

OTAY WATER DISTRICT  
BOARD OF DIRECTORS MEETING  
DISTRICT BOARDROOM

2554 SWEETWATER SPRINGS BOULEVARD  
SPRING VALLEY, CALIFORNIA

**WEDNESDAY**  
**November 1, 2006**  
**3:30 P.M.**

**AGENDA**

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING OF SEPTEMBER 6, 2006
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

**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 A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TERMS AND CONDITIONS FOR THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT OF THOSE LANDS DESCRIBED AS "CHAVEZ ANNEXATION" (APN 595-020-17) AND ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 22/27 (WO 00210-20.282/DIVISION 4)
  - b) RECEIVE INFORMATION ON THE DISTRICT'S SCHOOL EDUCATION PROGRAM
  - c) RECEIVE INFORMATION ON THE 2006 CUSTOMER SURVEY

- d) APPROVE UTILITY AGREEMENTS NO. 31756 AND 31817 WITH CALTRANS FOR THE SR 905 UTILITY RELOCATIONS
- e) AWARD A CONSTRUCTION CONTRACT FOR THE LOWER OTAY PUMP STATION ACCESS ROAD TO KOCH-ARMSTRONG GENERAL ENGINEERING, INC. IN THE AMOUNT OF \$76,800
- f) APPROVE AN AGREEMENT BETWEEN THE SAN DIEGO COUNTY WATER AUTHORITY (CWA) AND THE OTAY WATER DISTRICT FOR THE DESIGN, CONSTRUCTION, OPERATION, AND MAINTENANCE FOR THE OTAY 14 FLOW CONTROL FACILITY MODIFICATIONS CONTINGENT UPON CWA BOARD OF DIRECTORS APPROVAL OF SUBSTANTIALLY THE SAME

#### INFORMATION / ACTION ITEMS

##### 7. ADMINISTRATION AND FINANCE

- a) ACCEPT THE DISTRICT'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR), INCLUDING THE INDEPENDENT AUDITORS' UNQUALIFIED OPINION, FOR THE FISCAL YEAR ENDED JUNE 30, 2006 (CUDLIP)
- b) INFORMATIONAL ITEM. IN LIGHT OF THE SUPREME COURT'S DECISION IN BIGHORN DESERT VIEW WATER AGENCY V. VERJIL, THE DISTRICT WILL BE SCHEDULING A PUBLIC HEARING ON JANUARY 3, 2007, DURING ITS REGULARLY SCHEDULED BOARD MEETING, TO CONSIDER PUBLIC COMMENT AND INPUT RELATED TO ITS RATE STRUCTURE AND THE RATE INCREASE PROPOSED IN MAY 2006 FOR IMPLEMENTATION IN JANUARY OF 2007 (BEACHEM)

##### 8. BOARD INFORMATION / ACTION ITEMS

- a) DISCUSSION OF 2006 BOARD MEETING CALENDAR

#### REPORTS

##### 9. GENERAL MANAGER'S REPORT

- a) UPDATE ON THE 30" RECYCLED WATER PIPELINE PROJECT (SEE ATTACHMENT "A")
- b) SAN DIEGO COUNTY WATER AUTHORITY UPDATE

##### 10. DIRECTORS' REPORTS / REQUESTS

#### RECESS TO CLOSED SESSION

11. CLOSED SESSION

- a) POTENTIAL LITIGATION [GOVERNMENT CODE §54956.9  
ONE (1) NEW CASE]

RETURN TO OPEN SESSION

- 12. REPORT ON ANY ACTIONS TAKEN IN CLOSED SESSION. THE BOARD MAY ALSO TAKE ACTION ON ANY ITEMS POSTED IN CLOSED SESSION.
- 13. ADJOURNMENT

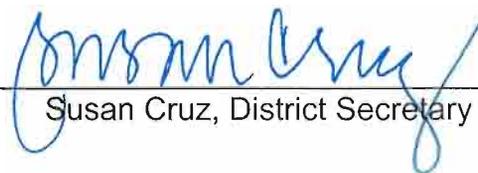
All items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

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 October 27, 2006, 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 October 27, 2006.

  
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Susan Cruz, District Secretary

# AGENDA ITEM 4

## MINUTES OF THE BOARD OF DIRECTORS MEETING OTAY WATER DISTRICT September 6, 2006

1. The meeting was called to order by President Bonilla at 3:33 p.m.

2. ROLL CALL

Directors Present: Bonilla, Breitfelder, Croucher, 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 Operations Pedro Porras, Chief of Engineering Rod Posada, Chief of Administration Rom Sarno, District Secretary Susan Cruz and others per attached list.

3. PLEDGE OF ALLEGIANCE

4. MOMENT OF SILENCE

A moment of silence was held in remembrance of employee Mr. Mike Dyer who had recently passed away.

5. 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.

6. APPROVAL OF MINUTES OF THE BOARD MEETINGS OF JUNE 7, 2006 AND JULY 5, 2006

A motion was made by Director Breitfelder, seconded by Director Robak 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 board meetings of June 7 and July 5, 2006.

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

No one wished to be heard.

#### CONSENT CALENDAR

8. 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 Croucher, seconded by Director Robak 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.

- a) ADOPT RESOLUTION NO. 4087 AMENDING POLICY NO. 4, QUOTATIONS FOR FEES OR CHARGES, ESTABLISHING A PERIOD OF TIME THAT WRITTEN QUOTATIONS ARE VALID
- b) APPROVE A ONE-TIME PAYMENT OF \$5,000 TO THE WATER CONSERVATION GARDEN TO PROVIDE FUNDING FOR BOARD SECRETARY SUPPORT
- c) AWARD A PROFESSIONAL SERVICES CONTRACT TO REA & PARKER RESEARCH AND DOUGLAS COE OF THE SOCIAL SCIENCE RESEARCH LABORATORY TO CONDUCT THE 2006 CUSTOMER SERVICE, SATISFACTION, AND AWARENESS SURVEY FOR AN AMOUNT NOT TO EXCEED \$27,500

#### INFORMATION / ACTION ITEMS

9. ADMINISTRATION AND FINANCE
  - a) PRESENTATION OF THE BOARD OF DIRECTORS 4<sup>TH</sup> QUARTER EXPENSES FOR FISCAL YEAR 2006 (PRENDERGAST)

Finance Supervisor Sean Prendergast indicated that Board of Directors Policy 8 requires that staff present the expenses and per diems for the board members on a quarterly basis. He indicated that this item was also reviewed by the Finance and Administration Committee at a meeting held on May 24, 2006. He presented slides showing in detail each director's expenses for the fourth quarter of fiscal year 2006 (April to June 2006) and total expenses for each. He indicated that the total board of director expenses and per diems for fiscal year 2006 was \$29,482.95 and staff had projected \$28,604.

- b) RECEIVE THE INVESTMENT POLICY (BOARD OF DIRECTORS POLICY NO. 27) AND ADOPT RESOLUTION NO. 4088 AMENDING THE POLICY AND RE-DELEGATING AUTHORITY FOR ALL INVESTMENT RELATED ACTIVITIES TO THE CHIEF FINANCIAL OFFICER (CUDLIP)

Finance Manager James Cudlip indicated that a goal of the Finance Department is to improve the financial policies, procedures and reports. He stated that the current policy has always met minimum standards per State regulations, however, staff is recommending changes to improve upon the current policy. He stated that the guidelines primarily followed were those of the California Government Code. He stated that additional sections were added to the investment policy that were industry practices that the District currently follows, however, they were never codified within the policy. In addition, it provides details of the types of authorized investments currently made by the District and proposes the removal of two investment types: C. Time Deposits, non negotiable and collateralized, and F. Collateralized Repurchase Agreements. Chief Financial Officer Joe Beachem indicated that staff is also recommending that the limit for Government Agency Bond investments be increased from 70% to 100%. Finance Manager Cudlip indicated that Government Agency Bonds are very similar to U.S. Treasury Bills as far as liquidity and safety. All professional finance organizations recognize that up to a limit of 100% of the portfolio is well within the risk boundaries of public agencies and is authorized by the State Code. He stated that it, thus, did not make sense to limit the District to an artificial boundary of 70% for something that is a primary investment. Government Agency Bonds are very safe, very liquid and the easiest to get in and out of. He stated the reason to diversify and limit percentages of your portfolio is to limit risk and Government Agency Bonds are very low on the risk scale.

It was discussed in the past the District felt that 100% was too high. Today the District is becoming a little more conservative in its investments. There was also discussion regarding the reasons for broadening some of the investment language. Finance Manager Cudlip indicated that essentially verbiage within the policy is a restatement of the California Code and is also covered in a broad sense in other areas of the policy. He stated that it was felt that it did not make sense to include the additional verbiage and basically the redundant verbiage is being removed. President Bonilla indicated that he felt if the District was going to change its direction to either more liberal or conservative, he felt that it should be reflected within the District's mission statement.

Finance Manager Cudlip indicated that staff proposed removal of the C. Time Deposits, non negotiable and collateralized, and the F. Collateralized Repurchase Agreements as they fit more with larger agencies who invest more than a billion dollars (i.e., City of Los Angeles, City of San Diego, etc.) because of the collateralization requirements of these type of investments. He stated this type of investment would be very active and an organization who would take more time to analyze and research the collateralization. He stated that to do so is beyond the District's core business. He stated the investments that have been identified are more sufficient to provide an adequate return on the District's investments without the additional time and risk to research such investments. He indicated that staff does not see the District being that aggressive. Chief Financial Officer Beachem indicated that this was a very solid Investment Policy. He stated that the policy had been submitted to the District's peers (three professional finance organizations) for review. He stated that the Association of Public Treasurers of the United States and Canada (APT US & C) reviews investment policies nationally and the chairman of the Investment Policy Review Committee indicated that the District's policy has received the highest rating he has seen in several years. Finance Manager Cudlip stated that the comments from the three graders were that the policy was "nicely written" and had "one of the highest scores we've (they've) ever given." He reviewed the grading process and indicated that the graders were allowed to give a varying number of points and they graded the policy as follows:

1. 127 out of 128 points
2. 121 out of 121 points
3. 115 out of 118 points

He stated that the types of comments made were semantic, but there were no substantial changes.

President Bonilla requested that anytime staff wished to change the philosophy of a policy, he asked that it be brought to committee. He indicated that he wished the board to understand the reason for the philosophy change.

Finance Manager Jim Cudlip indicated that the investment policy would assist the District in acquiring a good bond rating for the debt issuance (Certificates of Participation) planned late in this fiscal year. He indicated that staff is requesting that the board adopt Resolution No. 4088 amending the Investment Policy as presented to meet industry best management practice standards and re-delegate the authority for all investment related activities to the Chief Financial Officer.

Director Breitfelder inquired with regard to the deleted investment types if the district would incur any opportunity costs. Finance Manager Beachem indicated that it would not.

Director Robak indicated that the Finance and Administration Committee reviewed this item at a meeting held on August 21, 2006 and he is realizing that

he was not very clear on the process so he wished to confirm the process so he understood it. It was discussed that the District worked with the finance agencies to develop the new investment policy. It was then sent out for their final review which had been very positive. He indicated that he felt that staff is really doing their homework and is looking out for the best interest of the District and ultimately the policy would result in the best rating and pricing on the debt to be issued. He complimented staff for their work and presenting a very thorough and comprehensive policy.

