Conservation Action Committee, especially with regard to the use of recycled water as the state makes it mandatory to utilize recycled water when it is available. San Diego is still debating this issue. He indicated the Council of Water Utilities presented a speaker from the International Boundary

and Water Commission (IBWC) who discussed facilitating ongoing international agreements, but had not touched on some of the “hot” issues. He stated that he also addressed the Bajagua Water Treatment project and indicated that initially the public would not be responsible for the cost of the Bajagua project, however, overtime the public will contribute to its cost.

12. PRESIDENT’S REPORT

President Croucher indicated that he wished to commend staff not only for the good job they did in communicating with the Fire Department, but in their quick response to discussions of the District assisting with the Countywide RTS communications systems by supplying the microwave deflection device on one of the District’s reservoirs. He also indicated that Otay staff assisted, Mr. Andy Menshek, a director at Padre Dam MWD, in discussing with the Sherriff the seriousness of the theft of water systems backflow devices (the attempted theft occurred at Austin Dr.). Because District staff had explained the seriousness of such a theft, felony charges were filed against the thieves. He also noted that District staff just completed a fundraiser, “Daffodil Days” to raise funds for the American Cancer Society. He asked District Secretary Cruz if she could send fundraising information to board members in the future so they may have an opportunity to participate as well. He also shared that there is interest at CWA in what Otay is doing with regard to Strategic Planning, Financing, Conservation etc. Otay is looked to more in a leadership role and staff should be pleased with their efforts in the accomplishments of the District.

RECESS TO CLOSED SESSION

13. CLOSED SESSION

The board recessed into closed session at 5:50 p.m. to discuss the following matters:

- a) CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION
[GOVERNMENT CODE §54956.9(a)]
 - (i) SEYMOUR/LEWIS DEVELOPMENT, LTD. v. OTAY WATER DISTRICT, et. al.
 - (ii) ROBERT PEREZ, et al. v. OTAY WATER DISTRICT, et al.
 - (iii) K&S DREAMERS, LLC, et al. v. OTAY WATER DISTRICT, et al.
 - (iv) SAN DIEGO ELECTRIC SIGN, INC., et al. v. OTAY WATER DISTRICT, et al.
 - (v) JOSEPH PADILLA, JR. et al. v. OTAY WATER DISTRICT, et al.
 - (vi) AMY WISE et al. v. OTAY WATER DISTRICT, et al.
 - (vii) SEYMOUR/LEWIS DEVELOPMENT, LTD v. JUMPIN’ JUMPS, et al.

b) CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION
[GOV-ERNMENT CODE §54956.9(b)]

(i) MULTIPLE POTENTIAL CASES RELATED TO THE FENTON
BUSINESS CENTER

RETURN TO OPEN SESSION

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

The board reconvened at 6:07 p.m. General Counsel Calderon indicated that a motion was made by Director Breiffelder, seconded by Director Lopez and carried with the following vote:

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

to reject two (2) claims and allow General Counsel to reject all claims received after February 19, 2008.

He indicated that no other reportable actions were taken in closed session.

15. ADJOURNMENT

With no further business to come before the Board, President Croucher adjourned the meeting at 6:08 p.m.

President

ATTEST:

District Secretary

Change Order No. 6 provides for reimbursement to the Contractor in the amount of \$54,872 for three separate, but connected issues, involving differing site conditions.

1. **Utility pole supports (both power and telephone (\$11,666.00)):** The contract documents indicated three poles in close proximity to the proposed pipeline alignment, but no provision was made in the contract documents or by Zondiros to support the poles during construction. After construction began, an additional pole was located. Zondiros submitted a deposit of \$20K to SDG&E to temporarily support the poles and then remove the supports once the work was completed. Staff and Zondiros are coordinating with SDG&E to determine the actual costs for their work supporting the poles. This expense is anticipated to not exceed the initial \$20,000 deposit. Staff will process a separate Change Order directly with Zondiros when the actual costs are received from SDG&E.
2. **Inefficiencies, temporary re-route, and support of a fiber optics line not indicated on the plans (\$19,829):** During design there was no fiber optic line evident in the field. At the start of construction Zondiros called for utility mark-out and the fiber optics line was discovered. The fiber optics line was installed after the design was completed. Alternate alignments for the proposed 12-inch waterline were considered to bypass the fiber optics line, but due to the narrow right-of-way and the existing sewer lines no adjustments were possible. The fiber optic line alignment crossed diagonally over the planned trench for 255 linear feet. This made excavation, progression of the trench shield, and placement of the proposed pipeline very difficult, slowing production to less than half of what was planned.
3. **Caving Ground (\$22,377):** Due to the presence of high groundwater which intruded into the trench and saturated soils, the original trench profile widened considerably from what was anticipated. Progress was slowed as dewatering was required, along with additional shoring, excavation, and paving resulting in a longer than anticipated construction timeframe.

Staff hired RBF Consulting (RBF), due to their expertise with construction claims and their previous relationship with Zondiros, to analyze and negotiate Zondiros' claim. RBF's analysis, supported by Staff's information, found that the agreed upon amount of \$54,872 was reasonable.

Change Order No. 6 results in a net increase to the contract with Zondiros of \$54,872. CalTrans will reimburse the District for costs associated with the referenced work.

FISCAL IMPACT: 

The approved total budget for CIP P2440, as approved in the FY 2008 budget, is \$1,660,000. Expenditures to date are \$1,654,765. Total commitments to date, including this Change Order, are approximately \$1,813,825, which includes the anticipated CalTrans reimbursement amount of \$858,289 (to date \$55,279 has been received from CalTrans). The net committed amount for the project is \$955,536 (see Attachments C and D for budget details).

The Project Manager anticipates that, based on the attached financial analysis, the budget will be sufficient to support this project. Finance had determined that 100% of the funding for this project is available from the Replacement Fund.

STRATEGIC GOAL:

This project supports the District's Mission statement, "To provide the best quality of water and wastewater services to the customers of Otay Water District, in a professional, effective, efficient, and sensitive manner..." This project fulfills the District's Strategic Goals No. 1 - Community and Governance, and No. 5 - Potable Water, by maintaining proactive and productive relationships with the project stakeholders, and by guaranteeing that the District will provide for current and future water needs.

LEGAL IMPACT:

None.



General Manager

P:\WORKING\CIP P2440\Zondiros\Staff Report, Zondiros CO #6, SR905, 6-10-08, (DB-RR).doc

DB/RR:jf

- Attachments: Attachment A
Attachment B
Attachment C
Attachment D
Exhibit A



ATTACHMENT A

SUBJECT/PROJECT: P2440/001103	Change Order No. 6 to the Contract with Zondiros Corporation for the State Route 905 Utility Relocation Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on May 19, 2008. The following comments were made:

- Staff indicated that the contractor for this project, Zondiros Corporation, accrued additional expenses during construction of the project. There were three separate incidences where the contractor encountered problems:
 - 1) The contractor discovered that three utility poles were in close proximity to the proposed pipeline alignment. Due to the shallow depth of these poles encountered during construction, the utility poles needed to be temporarily supported while trenching was proceeding. No allowance was made for this extra expense in the contract documents.
 - 2) Fiber optic lines were discovered during construction that were not indicated on the design plans. The fiber optic conduit and lines were installed after design was completed and before construction began.
 - 3) Problems with the ground caving during construction also incurred an unanticipated expense for the contractor.
- After review of the costs and changes, consultant RBF Consulting negotiated a reimbursement amount of \$54,872 with the contractor, Zondiros Construction. Staff indicated there was a typo in the attached change order backup spreadsheet where \$10,000 was used instead of \$1,000 to add up correctly to the \$54,872 amount.
- Director Croucher asked why the ground caving problem wasn't discovered during the potholing process. Staff

indicated that the caving problem was only discovered in this one area and is possibly an old drainage channel or just a pocket of unstable soil.

- Director Croucher inquired as to the original reimbursement amount requested by the contractor. He indicated that he feels it would be important to state this in the staff report so the Board will know how much of a decrease the consultant was able to negotiate. Staff indicated that the original amount was approximately \$75,000.

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

CONTRACT/P.O. CHANGE ORDER No. 6

PROJECT/ITEM: SR-905 Utility Relocations, Seismic and RW Meter Bypass Vaults

CONTRACTOR/VENDOR: Zondiros Corporation

REF.CIP No.: P2440-002000, WO 30129;
P2440-003000, WO 30130;
P2440-004000, WO 31031;
P2440-1001103

APPROVED BY: Board:

REF. P.O. No: 704749

REF. W.O. No. See Above

DATE: 05/08/2008

DESCRIPTION:

See attached page 2 of 2 for continuation.

REASON:

See attached page 2 of 2 for continuation.

CHANGE P.O. TO READ:

Revise Contract to add \$54,872 and 0 days time for a total Contract amount of \$.

ORIGINAL CONTRACT/P.O. AMOUNT:	\$	930,316.00
ADJUSTED AMOUNT FROM PREVIOUS CHANGE:	\$	1,151,793.24
TOTAL COST OF THIS CHANGE ORDER:	\$	54,872.00
NEW CONTRACT/P.O. AMOUNT IS:	\$	1,206,665.24
NEW CONTRACT COMPLETION DATE:		3/2/07
CONTRACT/P.O. TIME AFFECTED BY THIS CHANGE:		0 days
CONTRACT COMPLETION DATE:		2/30/08

IT IS UNDERSTOOD WITH THE FOLLOWING APPROVALS, THAT THE CONTRACTOR/VENDOR IS AUTHORIZED AND DIRECTED TO MAKE THE HEREIN DESCRIBED CHANGES. IT IS ALSO AGREED THAT THE TOTAL COST FOR THIS CHANGE ORDER CONSTITUTES FULL AND COMPLETE COMPENSATION FOR OBLIGATIONS REQUIRED BY THE CONTRACT/P.O. ALL OTHER PROVISIONS AND REQUIREMENTS OF THE CONTRACT/P.O. REMAIN IN FULL FORCE AND EFFECT.

CONTRACTOR/VENDOR:

TITLE: _____ DATE: _____
ADDRESS: _____

STAFF APPROVALS:

PROJ. MGR. _____ DATE: _____
DIV. MGR: _____ DATE: _____
CHIEF: _____ DATE: _____
ASSIST G.M.: _____ DATE: _____

DISTRICT APPROVAL:

GEN. MANAGER: _____ DATE: _____

COPIES: FILE (Orig.), CONTRACTOR/VENDOR, CHIEF-ENGINEERING., CFO-FINANCE ENGR MGR.
 ACCTS PAYABLE INSPECTION PROJ MGR ENGR SECRETARY PURCHASING

Description of Work

<u>Description</u>	<u>Increase</u>	<u>Decrease</u>	<u>Time</u>	
<u>Item No. 1:</u> This Change Order provides for additional costs required for coordinating support of utility poles necessary as a result re-design and one additional pole not shown on the drawings.	\$11,666.00	\$0.00	0	
<u>Item No. 2:</u> This Change Order provides for additional costs resulting from an increased degree of difficulty in performing the work due to an interfering unknown fiber optic ductbank between station 1+01 to 2+56.	\$19,829.00	\$0.00	0	
<u>Item No. 3:</u> This Change Order provides for additional costs resulting from wet caving soils in the trenchline that could not have reasonably been identified prior to time of bid.	\$22,377.00	\$0.00	0	
<u>Item No. 4:</u> This Change Order provides for additional costs resulting from incorrect As-builts that could not have reasonably been identified prior to time of bid.	\$10,000.00	\$0.00	0	
	Sub Total Amount	\$54,872.00	\$0.00	0
	Total Net Change Order Amount	<u>\$54,872.00</u>		

Reason:

Item No. 1:

Subsequent to beginning construction it was discovered that one additional utility pole was on the project that was not identified on the plans resulting in additional coordination with the utility owner and costs associated with supporting the pole. This Change Order is required to compensate the Contactor for the increased coordination and support costs for the subject utility pole.

Item No. 2:

Subsequent to beginning construction an unknown fiber optic conduit was discovered adjacent to and crossing the water pipeline. Neither the ductbank or the pipeline could be relocated due to site constraints resulting in the Contractor experiencing an increased degree of difficulty to accomplish the specified scope of work. This Change Order is required to compensate the Contractor for the increased degree of difficulty resulting from the unknown fiber optic ductbank.

Item No. 3:

Subsequent to beginning construction wet caving soils were discovered between Station 1+01 and 2+56. These soils created additional unsuitable soils requiring removal and replacement from the site to obtain proper bedding for the new pipeline. Additionally, the unknown soil conditions resulted in additional excavation and replacement due to caving sidewalls of the trench. Site conditions contributed to the scope of this item as sidewall failure could not be effectively mitigated due to a unknown fiber optic ductbank crossing the trenchline.

Item No. 3:

Existing conditions differing from the As-builts that could not have reasonably been identified prior to time of bid resulted in additional work for the contractor including additional material to stay out of CalTrans R.O.W. in an area not Permitted and to relocate and improve the connections for fire services.

CHANGE ORDER LOG

P2440-002000, 003000,
004000, P2454.001103

SR 905, SEISMIC VAULT, METER VAULT

C.O.	AMOUNT	APPROVED		DESCRIPTION	TYPE C.O.
		BY	DATE		
1	(\$2,200.00)	RR	10/16/2006	Reduce Line Item #7 by 100-feet and add 100-feet to Line Item #6 (Based on acquisition of permanent easement). Add 90 no cost days.	Owner Initiated
2	\$7,747.48	RR	1/12/2007	Additional grind and overlay, remove and replace AC berm, additional sand/seal and striping per County requirements	Owner Initiated/County Requirements
3	\$3,118.71	RR	3/22/2007	Add \$3,118.71 to cut & cap south side Gales/Dublin to keep FS in service and allow easier & shorter tie-in.	Owner Initiated
4	\$5,366.28	RR	6/25/2007	Add \$5,366.28 for related delays and Temporary Suspension of Work associated with right-of-way issues at Gales/Dublin & Cactus Road	Owner Initiated
5	\$207,444.77	Board	1/3/2008	Add \$207,444.77 to complete project per directive from Caltrans and City of San Diego due to redesign at Gales Blvd/Dublin Dr and Cactus Road that includes: water service abandonment at Gales Blvd/Dublin Dr; Traffic control, deep excavation, and installation of 12" CML&C water line and 24" steel casing at lower elevation at Cactus Rd.	Owner Initiated / Caltrans & City of San Diego requirements
6	\$54,872.00	Board	5/8/2008	Add \$54,872 for Coordiantion with existing utilities, including power and telephone poles and a fiber optic line unknown saturated and sloughing soils; and conditions differing from As-builts.	Contractor Initiated
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					

Total C.O.'s To Date:	\$276,349.24	29.7%
Original Contract Amount:	\$930,316.00	
Current Contract Amount:	\$1,206,665.24	

Change Order Breakdown for the Month:

Month	Net C.O.\$	Limit	Authorization	Absolute C.O.\$	Absolute C.O. %
5/08	\$54,872.00	\$5,000/5%	PM/Supervisor	\$0.00	0.0%
		\$10,000/10%	Manager	\$0.00	0.0%
		\$15,000/20%	Chief	\$0.00	0.0%
		\$50,000/30%	GM	\$0.00	0.0%

ATTACHMENT C CALTRANS SR-905 CASH FLOW PROJECTION

Date: 29-Apr-08

Crossing	Street	UA #	Description	Amount	2005		2008						2009		TOTAL	
					June	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan.		Feb.
2	Pacific Rim	31758	Invoice	\$ 282,091.94					\$ 282,091.94	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282,091.94
			Amended Agreement	\$ 155,555.86								\$ 155,555.86	\$ -	\$ -	\$ -	\$ 155,555.86
			Total:	\$ 437,647.80												
3	Cactus Road	31759	Invoice	\$ 52,444.24					\$ 52,444.24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,444.24
			Amended Agreement	\$ 15,040.44								\$ 15,040.44	\$ -	\$ -	\$ -	\$ 15,040.44
			Total:	\$ 67,484.68												
3	Cactus Road		New Utility Agreement:	\$ 502,383.10								\$ 502,383.10	\$ -	\$ -	\$ -	\$ 502,383.10
4	Britannia Blvd	31756	Invoice	\$ 115,878.81					\$ 115,878.81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,878.81
			Amended Agreement	\$ 58,787.24								\$ 19,595.75	\$ 19,595.75	\$ 19,595.75	\$ -	\$ 58,787.24
			Total:	\$ 174,666.05												
4	Britannia Blvd	31756	Betterment:	\$ (809,820.00)	\$ -	\$ -	\$ (809,820.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (809,820.00)
4	Britannia Blvd	31817	invoice:	\$ 8,600.00					\$ 8,600.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,600.00
5	Cactus/Dublin	31757	Invoice	\$ 231,544.49					\$ 231,544.49	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 231,544.49
			Amended Agreement	\$ 117,040.85								\$ 117,040.85	\$ -	\$ -	\$ -	\$ 117,040.85
			Total:	\$ 348,585.34												
5	Cactus/Dublin		New Utility Agreement	\$ 37,383.14								\$ 37,383.14	\$ -	\$ -	\$ -	\$ 37,383.14
6	La Media	31728	Invoice	\$ 11,229.62					\$ 11,229.62	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,229.62
			Received Payment	\$ 55,279.38	\$ 55,279.38	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,279.38
			Total:	\$ 66,509.00												
6	La Media	31779	Owed to Caltrans:	\$ (2,350.00)	\$ -	\$ -	\$ (2,350.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,350.00)
7	Airway/Harvest	31755	Invoice	\$ 44,128.75					\$ 44,128.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,128.75
			Amended Agreement	\$ 80,571.25								\$ 26,857.08	\$ 26,857.08	\$ 26,857.08	\$ -	\$ 80,571.25
			Total:	\$ 124,700.00												
7	Airway/Harvest	31755	Betterment:	\$ (97,500.00)	\$ -	\$ -	\$ (97,500.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (97,500.00)
			TOTAL:	\$ 858,289.11												
TOTAL:					\$ 55,279.38	\$ -	\$ (907,320.00)	\$ (2,350.00)	\$ 745,917.85	\$ -	\$ -	\$ 873,856.22	\$ 46,452.83	\$ 46,452.83	\$ -	\$ 858,289.11

NOTES:

- 90 days payment due after receipt of District Invoice.
- Amended Agreement: No time frame is stated after Claim Letter is submitted when Caltrans is required to reply; Assume: 60-days review; 30 days Staff report & Board Approval; Submit District submits Invoice to Caltrans; 90 day payment from Caltrans
- New Utility Agreement: No time frame is stated after Claim Letter is submitted when Caltrans is required to reply; Assume: 60-days review; 30 days Staff report & Board Approval; Submit District submits Invoice to Caltrans; 90 day payment from Caltrans
- Pending Contractor Duration, the Balance Owed is for District Field Inspection Projected for Britannia & Airway/Harvest

 - Caltrans Review

 - District Review



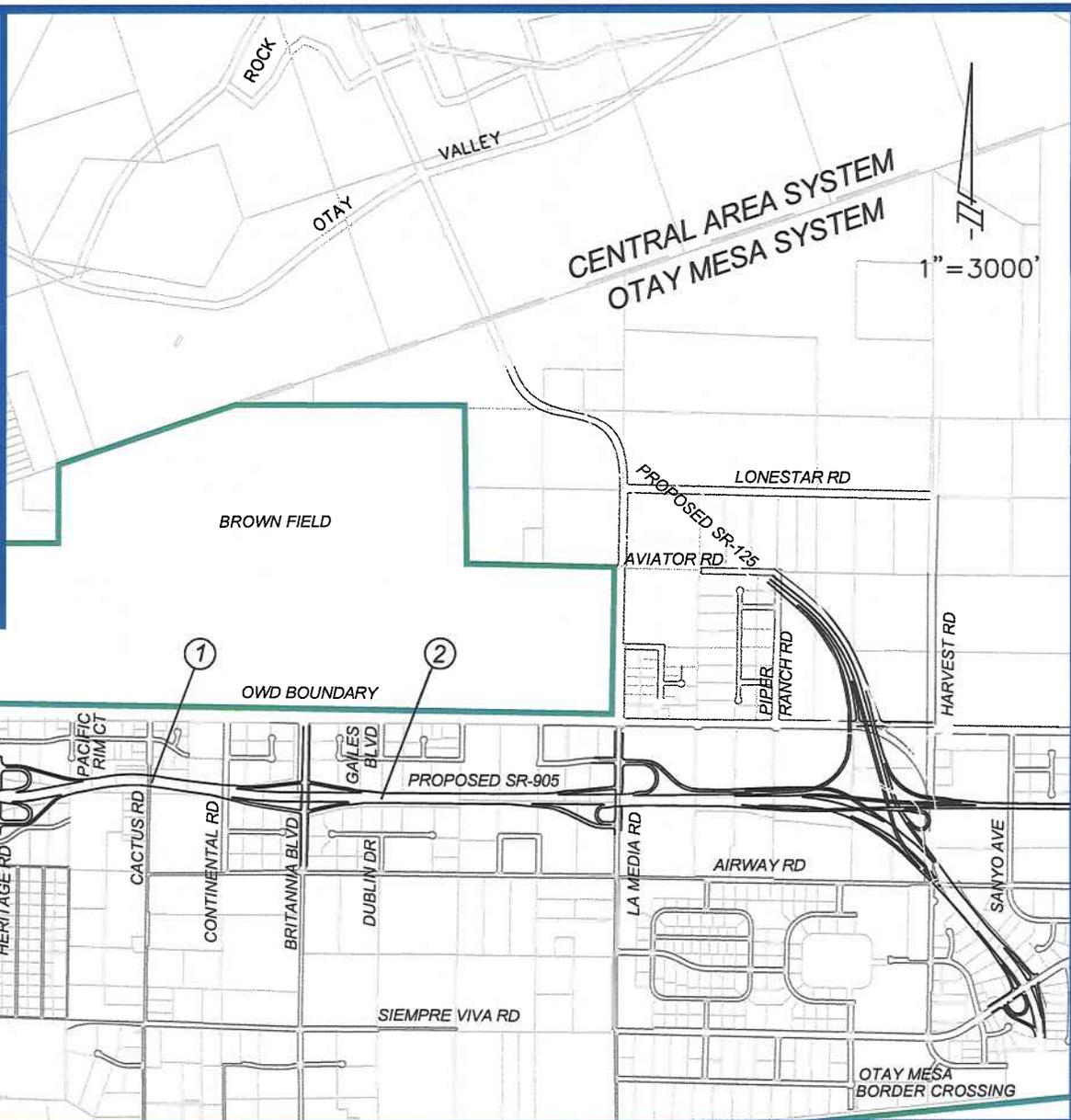
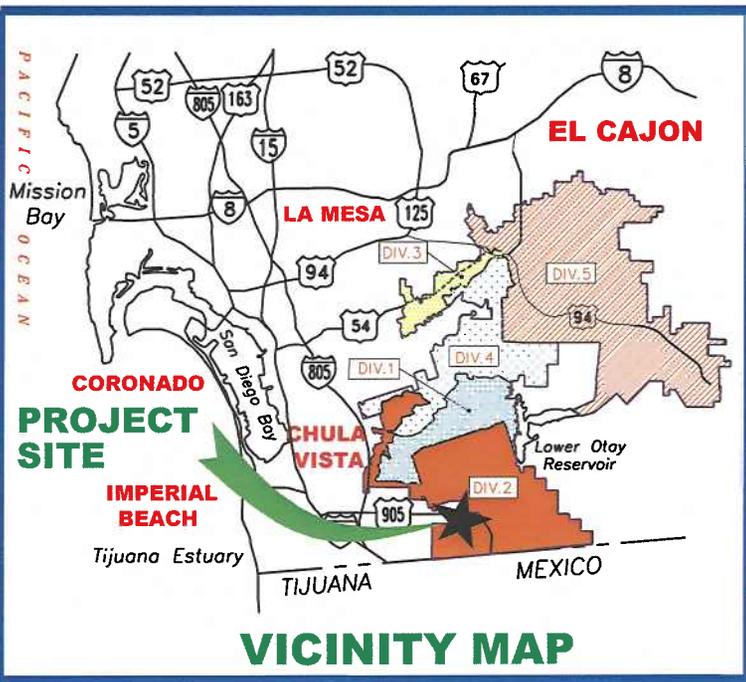
ATTACHMENT D

SUBJECT/PROJECT: P2440/001103	Change Order No. 6 to the Contract with Zondiros Corporation for the State Route 905 Utility Relocation Project
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Otay Water District
P2440- I-905 Utility Relocations

Date Updated: May 07, 2008

Budget \$1,660,000	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor / Comments
Planning					
In House/Labor	69,256	69,256		69,256	
Professional Legal Fees	340	340	-	340	Burke, Williams, Sorensen LLP
Service Contracts	2,060	2,060	-	2,060	Garcia Calderon & Ruiz LLP
			-	-	
Infrastructure, Materials & Supplies	6	6	-	6	Ferguson Waterworks
Temporary Labor	112	112	-	112	Sedona Staffing Services
			-	-	
Total Planning	\$ 71,774	\$ 71,774	\$ -	\$ 71,774	
Design					
In House/Labor	99,634	99,634		99,634	
Consultant Contracts	224,799	224,799	0	224,799	HDR Inc.
	12,000	12,000	0	12,000	Bowan & Associates
	66,922	66,923	(1)	66,922	Hirsch & Company
	11,040	11,040	-	11,040	Swinerton Management
Service Contracts	2,190	2,190	-	2,190	OCB Reprographics
	69	70	(1)	69	San Diego Daily Transcripts
	190	190	-	190	Clarkson Lab & Supply Inc.
Printing	8	8	-	8	Petty Cash Custodian
			-	-	Frank & Son Paving Inc.
Reimbursement of Expenses	(55,279)	(55,279)	-	(55,279)	California Dept. of Transportation
Reimbursement of Expenses	(858,289)		(858,289)	(858,289)	California Dept. of Transportation
			-	-	
Total Design	\$ (496,715)	\$ 361,574	\$ (858,290)	\$ (496,715)	
Construction					
In House/Labor	188,630	188,630		188,630	
Advertisement/Bld	328	328	-	328	Union Tribune
Professional, Legal Fees	437	437	-	437	Garcia Calderon & Ruiz LLP
			-	-	
Consultant Contracts	37,910	37,271	639	37,910	RBF Consulting
	1,820	1,820	-	1,820	Southern California Soil
Construction Contracts	982,949	941,597	41,352	982,949	Zondiros Corporation
	54,872			54,872	Zondiros CO 6
	524	524	-	524	HD Supply Waterworks Ltd.
	62,197		62,197	62,197	CALTRANS
Retention	33,668	33,668	-	33,668	Zondiros Corporation
Rents/Leases(Temp. Easement)	1,750	1,750	-	1,750	Gateway Park Owners Association
	6,825	6,825	-	6,825	Brown Field Business Park LP
	1,000	1,000	-	1,000	Dante Corp.
Settlements (Easement)	1,000	1,000	-	1,000	Vista South Melrose LP
Materials	216	216	-	216	C.W. Mcgrath
	163	163	-	163	United Rentals Northwest Inc
	155	155	-	155	HSS Rentx Inc
	258	258	-	258	Penhall Co.
AMR Meters	165	165	-	165	
Meter Bushings	6	6	-	6	
Sewer Fittings & Green Bell	24	24	-	24	
Adaptor ACP 914	1,709	1,709	-	1,709	
Gate Valve	2,247	2,247	-	2,247	
Pipe CLC Steel	325	325	-	325	
Reducer Cast Iron	323	323	-	323	
Valve Ball	37	37	-	37	
Saddle Tap ACP 2 inch	93	93	-	93	
Corp	119	119	-	119	
Professional Legal Fees	500	500	-	500	First American Title
Water Loss	228	228	-	228	
			-	-	
Total Construction	\$ 1,380,477	\$ 1,221,417	\$ 104,188	\$ 1,380,477	
Grand Total	\$ 955,536	\$ 1,654,765	\$ (754,102)	\$ 955,536	



- ① CACTUS RD (APPROVED)
UTILITY AGREEMENT NO. 31759
- ② GAILES BLVD/DUBLIN DR (APPROVED)
UTILITY AGREEMENT NO. 31757

OTAY WATER DISTRICT

SR-905 UTILITY RELOCATIONS

EXHIBIT A



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AGENDA ITEM 6b

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 10, 2008
SUBMITTED BY:	Stephen Dobra, Purchasing Manager <i>[Signature]</i>	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:	Rom Sarno, Chief, Administrative Services (Chief)		
APPROVED BY:	German Alvarez, Assistant General Manager, Finance and Administration <i>[Signature]</i> (Asst. GM):		
SUBJECT:	ADOPT ORDINANCE NO. 517 TO AMEND SECTION 2.01-E, AUTHORITY OF THE GENERAL MANAGER, OF THE DISTRICT'S CODE OF ORDINANCE		

GENERAL MANAGER'S RECOMMENDATION:

That the Board adopt Ordinance No.517 to:

1. Amend Code of Ordinance Section 2.01-E, Authority of the General Manager ("Attachment B"), clarifying the General Manager's authority to amend contracts awarded by the Board.

COMMITTEE ACTION: _____

See "Attachment A".

PURPOSE:

To request that the Board amend Sections 2.01-E of the Code of Ordinance as presented in "Attachment B".

ANALYSIS:

Amend Code of Ordinance Section 2.01-E

On April 2, 2008 the Board updated language in Section 2 of the Code of Ordinance. The new language in Sections 2.01-D and Section 2.01-E was not intended to limit the General Manager's authority related to amending contracts awarded by the Board. It is recommended that the Board further amend section 2.01-E of the Code of Ordinance to clarify that the General Manager may continue to:

1. Approve contracts and amendments (change orders) to contracts as long as the total cumulative value does not exceed \$50,000 (No Board action).

2. Approve amendments to contracts approved by the Board as long as the total cumulative value of the amendments (change orders) does not exceed \$50,000.

FISCAL IMPACT:



Approving the recommended change to the Code of Ordinance will have no negative fiscal impact.

STRATEGIC GOAL:

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

LEGAL IMPACT:

None



General Manager

Attachment A - Committee Action

Attachment B - Ordinance No. 517, and Strikethrough Copy of Section 2

Attachment C - Proposed Section 2



ATTACHMENT A

SUBJECT/PROJECT:	Adopt Ordinance No. 517 to Amend Section 2.01-E, Authority of the General Manager, of the District's Code of Ordinances
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on May 27, 2008. The following comments were made:

- Staff indicated that the recommended action is to clarify the language in Section 2.01-E of the District's Code of Ordinances (Code). The change clarifies the General Manager's delegated authority related to amending contracts awarded by the Board. When staff proposed that the Board adopt updated language in Section 2.01-E of, it was not intended to limit the General Manager's authority related to amending contracts awarded by the Board. Adopting Ordinance No. 517 will provide the needed language to the Code to allow the General Manager to continue to approve change orders to Board awarded contracts so long the cumulative value of changes does not exceed \$50,000.

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

ORDINANCE NO. 517

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE OTAY WATER DISTRICT AMENDING SECTION 2,
AUTHORITY OF THE GENERAL MANAGER,
OF THE DISTRICT'S CODE OF ORDINANCES**

WHEREAS, the Otay Water District (District) previously adopted Section 2.01-E of the Code of Ordinances defining the General Manager's authority to approve change orders to agreements, contracts, other documents, or commitments on behalf of the District; and

WHEREAS, it is the intention of the District to clarify and redefine the General Manager's authority with regard to change orders that amend agreements, contracts, other documents, or commitments on behalf of the District; and

WHEREAS, the District has an obligation to establish policies and ordinances that are in the best interest of the District; and

WHEREAS, the District wishes to implement amendments to Section 2 of the District's Code of Ordinances to clarify and redefine the General Manager's authority as note above; and

NOW, THEREFORE, BE IT RESOLVED DETERMINED AND ORDERED by the Board of Directors of the Otay Water District as follows:

1. The existing Section 2 of the Code of Ordinance is hereby amended as set forth in Exhibit A attached hereto; and
2. The General Manager and the District Secretary are hereby ordered to take any and all actions and steps necessary to carry out the provisions of this ordinance; and
3. This Ordinance 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 10th day of June, 2008, by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

President of the Board of Directors

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

E. To approve change orders to agreements, contracts, or other commitments on behalf of the District⁷. If the underlying contract is awarded by the General Manager pursuant to paragraph 2.01-D above, so long as the cumulative value of the approved change orders and the underlying agreement, contract, or commitment shall not exceed the General Manager's signatory authority established above. If the underlying contract is awarded by the Board, the General Manager may approve change orders thereto in an aggregate amount not exceeding the General Manager's signatory authority established above. identified in Section 2.01-D above.

F. To approve plans, specifications, maps and agreements, and any other documents involving land development projects within the District.

G. To authorize the use of District Real Property by third parties if all the following conditions are met: (a) the consideration is less than the General Manager's authority; and (b) the proposed use consists of an easement, license, access permit or other use of a portion of the District Real Property

that will not interfere with the existing or anticipated uses of the District Real Property for District purposes; and (c) either (i) the term of the proposed use is 10 years or less, or (ii) the entity proposing to use the District Real Property is a regulated utility, governmental entity or not-for profit organization. All uses of District Real Property not contemplated herein or specifically authorized in other sections of this Code of Ordinance shall be presented to the Board of Directors for consideration.

1. The General Manager may establish terms and conditions for the use of and access to District Real Property contemplated herein, including administrative charges.

2. The use of any District Real Property shall require consideration satisfactory to the General Manager, which may be monetary compensation in an amount equal to the fair market value of the proposed use plus an administrative charge or may be in the form of a real property interest or other equivalent compensation or use.

3. "District real property" means and includes real property and interests thereon, such as fee interests, easements, licenses and other such interests acquired for various District purposes including but not limited to the construction, operation, access or maintenance of pipelines or other facilities necessary or convenient to the full exercise of the District's powers.

H. 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.

3. If the emergency action continues for seven days and a regularly scheduled meeting will not occur within 14 days from the day the emergency action was taken, the General Manager shall request that the Board review the emergency action and determine by formal action if the need to take emergency action continues.

4. At each regularly scheduled meeting following the declaration of an emergency the Board may, by formal action and pursuant to a vote as required by Section 22050 of the Public Contract Code, determine if there is a need to continue the emergency action. If the Board does not determine that the emergency continues, the power to operate under emergency conditions will terminate and any new work, goods or services not yet procured shall be contracted or acquired in accordance with applicable provisions of this Code.

2.02 ORDER OF SUCCESSION

When the General Manager is going to be absent from the District, the General Manager is authorized to designate an Asst. General Manager to act on his behalf and said person shall have the same authority as the General Manager. Any long-term vacancies (over 30 days) shall be filled by vote of the majority of the Board.

CHAPTER 2 ADMINISTRATION OF THE DISTRICT

SECTION 2 MANAGEMENT OF THE DISTRICT2.01 AUTHORITY OF THE GENERAL MANAGER

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

E. To approve change orders to agreements, contracts, or other commitments on behalf of the District. If the underlying contract is awarded by the General Manager pursuant to paragraph 2.01-D above, the cumulative value of the approved change orders and the underlying agreement, contract, or commitment shall not exceed the General Manager's signatory authority established above. If the underlying contract is awarded by the Board, the General Manager may approve change orders thereto in an aggregate amount not exceeding the General Manager's signatory authority established above.

F. To approve plans, specifications, maps and agreements, and any other documents involving land development projects within the District.

G. To authorize the use of District Real Property by third parties if all the following conditions are met: (a) the consideration is less than the General Manager's authority; and (b) the proposed use consists of an easement, license, access permit or other use of a portion of the District Real Property that will not interfere with the existing or anticipated uses of

the District Real Property for District purposes; and (c) either (i) the term of the proposed use is 10 years or less, or (ii) the entity proposing to use the District Real Property is a regulated utility, governmental entity or not-for profit organization. All uses of District Real Property not contemplated herein or specifically authorized in other sections of this Code of Ordinance shall be presented to the Board of Directors for consideration.

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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.

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3. If the emergency action continues for seven days and a regularly scheduled meeting will not occur within 14 days from the day the emergency action was taken, the General Manager shall request that the Board review the emergency action and determine by formal action if the need to take emergency action continues.

4. At each regularly scheduled meeting following the declaration of an emergency the Board may, by formal action and pursuant to a vote as required by Section 22050 of the Public Contract Code, determine if there is a need to continue the emergency action. If the Board does not determine that the emergency continues, the power to operate under emergency conditions will terminate and any new work, goods or services not yet procured shall be contracted or acquired in accordance with applicable provisions of this Code.

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When the General Manager is going to be absent from the District, the General Manager is authorized to designate an Asst. General Manager to act on his behalf and said person shall have the same authority as the General Manager. Any long-term vacancies (over 30 days) shall be filled by vote of the majority of the Board.



AGENDA ITEM 6c

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 4 2009
SUBMITTED BY:	Geoffrey Stevens, Chief Information Officer	W.O./G.F. NO:	DIV. NO. ALL
APPROVED BY: (Chief)	German Alvarez, Assistant General Manager, Administration and Finance		
APPROVED BY: (Asst. GM):			
SUBJECT:	IT related O&M and Capital Contracts for FY09 Needing Board Approval		

GENERAL MANAGER'S RECOMMENDATION:

That the Board issues the following purchase orders to cover budgeted expenses for Fiscal Year 2009 to:

- Eden Systems in the amount of \$170,000 to cover the costs of a software maintenance agreement, annual support, and consulting services.
- DCSE in the amount of \$80,000 to cover GIS software licenses and software integration services.
- GBA in the amount of \$83,000 for software licenses and integration consulting work.
- AT&T in the amount of \$115,000 for telephone and Internet services under the CALNET II contract.
- Verizon Wireless in the amount of \$75,000 for cell phone and wireless air time.
- Network Insight for \$60,000 for 7x24 remote network monitoring services.
- SoftChoice for \$150,000 for the third year of our Microsoft Enterprise Agreement and additional license for GIS servers.
- Logicalis in the amount of \$75,000 for implementation services to design, implement, and install a wireless broadband connection to the Treatment Plant.

COMMITTEE ACTION: _____

See attachment A.

PURPOSE:

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

ANALYSIS:

In conjunction with the proposed Fiscal Year 2009 District budget, the IT Department presents to the Board specific technology related expenses that require Board approval because they exceed the General Manager's authorized approval limit of \$50,000 for a specific contract. These contracts and purchases are required to either operate the District's technology environment or to make planned technology related infrastructure improvements. Each item requiring the District to issue a purchase order or contract for greater than \$50,000 as described in detail in the following section. This report is assembled in parallel with the FY2009 Budget. All of the items in this staff report are specifically itemized in the FY2009 Budget as well. By presenting these items collectively, we want to provide to the Board a more detailed view of expenses related to the Districts' information systems.

All purchasing guidelines have been met for the specific items in this report. Certain items like software license and vendor support are sole source contracts as only the specific vendor can support his own product. Certain items are also purchased utilizing state authorized competitive contracts, for example internet and phone services are purchased under the state CALNET II contract, which guarantees competitive pricing. For the specific capital items, including hardware upgrades, these items are competitively bid. In each case, we selected the lowest bid but have high confidence in the quality of service from the recommended firms. Approval of these items at this time allows us to finalize contracts and have them in place by July 1, the beginning of the new fiscal year. We have attempted, wherever possible, to synchronize our contract renewal dates with the District's fiscal year and budget approval process.

The following are detailed descriptions of the specific requests:

Summary Table

Item	Amount	Purchasing Process	Funding Source
Eden Software Licenses	\$125,000	Required Vendor	IT O&M Budget
DCSE Software Licenses / Integration	\$80,000	Required Vendor	IT O&M Budget
GBA Software Licenses	\$43,000	Required Vendor	IT O&M Budget
AT&T Annual Fees	\$115,000	CALNET II	IT O&M Budget
Verizon Wireless Annual Fees	\$75,000	Selected on Service	IT O&M Budget
Softchoice / Microsoft Licenses	\$150,000	WSCA State Contract	IT O&M Budget
Network Insight - Annual Support	\$60,000	Competitive Bid	IT O&M Budget
Total O&M	\$648,000		
Logicalis	\$75,000	Competitive Bid	IT Capital Budget
Eden Software Consulting	\$45,000	Required Vendor	IT Capital Budget
GBA Software Consulting	\$45,000	Required Vendor	IT Capital Budget
Total Capital	\$165,000		
Grand Total	\$813,000		

Note: Funding is itemized in the FY2009 Otay Budget

Explanation of Costs

Software Maintenance Contracts

Eden Systems - \$170,000. The software maintenance licenses (\$125,000) for the Utility Billing, Financial, Human Resources and Permitting systems are provided by the integrated Eden Systems product, which is wholly owned by Tyler Technologies. The core license and support costs include both the license and enhanced support agreements. This item is a sole source contract as only the product vendor is authorized to provide maintenance support. In addition, we have allocated \$45,000 for software development and integration to allow us to implement major new initiatives like rate simplification, enhanced bill stuffing and bill redesign, and process improvements that will save Otay labor expenditures in the billing process. The development portion is a capital expense. The license fees are an O&M expense.

DCSE - \$80,000. DCSE provides software licenses for the Mapplet.net and Field Mapplet.net GIS viewers. This product allows us to display GIS information both on our network and in a mobile environment (60 tablet PC's). The platform is very flexible and is being expanded to support additional work processes which utilize GIS information like automated USA Mark out, in-field redlining, and documentation of SCADA infrastructure. This is a sole source contract as DCSE is the licensed vendor. In addition, DCSE provides customized integration services allowing us to integrate GIS data with our work order system from GBA.

GBA - \$88,000. GBA provides the infrastructure management software (IMS) we use for work management. Our annual license fee is budgeted at \$43,000. In addition this year we anticipate development in two areas - support of asset management and more precise integration of GIS and GPS data into work orders. We have allocated \$45,000 for this product specific work. As with Eden, the license fees are an O&M expense and the software integration costs are capital expenses.

Communications Costs

AT&T - \$115,000. The District purchases land line and internet services from AT&T under a state CALNET II contract (upgraded from CALNET I) at very competitive rates. Purchases under this agreement conform to our purchasing policy guidelines. The telephone services support the District's local and long distance telephone expenses, Internet access, and coverage for copper based SCADA telephone connections. This is in compliance with our CALNET II agreement.