A motion was made by President Bonilla, 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 staffs' recommendation.

#### 10. ENGINEERING AND WATER OPERATIONS

##### a) CAPITAL IMPROVEMENT PROGRAM (CIP) FISCAL YEAR-END 2006 UPDATE

Chief of Engineering Rod Posada provided a 2006 Year-End Report on the District's Capital Improvement Program. He indicated that this item was presented to the Engineering and Operations Committee on August 23, 2006 and the committee had made suggestions which have been incorporated into this presentation. He indicated that the District had 101 projects totaling \$39.3 million in Fiscal Year 2006 (FY06). He stated of the \$39.3 million projected to be spent in FY06, the District spend \$36,277 or 92% of planned expenditures. He stated that the goal was 75% of planned expenditures and staff has exceeded this expectation. He indicated that the District's CIP is broken down into four categories:

• Capital Facility Projects	\$28,937,000
• Maintenance Projects	\$ 1,766,000
• Capital Purchase Projects	\$ 2,680,000
• Developer Reimbursement Projects	<u>\$ 5,897,000</u>
TOTAL:	\$39,280,000

He stated that the total projects are worth \$187,792,000 of which \$85,451,000 has been spent which is 46% of the total project budget.

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 fifteen active projects in FY06, three are in the planning stage, four are in design, three in construction and five have been completed. He reviewed the status of

the District's flagship projects that have been completed which included the 980-2 Pump Station, 30-Inch Pipeline within the 980 pressure zone, 803-4 6 MG Reservoir and the 1485-2, 1.6 MG Reservoir. He also provided a status update on the flagship CIP projects in the construction phase. He stated that the 30-Inch Recycled Water Pipeline Project is expected to be completed in the Fall of 2006 and the 450-1 Reservoir and 680-1 Pump Station is scheduled to be completed in the Spring of 2007.

Chief of Engineering Posada indicated that his report includes detailed updates on the progress of major projects. He indicated that he would not review each in detail, but if the board had an interest in a particular project, he would be happy to provide an update on the project of interest. There were no questions. He also stated that he wished to highlight that the 980-2 Pump Station will receive an APWA Honor Award (American Public Works Association) on September 14, 2006.

He indicated that the District has approximately \$10 million in various consultant contracts for planning, design, public services, construction/inspection, and environmental and has expended approximately 71% of the total consultant contracts. He indicates with regard to construction contracts, the District has approximately \$43 million in construction contracts and has expended approximately 79% of the total. He indicated that the District continues to keep construction change orders incidents to a very low level at -1.5% compared to the industry average of 5 to 12%. He also noted that included with his report is a listing of all 101 projects within the District's CIP and the status of each. He noted again that the total cost of all projects is \$187,792,000 of which \$85,451,000 has been spent or 46% of the total budget for all projects.

Director Breitfelder congratulated staff on receiving the APWA Award. He also inquired on the status of the recycled water pipeline. Chief of Engineering Posada indicated that the pipeline is approximately 95% complete and the pump station and reservoir are approximately 80% complete. He stated that staff would begin testing the pipeline this month (October) and it is expected that the reservoir and pump station would begin testing in late December 2006 or early January 2007.

Director Robak inquired when a new facility goes into service is the punch list completed for the project. Chief of Engineering indicated that the punch list is treated as a warrantee item and it is not necessarily complete when the facility is put into service. Director Robak inquired what is meant when the District "accepts" a facility. Chief of Engineering Posada indicated that there are three phases: 1) the facility is operationally complete and it is put into service; 2) the project is then "accepted" which triggers the 35 days to release the retention (at this point the project is 99% complete and operational); 3) the project goes into a one year warrantee period in which a warrantee bond is held by the District. Chief of Engineering indicated that in most cases a facility is fully operational long before a notice of "acceptance" is issued. This occurs because the

contractor must submit a myriad of documents prior to the District accepting the facility.

President Bonilla indicated that he would be recusing himself from consideration or participation in the following two items with regard to Cricket Communications. He handed the gavel to Vice President Lopez who would preside over discussion of the items and indicated that he would be stepping down from the dias during the discussion of the items. He stated for the records, he has ongoing discussion with Cricket Communications for a communication facility on a property that he owns. He stated that he has been advised by the District's General Counsel that he should recuse himself as a result of a potential conflict of interest. He stated that he has not participated in any of the discussions or negotiations between the District and Cricket other than to advise the General Counsel and the General Manager that he has had not discussion with anyone at the District regarding his dealings with Cricket or the District's dealings with Cricket.

President Bonilla stepped down from the dias at 4:19 p.m.

b) APPROVE THE EXECUTION OF AN AGREEMENT WITH CRICKET COMMUNICATIONS, INC., A DELAWARE CORPORATION, FOR THE INSTALLATION OF A COMMUNICATIONS FACILITY AT THE 485-1 RESERVOIR SITE

APPROVE THE EXECUTION OF AN AGREEMENT WITH CRICKET COMMUNICATIONS, INC., A DELAWARE CORPORATION, FOR THE INSTALLATION OF A COMMUNICATIONS FACILITY AT THE 458-1&2 RESERVOIR SITE (VAUGHN)

General Manager Watton indicated that this item and the following item were essentially the same request with the exception of the square footage of the leases. The agreements are the District's standard agreement for cellular leases and they have been reviewed by the Finance and Administration Committee. The committee had suggested that the agreements be placed on the consent calendar, however, because President Bonilla must recuse himself from participation in the consideration of the agreement, they have been placed on the action calendar.

Director Croucher noted that there was a typographical error in staff's report with regard to the number of cellular facilities at the 485-1 Reservoir Site. He noted that Cricket Communications would be the "third" cellular provider at the site (as opposed to the fourth) as the report only lists two lessees. Staff indicated that that "fourth" was actually correct, however, staff should have listed the current providers as Nextel, T-Mobile *and Verizon*.

Director Robak indicated that with regard to the minutes from the committee meeting he would like it noted that he had requested a minimum / maximum be identified for the annual inflation adjustment each year or something higher than 3% as opposed to leaving the rate "open". He stated that it was indicated at the

meeting that staff did try to negotiate with the cellular companies on something different than 3% but the cellular companies were not open to doing so, but he still wished to amend the committee meeting notes. He indicated that he also requested that staff survey other agencies to check the lease rates that they receive for such agreements. He stated that he was in support of the approval of the agreements.

A motion was made by Director Croucher, 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 staffs' recommendation on both agreements.

## 11. BOARD

### a) DISCUSSION OF 2006 BOARD MEETING CALENDAR

There were no changes to the board calendar. General Manager Watton noted that a Special Board meeting has been scheduled on Monday, September 25, 2006.

### b) CONSIDERATION TO CAST A VOTE TO ELECT A REPRESENTATIVE TO THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS

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

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

to cast the District's vote for the incumbent, Ms. Jo MacKenzie.

## REPORTS

### 12. GENERAL MANAGER'S REPORT

General Manager Watton indicated that he met with the Jamul Indian Village (JIV) chairman, Mr. Lee Acebedo. Mr. Acebedo provided an update on where the JIV was with their Environmental Impact Report and other issues related to the development of their proposed casino. He stated that the JIV had submitted a sub-area master plan and it does appear that with their current plan the District

will be able to serve their facility with existing infrastructure. He stated that their EIR has been submitted for public review and they are proceeding forward. He also shared that their EIR reflects that they will build a treatment plant to handle the sewage from the casino. He indicated that this could change, but at this point this is their plan.

He noted that the District held an Employee Information Meeting and luncheon in July. He stated that he felt it was a good event and that the employees had enjoyed the luncheon.

He indicated that the District has selected a compensation study expert, Johnson and Associates, to assist with the District with its study in preparation for negotiations.

General Manager Watton stated that the District's Interactive Voice Response (IVR) system is now operational. Staff has received good feedback, thus far, on the new system. He indicated that Phase II will be implemented soon which will allow customers to pay bills over the phone system.

He noted that staff is completing the review of its year-end Fiscal Year 2006 Strategic Plan objectives and performance measures and expects to present the information to the board next month and is planning on additional Strategic Plan workshops in the fall.

He indicated that a new optional payment method via the District's IVR system will soon be available to customers. Customers will have the ability to automatically pay their bill through the District's phone system via credit card. He stated that one of the objectives within the District's Strategic Plan is making it as easy as possible for customers to interact with the District and pay their bills. He indicated that he felt the District has made some progress in this respect and will soon provide a new option through the IVR system. The District's current method of payment includes automated checking account deductions, through the District's website, by calling in, mailing in a payment and walk-ups (district and postal annex).

General Manager Watton also shared that the District is reviewing proposals from actuaries who will be retained to help evaluate and determine the liability of Other Post Employment Benefits (OPEB). He stated that this is an issue that many other agencies will be reviewing as they have not yet created a reserve to fund these benefits. He indicated the District has reserved approximately \$18 million and staff would like to re-evaluate and confirm this number. He indicated that in a couple years it will be mandated that such figures be reported on organization's balance sheets (GASB 45). He stated that the District is in good shape in meeting this requirement and staff may be recommending in future that the figure be removed from the balance sheet by placing the funds in a trust.

He noted that the audit site work has been completed and that the District was not anticipating any management letter comments. He stated that the audit will

be key when the District begins the process to issue debt. He commended staff for their good work.

He indicated that the City of San Diego and the United States Bureau of Reclamation have executed the Title XVI Cooperative Agreement for grant funding for the District's recycled projects. He stated that there was \$1.2 million in funding available for this project this year and the District will be looking for up to \$12 million over the next couple of years. He also shared that the District has submitted the required disbursement requests for the Proposition 50 grant of \$4 million to the state and staff expects to receive the monies sometime soon.

He lastly noted that attached to his General Manager report is an updated Otay Water District listing on SANDAG. He stated that it provides information on the District's demographics and estimates that the District's total population, as of January 1, 2006, is 189,623. He noted the various demographic statistics on the listing.

Director Breitfelder inquired with regard to the average household size, if the figure noted of 3.15 was higher than average in the county. General Manager Watton indicated that it is slightly higher. The average in the county is slightly under 3.

### 13. SAN DIEGO COUNTY WATER AUTHORITY UPDATE

Director Croucher indicated that with regard to the American Lining Project lawsuit, it is continuing to look positive for CWA and it is expected that the project would move forward without any further issues.

He indicated that the CWA board approved a seat for Riverview and Lakeside Water Districts on CWA's board which will increase the number of members to 35. He indicated that CWA had a success story with regard to the Small Contractor Outreach and Opportunities Program (SCOOP) Committee. He indicated that a small business has been experiencing success because of the SCOOP program.

He noted that things were slowing down at CWA as we nears the end of the year and the fact that there will be new appointments to CWA's board due to elections.

He indicated that the Skinner Treatment Plant has been working at 105% of its capacity on several occasions due to the weather. He noted that the Twin Oaks Treatment Plant will eventually provide relief to the situation at Skinner and once the reclaimed water is online from the Southbay Reclamation Treatment Plant to Otay's system, it will also provide some relief. He stated that the reclaimed water connection will be a real asset to the region and is something that the District should get recognition from CWA for its investment for the region.