Verizon Wireless - \$75,000. The District purchases high-speed wireless communications services from Verizon. Specifically, Verizon has the most reliable high-speed internet connections (REV A) used in our mobile platform and Blackberry phone, and internet services. This is a sole source contract because of the need to utilize the Verizon wireless network. The quality of data connection from the Verizon service is superior in our area to both Nextel and Sprint. Because of the field mobile computing initiative, we recommend renewing the contract with Verizon.

Data Center Services and Upgrades

Softchoice - \$150,000. This is the third and final year of our Enterprise Agreement with Microsoft for desktop and server software licensing. The Board previously approved this three year contract as part of the annual "true up" Otay Water needs to purchase one additional SQL Server license, not included in the original agreement, for our new GIS servers.

Logicalis - \$75,000. To install high-speed wireless connection to the Treatment Plant requires high level implementation and hardware integration skills. It is estimated we will utilize \$75,000 of implementation services to properly install, test, and implement this important upgrade. This expenditure includes design and implementation and is exclusive of hardware such as antennas, radios, solar backup power, and cameras that will be purchased seperately.

Network Insight - \$60,000. Network monitoring services are a significant component of data center services. Otay purchases 7x24 network monitoring services that remotely monitor our data center and network. This service avoids having to staff a second shift as the data center requirements for operations are 7x24 with billing process in particularly running at night, on weekends, as well as during the regular workweek. The cost of the monitoring service is \$60,000.

These services were competitively bid in FY2007 and we selected the low cost provider.

FISCAL IMPACT: _____

The items referenced above request a total of \$813,000 of which \$648,000 are budgeted from O&M funds and \$165,000 are budgeted from Capital funds. These items are also specifically included in the recommended FY2009 Operating and Capital Budgets.

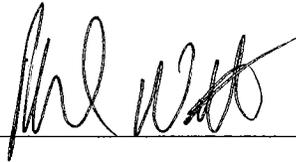
STRATEGIC GOAL:

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

LEGAL IMPACT: NA

None.

General Manager





ATTACHMENT A

SUBJECT/PROJECT:

IT Related O&M and Capital Contracts for FY09 Needing Board Approval

COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on May 27, 2008. The following comments were made:

- Staff is requesting the board's approval of technology related expenses that exceed the General Manager's authorized approval limit of \$50,000. The contracts and purchases are required to either operate the District's technology systems or to make planned technology related infrastructure improvements.
- Staff reviewed each contract in which approval is requested:
 - The Eden Systems contract is broken down into two areas. \$125,000 covers software maintenance licenses for the Utility Billing, Finance, Human Resources and Permitting systems. \$45,000 is allocated for software development and integration to allow implementation of new initiatives, such as, rate simplification, enhanced bill stuffing, etc.
 - DCSE's contract will provide software licenses for both the Mapplet.net (desk top) and Field Mapplet.net (laptop for the mobile environment) for the GIS system users. The software allows the desk top and laptop systems to work together. The contract amount is \$80,000.
 - The contract with GBA for \$88,000 provides for software for the Infrastructure Structure Management system utilized in the Operations Department for work management (\$43,000) and development of software for the support of the Asset Management System and to more precisely integrate GIS and GPS data into work orders (\$45,000).

- o AT&T services is contracted under the state CALNET II contract for \$115,000. The contract provides for local and long distance telephone services, internet access services, and telephone services for the Scada system. Wireless service is contracted with Verizon for \$75,000. Services include blackberry phone and wireless internet services. It was noted that both AT&T and Verizon were listed as services in the CALNET website. The committee inquired if Verizon services could be included in the District's CALNET II contract as there is a cost benefit potential. Staff researched the applicability of the CALNET II contract to cover Verizon pricing as well. Unfortunately, the CALNET contract covers telecom related services but not the wireless "air-card" services we purchase from Verizon. Staff, however, is confident that the pricing the District does receive from Verizon is very competitive.

- o The contract with Softchoice in the amount of \$150,000 is for the third and final year of the District's Enterprise Agreement with Microsoft for desktop and server licensing. The \$150,000 also includes an additional license for the GIS server. The committee inquired what the cost increase was for the Softchoice contract. Staff indicated that there is a 6 to 8% escalator each year on the software. It was noted that by knowing this escalator, the District can easily predict the following year's cost.

The committee inquired how Oracle's PeopleSoft software compared with Softchoice. Staff indicated that in 1999 when the District began designing its system, it wished to utilize enterprise software that already knew the utility industry. It was indicated that other agencies selected PeopleSoft and seven years later found they needed to either change/customize the software or their processes to make the software meet their needs. With Softchoice, Otay did not need to make any changes as the software is customized for utilities. It was also noted that PeopleSoft was designed for large organizations which the District is not. Staff also shared that the new Softchoice software update had reduced the bill running process for the District's largest billing batch from 15 hours to 7 hours.

- o The contract to Logicalis for \$75,000 is for the installation of high speed wireless communications link between the Otay headquarters and the treatment plant. The contract will include design and implementation. Hardware, such as, antennas, and radio relays to provide future support to cameras, etc. will need to be purchased separately. The security system will allow the District to do surveillance of the facility over network. The Treatment Plant will serve as a test facility prior to installation at all other District facilities. It was discussed that if the testing goes well, then the surveillance system could possibly be begin to be expanded to other facilities by the end of this year or early CY 2009.
- o Network Insight's contract for \$60,000 provides 7 x 24 monitoring services of the District's network. The monitoring services notifies District staff if a server goes down, the server room air conditioning system goes down, of power failures, if someone is trying to break into our network from the outside, etc. The value of the services is a second shift is not required. The District has utilized Network Insight for three years and staff plans to formally bid the services next year.

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



AGENDA ITEM 6d

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 10, 2008
SUBMITTED BY:	Elaine Henderson, <i>eh</i> Customer Service Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Joseph R. Beachem, Chief Financial Officer		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager		
SUBJECT:	Execute a Five-Year Contract with InfoSend to Provide Monthly Bill Printing, Bill Insertion, and Mailing Services for the District's Water and Sewer Bills		

GENERAL MANAGER'S RECOMMENDATION:

That the board authorize the General Manager to execute a five-year contract with InfoSend to provide monthly bill printing, bill insertion, and mailing services for the District's water and sewer bills

COMMITTEE ACTION: _____

See Attachment A.

PURPOSE:

To authorize the General Manager to purchase services from InfoSend, as necessary, to support the monthly billing process.

ANALYSIS:

Staff sent out RFPs to three vendors and received proposals from two of them. The information is shown in the following table:

Vendor	Annual Price
InfoSend	\$72,600
DateProse	\$82,500
EDS	No Response

Evaluation criteria consisted of: the vendor's ability to meet district specifications, number of years experience in this type of business and with accounts similar to Otay in size, competence and customer service, on time experience in delivery of comparable goods and services, financial stability, and cost.

Staff evaluated the proposals and it is staff's recommendation the District enter into a five-year contract with InfoSend for Otay's bill printing process. Staff is confident this vendor can meet or exceed the internal controls that DataProse, the current bill print provider, has put in place.

Additionally, staff conducted four vendor reference checks and spoke to some of InfoSend's existing customers to elicit feedback. Staff also called neighboring agencies, which had recently sent RFPs, for their evaluation of InfoSend. All reference checks were positive. Helix Water District recently selected InfoSend as their new bill print vendor.

InfoSend has multiple project managers, accessible through the Message Manager system, that are available for immediate contact and response to staff's billing questions or issues. With DataProse, staff has one project manager assigned to handling Otay's account.

InfoSend's Job Tracking process allows staff to track the process of our print files and access confirmation reports via the web. DataProse does not offer this service.

In addition, InfoSend offers services in the areas of E-bill and bill archiving, whereby customers can sign up to get their bills electronically and also have access to historic copies of their bills via the web. InfoSend offers the above services and more to accommodate Otay's upcoming needs.

FISCAL IMPACT:



The annual budget for services is estimated to be \$72,600 which results in a net annual savings of \$9,900 from the current vendor's price. Staff will do an informal pricing review every two years during the five-year contract to ensure the continued value of the pricing.

STRATEGIC GOAL:

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

LEGAL IMPACT: _____

None.



General Manager

Attachments:

- A) Committee Action Form



ATTACHMENT A

SUBJECT/PROJECT:

Execute a Five-Year Contract with InfoSend to Provide Monthly Bill Printing, Bill Insertion, and Mailing Services for the District's Water and Sewer Bills

COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on May 29, 2008. The following comments were made:

- It was indicated that a Request for Proposal was forwarded to three vendors and the District received two responses. Staff is recommending the selection of InfoSend which would save the District approximately \$10,000/year (five year contract) for billing services.
- It was discussed that DataProse has been providing the District's billing services for the past six years and the District has been happy with their services. Staff is recommending InfoSend based on cost savings and their ability to provide electronic billing services and other services which are in-line with the District's Strategic goals.
- It was indicated that InfoSend is located in Fullerton. Local customers include the City of Chula Vista and Helix Water District who have just recently signed a contract with them. InfoSend provides services to 75 to 80 different utilities. (Following the committee meeting, staff became aware that InfoSend's customers include 60 utilities and cities and the remaining are medical billing and direct mail services). The City of Chula Vista indicates that they are very happy with their services and staff also called four of their customers for references. All four customers provided very positive responses and were happy with their services.
- Staff is reviewing electronic billing services and when best to implement. Currently, customers must go to the District's website to view their bill. With InfoSend, the District would have the ability to send customers their bills directly to their email accounts. With the

capability to electronically bill, the District would also save in printing, paper and postage costs. It was noted that staff would also have the ability to send newsletters and billing inserts via email. Our current vendor, DataProse does not offer these services at this time.

The committee supported staffs' recommendation and presentation to the full board on the consent calendar.

AGENDA ITEM 6e



STAFF REPORT

TYPE MEETING:	Board	MEETING DATE:	June 10, 2008
SUBMITTED BY:	William E. Granger, Water Conservation Manager <i>WG</i>	W.O./G.F. NO:	n/a DIV. NO. all
APPROVED BY:	Rom Sarno, Chief of Administrative Services <i>[Signature]</i>		
APPROVED BY:	German Alvarez, Assistant General Manager of Finance & Administration <i>[Signature]</i>		
SUBJECT:	Adopt Ordinance 516, revising Section 39 of the District's Code of Ordinances involving the Drought Response Conservation Program		

GENERAL MANAGER'S RECOMMENDATION:

Adopt Ordinance 516, revising the District's Drought Response Conservation Program as contained within Section 39 of the District's Code of Ordinances.

COMMITTEE ACTION:

See Attachment A.

PURPOSE:

To update the District's current ordinance, as outlined in the red-lined version of Section 39 of the District's Code of Ordinances.

ANALYSIS:

In late April, 2008, the Water Authority revised their Drought Response Conservation Program. The District's water shortage response plan had last been updated in late 2005, when it updated its 2005 Urban Water Management Plan (UWMP).

The District's Drought Response Conservation Program as contained within Section 39 of the Code of Ordinances, is broken into four levels: Level 1 Drought Watch, Level 2 Drought Alert, Level 3, Drought Critical, and Level 4 Drought Emergency. The District's four levels of its Drought Response Plan are nearly identical to the Water Authority's model, as noted in Attachment D and E. Staff fully expects that the District will declare a Level 2 Drought Alert within the next twelve months. As the District gets closer to declaring a Level 2, there will be additional discussions and revisions to the District's plan.

Staff is planning for drought pricing to begin in Level 2. The intent of drought pricing is to be revenue neutral. The District's drought pricing plan will be presented to the Board in the fall.

Monitoring and Enforcement:

Detail on enforcement and fines will also be brought to the Board for consideration in the fall. The language involving enforcement and fines will either be included within Section 72 or Section 39 of the District's Code of Ordinances.

FISCAL IMPACT: _____

Unknown at this time. When drought pricing is implemented, the intent is to be revenue neutral, and will be presented to the Board for approval.

STRATEGIC GOAL:

District's FY 09-11 Strategic Plan related to implementation of the District's Drought Management Plan.

LEGAL IMPACT: _____

n/a



General Manager

Attachment A: Committee Staff report

Attachment B: Draft Ordinance 516

Attachment C: Proposed Section 39 of the District's Code of Ordinances

Attachment D: Slide presentation highlighting the District's Drought Response Program-Summary table of the District's draft Drought Response Conservation Program

Attachment E: Summary table of the Water Authority's Model Drought Response Ordinance



ATTACHMENT A

SUBJECT/PROJECT:	District Drought Response Conservation Program
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COMMITTEE ACTION:

The Finance, Administration, and Communications Committee reviewed this item at a meeting held on May 27, 2008. The following comments were made:

- Staff is requesting that the board adopt amendments to Section 39, Drought Response Conservation Program, of the District's Code of Ordinance (Code). By adopting the changes it will place the District in line with the County Water Authority who revised their Drought Response Conservation Program in April, 2008. Upon adoption of their program they declared a 10% voluntary savings.
- Staff reviewed the various Level (Level's 1-4) proposed in the District's Drought Response Conservation Program (please reference Attachment D of staffs' report).
- The committee inquired of staff whether the actions in the proposed Drought Reponse Conservation Program will provide the water savings that is needed. It was noted that the District used CWA's program as a guide. They had developed their program through suggestions from the Department of Water Resources' Urban Drought Guidebook 2008 Updated Edition. The Guidebook compiled information of what worked and what did not work from agencies who have implemented drought measures. It was noted that it is not certain and the results are not guaranteed. Staff indicated that modifications will likely be required in the future. It is felt that pricing structures will need to be modified and more incentives will need to be provided to encourage landscape changes. It was noted that consultants will be hired to help develop the pricing tiers, but again the pricing will be more of a test.
- The committee inquired what areas were changed in the Level 3 Drought Response. It was indicated that water leaks must be fixed within 24 hours of notice. Residential and Commerical

landscape irrigation would be restricted to days assigned by the District's General Manager. Non-residential decorative fountains must be turned off unless they utilize recycled water. There were no changes to the Water Authority's proposed restrictions to annexations at this level, but there may be in future depending on need.

- It was discussed that when Level 2 is enforced by CWA, and the District is requested to reduce its water use by 11 to 20%, Otay will receive water credit for the conservation programs it has implemented, as well as, for the District's investment in recycled water. The credits will be determined by CWA based on the success of the District's conservation programs and the amount of recycled water produced by the District.
- The committee inquired how it would be determined what "off-sets" for new construction are acceptable as noted in proposed Section 39.06.C-3. It was discussed that the General Manager's of the agencies would meet to decide fee structures and the implementation of those fee structures across the districts. Staff indicated that the City of San Luis Obispo has a program, but staff would need to review the program to see if it can be enforced.
- It was also inquired with regard to proposed Section 39.07-E, Level 4, how it was determined which landscapes would be allowed to irrigate during a Level 4 Drought Response (ie., active public parks and playing fields, day care centers, school grounds, cemeteries, etc.). Staff indicated that it is dependent on erosion control and the Fire Marshall's suggestions for fire prevention.
- It was discussed to declare a Level 4 Drought Response, as noted within Section 39.09-C of the Code, that the District must follow California Water Code Sections 350-352. The committee requested that verbiage of California Code Sections 350-352 be included within Section 39.09-C of the District's Code.
- The committee indicated with regard to Section 39.03-D, it is felt that conservation should be promoted for recycled as well; similar to potable water. It was discussed that because any recycled water that is not utilized would be pumped to the ocean, conservation for recycled water is not being enforced. The District, however, would restrict use of recycled water if the recycled system was being supplemented by potable water.
- There was discussion with reference to Attachment E of the staff report, Level 1, Item 3, which restricts irrigation of landscapes for both residential and commercial to the hours between 6:00 p.m. and 10:00 a.m., if this shouldn't already be enforced in the

code outside of the drought measures. It was felt that it should always be encouraged.

- The committee inquired with regard to Section 39.06-C, if CWA's measures were similar. It was discussed that they are the same. Off-sets may include developers helping to fund the expansion of the distribution of recycled water through the construction of recycled pipelines or apartment managers changing toilets in their apartment buildings to water efficient toilets.

Upon completion of the discussion the committee supported staffs' recommendation and presentation to the full board as an action item.

ORDINANCE NO. 516

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
OTAY WATER DISTRICT AMENDING SECTION 39,
DROUGHT RESPONSE CONSERVATION PROGRAM, FORMERLY
KNOWN AS "CONSERVATION AND WATER SHORTAGE
RESPONSE PROGRAM," OF THE DISTRICT'S CODE OF
ORDINANCES

WHEREAS, article 10, section 2 of the California Constitution declares that waters of the State are to be put to beneficial use, that waste, unreasonable use, or unreasonable method of use of water be prevented, and that water be conserved for the public welfare; and

WHEREAS, conservation of current water supplies and minimization of the effects of water supply shortages that are the result of drought are essential to the public health, safety and welfare; and

WHEREAS, regulation of the time of certain water use, manner of certain water use, design of rates, method of application of water for certain uses, installation and use of water-saving devices, provide an effective and immediately available means of conserving water; and

WHEREAS, California Water Code sections 375 et seq. authorize water suppliers to adopt and enforce a comprehensive water conservation program; and

WHEREAS, adoption and enforcement of a comprehensive water conservation program will allow the Otay Water District (District) to delay or avoid implementing measures such as water rationing or more restrictive water use regulations pursuant to a declared water shortage emergency as authorized by California Water Code sections 350 et seq.; and

WHEREAS, San Diego County is a semi-arid region and local water resources are scarce. The region is dependent upon imported water supplies provided by the San Diego County Water Authority, which obtains a substantial portion of its supplies from the Metropolitan Water District of Southern California. Because the region is dependent upon imported water supplies, weather and other conditions in other portions of this State and of the Southwestern United States affect the availability of water for use in San Diego County; and

WHEREAS, the San Diego County Water Authority has adopted an Urban Water Management Plan that includes water conservation as a necessary and effective component of the Water Authority's programs to provide a reliable supply of water to meet the needs of the Water Authority's 24 member public agencies, including the District. The Water Authority's Urban Water Management Plan also includes a contingency analysis of actions to be taken in response to water supply shortages. This ordinance is consistent with the Water Authority's Urban Water Management Plan; and

WHEREAS, as anticipated by its Urban Water Management Plan, the San Diego County Water Authority, in cooperation and consultation with its member public agencies, has adopted a Drought Management Plan, which establishes a progressive program for responding to water supply limitations resulting from drought conditions. This ordinance is intended to be consistent with and to implement the Water Authority's Drought Management Plan; and

WHEREAS, the Water Authority's Drought Management Plan contains three stages containing regional actions to be taken to lessen or avoid supply shortages. This ordinance contains drought response levels that correspond with the Drought Management Plan stages; and

WHEREAS, the District due to the geographic and climatic conditions within its territory and its dependence upon water imported and provided by the San Diego County Water Authority, may experience shortages due to drought conditions, regulatory restrictions enacted upon imported supplies and other factors. The District has adopted an Urban Water Management Plan that includes water conservation as a necessary and effective component of its programs to provide a reliable supply of water to meet the needs of the public within its service territory. The District's Urban Water Management Plan also includes a contingency analysis of actions to be taken in response to water supply shortages. This ordinance is consistent with the Urban Water Management Plan adopted by the District; and

WHEREAS the water conservation measures and progressive restrictions on water use and method of use identified by this ordinance provide certainty to water users and enable District to control water use, provide

water supplies, and plan and implement water management measures in a fair and orderly manner for the benefit of the public.

NOW, THEREFORE, BE IT RESOLVED DETERMINED AND ORDERED by the Board of Directors of the Otay Water District as follows:

1. The existing Section 39 of the District's Code of Ordinances is hereby amended as set forth in Exhibit 1 attached hereto; and
2. The General Manager and the District Secretary are hereby ordered to take any and all actions and steps necessary to carry out the provisions of this ordinance; and
3. This Ordinance 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 10th day of June, 2008, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

President

ATTEST:

Secretary

EXHIBIT 1

SECTION 39. SECTION 39 — DROUGHT RESPONSE CONSERVATION AND WATER SHORTAGE RESPONSE PROGRAM

70.0139.01 39.01 — DECLARATION OF POLICY NECESSITY AND INTENT

~~California Water Code Sections 375 et seq. permits public entities that supply water at retail to adopt and enforce (a water conservation program to reduce the quantity of water used by the people therein for the purpose of conserving the water supplies of such public entity. The Board of Directors hereby)~~ This Section establishes a comprehensive water conservation program pursuant to California Water Code Sections 375 et seq., based upon the need water management requirements necessary to conserve water ~~supplies~~, enable effective water supply planning, assure reasonable and beneficial use of water, prevent waste of water, prevent unreasonable use of water, prevent unreasonable method of use of water within the District in order to assure adequate supplies of water to meet the needs of the public, and ~~to avoid or minimize the effects of any future shortage.~~ further the public health, safety, and welfare, recognizing that water is a scarce natural resource that requires careful management not only in times of drought, but at all times.

~~39.02 — FINDINGS~~ (b) This Section establishes regulations to be implemented during times of declared water shortages, or declared water shortage emergencies. It establishes four levels of drought response actions to be implemented in times of shortage, with increasing restrictions on water use in response to worsening drought conditions and decreasing available supplies.

~~The Board of Directors finds and determines that the conditions prevailing in San Diego County, including the region's reliance on imported water, requires that available water resources be put to maximum beneficial use to the extent to which they are capable; that the waste or unreasonable use, or unreasonable method of use of water be prevented; and that the conservation of such water be encouraged with a view to the maximum reasonable and beneficial use thereof in the interests of the residents of the District and for the public welfare.~~ (c) The Level 1 condition and 2 drought response condition measures are voluntary and will be reinforced through local and regional

public education and awareness measures that may be funded in part by the District. Beginning at the level 2 drought Response Condition, the District will begin to implement drought pricing. During drought response condition Levels 3 and 4, all conservation measures and water-use restrictions are mandatory and become increasingly restrictive in order to attain escalating conservation goals.

~~Notwithstanding local and regional efforts to diversify water supplies to improve reliability, the Board of Directors furthermore finds and determines that a water shortage may occur based upon one or more of the following conditions:~~ (d) During a Drought Response Level 3 condition or higher, the water conservation measures and water use restrictions established by this Section ordinance are mandatory and violations are subject to criminal, civil, and administrative penalties and remedies specified in Section 72 of this Code of Ordinance ordinance.

~~_____ A. A general water supply shortage due to increased demand or limited supplies.~~

~~_____ B. Treatment, distribution or storage facilities of~~

39.02 DEFINITIONS APPLICABLE TO THE PROGRAM

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

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

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

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

4. "Metropolitan" means the Metropolitan Water District of Southern California ~~(Metropolitan) or the San Diego County Water Authority (Water Authority) or other agencies become inadequate.~~

~~C. A major failure or disruption of the water supply, treatment, storage or distribution facilities of Metropolitan, the Water Authority, or other agencies occurs.~~ 5. "Person" means any natural person, corporation, public or private entity, public or private association, public or private agency, government agency or institution, school district, college, university, or any other user of water provided by the District.

~~D. A major failure or disruption of the water supply, storage or distribution facilities of the District.~~

~~70.0339.03~~ 39.03 ~~APPLICATION~~

~~(a) The provisions of this Section 39 shall apply to all water served to persons, customers, and property by the District.~~

~~A. Exceptions — The provisions of this Section 39 shall not apply to any hospital, health care or convalescent facility, veterans home or any other type of facility where person in the health and welfare would be affected by restricted water use. This shall also not apply to veterinary hospitals and facilities. However, this Section 39 does apply to outdoor grounds, yard and parking areas of these facilities.~~

~~39.04~~ AUTHORIZATION

~~The General Manager, or a designated representative, is hereby authorized and directed to implement the provisions of this Section 39. Additionally, the General Manager, or designated representative, is hereby authorized to make minor and limited exceptions to prevent undue hardship or unreasonable restrictions, provided that any water shall not be wasted or used unreasonably and the purposes of this Section 39 can be accomplished.~~

~~39.05 WATER CONSERVATION PROGRAM~~

~~The District will evaluate and implement activities that encourage water conservation with the goal of using water more efficiently, including notifying customers that the following measures apply at all times and until further notification:~~

- ~~A. No customer of the District shall knowingly use water or permit the use of water supplied by the District for residential, commercial, industrial, agricultural, governmental or any other purpose in a manner contrary to any provision of this Section 39.~~
- ~~B. Water may not be allowed to leave the customer's property by drainage onto adjacent properties or public or private roadways or streets due to excessive irrigation, poor design and/or neglect.~~
- ~~C. Customers are required to repair all water leaks within 48 hours of knowledge that a leak exists.~~
- ~~D. Water should not be used to wash down sidewalks, driveways, parking areas, tennis courts, patios, or other paved areas except to alleviate immediate safety or sanitation hazards.~~
- ~~E. Lawn watering or irrigation is recommended to occur two (2) hours after sunset and an at least one (1) hour before sunrise. New plantings and newly seeded areas are exempt from these limits for 30 days.~~
- ~~F. Customers are encouraged to use an automatic shutoff nozzle when using a hand held hose for spraying, lawn watering, vehicle washing or structure washing.~~

~~G. Water may not be used for new single pass evaporative cooling systems, new non-recirculating conveyor car wash systems, new non-recirculating decorative fountains, and new non-recirculating commercial laundry systems.~~

~~39.06 WATER SHORTAGE CONTINGENCY PLAN~~

~~A. STAGE I~~

~~1. Defined as: A temporary general water supply shortage due to increased demand or limited supplies such as a disruption to the potable water treatment, distribution or storage facilities of Metropolitan or the Water Authority, or other agencies whereby such systems become inadequate to meet local or regional demand.~~

~~2. In addition to efficiency measures cited in 39.05, the following actions may be implemented in concert with Metropolitan or the Water Authority announcements and determinations of water availability, or as deemed necessary by the District:~~

~~a. Operations staff shall closely monitor water storage levels and consumption rates and report this information to the Senior Management Team.~~

~~b. Staff shall make efforts to communicate the additional need for customers to conserve water.~~

~~c. As necessary, staff will evaluate activating interagency connections.~~

~~B. STAGE II~~

~~1. Defined as: A longterm scheduled or unscheduled shutdown, major system disruption, or multiyear drought, dependent on the severity and estimated duration of the water shortage. Includes events leading to Metropolitan or the Water Authority~~

~~notifying member agencies that water deliveries will be reduced for a limited period of time.~~

~~2. The following measures can be implemented to achieve up to a fifteen percent (15%) reduction in treated water use:~~

~~a. Large irrigation customers will be asked to reduce usage. Treated water allocations for large landscape customers may be reduced if goals are not met in order to achieve Metropolitan or the Water Authority reduction targets.~~

~~b. The District will notify developers and contractors that any excavation or other earthwork being performed must maintain a minimum 20-foot horizontal clearance from any water lines in operation, water mains or District easements.~~

~~e. Treated water deliveries to Mexico may be reduced or suspended.~~

~~3. The following measures can be implemented to achieve up to a twenty five percent (25%) reduction in treated water use:~~

~~a. Lawn watering or irrigation is prohibited during daylight hours.~~

~~b. Use of a hand held hose for spraying, lawn watering, vehicle washing or structure washing is prohibited without an automatic shut-off nozzle.~~

~~c. Customers will receive notice of the need for additional indoor and outdoor conservation including eliminating a watering day or postponing all outdoor water use such as car washing, delaying the installation of new plantings or reseeding turf areas until water flows return to normal.~~

~~d. Water conservation and use restrictions will be enforced.~~

~~e. Use of potable water for commercial street cleaning shall be prohibited.~~

~~f. District shall consider mandating water budgets for large landscape accounts.~~

~~4. The following measures shall occur to achieve up to a fifty percent (50%) reduction in treated water use:~~

~~a. Stage I conservation measures become mandatory except as provided in this section by the District.~~

~~b. Staff shall coordinate with Metropolitan or the Water Authority to issue press notification to the media.~~ (b) This Section is intended solely to further the conservation of water. It is not intended to implement any provision of federal, State, or local statutes, ordinances, or regulations relating to protection of water quality or control of drainage or runoff. Refer to the local jurisdiction or Regional Water Quality Control Board for information on any stormwater ordinances and stormwater management plans.

~~c. The filling or refilling of swimming pools, artificial ponds, lakes and ornamental fountains shall be prohibited including those using recycled water.~~ (c) Nothing in this Section is intended to affect or limit the ability of the District to declare and respond to an emergency, including an emergency that affects the ability of the District to supply water.

~~d. No non residential fountains shall be operated.~~ (d) The provisions of this Section do not apply to use of water from private wells or to recycled water.

~~e. Customers shall be asked to reduce or postpone landscape irrigation and delay or prohibit installing new turf, plantings or reseeding turf areas. The district shall consider providing incentives to remove or replace exiting~~

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

~~f. Commercial landscape accounts shall reduce or postpone landscape irrigation. Reduction targets may be established to achieve regional conservation goals.~~

~~g. Residential car washing will be prohibited. Customers will be urged to use commercial car washes that recycle their water.~~

~~h. The District will notify developers and contractors that any excavation or other earthwork being performed must maintain a minimum 20-foot horizontal clearance from any water lines in operation, water mains or district easements.~~

~~i. Treated water deliveries to Mexico will be reduced or suspended.~~

~~j. Reduce or suspend any augmentation of the recycled water distribution system.~~

~~k. Activate additional district interconnections as needed.~~

~~l. District shall consider mandating water budgets for all customers.~~

~~m. District will consider reassigning personnel to enforce provisions of Section 39.~~

~~n. All water use from temporary meters shall be suspended.~~

~~C. STAGE III~~

~~1. Defined as: A major unscheduled shutdown or disruption to the treated or untreated water systems such as those caused by natural disaster, major system failure, or acts of war.~~

~~2. In addition to making every effort to urgently communicate the need to conserve water, the following measures shall apply during a Stage III water emergency to achieve up to a fifty percent (50%) reduction in treated water use:~~

~~a. All water use from temporary meters shall be suspended.~~

~~b. Activate district interconnections as needed.~~

~~c. Suspend augmentation of the recycled water distribution system.~~

~~d. Staff shall coordinate with Metropolitan or the Water Authority to issue press notification to the media.~~

~~e. Activate, if necessary, the Emergency Operations Center (EOC).~~

~~f. All outdoor irrigation may be prohibited including residential, commercial and irrigation customers.~~

~~g. All of the above mentioned measures shall be strictly implemented and enforced.~~

~~h. Suspend treated water deliveries to Mexico.~~

- ~~i. District will consider reassigning personnel to enforce provisions of Section 39.~~

~~39.07 IMPLEMENTATION OF CONSERVATION STAGES~~

- ~~A. The District shall monitor the projected supply and demand for water by its customers on a daily basis. The General Manager shall determine the extent of the conservation required through the implementation and/or termination of conservation stages in order for the District to prudently plan for and supply water to its customers.~~
- ~~B. If the General Manager determines it is necessary for the District to declare a stage of water alert higher than that which the Water Authority has declared, the General Manager may order the appropriate stage of water conservation be implemented or terminated in accordance with the applicable provisions of the District Code of Ordinances.~~
- ~~C. Stage II and Stage III declarations and notifications shall be published a minimum of three consecutive times in a newspaper of general circulation.~~
- ~~D. The stage designated shall become effective immediately upon announcement.~~
- ~~E. Stage I, II and III declarations shall be reported to the Board of Directors at its next regular meeting. The Board shall thereupon ratify the declaration, rescind the declaration, or direct the declaration of a different stage.~~

~~39.08 SURCHARGES FOR NONCOMPLIANCE~~

- ~~A. The implementation and administration of the conditions of this Section 39 impose additional administrative and operational costs in the District's operations. For such reasons, surcharges are hereby imposed for customer violations of requirements or~~

~~prohibitions set forth in Section 39. The surcharges will be administered by the Finance Department. In addition to the surcharges, the District may limit or discontinue service for repeated violations.~~

~~B. The surcharges imposed are as follows:~~

~~1. The first violation of Section 39 by a customer shall result in a written letter of warning to the customer.~~

~~2. The second violation of Section 39 by a customer who has received a warning within a 12-month moving year shall result in a Notice of Violation. Other preventive measures may also be taken by the District.~~

~~3. The third violation of Section 39 by a customer who has received a warning within a 12-month moving year shall result in a \$100 surcharge to be added to the customer's bill for services. Other preventive measures may also be taken by the District.~~

~~4. The fourth violation of Section 39 by the same customer within a 12-month moving year shall result in a \$200 surcharge to the customer's bill for services. Other preventive measures may also be taken by the District.~~

~~5. Any subsequent violation by the same customer within a 12-month moving year shall result in a \$400 surcharge to the customer's bill for services. Other preventive measures may also be taken by the District.~~

~~C. The "12-month moving year" is defined as the most recent consecutive 12 months at the time of a violation.~~

~~D. Any surcharge imposed shall be added to the customer's next billing for water service.~~

~~and shall be due and payable in accordance with requirements for payment of regular water bills for service. Failure to pay shall result in any appropriate actions as outlined in Section 34.~~

~~39.09~~ ACCUMULATED VIOLATIONS

~~At such time the General Manager declares or determines that shortages are no longer in effect or that conservation measures are no longer required, the number of violations accumulated to a customer's account under this Section 39 shall be reduced to zero. However, the customer must still pay any surcharges imposed by the District which have not been paid prior to the termination of the conservation stage.~~

~~39.10~~ LIMITING OR DISCONTINUING SERVICE

~~Maximizing available water resources and beneficial use is in the interest of the people of the district. Therefore, the waste or unreasonable use, or unreasonable method of use, of water is not in the public interest and shall be prevented. For such reasons, limiting or discontinuing service may hereby be imposed on customers for violations or repeated violations of requirements or prohibitions set forth in this Section 39.~~

~~A. At any time the district may temporarily deactivate a potable or recycled water meter if a customer is in violation of any applicable provision of Section 39.~~

~~B. The second violation of water conservation measures imposed under this Section 39, within a 12 month moving year, may result in the installation of a flow restrictor on a meter, or the temporary deactivation of the meter.~~

~~C. Subsequent violations may result in discontinuance of service to the meter at any time after the third violation.~~

~~D. Flow Restrictor Usage~~

~~1. The first installation of a flow restrictor will be for a period of seven days.~~

~~2. Each subsequent violation may result in either complete discontinuance of service or an additional seven day flow restriction period per violation. For example, the fourth violation may result in a 21 day flow restriction period.~~

~~3. For each installation of the flow restrictor, the customer must pay a charge of \$125 for installing and removing the flow restrictor.~~

39.04 ~~39.~~DROUGHT RESPONSE LEVEL 1 - DROUGHT WATCH CONDITION

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

(b) During a Level 1 Drought Watch condition, the District will increase its public education and outreach efforts to emphasize increased public awareness of the need to implement the following water conservation practices. The same water conservation practices become mandatory if the District declares a Level ~~3~~2 Drought Alert condition:

1. Stop washing down paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.

2. Stop water waste resulting from inefficient landscape irrigation, such as runoff, low head drainage, or overspray, etc. Similarly, stop water flows onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscapes, roadways, or structures.

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

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

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

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

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

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

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

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

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

~~As provided in Water Code Section 377, any violation of this Section 39 is a misdemeanor. Upon conviction thereof such person shall be punished by imprisonment in the county jail for not more than 30 days, or by fine not exceeding one thousand dollars (\$1,000), or by both. In addition to any other remedies which the District may have for the enforcement of this Section, service of water shall be discontinued or appropriately limited to any customer who willfully uses water or permits the use of water in violation of any provision hereof.~~ (c) During a Drought Response Level 3 condition or higher, all persons shall be required to implement the conservation practices established in a Drought Response Level 1 condition.

39.05 DROUGHT RESPONSE LEVEL 2 - DROUGHT ALERT CONDITION

(a) A Drought Response Level 2 condition is also referred to as a "Drought Alert" condition. A Level 2 condition applies when the Water Authority notifies its member agencies that due to cutbacks caused by drought or other reduction in supplies, a consumer demand reduction of up to 20 percent is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors shall declare the existence of a Drought Response Level 2 condition and implement the ~~voluntary~~ Level 2 conservation measures identified in this section of the ordinance.

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

1. Limit residential and commercial landscape irrigation to no more than three (3) assigned days per week on a schedule established by the General Manager and posted by the District. During the months of November through April, landscape irrigation is

limited to no more than once per week on a schedule established by the General Manager and posted by the District. This section shall not apply to commercial growers or nurseries.

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

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

~~4. Repair all leaks within forty eight (48) hours of notification by the District unless other arrangements are made with the General Manager.~~

~~During a Drought Response Level 3 condition or higher, all persons shall be required to implement the conservation practices established in a Drought Response Level 2 condition.~~

39.06 DROUGHT RESPONSE LEVEL 3 - DROUGHT CRITICAL CONDITION

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

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

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

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

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

~~4. Stop washing vehicles except at commercial carwashes that re-circulate water, or by high pressure/low volume wash systems.~~

~~5. Stop operating non-residential ornamental fountains or similar decorative water features unless recycled water is used.~~

~~6.~~

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

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

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

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

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

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

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

This provision shall not be construed to preclude the resetting or turn-on of meters to provide continuation of water service or to restore service that has been interrupted. ~~for a period of one year or less.~~

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

(e) The District may establish a water allocation for property served by the District using a method that ~~does not penalize persons for that~~ takes into consideration of the implementation of conservation methods or the installation of water saving devices. If the District establishes a water allocation, it shall provide notice of the allocation by including it in the regular billing statement for the fee or charge or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for on-going water service. Following the effective date of the water allocation as established by the District, any person that uses water in excess of

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

39.07 DROUGHT RESPONSE LEVEL 4~~3~~ - DROUGHT EMERGENCY CONDITION

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

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

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

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

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

C. Maintenance of existing landscaping for erosion control;

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

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

F. Watering of livestock; and

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

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

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

39.08 SECTION 8.0 — CORRELATION BETWEEN DROUGHT MANAGEMENT PLAN (DMP) AND DROUGHT RESPONSE LEVELS

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

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

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

39.09 SECTION 9.0 — PROCEDURES FOR DETERMINATION AND NOTIFICATION OF DROUGHT RESPONSE LEVEL

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

(b) The existence of Drought Response Level 2 or Level 3 conditions may be declared by resolution of the District Board of Directors adopted at a regular or special public meeting held in accordance with State law. The mandatory conservation measures applicable to Drought Response Level 2 or Level 3 conditions shall take effect on

the tenth (10) day after the date the response level is declared. Within five (5) days following the declaration of the response level, the District shall publish a copy of the resolution in a newspaper used for publication of official notices.

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

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

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

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

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

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

SECTION 39. DROUGHT RESPONSE CONSERVATION PROGRAM

39.01 DECLARATION OF NECESSITY AND INTENT

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

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

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

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

DEFINITIONS APPLICABLE TO THE PROGRAM

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

1. "Grower" refers to those engaged in the growing or raising, in conformity with recognized practices of husbandry, for the purpose of commerce, trade, or industry, or for use by public educational or correctional institutions, of agricultural, horticultural or floricultural products, and produced: (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption or for the market. "Grower" does not refer to customers who purchase water subject to the Metropolitan Interim Agricultural Water Program or the Water Authority Special Agricultural Rate programs.
2. "Water Authority" means the San Diego County Water Authority.
3. "DMP" means the Water Authority's Drought Management Plan in existence on the effective date of this Section and as readopted or amended from time to time, or an equivalent plan of the Water Authority to manage or allocate supplies during shortages.
4. "Metropolitan" means the Metropolitan Water District of Southern California.
5. "Person" means any natural person, corporation, public or private entity, public or private association, public or private agency, government agency or institution, school district, college, university, or any other user of water provided by the District.

39.03 APPLICATION

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

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

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

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

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

39.04 DROUGHT RESPONSE LEVEL 1 - DROUGHT WATCH
CONDITION

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

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

1. Stop washing down paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards.

2. Stop water waste resulting from inefficient landscape irrigation, such as runoff, low head drainage, or overspray, etc. Similarly, stop water flows onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscapes, roadways, or structures.

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

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

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

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

7. Wash vehicles using a bucket and a hand-held hose with positive shut-off nozzle, mobile high

pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Avoid washing during hot conditions when additional water is required due to evaporation.

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

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

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

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

39.05 DROUGHT RESPONSE LEVEL 2 - DROUGHT ALERT
CONDITION

(a) A Drought Response Level 2 condition is also referred to as a "Drought Alert" condition. A Level 2 condition applies when the Water Authority notifies its member agencies that due to cutbacks caused by drought or other reduction in supplies, a consumer demand reduction of up to 20 percent is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors shall declare the existence of a Drought Response Level 2 condition and implement the Level 2 conservation measures identified in this section of the ordinance.

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

1. Limit residential and commercial landscape irrigation to no more than three (3) assigned days per week on a schedule established by the General Manager and posted by the District. During the months of November through April, landscape irrigation is

limited to no more than once per week on a schedule established by the General Manager and posted by the District. This section shall not apply to commercial growers or nurseries.

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

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

39.06 DROUGHT RESPONSE LEVEL 3 - DROUGHT CRITICAL
CONDITION

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

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

1. Limit residential and commercial landscape irrigation to no more than two (2) assigned days per week on a schedule established by the General Manager

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

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

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

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

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

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

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

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

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

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

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

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

39.07 DROUGHT RESPONSE LEVEL 4 - DROUGHT EMERGENCY
CONDITION

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

and on the grounds provided in California Water Code section 350.