He lastly noted that the Water Conservation Summit will be held on September 29, 2009 at the Joan Croc Center on the campus of the University of San Diego.

General Manager Watton also stated with regard to the recycled water from the Southbay Reclamation Treatment Plant, that the Otay board approved a couple years ago a portable pump at the City of San Diego's Otay Treatment Plant and the District has been consistently taking 7 to 10 MGD from the City. He stated that this connection is not discussed at CWA, but it is a great relief on their system.

He also noted that a city delegate on the CWA board, Mr. George Loveland, has left the board. He indicated that Mr. Loveland was in line to chair the CWA board and be appointed a MET delegate. He stated that Ms. Fern Steiner will now be in line to chair CWA and he (General Manager Watton) may be in line to take the secretary position. He stated that CWA will also have some new delegates to MET. He stated that Jim Bond has appointed himself chair for the MET delegates and Jim Barrett and possibly another city delegate will be appointed to the MET delegates. He stated currently, everyone operates on their own and it is hoped that the CWA board officers, MET delegates, committee chairs and consultants would work very closely together to formulate strategies for both CWA and MET.

#### 14. GENERAL COUNSEL'S REPORT ON PROPOSITION 218

General Counsel Yuri Calderon indicated there has been a lot of discussion on a recent Supreme Court decision issued in July 2006 concerning the Bighorn Desert View Water Agency v. Verjil. He stated that the decision was with regard to the application of Proposition 218 to water rates. He indicated that Prop 218 was adopted by the voters in 1996 and went into effect in 1997. He stated that the common perception was that it did not apply to water rates because water rates were based on the usage of water service. He indicated as long as an agency did not tie rates to actual property ownership, it was exempt from Prop 218. He stated that there were a couple of Attorney General opinions and a second Court of Appeal opinion that stated that water rates were exempt from Prop 218. He stated the July decision of the Supreme Court, and possibly another earlier Supreme Court decision, had stated that Prop 218 does apply to water rates. He indicated that the July decision states that Prop 218 does apply to water rates and, thus, from this point forward, all agencies must go through the Prop 218 process when adopting water and sewer rates. He stated that, as a water rate, the District is exempt from the requirement that rates be approved by two-thirds of its voters, but the District must still provide notice and an opportunity to its customers to present written comments and verbal comments through a public hearing prior to implementing the new water or sewer rates.

He stated there was still discussion as to whether the decision was retroactive to 1997. It is being indicated that because the decision had overturned a Court of Appeals decision, that it clearly has a retroactive affect. General Counsel Calderon indicated that if this were true, then every water rate increase since

1997 would be called into question. He stated this view would simply bankrupt every water agency.

He indicated that his firm's initial advise to the board is that the Supreme Court decision does not have a retroactive affect and he would be providing a written opinion to the board under the attorney client communication. He stated that from a public policy perspective, the decision does not have a retroactive affect.

He stated that future increases must follow the Prop 218 process and provide notice to the public and the District must hold a public hearing. President Bonilla requested that General Counsel also provide a written policy along with Counsel's opinion on this issue. General Counsel Calderon indicated that the request was in the process already and should be presented in the near future.

#### 15. DIRECTORS' REPORTS/REQUESTS

Director Robak inquired about an item noted within the GM Report concerning a week long workshop with Eden to review some fixes and enhancements to the system. He asked if there were some problems with the system. General Manager Watton indicated that there were no problems with the system. Staff was discussing how the District could get maximum efficiency from the programs. He stated that the programs/systems are very complicated and staff is learning each day on how to better use or integrate the system. He stated that there were issues on another plane that staff needed to correct through some warrantee work, but the workshop was more of a discussion on how to better utilize the systems.

Director Robak indicated that he had attended the annual Lemon Festival in Chula Vista. He commended Communication Officer Buelna on his work at the Festival.

Director Croucher indicated that he is working on the Strategic Plan for the Fire Department. He indicated that in comparison to other public agencies in the area (fire, water and sewer), the Otay WD stands above the other agencies with regard to Strategic Plans. He thanked staff with regard to their agency to agency interaction concerning the Strategic Plan.

Director Breitfelder indicated that the topic of discussion at CSDA were the initiatives on the ballot. He stated the key panelist, Senator Steve Peace, had indicated two main concerns from his point of view. He stated that he felt there was too much on the ballot, especially with regard to bonding, and that voters may vote "no" on all bond initiatives because of this. Senator Peace felt that the legislature was increasingly being seen as irrelevant as it can be easily side-stepped by the "misuse" of the initiative process. He stated that he felt that this was probably not very positive as we are very dependent on the state and country on representative government.

He stated that with regard to the Water Conservation Summit, a topic slated for discussion at 12:30 p.m. with regard to uniform local legislation, has become the key issue in conservation. He indicated that he felt at least three of the four breakout discussions were of great value to the District and he encouraged another director to attend along with Director Robak and himself so the District might have participation in these topics.

Director Briefelder lastly noted that he met with President Bonilla in early June 2006 and they discussed the opportunity for desalination in Mexico, the tone of board meeting communications related to organizational morale, uniform disclosure with regard to board dynamics, the desirability of internal promotions when possible and long term organizational evolution through natural attrition. He stated that he is of the opinion that one-on-one communications between directors should be held confidential. He stated that it is extremely easy for things to be taken out of context which can lead to a breakdown in communications. He stated that in this one instance he wished to make an exception and would like to share that it has always been very clear to him from his conversations with President Bonilla over the years that he cares very much about all the employees of the district and wished for everyone to have a good family life. He stated that he felt that it was good for the organization as a whole that President Bonilla be more publicly vocal about his values and opinions. He stated that this was demonstrated today through his comments and philosophy behind policies and how they are ultimately unifying for the District. He stated that he just wished to share this. President Bonilla thanked Director Briefelder.

#### 16. PRESIDENT'S REPORT / REQUESTS

President Bonilla indicated that on August 17, 2006, General Manager Watton and he met to discuss the committee agenda items for committee review in August. He indicated that General Manager Watton and he also met with Mr. Lee Acebedo, Chairman of the Jamul Indian Village, on August 17, 2006. He stated they discussed issues related to sewer and water service to their casino project. He indicated that on August 23, 2006, he attended the Engineering and Water Operations Committee on behalf of Director Lopez. He stated the committee received an update on the Fiscal Year-end 2006 CIP program and the San Diego Gas and Electric's energy program. He commended Chief Engineer Posada on his presentation which included enhancement suggestions from the committee. President Bonilla indicated that he met with General Manager Watton and General Counsel Calderon to discuss the agenda items for the September 2006 board meeting on August 29, 2006. He stated that he also met with General Manager Watton, Mr. Hector Mares, representatives from CONAGUA, the General Manager of CESPT and individuals from Mexico City. He indicated they discussed the Rosarito Beach Desalination Project and establishing a bi-national committee between Otay, CONAGUA, CESPT and CEA. He stated that their meeting on August 30 was the first official meeting of the committee.

President Bonilla also congratulated Directors Breitfelder and Croucher on their “assured” re-election as they were running unopposed in this year election. He stated that he felt it was a testament to the work they have achieved in public service for the last six to eight years and that their constituents’ support was highly regarded by him. He stated that he thought that this may be the first election where District incumbents were running unopposed. He stated that this indicates that the community felt that this board was working well and that there were many positive things happening at the District.

President Bonilla inquired about an email he received from a customer regarding an on-line payment. He asked District Secretary Cruz if she recalled the email. District Secretary Cruz indicated that she did not recall that specific email, but the District does provide on-line payment. He indicated that he would forward it back and asked if she could please handle the response to the customer.

Director Breitfelder thanked President Bonilla for his gracious comments. He indicated that he felt that Director Croucher and he running unopposed was an unfortunate turn of events. He stated that he felt it would have been good to have some tough questions asked and have a public dialogue on some of the important issues this board has addressed. He indicated that there were many positive stories that could be shared and it would have been nice to have the opportunity to provide some form of recognition to former and current employees.

Director Croucher indicated that he felt that Director Breitfelder and he running unopposed was a reflection on the entire board and not just of themselves. He stated that there was no doubt that this board was diverse and he felt that it brings quality to the board. He stated that by not having an election this year it would also bring stability for the benefit to the team. He stated he looked forward to continuing to work with the board as a team.

17. ADJOURNMENT

With no further business to come before the Board, President Bonilla adjourned the meeting at 5:08 p.m.

---

President

ATTEST:

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District Secretary



# AGENDA ITEM 6a

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 1, 2006
SUBMITTED BY:	David Charles, Public Services Manager	W.O./G.F. NO:	0210- DIV. 4 20.280 NO.
APPROVED BY: (Chief)	Rod Posada, Chief of Engineering 		
APPROVED BY: (Asst GM):	Manny Magana, Asst. GM Engineering & Operations 		
SUBJECT:	Chavez Water Annexation to ID 22/27		

**GENERAL MANAGER'S RECOMMENDATION:**

Approve Resolution No. 4090, the annexation of the property of Miriam and Samuel Chavez to Improvement District No. 22/27.

**COMMITTEE ACTION:**

Please see Attachment "A."

**PURPOSE:**

The purpose of the proposed annexation is to provide water service to a parcel owned by Mr. and Mrs. Samuel Chavez (APN 595-020-17).

**ANALYSIS:**

A written request and Petition signed by Mr. and Mrs. Chavez has been received for annexation of APN 595-020-17 into Improvement District No. 22/27 for water service. The total acreage to be annexed is 0.91 acres. The property is within the sphere of Otay Water District and will be part of Improvement District No. 22/27 after the Board of Directors approves this request. The property is located at Proctor Valley Road, in the city of Chula Vista and County of San Diego.

**FISCAL IMPACT:**



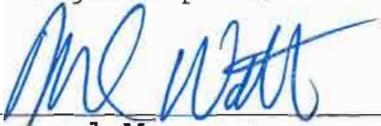
The property owners will be charged \$10 per year for availability fees. A water annexation fee of \$1,309 will be collected at the time water service will be provided.

**STRATEGIC GOAL:**

Provide water service to meet increasing customer needs.

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

No legal impact.

A handwritten signature in blue ink, appearing to read 'M. Watt', is written over a light blue rectangular background.

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



## ATTACHMENT A

SUBJECT/PROJECT:

Chavez Water Annexation to ID 22/27 (APN 595-020-17)

### COMMITTEE ACTION:

The Engineering and Water Operations Committee reviewed this item at a meeting held on October 18, 2006. It was noted that this was a standard annexation and the parcel to be annexed is within the District's sphere of influence. Approval of this annexation will include the Chavez property into Improvement District 22/27. The committee supported staffs' recommendation and forwarding to the Board of Directors on the consent calendar.

RESOLUTION NO. 4090

A RESOLUTION OF THE BOARD OF DIRECTORS OF OTAY WATER DISTRICT FIXING TERMS AND CONDITIONS FOR THE ANNEXATION TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT OF THOSE LANDS DESCRIBED AS "CHAVEZ ANNEXATION" (APN 595-020-17) AND ANNEXING SAID PROPERTY TO OTAY WATER DISTRICT IMPROVEMENT DISTRICT NO. 22/27 (WO 00210-20.282/DIVISION 4)

WHEREAS, the District has received a request from a property owner that has an interest in the land described in Exhibit "A," attached hereto, for annexation of said land to Otay Water District Improvement District No. 22/27 pursuant to California Water Code Section 72670 et seq.; and

WHEREAS, pursuant to Section 72680.1 of said Water Code, the Board of Directors may proceed and act thereon without notice and hearing.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. A description of the area proposed to be annexed is set forth on a map filed with the Secretary of the District, which map shall govern for all details as to the area proposed to be annexed.
2. The purpose of the proposed annexation is to provide water service to the territory to be annexed.
3. The Board of Directors hereby finds and determines that the area proposed to be annexed to Otay Water District Improvement District No. 22/27 will be benefited thereby and that Otay Water District Improvement District No. 22/27 will also be benefited and not injured by such annexation because the

property to be annexed will benefit from the facilities in Improvement District No. 22/27 and the property already within the Improvement District will now have a larger base to finance the water improvements.

4. The Board of Directors hereby declares that the annexation of said property is subject to owner first meeting the following terms and conditions:

(a) That the owner for said annexation shall pay to Otay Water District the following:

- (1) Standard processing fee in the amount of \$628.00;
- (2) State Board of Equalization filing fees in the amount of \$300; and
- (3) All other applicable local or state agency fees.

(b) The property to be annexed shall be subject to taxation after annexation thereof for the purposes of the improvement district, including the payment of principal and interest on bonds and other obligations of the improvement district, authorized and outstanding at the time of annexation, the same as if the annexed property had always been a part of the improvement district.

5. The Board of Directors of the Otay Water District does hereby declare the property described in Exhibit "A" to be

annexed to Improvement District No. 22/27 of the Otay Water District.

6. The Board of Directors further finds and determines that there are no exchanges of property tax revenues to be made pursuant to California Revenue and Taxation Code Section 95 et seq., as a result of such annexation.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Otay Water District at a special meeting held this 1<sup>ST</sup> day of November, 2006.

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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President

ATTEST:

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District Secretary

EXHIBIT "A"

LEGAL DESCRIPTION

Annexation Parcel  
Otay Water District I.D. 22/27

LOT 3 OF HALEY'S ADDITION, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 1286. FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 22, 1910.

CONTAINING 0.91 ACRES MORE OR LESS



Erick L. Ricci  
ERICK L. RICCI, R.C.E. 32103

5-17-06  
DATE

# Exhibit " K "

HALEY'S ADDITION  
LOT 2

211.70'

LOT A

20'

LOT 14

165.63'

0.91 ACRES

190.00'

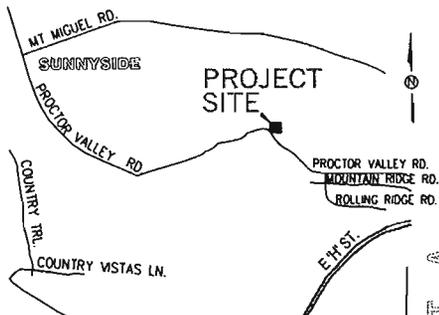
MAP 14261

33.27'

195.26'

LOT 4  
MAP 1286

40' ROAD



VICINITY MAP  
(NOT TO SCALE)



SCALE 1"=50'

PROCTOR VALLEY ROAD



**E RICCI, CIVIL ENGINEERING**

CIVIL ENGINEERING, SURVEYING, LAND PLANING  
3103 FALCON ST., SUITE G  
SAN DIEGO, CA. 92103  
TELEPHONE (619) 296-3183 FAX (619) 296-8180

*Erick L. Ricci* 5-17-06  
ERICK L. RICCI R.C.E. 32103 DATE

## LEGEND



INDICATES ANNEXATION  
AREA (I.D. 22/27)

A.P.N. No. 595 - 020 - 17

## OTAY WATER DISTRICT

LOT 3 OF HALEY'S ADDITION, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF No. 1286, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 22, 1910.

			RECORDERS F/P _____	COORDINATES
			RECORDING DATE _____	MAP No. _____
			OTAY W.D. DEED No. _____	SCALE: 1"=50'
			IMP. DISTRICT No. _____	DATE: 5/17/06
REV.	DATE	DESCRIPTION		DRAWN BY: T.T.NGUYEN
				WO No. _____

# AGENDA ITEM 6b



## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 1, 2006
SUBMITTED BY:	William E. Granger, Water Conservation Manager <i>WG</i>	W.O./G.F. NO:	n/a DIV. NO. all
APPROVED BY: (Chief)	Rom Sarno, Chief of Administrative Services <i>[Signature]</i>		
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager, Finance & Administration <i>[Signature]</i>		
SUBJECT:	Otay School Education Programs Update		

**GENERAL MANAGER'S RECOMMENDATION:**

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

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

See Attachment "A"

**PURPOSE:**

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

**ANALYSIS:**

It was requested at the October 4<sup>th</sup> Board meeting that staff present an update of the District's School Education Programs.

The District has maintained a strong school education program since 1995, and has reached more than 96,000 students to date between its efforts as well as those by CWA staff within the District.

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

The District provides kits containing grade appropriate lesson plans to teachers. The kits include videos, workbooks and other resources. Kits are available on the topics of the water cycle, water conservation, recycled water, source/delivery of drinking water and water pollution. Kits are requested by individual teachers and either picked up or delivered to the school.

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

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

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

The District provides 50% (\$255 per lab) of the funding for up to 18 Splash Labs this fiscal year. The school picks up the rest of the fee, although CWA recently amended its budget to fund a limited number of Splash Labs. The program is run through the County Office of Education and was designed by CWA. The Splash Lab involves six teaching stations: microscopes, technology, weather, water quality, storm drain pollution model and life around a pond. Up to four classes can use the lab per day.

### Other Educational Activities:

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

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

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

### Program Coordination with the Water Authority

The Water Authority mails out a cover letter and its brochures (see the attached) to elementary and secondary schools throughout the county at the beginning of the school year promoting their programs for Kindergarten through 12<sup>th</sup> grade. In addition, the District mails out flyers promoting its programs, highlighting the funding

available for Garden bus tours and school site gardens as well as the kits and its poster contest. Depending upon program activity levels, staff will send out one or two additional mailings highlighting the availability of funding. Mailings typically occur at the beginning of the school year, again in January, and then again as needed.

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

None

**STRATEGIC GOAL:**

"Community Outreach"-Continue to promote the Water Conservation Garden for Increased Community Impact, Increase the use of educational materials on the District's website, Evaluate Effectiveness of School Education Program, and Promote CWA's Splash Labs by schools in the District

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

None

  
**General Manager**

*Attachments:*

Attachment "A":

FY 2007/2008 CWA Secondary Water Education pamphlet  
FY 2007/2008 CWA Elementary Water Education pamphlet  
Otay "Water Education Materials" flyer  
Splash Science Mobile lab schedule FY 07  
School Garden Tour schedule FY 07  
Otay "Learn about Water brochure-Middle and High Schools  
Otay historical school program activity FY 95-05.



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Otay School Education Programs Update
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### COMMITTEE ACTION:

- The committee reviewed the education programs and indicated:
  - Water kits are put together for grades K-6 covering water cycle, water conservation, recycled water, source/delivery of drinking water and water pollution. The kits are requested by individual school teachers.
  - Staff conducts approximately 30 Water Conservation Garden Tours per year for grades 3-6. The tours cover the scarcity of water, our water resources, the need for outdoor water conservation and the characteristics of drought tolerant plants.
  - The District funds up to 18 Splash Lab bookings per year. Thus far, the District has 3 requests for this fiscal year. The District covers half the cost of the Splash Lab ( total cost \$510) and the other half is paid by the school's PTA (or CWA if the school does not have a PTA). It was noted that there has been discussions of rejuvenating the lab experiments and topics presented in the Splash Lab.
- Approximately 100,000 students have participated in the school education program. It was felt that this was a significant number and the committee wished staff to determine the percentage of the District's population who has participated in the program. (Staff has determined that it would be difficult to establish an accurate percentage of the district's population who have participated in the program for a number of reasons. One such reason is a child may participate in the education program in multiple school years as a school may send all of their 3rd graders to the Garden for a tour and when they are in the 5th grade another teacher may use a kit to teach about the water cycle, they may visit the Garden once again, participate in the Splash Lab or another Water Authority program. The District's records does

not reflect that the same child may participate in the education program several times, thus an accurate percentage cannot be calculated.)

- The committee discussed the possibility of gearing a new program toward High School students. Currently, high school students' exposure to the water education program is through the Science Faire, poster contests and scholarships. The thought would be to institute a program that would provide a "science view of water." It was discussed that it was expensive to create a new program and the program would need to fit into the teaching curriculum. It was noted that generally MET creates the program and CWA augments the programs that are presented to the schools. It was suggested that the Water Conservation Manager present the idea to the next JPIC meeting or at other appropriate meetings such as the East County Educators meeting to determine interest among sister agencies in developing such a new program.

## GARDEN TOURS 2006-2007

Tour Date	School	School District	City	Grade	# Kids	# Adults	Otay Funding Bus?
9/5/06	Casillas	Chula Vista Elementary School Dist	Chula Vista	5	32	5	X
10/5/06	Tiffani	Chula Vista Elementary School Dist	Chula Vista	2	43	6	X
10/10/06	Tiffani	Chula Vista Elementary School Dist	Chula Vista	2	42	6	X
10/12/06	Vista Grande	Cajon Valley School District	El Cajon	3	45	7	WALKING
10/13/06	Avocado	Cajon Valley School District	El Cajon	3			X
10/26/06	Olympic View	Chula Vista Elementary School Dist	Chula Vista	3			X
11/7/06	Avocado	Cajon Valley School District	El Cajon	3			X
11/9/06	Jamul Primary	Jamul/Dulzura School District	Jamul	1			X
12/5/06	McMillan	Chula Vista Elementary School Dist	Chula Vista	3			X
12/7/06	McMillan	Chula Vista Elementary School Dist	Chula Vista	3			X
12/12/06	McMillan	Chula Vista Elementary School Dist	Chula Vista	3			X
1/23/07	Tiffany	Chula Vista Elementary School Dist	Chula Vista	5			X
1/25/07	Tiffany	Chula Vista Elementary School Dist	Chula Vista	5			X
	Total Tours Completed		5				
	Total Tours Completed & Scheduled		13				

## Otay Annual School Education Program

Fiscal Year	Tours	Students	Presentations	Students	Teacher's workshops	Annual Student Totals	Splash Labs	Mini-Grants
FY 95	25	1,506	66	2,812		4,318		
FY 96	26	1,618	89	3,584		5,202		
FY 97	26	1,550	81	3,594		5,144		
FY 98	32	1,892	132	5,218		7,110		
FY 99	25	1,444	220	6,607		8,051		
FY 00	32	2,053	157	6,068		8,121		
FY 01	28	1,806	203	7,069		8,875		
FY 02	34	2,291	193	6,108		8,399		
FY 03	41	2,855	128	4,377	1	7,232		
Fiscal Year	Tours	Students	Kits	Students	Teacher's workshops	Annual Student Totals		
FY 04	37	2318	18	1965	1	4240		
FY 05	32	1934	13	1355	1	3353		
FY 06	30	1688	11	1400	1	3088	18	1
<b>TOTAL</b>						<b>73,133</b>		