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

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

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

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

C. Maintenance of existing landscaping for erosion control;

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

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

F. Watering of livestock; and

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

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

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

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

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

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

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

39.09

PROCEDURES FOR DETERMINATION AND NOTIFICATION OF DROUGHT RESPONSE LEVEL

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

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

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

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

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

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

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

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

Otay Drought Response Conservation Program- Section 39
Drought Response Levels and Water-Use Restrictions

Drought Response Levels		Trigger	Voluntary or Mandatory Restrictions	Customer Conservation Targets	Water Authority DMP Stage
Level 1	Drought Watch	<ul style="list-style-type: none"> Level 1 applies when the Water Authority notifies its member agencies that due to drought or other supply reductions, there is a reasonable probability of supply shortages and that a consumer demand reduction of up to 10% is required in order ensure that sufficient supplies will be available to meet anticipated demands. The District General Manager shall declare the existence of Level 1 and take action to implement the Level 1 conservation practices identified in this ordinance. 	Voluntary	Up to 10%	Stage 1 or Stage 2
Level 2	Drought Alert	<ul style="list-style-type: none"> Level 2 applies when the Water Authority notifies its member agencies that due to cutbacks caused by drought or other reduction in supplies, a consumer demand reduction of up to 20% is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors shall declare the existence of Level 2 condition. Drought rates shall begin 	Mandatory	Up to 20%	Stage 2 or Stage 3
Level 3	Drought Critical	<ul style="list-style-type: none"> Level 3 applies when the Water Authority notifies its member agencies that due to increasing cutbacks caused by drought or other reduction of supplies, a consumer demand reduction of up to 40% is required in order to have sufficient supplies available to meet anticipated demands. The District Board of Directors shall declare the existence of a Level 3 condition and implement the mandatory Level 3 conservation measures identified in this ordinance. 	Mandatory	Up to 40%	Stage 3
Level 4	Drought Emergency	<ul style="list-style-type: none"> A Level 4 condition applies when the Water Authority Board declares a water shortage emergency pursuant to Water Code Section 350 and notifies its member agencies that Level 4 requires a demand reduction of more than 40% in order for the District to have maximum supplies available to meet anticipated demands. District shall declare a Drought Emergency in the manner provided in Water Code Section 350. 	Mandatory	Above 40%	Stage 3

ATTACHMENT D

Drought Response Levels		Voluntary or Mandatory Use Restrictions	Retail Conservation Levels	Water Authority DMP Stage
Level 1	Drought Watch	Voluntary	Up to 10%	Stage 1 or Stage 2
Water-Use Restrictions	<ol style="list-style-type: none"> 1. Stop washing down paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards. 2. Stop water waste resulting from inefficient landscape irrigation, such as runoff, low head drainage, or overspray, etc. Similarly, stop water flows onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscapes, roadways, or structures. 3. Irrigate residential and commercial landscape before 10 a.m. and after 6 p.m. only. Suggest that customers water no more than three days per week, using the watering schedule found on the District's web page. New plantings and newly seeded areas are exempt for 30 days. 4. Use a hand-held hose equipped with a positive shut-off nozzle or bucket to water landscaped areas, including trees and shrubs located on residential and commercial properties that are not irrigated by a landscape irrigation system. 5. Irrigate nursery and commercial grower's products before 10 a.m. and after 6 p.m. only. Watering is permitted at any time with a hand-held hose equipped with a positive shut-off nozzle, a bucket, or when a drip/micro-irrigation system/equipment is used. Irrigation of nursery propagation beds is permitted at any time. Watering of livestock is permitted at any time. 6. Use re-circulated water to operate ornamental fountains. 7. Wash vehicles using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Avoid washing during hot conditions when additional water is required due to evaporation. 8. Serve and refill water in restaurants and other food service establishments only upon request. 9. Offer guests in hotels, motels, and other commercial lodging establishments the option of not laundering towels and linens daily. 10. Repair all water leaks within forty-eight hours (48) of notification by the District unless other arrangements are made with the District. 11. Use recycled or non-potable water for construction purposes when available. 			

Restrictions shall not apply to use of water from private wells or to the use of recycled water.

Drought Response Levels		Voluntary or Mandatory Use Restrictions	Retail Conservation Levels	Water Authority DMP Stage
Level 2	Drought Alert	Mandatory	Up to 20%	Stage 2 or Stage 3
Water-Use Restrictions	<p>Level 1 water-use restriction, plus:</p> <ol style="list-style-type: none"> 1. Limit residential and commercial landscape irrigation to no more than three assigned days per week on a schedule established by the General Manager and posted by the District. During the months of November through April, landscape irrigation is limited to no more than once per week on a schedule established by the General Manager and posted by the District. This section shall not apply to commercial growers or nurseries. 2. Limit lawn watering and landscape irrigation using sprinklers to no more than fifteen (15) minutes per watering station per day. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems and stream rotor sprinklers. 3. Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system on the same schedule set forth above, by using a bucket, hand-held hose with positive shut-off nozzle, or low-volume non-spray irrigation. 			

Restrictions shall not apply to use of water from private wells or to the use of recycled water.

Drought rate pricing begins at Level 2

Drought Response Levels		Voluntary or Mandatory Use Restrictions	Retail Conservation Levels	Water Authority DMP Stage
Level 3	Drought Critical	Mandatory	Up to 40%	Stage 3
Water-Use Restrictions	<p>Level 1 and 2 water-use restriction, plus:</p> <ol style="list-style-type: none"> 1. Limit residential and commercial landscape irrigation to no more than two assigned days per week on a schedule established by the General Manager and posted by the District. During the months of November through April, landscape irrigation is limited to no more than once per week on a schedule established by the General Manager and posted by the District. This section shall not apply to commercial growers or nurseries. 2. Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system, on the same schedule set forth above, by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation. 3. Stop filling or re-filling ornamental lakes or ponds, except to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a drought response level under this ordinance. 4. Stop operating non-residential ornamental fountains or similar decorative water features unless recycled water is used 5. Stop washing vehicles except at commercial carwashes that re-circulate water, or by high pressure/low volume wash systems. If a commercial car wash cannot accommodate the vehicle because its size or type, RVs, horse trailers, boats and commercial vehicles will be allowed to wash vehicles using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system. 			
	<p>* No new potable water service shall be provided, no new temporary meters or permanent meters shall be provided, and no statements of immediate ability to serve or provide potable water service (such as, will serve letters, certificates or letters of availability) shall be issued, except under the following circumstances:</p> <ol style="list-style-type: none"> 1. A valid, unexpired building permit has been issued for the project; or 2. The project is necessary to protect the public's health, safety, and welfare; or 3. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of the District. <p>This provision shall not be construed to preclude the resetting or turn-on of meters to provide continuation of water service or to restore service that has been interrupted.</p> <p>* Upon declaration of Drought Response Level 3 condition, District will suspend consideration of annexations to its service area.</p> <p>* The District may establish a water allocation for property served by the District using a method that takes into consideration of the implementation of conservation methods or the installation of water saving devices.</p>			

Restrictions shall not apply to use of water from private wells or to the use of recycled water.

Drought Response Levels		Voluntary or Mandatory Use Restrictions	Retail Conservation Levels	Water Authority DMP Stage
Level 4	Drought Emergency	Mandatory	Above 40%	Stage 3
Water-Use Restrictions	<p>Level 1, 2, and 3 water-use restriction, plus:</p> <ol style="list-style-type: none"> 1. Stop all landscape irrigation, except crops and landscape products of commercial growers and nurseries. This restriction shall not apply to the following categories of use unless the District has determined that recycled water is available and may be lawfully applied to the use. <ul style="list-style-type: none"> A. Maintenance of trees and shrubs that are watered on the same schedule set forth in as noted in the Level 3 Drought Critical Condition by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation; B. Maintenance of existing landscaping necessary for fire protection as specified by the Fire Marshal of the local fire protection agency having jurisdiction over the property to be irrigated; C. Maintenance of existing landscaping for erosion control; D. Maintenance of plant materials identified to be rare or essential to the well being of rare animals; <p>Maintenance of landscaping within active public parks and playing fields, day care centers, school grounds, cemeteries, and golf course greens, provided that such irrigation does not exceed two (2) days per week according to the schedule established under the District's Level 3 Drought Critical Condition;</p> <ul style="list-style-type: none"> E. Watering of livestock; and F. Public works projects and actively irrigated environmental mitigation projects. 2. Repair all water leaks within twenty-four (24) hours of notification by the District unless other arrangements are made with the District. 			
	* The District may establish a water allocation for property served by the District.			

Restrictions shall not apply to use of water from private wells or to the use of recycled water.

Model Drought Response Ordinance
Drought Response Levels and Water-Use Restrictions

Drought Response Levels		Trigger	Voluntary or Mandatory Restrictions	Customer Conservation Targets	Water Authority DMP Stage
Level 1	Drought Watch	<ul style="list-style-type: none"> Level 1 applies when the Water Authority notifies its member agencies that due to drought or other supply reductions, there is a reasonable probability of supply shortages and that a consumer demand reduction of up to 10% is required in order ensure that sufficient supplies will be available to meet anticipated demands. The [AGENCY GENERAL MANAGER] shall declare the existence of Level 1 and take action to implement the Level 1 conservation practices identified in this ordinance. 	Voluntary	Up to 10%	Stage 1 or Stage 2
Level 2	Drought Alert	<ul style="list-style-type: none"> Level 2 applies when the Water Authority notifies its member agencies that due to cutbacks caused by drought or other reduction in supplies, a consumer demand reduction of up to 20% is required in order to have sufficient supplies available to meet anticipated demands. The [AGENCY BOARD OF DIRECTORS] shall declare the existence of Level 2 condition and implement the mandatory Level 2 conservation measures identified in this ordinance. 	Mandatory	Up to 20%	Stage 2 or Stage 3
Level 3	Drought Critical	<ul style="list-style-type: none"> Level 3 applies when the Water Authority notifies its member agencies that due to increasing cutbacks caused by drought or other reduction of supplies, a consumer demand reduction of up to 40% is required in order to have sufficient supplies available to meet anticipated demands. The [AGENCY BOARD OF DIRECTORS] shall declare the existence of a Level 3 condition and implement the Level 3 conservation measures identified in this ordinance. 	Mandatory	Up to 40%	Stage 3
Level 4	Drought Emergency	<ul style="list-style-type: none"> A Level 4 condition applies when the Water Authority Board declares a water shortage emergency pursuant to Water Code Section 350 and notifies its member agencies that Level 4 requires a demand reduction of more than 40% in order for the [AGENCY] to have maximum supplies available to meet anticipated demands. [AGENCY] shall declare a Drought Emergency in the manner provided in Water Code Section 350. 	Mandatory	Above 40%	Stage 3

Drought Response Levels		Voluntary or Mandatory Use Restrictions	Retail Conservation Levels	Water Authority DMP Stage
Level 1	Drought Watch	Voluntary	Up to 10%	Stage 1 or Stage 2
Water-Use Restrictions	<ol style="list-style-type: none"> 1. Stop washing down paved surfaces, including but not limited to sidewalks, driveways, parking lots, tennis courts, or patios, except when it is necessary to alleviate safety or sanitation hazards. 2. Stop water waste resulting from inefficient landscape irrigation, such as runoff, low head drainage, or overspray, etc. Similarly, stop water flows onto non-targeted areas, such as adjacent property, non-irrigated areas, hardscapes, roadways, or structures. 3. Irrigate residential and commercial landscape before 10 a.m. and after 6 p.m. only. 4. Use a hand-held hose equipped with a positive shut-off nozzle or bucket to water landscaped areas, including trees and shrubs located on residential and commercial properties that are not irrigated by a landscape irrigation system. 5. Irrigate nursery and commercial grower's products before 10 a.m. and after 6 p.m. only. Watering is permitted at any time with a hand-held hose equipped with a positive shut-off nozzle, a bucket, or when a drip/micro-irrigation system/equipment is used. Irrigation of nursery propagation beds is permitted at any time. Watering of livestock is permitted at any time. 6. Use re-circulated water to operate ornamental fountains. 7. Wash vehicles using a bucket and a hand-held hose with positive shut-off nozzle, mobile high pressure/low volume wash system, or at a commercial site that re-circulates (reclaims) water on-site. Avoid washing during hot conditions when additional water is required due to evaporation. 8. Serve and refill water in restaurants and other food service establishments only upon request. 9. Offer guests in hotels, motels, and other commercial lodging establishments the option of not laundering towels and linens daily. 10. Repair all water leaks within five (5) days of notification by the [AGENCY] unless other arrangements are made with the General Manager. 11. Use recycled or non-potable water for construction purposes when available. 			

Restrictions shall not apply to use of water from private wells or to the use of recycled water.

Drought Response Levels		Voluntary or Mandatory Use Restrictions	Retail Conservation Levels	Water Authority DMP Stage
Level 2	Drought Alert	Mandatory	Up to 20%	Stage 2 or Stage 3
Water-Use Restrictions	<p>Level 1 water-use restriction, plus:</p> <ol style="list-style-type: none"> 1. Limit residential and commercial landscape irrigation to no more than three assigned days per week on a schedule established by the General Manager and posted by the [AGENCY]. During the months of November through May, landscape irrigation is limited to no more than once per week on a schedule established by the General Manager and posted by the [AGENCY]. This section shall not apply to commercial growers or nurseries. 2. Limit lawn watering and landscape irrigation using sprinklers to no more than ten (10) minutes per watering station per day. This provision does not apply to landscape irrigation systems using water efficient devices, including but not limited to: weather based controllers, drip/micro-irrigation systems and stream rotor sprinklers. 3. Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system governed by section 5 (b) (1), on the same schedule set forth in section 5 (b) (1) by using a bucket, hand-held hose with positive shut-off nozzle, or low-volume non-spray irrigation. 4. Repair all leaks within seventy-two (72) hours of notification by the [AGENCY] unless other arrangements are made with the General Manager. 5. Stop operating ornamental fountains or similar decorative water features unless recycled water is used. 			

Restrictions shall not apply to use of water from private wells or to the use of recycled water.

Drought Response Levels		Voluntary or Mandatory Use Restrictions	Retail Conservation Levels	Water Authority DMP Stage
Level 3	Drought Critical	Mandatory	Up to 40%	Stage 3
Water-Use Restrictions	<p>Level 1 and 2 water-use restriction, plus:</p> <ol style="list-style-type: none"> 1. Limit residential and commercial landscape irrigation to no more than two assigned days per week on a schedule established by the General Manager and posted by the [AGENCY]. During the months of November through May, landscape irrigation is limited to no more than once per week on a schedule established by the General Manager and posted by the [AGENCY]. This section shall not apply to commercial growers or nurseries. 2. Water landscaped areas, including trees and shrubs located on residential and commercial properties, and not irrigated by a landscape irrigation system governed by section 6 (b) (1), on the same schedule set forth in section 6 (b) (1) by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation. 3. Stop filling or re-filling ornamental lakes or ponds, except to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a drought response level under this ordinance. 4. Stop washing vehicles except at commercial carwashes that re-circulate water, or by high pressure/low volume wash systems. 5. Repair all leaks within forty-eight (48) hours of notification by the [AGENCY] unless other arrangements are made with the General Manager. 			
	<ul style="list-style-type: none"> * No new potable water service shall be provided, no new temporary meters or permanent meters shall be provided, and no statements of immediate ability to serve or provide potable water service (such as, will serve letters, certificates or letters of availability) shall be issued, except under the following circumstances: <ol style="list-style-type: none"> 1. A valid, unexpired building permit has been issued for the project; or 2. The project is necessary to protect the public's health, safety, and welfare; or 3. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of [AGENCY]. <p>This provision shall not be construed to preclude the resetting or turn-on of meters to provide continuation of water service or to restore service that has been interrupted for a period of one year or less.</p> * Upon declaration of Drought Response Level 3 condition, [AGENCY] will suspend consideration of annexations to its service area. * The [AGENCY] may establish a water allocation for property served by the [AGENCY] using a method that does not penalize persons for the implementation of conservation methods or the installation of water saving devices. 			

Restrictions shall not apply to use of water from private wells or to the use of recycled water.

Drought Response Levels		Voluntary or Mandatory Use Restrictions	Retail Conservation Levels	Water Authority DMP Stage
Level 4	Drought Emergency	Mandatory	Above 40%	Stage 3
Water-Use Restrictions	<p>Level 1, 2, and 3 water-use restriction, plus:</p> <ol style="list-style-type: none"> 1. Stop all landscape irrigation, except crops and landscape products of commercial growers and nurseries. This restriction shall not apply to the following categories of use unless the [AGENCY] has determined that recycled water is available and may be lawfully applied to the use. <ul style="list-style-type: none"> A. Maintenance of trees and shrubs that are watered on the same schedule set forth in section 6 (b) (1) by using a bucket, hand-held hose with a positive shut-off nozzle, or low-volume non-spray irrigation; B. Maintenance of existing landscaping necessary for fire protection as specified by the Fire Marshal of the local fire protection agency having jurisdiction over the property to be irrigated; C. Maintenance of existing landscaping for erosion control; D. Maintenance of plant materials identified to be rare or essential to the well being of rare animals; E. Maintenance of landscaping within active public parks and playing fields, day care centers, school grounds, cemeteries, and golf course greens, provided that such irrigation does not exceed two (2) days per week according to the schedule established under section 6 (b) (1); F. Watering of livestock; and G. Public works projects and actively irrigated environmental mitigation projects. 2. Repair all water leaks within twenty-four (24) hours of notification by the [AGENCY] unless other arrangements are made with the General Manager. 			
	* The [AGENCY] may establish a water allocation for property served by the [AGENCY].			

Restrictions shall not apply to use of water from private wells or to the use of recycled water.

COMMITTEE ACTION: _____

N/A

PURPOSE:

To obtain approval of the Fiscal Year 2008-2009 Operating and Capital Budget; various fund transfers; adoption of Resolution No. 4124; and direction to move forward with the Rate Study and Proposition 218 hearing and notices.

ANALYSIS:

HIGHLIGHTS

Staff has concluded the development of the proposed budget as well as the update of the six-year Rate Model. These two efforts complement one another resulting in a sound financial plan and a proposed balanced budget. This effort is completed in conjunction with the Board approved Strategic Plan which sets the work plan for upcoming years. The budget is prepared in order to meet all the Strategic Plan objectives. The annual budget process evaluates revenues, expenditures, growth, strategic initiatives, and construction costs, while the Rate Model projects their fiscal impact over the next six years. The proposed FY 2008-2009 Operating Budget is \$66.4 million and the proposed Capital Budget is \$30.9 million. (See Attachment C - FY 2008-2009 Proposed Operating and Capital Budget).

This year, the proposed budget includes a number of issues worth highlighting. Most significant is that once again the District has a proposed balanced budget. In addition, there is the combination of factors which are causing high rate increases for potable water customers throughout the region. This and other significant issues are highlighted below.

Recommended Water Rate Increase (9.7%)

This year, the Rate Model resulted in a recommended 9.7% rate increase for potable and recycled customers. This is substantially higher than the 5.4% projection provided to the Board last year. There are four primary reasons for this unanticipated level or rate increase:

1. In large part, this rate increase is due to the unanticipated rate increases from the San Diego County Water Authority (CWA) and the Metropolitan Water District

(MWD). MWD had projected a 6.0% increase for 2009 but has raised their rates by 9.1%. In turn, CWA had projected only a 6.4% increase but is now raising their rates by 10.3%. Knowing that water purchases historically represent 45% of the District's budgeted expenses, these unexpected changes have a dramatic impact on the District's expenses and rates.

MWD has explained their necessary rate increases are to fund higher costs. Their most significant cost increases are \$40.6 million in the State Water Contract and \$88.6 million in supply programs. Other MWD cost increases include higher debt service costs to fund the CIP, along with increased power, operations and maintenance costs. CWA's rate increases are primarily driven by these MWD rate increases.

The projected CWA increases are not as significant in the following years, at 3.4% in 2010 followed by increases averaging 5.5%. Staff has evaluated CWA's rates and believes that CWA is being overly optimistic. As a result staff, in order to have what is believed to be a more realistic view of future rates, has increased the 2010 CWA rate increase to 7.9%. While CWA's increases are projected to drop from the high of 10.3% this next year, there are three other major factors at work which necessitate the continued need for Otay to raise rates to 9.7% in 2010 and to 9.1% in 2011.

2. Water shortages are becoming a serious threat. In response, the District is budgeting a 15% cut in water sales per capita. In 2009, there is a budgeted reduction of water sales of 5.5% partly due to slightly higher projected rainfall, the economic slowdown, and a 1% conservation factor. The conservation factor is increased significantly in 2010 to 10%, and to the full 15% by 2011. This level of conservation is considered prudent in light of the rate at which water reserves are being drawn down in the past few years and with regards to legislative regulations which are limiting the availability of water.
3. The economic slowdown and the virtual collapse of the housing market have resulted in meter sales revenues that are only 29% of what they were only three years ago. The District is not anticipating a rebound in this source of funds for three more years, which compounds the financial stress through 2011. Growth funds both the operating

budget via annexation fees and the capital budget via capacity fees. Annexation fees reimburse the existing rate-payers for the excess capacity used by the new customers. The annexation fees have dropped by \$778,500 over the past three years placing an added burden on the general rates of the District. On the capital budget side, the capacity fees have dropped by \$4,228,800 over the past three years and to the extent that expansion projects cannot be delayed to match these reduced funding levels, additional debt must be issued, placing added burden on the general rates of the District.

4. The general economic slowdown has motivated the Federal Reserve to stimulate the economy by reducing interest rates. Unfortunately, this has caused the District's rate of return on investments to drop, reducing the revenues that would have helped to hold down rate increases. While the District's current rate of return is exceeding the Local Agency Investment Fund (LAIF), the loss of interest revenues, as compared to last fiscal year, is anticipated to be \$1,991,600. This is a 51% reduction from the 2008 budget year.

It is projected that after three years of increases in the 9% range the District's water rates would be repositioned to again support moderate rate increases in the 5% range, even with continued high levels of conservation and low interest rates. These moderate levels of rate increases do rely on a rebound in housing sales in 2012 and the accuracy of the CWA and MWD rate projections. Given these assumptions, rate increases are expected to hold at 5.2% for the foreseeable future.

The significant challenges facing the budget over the next three years do have a significant effect on the District however, the District maintains a reasonable level of financial strength and is able to maintain all reserves on target in all six years of the Rate Model.

Recommended Sewer Rate Increase (4.6%)

Sewer reserves are also on or above target in all six years of the Rate Model. The sewer rate modeling has resulted in a 4.6% increase for each of the next six years. This is more than the 1.7% projected last year. The strategy presented last year was to allow revenues to drop below expenses in order to use up the General Fund reserves which were well above target levels. This strategy is no longer recommended as the reserve balance in the

sewer General Fund may be needed to support the sewer replacement projects.

While the sewer replacement reserve also has funds in excess of target, a facility study is currently under way that is expected to identify a future need for these reserves. For this reason, it is recommended to maintain reserve levels as is until the District is in a better position to support an appropriate course of action. A moderate 4.6% rate increase maintains sewer revenues at a level sufficient to pay current expenses; therefore, maintaining the General Fund and replacement reserves at their current levels.

Financial Strength

The financial strength of the District has been a primary focus in the preparation of this year's budget and Rate Model. The challenges facing this year and coming years are significant. In this challenging environment is where the District financial strength and management strength make the greatest difference.

As noted by the rating agencies, when the District received its AA- credit rating, the District benefits from excellent planning and management. The rating agencies noted the Board's support of financial strength, the well defined and well funded reserves, best practice strategic planning, defined financial policies, consistent financial planning, strong forward thinking management, sound financial ratios, low water rates, and advanced and integrated GIS, IMS, and financial systems. All these factors, when weighed as a whole, led the District to receive its first credit rating in the AA range.

Since the prior year's budget process, the financial landscape has changed significantly. Knowing that revenue projections would be significantly and negatively impacted, staff has taken difficult and prudent positions on conservation, supplier rates, interest income, and limited growth. These positions all reduce the projected revenues of the District and challenge the strength of the District's financial ratios. With this reduced but prudent view of future revenues, the District would have been facing a significant rate spike of over 15% in 2009 in order to maintain the financial ratios on their intended course.

The District's overall financial strength allows the District to smooth out this rate spike, delaying some of the rate increases and the corresponding revenues, and still maintaining an overall strong financial position. The rate option being recommended is to have three consecutive rate increases in the 9% range,

allowing the District to be responsible to the ratepayers by leveling out the rate spike, letting the financial ratios temporarily drop to a fairly low level, yet maintaining the District's overall financial strength. With the Board's ongoing support of the Rate Model, this recommendation is expected to maintain the District's credit rating in light of the District's general financial strength. The Board of Directors, District staff, and the District's customers can have confidence in the strong financial position and direction of the District.

Fund Transfers

Staff is recommending fund transfers of \$28.0 million. With the adoption of the District's Reserve Policy, staff has clearly defined target levels for each reserve. This policy also outlines the guidelines for making fund transfers. Each of the proposed transfers complies with the policy and is being made so that each of the reserves remains at or above target level. Fund transfers maximize the use of available funds and minimize the use of debt and rate increases.

This year, there are two significant transfers that were unanticipated last year. First, in order to defer debt issuances another seven months and thereby defer the rate increase needed to support that debt issuance, staff is recommending the use of temporarily unused general use sewer reserves from the General Fund and Replacement Fund. These reserves will be replenished in later years with approval of transfers back to these sewer funds. The replenishment has been built into the Rate Model and will be tracked in the accounting system. This combined transfer which totals \$9.5 million will be used to fund potable betterment projects.

The second unanticipated transfer, or portion of a transfer, comes as a result of additional funds made available to the General Fund. Additional betterment funds, netting \$482,000, will be reimbursed to the General Fund as a result of the improved ability to track costs. The water customers in the northern portion of the District pay special fees to fund maintenance and construction of water facilities in their region. In prior years, no method was established to quantify the cost of maintenance, leaving the General Fund to pay for these costs. After paying for capital costs, only one Improvement District has funds available to pay back the General Fund for prior maintenance. Staff calculated that the available \$482,000 would cover the past six years of maintenance costs and will be reimbursing the General Fund for this entire amount.

Debt

The District currently pays \$4.5 million in annual debt payments on the \$75.5 million of outstanding bonds. While the District is not facing the immediate need to issue debt, by January 2010 the District will need to issue \$28 million followed by \$47 million in the next four years. New debt is necessary to fund the Capital Improvement Program (CIP) while maintaining the various reserves at target levels, complying with the Reserve Policy.

Debt payments are made from each of the reserves that received debt funding. In this way, the financing cost of the debt is reflected in the appropriate reserve. This allows the District to accurately see the full cost of expansion, betterment, and replacement. The debt owed by the District is ultimately an obligation of the General Fund and, is in part, funded by transfers from the General Fund.

Reserves

The District manages its reserves based on policy and Board direction. The Reserve Policy has defined funding levels for each of the reserves. These targets are set to manage risk, fund operations, and fund construction projects. The District maintains reserve levels with funding from rates, fund transfers, and debt issuances. During the six years of the Rate Model, each of the reserve levels is maintained at or above target allowing for some fluctuations where financially responsible.

Reserves can be restricted, designated, or general use. The District is legally obligated to spend Restricted Reserves for the purpose for which they are collected. Expansion, betterment, and bond reserves are restricted. Designated reserves are general funds that the Board has set aside for a specific purpose. These can only be used for that purpose unless otherwise directed by the Board. There are designated reserves for replacement, post retirement medical benefits, expansion, and betterment. Highlights of these reserves are as follows:

- **Restricted and Designated Expansion Reserves**

The Restricted and Designated Expansion Reserves work in concert. The combined balance of these reserves is compared to the target level to insure that the District is properly funded to address the construction of both potable and recycled expansion facilities. Expansion facilities support future customers.

The Expansion Reserves are projected to be \$16.2 million at year-end 2008 with a target of \$7.7 million. This level of funding is a result of the 2007 bond issuance which is intended to fund two years of financial need. The reserve level is projected to drop to \$11.0 million by the end of 2009 when the target level is expected to be \$10.0 million. This will be moderately over target; however, the Expansion Reserve will again require debt financing in 2010 of \$18.2 million in order to meet the target level and fund the expansion projects from 2010 to 2012. With debt issuances and ongoing fund transfers from recycled and potable general funds, this reserve will be set at, or just above, the target level.

- **Betterment Reserve**

The Restricted and Designated Betterment Funds also work in concert just as the Expansion Funds. Betterment Funds are used for facilities that address inadequate capacity or new requirements for existing customers. The Betterment Reserve is comprised of 15 separate restricted reserves that can only be spent within the improvement district in which they are collected.

The Betterment Reserves are projected at year-end 2008 to be at \$2.0 million with a target level of \$3.2 million. The plan to bring these funds up to target by the end of 2009 and to fund the sizable betterment projects includes both sizable General Fund transfers and the drawing down of sewer general funds. Each of the Betterment Funds will be able to fund projects and retain the funds necessary to meet or exceed target levels.

- **Bond Reserve**

The District collects restricted funds through the tax roll solely for the repayment of debt. Staff monitors these fund balances and modifies the tax rate each year to ensure that only enough funds will be collected to pay the District bond payment obligations and to meet target reserve levels.

The projected 2008 year-end reserve levels total \$1.6 million with a target level of \$0.6 million. Approximately eight years ago this fund had built up a fairly large surplus. Since that time that surplus has been gradually decreased as the rate has been aggressively cut. This reserve is monitored and adjusted annually to bring the balance closer to target. Fluctuations from target also

result from timing differences due to the six month payment cycle.

- **Replacement Reserve**

Replacement Funds are used for facilities that require replacement due to deterioration or have exceeded their useful life. The combined Replacement Reserves are projected to have a 2008 year-end balance of \$33.1 million with a target level of \$19.5 million. This surplus has primarily resulted from the 2007 bond financing and by the end of 2009 this fund is expected to be at target level. These funds are designated and can be used by the Board for other needs as they arise. The current and future target levels for the Potable and Recycled Replacement Funds can be met with the recommended fund transfers and with the anticipated 2010 and 2012 bond funds.

The sewer portion of the Replacement Reserve is expected to have a surplus throughout the Rate Model. However, much of this surplus is proposed to be temporarily used to fund potable betterment projects. The funds will be replenished to sewer to pay for several sewer issues on the horizon. These issues include: the City of San Diego's ability to obtain a waiver for secondary level of sewage treatment; potential sewer annexations; and, the District's study on renewal and replacement. In light of these, replenishing this reserve is recommended.

- **Post Retirement Medical Reserve**

The projected 2008 year-end balance of this reserve is \$10.7 million dropping to \$9.1 million over the 2009 Fiscal Year. This reserve is on target when combined with the \$5 million that has been transferred to the PERS OPEB fund.

At the direction of the Board, this reserve was fully funded in 2004 by transferring money from the General Fund into a designated fund called the Post Retirement Medical Reserve. In 2008, the Board acted to fund \$5 million of a PERS Other Post Employment Benefits (OPEB) Trust and ongoing payments of the Actuarial Required Costs (ARC). During the six-year Rate Model the PERS OPEB trust will continue to build as it receives the annual ARC funding, and the Otay OPEB fund will continue to diminish as it pays the ongoing costs of retiree medical care. Based on the OPEB evaluation performed in 2008, the two funds are anticipated to remain on target when considered as a whole.

The full funding of these OPEB funds is a significant commitment by the Board of Directors and effectively eliminates for Otay Water District the financial vulnerability that other districts and governments may face.

- **General Fund**

The three General Funds have a target level equal to three months of District operating costs. This level of funding is somewhat lower than typical for a water district. With the thorough financial planning at the District, this level of reserve is possible and allows the District to minimize the burden to the ratepayers by avoiding the funding of significant or redundant reserves. With this in mind, the reserve level was set at three months of expenses.

The District's projected 2008 year-end General Fund reserve balances total \$22.3 million with a target level of \$13.6 million. Over the next year, the balance of the potable and sewer General Funds will be drawn down to the target levels.

Debt Coverage Ratio

Another item in the Rate Model which is significant to the District's ability to issue cost effective bonds is the debt coverage ratio. The District's target is for debt coverage is 150%, the same target used by CWA. The minimum required level is 125%, as defined by the District's bond covenants. In short, the debt coverage ratio is equal to annual net revenues excluding debt service divided by annual debt service.

This ratio measures the District's ability to meet its bond payment obligations and is an important measure used by rating agencies when evaluating the bond rating of the District. With the proposed rate smoothing, this ratio will temporarily drop to fairly low levels. However, the Rate Model shows that with the proposed increases this ratio will exceed the target level of 150% by 2012.

There are three different debt coverage ratios that are used by the District. The "Actual" ratio is defined by the bond covenants and is the only ratio that must remain above 125%. This ratio will drop to 163% in 2009 then climb to over 400% by the end of the Rate Model period. The second ratio is the "No Growth" ratio, which recognizes early the effects of debt and rate increases and also assumes no growth revenues or customers of any kind. This ratio is at 149% in 2009. The third ratio

used by the District is a hybrid of the prior two ratios and is used to measure against our 150% target. This version considers reasonable growth in the customer base but does not recognize any of the capacity or annexation revenues that come with that growth. This version does not recognize early the effects of rate increases or debt issuance. This ratio drops to 96% in 2009 then climbs to over 150% by 2012.

All three of these ratios have been negatively affected by the economic influences that are coming to bare on this year's Rate Model. As mentioned earlier, staff is proposing rate increases that maintain a relatively level rate ramp, avoid a rate spike in the first year, and maintain all reserves at or above target levels. Based on numerous discussions with the Financial Advisor, staff believes that if the Board supports the rate increase as outlined in the Rate Model, the District will be both responsive to the ratepayers and be well-positioned to enter the bond market with a continued AA- bond rating.

Operating Budget

The Fiscal Year 2008-2009 balanced budget supports the pass-through of CWA's increases in water costs, an increased Capital Budget, and new programs to meet regulatory requirements. The budget includes a 9.7% rate increase for potable and recycled, and a 4.6% rate increase for sewer. The Rate Model projects a 9.7% increase for the next two years, a 9.1% increase for year three, with a 5.2% increase for the following three years.

This year, the District was faced with four unanticipated changes that have created budget challenges. Without these changes, the District would have experienced rate increases of no more than 5.4%. Based on an unofficial survey, other districts face similar or even higher rate increases as Otay. Rates for the City of San Diego are projected to go up over 13%. The District, even when faced with financially difficult times, is in a fortunate position. This is due to the way the District has strategically positioned itself, by implementing new technologies, strengthening policies, and implementing cost saving measures, always with a focus on efficiency.

Rate Implementation - Water

The 9.7% rate increase is being implemented for both potable and recycled customers. This is the overall increase that will affect the average water customer for both fixed and variable charges. The District will continue to keep the fixed and variable revenues mixture, as in prior years, maintaining the stability of the revenues.

The potential for drought conditions and mandatory conservation make it very prudent to prepare drought stage pricing. Staff has met with other water district staff to discuss how agencies plan to prepare for this. Staff is moving forward on retaining and working with a rate consultant to evaluate the merits of implementing a tiered rate structure for commercial customers, drought rate structures, and finding ways to simplify the current rate structure. Staff believes these changes will improve billing efficiency and encourage conservation, while at the same time making the bills more understandable to our customers.

The District also passes through a fixed fee for potable customers that cover the CWA & MWD Fixed Charges. CWA & MWD have increased these charges by \$581,300 for Fiscal Year 2009. The individual increases are identified below:

Customer Service Charge	\$99,600
Emergency Storage Charge	\$267,000
Infrastructure Access Charge	\$126,600
Capacity Reservation Charge	\$26,300
Readiness-to-Serve Charge	\$61,800

The fee change needed to cover this increase will be determined upon completion of the Rate Study.

Rate Implementation - Sewer

In Fiscal Year 2008, the District implemented a winter-based water consumption rate structure for its sewer customers. This new structure charges sewer customers based on their average winter water consumption. This year, the recommended rate increase is 4.6%, which is necessary to ensure sufficient revenue are collected to meet the cost of service. Each year, sewer rates change to cover the cost of service including the pass-through of charges from the and the Spring Valley Sanitation District.

The fluctuation of winter consumption, as well as changes in sewer costs can cause significant fluctuations in the sewer rate. Sewer only represents 4% of the total Operating Budget, yet even relatively small changes in the budget can have an effect on the rate. For this reason, staff attempts to level the rate increases over a six-year period to maintain conservative and level rate increases that will meet the needs of the system.

Property Tax

For Fiscal Year 2009, the District is projecting property tax revenue totaling \$4.1 million, which is based on growth in assessed values of parcels within the District's boundaries. This assessment was originally for the purpose of off-setting the operating cost of the District, and therefore, is general use revenue. While the state may attempt to temporarily differ some of these revenues, the District is assuming that we will collect the full amount.

Budgeted Revenues

Budgeted revenues include an overall increase in potable water sales of 2.4% and in recycled water sales of 4.9%. These increases are less than last year's expectations for 2009 despite the unexpected 9.7% rate increase. This is because of three main factors including: first, the dramatic slowdown in the District's growth rate in new potable meters from 2.1% to 0.6%, and from 4.9% to 2.7% for recycled customers; second, the change in rainfall estimates from 4.6 inches of rain to 5.5 inches of rain; and third, the building in of a conservation factor of 1% anticipating customers initial responses to the potential drought.

Reclaimed credits play a large part in increased revenues. Recycled revenues will be receiving \$1,798,400 in MWD and CWA credits; an additional \$183,500 is due to an increase in credits from CWA, moving from \$147 to \$200 per acre-foot, and a small increase of \$113,200 due to new customer demand.

Budgeted sewer revenues decreased 14.6%, despite a mid-year rate increase of 4.6%. This is due mainly to the change to a winter-consumption based rate structure, and the drop in winter water consumption from an average of 20 units to 15 units. Although this change is not revenue neutral this year, staff believes the annual fluctuations will even out over time. The new method puts the District into compliance with Best Management Practices (BMP) 11 which encourages conservation and ensures users pay their fair share for services.

Other changes in the Operating Revenues include the following:

- Due to a decrease in growth projections, Meter Fee Revenues are expected to decrease by 67.4%, partially off-setting this revenue decrease is the reduction of meter material expenses.

- Capacity Fee Reimbursements are expected to decrease by 8.0% due to less expansion related work in the planning and public services area.
- Betterment Fees for Maintenance show an actual increase of \$20,000. This is a shifting of where the fees are applied and due to better information from our systems.
- Non-Operating Revenues are expected to slightly decrease by 2.8%. This change is due to a decrease in conservation grants and corresponding incentive budget. This decrease is offset by increases in lease revenue.
- Tax Revenues are expected to increase slightly by 3% due to an increase in the property tax roll.

Expenses

Overall expenses increased by 0.4%. This increase is due to numerous factors but is primarily due to water costs. The 5.0% increase in the cost of water purchases is due to the CWA and City of San Diego water price increases mentioned above. This increase has both a variable and fixed component. For potable water, the variable price increase is expected to be \$63 per acre-foot causing a total increase in variable potable water costs of \$896,200. This effect of the price change is dampened by the 5.5% reduction of projected water purchases. For recycled water, the total increase in water cost is only \$29,700 due to the price increase per acre-foot estimated to be \$38.50 and a volume decrease of recycled water purchases of 8.8%. The reduced purchase volume is due to slowing of growth, changes in rainfall predictions, and a conservation factor of 1%. The fixed costs paid to CWA and MWD are projected to increase the District's expenses by \$581,300 which is highlighted in the section above.

Power costs are budgeted to decrease 0.9% due to the declining quantity of water sales by 5.5% despite the SDG&E expected 2.8% rate increase on July 1, 2008.

Labor and benefits costs are estimated to increase overall by 10.1%. Salaries will increase a total of 7.6% due to the following:

- MOU increases in cost of living and in-range adjustments
- Decrease in vacancy factor

In addition, more of the District's labor force is being charged to expense due to the slowdown in growth. This slowdown results

in an increase of 1.2% in labor expenses as the labor force shifts to projects that are not billable. In addition, there is a 15.9% increase in medical and dental costs due to a change in the insurance programs and rising medical costs. While the change in the insurance plan initially raises the cost of medical coverage, in the long run this plan is more cost effective and also causes an immediate reduction of the OPEB liability. With the limited ability of the District to enter into this type of insurance in the future, due to the rising average age of plan members, it was prudent that Otay make this change as soon as possible. In addition, with the District's prior plan, the District had significant administrative burdens and increasing exposure to financial risk of catastrophic health events. As a result of the change in medical plans and other changes, \$810,000 is available in the OPEB fund this year to cover the added salary and benefit costs.

The Administrative Expenses decreased by 15%. This is in large part due to four main factors:

1. Departmental budget cuts of \$145,600.
2. Completion of some one-time projects of \$84,000.
3. Conservation grants for Monte Vista artificial turf projects removed for \$120,000. This change in expense is offset by a \$100,000 reduction in grant revenue, with an overall net impact of \$20,000.
4. District deletion of last year's one-time legal expenses of \$741,500.

The Materials and Maintenance budget experienced a decrease of 13%. Cost decreases are in the following areas: fuel expense decreases due to less fuel being used for the Lower Otay Pump Station of \$243,600, which is somewhat offset by \$29,100 for anticipated increases in the price of fuel; decreases in contracted services of \$82,600 for services such as janitorial, painting, landscaping, and parking lot maintenance; decrease in materials of \$82,200 due to both price and volume such as chemicals, parts, and supplies; and finally, due to the slowing of growth and the related cost of meter purchases declining by \$165,900.

Materials and maintenance costs for sewer increased due to the Metropolitan Waste Water Department Operations & Maintenance cost for sewer processing increases of \$65,100. Funding to

reserves is decreasing by \$1.2 million as compared to last year. This year, less funding is needed to keep the Expansion and Betterment Reserves on target and to fund these projects. This funding will keep reserve levels in compliance with the Reserve Policy.

Capital Improvement Program (CIP) Budget

Each year with the budget process, the Engineering Department updates the CIP Budget. This year, the six-year CIP budget has decreased by \$21.1 million from last year's CIP. This decrease is a result of some new projects that are less costly than those they replaced. Also, some projects have been moved out to future years. Additionally, construction costs have leveled off since last year, increasing only 10% over two years instead of last year's estimate of 33%. The new projects and cost changes to existing projects are reviewed and approved along with the Operating Budget. The following process is used to prepare the CIP Budget:

- o CIP projects are selected based on the Water Resources Master Plan (WRMP), the Urban Water Management Plan (UWMP), Integrated Water Resources Plan (IRP), and the following CIP criteria:
 - Existing Facility Conditions
 - Operating System Conditions
 - Water and Sewer System Deficiencies
 - Regulatory and Permitting Requirements
 - Developer Driven Schedules
 - Economic Outlook and Growth Projections
 - Board and Management Directives
- o The CIP goes through an iterative process to meet the criteria of need, growth, and service requirements.
- o The CIP expenditure targets are established for the next six years.

This year, the CIP Budget includes the following amounts by project category:

Capital Backbone	\$22.9
Developer Reimbursement	.6
Replacement and Renewal	5.8
Capital Purchases	<u>1.6</u>
Total (millions)	\$30.9

There are a total of 66 projects in the current six-year CIP plan. Each project is listed in the FY 2008-09 Proposed Operating and Capital Budget (Attachment C). In addition, each project has an individual project sheet with detailed project information including the project description, justification, and funding. These sheets can be found under the Capital Budget section. The total cost of the 66 projects is \$170.4 million.