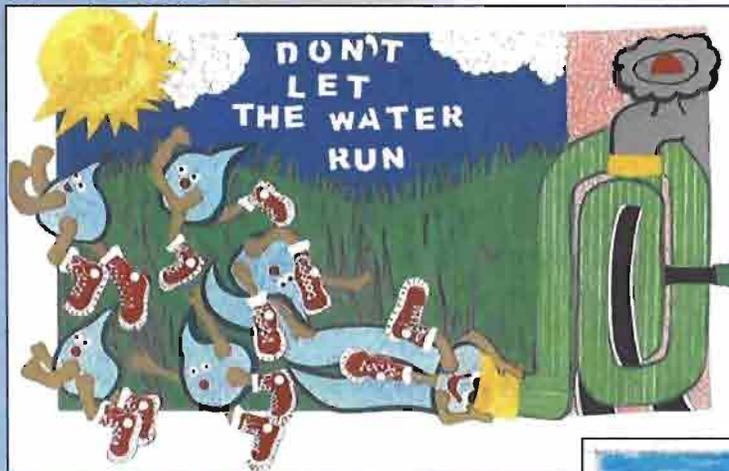
## CWA Programs

			Presentations	Students	Teacher's workshops	Annual Student Totals
FY 01			29	2807	5	2807
FY 02			29	2807	5	2807
FY 03			123	6892	5	6892
FY 04				6892	5	6892
FY 05			30	3780		3780
FY 06		This information will be provided by mid Nov by CWA				
<b>TOTAL</b>						<b>96,311</b>



2007  
POSTER  
CONTEST

# WATER IS LIFE... MAKE EVERY DROP COUNT

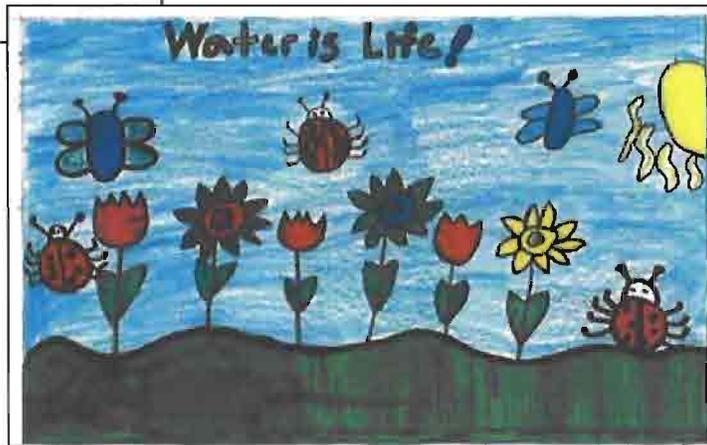


Emily -Grade 6  
Clear View Charter School

2006 WINNING POSTERS

**Contest Deadline**  
**April 20, 2007**

Melissa -Grade 3  
Jamul Primary School



**Category 1: Grades K-3**  
**Category 2: Grades 4-6**

Prizes for the 1st, 2nd & 3rd Place winners  
&

**Certificates for all**

See other side for contest rules



Teachers: Please help with the screening process. Send no more than six posters per classroom. Certificates are available for all students who enter the contest. Let us know how many you will need.

# Water Education Materials

**Grades K-6** from the Otoy Water District

## Borrow a Learn About Water Kit

Available for the following topics

- ◆ Water Cycle
- ◆ Water Pollution
- ◆ Source/Delivery of Drinking Water
- ◆ Water Conservation
- ◆ Recycled Water

## Each Kit Includes

- ◆ background Information
- ◆ Standards-based lesson plans
- ◆ Materials to teach each lesson
- ◆ Grade appropriate plans and materials for each grade
- ◆ Videos
- ◆ Books
- ◆ Workbooks

## Go on a FREE Field Trip—Grades 3-6

- ◆ Tour The Water Conservation Garden
- ◆ Participation in a hands-on workshop
- ◆ Learn about water-wise gardening

Limited funding available for transportation

## Water Awareness Poster Contest

Encourage your students to enter our annual poster contest.

- ◆ Prizes for 1st , 2nd & 3rd Place winners
- ◆ All participants receive certificates

## Mini Grant Program

- ◆ Funding up to \$300 for the development of water-related projects and activities
- ◆ Funding for half the cost of the Splash Science Mobile Lab

Call (619) 670-2291 for a grant application.

To reserve a Kit or schedule a Field



**Pam Rega**  
Water Conservation Specialist

**Otoy Water District**  
**(619) 670-2291**  
**prega@otaywater.gov**

visit our web site: [www.otaywater.gov](http://www.otaywater.gov)

# secondary water education



San Diego County Water Authority

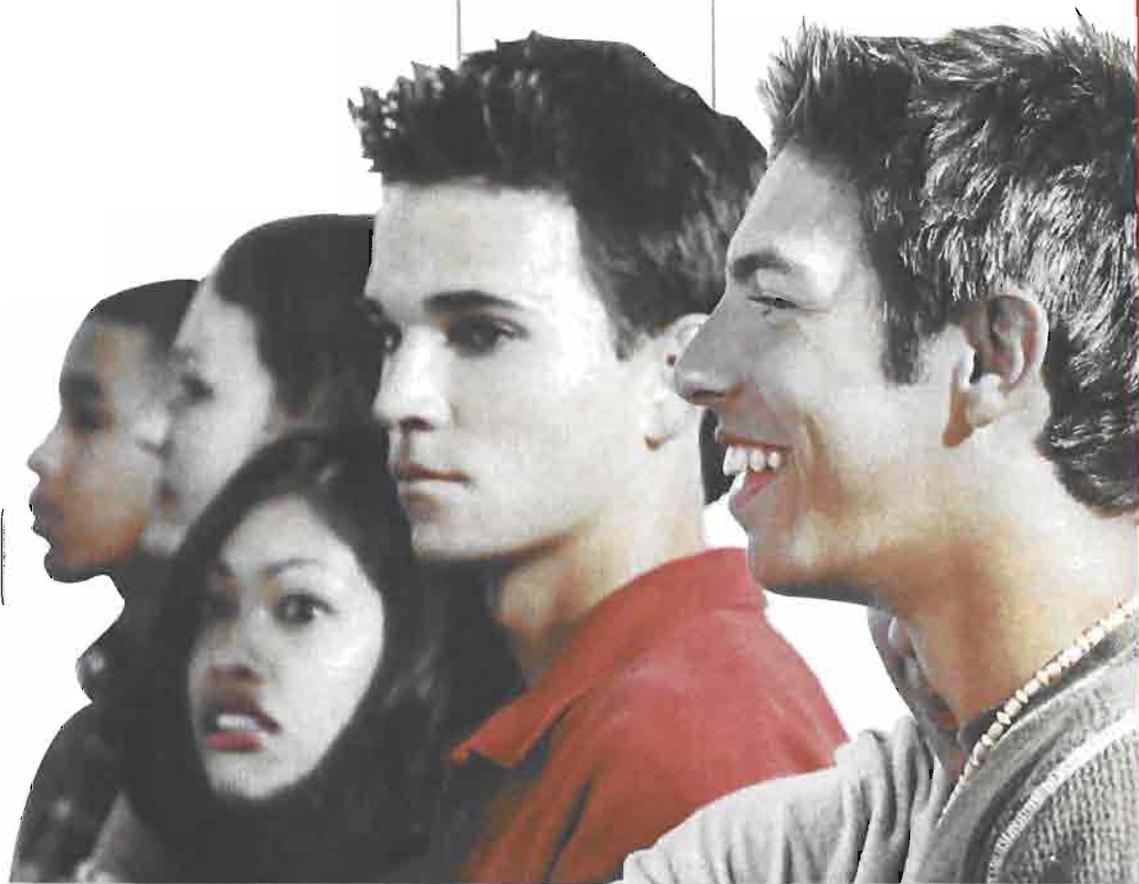
**FREE Programs  
& Materials  
for Teachers**

Science  
Social Science

2006  
2007



San Diego County  
Water Authority



Programs adhere to state standards

## About the water Authority Programs

The San Diego County Water Authority provides many programs and materials for teachers and students in San Diego County, all of which are free except where noted otherwise. For more information or to download forms, visit [www.sdcwa.org/education](http://www.sdcwa.org/education). You can also call or email Water Authority education staff:

<b>Ivan Golakoff</b>	858-522-6719	<a href="mailto:igolakoff@sdcwa.org">igolakoff@sdcwa.org</a>
<b>Susan Bohlander</b>	858-522-6720	<a href="mailto:sbohlander@sdcwa.org">sbohlander@sdcwa.org</a>
<b>Kelly Mooney</b>	858-522-6721	<a href="mailto:kmooney@sdcwa.org">kmooney@sdcwa.org</a>
<b>Deborah Hack</b>	858-522-6722	<a href="mailto:dhack@sdcwa.org">dhack@sdcwa.org</a>

### ADDITIONAL RESOURCES

**SanDCREEC** is a county-wide resource for environmental education programs. [www.creec.org/region9a/](http://www.creec.org/region9a/)

**I Love a Clean San Diego** provides a variety of environmental education programs. 619-291-0103 x3009 [www.ilacsd.org](http://www.ilacsd.org)

**Water Education Foundation**  
916-444-6240 [www.watereducation.org](http://www.watereducation.org)

**Department of Water Resources**  
916-653-4684 [www.publicaffairs.water.ca.gov/education](http://www.publicaffairs.water.ca.gov/education)

## "water quality: the qualities and science of water"

### SCIENCE CURRICULUM

This engaging program is a hands-on, inquiry-based approach to the water quality issues faced by the water industry and society. The activities emphasize various topics — pH, total dissolved solids, turbidity, hardness, watershed management, cryptosporidium, public health, and MTBE.

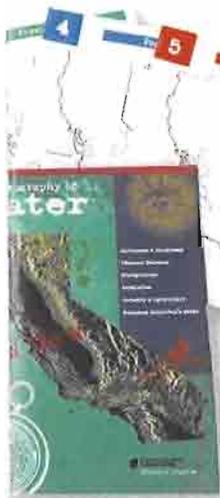
This unit is in a binder format with teacher guide, student and basic lab materials, lesson extensions, and glossary.

**An in-service at your school site is required.**

**To schedule, fill out the request form.**



# "geography of water"



## MAP STUDY CURRICULUM

Featuring California's geography, this unit contains seven student mapping activities with teacher instructions. The mapping activities build upon each other and lead to a better understanding of the role water has played in California's development. Topics covered include: elevations, physical features, precipitation, population, industry & agriculture, moving and using California's water, and San Diego's geography with local water perspectives.



**To receive a copy, fill out the request form.**

# SCIENCE FAIR AWARDS

The Water Authority offers awards of \$100-\$300 for outstanding water-related entries at the Greater San Diego Science and Engineering Fair. Prizes will be awarded to winners in both junior and senior divisions and presented to the students at a Water Authority board meeting.

NOTE: LaMotte, the maker of our water science testing kits, is a useful resource for Science Fair testing equipment. Contact LaMotte at [www.lamotte.com](http://www.lamotte.com) or call (800) 344-3100 for their catalog and additional information.

# "san diego: world in harmony"

## ENVIRONMENTAL CURRICULUM

Learn more about San Diego's environment than you thought possible with this 500-page curriculum. This multi-agency effort is the most comprehensive environmental curriculum ever produced for this region. It earned an A rating from the State Department of Education. Through a series of multi-disciplinary integrated activities, the curriculum addresses 15 environmental issues and offers 75 hands-on activities in science, social studies, math, language arts, and history.



**To receive a copy, fill out the request form.**

6th-12th grade

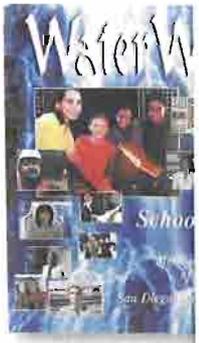
## "water works"

### SCHOOL-TO-CAREER CURRICULUM

Increase student awareness of career tracks in the water industry with this problem-solving and job-specific program. Career centers and classrooms will find it a valuable asset.

The program features a two-part video; a set of multi-disciplinary activities; a set of career profiles; and a CD containing video interviews, a tour of work areas, the career profiles, and an interactive "valve" game.

**An in-service at your school site is required.  
To schedule, fill out the request form.**



9th-12th grade

## "water politics"



### SOCIAL SCIENCE CURRICULUM

Designed for government, economics, and environmental science classes, this unit consists of case studies relating to contemporary water issues. Through critical thinking and role-playing activities, students will investigate the role of various agencies and special interest groups. The teacher's guide includes: lesson plans, a copy of the student materials, a video, a California's Water Resources map, and accompanying worksheets and material for each case study.

**An in-service at your school site is required.  
To schedule, fill out the request form.**



all grades

## Mini-grant Program

The Water Authority offers mini-grants of up to \$300 to teachers for the development of water-related projects, activities, Xeriscape gardens, or field trips. Grants are accepted and processed throughout the year.

**Download the application form at [www.sdcwa.org/education](http://www.sdcwa.org/education), or contact Ivan Golakoff at (858) 522-6719 or [igolakoff@sdca.org](mailto:igolakoff@sdca.org).**



## "regional water quality testing program"

### TEACHER WORKSHOP

This hands-on program centers around a water-testing kit containing equipment and supplies for the following tests: temperature, pH, DO, BOD, nitrates, turbidity, TDS, hardness, and microbiology.



*The Water Authority will pay for a substitute so you can attend this workshop.*

Each teacher receives a set of GIS watershed maps, a teacher's manual, a student workbook, and a San Diego water history book. The water-testing kit can be checked out for use after attending the workshop.

This program meets the state science framework for ecology, biology, chemistry, and geology. It also meets investigation and experimentation requirements.

**Workshop dates: October 16, 2006 and January 22, 2007.**  
**Workshops held at San Diego Wild Animal Park and Mission Trails Regional Park.**

**Download the registration form at [www.sdcwa.org/education](http://www.sdcwa.org/education), or contact Ivan Golakoff at (858) 522-6719 or [igolakoff@sdcwa.org](mailto:igolakoff@sdcwa.org).**

## "water times"

### EXTRA-EXTRA! READ ALL ABOUT IT!

This curriculum is a water-education newspaper designed for sixth-grade students who live in Southern California. The material is interdisciplinary — integrating science, social studies, language arts and math — and correlates to the California content standards for sixth grade. It's engaging, challenging, and relevant to the lives of sixth graders; and creates an awareness and stewardship of water in an exciting way. Includes a teacher's guide and set of consumable student newspapers.



**To receive a teacher's guide and a class set of newspapers, fill out the request form.**

all grades

## Xeriscape Gardening

### TEACHER WORKSHOP

This five-hour workshop will present the seven basic principles of Xeriscape gardening and includes an instructional tour of the Water Conservation Garden at Cuyamaca College in El Cajon. This innovative, four-acre garden features numerous plants and displays demonstrating design, maintenance, irrigation, and edible plants.

Participants receive a binder with curriculum materials, plant identification information, children's gardening guide, and ideas about starting a garden at your school.

**Workshop dates are: 10/25/06, 11/15/06, 1/17/07, 2/21/07, 3/21/07, 4/18/07, and 5/16/07.**

**Download the registration form at [www.sdcwa.org/education](http://www.sdcwa.org/education), or contact Ivan Golakoff at (858) 522-6719 or [igolakoff@sdca.org](mailto:igolakoff@sdca.org)**



The Water Authority will pay for a substitute so you can attend this workshop.

all grades

## "San Diego's Water from Source to Tap"

### REUBEN H. FLEET SCIENCE CENTER EXHIBIT

This interactive model demonstrates where our water comes from and how it is transported, treated, and distributed. Compare water usage in a traditional house with one that has been retrofitted with conservation fixtures.

**There is an entrance fee to the Fleet Science Center.**

**For hours and admission fee information, call (619) 238-1233.**

all grades

## Youth Merit Patch Program

The patch program is designed for youth groups ages 6-15 such as Boy Scouts, Girl Scouts, and Camp Fire Boys and Girls. The program consists of requirements designed to teach children about their water supply and conservation. Upon completion, each group member will receive an embroidered patch.

**For more information, visit [www.sdcwa.org/education](http://www.sdcwa.org/education) or contact Susan Bohlander at (858) 522-6720 or [sbohlander@sdca.org](mailto:sbohlander@sdca.org)**



# secondary request form

2006 - 2007

FAX (858) 268-7841 or mail this form to: Education Programs,  
San Diego County Water Authority, 4677 Overland Ave., San  
Diego, CA 92123. OR request programs using online forms at  
[www.sdcwa.org/education](http://www.sdcwa.org/education).

Please print using blue or black ink.

cut here

Mr. First Name \_\_\_\_\_ Last Name \_\_\_\_\_  
 Mrs. \_\_\_\_\_  
 Ms. \_\_\_\_\_  
 Miss Date \_\_\_\_\_ Email \_\_\_\_\_

Phone # (\_\_\_\_) \_\_\_\_\_ ext \_\_\_\_ Best times to call \_\_\_\_\_

School \_\_\_\_\_ District \_\_\_\_\_

Grade level \_\_\_\_\_ How many classes? \_\_\_\_\_ How many students? \_\_\_\_\_

Subject area(s) \_\_\_\_\_ Self-contained? Yes \_\_\_ No \_\_\_

## CURRICULUM NOT REQUIRING AN IN-SERVICE

Please mark the materials that interest you. Materials will be mailed to you.

\_\_\_ Water Times Curriculum (6th grade)      \_\_\_ San Diego World in Harmony Curriculum (7-12th grade)  
\_\_\_ Geography of Water Curriculum (6-8th grade)

## IN-SERVICES

**Please check with others in your grade level and select one teacher to coordinate the in-service you are requesting.** Mark only the programs below for which you have been selected as the coordinator. If someone else is selected as the coordinator for one of these programs, that person should send in a request form. Water Authority staff will contact the coordinator(s) to schedule the program(s). **TEACHERS MUST ATTEND THE IN-SERVICE TO RECEIVE THE MATERIALS.**

\_\_\_ Water Works In-service/curriculum (6-12th grade)      \_\_\_ Water Politics In-service/curriculum (9-12th grade)  
\_\_\_ Water Quality: The Qualities and Science of Water In-service/curriculum (7-12th grade)

## OTHER PROGRAMS

For workshops and other programs not listed above, check the program description in the brochure for contact information.

cut here

## san diego county water Authority Member Agencies:

Carlsbad MWD	760-438-2722
City of Del Mar	858-755-3294
City of Escondido	760-839-4657
Fallbrook Public Utility District	760-728-1125
Helix Water District	619-466-0585
City of National City (Sweetwater Authority)	619-420-1413
City of Oceanside	760-435-5800
Olivenhain MWD	760-753-6466
Otay Water District	619-670-2777
Padre Dam MWD	619-258-4600
Camp Pendleton Marine Corps Base	760-725-1061
City of Poway	858-668-4401
Rainbow MWD	760-728-1178
Ramona MWD	760-789-1330
Rincon del Diablo MWD	760-745-5522
City of San Diego	619-533-7555
San Dieguito Water District	760-633-2840
Santa Fe Irrigation District	858-756-2424
South Bay Irrigation District (Sweetwater Authority)	619-420-1413
Vallecitos Water District	760-744-0460
Valley Center MWD	760-749-1600
Vista Irrigation District	760-597-3100
Yuima MWD	760-742-3704

Education program descriptions, workshop flyers, and other forms are available online at [www.sdcwa.org/education](http://www.sdcwa.org/education).



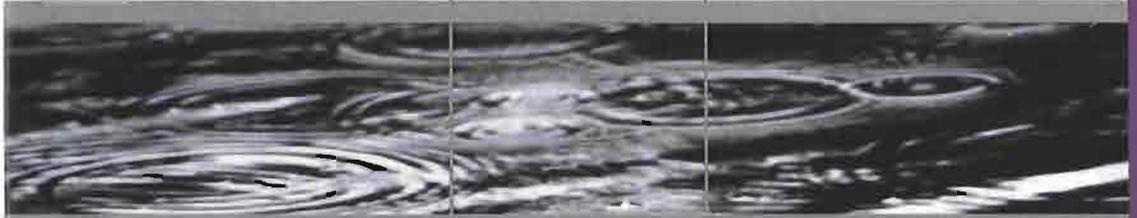
San Diego County  
Water Authority

[www.sdcwa.org](http://www.sdcwa.org)

The Water Authority is a public agency serving the San Diego region as a wholesale supplier of water. The Water Authority works through its 23 member agencies to provide a safe, reliable water supply to support the region's \$150 billion economy and the quality of life of more than 3 million residents.

4677 Overland Ave., San Diego, CA 92123 • PH 858-522-6700 FAX 855-268-7841

# elementary water education



San Diego County Water Authority

FREE Programs  
& Materials  
for Teachers

2006  
2007



San Diego County  
Water Authority

Science  
Social Science  
Language Arts



Programs adhere to state standards



## About the water authority programs

The San Diego County Water Authority provides many programs and materials for teachers and students in San Diego County, all of which are free except where noted otherwise. For more information or to download forms, visit [www.sdcwa.org/education](http://www.sdcwa.org/education). You can also call or email Water Authority education staff:

<b>Ivan Golakoff</b>	858-522-6719	<a href="mailto:igolakoff@sdcwa.org">igolakoff@sdcwa.org</a>
<b>Susan Bohlander</b>	858-522-6720	<a href="mailto:sbohlander@sdcwa.org">sbohlander@sdcwa.org</a>
<b>Kelly Mooney</b>	858-522-6721	<a href="mailto:kmooney@sdcwa.org">kmooney@sdcwa.org</a>
<b>Deborah Hack</b>	858-522-6722	<a href="mailto:dhack@sdcwa.org">dhack@sdcwa.org</a>

### ADDITIONAL RESOURCES

**SanDCREEC** is a county-wide resource for environmental education programs. [www.creec.org/region9a/](http://www.creec.org/region9a/)

**I Love a Clean San Diego** provides a variety of environmental education programs. 619-291-0103 x3009 [www.ilacsd.org](http://www.ilacsd.org)

**Water Education Foundation**  
916-444-6240 [www.watereducation.org](http://www.watereducation.org)

**Department of Water Resources**  
916-653-4684 [www.publicaffairs.water.ca.gov/education](http://www.publicaffairs.water.ca.gov/education)

## "All About Water"

### INTERDISCIPLINARY CURRICULUM

This primary-grade teacher's guide contains 26 water-related activities and science experiments. The activities are designed to integrate math, science, art, music, and language arts and to provide an understanding of California's water supply and water conservation issues. Major topics covered are water quality, water distribution, water conservation, and the water cycle.