SUMMARY

Staff has completed the preparation of a proposed balanced budget. This budget was then incorporated into the District's Rate Model which projected revenues and expenditures for all reserves for the next six years. With the proposed debt issuances, fund transfers, and proposed customer rate increases, the District will maintain all reserve levels in all years at or above target levels set in the Reserve Policy. This proposed budget is the foundation of the six-year Rate Model which supports the Strategic Plan initiatives, mandated programs, and the ongoing high level of water and sewer service to District customers.

With the approval of this budget and the rate increases to support it, the District will meet the significant budget challenges presented by higher water costs, reduced growth, lower interest revenues, and lower sales volume. The District will maintain a strong financial standing and be well-positioned for ongoing financial challenges. The District is expected to maintain its AA- credit rating and continue to receive awards from both the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) for its quality budget.

FISCAL IMPACT:


The recommended balanced budget totals \$66.4 million for Operations and \$30.9 for the CIP. With budget approval, the District will move forward into the 2009 Fiscal Year with clear financial direction. Staff will also make preparations to work with a consultant for the purpose of rate setting and the Proposition 218 hearing necessary to implement the rate changes which support this budget. This budget provides continued funding for the District's administration, maintenance, and operations, and is consistent with the recently adopted Strategic Plan and Reserve Policy.

STRATEGIC GOAL:

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

LEGAL IMPACT: _____

None.



General Manager

Attachments:

- A) Resolution No. 4124
- B) FY 2008-2009 Operating and Capital Budget Presentation
- C) FY 2008-2009 Proposed Operating and Capital Budget

RESOLUTION NO. 4124

A RESOLUTION OF THE BOARD OF DIRECTORS OF
OTAY WATER DISTRICT ADOPTING THE
FISCAL YEAR 2008-2009
OPERATING AND CAPITAL BUDGET

WHEREAS, the Otay Water District Board of Directors have been presented with a budget for the operation of the Otay Water District for Fiscal Year 2008-2009; and

WHEREAS, the Operating and Capital Budget has been reviewed and considered by the Board, and it is in the interest of the District to adopt a budget for said year; and

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the Otay Water District that the Operating and Capital Budget for the operation of the District, incorporated herein by reference, is hereby adopted as the District's budget for Fiscal Year 2008-2009.

PASSED, APPROVED AND ADOPTED by the Board of Directors of Otay Water District at a special board meeting held this 10th day of June 2008, by the following vote:

Ayes:
Noes:
Abstain:
Absent:

President

ATTEST:

District Secretary

ITEM 7

Otay Water District
Staff Report Attachment B & C for
Proposed Fiscal Year 2009 Operating & CIP Budget

Please reference Attachment 1 & 2 posted to
Otay Water District website.



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 10, 2008
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
SUBJECT:	Consideration to Nominate Representative to San Diego Local Agency Formation Commission (LAFCO)		

GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors consider nominating a District Representative for a Regular District Member on the San Diego Local Agency Formation Commission (LAFCO) and a LAFCO Special Districts Advisory Committee member.

PURPOSE:

To bring to the Board of Directors attention that LAFCO is requesting nominations to fill a Regular District Member seat and eight positions on their Special Districts Advisory Committee (please see Attachment A).

COMMITTEE ACTION: _____

Please see Attachment A.

ANALYSIS:

The terms of a Regular District Member seat and eight positions on the Special District Advisory Committee are expiring in 2008. LAFCO commissioners and Advisory Committee members serve four-year terms and LAFCO is soliciting nominations for representatives to serve the next four-year terms (through May and October 2012 respectively).

The Board may nominate a board member representative for the Regular Member seat. LAFCO rules indicate that nominees must be a District officer, but cannot be a member of the legislative body of a city or county. Advisory Committee nominees may be either a District officer or staff member, but may not be a member on LAFCO and the number of candidates and members of the Advisory Committee representing the same agency shall be limited to one.

The deadline for submitting nominations is June 12, 2008.
Voting instructions and ballots will be mailed by LAFCO on
August 28, 2008.

FISCAL IMPACT: _____

None.

LEGAL IMPACT: _____

None.



General Manager



ATTACHMENT A

SUBJECT/PROJECT:	Consideration to Nominate Representatives to San Diego Local Agency Formation Commission (LAFCO)
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COMMITTEE ACTION:

The Finance, Administration and Communications Committee reviewed this item at a meeting held on May 27, 2008 and the committee had recommended that no nominations be forwarded and the slate of candidates, as is now known, be recommended.

CC: J. [unclear]



1600 Pacific Highway • Room 452 • San Diego, CA 92101
(619) 531-5400 • FAX (619) 557-4190

San Diego Local Agency Formation Commission

Website: www.sdlafco.org

Chairman

Andrew L. Vanderlaan
Public Member

Vice Chairman

Bill Horn
County Board of
Supervisors

April 25, 2008

APR 30 2008

Members

Donna Frye
Councilmember
City of San Diego

Dianne Jacob
County Board of
Supervisors

Andrew J. Menshek
Padre Dam
Municipal Water District

Carl Hilliard
Councilmember
City of Del Mar

Bud Pocklington
South Bay Irrigation District

Betty Rexford
Councilmember
City of Poway

Alternate Members

Mark Lewis
Mayor
City of El Cajon

Greg Cox
County Board of
Supervisors

John S. Ingalls
Santa Fe
Irrigation District

Harry Mathis
Public Member

Brian Maienschein
Councilmember
City of San Diego

Executive Officer

Michael D. Ott

Counsel

William D. Smith

TO: Independent Special Districts in San Diego County

FROM: Executive Officer
Administrative Assistant

SUBJECT: Call for Nominations to the Local Agency Formation Commission and the Special Districts Advisory Committee

Nominations are being solicited for one regular district member on the Local Agency Formation Commission (LAFCO), and eight positions on LAFCO's Special Districts Advisory Committee. **The deadline for receipt of all nominations is June 12, 2008.**

LAFCO commissioners serve four-year terms. The term of the incumbent LAFCO regular district member, Bud Pocklington, will expire in May 2008; however, he can continue to serve until conclusion of the election/installation proceedings. Mr. Pocklington has indicated that he will seek reelection to the regular LAFCO position. The new term of the regular district member position will expire in May 2012. LAFCO regular and alternate district members must be special district officers who reside within San Diego County, but may not be members of the legislative body of a city or county.

The advisory committee consists of 16 members elected to four-year terms. The terms for the eight positions will expire in 2008. The terms of the committee members elected in 2008 to fill four-year terms will expire in October 2012. It is not known at this time whether incumbent advisory committee members whose terms will expire in 2008 will seek reelection. Please note the following nomination restrictions: (1) members of LAFCO's advisory committee may be either a district officer or staff member, but may not be a member on LAFCO; (2) the number of candidates and members of the advisory committee representing the same agency shall be limited to one. A list of incumbents is attached (**Attachment 1**).

After LAFCO and Special Districts Advisory Committee nominations are received by June 12, 2008, it is anticipated that a candidates forum will be held in August 2008, in conjunction with the California Special Districts Association (CSDA) Quarterly Dinner.

All districts are encouraged to submit nominations. **Please use the attached nomination/resume form (Attachment 2), and be sure that the form specifies whether the nomination is for the LAFCO regular district member or a Special Districts Advisory Committee member. Only the one-page nomination/resume form will be distributed with the official voting ballot.** The nomination form should be signed by, or with authority of, the district presiding officer. Facsimile (FAX) copies of nominations are permitted, if necessary, to meet the submission deadline, but an original form must be furnished as soon as possible thereafter. Again, **the deadline for receipt of nominations is June 12, 2008.** Please send nominations to:

Executive Officer
Local Agency Formation Commission
1600 Pacific Highway, Room 452
San Diego, CA 92101

All nominations received by the deadline will be reviewed by a nominating committee. The nominating committee's report and copies of all nomination forms submitted will be included with the ballots and voting instructions. These materials will be mailed on August 28, 2008.

As required by the Rules, please acknowledge receipt of this letter calling for nominations by completion and return of the form attached (Attachment 3).

Please call Tita Jacque Cayetano if you have any questions regarding this letter.



MICHAEL D. OTT
Executive Officer



TITA JACQUE CAYETANO
Administrative Assistant

MDO:tjc

Attachments (3)

- No. 1: List of Incumbents
- No. 2: Nominations/Resume Form
- No. 3: Acknowledgement of Receipt Form

**2008 LAFCO & SPECIAL DISTRICTS ADVISORY COMMITTEE
CALL FOR NOMINATIONS
LIST OF INCUMBENTS**

Incumbent Regular LAFCO Special District Member Term Expires

Bud Pocklington South Bay Irrigation District	May 5, 2008 *
--	---------------

* *The term of the regular member expires on May 5, 2008, but the incumbent may continue to serve until conclusion of the election proceedings.*

Incumbent Special District Advisory Committee Members Term Expires

James Alkire (Southbay Irrigation District)	October 17, 2008
Gary Arant (Valley Center MWD)	October 17, 2008
Diana Towne (Rincon del Diablo Municipal Water District)	October 17, 2008
Ron Fuller (Alpine FPD)	October 17, 2008
Keith Lewinger (Fallbrook Public Utility District)	October 17, 2008
Jo MacKenzie (Vista Irrigation District)	October 17, 2008
Augie Scalzitti (Padre Dam Municipal Water District)	October 17, 2008
Dennis Shepard (North County Cemetery District)	October 17, 2008
Gary Croucher (Otay Water District)	October 21, 2011
Larry Jackman (San Miguel Consolidated Fire Protection District)	October 21, 2011
Kimberly Thorner (Olivenhain Municipal Water District)	October 21, 2011
Judy Hanson (Leucadia CWD)	October 21, 2011
Richard Olson (North County Fire Protection District)	October 21, 2011
Jim Poltl (Vallecitos Water District)	October 21, 2011
John Pastore (Rancho Santa Fe CSD)	October 21, 2011
Tom Pocklington (Bonita-Sunnyside FPD)	October 21, 2011

**2008 SPECIAL DISTRICTS
NOMINATION/RESUME**

Date Received by LAFCO _____

NOMINATED BY: _____
District

NAME OF NOMINEE: _____
Address: _____
Phone: _____

NOMINATED FOR: LAFCO () ADVISORY COMMITTEE ()

DISTRICT EXPERIENCE:

LAFCO EXPERIENCE:

ADDITIONAL INFORMATION:

(Authorized Signature)



AGENDA ITEM 8b

STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	June 10, 2008
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
SUBJECT:	Board of Directors 2008 Calendar of Meetings		

GENERAL MANAGER'S RECOMMENDATION:

At the request of the Board, the attached Board of Director's meeting calendar for 2008 is being presented for discussion.

PURPOSE:

This staff report is being presented to provide the Board the opportunity to review the 2008 Board of Director's meeting calendars and amend the schedules as needed.

COMMITTEE ACTION:

N/A

ANALYSIS:

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

STRATEGIC GOAL:

N/A

FISCAL IMPACT: _____

None.

LEGAL IMPACT: _____

None.



General Manager

Attachments: Calendar of Meetings for 2008

**Board of Directors, Workshops
and Committee Meetings
2008**

Regular Board Meetings:

January 14, 2008
February 6, 2008
March 5, 2008
April 2, 2008
May 7, 2008
June 10, 2008
July 2, 2008
August 6, 2008
September 3, 2008
October 1, 2008
November 5, 2008
December 3, 2008

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

January 22, 2008
February 20, 2008
March 19, 2008
April 16, 2008
May 21, 2008
June 18, 2008
July 16, 2008
August 20, 2008
September 17, 2008
October 15, 2008
November 19, 2008
December 17, 2008

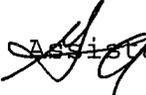
Board Workshops:

Budget Workshop, June 10 and 23, 2008
Board Retreat Workshop, TBD



AGENDA ITEM 9a

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 10, 2008
SUBMITTED BY:	Sean Prendergast, 	W.O./G.F. NO:	DIV. NO. All
	Payroll/AP Supervisor		
APPROVED BY:	Joseph R. Beachem, Chief Financial Officer		
(Chief)			
APPROVED BY:	German Alvarez, 		
(Asst. GM):	Assistant General Manager		
SUBJECT:	Director's Expenses for the 3rd Quarter of Fiscal Year 2008		

GENERAL MANAGER'S RECOMMENDATION:

This is an informational item only.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To inform the Board of the Director's expenses for the 3rd quarter of Fiscal Year 2008.

ANALYSIS:

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

FISCAL IMPACT: 

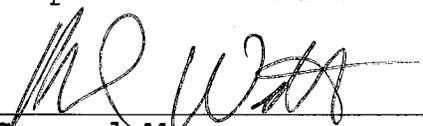
None.

STRATEGIC GOAL:

Prudently manage District funds.

LEGAL IMPACT: _____

Compliance with State law.



General Manager

Attachments:

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



ATTACHMENT A

SUBJECT/PROJECT:	Director's Expenses for the 3rd Quarter of Fiscal Year 2008
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COMMITTEE ACTION:

This item was agendized for review at the Finance, Administration and Communications Committee held on May 27, 2008. The committee noted and filed staffs' report and recommended that it be forwarded to the full board on the consent calendar.

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

**FINANCE, ADMINISTRATION, AND
COMMUNICATIONS COMMITTEE MEETING
MAY 27, 2008**

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

- Fiscal Year 2008, 3rd Quarter
- The expenses are shown in detail by Board member, month and expense type.
- This presentation is in alphabetical order.
- This information was presented to the Finance, Administration, and Communications Committee on May 27, 2008

Board of Directors' Expenses and Per-Diems
Fiscal Year 2008 Quarter 3 (Jan 08- Mar 08)

• Director Bonilla	90.00
• Director Breitfelder	\$3,387.07
• Director Croucher	\$1,555.23
• Director Lopez	\$630.30
• Director Robak	<u>\$1,847.45</u>
• Total	\$7,510.05

Director Bonilla

Fiscal Year 2008 Quarter 3

	<u>Jan 08</u>	<u>Feb 08</u>	<u>Mar 08</u>	<u>Qtr3</u>
• Mileage Business				
• Mileage Commute				
• Conference/Seminars	90.00			
• Travel				
• Director's Fees	_____	_____	_____	_____
•				
• Monthly Totals	<u>90.00</u>	<u>0.00</u>	<u>0.00</u>	
• Quarterly Total				90.00
• Meetings Attended	Director Bonilla does not request			
• Meetings Paid	Per-Diem reimbursements.			
• Fiscal Year-to-Date 2008 (Jul 07-Mar 08)				90.00

Director Breitfelder

Fiscal Year 2008 Quarter 3

	<u>Jan 08</u>	<u>Feb 08</u>	<u>Mar 08</u>	Qtr3
• Mileage Business	103.53	113.12	82.82	
• Mileage Commute	34.34	30.30	30.30	
• Seminars & Travel	95.00		850.66	
• Director's Fees	500.00	700.00	700.00	
• Business Meetings	<u>65.00</u>	<u>57.00</u>	<u>25.00</u>	
• Monthly Totals	797.87	900.42	1,688.78	
• Quarterly Total				3,387.07
• Meetings Attended	9	9	11	
• Meetings Paid	5	7	7	
Fiscal Year-to-Date 2008 (Jul 07-Mar 08)				10,118.02

Director Croucher

Fiscal Year 2008 Quarter 3

	<u>Jan 08</u>	<u>Feb 08</u>	<u>Mar 08</u>	Qtr3
• Mileage Business			15.15	
• Mileage Commute				
• Director's Fees	300.00	400.00	400.00	
• Travel & Seminars			440.08	
• Business Meeting				
• Monthly Totals	<u>300.00</u>	<u>400.00</u>	<u>855.23</u>	
•				
• Quarterly Total				1,555.23
• Meetings Attended	3	5	5	
• Meetings Paid	3	4	4	
• Fiscal Year-to-Date 2008 (Jul 07-Mar 08)				3,655.23

Director Lopez

Fiscal Year 2008 Quarter 3

	<u>Jan_08</u>	<u>Feb_08</u>	<u>Mar_08</u>	Qtr3
• Mileage Business				
• Mileage Commute	10.10	10.10	10.10	
• Business Meetings				
• Director's Fees	<u>300.00</u>	<u>200.00</u>	<u>100.00</u>	
• Monthly Totals	310.10	210.10	110.10	
• Quarterly Total				630.30
• Meetings Attended	4	2	1	
• Meetings Paid	3	2	1	
• Fiscal Year-to-Date 2008 (Jul 07-Mar 08)				5,604.98

Director Robak

Fiscal Year 2008 Quarter 3

	<u>Jan 08</u>	<u>Feb 08</u>	<u>Mar 08</u>	<u>Qtr3</u>
• Mileage Business		11.62	110.60	
• Mileage Commute		4.04	4.04	
• Director's Fees	300.00	300.00	500.00	
• Travel			202.15	
• Conferences/Seminars	95.00	45.00	275.00	
• Monthly Totals	395.00	360.66	1,091.79	
• Quarterly Total				1,847.45
• Meetings Attended	6	6	5	
• Meetings Paid	3	3	5	
Fiscal Year-to-Date 2008 (Jul 07-Mar 08)				7,656.96

Board of Directors' Expenses and Per Diems
Fiscal Year 2008 to Date (Jul 07- Mar 08)

• Director Bonilla	90.00
• Director Breitfelder	\$10,118.02
• Director Croucher	\$3,655.23
• Director Lopez	\$5,604.98
• Director Robak	<u>\$7,656.96</u>
• Total	\$27,125.19

Board of Directors' Expenses and Per Diems
***Projected Fiscal Year 2008 (Jul 07- Jun 08)**

• Director Bonilla	90.00
• Director Breitfelder	\$13,491.00
• Director Croucher	\$4,873.00
• Director Lopez	\$7,474.00
• Director Robak	<u>\$10,209.00</u>
• Total	\$36,137.00

- *Based on actual expenses through 3rd quarter

OTAY WATER DISTRICT
ADMINISTRATIVE EXPENSES - BOARD
July 1, 2007 - March 31, 2008

	Jul-07 1	Aug-07 2	Sep-07 3	Oct-07 4	Nov-07 5	Dec-07 6	Jan-08 7	Feb-08 8	Mar-08 9	Apr-08 10	May-08 11	Jun-08 12	Total
JAIME BONILLA (DETAILED IN SECTION D):													
5211 Mileage - Commuting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5211 Mileage - Business	-	-	-	-	-	-	-	-	-	-	-	-	-
5212 Travel	-	-	-	-	-	-	-	-	-	-	-	-	-
5214 Business meetings	-	-	-	-	-	-	-	-	-	-	-	-	-
5114 Director's fees	-	-	-	-	-	-	-	-	-	-	-	-	-
5241 Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
5213 Seminars and conferences	-	-	-	-	-	-	90.00	-	-	-	-	-	90.00
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90.00
LARRY BREITFELDER (DETAILED IN SECTION E):													
5211 Mileage - Commuting	\$ 29.10	\$ 72.75	\$ 58.20	\$ 43.65	\$ 36.38	\$ 58.20	\$ 34.34	\$ 30.30	\$ 30.30	\$ -	\$ -	\$ -	\$ 393.22
5211 Mileage - Business	104.76	53.35	96.52	127.07	223.46	82.21	103.53	113.12	82.82	-	-	-	986.83
5212 Travel	-	-	-	-	721.32	-	-	-	639.94	-	-	-	1,361.26
5214 Business meetings	65.00	42.00	25.00	65.00	32.00	25.00	65.00	57.00	25.00	-	-	-	401.00
5114 Director's fees	700.00	700.00	800.00	700.00	900.00	700.00	500.00	700.00	700.00	-	-	-	6,400.00
5241 Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
5213 Seminars and conferences	-	-	200.00	70.00	-	-	95.00	-	210.72	-	-	-	575.72
Total	\$ 898.86	\$ 868.10	\$ 1,179.72	\$ 1,005.72	\$ 1,913.16	\$ 865.41	\$ 797.87	\$ 900.42	\$ 1,688.78	\$ -	\$ -	\$ -	\$ 10,118.02
GARY D. CROUCHER (DETAILED IN SECTION F):													
5211 Mileage - Commuting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5211 Mileage - Business	-	-	-	-	-	-	-	-	15.15	-	-	-	15.15
5212 Travel	-	-	-	-	-	-	-	-	270.08	-	-	-	270.08
5214 Business meetings	-	-	-	-	-	-	-	-	-	-	-	-	-
5114 Director's fees	400.00	500.00	400.00	200.00	300.00	300.00	300.00	400.00	400.00	-	-	-	3,200.00
5241 Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
5213 Seminars and conferences	-	-	-	-	-	-	-	-	170.00	-	-	-	170.00
Total	\$ 400.00	\$ 500.00	\$ 400.00	\$ 200.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 400.00	\$ 855.23	\$ -	\$ -	\$ -	\$ 3,655.23
JOSE LOPEZ (DETAILED IN SECTION G):													
5211 Mileage - Commuting	\$ 9.70	\$ 29.10	\$ 29.10	\$ 22.31	\$ 19.40	\$ 9.70	\$ 10.10	\$ 10.10	\$ 10.10	\$ -	\$ -	\$ -	\$ 149.61
5211 Mileage - Business	-	32.01	25.00	-	140.65	-	-	-	-	-	-	-	197.66
5212 Travel	-	-	1,021.52	-	-	-	-	-	-	-	-	-	1,021.52
5214 Business meetings	-	20.00	-	110.00	-	-	-	-	-	-	-	-	130.00
5281 Director's fees	300.00	600.00	700.00	400.00	600.00	200.00	300.00	200.00	100.00	-	-	-	3,400.00
5241 Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
5213 Seminars and conferences	-	-	706.19	-	-	-	-	-	-	-	-	-	706.19
Total	\$ 309.70	\$ 681.11	\$ 2,481.81	\$ 532.31	\$ 760.05	\$ 209.70	\$ 310.10	\$ 210.10	\$ 110.10	\$ -	\$ -	\$ -	\$ 5,604.98
MARK ROBAK (DETAILED IN SECTION H):													
5211 Mileage - Commuting	\$ 1.94	\$ -	\$ 5.82	\$ 3.88	\$ 3.88	\$ 1.94	\$ -	\$ 4.04	\$ 4.04	\$ -	\$ -	\$ -	\$ 25.54
5211 Mileage - Business	72.27	-	62.83	83.24	144.53	26.19	-	11.62	110.60	-	-	-	511.27
5212 Travel	-	-	1,119.52	-	-	-	-	-	202.15	-	-	-	1,321.67
5214 Business meetings	40.00	-	-	110.00	-	-	-	-	-	-	-	-	150.00
5114 Director's fees	500.00	-	800.00	800.00	800.00	400.00	300.00	300.00	500.00	-	-	-	4,400.00
5241 Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
5213 Seminars and conferences	-	-	713.48	70.00	-	-	95.00	45.00	275.00	-	-	-	1,198.48
5231 Books, Periodicals and Subscriptions	50.00	-	-	-	-	-	-	-	-	-	-	-	50.00
Total	\$ 664.21	\$ -	\$ 2,701.65	\$ 1,067.12	\$ 948.41	\$ 428.13	\$ 395.00	\$ 360.66	\$ 1,091.79	\$ -	\$ -	\$ -	\$ 7,656.96
TOTALS:													
5211 Mileage - Commuting	\$ 40.74	\$ 101.85	\$ 93.12	\$ 69.84	\$ 59.66	\$ 69.84	\$ 44.44	\$ 44.44	\$ 44.44	\$ -	\$ -	\$ -	\$ 568.36
5211 Mileage - Business	177.03	85.36	184.35	210.31	508.64	108.40	103.53	124.74	208.57	-	-	-	1,710.90
5212 Travel	-	-	2,141.04	-	721.32	-	-	-	1,112.17	-	-	-	3,974.53
5214 Business meetings	105.00	62.00	25.00	285.00	32.00	25.00	65.00	57.00	25.00	-	-	-	681.00
5114 Director's fees	1,900.00	1,800.00	2,700.00	2,100.00	2,600.00	1,600.00	1,400.00	1,600.00	1,700.00	-	-	-	17,400.00
5241 Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
5213 Seminars and conferences	-	-	1,619.67	140.00	-	-	280.00	45.00	655.72	-	-	-	2,740.39
5231 Books, Periodicals and Subscriptions	50.00	-	-	-	-	-	-	-	-	-	-	-	50.00
Total	\$ 2,272.77	\$ 2,049.21	\$ 6,763.18	\$ 2,805.15	\$ 3,921.62	\$ 1,803.24	\$ 1,892.97	\$ 1,871.18	\$ 3,745.90	\$ -	\$ -	\$ -	\$ 27,125.19

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

ATTACHMENT D
SECTION D

DIRECTOR'S NAME: BONILLA, JAIME

Account Name	Date	Descriptions	Amount
Seminars and conferences			
	1/18/2008	CHULA VISTA CHAMBER OF COMMERCE 81TH INSTALLATION DINNER	\$ 90.00
Seminars and conferences Total			\$ 90.00

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

**ATTACHMENT E
SECTION E**

DIRECTOR'S NAME: BREITFELDER, LARRY

Account Name	Date	Descriptions	Amount
Business meetings			
	7/17/2007	COUNCIL OF WATER UTILITIES	\$ 25.00
	7/19/2007	WATER AGENCIES ASSOCIATION	40.00
	8/16/2007	AUGUST BUSINESS AFTER HOURS CSDA QUARTERLY MEETING	10.00 32.00
	9/18/2007	COUNCIL OF WATER UTILITIES	25.00
	10/16/2007	COUNCIL OF WATER UTILITIES	25.00
	10/18/2007	WATER AGENCIES ASSOCIATION	40.00
	11/15/2007	CSDA QUARTERLY MEETING	32.00
	12/18/2007	COUNCIL OF WATER UTILITIES	25.00
	1/15/2008	COUNCIL OF WATER UTILITIES	25.00
	1/17/2008	WATER AGENCIES ASSOCIATION	40.00
	2/19/2008	COUNCIL OF WATER UTILITIES	25.00
	2/21/2008	CALIFORNIA SPECIAL DISTRICTS	32.00
	3/18/2008	COUNCIL OF WATER UTILITIES	25.00
Business meetings Total			401.00
Director's fees			
	7/10/2007	REGULAR BOARD MEETING	100.00
	7/11/2007	CAC MODEL ORDINANCE COMMISSION	100.00
	7/17/2007	COUNCIL OF WATER UTILITIES	100.00
	7/19/2007	WATER AGENCIES ASSOCIATION	100.00
	7/20/2007	JOINT AGENCIES BOARD MEETING	100.00
	7/23/2007	CONSERVATION ACTION COMMITTEE	100.00

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

**ATTACHMENT E
SECTION E**

DIRECTOR'S NAME: BREITFELDER, LARRY

Account Name	Date	Descriptions	Amount
Director's fees	7/24/2007	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	8/1/2007	REGULAR BOARD MEETING	100.00
	8/2/2007	METRO COMMISSION	-
	8/16/2007	MODEL ORDINANCE COMMITTEE MEETING	100.00
	8/20/2007	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	8/21/2007	TAXPAYER ASSOCIATION WATER PANEL DISTRICT	100.00
	8/22/2007	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	8/24/2007	GM CONTRACT AD HOC COMMITTEE	100.00
	8/30/2007	AD HOC MEETING - FENTON BUSINESS CENTER	100.00
	9/5/2007	REGULAR BOARD MEETING	100.00
	9/7/2007	MODEL ORDINANCE COMMITTEE MEETING	100.00
	9/14/2007	AD HOC MEETING - FENTON BUSINESS CENTER	100.00
	9/17/2007	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	9/18/2007	COUNCIL OF WATER UTILITIES	100.00
	9/20/2007	PATHS TO PARTNERSHIP FORUM (CONSTRUCTION OUTREACH)	100.00
	9/24/2007	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	9/25/2007	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	10/3/2007	REGULAR BOARD MEETING	100.00
	10/9/2007	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	10/12/2007	WATER CONSERVATION SUMMIT	100.00

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

**ATTACHMENT E
SECTION E**

DIRECTOR'S NAME: BREITFELDER, LARRY

Account Name	Date	Descriptions	Amount
Director's fees	10/16/2007	COUNCIL OF WATER UTILITIES	100.00
	10/18/2007	WATER AGENCIES ASSOCIATION	100.00
	10/29/2007	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	10/30/2007	AD HOC MEETING - FENTON BUSINESS CENTER	100.00
	11/6/2007	FY 09-11 DISTRICT'S STRATEGIC PLAN WITH DOUG SPIERS OF WESTIN ENGINEERING	100.00
	11/7/2007	REGULAR BOARD MEETING	100.00
	11/15/2007	CSDA QUARTERLY MEETING	100.00
	11/19/2007	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	11/26/2007	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	11/27/2007	SEMI-ANNUAL ACWA CONFERENCE IN PALM SPRINGS	100.00
	11/28/2007	SEMI-ANNUAL ACWA CONFERENCE IN PALM SPRINGS	100.00
	11/29/2007	SEMI-ANNUAL ACWA CONFERENCE IN PALM SPRINGS	100.00
	11/30/2007	SEMI-ANNUAL ACWA CONFERENCE IN PALM SPRINGS	100.00
	12/3/2007	AD HOC GM REVIEW	100.00
	12/5/2007	REGULAR BOARD MEETING	100.00
	12/10/2007	CAC MODEL ORDINANCE COMMISSION	100.00
	12/11/2007	MEETING - STATE MODEL ORDINANCE MEETING	100.00
	12/13/2007	OTAY INFRASTRUCTURE TOUR	100.00
	12/17/2007	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	12/18/2007	COUNCIL OF WATER UTILITIES	100.00
	1/14/2008	REGULAR BOARD MEETING	100.00

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

**ATTACHMENT E
SECTION E**

DIRECTOR'S NAME: BREITFELDER, LARRY

Account Name	Date	Descriptions	Amount
Director's fees	1/15/2008	COUNCIL OF WATER UTILITIES	100.00
	1/17/2008	WATER AGENCIES ASSOCIATION	100.00
	1/22/2008	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	1/23/2008	MEETING WITH CHULA VISTA CITY ATTORNEY	100.00
	2/5/2008	CSDA REGULAR BOARD MEETING	100.00
	2/6/2008	REGULAR BOARD MEETING	100.00
	2/19/2008	COUNCIL OF WATER UTILITIES	100.00
	2/20/2008	MODEL ORDINANCE COMMITTEE MEETING	100.00
	2/21/2008	CSDA QUARTERLY MEETING	100.00
	2/25/2008	CAC MODEL ORDINANCE COMMISSION	100.00
	2/26/2008	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	3/5/2008	REGULAR BOARD MEETING	100.00
	3/13/2008	ALL AMERICAN CANAL TOUR	100.00
	3/18/2008	COUNCIL OF WATER UTILITIES	100.00
	3/19/2008	MODEL ORDINANCE COMMITTEE MEETING	100.00
	3/20/2008	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	3/25/2008	SDRMA - SAFETY/CLAIMS EDUCATION DAY	100.00
	3/26/2008	ACWA - LEGISLATIVE DAY	100.00
Director's fees Total			6,400.00

Mileage - Business

11/31/2007	MEETING - Nov. 6, 15, 27, 28, 29 & 30, 2007	190.61
7/31/2007	MEETING - JULY 17, 11, 19, 20, & 23	104.76

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

**ATTACHMENT E
SECTION E**

DIRECTOR'S NAME: BREITFELDER, LARRY

Account Name	Date	Descriptions	Amount
Mileage - Business	8/31/2007	MEETING - AUGUST 3 & 16	53.35
	9/30/2007	MEETING - SEPTEMBER 7, 18, 20 & 24	96.52
	10/31/2007	MEETING - Oct. 9, 12 & 16, 2007	127.07
	11/26/2007	ACWA - LEGISLATIVE DAY DINNER	25.00
	11/27/2007	ACWA - LEGISLATIVE DAY LUNCH	7.85
	12/11/2007	PARKING - STATE MODEL ORDINANCE MEETING	8.00
	12/31/2007	MEETING - Dec. 10, 11 & 17, 2007	74.21
	1/31/2008	MEETING - JAN 15, 17 & 23, 2008	103.53
	2/29/2008	MEETING - FEB. 5, 19, 20, 21 & 25, 2008	113.12
	3/31/2008	MEETING - MAR. 13, 18, 19, 25 & 26, 2008	82.82
Mileage - Business Total			986.83
Mileage - Commuting	7/31/2007	MEETING - JULY 10 & 24, 2007	29.10
	8/31/2007	MEETING - AUGUST 2, 20, 22, 24 & 30, 2007	72.75
	9/30/2007	MEETING - SEPTEMBER 5, 14, 17 & 25	58.20
	10/31/2007	MEETING - Oct. 7, 29 & 30, 2007	43.65
	11/30/2007	MEETING - Nov. 7, 19 & 26, 2007	36.38
	12/31/2007	MEETING - Dec. 3, 5, 13, & 17, 2007	58.20
	1/31/2008	MEETING - DEC 14 & 22, 2008	34.34
	2/29/2008	MEETING - FEB. 6 & 26, 2008	30.30
	3/31/2008	MEETING - MAR. 5, & 20, 2008	30.30
Mileage - Commuting Total			393.22

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

**ATTACHMENT E
SECTION E**

DIRECTOR'S NAME: BREITFELDER, LARRY

Account Name	Date	Descriptions	Amount
Seminars and conferences			
	9/14/2007	PATHS TO PARTNERSHIP FORUM (CONSTRUCTION OUTFACH)	25.00
	9/20/2007	REGISTRATION FEE - PATHS TO PARTNERSHIPS	25.00
	9/28/2007	ECONOMIC SUMMIT - SEPTEMBER 28, 2007	150.00
	10/17/2007	WEFTEC CONFERENCE - SAN DIEGO CONVENTION CENTER- OCT. 13-17. 2007	70.00
	3/24/2008	MEALS - SDRMA SAFETY/CLAIMS EDUCATION TRAINING	40.72
	3/26/2008	REGISTRATION FEE - ACWA CONFERENCE MAR. 26, 2007	170.00
	1/18/2008	CHULA VISTA CHAMBER OF COMMERCE 81TH INSTALLATION DINNER	95.00
Seminars and conferences Total			575.72
Travel			
	11/30/2007	HOTEL ACCOMMODATIONS - ACWA CONFERENCE NOV.	721.32
	3/24/2008	AIRFARE TO SACRAMENTO CA FOR SAFETY/CLAIMS EDUCATION TRAINING	174.00
		HOTEL ACCOMMODATIONS - SDRMA SAFETY /CLAIMS EDUCATION TRAINING	258.19
	3/25/2008	HOTEL ACCOMMODATIONS - ACWA CONFERENCE MAR. 26. 2008	207.75
Travel Total			1,361.26
Grand Total			\$ 10,118.02

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

ATTACHMENT F
SECTION F

DIRECTOR'S NAME: CROUCHER, GARY

Account Name	Date	Descriptions	Amount
Director's fees			
	7/9/2007	EMPLOYEE NEGOTIATIONS/AD HOC COMMITTEE	\$ 100.00
	7/10/2007	REGULAR BOARD MEETING	100.00
	7/18/2007	ENGINEERING & OPERATIONS COMMITTEE MEETING	100.00
	7/20/2007	JOINT AGENCIES BOARD MEETING	100.00
	8/1/2007	REGULAR BOARD MEETING	100.00
	8/17/2007	EMPLOYEE NEGOTIATIONS/AD HOC COMMITTEE	100.00
	8/20/2007	ENGINEERING & OPERATIONS COMMITTEE MEETING	100.00
	8/21/2007	TAXPAYER ASSOCIATION WATER PANEL DISTRICT	100.00
	8/27/2007	AD HOC NEGOTIATIONS	100.00
	9/5/2007	REGULAR BOARD MEETING	100.00
	9/11/2007	MEETING WITH GENERAL MANAGER	100.00
	9/13/2007	ENGINEERING & OPERATIONS COMMITTEE MEETING	100.00
	9/25/2007	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	10/3/2007	REGULAR BOARD MEETING	100.00
	10/9/2007	BOARD MEETING ANNUAL REVIEW	100.00
	11/7/2007	REGULAR BOARD MEETING	100.00
	11/19/2007	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	11/26/2007	ENGINEERING & OPERATIONS COMMITTEE MEETING	100.00
	12/5/2007	REGULAR BOARD MEETING	100.00
	12/12/2007	FY 09-11 DISTRICT'S STRATEGIC PLAN WITH DOUG SPIERS OF WESTIN ENGINEERING	100.00

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

ATTACHMENT F
SECTION F

DIRECTOR'S NAME: CROUCHER, GARY

Account Name	Date	Descriptions	Amount
Director's fees			
	12/14/2007	ENGINEERING & OPERATIONS COMMITTEE MEETING	100.00
	1/10/2008	REVIEW AGENDA WITH GM AND LEGAL COUNSEL	100.00
	1/14/2008	REGULAR BOARD MEETING	100.00
	1/22/2008	ENGINEERING & OPERATIONS COMMITTEE MEETING	100.00
	2/5/2008	SD COUNTY CSDA BOARD OF DIRECTOR'S MEETING	100.00
	2/6/2008	REGULAR BOARD MEETING	100.00
	2/25/2008	ENGINEERING & OPERATIONS COMMITTEE MEETING	100.00
	3/5/2008	REGULAR BOARD MEETING	100.00
	3/14/2008	COMMITTEE AGENDA BRIEFING	100.00
	3/17/2008	ENGINEERING & OPERATIONS COMMITTEE MEETING	100.00
	3/28/2008	LAFCO SPECIAL DISTRICTS ADVISORY COMMITTEE MEETING	100.00
	2/15/2008	ETHICS/AB1234 TRAINING	100.00
Director's fees Total			3,200.00
Mileage - Business			
	3/31/2008	MEETING - MARCH 28, 2007	15.15
Mileage - Business Total			15.15
Seminars and conferences			
	3/26/2008	REGISTRATION FEE - ACWA CONFERENCE MAR. 26, 2007 - UNATTENDED DUE TO LAST MINUTE CHANGE IN WORK SCHEDULE	170.00
Seminars and conferences Total			170.00

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

ATTACHMENT F
SECTION F

DIRECTOR'S NAME: CROUCHER, GARY

Account Name	Date	Descriptions	Amount
Director's fees			
Travel			
	3/24/2008	SURCHARGE FEE FOR CANCELLED AIRFARE TO SACRAMENTO CA FOR SAFETY/CLAIMS EDUCATION TRAINING DUE TO LAST MINUTE CHANGE IN WORK SCHEDULE	32.00
	3/27/2008	HOTEL ACCOMMODATIONS TO SDRMA - SAFETY/CLAIMS EDUCATION DAY - CANCELLED DUE TO LAST MINUTE CHANGE IN WORK SCHEDULE	238.08
Travel Total			270.08
Grand Total			\$ 3,655.23

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008**

**ATTACHMENT G
SECTION G**

DIRECTOR'S NAME: LOPEZ, JOSE

Account Name	Date	Descriptions	Amount
Business meetings			
	8/16/2007	AUGUST BUSINESS AFTER HOURS	\$ 10.00
		SAN DIEGO EAST COUNTY MEETING	10.00
	10/16/2007	REGISTRATION FEE - WEFTEC CONFERENCE	70.00
	10/18/2007	WATER AGENCIES ASSOCIATION	40.00
Business meetings Total			130.00

Director's fees			
	7/9/2007	EMPLOYEE NEGOTIATIONS/AD HOC COMMITTEE	100.00
	7/10/2007	REGULAR BOARD MEETING	100.00
	7/18/2007	ENGINEERING & OPERATIONS COMMITTEE MEETING	100.00
	8/1/2007	REGULAR BOARD MEETING	100.00
	8/16/2007	WATER CONSERVATION GARDEN/EAST COUNTY CHAMBER	100.00
	8/17/2007	EMPLOYEE NEGOTIATIONS/AD HOC COMMITTEE	100.00
	8/20/2007	ENGINEERING & OPERATIONS COMMITTEE MEETING	100.00
	8/21/2007	WATER PANELISTS PRESENTATION	100.00
	8/31/2007	OWD TOUR-CV	100.00
	9/5/2007	REGULAR BOARD MEETING	100.00
	9/9/2007	NATIONAL WATEREUSE CONFERENCE	100.00
	9/10/2007	NATIONAL WATEREUSE CONFERENCE	100.00
	9/11/2007	NATIONAL WATEREUSE CONFERENCE	100.00
	9/12/2007	NATIONAL WATEREUSE CONFERENCE	100.00
	9/14/2007	ENGINEERING & OPERATIONS COMMITTEE MEETING	100.00
	9/25/2007	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	10/3/2007	REGULAR BOARD MEETING	100.00

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008**

**ATTACHMENT G
SECTION G**

DIRECTOR'S NAME: LOPEZ, JOSE

Account Name	Date	Descriptions	Amount
	10/9/2007		
		SPECIAL BOARD OF DIRECTORS MEETING	100.00
	10/12/2007		
		WATER CONSERVATION SUMMIT	100.00
	10/29/2007		
		FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	11/7/2007		
		REGULAR BOARD MEETING	100.00
	11/19/2007		
		SPECIAL BOARD OF DIRECTORS MEETING	100.00
	11/26/2007		
		ENGINEERING & OPERATIONS COMMITTEE MEETING	100.00
	11/28/2007		
		SEMI-ANNUAL ACWA CONFERENCE IN PALM SPRINGS	100.00
	11/29/2007		
		SEMI-ANNUAL ACWA CONFERENCE IN PALM SPRINGS	100.00
	11/30/2007		
		SEMI-ANNUAL ACWA CONFERENCE IN PALM SPRINGS	100.00
	12/5/2007		
		REGULAR BOARD MEETING	100.00
	12/14/2007		
		ENGINEERING & OPERATIONS COMMITTEE MEETING	100.00
	1/14/2008		
		REGULAR BOARD MEETING	100.00
	1/22/2008		
		ENGINEERING & OPERATIONS COMMITTEE MEETING	100.00
	2/6/2008		
		REGULAR BOARD MEETING	100.00
	2/25/2008		
		ENGINEERING & OPERATIONS COMMITTEE MEETING	100.00
	3/5/2008		
		REGULAR BOARD MEETING	100.00
	1/28/2008		
		CHULA VISTA WATER TASK FORCE MEETING	100.00
Director's fees Total			3,400.00
Mileage - Business			
	8/31/2007		
		MEETING - August 16 & 21, 2007	32.01
	9/12/2007		
		PARK, SHUTTLE & FLY AIRPORT PARKING	25.00
	11/30/2007		
		MEETING - Nov. 28, 29, & 30 2007	140.65
Mileage - Business Total			197.66