**A 30-minute in-service at your school site is required.**  
**To schedule, fill out the request form at the back of this brochure.**



# "water science in a BOX"

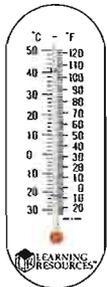


## SCIENCE KITS

Supplement your science curriculum with these three grade-specific kits. Each kit contains hands-on experiments and demonstrations that correlate to the state science standards. Everything you need except common classroom supplies is in the box, including teacher-tested instructions, equipment, and student supplies! The kits are loaned out to schools for short- or long-term use. See the descriptions below for each kit.

### First Grade

The first-grade kit includes a mix of physical, life, and earth science lessons. Weather, states of water, and special features of plants and animals are some of the topics explored. Includes a supplemental lesson on learning how to use a thermometer.



### Second Grade

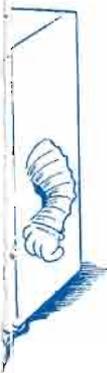
The second-grade kit includes activities in the physical and earth sciences. The seven lessons involve three main themes: moving water by gravity and/or machines, water as a resource, and properties of various soil types.

### Third Grade

The five lessons in this kit focus on life science. Students learn about diverse groups of living creatures and adaptations that help them survive.



**A 45-minute in-service at your school site is required. To schedule, fill out the request form at the back of this brochure.**



## "H<sub>2</sub>O, Where Do You Go?"

### A MUSICAL SCIENCE SHOW ABOUT WATER

What happens when you combine science, music, and comedy? You get "H<sub>2</sub>O, Where Do You Go?" — The Water Authority's assembly program produced by "Razzle Bam Boom." The high-energy duo of Wow x 2 will have your students singing and laughing while learning about water in San Diego County.



Topics include the importance of water, how we get most of our water from far away places, and why everyone should care about conserving water. Length of the program is about 40 minutes.

**To learn more or to schedule an assembly, call Razzle Bam Boom at (800) 909-0024 or email [kim@razzlebamboom.com](mailto:kim@razzlebamboom.com). Book early for the best selection of dates.**

The HELP program is a public-private partnership that supports teachers in their efforts to bring history to life for their students.

## HELP History Video Series

This new video series will wet your students' thirst for knowledge about local and state history:

### San Diego County: History and Growth - Third Grade

In this short video, historical photos are woven into a story designed to motivate third grade students to learn more about the communities in which they live. Students learn that the geography of the region and the contributions of people of all races have helped to shape San Diego's unique history.

### California: A Changing State - Fourth Grade

This video series follows the adventures of five students as they explore the history and geography of California. Their stories are told in five short videos, each addressing a different era. The videos also show how water played a key role in the development of California.



**Each school will automatically receive one copy of each video. If your school has not received a copy by January of 2007, contact Ivan Golakoff at [igolakoff@sdewa.org](mailto:igolakoff@sdewa.org).**

**UPDATED**



## "Admiral splash"

### **SOCIAL STUDIES/SCIENCE CURRICULUM**

Guided by Admiral Splash, students learn about California's water systems, where our water comes from, how it is distributed and treated, and how to conserve. This kit contains a teacher's guide, a video, a wall map of California's water system, and a class set of workbooks, tests, and home information leaflets.

**A 30-minute in-service at your school site is required.**

**To schedule, fill out the request form at the back of this brochure.**

## "water ways"

### **SOCIAL STUDIES CURRICULUM**

Supplement your fifth-grade social studies curriculum with "Water Ways." This highly colorful, activity-oriented unit examines the role of water in the history of the United States during three historical periods: Pre-Columbian, Colonial, and the Westward Movement.



Activities include making a rain stick, creating a well, tracking Lewis and Clark's Expedition, constructing a water wheel, and more. The program comes complete with a teacher's guide and a set of 35 consumable student booklets.

**A 30-minute in-service at your school site is required.**

**To schedule, fill out the request form at the back of this brochure.**

## "Traveling Library"

### LIBRARY DISPLAY AND CLASSROOM PRESENTATIONS

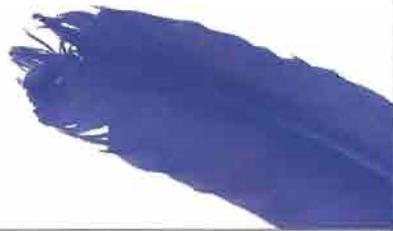
This program focuses on the librarian as a resource for students and teachers by providing participating schools with:



- Three weeks to enjoy a free-standing library display consisting of three interactive panels and a selection of over 100 books, including Spanish titles. Reading and interest level of the books range from kindergarten through sixth grade.
- Seven free books for the school's permanent library collection.
- Third- and fourth-grade classroom presentations that adhere to the state frameworks and include storytelling and a hands-on activity.

#### Third Grade:

Students learn how the Kumeyaay of the past dealt with San Diego County's semiarid climate and how we deal with it today. A Native American drought story and stick-dice game culminate the presentation.



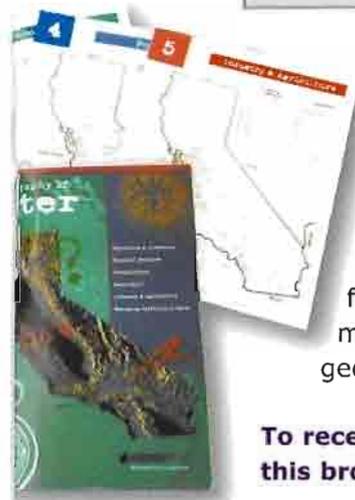
#### Fourth Grade:

This presentation traces California history from before the mission period to the present, with an emphasis on water issues and the development of water transportation and storage structures. A discussion of immigration during the Gold Rush is enhanced by the rendition of a Chinese story. Students receive a Chinese tangram puzzle. Teachers receive a list of tangram math activities.

**Due to the popularity of this program, we recommend reserving early. Only the librarian may reserve this program. To schedule, ask your school librarian to contact Kelly Mooney at (858) 522-6721 or [kmooney@sdewa.org](mailto:kmooney@sdewa.org), or download the registration form at [www.sdewa.org/education](http://www.sdewa.org/education).**



# "Geography of water"



## MAP STUDY CURRICULUM

Featuring California's geography, this unit contains seven student mapping activities with teacher instructions. The mapping activities build upon each other and lead to a better understanding of the role water has played in California's development. Topics covered include: elevations, physical features, precipitation, population, industry & agriculture, moving and using California's water, and San Diego's geography with local water perspectives.



**To receive a copy, fill out the request form at the back of this brochure.**

# "Weather & water in san diego"

## CLASSROOM PRESENTATION

*Why doesn't San Diego get more rain? What types of weather events have an impact on our climate? Do the ocean and the water cycle play a part? Where does our water come from? Why is it important to conserve water?*

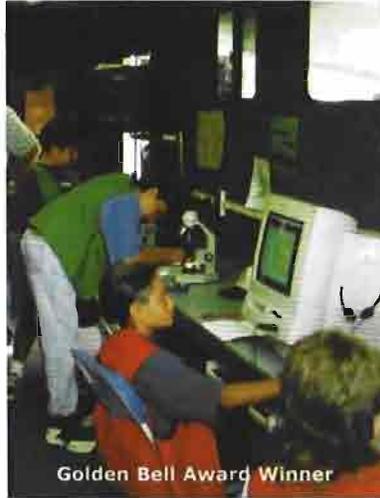
These are some of the questions that will be answered during the Water Authority's fifth-grade classroom presentation. This 60-minute presentation adheres to the fifth-grade science standards and utilizes lecture, visuals, scientific demonstrations, and hands-on activities.

Teachers are given class sets of a 16-page booklet, "The Story of Drinking Water."

**All fifth-grade presentations at your school must be scheduled for the same date. Exceptions may be made for schools with more than one track or with more fifth-grade classes than can be visited in one day. Fill out the request form at the back of this brochure to schedule presentations for your school.**



## "splash" science mobile Lab



### A FIELD TRIP THAT COMES TO YOUR SCHOOL!

The County Office of Education, in collaboration with the San Diego County Water Authority, offers this award-winning program. Geared toward grades four through six, the curriculum concentrates on six teaching stations

- Microscopes
- Technology
- Weather
- Water Quality
- Storm Drain Pollution Model
- Life Around a Pond

Delivered in an innovative manner, the curriculum encompasses multimedia, computer analysis, hands-on experimentation, observation, and group problem solving. The lab can accommodate up to four classes per day.

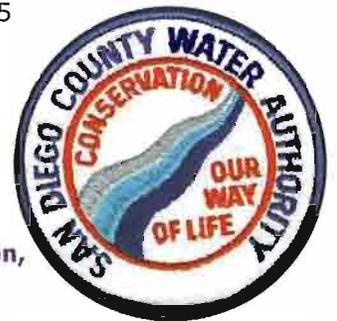
**There is a fee for this program. Check with your local water agency for possible assistance with funding.**

**For scheduling or more information, call the San Diego County Office of Education at (858) 292-3696.**

## Youth Merit Patch Program

The patch program is designed for youth groups ages 6-15 such as Boy Scouts, Girl Scouts, and Camp Fire Boys and Girls. The program consists of requirements designed to teach children about their water supply and conservation. Upon completion, each group member will receive an embroidered patch.

**For further information, visit [www.sdcwa.org/education](http://www.sdcwa.org/education), or contact Susan Bohlander at (858) 522-6720 or [sbohlander@sdcwa.org](mailto:sbohlander@sdcwa.org)**



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### TEACHER WORKSHOP

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**Workshop dates: October 16, 2006 and January 22, 2007.  
Workshops held at San Diego Wild Animal Park and Mission Trails Regional Park.**

**Download the registration form at [www.sdcwa.org/education](http://www.sdcwa.org/education), or contact Ivan Golakoff at (858) 522-6719 or [igolakoff@sdwca.org](mailto:igolakoff@sdwca.org).**

## "water TIMES"



### EXTRA-EXTRA! READ ALL ABOUT IT!

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**To receive a teacher's guide and a class set of newspapers, fill out the request form at the back of this brochure.**

## Xeriscape Gardening



*The Water Authority will pay for a substitute so you can attend this workshop.*

### TEACHER WORKSHOP

This five-hour workshop will present the seven basic principles of Xeriscape gardening and includes an instructional tour of the Water Conservation Garden at Cuyamaca College in El Cajon. This innovative, four-acre garden features numerous plants and displays demonstrating design, maintenance, irrigation, and edible plants.

Participants receive a binder with curriculum materials, plant identification information, children's gardening guide, and ideas about starting a garden at your school.

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## Mini-grant Program

The Water Authority offers mini-grants of up to \$300 to teachers for the development of water-related projects, activities, Xeriscape gardens, or field trips. Grants are accepted and processed throughout the year.