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008**

**ATTACHMENT G
SECTION G**

DIRECTOR'S NAME: LOPEZ, JOSE

Account Name	Date	Descriptions	Amount
Mileage - Commuting			
	7/31/2007	MEETING - July 10 2007	9.70
	8/31/2007	MEETING - August 1, 20 & 31, 2007	29.10
	9/30/2007	MEETING - SEPTEMBER 5, 14 & 25, 2007	29.10
	10/31/2007	MEETING - Oct. 3 & 9 2007	22.31
	11/30/2007	MEETING - Nov. 7 & 19 2007	19.40
	12/31/2007	MEETING - Dec. 5, 2007	9.70
	3/5/2008	MEETING - MARCH 5, 2008	10.10
	1/31/2008	MEETING - JANUARY 14, 2008	10.10
	2/29/2008	MEETING - FEBRUARY 6, 2008	10.10
Mileage - Commuting Total			149.61
Seminars and conferences			
	9/8/2007	DINNER - WATEREUSE CONFERENCE	11.25
		SUPER SHUTTLE FROM AIRPORT TO HOTEL	13.00
	9/9/2007	BREAKFAST - WATEREUSE CONFERENCE	18.14
		DINNER - WATEREUSE CONFERENCE	13.00
	9/11/2007	DINNER - WATEREUSE CONFERENCE	23.31
		LUNCH - WATEREUSE CONFERENCE	11.25
	9/12/2007	A-1 TAXI & LIMO	14.00
		LUNCH - WATEREUSE CONFERENCE	12.25
	9/30/2007	REGISTRATION FEE - 22ND ANNUAL WATEREUSE SYMPOSIUM ON SEPT. 9-12. 2007	590.00
Seminars and conferences Total			706.19

**OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008**

**ATTACHMENT G
SECTION G**

DIRECTOR'S NAME: LOPEZ, JOSE

Account Name	Date	Descriptions	Amount
Travel	9/30/2007	AIRFARE TO ATLANTA GEORGIA FOR WATEREUSE SYMPOSIUM ON SEPT. 9-12. 2007	219.60
		HOTEL ACCOMMODATIONS - NATIONAL WATEREUSE CONFERENCE SEPT. 9-12. 2007	801.92
Travel Total			1,021.52
Grand Total			\$ 5,604.98

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

ATTACHMENT H
SECTION H

DIRECTOR'S NAME: ROBAK, MARK

Account Name	Date	Descriptions	Amount
Books, Periodicals and Subscriptions			
	7/31/2007	SUBSCRIPTION RENEWAL - WESTERN WATER YEAR 2007	\$ 50.00
Books, Periodicals and Subscriptions Total			50.00
Business meetings			
	7/19/2007	WATER AGENCIES ASSOCIATION	40.00
	10/16/2007	REGISTRATION FEE - WEFTEC CONFERENCE	70.00
	10/18/2007	WATER AGENCIES ASSOCIATION	40.00
Business meetings Total			150.00
Director's fees			
	7/10/2007	REGULAR BOARD MEETING	100.00
	7/11/2007	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	7/12/2007	METRO COMMISSION	-
	7/19/2007	WATER AGENCIES ASSOCIATION	100.00
	7/20/2007	JOINT AGENCIES BOARD MEETING	100.00
	7/24/2007	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	9/5/2007	REGULAR BOARD MEETING	100.00
	9/6/2007	GARDEN EXECUTIVE DIRECTOR MEETING	100.00
	9/9/2007	NATIONAL WATEREUSE CONFERENCE	100.00
	9/10/2007	NATIONAL WATEREUSE CONFERENCE	100.00
	9/11/2007	NATIONAL WATEREUSE CONFERENCE	100.00
	9/12/2007	NATIONAL WATEREUSE CONFERENCE	100.00
	9/17/2007	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

ATTACHMENT H
SECTION H

DIRECTOR'S NAME: ROBAK, MARK

Account Name	Date	Descriptions	Amount
Director's fees	9/25/2007	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	10/2/2007	MEETING WITH AUDIT AD-HOC COMMITTEE AND GARDEN AUDITOR	100.00
	10/3/2007	REGULAR BOARD MEETING	100.00
	10/4/2007	METRO COMMISSION	-
	10/9/2007	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	10/10/2007	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	10/12/2007	2ND ANNUAL WATER CONSERVATION SUMMIT AT USD	100.00
	10/16/2007	WEFTEC CONFERENCE - SAN DIEGO CONVENTION CENTER	100.00
	10/18/2007	WATER AGENCIES ASSOCIATION	100.00
	10/29/2007	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	11/6/2007	FY 09-11 DISTRICT'S STRATEGIC PLAN WITH DOUG SPIERS OF WESTIN ENGINEERING	100.00
	11/7/2007	REGULAR BOARD MEETING	100.00
	11/15/2007	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	11/19/2007	SPECIAL BOARD OF DIRECTORS MEETING	100.00
	11/26/2007	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	11/28/2007	SEMI-ANNUAL ACWA CONFERENCE IN PALM SPRINGS	100.00
	11/29/2007	SEMI-ANNUAL ACWA CONFERENCE IN PALM SPRINGS	100.00
	11/30/2007	SEMI-ANNUAL ACWA CONFERENCE IN PALM SPRINGS	100.00
	12/5/2007	REGULAR BOARD MEETING	100.00
	12/11/2007	IRRIGATION ASSOCIATION ANNUAL CONVENTION	100.00

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

ATTACHMENT H
SECTION H

DIRECTOR'S NAME: ROBAK, MARK

Account Name	Date	Descriptions	Amount
	12/12/2007	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	12/17/2007	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	1/11/2008	SDCWA - COMMUNITY COLLEGE LANDSCAPE ACCREDITATION	100.00
	1/14/2008	REGULAR BOARD MEETING	100.00
	1/22/2008	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	2/6/2008	REGULAR BOARD MEETING	100.00
	2/13/2008	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	2/26/2008	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	3/5/2008	REGULAR BOARD MEETING	100.00
	3/12/2008	WATER CONSERVATION GARDEN COMMITTEE MEETING	100.00
	3/20/2008	FINANCE & ADMINISTRATIVE COMMITTEE MEETING	100.00
	3/25/2008	WATER REUSE-ANNUAL CALIFORNIA SECTION IN NEWPORT BEACH	100.00
	3/26/2008	WATER REUSE-ANNUAL CALIFORNIA SECTION IN NEWPORT BEACH	100.00
Director's fees Total			4,400.00

Mileage - Business

	7/31/2007	MEETING - July 10, 11, 12 19, 20, 24 & 25 2007	72.27
	9/12/2007	PARK, SHUTTLE & FLY AIRPORT PARKING	25.00
	9/30/2007	MEETING - SEPTEMBER 5, 8, 12 & 25	37.83
	10/16/2007	PARKING - WEFTEC AT HILTON CONVENTION CENTER	10.00
	10/31/2007	MEETING - Oct. 2, 3, 4, 9, 10, 12, 16, 29 & 30 2007	73.24

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

ATTACHMENT H
SECTION H

DIRECTOR'S NAME: ROBAK, MARK

Account Name	Date	Descriptions	Amount
	11/30/2007	MEETING - Nov. 7, 15, 19, 26, 28 & 30 2007	144.53
	12/31/2007	MEETING - Dec. 5, 11, 12, & 17 2007	26.19
	2/29/2008	MEETING - FEBRUARY 6, 13 & 26, 2008	11.62
	3/31/2008	MEETING - MARCH 5, 12, 20, 25 & 26, 2008	110.60
Mileage - Business Total			511.27

Mileage - Commuting			
	7/31/2007	MEETING - July 10, 2007	1.94
	9/30/2007	MEETING - SEPTEMBER 5, 17, & 25	5.82
	11/29/2007	MEETING - Oct. 3 & 29, 2007	3.88
	11/30/2007	MEETING - Nov. 7 & 19, 2007	3.88
	12/5/2007	MEETING - Dec. 2007	1.94
	2/29/2008	MEETING - FEBRUARY 6 & 26, 2008	4.04
	3/31/2008	MEETING - MARCH 5, & 20, 2008	4.04
Mileage - Commuting Total			25.54

Seminars and conferences			
	9/8/2007	DINNER - WATEREUSE CONFERENCE	11.25
		SUPER SHUTTLE FROM AIRPORT TO HOTEL	13.00
	9/9/2007	BREAKFAST - WATEREUSE CONFERENCE	18.14
		DINNER - WATEREUSE CONFERENCE	15.00
	9/11/2007	DINNER - WATEREUSE CONFERENCE	23.31
		LUNCH - WATEREUSE CONFERENCE	11.25
	9/12/2007	A-1 TAXI & LIMO	14.00
		DINNER - WATEREUSE CONFERENCE	6.09
		LUNCH - WATEREUSE CONFERENCE	11.45
	9/30/2007	REGISTRATION FEE - 22ND ANNUAL WATEREUSE SYMPOSIUM ON SEPT. 9-12, 2007	590.00

OTAY WATER DISTRICT
SUMMARY - BOARD OF DIRECTORS EXPENSES
FOR THE PERIOD JULY 1, 2007 THROUGH MARCH 31, 2008

**ATTACHMENT H
SECTION H**

DIRECTOR'S NAME: ROBAK, MARK

Account Name	Date	Descriptions	Amount
Seminars and conferences	10/17/2007		
		WEFTEC CONFERENCE - SAN DIEGO CONVENTION CENTER- OCT. 13-17, 2007	70.00
	3/26/2008		
		REGISTRATION FEE FOR ATTENDANCE - WATEREUSE CONFERENCE ON MAR. 25 & 26. 2008	275.00
	2/11/2008		
		GROUNDWATER REPLENISHMENT SYSTEM AND IRVINE DESALTER PROJECT TOUR	45.00
	1/18/2008		
		CHULA VISTA CHAMBER OF COMMERCE 81TH INSTALLATION DINNER	95.00
Seminars and conferences Total			1,198.48
Travel			
	9/30/2007		
		AIRFARE TO ATLANTA GEORGIA FOR WATEREUSE	317.60
		HOTEL ACCOMMODATIONS - NATIONAL WATEREUSE CONFERENCE SEPT. 9-12, 2007	801.92
	3/31/2008		
		HOTEL ACCOMMODATIONS - WATEREUSE CONFERENCE MAR. 25-26, 2008	202.15
Travel Total			1,321.67
Grand Total			\$ 7,656.96



AB000-1B1000-2101-528101
AB000-1B1000-2101-521102

500.00
34.34
EXHIBIT B

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

Pay To: Larry Breitfelder

Period Covered:

Employee Number: 7013

From: 1-1-08 To: 1-31-08

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1.	1-4	First Friday			
2.	1-7	mtg. w/ CC Castevada			
3.	1-9	mtg. w/ Sup. Roberts			
✓*	4.	1-14	Otay Bo D	34	
✓*	5.	1-15	Council of Water Utiliti.		84
✓*	6.	1-17	Water Agencies Assoc.		105
	7.	1-18	C.V. Chamber of Commerce		
✓*	8.	1-22	OWD Fin. Comm.	34	
✓*	9.	1-23	Mtg w/ CV City Attorney		76
	10.				
	11.				
	12.				
	13.				
	14.				
	15.				
	16.				
	17.				
	18.				

Per Diem
0.*
100.00x
5.=
500.00*
0.*
0.*
34.+
34.+
68.*
68.x
0.5050=
34.34*

Mileage

9 attended

Total Meeting Per Diem: ~~500.00~~ 500.00
(\$145 per meeting)

Total Mileage Claimed: 258 273 miles

Larry Breitfelder
(Director's Signature)

Receipt
GM Approval: [Signature] 2/7/08

Date: 2-6-08

'03 FEB 7 AM 9:34 FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

✓
2-15-08

ATB000. 1B1000. 2101. 528101 700.00
 AB000. 1B1000. 2101. 521167 30.30

EXHIBIT B

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

Pay To: Larry Breitfelder

Period Covered:

Employee Number: 7013

From: 2-1-08 To: 2-30-08

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
	1	First Friday			
	1	San Ysidro Chamber Event			
✓	5	CSDA Board Mtg.			30
✓	6	OWD BoD		0.*	30
✓	19	CWU			84
✓	20	Model Order workshop		7.*	40
✓	21	CSDA		100.00= 700.00*	30
✓	25	CAL (Conservation Action Con)		0.*	40
✓	26	OWD Finance			30
				0.*	
				30.+	
				30.+	
				60.*	
				60.*	
				0.5050= 30.3*	

Per Diem

Mileage

9 asst/ndct

Total Meeting Per Diem: \$ 700.00
 (\$100 per meeting)

Total Mileage Claimed: 284 miles

Larry Breitfelder
 (Director's Signature)

GM Receipt: [Signature]

Date: 4/1/08

*✓
10
4-1-08*

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

08 APR 2 AM 8:03

AB000. 1B1000. 2101. 528101 700.00
 AB000. 1B1000. 2101. 521102 50.30

EXHIBIT B

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

Pay To: Larry Brettker

Period Covered:

Employee Number: 7013

From: 3-1-08 To: 3-30-08

ITEM	DATE	MEETING	PU		MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
✓	5	OWD BoD			30	
	7	First Friday		<i>Per Diems</i>	0.*	
	9	SBFAA			7.*	
✓	13	Canal Tour			100.00 =	40
	17	CVTA		700.00*		
✓	18	Council of Water Utilities		0.*	84	
✓	19	Model Ord'n Work Group			40	
	20	MABPA				
✓	20	OWD Finance			30	
✓	25	SDRMA		<i>Mileage</i>	0.*	
✓	26	ACWA			30.+	
					30.+	
				60.*		
				60.*		
				0.5050 =		
				30.3*		

11 attendees

Total Meeting Per Diem: \$ 700.00
 (\$100 per meeting)

Total Mileage Claimed: 224 mi

Larry Brettker
 (Director's Signature)

Date: 4/1/08

GM Receipt: *[Signature]*
 APR 2 AM 8:03

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

INSTRUCTIONS ON REVERSE

*2/10
4/1/08*



AB000-1B4000-2101-528101 300.00
AB000-1B4000-2101-521102 10.10

EXHIBIT B

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

rec'd
FEB 15 2008

Pay To: Jose Lopez

Period Covered:

Employee Number: 7010

From: 01/01/08 To: 01/31/08

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1.	01/14/08	OWD	Regular Board Meeting	20	
2.	01/22/08	OWD	Operations/Engineering Committee Mtg	0	
3.	01/23/08	OWD	Otay Employee Recognition Luncheon	0	
4.	01/28/08	CVWTF	Chula Vista Water Task Force Meeting	0	
5.					
6.					
7.					
8.					
9.					
10.					0.*
11.					100.*
12.					3.=
13.					300.00*
14.					0.*
15.					20.*
16.					0.5050=
17.					10.10*
18.					

Per Diems

Mileage

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

Total Mileage Claimed: 20 miles

(Director's Signature)

08 FEB 20 11:01 AM Receipt:

Date: 2/20/08

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

2/28/07



AB000. 1B4000. 2101. 528101 200.00
 AB000. 1B4000. 2101. 521102 10.10

EXHIBIT B

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

APR 15 2008

Pay To: Jose Lopez

Period Covered:

Employee Number: 7010

From: 02/01/08 To: 02/29/08

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1.	02/06	OWD	Board Meeting	30	
2.	02/25	OWD	Eng + Ops Com. mtg	-	-
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.				0.*	
11.				2.*	
12.				100.00=	
13.				200.00*	
14.				0.*	
15.				20.*	
16.				0.505=	
17.				10.1* +	
18.					

Per Diems

Mileage

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

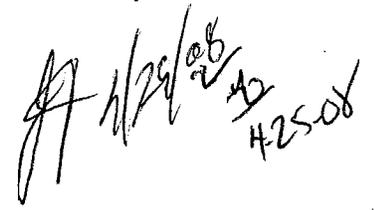
Total Mileage Claimed: _____ miles


 (Director's Signature)

GM Receipt:  4/16/08

Date: 4/15/08

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____


 4/25/08
 42508



AB 000-1B4000-2101-528101 100.00
 AB 000-1B4000-2101-521102 10.10

EXHIBIT B

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

APR 15 2008

Pay To: Jose Lopez

Period Covered:

Employee Number: 7010

From: 03/01/08 To: 03/31/08

ITEM	DATE	MEETING	PURPOSE / ISSUES DISCUSSED	MILEAGE HOME to OWD OWD to HOME	MILEAGE OTHER LOCATIONS
1.	03/05	OWD	Board meeting	20	
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					0.*
10.					1.*
11.					100.00=
12.					100.00K
13.					0.*
14.					
15.					20.*
16.					0.505=
17.					10.1*
18.					

Per Diem

Mileage

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

Total Mileage Claimed: _____ miles

Jose Lopez

(Director's Signature)

GM Receipt: *[Signature]* 4/14/08

Date: 4/15/08

FOR OFFICE USE: TOTAL MILEAGE REIMBURSEMENT: \$ _____

'08 APR 21 PM 1:48

[Signature] 4/29/08
 4-25-08



AGENDA ITEM 9b

STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 10, 2008
SUBMITTED BY:	Damon Braden <i>[Signature]</i> Sr. Civil Engineer	PROJECT:	P2210 DIV. NO. ALL
	Ron Ripperger <i>[Signature]</i> Engineering Manager		
APPROVED BY:	Rod Posada <i>[Signature]</i> (Chief) Chief, Engineering		
APPROVED BY:	Manny Magaña <i>[Signature]</i> (Asst GM) Assistant General Manager, Engineering and Operations		
SUBJECT:	Informational Item - Third Quarter FY 2008 Capital Improvement Program (CIP) Report		

GENERAL MANAGER' S RECOMMENDATION:

That the Otay Water District's (District) Board of Directors accept the Third Quarter FY 2008 CIP Report for review and receive a summary via PowerPoint presentation.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To update the Board about the status of all CIP project expenditure highlights, 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 infrastructure needs. The CIP is comprised of four categories consisting of backbone capital facilities, maintenance projects, developer's reimbursement projects, and capital purchases.

The Third Quarter update is intended to provide a detailed analysis of progress in completing these projects within the allotted time and budget. Expenditures for the Third Quarter FY 2008 totaled approximately \$19.3 million. Approximately 56% of the FY 2008 expenditure budget was spent.

FISCAL IMPACT:

77%

None.

STRATEGIC GOAL:

The CIP supports the mission of providing the best quality of water, recycled, and wastewater service to the customers of the District in a professional, effective, efficient, and sensitive manner, in all aspects of operation, so that public health, environment, and quality of life are enhanced.

LEGAL IMPACT:

None.



General Manager

P:\CIP\CIP Quarterly Reports\2008\Board Meeting 2008 June 10\BD 6-10-08 Q3 FY 2008 CIP Report (DB-RR).doc

DB/RR:jf

Attachments: Attachment A
Presentation



ATTACHMENT A

SUBJECT/PROJECT: P2210	Informational Item - Third Quarter FY 2008 Capital Improvement Program (CIP) Report
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on May 19, 2008.

- Staff presented the PowerPoint presentation to update the Committee on the status of construction CIP projects for the 3rd quarter of fiscal year 2007-2008.
- Staff indicated that 75 percent of the budget will be spent by the end of this fiscal year, June 30, 2008.
- Director Croucher asked if staff evaluates the consultants and contractors once a project is completed. Staff indicated that, yes, an evaluation is done and used as a reference when evaluating contractors and consultants for future project.

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

ITEM 9b

Otay Water District
Staff Report Attachments for
CIP Third Quarter FY08 Update

Please reference Attachment 3 posted to
Otay Water District website.

AGENDA ITEM 9c



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	June 10, 2008
SUBMITTED BY:	David Charles <i>DC</i> Public Services Manager	PROJECT:	D0526 DIV. NO. ALL 010287
APPROVED BY: (Chief)	Rod Posada <i>R Posada</i> Chief, Engineering		
APPROVED BY: (Asst GM)	Manny Magaña <i>M Magaña</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Informational Item on Request from Sycuan Band of the Kumeyaay Nation Annexation to Otay Water District for Water Service (specified parcels only) and Sewer Service		

GENERAL MANAGER'S RECOMMENDATION:

This is an informational item and no action by the Board is required at this time. The District staff desires to notify the Board that the Otay Water District (District) has received a written request from the Sycuan Band of the Kumeyaay Nation (Sycuan) to annex certain parcels of land owned by Sycuan into Improvement District No. 18 for sewer service and to annex the original reservation land consisting of approximately 640 acres to Improvement District No. 20 for water service.

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To provide an update on the proposed annexation and Sycuan's request for water and sewer service to be made available to certain real property, as follows:

- a) Original reservation land not currently within the boundaries of any water or sewer district and

consisting of approximately 640 acres (Group A Parcels). The Reservation Parcels would be annexed to the District, to Improvement District No. 18, for sewer service availability and to Improvement District No. 20, for water service availability.

- b) Eighteen (18) parcels located within Padre Dam Municipal Water District (Padre Dam) consisting of approximately 575 acres (Group B Parcels). The Padre Parcels would be de-annexed from Padre Dam, with Padre Dam's consent, and annexed to the District and to Improvement District No. 18 for sewer service only.
- c) Twenty-one (21) parcels currently located within the boundaries of the District consisting of approximately 1270 acres (Group C Parcels). These parcels would be annexed to Improvement District No. 18 for sewer service.

ANALYSIS:

Sycuan submitted a written request and petition for annexation, dated April 11, 2008, to the District (Petition). Through the Petition, Sycuan requests the District to commence annexation proceedings for Group A Parcels to have access to water and sewer service, and Group B Parcels and Group C Parcels to have access to sewer service. Water service is made available by the District near the geographical area of the parcels through Improvement District No. 20. Sewer service is made available through Improvement District No. 18. Taking into account all parcels, Sycuan proposes to annex approximately 1845 acres to Improvement District No. 18 for sewer service, but a large portion of that acreage is either uninhabited or open space.

The annexation of the Group A Parcels, which is outside the District sphere of influence, will have to be processed through the Local Agency Formation Commission (LAFCO), the San Diego County Water Authority (CWA) and Metropolitan Water District (MET) for approval.

A LAFCO reorganization will be required for the Group B Parcels, which are within Padre Dam service area. This means that, for sewer service only, these parcels would have to be deannexed from Padre Dam and annexed to Otay Water District ID. 18.

It is anticipated that Sycuan will be responsible for all associated fees and costs, including costs for maps and reports,

annexation fees for sewer, water and any additional sewer capacity fees that will be imposed or required as a result of the Petition. In addition, Sycuan will pay the District all meter costs and annexation fees as established in the applicable Resolutions of the District.

FISCAL IMPACT: RUB

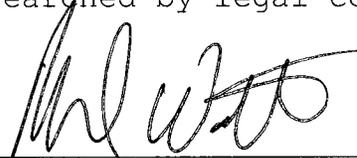
None at this time. This item is for information purposes only. However, no negative fiscal impacts are anticipated as a result of the Petition. Estimates of fees and other amounts to be paid to District in connection with the annexation will be presented to the Board at a later date.

STRATEGIC GOAL:

Provide water service to meet increasing customer needs.

LEGAL IMPACT: _____

All statutory and Code of Ordinances requirements will be researched by legal counsel.



General Manager

Y:\Board\CurBdPkg\ENGRPLAN\BD 06-10-08, Staff Report, Sycuan Request for Annexation.doc

- Attachments: Attachment A
 Attachment B
 Attachment C



ATTACHMENT A

SUBJECT/PROJECT: D0526-010287	Informational Item on Request from Sycuan Band of the Kumeyaay Nation Annexation to Otay Water District for Water Service (specified parcels only) and Sewer Service
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on May 19, 2008. The following comments were made:

- Staff indicated that this is an informational item only and no action is required at this time.
- This staff report is to inform the Board that the Sycuan Tribe has submitted a written request to the District for water and sewer service to various parcels owned by Sycuan. Some of these parcels will need to be annexed into the District boundaries and/or into an Improvement District.
- There are three components to this annexation:
 - 1) Group A Parcels, as identified on the attached map, is 640 acres of reservation land currently not within the boundaries of any water or sewer district. These parcels will need to be annexed to the District and to ID 18 for sewer service and ID 20 for water service;
 - 2) Group B Parcels are located within Padre Dam boundaries. These parcels will be petitioned to be de-annexed from Padre Dam and annexed to OWD for sewer service only. Staff indicated that this would require a re-organization and therefore will need to be approved by LAFCO.
 - 3) Group C Parcels, 21 parcels, are located within the boundaries of the District and will be annexed to Improvement District No. 18 for sewer service.
- General Manager Watton has received two phone calls from a member of the Dehesa Community asking questions about the annexation. Watton received a phone call today asking more questions about the annexation because the community is concerned about Sycuan depleting the groundwater supplies in the Dehesa area.

- Staff explained that an application will be submitted to LAFCO for approval. This part of the process will take several months. A staff report and resolutions will then go before our Board for adoption.
- Mr. Watton reiterated that Otay will be supportive and helpful, but is neutral in this process and is treating Sycuan just like it would any other developer or property owner who submits a request for annexation to the District for sewer and/or water service.
- There was discussion regarding other land in the area that is not currently owned by Sycuan. If Sycuan purchases this land, the same process will need to be followed if sewer and water service is needed.
- It was noted that Padre Dam only serves water in the Group B parcels and does not have the capabilities to furnish sewer to the parcels owned by Sycuan.
- Sid Morris from Sycuan joined the Committee meeting at 4:47 PM. President Croucher indicated to Mr. Morris that Otay is moving forward with the annexation process.

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



OTAY
WATER DISTRICT
RECEIVED

2008 APR 17 AM 10: 21

Daniel J. Tucker
Chairman

Ricci LaBrake
Vice Chairman

Candelita Billingsly
Secretary

Cody J. Martinez
Treasurer

Pilar T.A. Pettiford
Council Member

Orlando Sandoval
Council Member

Deedra Tucker
Council Member

April 11, 2008

821-004

Otay Water District
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

Attention: David Charles, Principal Engineering Technician

Subject: Sycuan Annexation to Otay Water District

This letter is to formally request the Otay Water district (OWD) to prepare the annexation package to the Local Agency Formation Commission (LAFCO). We are requesting that the 640 acre original reservation (APN ⁵¹⁶⁻⁰⁴⁰⁻⁰¹ ~~560-040-01~~) be annexed to OWD, SDCWA, and MWD for water service. Additionally, we are requesting that the following properties that are all owned by Sycuan be included in the OWD sewer service area boundary.

513-072-07

516-020-19

513-072-14

516-020-20

513-072-16

516-021-02

513-072-19

516-021-03

513-072-21

516-021-07

513-072-22

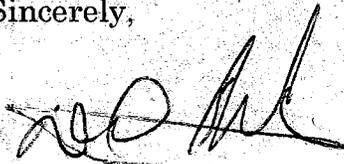
516-030-18

Attachment B

513-072-23	516-030-19
513-072-24	516-030-20
513-073-17	517-070-26
513-110-14	517-070-27
513-110-16	517-071-08
516-010-04	517-080-01
516-011-05	517-080-02
516-011-09	517-080-05
516-011-11	517-080-07
516-011-13	517-080-08
516-011-14	520-091-06
516-011-15	520-091-07
516-011-18	521-010-01
516-011-19	521-010-04
516-011-20	560-040-01

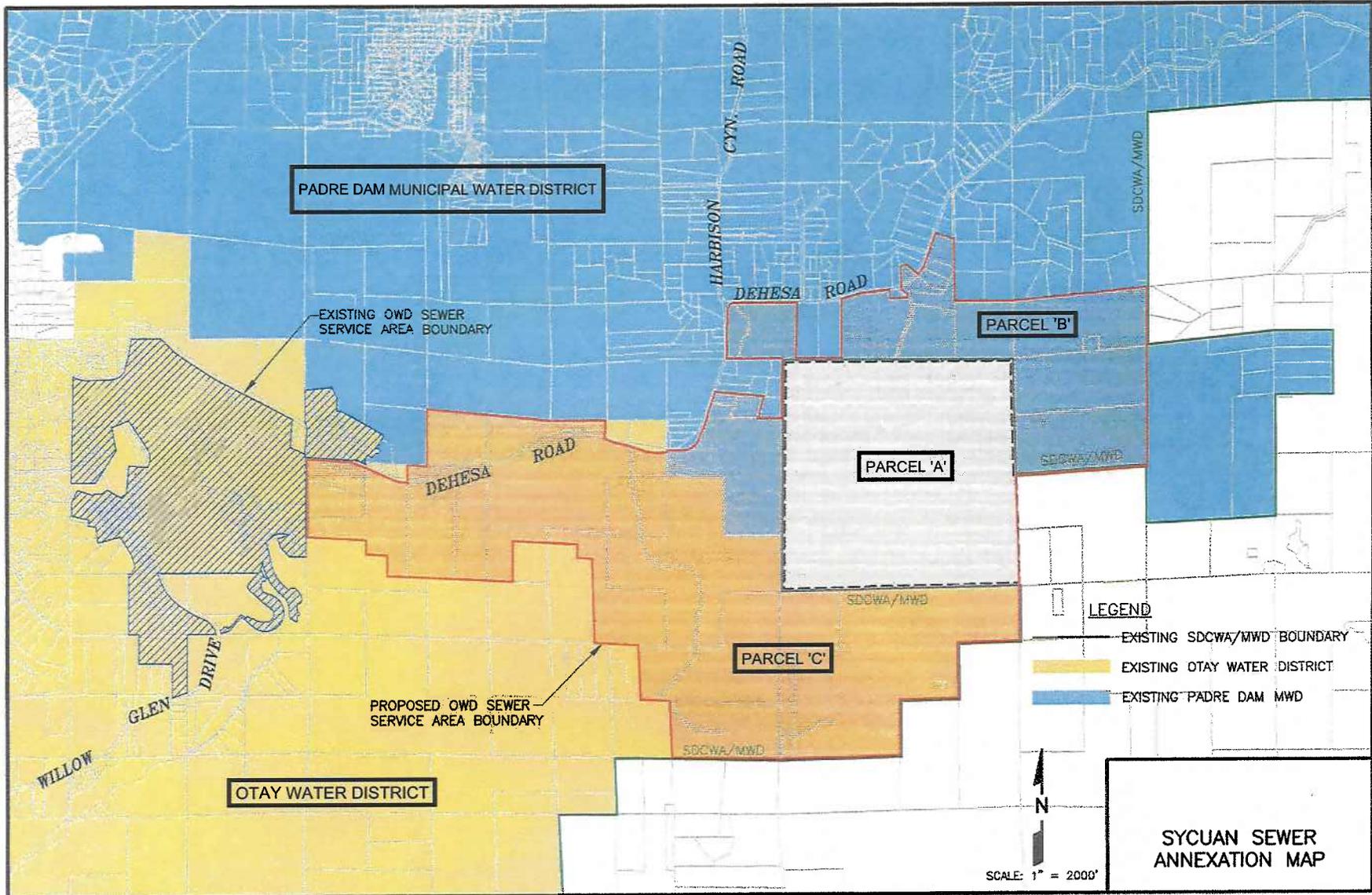
We have attached figures for both water and sewer to clearly indicate the existing and proposed boundaries. If you have any questions, or require additional information, please let us know.

Sincerely,



Daniel J. Tucker
Sycuan Tribal Chairman

cc: Steve Nielsen, Dexter Wilson Engineering, Inc.



AGENDA ITEM 10



STAFF REPORT

TYPE	Regular Board Meeting	MEETING	June 10, 2008
MEETING:		DATE:	
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	N/A DIV. NO.
SUBJECT:	General Manager's Report		

GENERAL MANAGER:

FLAGSHIP PROJECTS:

Update on the design of the 36-Inch Potable Water Pipeline from FCF #14 to the Regulatory Site (CIP P2009) for the month of April 2008:

- Staff is working with IEC to resolve concerns about a viable alignment within the City of El Cajon. Staff met with IEC and expressed their reservations about the proposed alignments. Staff also brought to IEC's attention that the CEQA process has not been completed and is preventing the Board from adopting the Mitigated Negative Declaration (MND). Discussions are continuing with IEC regarding a schedule recovery plan.

Update on the 640-1 and 640-2 Reservoirs Project (CIP P2185) for the month of April 2008:

- Completed the backfill of both reservoirs.
- Completed the construction of vaults 5 & 6 and the connections.

ADMINISTRATIVE SERVICES AND FINANCE:

Administrative Services:

- Two employees were hired in the month of May: Associate Civil Engineer and Water Conservation Specialist.
- The employees participated in an employee survey on May 29, 2008. A base-line survey was developed this year and will be used as part of the District's on-going strategic planning process every three years. The consultant will present results within 4-6 weeks.
- The District will be holding two management training workshops on June 10th and June 24th. Gordon Graham, a well-known speaker, will present in the areas of: organizational risk management, systematic approach to analyzing a given task so that things get done right, effectiveness of performance management, progressive discipline - what supervisors need to know, and a legal risk/management approach to the elimination of civil liability.
- A claim dated April 19, 2008, by Mr. Gregory Mitchell, 1639 Bellena Court, Chula Vista, CA 91913 for \$225 was paid on May 28, 2008. Drywall in Mr. Mitchell's garage was damaged by a leak from the District's water service.
- Outreach Events in the Community: On Sunday May 4th, the District staffed a booth at the Chula Vista Cinco de Mayo event. The District had many employee volunteers help staff the event. On Saturday May 17th, the District participated in the Ribbons Around the Garden event held at the Water Conservation Garden, which included a presentation of this year's winners of the California Friendly Landscape Contest. A District customer won the professionally designed and installed category and her landscape was featured in the Union Tribune's Homescapes section on Sunday June 1st.
- Five school tours were conducted at the Water Conservation Garden, involving a total of 215 students and 20 adults. One of the schools involved students at Clearview Elementary School, two classes attended from La Presa Elementary, and two classes attended from Eastlake Elementary School.
- Artificial Turfgrass Rebate: Through the end of May, we have provided incentives for 14 projects involving 11,507 square feet of artificial turfgrass and have another 12 projects involving 5,622 square feet expected to be

installed by the end of June. Interest in this program is strong and staff remains busy conducting the inspections and answering customer questions.

- There were 126 purchase orders processed in May 2008 for a total amount of \$612,588.55.

Information Technology and Strategic Planning:

- Strategic Plan FY09-FY11: Staff continues to work on project plans to meet the proposed objectives, and finalize metrics for both objectives and performance measures. Meetings are proceeding through June with a deadline by the end of June to complete the plan.
- GIS and Field Applications: Based on user feedback we will be exploring modifications to make better use of the GIS and other applications used in our field environment. We are expecting preliminary results this week from a study exploring opportunities to improve GIS and IMS usage in the field. When we have reviewed these results, we will implement improvements.
- Treatment Plant Technology Improvements: IT will be assisting Westin Engineering in an assessment for requirements to improve Treatment Plant automation. This assessment will provide industry best practice comparisons for adding Laboratory Information Management Systems software (LIMS) and also examine the upgrading of process controls to improve quality of Treatment Plant operations. The assessment will be complete by the end of June.

Finance:

- Budget Preparations - Staff has been much focused on budget preparation, incorporating financial challenges into the budget process, and identifying cost saving opportunities. The proposed FY09 budget will be distributed at the June Board meeting for consideration by the full Board.
- Asset Management Plan (AMP) - Finance staff has been very involved with the AMP process. The benefits to the Finance department of this effort include increased access and greater accuracy in the cost and timing of maintenance and replacement costs. Finance staff is also

considering the benefits of an alternative depreciation method that will be made available by having such a well defined Asset Management Plan.

- AMR Meters - As of 5/30/08 there are a total of 18,140 installed AMR meters and a total of 13,565 AMR meters being read remotely. There are 1,369 AMR meters in test mode which are scheduled to be read remotely starting in June.
- Rate Consultant - As a part of the effort to develop rate simplifications and drought rate structures, staff has completed a Request for pricing and qualifications which was sent to six consultants on May 28th. Responses are due by June 16th and proposals will be reviewed by June 20th. It is anticipated that a rate consultant will be selected by the end of June and staff will move forward with the various simplification and drought rate options.

The financial reporting for April 2008 is as follows:

- For the ten months ended April 30, 2008, there are total revenues of \$51,156,036 and total expenses of \$51,418,281. The expenses exceeded revenues by \$262,245
- Due to both the economic downturn and the higher than anticipated rainfall, water sales and purchases are less than anticipated. Additionally, the slowdown in the housing market has impacted Annexation and Meter Fees. Finally, interest rates have dropped, reducing the amount of interest revenue earned.

The financial reporting for investments for April 2008 is as follows:

- The market value shown in the Portfolio Summary and in the Investment Portfolio Details as of April 30, 2008 total \$89,468,680.98 with an average yield to maturity of 3.785%. The total earnings year-to-date are \$3,905,948.43.

ENGINEERING AND WATER OPERATIONS:

Engineering:

- On April 17-18, 2008, Ron Grunow, Senior Civil Engineer, and Daniel Kay, Associate Civil Engineer, visited Natgun facilities and reservoir projects in Dallas, TX. They were educated on the pre-stressed reservoir with potential applications within the District. In addition, on April 29, 2008, Natgun presented their Type III concrete reservoir design to Otay staff, local agencies, and consultants. Staff visited the Natgun reservoirs in San Clemente after the presentation.
- On April 30, 2008, Stantec made a presentation on Solar Concepts to the District. Staff continues to evaluate potential uses of solar power in the District.
- On May 2, 2008, a delegation from CESPT visited the District office to become better informed about the District's GPS system that was recently installed on all District vehicles.
- On May 9, 2008, a meeting was held at District office with Staff, District counsel, visitors from Tijuana, and CDM. Attendees were sent a CD of "Feasibility Study of Seawater Desalination Development Opportunities for the San Diego-Tijuana Region, dated March 2005." (P2451)
- RBF was hired in March 2008 to investigate the condition of the existing sewer system, as required by the California State mandated Sewer System Management Plan (SSMP). The investigation will show which sewer mains need to be repaired or replaced and included in the CIP. RBF submitted the Closed Circuit Televising (CCTV) schedule and began televising the sewer mains. Scheduled completion for this project is September 2008. (P1210)
- Speiss Construction is progressing with the grading operation at the 850-4 Reservoir site for increased capacity in the 850 Pressure Zone, as required by the 2002 Water Resources Master Plan. This project is expected to be completed in April 2009. (P2191)
- Ortiz was hired in July 2007 to replace the existing 10-Inch ACP Pipeline with a new 12-Inch PVC Pipeline in Olive Vista Drive because the County of San Diego will be completing road improvements which will conflict with the District's facilities. Ortiz has completed the installation of the 12-Inch Pipeline and the removal of

the existing 10-Inch pipeline. The project is expected to be completed by June 2008. (P2459)

- Arrieta Construction was hired to upgrade and replace existing 12-Inch pipelines in the Rancho San Diego area because of the size, age, and the need for increased fire flows to the existing pipelines. These areas include Chase Ave./Fuerte Ave., Hidden Mesa Dr., Jamul Dr., and Steele Canyon Road. Arrieta has completed installation of 1,500 linear feet of 12-Inch pipeline installation in Chase Ave./Fuerte Ave. This project is expected to be completed in January 2009. (P2038)
- Due to conflicts with future Caltrans construction of the SR-905 Freeway, Zondiros Corporation was hired to install 12-inch steel pipeline on Cactus Road and Gailes/Dublin Road. This project is estimated to be completed in July 2008. (P2440)
- RPI Coating completed in May 2008 the interior coating of the 458-1 Reservoir, as required by the 2006-2007 Corrosion Protection and Maintenance Program. The interior coating was deemed ready for re-coating per annual inspection. (P1077)
- For the month of April 2008, the District sold 27 meters (62.5 EDUs) generating \$306,225 in revenue. Accumulated sales through April 30, 2008 were \$2,578,565. Projected for this period were 85 meters (130.5 EDUs) with a budgeted revenue of \$620,633.33 and projected revenue from July 1, 2007 through April 30, 2008 was \$6,206,333.
- Approximately 4,197 linear feet of both CIP and developer project pipelines was installed in April 2008. The Construction Division performed quality control for these pipelines.
- The Otay Water District received a check in the amount of \$1,080,000 from the City of San Diego (City) as a pass through payment the City received from the United States Bureau of Reclamation (USBR) on behalf of the Otay Water District recycled water program consistent with the Title XVI Cooperative Agreement and Sub-Agreement. Under the Title XVI program the USBR is obligated to pay up to 25% of the District's recycled water capital costs. The USBR has paid to the District about \$4,000,000 of the 25% that the District has expended (i.e., approximate

\$12,000,000). The USBR currently has estimated for the District about \$8,000,000, which is dependent upon future congressional appropriations.

- The following table summarizes Engineering's Project purchases and change orders issued during the period of April 1, 2008 thru April 30, 2008 that were within staff signatory authority:

Date	Action	Amount	Contractor/ Consultant	Project
4/02/08	P.O. 707513	\$5,382.82	OCB Reprographics	Reprographic Services for 850-4 Reservoir (P2191)
4/16/08	Check Request	\$1,640.00	Caltrans	Encroachment Permit Fee for 36-Inch Pipeline Project (P2009)
4/16/08	Check Request	\$4,000.00	City of El Cajon	Encroachment Permit Fee for 36-Inch Pipeline Project (P2009)
4/23/08	Check Request	\$35,520.00	Swinerton Management	Temporary Services (misc. construction projects)

Water Operations:

- Water purchased for the month of April was 3901.6 acre-feet. Beginning FY 07/08 to date, July 1, 2007 to April 30, 2008 there has been 32787.80 acre-feet of water purchased. This is a -5.77 percent decrease from the same period last year, July 1, 2006 to April 30, 2006.
- In the month of April, 2008 there were 28 new Automated Meter Reading (AMR) meters installed and 714 meters were retrofitted to AMR meters.
- As of April 30, 2008 there was a total of 18,023 radio-read meters installed.

Total number of potable water accounts is 47,844; this is an increase of 24 accounts from last month, March, 2008.

- Recycled water consumption for the month of April is as follows:

Total flow was 326.4 acre-feet or 106,327,452 gallons and the average daily flow was 3,544,248 gallons per day.

Total number of recycled water accounts is 614; this is an increase of two from last month, March, 2008.

- Wastewater flows for the month of April were as follows:

Total basin flow, gallons per day: 2,086,000.

Total Otay flow, gallons per day: 1,394,000.

Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day: 1,251,000.

Flow to Metro from Otay Water District, gallons per day: 143,000.

Spring Valley Sanitation District Flow to Metro, gallons per day: 692,000.

There were no new wastewater connections for the month of April 2008. The total stands at 6,069 EDU's.



General Manager

AGENDA ITEM 10

Exhibit A

OTAY WATER DISTRICT COMPARATIVE BUDGET SUMMARY FOR TEN MONTHS ENDED APRIL 30, 2008

	Annual Budget	YTD Actual	YTD Budget	YTD Variance	Var %
REVENUE:					
Water Sales	\$ 32,331,300	\$ 24,118,708	\$ 26,165,700	\$ (2,046,992)	(7.8%)
Energy Charges	2,018,000	1,497,097	1,597,400	(100,303)	(6.3%)
System Charges	9,596,300	7,939,573	7,916,900	22,673	0.3%
Penalties	852,100	695,293	705,000	(9,707)	(1.4%)
MWD & CWA Fixed Charges	2,708,800	2,091,513	2,208,800	(117,287)	(5.3%)
Total Water Sales	47,506,500	36,342,183	38,593,800	(2,251,616)	(5.8%)
Reclamation Sales	6,001,400	4,624,756	4,567,900	56,856	1.2%
Sewer Charges	2,679,100	2,054,257	2,232,700	(178,443)	(8.0%)
Meter Fees	318,500	58,090	254,000	(195,910)	(77.1%)
Capacity Fee Revenues	1,414,500	1,122,772	1,178,900	(56,129)	(4.8%)
Betterment Fees for Maintenance**	73,300	617,620	61,100	556,520	910.8%
Annexation Fees	1,464,500	445,864	1,220,100	(774,236)	(63.5%)
Non-Operating Revenues	1,680,200	1,561,642	1,394,100	167,542	12.0%
Tax Revenues	4,003,800	3,314,302	3,076,100	238,202	7.7%
Interest	1,038,700	677,150	865,900	(188,750)	(21.8%)
Draw on Designated Funds*	408,400	337,400	337,400	-	0.0%
Total Revenue	\$ 66,588,900	\$ 51,156,036	\$ 53,782,000	\$ (2,625,963)	(4.9%)
EXPENSES:					
Water Purchases	\$ 25,407,100	\$ 18,747,354	\$ 20,533,200	\$ 1,785,846	8.7%
CWA-Infrastructure Access Charge	1,090,200	898,672	898,600	(72)	(0.0%)
CWA-Customer Service Charge	950,400	779,522	780,400	878	0.1%
CWA-Emergency Storage Charge	1,507,800	1,218,479	1,218,400	(79)	(0.0%)
MWD-Capacity Res Charge	569,400	471,692	470,600	(1,092)	(0.2%)
MWD-Readiness to Serve Charge	552,600	470,160	453,800	(16,360)	(3.6%)
Subtotal Water Purchases	30,077,500	22,585,879	24,355,000	1,769,121	7.3%
Power Charges	2,804,800	2,054,150	2,203,900	149,751	6.8%
Payroll & Related Costs	16,012,900	13,087,406	13,093,840	6,434	0.0%
Material & Maintenance	4,452,900	3,499,065	3,690,750	191,685	5.2%
Administrative Expenses	5,773,000	3,615,727	4,670,283	1,054,556	22.6%
Legal Fees	1,209,300	1,360,555	1,061,667	(298,888)	(28.2%)
Expansion Reserve	2,590,200	2,158,500	2,158,500	-	0.0%
Betterment Reserve	3,432,900	2,860,800	2,860,800	-	0.0%
Replacement Reserve	235,400	196,200	196,200	-	0.0%
Total Expenses	\$ 66,588,900	\$ 51,418,281	\$ 54,290,940	\$ 2,872,659	5.3%
Excess Revenue (Expense)	\$ -	\$ (262,245)	\$ (508,940)	\$ 246,696	

* Board approved Draw on Designated Funds used to fund negotiated benefits.

** Staff was allocating budget estimate prior to March. In March staff used actual IMS cost to calculate the betterment fees spent on maintenance.

**OTAY WATER DISTRICT
INVESTMENT PORTFOLIO REVIEW
APRIL 30, 2008**

INVESTMENT OVERVIEW & MARKET STATUS:

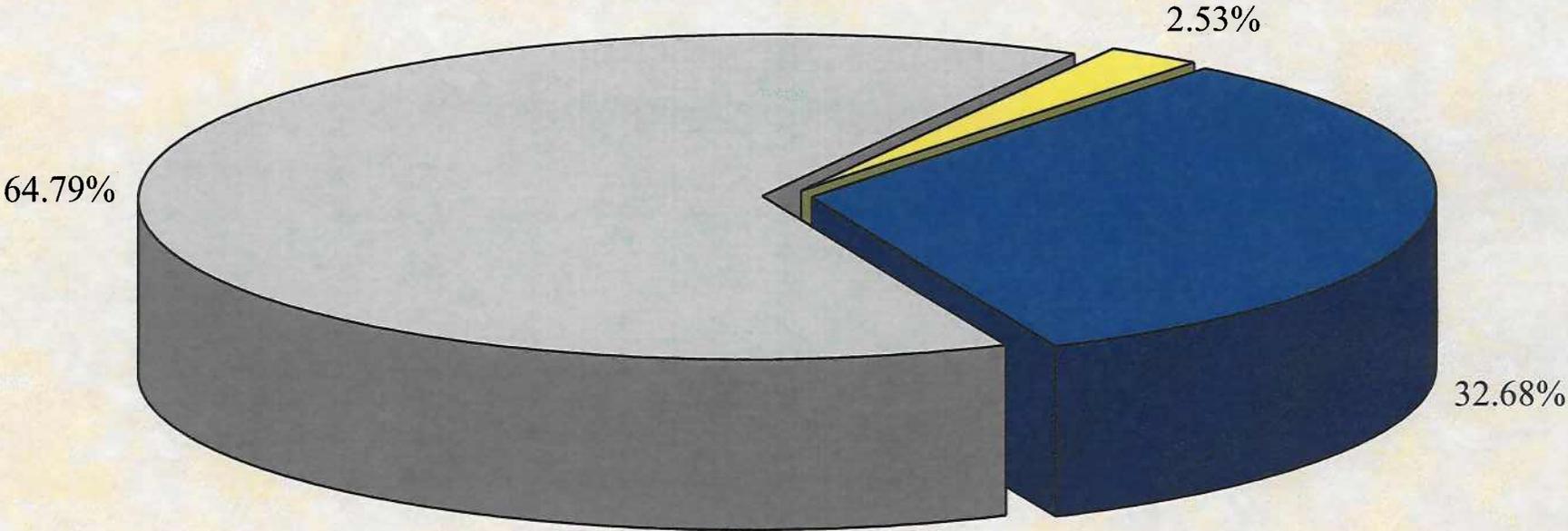
On April 30th, the Federal Reserve Board's federal funds rate was once again lowered from 2.25% to 2.00%. This was the seventh reduction in a row since September 18th, when the rate was 5.25%. The next meeting of the Federal Reserve Board is scheduled for June 25th. No additional rate cuts are expected at this time. Because of these rate reductions, the District's callable federal agency issue bonds continue to be redeemed at their earliest available call date. All called investments are paid at par so there is no loss on the investment. Only the interest rate changes as the funds are reinvested. Reflective of this drop in available interest rates, the District's overall effective rate of return on its portfolio at April 30th was 3.82%. With the ongoing changes in the federal funds rate, we have been extending the average maturity of the portfolio to maintain above market interest returns as long as possible. At the same time the LAIF return on deposits is also taking several months to fall to the level of the federal funds rate, due to the fund's current average maturity of approximately 205 days, making this an excellent short-term alternative for maximum investment of available funds.

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: April 30, 2008

	<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)	\$40 Million	\$40 Million	\$15.64 Million
8.02:	Local Agency Investment Fund (Bonds)	100%	100%	1.62%
8.03:	Federal Agency Issues	100%	100%	62.54%
8.04:	Certificates of Deposit	30%	15%	1.21%
8.05:	Short-Term Commercial Notes	25%	15%	0
8.06:	Medium-Term Commercial Debt	30%	15%	2.25%
8.07:	Money Market Mutual Funds	20%	15%	0
8.08:	San Diego County Pool	100%	100%	13.52%
12.0:	Maximum Single Financial Institution	100%	50%	1.32%

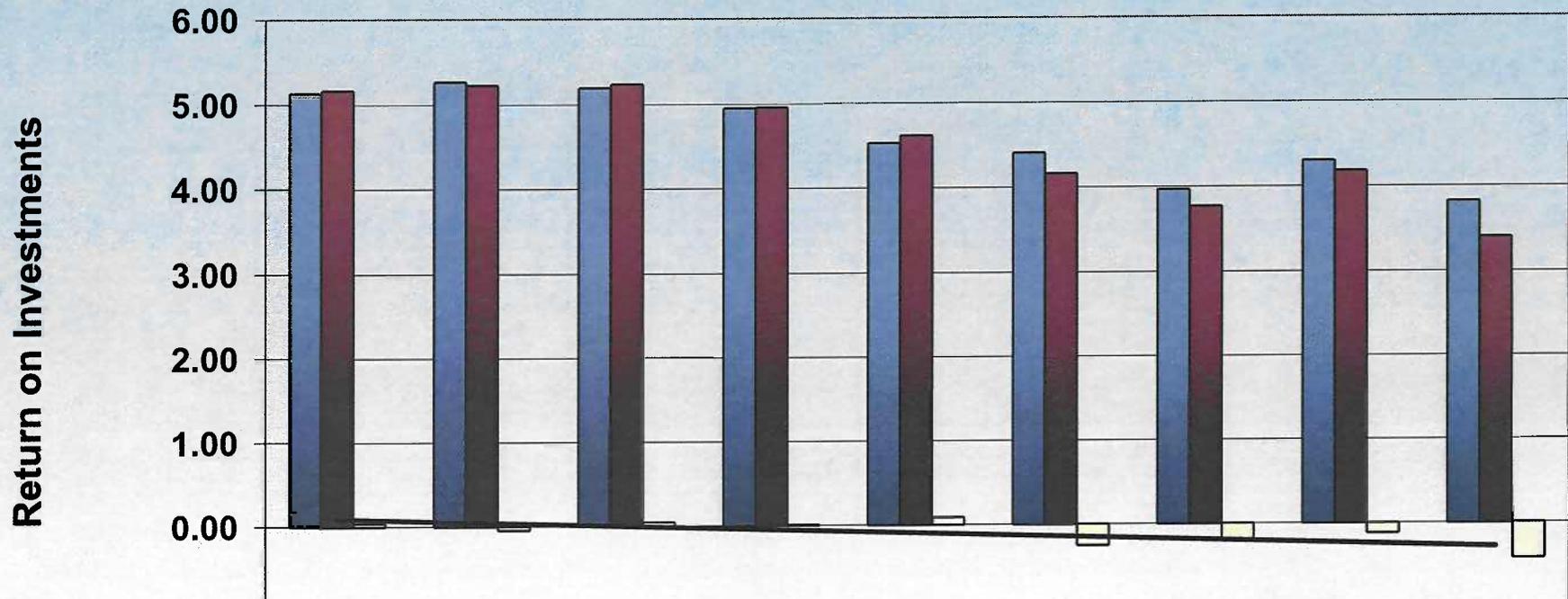
Otay Water District Investment Portfolio: 04/30/08



■ Banks (Passbook/Checking/CD) ■ Pools (LAIF & County) ■ Agencies & Corporate Notes

Performance Measure F-12 Return on Investment

Target: Meet or Exceed 100% of LAIF



	3rd Qtr FY07	4TH Qtr FY07	1st Qtr FY08	2nd Qtr FY08	Jan FY08	Feb FY08	Mar FY08	3rd Qtr FY08	Apr FY08
■ Otay	5.13	5.27	5.20	4.95	4.53	4.41	3.97	4.30	3.82
■ LAIF	5.17	5.23	5.24	4.96	4.62	4.16	3.77	4.18	3.40
□ Difference	0.04	-0.04	0.04	0.01	0.09	-0.25	-0.20	-0.12	-0.42

Month

■ Otay
 ■ LAIF
 □ Difference
 — Linear (Difference)

OTAY
Portfolio Management
Portfolio Summary
April 30, 2008

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Corporate Notes	2,000,000.00	2,053,753.97	2,028,655.89	2.31	1,111	944	4.340	4.401
Federal Agency Issues- Callable	53,704,100.00	53,897,052.88	53,704,100.00	61.08	871	770	3.753	3.805
Federal Agency Issues - Coupon	2,000,000.00	2,000,625.00	2,000,000.00	2.27	182	7	4.359	4.420
Certificates of Deposit - Bank	1,079,108.00	1,079,108.00	1,079,108.00	1.23	393	256	4.728	4.793
Local Agency Investment Fund (LAIF)	17,078,136.57	17,108,469.82	17,078,136.57	19.42	1	1	3.353	3.400
San Diego County Pool	12,041,353.24	12,157,664.29	12,041,353.24	13.69	1	1	4.263	4.322
	87,902,697.81	88,296,673.96	87,931,353.70	100.00%	567	496	3.785	3.837
Investments								
Cash								
Passbook/Checking (not included in yield calculations)	1,172,007.02	1,172,007.02	1,172,007.02		1	1	0.919	0.931
Total Cash and Investments	89,074,704.83	89,468,680.98	89,103,360.72		567	496	3.785	3.837

Total Earnings	April 30 Month Ending	Fiscal Year To Date
Current Year	288,329.51	3,905,948.43
Average Daily Balance	91,832,271.07	98,820,993.78
Effective Rate of Return	3.82%	4.73%

I hereby certify that the investments contained in this report are made in accordance with the District Investment Policy Number 27 adopted by the Board of Directors on January 19, 2000. The market value information provided by Interactive Data Corporation. The investments provide sufficient liquidity to meet the cash flow requirements of the District for the next six months of expenditures.



 Joseph Beachem, Chief Financial Officer

5-27-08

OTAY
Portfolio Management
Portfolio Details - Investments
April 30, 2008

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
Corporate Notes												
36962G2S2	2044	General Electric Capital		11/16/2007	2,000,000.00	2,053,753.97	2,028,655.89	5.000	Aaa	4.340	944	12/01/2010
Subtotal and Average			2,029,102.68		2,000,000.00	2,053,753.97	2,028,655.89			4.340	944	
Federal Agency Issues- Callable												
31398AMX7	2064	FANNIE MAE		02/22/2008	2,000,000.00	2,005,000.00	2,000,000.00	3.000		2.959	659	02/19/2010
31331YB74	2073	Federal Farm Credit Bank		04/07/2008	2,000,000.00	1,995,625.00	2,000,000.00	3.180		3.136	1,071	04/07/2011
3133XLT7L	2037	Federal Home Loan Bank		07/30/2007	3,000,000.00	3,024,375.00	3,000,000.00	5.550		5.474	820	07/30/2010
3133XMXC0	2039	Federal Home Loan Bank		11/06/2007	1,000,000.00	1,000,312.50	1,000,000.00	4.500		4.438	189	11/06/2008
3133XMX71	2042	Federal Home Loan Bank		11/14/2007	2,000,000.00	2,010,625.00	2,000,000.00	4.500		4.435	470	08/14/2009
3133XN6X2	2045	Federal Home Loan Bank		11/20/2007	2,000,000.00	2,013,750.00	2,000,000.00	4.500		4.436	841	08/20/2010
3133XN7B9	2046	Federal Home Loan Bank		11/28/2007	2,000,000.00	2,002,500.00	2,000,000.00	4.400		4.340	392	05/28/2009
3133XNEF2	2049	Federal Home Loan Bank		11/26/2007	2,000,000.00	2,002,500.00	2,000,000.00	4.600		4.537	936	11/23/2010
3133XNKN8	2051	Federal Home Loan Bank		12/10/2007	2,000,000.00	2,003,750.00	2,000,000.00	4.300		4.241	223	12/10/2008
3133XNFC8	2052	Federal Home Loan Bank		12/07/2007	2,000,000.00	2,003,125.00	2,000,000.00	4.500		4.438	581	12/03/2009
3133XNLN7	2053	Federal Home Loan Bank		12/11/2007	2,000,000.00	2,003,750.00	2,000,000.00	4.300		4.241	406	06/11/2009
3133XNP52	2057	Federal Home Loan Bank		12/17/2007	2,000,000.00	2,016,250.00	2,000,000.00	4.375		4.315	869	09/17/2010
3133XNS42	2058	Federal Home Loan Bank		12/18/2007	2,000,000.00	2,023,750.00	2,000,000.00	4.250		4.192	778	06/18/2010
3133XNPR4	2059	Federal Home Loan Bank		12/24/2007	1,800,000.00	1,823,625.00	1,800,000.00	4.350		4.290	967	12/24/2010
3133XPDR2	2062	Federal Home Loan Bank		01/30/2008	2,000,000.00	2,006,250.00	2,000,000.00	3.060		3.018	638	01/29/2010
3133XPDS0	2063	Federal Home Loan Bank		01/30/2008	2,000,000.00	2,013,125.00	2,000,000.00	3.250		3.205	820	07/30/2010
3133XPWL4	2065	Federal Home Loan Bank		02/26/2008	2,000,000.00	2,005,625.00	2,000,000.00	3.000		2.959	666	02/26/2010
3133XPX90	2067	Federal Home Loan Bank		03/05/2008	2,000,000.00	2,006,250.00	2,000,000.00	3.020		2.979	673	03/05/2010
3133XPZN7	2068	Federal Home Loan Bank		03/03/2008	1,905,000.00	1,912,143.75	1,905,000.00	3.350		3.304	855	09/03/2010
3133XQC91	2070	Federal Home Loan Bank		03/17/2008	2,000,000.00	2,003,125.00	2,000,000.00	3.125		3.081	960	12/17/2010
3133XQF23	2071	Federal Home Loan Bank		03/25/2008	2,000,000.00	2,000,000.00	2,000,000.00	3.250		3.205	1,058	03/25/2011
3133XQJ78	2072	Federal Home Loan Bank		04/14/2008	2,000,000.00	1,980,625.00	2,000,000.00	3.150		3.107	1,078	04/14/2011
3133XQMC3	2074	Federal Home Loan Bank		04/14/2008	2,000,000.00	1,998,125.00	2,000,000.00	2.900		2.860	896	10/14/2010
3133XQUX8	2075	Federal Home Loan Bank		04/29/2008	2,000,000.00	2,006,250.00	2,000,000.00	3.100		3.058	911	10/29/2010
31398AKS0	2060	Federal National Mortgage Assoc		01/07/2008	2,000,000.00	2,026,875.00	2,000,000.00	4.500		4.438	981	01/07/2011
31398ANH1	2069	Federal National Mortgage Assoc		03/10/2008	2,000,000.00	2,003,125.00	2,000,000.00	3.250		3.205	1,030	02/25/2011
3136F9LP6	2076	Federal National Mortgage Assoc		04/28/2008	1,999,100.00	2,006,596.63	1,999,100.00	3.000		2.959	727	04/28/2010
Subtotal and Average			47,904,910.00		53,704,100.00	53,897,052.88	53,704,100.00			3.753	770	

Portfolio OTAY

AP

OTAY
Portfolio Management
Portfolio Details - Investments
April 30, 2008

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
3133XMY62	2040	Federal Home Loan Bank		11/08/2007	2,000,000.00	2,000,625.00	2,000,000.00	4.420		4.359	7	05/08/2008
Subtotal and Average			2,866,666.67		2,000,000.00	2,000,625.00	2,000,000.00			4.359	7	
Certificates of Deposit - Bank												
205003183	2066	California Bank & Trust		01/22/2008	79,108.00	79,108.00	79,108.00	3.180		3.180	631	01/22/2010
1002812475	2061	Neighborhood National Bank		12/13/2007	1,000,000.00	1,000,000.00	1,000,000.00	4.850		4.850	226	12/13/2008
Subtotal and Average			1,079,108.00		1,079,108.00	1,079,108.00	1,079,108.00			4.728	256	
Local Agency Investment Fund (LAIF)												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	15,638,481.79	15,666,258.00	15,638,481.79	3.400		3.353	1	
LAIF COPS07	9009	STATE OF CALIFORNIA		03/07/2007	1,439,654.78	1,442,211.82	1,439,654.78	3.400		3.353	1	
Subtotal and Average			23,452,107.83		17,078,136.57	17,108,469.82	17,078,136.57			3.353	1	
San Diego County Pool												
SD COUNTY POOL	9007	San Diego County		07/01/2004	12,041,353.24	12,157,664.29	12,041,353.24	4.322		4.263	1	
Subtotal and Average			12,041,353.24		12,041,353.24	12,157,664.29	12,041,353.24			4.263	1	
Total and Average			91,832,271.07		87,902,697.81	88,296,673.96	87,931,353.70			3.785	496	

OTAY
Portfolio Management
Portfolio Details - Cash
April 30, 2008

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity
Union Bank											
UNION MONEY	9002	STATE OF CALIFORNIA		07/01/2004	7,662.99	7,662.99	7,662.99	0.150		0.148	1
PETTY CASH	9003	STATE OF CALIFORNIA		07/01/2004	2,800.00	2,800.00	2,800.00			0.000	1
UNION OPERATING	9004	STATE OF CALIFORNIA		07/01/2004	834,368.96	834,368.96	834,368.96	1.307		1.289	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2004	327,175.07	327,175.07	327,175.07			0.000	1
UNION IOC	9008	STATE OF CALIFORNIA		05/01/2006	0.00	0.00	0.00	4.500		4.438	1
		Average Balance	0.00								1
Total Cash and Investmentss			91,832,271.07		89,074,704.83	89,468,680.98	89,103,360.72			3.785	496

OTAY
Activity Report
Sorted By Issuer
July 1, 2007 - April 30, 2008

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: STATE OF CALIFORNIA									
Union Bank									
UNION MONEY	9002	STATE OF CALIFORNIA			0.150		144,555,501.65	144,633,146.25	
UNION OPERATING	9004	STATE OF CALIFORNIA			1.307		11,507,245.67	11,596,082.93	
PAYROLL	9005	STATE OF CALIFORNIA					626,971.96	324,932.03	
UNION IOC	9008	STATE OF CALIFORNIA			4.500		1,240,481.91	1,253,290.86	
Subtotal and Balance							157,930,201.19	157,807,452.07	1,172,007.02
Local Agency Investment Fund (LAIF)									
LAIF	9001	STATE OF CALIFORNIA			3.400		74,398,732.05	67,650,000.00	
LAIF COPS07	9009	STATE OF CALIFORNIA			3.400		315,597.20	8,000,000.00	
Subtotal and Balance							74,714,329.25	75,650,000.00	17,078,136.57
Issuer Subtotal				20.489%			232,644,530.44	233,457,452.07	18,250,143.59
Issuer: California Bank & Trust									
Certificates of Deposit - Bank									
2050003183R	1996	California Bank & Trust			3.880	01/22/2008	0.00	79,108.00	
205003183	2066	California Bank & Trust			3.180	01/22/2008	79,108.00	0.00	
Subtotal and Balance							79,108.00	79,108.00	79,108.00
Issuer Subtotal				0.089%			79,108.00	79,108.00	79,108.00
Issuer: FANNIE MAE									
Federal Agency Issues- Callable									
31359M2L6	2012	FANNIE MAE			5.250	12/11/2007	0.00	3,000,000.00	
31398AMX7	2064	FANNIE MAE			3.000	02/22/2008	2,000,000.00	0.00	
Subtotal and Balance							2,000,000.00	3,000,000.00	2,000,000.00
Issuer Subtotal				2.245%			2,000,000.00	3,000,000.00	2,000,000.00

OTAY
Activity Report
July 1, 2007 - April 30, 2008

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										
31331YCZ1	2043	Federal Farm Credit Bank			4.490	11/07/2007	3,000,000.00		0.00	
31331YCZ1	2043	Federal Farm Credit Bank				02/05/2008	0.00		3,000,000.00	
31331YB74	2073	Federal Farm Credit Bank			3.180	04/07/2008	2,000,000.00		0.00	
Subtotal and Balance					0.00		5,000,000.00		3,000,000.00	2,000,000.00
Issuer Subtotal				2.245%	0.00		5,000,000.00		3,000,000.00	2,000,000.00

Issuer: Federal Home Loan Bank										
Federal Agency Issues- Callable										
3133XEMS5	1998	Federal Home Loan Bank			5.000	11/28/2007	0.00		3,000,000.00	
3133XETX7	2001	Federal Home Loan Bank			5.125	09/14/2007	0.00		3,000,000.00	
3133XF2C9	2002	Federal Home Loan Bank			5.250	10/03/2007	0.00		3,000,000.00	
3133XJ2P2	2010	Federal Home Loan Bank			5.200	12/05/2007	0.00		3,000,000.00	
3133XJ6Q6	2013	Federal Home Loan Bank			5.125	07/20/2007	0.00		3,000,000.00	
3133XJVV1	2015	Federal Home Loan Bank			5.375	07/10/2007	0.00		3,000,000.00	
3133XJR91	2016	Federal Home Loan Bank			5.400	10/30/2007	0.00		3,000,000.00	
3133XJSD1	2017	Federal Home Loan Bank			5.250	01/02/2008	0.00		3,000,000.00	
3133XJVV7	2018	Federal Home Loan Bank			5.250	08/15/2007	0.00		3,000,000.00	
3133XJU55	2019	Federal Home Loan Bank			5.350	11/21/2007	0.00		3,000,000.00	
3133XK3C7	2022	Federal Home Loan Bank			5.500	12/13/2007	0.00		3,000,000.00	
3133XK6A8	2024	Federal Home Loan Bank			5.300	11/19/2007	0.00		3,000,000.00	
3133XKLA1	2030	Federal Home Loan Bank			5.375	11/01/2007	0.00		3,000,000.00	
3133XKN50	2031	Federal Home Loan Bank			5.300	11/07/2007	0.00		5,000,000.00	
3133XKSS5	2032	Federal Home Loan Bank			5.300	11/09/2007	0.00		3,000,000.00	
3133XL6E8	2033	Federal Home Loan Bank			5.400	12/11/2007	0.00		5,000,000.00	
3133XLEW9	2034	Federal Home Loan Bank			5.500	07/02/2007	3,000,000.00		0.00	
3133XLEW9	2034	Federal Home Loan Bank				01/02/2008	0.00		3,000,000.00	
3133XKVD4	2035	Federal Home Loan Bank			5.500	07/10/2007	3,000,000.00		0.00	
3133XKVD4	2035	Federal Home Loan Bank				10/21/2007	0.00		3,000,000.00	
3133XLMZ3	2036	Federal Home Loan Bank			5.450	07/23/2007	3,000,000.00		0.00	
3133XLMZ3	2036	Federal Home Loan Bank				01/23/2008	0.00		3,000,000.00	
3133XLTL7	2037	Federal Home Loan Bank			5.550	07/30/2007	3,000,000.00		0.00	
3133XLYB3	2038	Federal Home Loan Bank			5.375	08/20/2007	3,000,000.00		0.00	
3133XLYB3	2038	Federal Home Loan Bank				11/20/2007	0.00		3,000,000.00	

Portfolio OTAY

AP

OTAY
Activity Report
July 1, 2007 - April 30, 2008

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 Home Loan Bank										
Federal Agency Issues- Callable										
3133XMXC0	2039	Federal Home Loan Bank			4.500	11/06/2007	1,000,000.00		0.00	
3133XMX71	2042	Federal Home Loan Bank			4.500	11/14/2007	2,000,000.00		0.00	
3133XN6X2	2045	Federal Home Loan Bank			4.500	11/20/2007	2,000,000.00		0.00	
3133XN7B9	2046	Federal Home Loan Bank			4.400	11/28/2007	2,000,000.00		0.00	
3133XN6R5	2047	Federal Home Loan Bank			4.500	11/28/2007	2,000,000.00		0.00	
3133XN6R5	2047	Federal Home Loan Bank				02/28/2008	0.00		2,000,000.00	
3133XNC56	2048	Federal Home Loan Bank			4.600	11/28/2007	2,000,000.00		0.00	
3133XNC56	2048	Federal Home Loan Bank				02/28/2008	0.00		2,000,000.00	
3133XNEF2	2049	Federal Home Loan Bank			4.600	11/26/2007	2,000,000.00		0.00	
3133XNGT0	2050	Federal Home Loan Bank			4.500	12/04/2007	2,000,000.00		0.00	
3133XNGT0	2050	Federal Home Loan Bank				03/04/2008	0.00		2,000,000.00	
3133XNKN8	2051	Federal Home Loan Bank			4.300	12/10/2007	2,000,000.00		0.00	
3133XNFC8	2052	Federal Home Loan Bank			4.500	12/07/2007	2,000,000.00		0.00	
3133XNLN7	2053	Federal Home Loan Bank			4.300	12/11/2007	2,000,000.00		0.00	
3133XNN47	2054	Federal Home Loan Bank			4.450	12/12/2007	2,000,000.00		0.00	
3133XNN47	2054	Federal Home Loan Bank				03/12/2008	0.00		2,000,000.00	
3133XNN62	2055	Federal Home Loan Bank			4.450	12/12/2007	2,000,000.00		0.00	
3133XNN62	2055	Federal Home Loan Bank				03/12/2008	0.00		2,000,000.00	
3133XNM63	2056	Federal Home Loan Bank			4.550	12/17/2007	2,000,000.00		0.00	
3133XNM63	2056	Federal Home Loan Bank				03/17/2008	0.00		2,000,000.00	
3133XNP52	2057	Federal Home Loan Bank			4.375	12/17/2007	2,000,000.00		0.00	
3133XNS42	2058	Federal Home Loan Bank			4.250	12/18/2007	2,000,000.00		0.00	
3133XNPR4	2059	Federal Home Loan Bank			4.350	12/24/2007	1,800,000.00		0.00	
3133XPDR2	2062	Federal Home Loan Bank			3.060	01/30/2008	2,000,000.00		0.00	
3133XPDS0	2063	Federal Home Loan Bank			3.250	01/30/2008	2,000,000.00		0.00	
3133XPWL4	2065	Federal Home Loan Bank			3.000	02/26/2008	2,000,000.00		0.00	
3133XPX90	2067	Federal Home Loan Bank			3.020	03/05/2008	2,000,000.00		0.00	
3133XPZN7	2068	Federal Home Loan Bank			3.350	03/03/2008	1,905,000.00		0.00	
3133XQC91	2070	Federal Home Loan Bank			3.125	03/17/2008	2,000,000.00		0.00	
3133XQF23	2071	Federal Home Loan Bank			3.250	03/25/2008	2,000,000.00		0.00	
3133XQJ78	2072	Federal Home Loan Bank			3.150	04/14/2008	2,000,000.00		0.00	
3133XQMC3	2074	Federal Home Loan Bank			2.900	04/14/2008	2,000,000.00		0.00	
3133XQUX8	2075	Federal Home Loan Bank			3.100	04/29/2008	2,000,000.00		0.00	
Subtotal and Balance					52,000,000.00		67,705,000.00		76,000,000.00	43,705,000.00

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Activity Report
July 1, 2007 - April 30, 2008

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 Home Loan Bank										
Federal Agency Issues - Coupon										
3133XMY62	2040	Federal Home Loan Bank			4.420	11/08/2007	2,000,000.00		0.00	
3133XMY54	2041	Federal Home Loan Bank			4.500	11/14/2007	2,000,000.00		0.00	
3133XMY54	2041	Federal Home Loan Bank				04/14/2008	0.00		2,000,000.00	
Subtotal and Balance					0.00		4,000,000.00		2,000,000.00	2,000,000.00
Issuer Subtotal			51.311%		52,000,000.00		71,705,000.00		78,000,000.00	45,705,000.00

Issuer: Federal Home Loan Mortgage										
Federal Agency Issues- Callable										
3128X4K67	2000	Federal Home Loan Mortgage			5.250	12/07/2007	0.00		3,000,000.00	
3128X4DY4	2004	Federal Home Loan Mortgage			4.000	07/13/2007	0.00		3,000,000.00	
3128X5C55	2020	Federal Home Loan Mortgage			5.500	12/05/2007	0.00		3,000,000.00	
3128X5G93	2021	Federal Home Loan Mortgage			5.320	12/06/2007	0.00		3,000,000.00	
3128X5P51	2023	Federal Home Loan Mortgage			5.300	12/14/2007	0.00		3,000,000.00	
3128X5Z35	2026	Federal Home Loan Mortgage			5.300	10/09/2007	0.00		3,000,000.00	
3128X5Z35	2027	Federal Home Loan Mortgage			5.300	10/09/2007	0.00		5,000,000.00	
3128X5Z84	2028	Federal Home Loan Mortgage			5.400	10/17/2007	0.00		3,000,000.00	
3128X5Z84	2029	Federal Home Loan Mortgage			5.400	10/17/2007	0.00		5,000,000.00	
Subtotal and Balance					31,000,000.00		0.00		31,000,000.00	0.00
Issuer Subtotal			0.000%		31,000,000.00		0.00		31,000,000.00	0.00

Issuer: Federal National Mortgage Assoc										
Federal Agency Issues- Callable										
31359MG31	1997	Federal National Mortgage Assoc			5.000	08/24/2007	0.00		3,000,000.00	
31398AKS0	2060	Federal National Mortgage Assoc			4.500	01/07/2008	2,000,000.00		0.00	
31398ANH1	2069	Federal National Mortgage Assoc			3.250	03/10/2008	2,000,000.00		0.00	
3136F9LP6	2076	Federal National Mortgage Assoc			3.000	04/28/2008	1,999,100.00		0.00	
Subtotal and Balance					3,000,000.00		5,999,100.00		3,000,000.00	5,999,100.00
Issuer Subtotal			6.735%		3,000,000.00		5,999,100.00		3,000,000.00	5,999,100.00

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Activity Report
July 1, 2007 - April 30, 2008

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value	
				Beginning Balance	Current Rate			Redemptions or Withdrawals	Ending Balance
Issuer: General Electric Capital									
Corporate Notes									
36962G2S2	2044	General Electric Capital			5.000	11/16/2007	2,000,000.00	0.00	
		Subtotal and Balance					2,000,000.00	0.00	2,000,000.00
		Issuer Subtotal	2.245%				2,000,000.00	0.00	2,000,000.00
Issuer: Neighborhood National Bank									
Certificates of Deposit - Bank									
1002812475	2061	Neighborhood National Bank			4.850	12/13/2007	1,000,000.00	0.00	
		Subtotal and Balance					1,000,000.00	0.00	1,000,000.00
		Issuer Subtotal	1.123%				1,000,000.00	0.00	1,000,000.00
Issuer: San Diego County									
San Diego County Pool									
SD COUNTY POOL	9007	San Diego County			4.322		11,935,427.09	0.00	
		Subtotal and Balance					11,935,427.09	0.00	12,041,353.24
		Issuer Subtotal	13.518%				11,935,427.09	0.00	12,041,353.24
		Total	100.000%				332,363,165.53	351,536,560.07	89,074,704.83

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GASB 31 Compliance Detail
Sorted by Fund - Investment Class
July 1, 2007 - April 30, 2008

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											
LAIF	9001	99	Fair Value		8,885,705.10	0.00	913,732.05	913,732.05	0.00	31,820.85	15,666,258.00
LAIF COPS07	9009	99	Fair Value		9,119,906.33	0.00	315,597.20	8,000,000.00	0.00	6,708.28	1,442,211.82
UNION MONEY	9002	99	Amortized		85,307.59	0.00	1,592.25	79,236.85	0.00	0.00	7,662.99
PETTY CASH	9003	99	Amortized		2,800.00	0.00	0.00	0.00	0.00	0.00	2,800.00
UNION OPERATING	9004	99	Amortized		923,206.22	0.00	0.00	88,837.26	0.00	0.00	834,368.96
PAYROLL	9005	99	Amortized		25,135.14	0.00	0.00	0.00	0.00	0.00	327,175.07
2050003183R	1996	99	Amortized	01/22/2008	79,108.00	0.00	0.00	79,108.00	0.00	0.00	0.00
UNION IOC	9008	99	Amortized		12,808.95	0.00	601.50	13,410.45	0.00	0.00	0.00
1002812475	2061	99	Amortized	12/13/2008	0.00	1,000,000.00	0.00	0.00	0.00	0.00	1,000,000.00
205003183	2066	99	Amortized	01/22/2010	0.00	79,108.00	0.00	0.00	0.00	0.00	79,108.00
SD COUNTY POOL	9007	99	Fair Value		105,826.00	0.00	35,427.09	35,427.09	0.00	116,411.21	12,157,664.29
31359MG31	1997	99	Fair Value	08/24/2007	2,998,125.00	0.00	0.00	3,000,000.00	0.00	1,875.00	0.00
3133XEMS5	1998	99	Fair Value	11/28/2007	2,995,312.50	0.00	0.00	3,000,000.00	0.00	4,687.50	0.00
3128X4K67	2000	99	Fair Value	03/07/2008	2,996,487.12	0.00	0.00	3,000,000.00	0.00	3,512.88	0.00
3133XETX7	2001	99	Fair Value	09/14/2007	2,998,125.00	0.00	0.00	3,000,000.00	0.00	1,875.00	0.00
3133XF2C9	2002	99	Fair Value	10/03/2007	2,999,062.50	0.00	0.00	3,000,000.00	0.00	937.50	0.00
3128X4DY4	2004	99	Fair Value	07/13/2007	2,998,661.96	0.00	0.00	3,000,000.00	0.00	1,338.04	0.00
3133XJ2P2	2010	99	Fair Value	12/05/2007	2,997,187.50	0.00	0.00	3,000,000.00	0.00	2,812.50	0.00
31359M2L6	2012	99	Fair Value	06/11/2008	2,995,312.50	0.00	0.00	3,000,000.00	0.00	4,687.50	0.00
3133XJ6Q6	2013	99	Fair Value	12/29/2008	2,989,687.50	0.00	0.00	2,983,125.00	0.00	-6,562.50	0.00
3133XJVV1	2015	99	Fair Value	07/10/2008	2,999,062.50	0.00	0.00	3,000,000.00	0.00	937.50	0.00
3133XJR91	2016	99	Fair Value	01/30/2009	2,998,125.00	0.00	0.00	3,000,000.00	0.00	1,875.00	0.00
3133XJSD1	2017	99	Fair Value	01/02/2008	2,996,250.00	0.00	0.00	3,000,000.00	0.00	3,750.00	0.00
3133XJU55	2019	99	Fair Value	02/23/2009	2,995,312.50	0.00	0.00	3,000,000.00	0.00	4,687.50	0.00
3133XJVV7	2018	99	Fair Value	02/15/2008	2,997,187.50	0.00	0.00	3,000,000.00	0.00	2,812.50	0.00
3128X5C55	2020	99	Fair Value	03/05/2010	2,994,552.16	0.00	0.00	3,000,000.00	0.00	5,447.84	0.00
3128X5G93	2021	99	Fair Value	03/06/2009	2,994,197.84	0.00	0.00	3,000,000.00	0.00	5,802.16	0.00
3133XK3C7	2022	99	Fair Value	03/13/2009	2,999,062.50	0.00	0.00	3,000,000.00	0.00	937.50	0.00
3128X5P51	2023	99	Fair Value	09/14/2009	2,990,516.97	0.00	0.00	3,000,000.00	0.00	9,483.03	0.00
3133XK6A8	2024	99	Fair Value	09/19/2008	2,995,312.50	0.00	0.00	3,000,000.00	0.00	4,687.50	0.00

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GASB 31 Compliance Detail
Sorted by Fund - Investment Class

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											
3128X5Z35	2026	99	Fair Value	10/09/2008	2,995,527.19	0.00	0.00	3,000,000.00	0.00	4,472.81	0.00
3128X5Z84	2028	99	Fair Value	04/17/2009	2,996,358.03	0.00	0.00	3,000,000.00	0.00	3,641.97	0.00
3133XKLA1	2030	99	Fair Value	05/01/2009	2,996,250.00	0.00	0.00	3,000,000.00	0.00	3,750.00	0.00
3133XKSS5	2032	99	Fair Value	05/09/2008	2,997,187.50	0.00	0.00	3,000,000.00	0.00	2,812.50	0.00
3133XLEW9	2034	99	Fair Value	07/02/2009	0.00	3,000,000.00	0.00	3,000,000.00	0.00	0.00	0.00
3133XKVD4	2035	99	Fair Value	05/21/2009	0.00	3,000,000.00	0.00	3,000,000.00	0.00	0.00	0.00
3133XLMZ3	2036	99	Fair Value	07/23/2009	0.00	3,000,000.00	0.00	3,000,000.00	0.00	0.00	0.00
3133XLT7	2037	99	Fair Value	07/30/2010	0.00	3,000,000.00	0.00	0.00	0.00	24,375.00	3,024,375.00
3133XLYB3	2038	99	Fair Value	08/20/2008	0.00	3,000,000.00	0.00	3,000,000.00	0.00	0.00	0.00
3133XMXC0	2039	99	Fair Value	11/06/2008	0.00	1,000,000.00	0.00	0.00	0.00	312.50	1,000,312.50
3133XMY62	2040	99	Fair Value	05/08/2008	0.00	2,000,000.00	0.00	0.00	0.00	625.00	2,000,625.00
3133XMY54	2041	99	Fair Value	04/14/2008	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XMX71	2042	99	Fair Value	08/14/2009	0.00	2,000,000.00	0.00	0.00	0.00	10,625.00	2,010,625.00
31331YCZ1	2043	99	Fair Value	11/05/2009	0.00	2,998,860.00	0.00	3,000,000.00	0.00	1,140.00	0.00
36962G2S2	2044	99	Fair Value	12/01/2010	0.00	2,033,740.00	0.00	0.00	0.00	20,013.97	2,053,753.97
3133XN6X2	2045	99	Fair Value	08/20/2010	0.00	2,000,000.00	0.00	0.00	0.00	13,750.00	2,013,750.00
3133XN7B9	2046	99	Fair Value	05/28/2009	0.00	2,000,000.00	0.00	0.00	0.00	2,500.00	2,002,500.00
3133XN6R5	2047	99	Fair Value	11/28/2008	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNC56	2048	99	Fair Value	11/28/2008	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNEF2	2049	99	Fair Value	11/23/2010	0.00	2,000,000.00	0.00	0.00	0.00	2,500.00	2,002,500.00
3133XNGT0	2050	99	Fair Value	12/04/2008	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNKN8	2051	99	Fair Value	12/10/2008	0.00	2,000,000.00	0.00	0.00	0.00	3,750.00	2,003,750.00
3133XNFC8	2052	99	Fair Value	12/03/2009	0.00	2,000,000.00	0.00	0.00	0.00	3,125.00	2,003,125.00
3133XNLN7	2053	99	Fair Value	06/11/2009	0.00	2,000,000.00	0.00	0.00	0.00	3,750.00	2,003,750.00
3133XNN47	2054	99	Fair Value	06/12/2009	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNN62	2055	99	Fair Value	03/12/2009	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNM63	2056	99	Fair Value	12/17/2010	0.00	2,000,000.00	0.00	2,000,000.00	0.00	0.00	0.00
3133XNP52	2057	99	Fair Value	09/17/2010	0.00	2,000,000.00	0.00	0.00	0.00	16,250.00	2,016,250.00
3133XNS42	2058	99	Fair Value	06/18/2010	0.00	2,000,000.00	0.00	0.00	0.00	23,750.00	2,023,750.00
3133XNPR4	2059	99	Fair Value	12/24/2010	0.00	1,800,000.00	0.00	0.00	0.00	23,625.00	1,823,625.00
31398AKS0	2060	99	Fair Value	01/07/2011	0.00	2,000,000.00	0.00	0.00	0.00	26,875.00	2,026,875.00
3133XPDR2	2062	99	Fair Value	01/29/2010	0.00	2,000,000.00	0.00	0.00	0.00	6,250.00	2,006,250.00
3133XPDS0	2063	99	Fair Value	07/30/2010	0.00	2,000,000.00	0.00	0.00	0.00	13,125.00	2,013,125.00
31398AMX7	2064	99	Fair Value	02/19/2010	0.00	2,000,000.00	0.00	0.00	0.00	5,000.00	2,005,000.00
3133XPWL4	2065	99	Fair Value	02/26/2010	0.00	2,000,000.00	0.00	0.00	0.00	5,625.00	2,005,625.00
3133XPX90	2067	99	Fair Value	03/05/2010	0.00	2,000,000.00	0.00	0.00	0.00	6,250.00	2,006,250.00

Portfolio OTAY
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OTAY
 GASB 31 Compliance Detail
 Sorted by Fund - Investment Class

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											
3133XPZN7	2068	99	Fair Value	09/03/2010	0.00	1,905,000.00	0.00	0.00	0.00	7,143.75	1,912,143.75
31398ANH1	2069	99	Fair Value	02/25/2011	0.00	2,000,000.00	0.00	0.00	0.00	3,125.00	2,003,125.00
3133XQC91	2070	99	Fair Value	12/17/2010	0.00	2,000,000.00	0.00	0.00	0.00	3,125.00	2,003,125.00
3133XQF23	2071	99	Fair Value	03/25/2011	0.00	2,000,000.00	0.00	0.00	0.00	0.00	2,000,000.00
3133XQJ78	2072	99	Fair Value	04/14/2011	0.00	2,000,000.00	0.00	0.00	0.00	-19,375.00	1,980,625.00
31331YB74	2073	99	Fair Value	04/07/2011	0.00	2,000,000.00	0.00	0.00	0.00	-4,375.00	1,995,625.00
3133XQMC3	2074	99	Fair Value	10/14/2010	0.00	2,000,000.00	0.00	0.00	0.00	-1,875.00	1,998,125.00
3133XQUX8	2075	99	Fair Value	10/29/2010	0.00	2,000,000.00	0.00	0.00	0.00	6,250.00	2,006,250.00
3136F9LP6	2076	99	Fair Value	04/28/2010	0.00	1,999,100.00	0.00	0.00	0.00	7,496.63	2,006,596.63
Subtotal					88,152,667.10	87,815,808.00	1,266,950.09	107,192,876.70	0.00	439,933.42	89,468,680.98
Fund: LAIF COPS 07 INVESTMENTS											
3128X5Z35	2027	COPS07	Fair Value	10/09/2008	4,992,545.32	0.00	0.00	5,000,000.00	0.00	7,454.68	0.00
3128X5Z84	2029	COPS07	Fair Value	04/17/2009	4,993,930.06	0.00	0.00	5,000,000.00	0.00	6,069.95	0.00
3133XKN50	2031	COPS07	Fair Value	11/07/2008	4,992,187.50	0.00	0.00	5,000,000.00	0.00	7,812.50	0.00
3133XL6E8	2033	COPS07	Fair Value	12/11/2008	4,996,875.00	0.00	0.00	5,000,000.00	0.00	3,125.00	0.00
Subtotal					19,975,537.88	0.00	0.00	20,000,000.00	0.00	24,462.13	0.00
Total					108,128,204.98	87,815,808.00	1,266,950.09	127,192,876.70	0.00	464,395.55	89,468,680.98

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Duration Report
Sorted by Investment Type - Investment Type
Through 04/30/2008

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 365	Current Yield	Maturity/ Call Date	Effective Duration
36962G2S2	2044	99	General Electric Capital	Fair	2,028,655.89	2,000,000.00	2,053,753.97	5.000	4.401	3.897	12/01/2010	2.363
3133XN7B9	2046	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,002,500.00	4.400	4.400	4.283	05/28/2009	1.020
3133XNFC8	2052	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,003,125.00	4.500	4.500	4.181 c	06/03/2008	0.090
3133XNKN8	2051	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,003,750.00	4.300	4.300	3.918 c	06/10/2008	0.109
3133XNEF2	2049	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,002,500.00	4.600	4.600	4.345 c	05/23/2008	0.060
3133XN6X2	2045	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,013,750.00	4.500	4.498	2.219 c	08/20/2008	0.051
3133XNP52	2057	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,016,250.00	4.375	4.375	2.209 c	09/17/2008	0.126
3133XNLN7	2053	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,003,750.00	4.300	4.300	3.918 c	06/11/2008	0.112
31331YB74	2073	99	Federal Farm Credit Bank	Fair	2,000,000.00	2,000,000.00	1,995,625.00	3.180	3.180	3.422 c	04/07/2009	0.909
31398AMX7	2064	99	FANNIE MAE	Fair	2,000,000.00	2,000,000.00	2,005,000.00	3.000	3.000	2.685 c	02/19/2009	0.782
3133XNS42	2058	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,023,750.00	4.250	4.250	2.346 c	12/18/2008	0.613
3136F9LP6	2076	99	Federal National Mortgage Assoc	Fair	1,999,100.00	1,999,100.00	2,006,596.63	3.000	3.000	2.615 c	04/28/2009	0.971
3133XNPR4	2059	99	Federal Home Loan Bank	Fair	1,800,000.00	1,800,000.00	1,823,625.00	4.350	4.350	2.299 c	12/24/2008	0.629
3133XLTL7	2037	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,024,375.00	5.550	5.550	3.893 c	07/30/2008	0.246
3133XPDR2	2062	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,006,250.00	3.060	3.060	2.637 c	01/29/2009	0.726
3133XPWL4	2065	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,005,625.00	3.000	3.000	2.654 c	02/26/2009	0.801
3133XMXC0	2039	99	Federal Home Loan Bank	Fair	1,000,000.00	1,000,000.00	1,000,312.50	4.500	4.500	4.436 c	05/06/2008	0.013
3133XPX90	2067	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,006,250.00	3.020	3.020	2.646 c	03/05/2009	0.826
3133XPZN7	2068	99	Federal Home Loan Bank	Fair	1,905,000.00	1,905,000.00	1,912,143.75	3.350	3.350	2.590 c	09/03/2008	0.342
3133XQF23	2071	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,000,000.00	3.250	3.250	3.252 c	03/25/2009	0.878
31398AKS0	2060	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,026,875.00	4.500	4.500	2.509 c	01/07/2009	0.664
3133XPDS0	2063	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,013,125.00	3.250	3.250	2.362 c	01/30/2009	0.730
3133XQJ78	2072	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,980,625.00	3.150	3.150	4.199 c	04/14/2009	0.925
3133XMX71	2042	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,010,625.00	4.500	4.496	2.637 c	08/14/2008	0.036
3133XQMC3	2074	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	1,998,125.00	2.900	2.900	3.002 c	04/14/2009	0.931
3133XQUX8	2075	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,006,250.00	3.100	3.100	2.779 c	04/29/2009	0.972
31398ANH1	2069	99	Federal National Mortgage Assoc	Fair	2,000,000.00	2,000,000.00	2,003,125.00	3.250	3.250	3.058 c	02/25/2009	0.796
3133XQC91	2070	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,003,125.00	3.125	3.124	2.875 c	12/17/2008	0.372

Portfolio OTAY

AP

DU (PRF_DU) SymRept 6.41.200

Report Ver. 5.00

OTAY
Duration Report
Sorted by Investment Type - Investment Type
Through 04/30/2008

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 365	Current Yield	Maturity/ Call Date	Effective Duration
3133XMY62	2040	99	Federal Home Loan Bank	Fair	2,000,000.00	2,000,000.00	2,000,625.00	4.420	4.420	4.356	05/08/2008	0.019
205003183	2066	99	California Bank & Trust	Amort	79,108.00	79,108.00	79,108.00	3.180	3.224	3.180	01/22/2010	1.675 †
1002812475	2061	99	Neighborhood National Bank	Amort	1,000,000.00	1,000,000.00	1,000,000.00	4.850	4.917	4.850	12/13/2008	0.606 †
Report Total					58,811,863.89	58,783,208.00	59,030,539.85			3.202		0.597 †

† = Duration can not be calculated on these investments due to incomplete Market price data.



AGENDA ITEM 10

STAFF REPORT

TYPE MEETING:	Regular Board	<i>rlb</i>	MEETING DATE:	June 10, 2008
SUBMITTED BY:	Sean Prendergast, Finance Supervisor, Payroll & AP		W.O./G.F. NO:	DIV. NO.
APPROVED BY: (Chief)	Joseph Beachem, Chief Financial Officer			
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager			
SUBJECT:	Accounts Payable Demand List			

PURPOSE:

Attached is the list of demands for the Board's information.

FISCAL IMPACT:

SUMMARY	NET DEMANDS
CHECKS (2011697-2012119)	\$2,763,950.79
WIRE TO:	
CITY OF CHULA VISTA - BI-MONTHLY SEWER CHARGES	\$2,611,447.52
CITY TREASURER - RECLAIMED WATER PURCHASE - MAR 08	\$75,282.62
DELTA HEALTH SYSTEMS - DENTAL & COBRA CLAIMS	\$27,131.07
J P MORGAN SECURITIES - QUARTERLY REMARKETING	\$2,797.13
LANDESBANK - CERTIFICATES OF PARTICIPATION	\$19,440.57
PLAN HANDLERS - MEDICAL CLAIMS	\$3,134.51
SAN DIEGO COUNTY WATER AUTHORITY - MAR 08	\$1,912,742.67
SPEC DIST RISK MGMT AUTH - INSURANCE PREM - APR 08	\$174,422.18
UNION BANK - PAYROLL TAXES	\$137,008.81
TOTAL CASH DISBURSEMENTS	\$7,727,357.87

RECOMMENDED ACTION:

That the Board receive the attached list of demands.

Jb/Attachment

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2011697 THROUGH 2012119
RUN DATES 5/7/2008 TO 5/28/2008

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2011697	05/07/08	02097	3E COMPANY INC	3EINV0012999	03/13/08	ANNUAL BILLING	977.50	977.50
2011698	05/07/08	08245	A TO Z SANDBLASTING	611170	04/12/08	SANDBLASTING SERVICES	1,925.00	1,925.00
2011699	05/07/08	01910	ABCANA INDUSTRIES	820187 820188	04/14/08 04/14/08	BULK SODIUM HYPOCHLORITE BULK SODIUM HYPOCHLORITE	1,140.06 934.45	2,074.51
2011786	05/14/08	01910	ABCANA INDUSTRIES	820528	04/21/08	BULK SODIUM HYPOCHLORITE	1,431.84	1,431.84
2011891	05/21/08	01910	ABCANA INDUSTRIES	820932 820931 820933	04/28/08 04/28/08 04/28/08	BULK SODIUM HYPOCHLORITE BULK SODIUM HYPOCHLORITE BULK SODIUM HYPOCHLORITE	1,553.72 1,346.89 1,110.50	4,011.11
2012045	05/28/08	01910	ABCANA INDUSTRIES	821414 821415	05/05/08 05/05/08	BULK SODIUM HYPOCHLORITE BULK SODIUM HYPOCHLORITE	1,600.51 246.23	1,846.74
2011700	05/07/08	08488	ABLEFORCE INC	1196	05/06/08	CONSULTING SERVICES - IS DEPT	1,920.00	1,920.00
2011982	05/28/08	08591	ADILENE BENITEZ	Ref002385348	05/27/08	UB Refund Cst #0000124772	34.35	34.35
2011892	05/21/08	07732	AIRGAS SPECIALTY PRODUCTS INC	131079325 131079324	04/29/08 04/29/08	BULK AQUA AMMONIA BULK AQUA AMMONIA	1,162.16 664.09	1,826.25
2011893	05/21/08	00132	AIRGAS WEST	103167677	04/30/08	BREATHING AIR TREATMENT PLANT	23.93	23.93
2011787	05/14/08	01463	ALLIED ELECTRONICS INC	64667900	04/23/08	TYCO 24VDC RELAY	138.29	138.29
2012046	05/28/08	01463	ALLIED ELECTRONICS INC	61374901 61374902	04/23/08 04/25/08	REPAIR PART REPAIR PART	60.07 33.04	93.11
2011894	05/21/08	02362	ALLIED WASTE SERVICES #509	0509003115572 0509003117018	04/25/08 04/25/08	TRASH REMOVAL SERVICES ASBESTOS DISPOSAL CONTAINER RENTAL	734.90 183.89	918.79
2011983	05/28/08	08556	ALMA LEYVA	Ref002385313	05/27/08	UB Refund Cst #0000086017	49.02	49.02
2011701	05/07/08	01369	AMERICAN BACKFLOW	INV06496	03/26/08	BACKLOW GAUGE CALIBRATION	151.20	151.20
2011788	05/14/08	01369	AMERICAN BACKFLOW	INV06836	04/21/08	BACKLOW GAUGE CALIBRATION	128.70	128.70
2012047	05/28/08	02922	AMERICAN BACKFLOW PREVENTION	000242	05/27/08	REGISTRATION FEES	180.00	180.00
2012048	05/28/08	01326	AMERICAN BATTERY SUPPLY	A7324	05/05/08	POWERSONIC UPS BATTERY	108.83	108.83
2011702	05/07/08	06166	AMERICAN MESSAGING	L1109570IE	05/01/08	PAGER SERVICES	438.22	438.22
2011789	05/14/08	02518	AMERICAN WATER WORKS ASSN	1000388376	05/07/08	BOOK	212.50	212.50

OTAY WATER DISTRICT
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Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2011895	05/21/08	02518	AMERICAN WATER WORKS ASSN	10246562	04/15/08	WATER DISTRIBUTION HANDBOOK	173.50	173.50
2011703	05/07/08	08498	ANALUCIA PARTIDA	000184	04/29/08	HIGH SCHOOL SCHOLARSHIP WINNER	1,000.00	1,000.00
2011790	05/14/08	06165	ANITA FIRE HOSE COMPANY ETC	05285	04/22/08	FIRE EXTINGUISHERS	177.23	177.23
2012049	05/28/08	00002	ANSWER INC	000239	05/22/08	TELEPHONE ANSWERING SERVICES	1,000.00	1,000.00
2011704	05/07/08	02197	ANTHEM BLUE CROSS EAP	40660	04/25/08	EMPLOYEE ASSISTANCE PROGRAM SERVICES	476.85	476.85
2011896	05/21/08	02829	APPLIED TECHNOLOGY GROUP INC	185117	04/07/08	RADIO EQUIPMENT	1,660.89	1,660.89
2011984	05/28/08	08558	AREA K DEVELOPMENT CO LLC	Ref002385315	05/27/08	UB Refund Cst #0000091113	734.29	734.29
2011985	05/28/08	08563	ARROW METAL RECYCLING INC	Ref002385320	05/27/08	UB Refund Cst #0000094840	5.83	5.83
2011705	05/07/08	00108	ASSOCIATION OF CALIFORNIA	105006	04/30/08	JOB POSTING	300.00	300.00
2011897	05/21/08	07785	AT&T	000000144171 000000143723	05/02/08 05/02/08	PHONE SERVICES PHONE SERVICES	7,267.54 18.81	7,286.35
2012050	05/28/08	05758	AT&T	000212	05/07/08	PHONE SERVICE (HI HEAD P/S-SCADA)	33.73	33.73
2011898	05/21/08	06272	AT&T/MCI	T7964613	05/08/08	PHONE SERVICE	363.49	363.49
2011706	05/07/08	01709	ATKINSON, MITCHELL E	000178	04/30/08	SAFETY BOOTS REIMBURSEMENT	150.00	150.00
2012051	05/28/08	03285	AZTEC FIRE & SAFETY	42252	05/05/08	FLAMMABLE STORAGE LOCKER MAINT	373.66	373.66
2011899	05/21/08	08024	BACKGROUND PROFILES INC	5980000501081	05/01/08	BACKGROUND CHECKS	240.00	240.00
2011707	05/07/08	06285	BARTEL ASSOCIATES LLC	08234	04/13/08	PROFESSIONAL ACTUARY SERVICES	3,175.00	3,175.00
2011986	05/28/08	08551	BASIM TOBYA	Ref002385308	05/27/08	UB Refund Cst #0000057378	55.41	55.41
2011900	05/21/08	08540	BCM SOLUTIONS INC	OTAY200801	05/15/08	BANK ACCOUNT RECONCILIATION	1,800.00	1,800.00
2011708	05/07/08	06520	BENSKIN, RONALD	000170	04/30/08	SAFETY SHOES REIMBURSEMENT	107.73	107.73
2011709	05/07/08	03763	BERGE'S GOVERNOR SERVICE	14915	04/01/08	SENSORS	561.17	561.17
2011710	05/07/08	00146	BOB STALL CHEVROLET	281275	04/14/08	2008 CHEVROLET MALIBU SEDAN	25,604.76	25,604.76
2011987	05/28/08	08555	BONIFACIO COLONIA	Ref002385312	05/27/08	UB Refund Cst #0000084431	205.57	205.57

OTAY WATER DISTRICT
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RUN DATES 5/7/2008 TO 5/28/2008

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2012052	05/28/08	00559	BOYLE ENGINEERING CORPORATION	055431	05/01/08	P1438-AS NEEDED PLAN CHECK SERVICES	986.40	986.40
2011791	05/14/08	08157	BRADAWN INC	OWD200802	05/01/08	BENEFIT CONSULTING FEES	2,628.00	2,628.00
2011792	05/14/08	03458	BREITFELDER, LARRY	7013042208 70130408	04/30/08	PER DIEM REIMBURSEMENT MILEAGE EXPENSE REIMBURSEMENT	(8.24) 126.25	118.01
2011793	05/14/08	08156	BROWNSTEIN HYATT FARBER	421198	04/30/08	LEGISLATIVE ADVOCACY SERVICES	2,250.00	2,250.00
2011901	05/21/08	03450	BUELNA, ARMANDO F	000223	05/12/08	TRAVEL EXPENSE REIMBURSEMENT	198.00	198.00
2011711	05/07/08	03721	BULLET LOGISTICS INC	04150803350	04/15/08	COURIER SERVICES	469.70	469.70
2011902	05/21/08	03721	BULLET LOGISTICS INC	04300803350	04/30/08	COURIER SERVICES FOR TREATMENT PLANT	455.40	455.40
2012053	05/28/08	08269	BUREAU OF RECLAMATION	BD080530SC035	03/05/08	REGIONAL BRINE MGMT STUDY	17,500.00	17,500.00
2011712	05/07/08	00223	C W MCGRATH INC	29284	04/16/08	CRUSHED ROCK	307.48	307.48
2011903	05/21/08	00223	C W MCGRATH INC	29429	04/29/08	CRUSHED ROCK	76.80	76.80
2011794	05/14/08	08518	CAL REO	Ref002384940	05/08/08	UB Refund Cst #0000119420	57.36	57.36
2012054	05/28/08	02920	CALIFORNIA COMMERCIAL	000257	05/27/08	SETTLEMENT	5,000.00	5,000.00
2011904	05/21/08	08538	CALIFORNIA HIGHWAY PATROL	000231	05/14/08	ACCIDENT REPORT	10.00	10.00
2011795	05/14/08	00693	CALIFORNIA SPECIAL DISTRICTS	000191	05/07/08	QUARTERLY MEETING	74.00	74.00
2011796	05/14/08	04657	CALIFORNIA WATER ENVIRONMENT	050808OtayWaterC	05/08/08	JOB POSTING	275.00	275.00
2011797	05/14/08	08534	CALIFORNIA WATER ENVIRONMENT	000205 000210	05/09/08 05/14/08	MEMBERSHIP RENEWAL MEMBERSHIP RENEWAL	56.00 56.00	112.00
2011988	05/28/08	08600	CALLU ENGINEERING	Ref002385357	05/27/08	UB Refund Cst #0000125756	850.00	850.00
2011713	05/07/08	01004	CALOLYMPIC SAFETY	037380	04/14/08	GAS CYLINDERS	386.67	386.67
2011905	05/21/08	08009	CANON BUSINESS SOLUTIONS INC	4000720349 4000720349A	05/01/08 05/01/08	COPIER MAINTENANCE COPIER MAINTENANCE	949.44 569.42	1,518.86
2011798	05/14/08	08478	CAPELLA DEVELOPMENT	Ref002384949	05/08/08	UB Refund Cst #0000125805	259.18	259.18
2011799	05/14/08	08507	CARLO AVILES	Ref002384929	05/08/08	UB Refund Cst #0000073610	12.63	12.63
2011906	05/21/08	02758	CARMEL BUSINESS SYSTEMS INC	6763	05/15/08	IMAGE SCANNING SERVICES	40,984.51	

OTAY WATER DISTRICT
CHECK REGISTER
FOR CHECKS 2011697 THROUGH 2012119
RUN DATES 5/7/2008 TO 5/28/2008

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
				6755	05/01/08	TEMPORARY SERVICES - RECORDS	1,418.40	42,402.91
2012055	05/28/08	02758	CARMEL BUSINESS SYSTEMS INC	6752	05/02/08	STORAGE & DESTRUCTION OF DOCUMENTS	1,031.18	
				6751	04/30/08	SCANNING ENGINEERING DRAWINGS	134.26	1,165.44
2011714	05/07/08	03491	CASA DE ORO CAR WASH	376	04/11/08	VEHICLE WASHING	850.00	850.00
2011907	05/21/08	03232	CDW GOVERNMENT INC	KDV4385	04/22/08	ADOBE SOFTWARE	1,276.04	1,276.04
2011989	05/28/08	08595	CENTURY 21	Ref002385352	05/27/08	UB Refund Cst #0000125304	53.05	53.05
2011990	05/28/08	08565	CHARLIE STAPLES	Ref002385322	05/27/08	UB Refund Cst #0000094986	40.62	40.62
2011800	05/14/08	08513	CHRISTOPHER VARGAS	Ref002384935	05/08/08	UB Refund Cst #0000084667	58.81	58.81
2012056	05/28/08	02026	CHULA VISTA ELEMENTARY SCHOOL	80927	05/21/08	SCHOOL BUS TOURS	810.00	810.00
2011991	05/28/08	08577	COLLEEN BULL	Ref002385334	05/27/08	UB Refund Cst #0000121541	33.15	33.15
2011908	05/21/08	03334	COMPUTER MASTERS	70864	04/23/08	LAPTOPS	12,940.50	12,940.50
2011801	05/14/08	04398	CONSTRUCTION MANAGEMENT	000196	05/05/08	REGISTRATION FEE	55.00	
				000200	05/12/08	REGISTRATION FEE	55.00	110.00
2011909	05/21/08	04398	CONSTRUCTION MANAGEMENT	000230	05/19/08	REGISTRATION FEE	55.00	55.00
2011910	05/21/08	03774	CONSTRUCTION RESIDUE RECYCLING	974821	04/30/08	DUMPING SERVICES	120.00	120.00
2011715	05/07/08	03706	CONSUMERS PIPE & SUPPLY CO	S1063574001	04/07/08	PIPES	1,093.94	1,093.94
2012057	05/28/08	03706	CONSUMERS PIPE & SUPPLY CO	S1055583001	01/17/08	WAREHOUSE SUPPLIES	1,274.21	1,274.21
2011911	05/21/08	02612	COUNCIL OF WATER UTILITIES	000218	05/13/08	MONTHLY MEETING	25.00	25.00
2011802	05/14/08	08519	COUNTRYWIDE BANK	Ref002384941	05/08/08	UB Refund Cst #0000121982	190.27	190.27
2011992	05/28/08	08584	COUNTRYWIDE HOME LOANS	Ref002385341	05/27/08	UB Refund Cst #0000123643	35.29	35.29
2012058	05/28/08	08318	COUNTY HYDRANT & VALVE SERVICE	438	05/06/08	VALVE MACHINE	12,958.97	12,958.97
2011803	05/14/08	00184	COUNTY OF SAN DIEGO	HK07120891	05/08/08	HAZARDOUS MATERIALS PERMIT	1,634.00	
				DEH080402D11	04/29/08	RECLAIMED WATER SHUT DOWN TEST	1,035.00	
				DEH080401D11	04/29/08	RECLAIMED WATER SHUT DOWN TEST	690.00	
				DEH080397D11	04/29/08	RECLAIMED WATER SHUT DOWN TEST	690.00	
				DEH080395D11	04/29/08	RECLAIMED WATER SHUT DOWN TEST	690.00	
				DEH080398D11	04/29/08	RECLAIMED WATER SHUT DOWN TEST	460.00	

OTAY WATER DISTRICT
CHECK REGISTER
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Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
				DEH080400D11	04/29/08	RECLAIMED WATER SHUT DOWN TEST	345.00	
				DEH080396D11	04/29/08	RECLAIMED WATER SHUT DOWN TEST	115.00	5,659.00
2011912	05/21/08	00433	COUNTY OF SAN DIEGO	97107328	03/19/08	PERMIT & EMISSION FEES	357.00	
				97107338	03/19/08	PERMIT & EMISSION FEES	357.00	714.00
2011913	05/21/08	08539	COUNTY OF SAN DIEGO	000232	03/05/08	MAINTENANCE ASSESSMENT	226.80	226.80
2011914	05/21/08	00099	COUNTY OF SAN DIEGO - DPW	80187	03/05/08	EXCAVATION PERMITS	3,598.37	
				82337	04/07/08	EXCAVATION PERMITS	2,840.01	6,438.38
2011716	05/07/08	08387	COUNTY OF SD-LANDFILL MGMNT	200803	04/15/08	MICROTURBINE POWER GENERATION	8,238.74	8,238.74
2011915	05/21/08	08387	COUNTY OF SD-LANDFILL MGMNT	200804	05/20/08	MICROTURBINE POWER GENERATION	2,181.93	2,181.93
2011916	05/21/08	07601	CREATIVE BENEFITS INC	63004	05/01/08	FLEXIBLE SPENDING ACCT ADMINISTRATION	600.00	600.00
2011804	05/14/08	08520	CRISTINA BERNAL	Ref002384942	05/08/08	UB Refund Cst #0000122751	51.45	51.45
2011805	05/14/08	03098	CROUCHER, GARY D	70110308	03/31/08	MILEAGE EXPENSE REIMBURSEMENT	15.15	15.15
2011806	05/14/08	05125	CUDLIP, JAMES	000208	05/13/08	LICENSE RENEWAL REIMBURSEMENT	200.00	200.00
2011807	05/14/08	03354	DATAPROSE INC	48945	05/02/08	POSTAGE	21,620.97	21,620.97
2012059	05/28/08	03354	DATAPROSE INC	48944	05/02/08	BILLING PRINT SERVICES	9,097.77	9,097.77
2011717	05/07/08	04550	DATATREE LLC	90034038	03/31/08	MAP PURCHASING SERVICE	99.00	99.00
2011917	05/21/08	04550	DATATREE LLC	90034048	04/30/08	MAP PURCHASING SERVICE	99.00	99.00
2011993	05/28/08	08579	DAVID BLOOD	Ref002385336	05/27/08	UB Refund Cst #0000121833	42.71	42.71
2012060	05/28/08	08606	DAVID GREWE	000248	05/21/08	SMART CONTROLLER REBATE	350.00	350.00
2011918	05/21/08	03606	DCSE INC	2	04/13/08	GIS SOFTWARE LICENSES/INTEGRATION SVCS	10,575.00	10,575.00
2011808	05/14/08	08501	DEBBIE FUNDERBURK	000190	05/07/08	CUSTOMER REFUND	66.14	66.14
2011718	05/07/08	04944	DELL USA LP	000187	05/07/08	COMPUTER LOAN PROGRAM	1,362.43	1,362.43
2011919	05/21/08	07680	DELTA HEALTH SYSTEMS	IVC02033	04/30/08	EMPLOYEE HEALTH ADMINISTRATION SVCS	80.50	80.50
2011719	05/07/08	08495	DIAZ, JENNY	000180	05/06/08	TUITION REIMBURSEMENT	1,299.83	1,299.83
2011920	05/21/08	01205	DIONEX CORPORATION	481134	04/25/08	LAB SUPPLIES	292.28	292.28

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2011720	05/07/08	06523	DURAN, PATRICIA	000179	05/06/08	TUITION REIMBURSEMENT	1,395.00	1,395.00
2011994	05/28/08	08604	EAST COUNTY DEVELOPMENT INC	Ref002385361	05/27/08	UB Refund Cst #0000126066	534.80	534.80
2011921	05/21/08	01926	EAST COUNTY URGENT CARE	000228	04/22/08	DMV PHYSICALS	172.00	172.00
2011721	05/07/08	02447	EDCO DISPOSAL CORPORATION	000175	04/30/08	RECYCLING SERVICES	85.00	85.00
2011922	05/21/08	03261	EDEN SYSTEMS INC	INV0128560	04/29/08	PROFESSIONAL CONSULTING	112.50	112.50
2011923	05/21/08	00230	EDP PRODUCTS INC	805582	04/28/08	CARTRIDGE STORAGE/RETRIEVAL	236.60	236.60
2012061	05/28/08	07938	EMCOM ELECTRONICS SYSTEMS INC	00010124	05/06/08	DVR FOR SECURITY SYSTEM	9,302.01	9,302.01
2011809	05/14/08	08522	EMERALD HOLDING INC	Ref002384945	05/08/08	UB Refund Cst #0000124897	5.64	5.64
2012062	05/28/08	08608	EMILIANO KERR	000246	05/22/08	CASH IN YOUR PLANTS PROGRAM	1,032.00	1,032.00
2011810	05/14/08	08023	EMPLOYEE BENEFIT SPECIALISTS	0043517IN	04/24/08	ADMINISTRATION FEES FOR COBRA	532.50	532.50
2011811	05/14/08	00331	EMPLOYMENT DEVELOPMENT DEPT	925023840308	05/09/08	UNEMPLOYMENT INSURANCE	6,024.31	6,024.31
2012063	05/28/08	04467	ENGINEERING & GENERAL	000241	05/23/08	REGISTRATION FEES	90.00	90.00
2011924	05/21/08	03765	ENGINEERING PARTNERS INC, THE	038124	04/25/08	1485-1 PUMP STATION IMPROVEMENTS	12,480.00	12,480.00
2011812	05/14/08	03725	ENVIRONMENTAL SYSTEMS RESEARCH	91735327	04/24/08	PROFESSIONAL DATABASE SUPPORT	1,988.00	1,988.00
2011995	05/28/08	08567	ERIC JOHNSTON	Ref002385324	05/27/08	UB Refund Cst #0000095311	60.07	60.07
2011925	05/21/08	03757	FANDEL ENTERPRISES INC	1299	05/01/08	TELECOMMUNICATION CONSULTING SERVICES	1,050.00	1,050.00
2011813	05/14/08	00645	FEDEX	265533314	04/18/08	OVERNIGHT PICK-UP & DELIVERY MAIL SVCS	55.55	55.55
2012064	05/28/08	00645	FEDEX	270636214	05/16/08	OVERNIGHT PICK-UP & DELIVERY MAIL SVCS	13.67	13.67
2011722	05/07/08	03546	FERGUSON WATERWORKS	0264033	04/14/08	INVENTORY	3,066.78	
				0260801	04/02/08	MUD VALVE	711.80	
				02640291	04/11/08	INVENTORY	705.63	4,484.21
2011814	05/14/08	03546	FERGUSON WATERWORKS	0265243	04/18/08	33A AIR VAC 1"	3,749.70	
				0265330	04/18/08	INVENTORY	181.02	3,930.72
2011926	05/21/08	02470	FIRST BANKCARD	000215	05/08/08	DISTRICT EXPENSES	1,238.61	
				000214	05/08/08	DISTRICT EXPENSES	966.95	

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				000219	05/08/08	DISTRICT EXPENSES	22.32	2,227.88
2011723	05/07/08	04066	FIRST CHOICE SERVICES - SD	295567C		CREDIT MEMO	(80.28)	
				295567	04/17/08	COFFEE SUPPLIES	388.84	308.56
2011927	05/21/08	04066	FIRST CHOICE SERVICES - SD	296061	05/01/08	COFFEE SUPPLIES	295.25	295.25
2011928	05/21/08	00035	FISHER SCIENTIFIC	7657888	04/25/08	LABORATORY SUPPLIES	223.11	223.11
2011815	05/14/08	07224	FRAZEE INDUSTRIES INC	882782	04/24/08	PAINT	799.07	799.07
2011724	05/07/08	02157	FRED PRYOR SEMINARS	10299897	04/29/08	REGISTRATION FEE	149.00	149.00
2012065	05/28/08	02254	FRY'S ELECTRONICS INC	000240	05/22/08	COMPUTER LOAN PROGRAM	2,076.78	2,076.78
2011996	05/28/08	08549	G R DEACON II	Ref002385306	05/27/08	UB Refund Cst #0000033104	52.44	52.44
2011997	05/28/08	08543	GABRIEL VACA	Ref002385299	05/27/08	UB Refund Cst #0000006886	54.57	54.57
2011929	05/21/08	06291	GARCIA CALDERON & RUIZ LLP	1742	05/12/08	LEGAL SERVICES - MARCH 2008	42,660.57	42,660.57
2011998	05/28/08	08571	GEUNG HUN PARK	Ref002385328	05/27/08	UB Refund Cst #0000119452	34.67	34.67
2011930	05/21/08	03537	GHA TECHNOLOGIES INC	487241	04/28/08	TONER	733.03	733.03
2011816	05/14/08	08503	GLENN JONES	Ref002384924	05/08/08	UB Refund Cst #0000038643	76.25	76.25
2012066	05/28/08	03289	GRANGER, WILLIAM E	000249	05/27/08	EMPLOYEE PROGRAM REIMBURSEMENT	183.71	183.71
2011931	05/21/08	01576	GRAYBAR ELECTRIC CO INC	933563425	04/22/08	METER FIBER	62.28	62.28
2011932	05/21/08	02187	GREENSCAPE	1892	05/01/08	LANDSCAPING SERVICES	5,800.00	5,800.00
2012067	05/28/08	02187	GREENSCAPE	1906	05/02/08	WEED ABATEMENT	2,600.00	2,600.00
2012068	05/28/08	08605	GREGORY MITCHELL	000251	05/27/08	DAMAGE CLAIM	225.00	225.00
2011817	05/14/08	08505	GUILLERMO LIZARRAGA	Ref002384927	05/08/08	UB Refund Cst #0000065783	38.15	38.15
2011725	05/07/08	00174	HACH COMPANY	5680549	04/14/08	LABORATORY SUPPLIES	1,391.78	1,391.78
2011933	05/21/08	00174	HACH COMPANY	2009149		CREDIT MEMO	(347.01)	
				5706815	05/01/08	CHLORINE & AMMONIA ANALYZER	1,958.36	
				5701070	04/28/08	LABORATORY SUPPLIES	179.30	
				5702907	04/29/08	LABORATORY SUPPLIES	33.18	1,823.83

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2011726	05/07/08	02629	HANSON AGGREGATES INC	558464	04/16/08	CRUSHED AGGREGATES & ROCK	614.64	614.64
2011818	05/14/08	00201	HARRINGTON INDUSTRIAL PLASTICS	00487813	04/18/08	CL2 POLYETHYLENE TUBING	37.01	37.01
2012069	05/28/08	00169	HAWTHORNE POWER SYSTEMS	PS100052449	05/02/08	REPAIR PARTS	302.04	302.04
2011727	05/07/08	06640	HD SUPPLY WATERWORKS LTD	7029487 7029596	04/16/08 04/16/08	INVENTORY INVENTORY	3,733.54 218.26	3,951.80
2011819	05/14/08	06640	HD SUPPLY WATERWORKS LTD	6997584 7064978 7061072 7096412 7096866	04/21/08 04/22/08 04/21/08 04/24/08 04/24/08	INVENTORY AIR VAC CANS INVENTORY AIR VAC CANS 4 X 2 REDUCING FLANGE	3,316.68 2,851.07 500.72 407.30 43.51	7,119.28
2011934	05/21/08	06640	HD SUPPLY WATERWORKS LTD	7134067 6897162 7088103 7113098	05/01/08 05/01/08 04/25/08 04/25/08	INVENTORY INVENTORY INVENTORY 4" FLANGED TEE	4,374.65 1,249.90 171.22 99.66	5,895.43
2012070	05/28/08	06640	HD SUPPLY WATERWORKS LTD	7153268 7189596	05/07/08 05/08/08	REDUCING FLANGE REDUCING FLANGE	185.60 33.83	219.43
2011728	05/07/08	04472	HECTOR I MARES-COSSIO	37	03/01/08	BI-NATIONAL CONSULTANT SERVICES	3,600.00	3,600.00
2011820	05/14/08	04799	HELIX WATER DISTRICT	000207	05/12/08	SEWER ACCOUNTS	379.31	379.31
2011999	05/28/08	08586	HERMAN WEISSKER INC	Ref002385343	05/27/08	UB Refund Cst #0000123979	717.31	717.31
2011729	05/07/08	00713	HEWLETT-PACKARD COMPANY	44071976	04/11/08	LAPTOP	1,049.94	1,049.94
2012071	05/28/08	00713	HEWLETT-PACKARD COMPANY	44223044	05/08/08	PC TO UPGRADE OLD COMPUTERS	13,111.95	13,111.95
2011821	05/14/08	06843	HI-TECH AIR CONDITIONING	3267	04/18/08	DATA CENTER AC MAINTENANCE	375.00	375.00
2011935	05/21/08	01109	HOME DEPOT CREDIT SERVICES	3196212	05/07/08	FAUCET	74.35	74.35
2011822	05/14/08	08516	HOMER FRANKLIN	Ref002384938	05/08/08	UB Refund Cst #0000104114	18.66	18.66
2011823	05/14/08	07489	IDENTICARD SYSTEMS	9307027138	04/23/08	DIGITAL CAMERA	340.58	340.58
2011730	05/07/08	03280	INFRASTRUCTURE ENGINEERING	3475	03/28/08	CONST CONSULTANTS / 640-1 RESERVOIR	1,153.50	1,153.50
2011936	05/21/08	02028	INTERACTIVE DATA PRICING AND	05661048	04/30/08	DIAL-UP SERVICE FOR INVESTMENTS	85.00	85.00
2011937	05/21/08	02372	INTERIOR PLANT SERVICE INC	27600	05/01/08	PLANT SERVICE	169.00	169.00

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2011824	05/14/08	02267	INTERNAL REVENUE SERVICE	Ben2385022	05/15/08	PAYROLL DEDUCTION	50.00	50.00
2012072	05/28/08	02267	INTERNAL REVENUE SERVICE	Ben2385285	05/29/08	PAYROLL DEDUCTION	50.00	50.00
2012000	05/28/08	08557	INTERNATIONAL BORDER TRANSPORT	Ref002385314	05/27/08	UB Refund Cst #0000090296	38.58	38.58
2011825	05/14/08	03250	INTERNATIONAL PUBLIC	000195	05/07/08	REGISTRATION FEE	20.00	20.00
2011731	05/07/08	03368	INVENSYS SYSTEMS INC	92191990	04/17/08	1090 RESERVOIR LEVEL TRANSMITTER REPL	1,259.82	1,259.82
2012001	05/28/08	08546	IRENE SMITH	Ref002385303	05/27/08	UB Refund Cst #0000020228	38.27	38.27
2011732	05/07/08	08497	ISABELLA MARTINEZ	000183	05/06/08	HIGH SCHOOL PHOTO CONTEST WINNER	100.00	100.00
2011733	05/07/08	06630	J C HEDEN AND ASSOCIATES INC	OWD018	04/14/08	AS NEEDED ENGINEERING DRAFTING SERVICE	5,128.25	5,128.25
2012002	05/28/08	08569	JAKE SEVERANCE	Ref002385326	05/27/08	UB Refund Cst #0000104340	27.64	27.64
2011938	05/21/08	03077	JANI KING OF CA INC - SDO	SDO05080339	05/01/08	OFF-SITE JANITORIAL SERVICES	1,000.00	1,000.00
2011734	05/07/08	08500	JEANCARLO RUIZ	000186	05/06/08	HIGH SCHOOL PHOTO CONTEST WINNER	100.00	100.00
2012003	05/28/08	08570	JEANNIE WEISS	Ref002385327	05/27/08	UB Refund Cst #0000119265	24.23	24.23
2011826	05/14/08	08504	JEFFREY SALLEE	Ref002384925	05/08/08	UB Refund Cst #0000041466	30.61	30.61
2012004	05/28/08	08550	JIMMY HAYES	Ref002385307	05/27/08	UB Refund Cst #0000038387	133.31	133.31
2012005	05/28/08	08581	JOHN CROSBY	Ref002385338	05/27/08	UB Refund Cst #0000122643	39.69	39.69
2011827	05/14/08	08517	JOHN MORELL	Ref002384939	05/08/08	UB Refund Cst #0000119416	75.00	75.00
2011828	05/14/08	08512	JOHN NORFOLK	Ref002384934	05/08/08	UB Refund Cst #0000084196	23.61	23.61
2011735	05/07/08	03172	JONES & STOKES ASSOCIATES	0051768 0051766 0051765	04/11/08 04/11/08 04/11/08	HABITAT MGMT ENVIRONMENTAL SVCS ON-CALL ENVIRONMENTAL SVCS ON-CALL ENVIRONMENTAL SVCS	21,175.05 15,186.25 5,813.93	42,175.23
2011829	05/14/08	08502	JORGE ESCALANTE	Ref002384923	05/08/08	UB Refund Cst #0000031312	22.62	22.62
2011830	05/14/08	08246	KATZ & ASSOCIATES INC	403801 403801A	12/10/07 12/10/07	PROFESSIONAL CONSULTING SERVICES PROFESSIONAL CONSULTING SERVICES	6,231.16 3,729.36	9,960.52
2012073	05/28/08	08609	KAY, DANIEL	000254	05/27/08	EDUCATION/TUITION REIMBURSEMENT	207.50	207.50

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2011736	05/07/08	08381	KEARNY MESA TOYOTA	41676	04/11/08	2008 TOYOTA MATRIX VEHICLE	17,909.26	71,637.04
				41471	04/11/08	2008 TOYOTA MATRIX VEHICLE	17,909.26	
				41174	04/11/08	2008 TOYOTA MATRIX VEHICLE	17,909.26	
				41226	04/11/08	2008 TOYOTA MATRIX VEHICLE	17,909.26	
2011831	05/14/08	01804	KEERAN, TIMOTHY R	000204	04/24/08	TRAVEL EXPENSE REIMBURSEMENT	227.10	227.10
2012006	05/28/08	08562	KEETON CONSTRUCTION CO	Ref002385319	05/27/08	UB Refund Cst #0000094513	1,682.51	1,682.51
2012074	05/28/08	06267	KELLY PAPER	1672241	05/22/08	PAPER FOR PUBLISHING BUDGET & CAFR	572.62	572.62
2012007	05/28/08	08564	KEN MILLER	Ref002385321	05/27/08	UB Refund Cst #0000094974	80.29	80.29
2011832	05/14/08	08508	KIM TEMERA	Ref002384930	05/08/08	UB Refund Cst #0000074182	5.37	5.37
2012008	05/28/08	08544	KIMBERLY ROLDAN	Ref002385301	05/27/08	UB Refund Cst #0000009944	47.13	47.13
2011737	05/07/08	05840	KIRK PAVING INC	3949	04/17/08	AS NEEDED PAVING SERVICES	4,400.00	7,447.00
				3946	04/11/08	AS NEEDED PAVING SERVICES	2,079.00	
				3950	04/17/08	AS NEEDED PAVING SERVICES	968.00	
2011833	05/14/08	05840	KIRK PAVING INC	3951	04/23/08	PAVING SERVICES	8,090.00	8,090.00
2011939	05/21/08	05840	KIRK PAVING INC	3956	04/29/08	PAVING SERVICES	3,932.00	6,234.00
				3957	04/29/08	AS NEEDED PAVING SERVICES	2,302.00	
2011834	05/14/08	04996	KNOX ATTORNEY SERVICE INC	299771	04/23/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	85.50
				299773	04/23/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				299772	04/23/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
2011940	05/21/08	04996	KNOX ATTORNEY SERVICE INC	300638	04/26/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	85.50
				300639	04/26/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				300637	04/26/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
2012075	05/28/08	04996	KNOX ATTORNEY SERVICE INC	303123	05/07/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	228.00
				302348	05/05/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				302351	05/05/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				302350	05/05/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				302349	05/05/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				303126	05/07/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				303125	05/07/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
				303124	05/07/08	DELIVERY OF BOARD & COMMITTEE PACKETS	28.50	
2011738	05/07/08	08496	KORINA HERNANDEZ	000182	05/06/08	HIGH SCHOOL PHOTO CONTEST WINNER	200.00	200.00
2012076	05/28/08	02063	LA MESA-SPRING VALLEY	2996	04/30/08	FUNDING FOR BUS	138.00	138.00

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2012009	05/28/08	08599	LASSLE BANK NATIONAL	Ref002385356	05/27/08	UB Refund Cst #0000125479	50.41	50.41
2011835	05/14/08	08514	LAWRENCE PFLIGER	Ref002384936	05/08/08	UB Refund Cst #0000087947	31.67	31.67
2011739	05/07/08	03607	LEE & RO INC	LR050508	05/05/08	ASCE ANNUAL AWARDS	340.00	340.00
2011740	05/07/08	00491	LIGHTHOUSE INC	2077621	04/15/08	REPAIR PARTS	784.90	784.90
2011836	05/14/08	00491	LIGHTHOUSE INC	2081070 2080332	04/22/08 04/21/08	RETROFIT LED LIGHTING FOR UNIT 136 LED LIGHTS	1,573.27 275.56	1,848.83
2011837	05/14/08	08477	LINDA HARRIS	000201	05/08/08	UB REFUND CST #0000125486	22.31	22.31
2012010	05/28/08	08590	LINDA RING	Ref002385347	05/27/08	UB Refund Cst #0000124746	44.22	44.22
2012011	05/28/08	08598	LINDA RING	Ref002385355	05/27/08	UB Refund Cst #0000125478	52.58	52.58
2011741	05/07/08	03784	LIVESCAN EL CAJON	08758	04/17/08	FINGERPRINTING SERVICES	140.00	140.00
2012012	05/28/08	08561	LUSARDI CONSTRUCTION CO	Ref002385318	05/27/08	UB Refund Cst #0000094501	351.22	351.22
2011742	05/07/08	01464	MAG SYSTEMS INC	159414853	04/17/08	SOLAR UPGRADE PROJ SIGNAL ISOLATORS	1,347.07	1,347.07
2011941	05/21/08	03385	MAGANA, MANNY J	15970508 15970408	05/19/08 05/15/08	REIMBURSE TRAVEL CONF EXPENSES REIMBURSE TRAVEL CONF EXPENSES	254.00 184.00	438.00
2011838	05/14/08	08510	MAL HEE LEE	Ref002384932	05/08/08	UB Refund Cst #0000078949	62.81	62.81
2011942	05/21/08	00628	MANHATTAN NAT'L LIFE INS CO	000226	05/19/08	VOLUNTARY LIFE INSURANCE	445.07	445.07
2012013	05/28/08	08582	MARC CARPENTER & ASSOC	Ref002385339	05/27/08	UB Refund Cst #0000122736	22.39	22.39
2012014	05/28/08	08580	MARIA URIBE	Ref002385337	05/27/08	UB Refund Cst #0000121933	46.11	46.11
2012015	05/28/08	08547	MARISELA CASTRO	Ref002385304	05/27/08	UB Refund Cst #0000025338	37.85	37.85
2011743	05/07/08	02902	MARSTON+MARSTON INC	23368	04/24/08	RENTALS FOR MICROTURBINE DEDICATION	383.18	383.18
2011839	05/14/08	02902	MARSTON+MARSTON INC	20085	05/01/08	PUBLIC RELATIONS SERVICES	6,090.24	6,090.24
2012016	05/28/08	08573	MARY REDDEN	Ref002385330	05/27/08	UB Refund Cst #0000120468	164.78	164.78
2011943	05/21/08	05329	MASTER METER INC	0138929IN 0138393IN 0138860IN	04/30/08 04/22/08 04/30/08	INVENTORY AMR RECEIVER AND ANTENNA DMMR RECEIVER FOR AMR METER READING	37,619.45 3,136.91 2,798.57	43,554.93

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2011744	05/07/08	02882	MAYER REPROGRAPHICS INC	0030615IN	04/15/08	REPROGRAPHICS	1,886.04	1,886.04
2011745	05/07/08	01183	MCMaster-CARR SUPPLY CO	84950885	04/14/08	WAREHOUSE SUPPLIES	460.43	
				85083742	04/15/08	REPAIR PARTS	135.50	
				85140746	04/16/08	HOUR METERS	99.68	695.61
2011840	05/14/08	01183	MCMaster-CARR SUPPLY CO	85336776	04/18/08	REPAIR PARTS	180.76	180.76
2011944	05/21/08	01183	MCMaster-CARR SUPPLY CO	85980230	04/29/08	CHOPPER PUMP PARTS	586.36	
				86112722	05/01/08	12" CUTOFF WHEEL	372.58	
				85781425	04/25/08	BRASS BALL VALVE W/ LOCKABLE HANDLE	350.18	
				86164951	05/01/08	CHOPPER PUMP PARTS	270.93	
				85929292	04/29/08	CHOPPER PUMP PARTS	202.63	
				85929775	04/29/08	RELIEF VALVE	56.12	
				84883926	04/11/08	REPAIR PARTS	24.78	1,863.58
2012077	05/28/08	01183	MCMaster-CARR SUPPLY CO	86596644	05/07/08	PARTS	313.61	313.61
2011841	05/14/08	03745	MEDEROS, CHARLES	000202	05/08/08	EDUCATION/TUITION REIMBURSEMENT	1,353.57	1,353.57
2012017	05/28/08	08568	MELISSA FIEDLER	Ref002385325	05/27/08	UB Refund Cst #0000097401	41.84	41.84
2012018	05/28/08	08566	MELISSA PALEN	Ref002385323	05/27/08	UB Refund Cst #0000095133	51.70	51.70
2012019	05/28/08	08585	MICHAEL C HOWINGTON	Ref002385342	05/27/08	UB Refund Cst #0000123877	39.23	39.23
2011842	05/14/08	08528	MICHAEL HIGDON	000192	05/07/08	ARTIFICIAL TURF REBATE	600.00	600.00
2012020	05/28/08	08594	MICHAEL SOLORIO	Ref002385351	05/27/08	UB Refund Cst #0000125106	18.88	18.88
2011843	05/14/08	08336	MICHAEL WRIGHT	Ref002384921	05/08/08	UB Refund Cst #0000009845	58.10	58.10
2012021	05/28/08	08336	MICHAEL WRIGHT	Ref002385300	05/27/08	UB Refund Cst #0000009845	135.21	135.21
2012022	05/28/08	08552	MICHELLE BASULTO	Ref002385309	05/27/08	UB Refund Cst #0000069114	85.02	85.02
2011746	05/07/08	01577	MINARIK CORPORATION	I0562211DD	04/16/08	GE FANUC PLC MODULES	379.54	379.54
2011844	05/14/08	01577	MINARIK CORPORATION	I0564876DD	04/24/08	GE FANUC PLC MODULES	995.26	995.26
2011945	05/21/08	01577	MINARIK CORPORATION	I0565288DD	04/25/08	GE FANUC PLC MODULES	995.18	995.18
2012023	05/28/08	08548	MITCHELL GOTTLIEB	Ref002385305	05/27/08	UB Refund Cst #0000028842	45.00	45.00
2011747	05/07/08	03393	MOBILE MINI LLC - CA	904116148	04/15/08	RENTAL 40' METERS STORAGE CONTAINER	164.90	164.90

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2011845	05/14/08	03393	MOBILE MINI LLC - CA	904117838	04/21/08	RENTAL 40' METERS STORAGE CONTAINER	170.88	170.88
2012024	05/28/08	08560	MONICA VARGAS	Ref002385317	05/27/08	UB Refund Cst #0000092758	123.50	123.50
2011946	05/21/08	02260	MORSE SCALE INC	10092	04/30/08	CERTIFY HOIST LIFTING CAPACITY	610.00	610.00
2011748	05/07/08	01701	MUNOZ, JERRY A	000181	04/25/08	TRAVEL EXPENSE REIMBURSEMENT	132.00	132.00
2012078	05/28/08	03623	MWH AMERICAS INC	1182074	04/27/08	PROFESSIONAL SERVICES	517.00	517.00
2012079	05/28/08	02764	MYRON L COMPANY	294115	05/07/08	REPAIR OF LAB EQUIPMENT	283.28	283.28
2011846	05/14/08	08410	NAHUM MENDEZ	Ref002384626	04/28/08	UB Refund Cst #0000003177	80.64	80.64
2011847	05/14/08	03523	NATIONAL DEFERRED COMPENSATION	Ben2385018	05/15/08	DEFERRED COMP PLAN	8,081.11	8,081.11
2012080	05/28/08	03523	NATIONAL DEFERRED COMPENSATION	Ben2385281	05/29/08	DEFERRED COMP PLAN	8,265.32	8,265.32
2011947	05/21/08	03487	NETWORK INSIGHT	NISD200802345	04/30/08	NETWORK MONITORING SERVICES	900.00	900.00
2011749	05/07/08	00745	NEWARK	15761146	04/16/08	SWITCH FOR SCADA RTU PANELS	56.56	56.56
2012081	05/28/08	05494	NEXTEL COMMUNICATIONS	901500243020	05/12/08	GIS (AIR-TRAK) CELLULAR SERVICE	3,544.73	3,544.73
2011750	05/07/08	03571	NEXTLEVEL INTERNET INC	15418	04/14/08	INTERNET WEB HOSTING	416.00	416.00
2011848	05/14/08	05332	NOLTE ASSOCIATES INC	8080080	04/18/08	850-4 RESERVOIR STRUCTURAL	1,237.50	1,237.50
2012025	05/28/08	08593	OAK TREE REALTY	Ref002385350	05/27/08	UB Refund Cst #0000124938	53.83	53.83
2012026	05/28/08	08602	OAKTREE REALTY	Ref002385359	05/27/08	UB Refund Cst #0000125792	47.73	47.73
2011751	05/07/08	00510	OFFICE DEPOT INC	427054118001	04/16/08	OFFICE SUPPLIES	158.85	203.45
				427111503001	04/16/08	OFFICE SUPPLIES	44.60	
2011948	05/21/08	00510	OFFICE DEPOT INC	427809479001	04/30/08	PAPER	136.97	239.07
				428039334001	04/30/08	OFFICE SUPPLIES	102.10	
2011849	05/14/08	07945	OLIN CORPORATION	1017009	04/23/08	CHLORINE FOR TREATMENT PLANT	2,187.55	2,187.55
2012082	05/28/08	07945	OLIN CORPORATION	1022045	05/07/08	CHLORINE FOR TREATMENT PLANT	2,187.55	2,187.55
2011850	05/14/08	03149	ON SITE LASER	41057	04/17/08	SERVICE ON PRINTER	349.15	349.15
2011949	05/21/08	00496	ONESOURCE DISTRIBUTORS LLC	S2895738001	04/18/08	ETHERNET SWITCHES	1,827.04	1,827.04

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2012027	05/28/08	08578	OSCAR GARCIA	Ref002385335	05/27/08	UB Refund Cst #0000121565	86.24	86.24
2011851	05/14/08	01718	OTAY MESA CHAMBER OF COMMERCE	000194	05/02/08	MEMBERSHIP RENEWAL	550.00	550.00
2011852	05/14/08	03101	OTAY WATER DISTRICT	Ben2385020	05/15/08	PAYROLL DEDUCTION - ASSN DUES	805.00	805.00
2012083	05/28/08	03101	OTAY WATER DISTRICT	Ben2385283	05/29/08	PAYROLL DEDUCTION - ASSN DUES	812.00	812.00
2012084	05/28/08	07499	PACIFIC BUILDING MAINTENANCE	15517	05/02/08	JANITORIAL SERVICES ADMIN, WH, TP & OPS	2,795.00	2,795.00
2011752	05/07/08	04463	PACIFIC GREEN LANDSCAPE INC	0046726IN	04/15/08	WEED ABATEMENT	590.00	590.00
2011950	05/21/08	04463	PACIFIC GREEN LANDSCAPE INC	0046853IN	04/30/08	WEED ABATEMENT	490.00	490.00
2011753	05/07/08	06646	PACIFIC HYDROTECH CORPORATION	15	03/31/08	CONSTRUCTION SERVICES	619,007.96	619,007.96
2011951	05/21/08	06646	PACIFIC HYDROTECH CORPORATION	16	04/30/08	CONSTRUCTION SERVICES	723,581.75	723,581.75
2011952	05/21/08	05497	PAYPAL INC	1864040	04/30/08	ON-LINE PAYMENT SERVICES	370.20	370.20
2011853	05/14/08	08515	PAYTRENEILLA RUCKER	Ref002384937	05/08/08	UB Refund Cst #0000090843	6.58	6.58
2011754	05/07/08	03308	PBS&J	1003524	04/15/08	2009 MASTER PLAN UPDATE	33,476.25	33,476.25
2011755	05/07/08	03649	PECK'S HEAVY FRICTION INC	182931 182920	04/14/08 04/14/08	REPAIR PARTS BRAKE PADS	395.34 42.67	438.01
2011854	05/14/08	03790	PENHALL COMPANY	10179	04/24/08	FLAT SAW CUTTING SERVICES	195.00	195.00
2011756	05/07/08	00593	PEPPER OIL COMPANY INC	606577	04/17/08	UNLEADED FUEL	18,827.29	18,827.29
2011855	05/14/08	00137	PETTY CASH CUSTODIAN	000209	05/14/08	PETTY CASH REIMBURSEMENT	759.07	759.07
2012119	05/28/08	00137	PETTY CASH CUSTODIAN	000245	05/27/08	PETTY CASH REIMBURSEMENT	434.38	434.38
2011953	05/21/08	05333	PITTMAN, TINA	000229	05/19/08	SAFETY SHOES REIMBURSEMENT	97.41	97.41
2011757	05/07/08	05499	PRAXAIR DISTRIBUTION INC	29241997	04/14/08	WELD SUPPLIES	80.77	80.77
2011856	05/14/08	05499	PRAXAIR DISTRIBUTION INC	29299412	04/20/08	WELDING SUPPLIES & EQUIPMENT	620.33	620.33
2011954	05/21/08	02976	PRE-PAID LEGAL SERVICES INC	000227	05/19/08	LEGAL SERVICES	73.75	73.75
2011857	05/14/08	08521	PROJECT RESOURCES INC	Ref002384943	05/08/08	UB Refund Cst #0000123748	850.00	850.00

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2011758	05/07/08	06641	PRUDENTIAL OVERALL SUPPLY	8071655	04/17/08	UNIFORMS	277.66	843.80
				7897462	03/06/08	BLUE JACKETS	122.82	
				8071654	04/17/08	MATS, TOWELS & SUPPLIES	114.68	
				8071656	04/17/08	MATS, TOWELS & SUPPLIES	93.74	
				8065812	04/16/08	MATS, TOWELS & SUPPLIES	86.90	
				8065811	04/16/08	UNIFORMS	75.94	
				8071657	04/17/08	UNIFORMS	72.06	
2011858	05/14/08	06641	PRUDENTIAL OVERALL SUPPLY	8100622	04/24/08	UNIFORMS	277.66	720.98
				8100621	04/24/08	MATS, TOWELS & SUPPLIES	114.68	
				8100623	04/24/08	MATS, TOWELS & SUPPLIES	93.74	
				8094727	04/23/08	MATS, TOWELS & SUPPLIES	86.90	
				8094726	04/23/08	UNIFORMS	75.94	
				8100624	04/24/08	UNIFORMS	72.06	
2011955	05/21/08	06641	PRUDENTIAL OVERALL SUPPLY	8128414	05/01/08	UNIFORMS	275.98	594.17
				8128413	05/01/08	MATS, TOWELS & SUPPLIES	114.68	
				8128415	05/01/08	MATS, TOWELS & SUPPLIES	93.74	
				8128416	05/01/08	UNIFORMS	72.06	
				8013789	04/03/08	UNIFORM BLUE JACKET	37.71	
2012085	05/28/08	06641	PRUDENTIAL OVERALL SUPPLY	8154777	05/08/08	UNIFORMS	287.66	899.16
				8154776	05/08/08	MATS, TOWELS & SUPPLIES	114.68	
				8154778	05/08/08	MATS, TOWELS & SUPPLIES	93.74	
				8149440	05/07/08	MATS, TOWELS & SUPPLIES	86.90	
				8123082	04/30/08	MATS, TOWELS & SUPPLIES	86.90	
				8149439	05/07/08	UNIFORMS	78.72	
				8123081	04/30/08	UNIFORMS	75.94	
				8154779	05/08/08	UNIFORMS	74.62	
2011759	05/07/08	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2384717	05/01/08	PERS CONTRIBUTION	120,262.96	120,262.96
2011956	05/21/08	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2385014	05/15/08	PERS CONTRIBUTION (PRE-TAX)	120,971.80	120,971.80
2012086	05/28/08	01409	PUMP CHECK	3007	04/28/08	PUMP CHECK TESTING	975.00	2,145.00
				3012	05/05/08	PUMP EFFICIENCY TESTING	780.00	
				3013	05/05/08	PUMP EFFICIENCY TESTING	390.00	
2011760	05/07/08	01342	R J SAFETY SUPPLY CO INC	24865000	04/16/08	LADDER SAFETY SYSTEM PARTS	883.55	1,193.50
				24876001	04/14/08	SAFETY ITEMS	309.95	
2011761	05/07/08	00766	RANROY PRINTING COMPANY	093464	04/14/08	LETTERHEAD AND ENVELOPES	1,853.30	1,926.57
				093517	04/17/08	BUSINESS CARDS	73.27	
2012087	05/28/08	00766	RANROY PRINTING COMPANY	093638	05/05/08	BUSINESS CARDS	116.37	116.37

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2011762	05/07/08	02041	RBF CONSULTING	8030285 8030286	04/11/08 04/11/08	CIP P2185-CONST MGMT SVCS CIP P2009 - 36 INCH PIPELINE	40,070.00 19,080.00	59,150.00
2011763	05/07/08	00021	RCP BLOCK & BRICK INC	4325737	04/14/08	PORTLAND CEMENT	373.35	373.35
2012088	05/28/08	00021	RCP BLOCK & BRICK INC	4326311	05/03/08	PORTLAND CEMENT	266.68	266.68
2011957	05/21/08	01722	RDO EQUIPMENT CO	P27978	04/29/08	REPAIR PART	298.31	298.31
2011958	05/21/08	06645	RELIABLE ELEVATOR INC	12779 12616	04/30/08 05/01/08	ELEVATOR SAFETY TESTS ELEVATOR SERVICE & MAINTENANCE	1,750.00 390.00	2,140.00
2012089	05/28/08	06645	RELIABLE ELEVATOR INC	12780	05/05/08	ELEVATOR REPAIR	420.00	420.00
2012090	05/28/08	00521	RICK POST WELDING	8024 8026	02/28/08 02/28/08	WELDING SERVICES & WET TAP WELDING SERVICES	800.00 450.00	1,250.00
2011859	05/14/08	08527	ROADWAY EXPRESS	Ref002384951	05/08/08	UB Refund Cst #0000126355	664.10	664.10
2011959	05/21/08	04542	ROBAK, MARK	70140408	04/30/08	REIMBURSE MILEAGE EXPENSE	23.23	23.23
2011860	05/14/08	07888	ROBERT HART	Ref002384926	05/08/08	UB Refund Cst #0000049530	60.00	60.00
2011861	05/14/08	05113	ROCKWELL ENGINEERING	10297	04/21/08	CHOPPER PUMPS FOR STEELE CANYON	17,125.12	17,125.12
2011862	05/14/08	08511	RODNEY STANSEL	Ref002384933	05/08/08	UB Refund Cst #0000083889	75.00	75.00
2012028	05/28/08	08592	RUBEN GONZALEZ	Ref002385349	05/27/08	UB Refund Cst #0000124892	31.70	31.70
2011960	05/21/08	00217	RW LITTLE CO INC	87469	04/25/08	POWDER COAT WWTP PARTS	150.00	150.00
2011764	05/07/08	02390	SAFE HEARING AMERICA INC	13826	04/14/08	HEARING EXAMS	925.25	925.25
2011863	05/14/08	03687	SAFETY-KLEEN SYSTEMS INC	0036192104	04/18/08	SOLVENT TANK SERVICE	177.70	177.70
2011864	05/14/08	08506	SAICHON BANTHAW	Ref002384928	05/08/08	UB Refund Cst #0000070870	63.51	63.51
2011765	05/07/08	08494	SAMUEL NAVAR	200127421	05/05/08	OVERPAYMENT ON WATER ACCOUNT	326.37	326.37
2012091	05/28/08	00003	SAN DIEGO COUNTY WATER	6603 6620 6587	05/06/08 05/06/08 05/06/08	WASHER VOUCHER PROGRAM TOILET VOUCHER PROGRAM CII VOUCHER PROGRAM	7,944.00 240.00 184.08	8,368.08
2012092	05/28/08	00003	SAN DIEGO COUNTY WATER	6639	05/06/08	SMART LANDSCAPE PROGRAM	1,740.00	1,740.00
2012093	05/28/08	00247	SAN DIEGO DAILY TRANSCRIPT	95511	05/05/08	BID ADVERTISEMENT	129.05	

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				95956	05/08/08	BID ADVERTISEMENT	84.05	213.10
2011766	05/07/08	03231	SAN DIEGO EAST COUNTY	14793	05/01/08	ANNUAL MEMBERSHIP RENEWAL	330.00	330.00
2011767	05/07/08	00121	SAN DIEGO GAS & ELECTRIC	000176 000173	05/05/08 05/02/08	UTILITY EXPENSES UTILITY EXPENSES	7,467.77 1,144.98	8,612.75
2011865	05/14/08	00121	SAN DIEGO GAS & ELECTRIC	000197 000189 000199	05/05/08 05/02/08 05/05/08	UTILITY EXPENSES UTILITY EXPENSES UTILITY EXPENSES	31,970.49 19,996.00 10,725.94	62,692.43
2011961	05/21/08	00121	SAN DIEGO GAS & ELECTRIC	000222	05/02/08	UTILITY EXPENSE	776.51	776.51
2012094	05/28/08	00121	SAN DIEGO GAS & ELECTRIC	000236 000243	05/19/08 05/19/08	UTILITY EXPENSES UTILITY EXPENSE	58,071.23 20,803.02	78,874.25
2011866	05/14/08	03809	SAN DIEGO NEIGHBORHOOD NEWS	01528892001	05/09/08	JOB POSTING	88.20	88.20
2012095	05/28/08	04345	SAN DIEGO PRECAST CONCRETE INC	0130266IN	05/05/08	GRADE RINGS	573.77	573.77
2011962	05/21/08	03701	SAN DIEGO PROJECT HEARTBEAT	SD2078	04/13/08	AED/PAD PROGRAM SERVICE AGREEMENT	150.00	150.00
2011867	05/14/08	08524	SAN DIEGO REALTY	Ref002384947	05/08/08	UB Refund Cst #0000125675	59.96	59.96
2011868	05/14/08	08525	SAN DIEGO REALTY	Ref002384948	05/08/08	UB Refund Cst #0000125680	14.70	14.70
2012029	05/28/08	08587	SAN DIEGO REALTY INC	Ref002385344	05/27/08	UB Refund Cst #0000124459	18.21	18.21
2011869	05/14/08	08509	SANDRA HAHN	Ref002384931	05/08/08	UB Refund Cst #0000075933	64.80	64.80
2011963	05/21/08	00419	SHAPE PRODUCTS	134184	04/24/08	LABORATORY SUPPLIES	479.26	479.26
2011964	05/21/08	05421	SHERWIN-WILLIAMS CO	34321	04/30/08	PAINT LINERS	123.59	123.59
2011965	05/21/08	05983	SIEMENS WATER	2445833 2445835	05/01/08 05/01/08	W&T TOTAL CL2 ANALYZER CIRCUIT BOARDS MICRO 2000 RETROFIT KIT CONTROL	4,248.17 3,176.83	7,425.00
2012096	05/28/08	04544	SIGN CRAFTERS	8381	05/07/08	SAFETY SIGNS	301.70	301.70
2011966	05/21/08	05627	SIGNA DIGITAL SOLUTIONS INC	ARS15998	05/01/08	COPIER MAINTENANCE	31.00	31.00
2012097	05/28/08	05627	SIGNA DIGITAL SOLUTIONS INC	ARS16072 ARS16115	05/05/08 05/06/08	COPIER MAINTENANCE COPIER MAINTENANCE	550.00 131.00	681.00
2012098	05/28/08	06277	SIGNATURE PRESS	68589	04/24/08	WATER CONSERVATION POSTCARDS	672.65	672.65

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2011768	05/07/08	03612	SIMON WONG ENGINEERING	10324	03/31/08	1485-1 PUMP STATION DESIGN	17,276.50	17,276.50
2011769	05/07/08	01691	SKILLPATH SEMINARS	9440598	03/05/08	REGISTRATION FEE	25.00	25.00
2011870	05/14/08	08526	SKYLINE CHURCH	Ref002384950	05/08/08	UB Refund Cst #0000126275	1,890.74	1,890.74
2011967	05/21/08	00258	SLOAN ELECTRIC CO	0053639	04/28/08	SIEMENS SOFT START	4,017.28	4,017.28
2012030	05/28/08	08545	SONJA GISELBRECHT	Ref002385302	05/27/08	UB Refund Cst #0000013508	44.96	44.96
2011770	05/07/08	02918	SOUTH BAY FOUNDRY INC	0092683IN	04/11/08	MAN HOLE COVER	785.50	785.50
2012031	05/28/08	08574	SOUTHBAY EXPRESSWAY LLC	Ref002385331	05/27/08	UB Refund Cst #0000120631	985.67	985.67
2011771	05/07/08	03103	SOUTHCOAST HEATING &	C36507	04/11/08	AIR CONDITIONING MAINTENANCE	857.00	857.00
2011772	05/07/08	06853	SOUTHERN CALIFORNIA SOIL	346330 346323	03/31/08 03/31/08	ON CALL GEOTECHNICAL SERVICES ON CALL GEOTECHNICAL SERVICES	789.00 384.00	1,173.00
2011773	05/07/08	02594	SOUTHWESTERN COLLEGE	1	04/24/08	SPONSORSHIP	5,000.00	5,000.00
2011774	05/07/08	03760	SPANKY'S PORTABLE SERVICES INC	729886 729883 729884 729885 730167 731431	04/11/08 04/11/08 04/11/08 04/11/08 04/14/08 04/23/08	PORTABLE TOILET RENTAL PORTABLE TOILET RENTAL PORTABLE TOILET RENTAL PORTABLE TOILET RENTAL PORTABLE TOILET RENTAL PORTABLE TOILET RENTAL	79.96 79.96 79.96 79.96 79.96 79.96	479.76
2011968	05/21/08	03760	SPANKY'S PORTABLE SERVICES INC	732897	05/01/08	PORTABLE TOILET RENTAL	98.15	98.15
2012099	05/28/08	03516	SPECIAL DISTRICT RISK	VA2656	05/19/08	COLLISION DEDUCTIBLE	1,000.00	1,000.00
2011969	05/21/08	00590	SPECIALTY SEALS & ACCESSORIES	25767	04/30/08	REBUILD MECHANICAL SEAL	342.12	342.12
2011970	05/21/08	01717	SPRING VALLEY CHAMBER OF	000217	05/12/08	ANNUAL MEMBERSHIP RENEWAL	550.00	550.00
2011971	05/21/08	04843	SPRING VALLEY KIWANIS	000216	05/15/08	PROGRAM AD	75.00	75.00
2012100	05/28/08	03600	SPRINT	000224	05/13/08	WIRELESS CARDS SERVICE - INTERNET	59.99	59.99
2011775	05/07/08	02354	STANDARD ELECTRONICS	10854	04/17/08	SECURITY SERVICE & REPAIRS	149.65	149.65
2011871	05/14/08	02354	STANDARD ELECTRONICS	10883	04/22/08	ACCESS CONTROL READER	3,716.00	3,716.00
2011972	05/21/08	02354	STANDARD ELECTRONICS	10911	04/29/08	SECURITY SYSTEM BATTERIES	1,410.00	1,410.00

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Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2011776	05/07/08	01560	STATE CHEMICAL MFG CO, THE	93700568	02/25/08	CLEANING SUPPLIES	176.34	176.34
2011872	05/14/08	06295	STATE DISBURSEMENT UNIT	Ben2385028	05/15/08	PAYROLL DEDUCTION	294.46	294.46
2011873	05/14/08	06299	STATE DISBURSEMENT UNIT	Ben2385026	05/15/08	PAYROLL DEDUCTION	237.69	237.69
2011874	05/14/08	06303	STATE DISBURSEMENT UNIT	Ben2385030	05/15/08	PAYROLL DEDUCTION	614.76	614.76
2011875	05/14/08	08533	STATE DISBURSEMENT UNIT	000206	05/13/08	PAYROLL DEDUCTION	803.64	803.64
2012101	05/28/08	06295	STATE DISBURSEMENT UNIT	Ben2385291	05/29/08	PAYROLL DEDUCTION	294.46	294.46
2012102	05/28/08	06299	STATE DISBURSEMENT UNIT	Ben2385289	05/29/08	PAYROLL DEDUCTION	237.69	237.69
2012103	05/28/08	06303	STATE DISBURSEMENT UNIT	Ben2385293	05/29/08	PAYROLL DEDUCTION	614.76	614.76
2012104	05/28/08	08533	STATE DISBURSEMENT UNIT	000253	05/28/08	PAYROLL DEDUCTION	803.64	803.64
2011876	05/14/08	02261	STATE STREET BANK & TRUST CO	Ben2385016	05/15/08	DEFERRED COMP PLAN	7,815.71	7,815.71
2012105	05/28/08	02261	STATE STREET BANK & TRUST CO	Ben2385279	05/29/08	DEFERRED COMP PLAN	7,815.71	7,815.71
2011777	05/07/08	05755	STATE WATER RESOURCES	945208 2767008	04/29/08 04/29/08	CERTIFICATE RENEWAL CERTIFICATE RENEWAL	170.00 170.00	340.00
2011778	05/07/08	08499	STEPHANIE GUTIERREZ	000185	05/06/08	HIGH SCHOOL PHOTO CONTEST WINNER	200.00	200.00
2011877	05/14/08	08529	STEVE JANSEN	000193	05/07/08	ARTIFICIAL TURF REBATE	472.00	472.00
2011878	05/14/08	03738	STEVEN ENTERPRISES INC	0217686IN	04/18/08	ENGINEERING BOND PAPER	78.96	78.96
2011879	05/14/08	08413	STEVEN STARWALT	Ref002384922	05/08/08	UB Refund Cst #0000020884	11.70	11.70
2012032	05/28/08	08554	TARIK ATTAR	Ref002385311	05/27/08	UB Refund Cst #0000075030	112.56	112.56
2012033	05/28/08	08588	TEAM TOWNSON	Ref002385345	05/27/08	UB Refund Cst #0000124562	27.64	27.64
2012034	05/28/08	08596	TEAM TOWNSON	Ref002385353	05/27/08	UB Refund Cst #0000125354	38.37	38.37
2011880	05/14/08	08470	TEAMWERK REALTY	Ref002384944	05/08/08	UB Refund Cst #0000124760	37.71	37.71
2011973	05/21/08	02376	TECHKNOWSION INC	2058	04/30/08	SCADA SUPPORT	3,475.37	3,475.37
2012035	05/28/08	08601	TICOR TITLE COMPANY	Ref002385358	05/27/08	UB Refund Cst #0000125782	87.47	87.47
2012106	05/28/08	04977	T-MOBILE	000238	05/01/08	CELL PHONE & BLACKBERRY SERVICES	1,330.08	1,330.08

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2012107	05/28/08	08607	TOMAS TORRES	000247	05/21/08	SMART CONTROLLER REBATE	323.48	323.48
2011974	05/21/08	02641	TRANE CO	8447768	04/29/08	AIR CONDITIONING UPGRADE	14,647.00	14,647.00
2012036	05/28/08	08589	TRIAD PROPERTIES	Ref002385346	05/27/08	UB Refund Cst #0000124607	58.10	58.10
2011779	05/07/08	07674	U S BANK CORPORATE PAYMENT	000188	03/24/08	DISTRICT EXPENSE	410.00	410.00
2011881	05/14/08	07674	U S BANK CORPORATE PAYMENT	000211	04/22/08	DISTRICT EXPENSES	2,200.28	2,200.28
2012108	05/28/08	07674	U S BANK CORPORATE PAYMENT	000237 000221	04/22/08 04/22/08	DISTRICT EXPENSES DISTRICT EXPENSES	319.07 3,163.73	3,482.80
2011975	05/21/08	00427	UNDERGROUND SERVICE ALERT OF	420080450	05/01/08	UNDERGROUND TRENCH SVC ALERTS	361.50	361.50
2011976	05/21/08	03563	UNDERGROUND UTILITIES INC	046800	04/30/08	METER RETROFIT	29,095.00	29,095.00
2012109	05/28/08	03563	UNDERGROUND UTILITIES INC	046802	05/06/08	METER RETROFIT	4,135.00	4,135.00
2011977	05/21/08	08262	UNITED RENTALS NORTHWEST INC	73238513001	04/25/08	CONCRETE	118.53	118.53
2012110	05/28/08	08262	UNITED RENTALS NORTHWEST INC	73408216001	05/02/08	CONCRETE	197.79	197.79
2011882	05/14/08	05417	UNITED STATES DEPARTMENT	Ben2385032	05/15/08	PAYROLL DEDUCTION	100.00	100.00
2012111	05/28/08	05417	UNITED STATES DEPARTMENT	Ben2385295	05/29/08	PAYROLL DEDUCTION	100.00	100.00
2011883	05/14/08	03436	UNITED STATES POSTAL SERVICE	1683	05/09/08	POSTAGE FOR AVAILABILITY NOTICES	1,434.21	1,434.21
2011978	05/21/08	00350	UNITED STATES POSTAL SERVICE	000220	05/15/08	REIMBURSE POSTAGE MACHINE	1,500.00	1,500.00
2012112	05/28/08	07662	UNITEDHEALTHCARE SPECIALTY	000252	05/28/08	BASIC LIFE/AD&D & SUPP LIFE INS	5,082.50	5,082.50
2011979	05/21/08	05416	UNIVERSITY MECHANICAL &	14141	11/30/07	CA WASTEWATER OPTIMIZATION PROGRAM	3,556.00	3,556.00
2012113	05/28/08	03212	UNUM LIFE INSURANCE	Ben2385275	05/29/08	LONG TERM DISABILITY	6,327.09	6,327.09
2012037	05/28/08	08572	US BANK	Ref002385329	05/27/08	UB Refund Cst #0000119791	101.14	101.14
2011884	05/14/08	08532	US FISH AND WILDLIFE SERVICE	000203	05/12/08	FED FISH & WILDLIFE PERMIT FEE	100.00	100.00
2012038	05/28/08	08603	USRES	Ref002385360	05/27/08	UB Refund Cst #0000126042	23.62	23.62
2011885	05/14/08	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2385024	05/15/08	DEFERRED COMP PLAN	7,278.50	7,278.50

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2012114	05/28/08	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2385287	05/29/08	DEFERRED COMP PLAN	7,014.92	7,014.92
2011780	05/07/08	03329	VERIZON WIRELESS	0650272421	04/21/08	WIRELESS DATA SERVICES	6,265.01	6,265.01
2012039	05/28/08	08597	VICTOR SALAZAR	Ref002385354	05/27/08	UB Refund Cst #0000125471	79.94	79.94
2012040	05/28/08	08576	VINCENT KELLOUGH	Ref002385333	05/27/08	UB Refund Cst #0000121343	35.69	35.69
2012041	05/28/08	08559	VIRGILIO RINCON	Ref002385316	05/27/08	UB Refund Cst #0000092385	39.97	39.97
2011781	05/07/08	00101	W W GRAINGER INC	9616741923 9617503546 9619111694	04/15/08 04/16/08 04/17/08	REPAIR PARTS CONDUIT FITTINGS BATTERIES	300.62 155.12 141.59	597.33
2011980	05/21/08	00101	W W GRAINGER INC	9630167717	05/01/08	WAREHOUSE SUPPLIES	881.27	881.27
2012115	05/28/08	00101	W W GRAINGER INC	9633335048 9631107555	05/06/08 05/02/08	DISINFECTION DEPARTMENT TOOLS WAREHOUSE SUPPLIES	106.40 44.91	151.31
2011886	05/14/08	08523	WACHOVIA BANK FSB	Ref002384946	05/08/08	UB Refund Cst #0000125415	83.99	83.99
2012042	05/28/08	08575	WASHINGTON MUTUAL	Ref002385332	05/27/08	UB Refund Cst #0000120790	11.92	11.92
2011887	05/14/08	02700	WATER CONSERVATION GARDEN	OTAY40708	04/21/08	OPERATING COSTS	19,687.50	19,687.50
2012116	05/28/08	02700	WATER CONSERVATION GARDEN	000255 000256	05/01/08 03/05/08	SPRING GARDEN FESTIVAL SPRING GARDEN FESTIVAL	150.00 100.00	250.00
2012117	05/28/08	00215	WATER EDUCATION FOUNDATION	000250	05/27/08	ANNUAL SUBSCRIPTION RENEWAL	50.00	50.00
2011888	05/14/08	00264	WATER ENVIRONMENT FEDERATION	2000398226	05/09/08	MEMBERSHIP RENEWAL #1791270	192.00	192.00
2012118	05/28/08	00014	WAXIE SANITARY SUPPLY	70620095	05/02/08	JANITORIAL SUPPLIES	352.56	352.56
2011782	05/07/08	01343	WE GOT YA PEST CONTROL	47171	03/27/08	BEE REMOVAL	115.00	115.00
2011783	05/07/08	00190	WEST PAYMENT CENTER	815843325	04/20/08	LEGAL LIBRARY UPDATES	421.32	421.32
2011889	05/14/08	00125	WESTERN PUMP INC	0067141IN	04/22/08	APCD TESTING	625.00	625.00
2011784	05/07/08	03692	WESTIN ENGINEERING INC	30462	04/14/08	CIP P1210 - ASSET MANAGEMENT PLAN	19,517.74	19,517.74
2011981	05/21/08	07941	WESTTURF LANDSCAPE MGMT INC	12132	04/30/08	WATER METER BOX CLEAN OUTS	8,130.00	8,130.00
2011785	05/07/08	02725	WILLIAMS SCOTSMAN INC	80941985	04/12/08	28' TRAILER RENTAL @ TREATMENT PLANT	293.85	293.85

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2011890	05/14/08	02725	WILLIAMS SCOTSMAN INC	81085375	04/18/08	MOBILE OFFICE RENTAL @ TREATMENT PLANT	288.74	288.74
2012043	05/28/08	08583	YEHOOM KIM	Ref002385340	05/27/08	UB Refund Cst #0000123403	8.88	8.88
2012044	05/28/08	08553	YONG NAM	Ref002385310	05/27/08	UB Refund Cst #0000070342	54.40	54.40
GRAND TOTAL							2,763,950.79	2,763,950.79