**Download the application form at [www.sdcwa.org/education](http://www.sdcwa.org/education), or contact Ivan Golakoff at (858) 522-6719 or [igolakoff@sdca.org](mailto:igolakoff@sdca.org).**

# Elementary Request Form

FAX (858) 268-7841 or mail this form to: Education Programs, San Diego County Water Authority, 4677 Overland Ave., San Diego, CA 92123. OR request programs using online forms at [www.sdcwa.org/education](http://www.sdcwa.org/education).

2006 - 2007

Please print using blue or black ink.

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Mr. First Name \_\_\_\_\_ Last Name \_\_\_\_\_  
 Mrs.  
 Ms. Date \_\_\_\_\_ Email \_\_\_\_\_  
 Miss

Phone # (\_\_\_\_) \_\_\_\_\_ ext \_\_\_\_ Best times to call \_\_\_\_\_

School \_\_\_\_\_ District \_\_\_\_\_

Grade level \_\_\_\_\_ How many classes? \_\_\_\_\_ How many students? \_\_\_\_\_

Subject area(s) \_\_\_\_\_ Self-contained? Yes \_\_\_ No \_\_\_

## MATERIALS NOT REQUIRING AN IN-SERVICE

Please mark the materials that interest you. Materials will be mailed to you.

\_\_\_ [Water Times](#) \_\_\_\_\_ [Geography of Water](#)  
Curriculum (6th grade) Curriculum (4-6th grade)

## IN-SERVICES AND CLASSROOM PRESENTATIONS

**Please check with others in your grade level and select one teacher to coordinate the in-service or presentation you are requesting.** Mark only the programs below for which you have been selected as the coordinator. If someone else is selected as the coordinator for one of these programs, that person should send in a request form. Water Authority staff will contact the coordinator(s) to schedule the program(s). **TEACHERS MUST ATTEND THE IN-SERVICE TO RECEIVE THE MATERIALS.**

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___ <a href="#">Weather and Water in San Diego</a> Classroom Presentation (5th grade)	___ <a href="#">Water Science in a Box, 1st Grade</a> In-service/science kit (1st grade)
___ <a href="#">Water Ways</a> In-service/curriculum (5th grade)	___ <a href="#">Water Science in a Box, 2nd Grade</a> In-service/science kit (2nd grade)
___ <a href="#">Admiral Splash</a> In-service/curriculum (4-5th grade)	___ <a href="#">Water Science in a Box, 3rd Grade</a> In-service/science kit (3rd grade)
___ <a href="#">All About Water</a> In-service/curriculum (K-3rd grade)	

## OTHER PROGRAMS

For workshops and other programs not listed above, check the program description in the brochure for contact information.

## san diego county water authority Member Agencies:

Carlsbad MWD	760-438-2722
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City of Escondido	760-839-4657
Fallbrook Public Utility District	760-728-1125
Helix Water District	619-466-0585
City of National City (Sweetwater Authority)	619-420-1413
City of Oceanside	760-435-5800
Olivenhain MWD	760-753-6466
Otay Water District	619-670-2777
Padre Dam MWD	619-258-4600
Camp Pendleton Marine Corps Base	760-725-1061
City of Poway	858-668-4401
Rainbow MWD	760-728-1178
Ramona MWD	760-789-1330
Rincon del Diablo MWD	760-745-5522
City of San Diego	619-533-7555
San Dieguito Water District	760-633-2840
Santa Fe Irrigation District	858-756-2424
South Bay Irrigation District (Sweetwater Authority)	619-420-1413
Vallecitos Water District	760-744-0460
Valley Center MWD	760-749-1600
Vista Irrigation District	760-597-3100
Yuima MWD	760-742-3704

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San Diego County  
Water Authority

[www.sdcwa.org](http://www.sdcwa.org)

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4677 Overland Ave., San Diego, CA 92123 • PH 858-522-6700 FAX 855-268-7841

## San Diego

is very dependent upon imported water.

Our average rainfall, which is about 10 inches, does not provide enough water for our local needs. As much as 90% of the water we use is imported from the Colorado River and Northern California. To maintain our quality of life and ensure our future water supply, we need to educate our youth to use this limited resource as efficiently as possible.

## Otay Water District

brings you a variety of water related activities to supplement your classroom programs. These materials, which meet State Content Standards, are designed for science, economics, government and environmental science classes.

**Together**  
we can **educate our youth**  
to use San Diego's  
water supply wisely.

# Learn About Water

Call for Information and Reservations:

**Pam Rega**

Water Conservation Specialist

Otay Water District

(619) 670-2291

[prega@otaywater.gov](mailto:prega@otaywater.gov)



For more education information  
visit our web site at

Water education material  
**for Middle & High School**  
from the Otay Water District

# Learn About Water

## Learn About Water Kits

Each kit includes the following Programs:

- 💧 **WATER POLITICS:**  
designed for government, economics and environmental science classes. Consists of case studies relating to contemporary water issues.
- 💧 **WATER WORKS:**  
SCHOOL-TO-CAREER EDUCATION PROGRAM:  
designed to increase student awareness of career tracks in the water industry.
- 💧 **WATER QUALITY:**  
THE QUALITIES AND SCIENCE OF WATER:  
an inquiry-based approach to the water quality issues faced by the water industry and society.
- 💧 **PROJECT WATER SCIENCE:**  
a study of water chemistry and how water relates to the environment.
- 💧 **CALIFORNIA'S WATER PROBLEMS:**  
presents scenarios that give students first-hand experience at solving real-life problems involving the management of California's water.
- 💧 **CONSERVE WATER EDUCATOR'S GUIDE:**  
a collection of activities and case studies designed to teach students how to conserve water.
- 💧 **SAN DIEGO: WORLD IN HARMONY:**  
an environmental curriculum, developed for San Diego.
- 💧 **GROUNDWATER EDUCATION:**  
a study of groundwater and the prevention, reduction and elimination of groundwater pollution.
- 💧 **GEOGRAPHY OF WATER:**  
a map study featuring California's geography.

## Free Classroom Presentations

Have an expert come and speak to your class on water-related topics. Possible topics include, but are not limited to:

- 💧 Current Water Issues
  - 💧 Water Quality
  - 💧 Water Conservation
  - 💧 Careers in the Water Industry
- Presentations will be designed to correlate with the objectives of your class.

## Free Field Trip



To **THE WATER CONSERVATION GARDEN**  
Schedule a field trip to the 4.2 acre Water Conservation Garden located at Cuyamaca College. Tours can be designed to correlate with the objectives of your class.

Funding available for a limited number of buses.

## For Students:



**CSDA SCHOLARSHIP:**  
(California Special District's Association)  
Several \$1,000 scholarships are available for high school seniors.

**OTAY WATER DISTRICT SCHOLARSHIP:**  
A \$1,000 scholarship for high school seniors.

**WATER IS LIFE POSTER CONTEST:**  
Two exciting categories:  
💧 Computer-generated art  
💧 Multi-media artwork

## Education for Educators

**PROJECT WET EDUCATOR WORKSHOPS:**  
held annually, includes a 500+ page curriculum guide.

**WATERWISE GARDENING TEACHER WORKSHOPS:**  
held at The Water Conservation Garden and provides curriculum ideas and materials. San Diego County Water Authority will pay for release time for teachers who attend workshops.

**IN-SERVICE:**  
is available for educators wishing to develop materials and programs.

**REGIONAL WATER QUALITY TESTING PROGRAM:**  
a kit containing all the materials for hands-on field water quality testing.  
💧 The kit can be checked out upon completion of a one-day workshop.  
💧 San Diego County Water Authority will pay for release time for teachers who attend workshops.

## Other Resources



**BOOKS AND VIDEOS:**  
a library of water-related videos, books and information guides.

**MAPS:**  
depicting California's water system and San Diego County Watersheds.

**PROGRAM FUNDING:**  
up to \$300 is offered to teachers for development of water-related project activities. Call for an application.



# AGENDA ITEM 6c

## STAFF REPORT

TYPE MEETING:	Communications Committee	MEETING DATE:	10/18/06
SUBMITTED BY:	Armando Buelna, <i>AB</i> Communications Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY:			
SUBJECT:	2006 Customer Survey - Draft Survey Questionnaires		

### GENERAL MANAGER'S RECOMMENDATION:

That the Communications Committee review the draft questionnaires to be used in the 2006 Customer Satisfaction and Awareness Surveys.

### PURPOSE:

To provide the Communications Committee the opportunity to review the draft questionnaires to be used in the 2006 Customer Satisfaction and Awareness Surveys.

### BACKGROUND:

Attached are draft questionnaires developed by Rea & Parker Research for consideration by the Otay Water District for use in the General and Call Center surveys.

In the General survey, 300 customers will be selected at random from individuals residing within the district's service area. These respondents will be asked to respond to questions about their overall perception of service, rates, as well as their attitudes toward sewer service and recycled water. The survey will yield a margin of error of +/- 5.7% at 95% confidence. This survey measures changes from the 2005 survey, and establishes new baselines for material not covered in the previous study.

In Call Center survey, respondents will be selected from customers who have contacted the district within the last 6 months. Those individuals will be asked about specific Call Center interaction such as courtesy, knowledge, and helpfulness of Call Center personnel. This survey of 200 customers will yield a margin of error of +/- 6.89% at 95% confidence. This survey is meant to assist Finance - Customer Service develop meaningful metrics for tracking Call Center interaction with customers.

The survey's are currently being reviewed by staff. Comments received will be incorporated into the two documents, which will also be translated to Spanish. The surveys will be pre-tested prior to actual survey being conducted.

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

The cost of conducting the survey projects will total \$27,500. Funding for the survey's is included in the General Manager's Outside Services account (GL 5261).

**STRATEGIC GOAL:**

This project is consistent with the following 2006 Strategic Plan Goals:

- 1.A.1 Implement a standardized Potable and Recycled Water Customer Survey.
- 1.A.3 Expand a Quality control/Audit program to ensure quality customer service.

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

None.



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

*Attached*

Otay Water District Survey 2006- General - Proposed Draft  
Otay Water District Survey - Customer Service - Proposed Draft



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	2006 Customer Surveys - Draft Questionnaires
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### COMMITTEE ACTION:

The Communications Committee reviewed this item at a meeting held on October 18, 2006. The following comments were made:

- It was indicated that two surveys would be administered:
  - A Customer Survey for those customers who have had contact with the District's Call Center within the last six months. 200 customers would be surveyed and it is expected that the survey would be approximately 12 minutes in length
  - A General Survey of 300 randomly selected individuals residing within the District's service area. The survey would be approximately 13-16 minutes in length
- The committee suggested the following changes to the surveys:
  - Question 14 of the General Survey: Change "recycled water" in the first sentence to "sewer water." The sentence should read, "These next questions are about sewer water, which is wastewater that has been treated and is used for a variety of purposes other than drinking water." It was felt that the customer may envision "grey water" instead of "sewer water" and the survey would not get accurate results because of the misunderstanding.
  - Question 15 of the General Survey: Improve question to better gauge respondents "lack of" or "confidence" in a Mexico plant meeting United States standards.
  - Question 13 of the Customer Survey: Suggested removing this question, "Have you utilized the Otay Water District's off-site payment center?"
  - Question 15 of the Customer Survey: The committee wished to understand what information the District is trying to gain by asking this

question, "No matter how you presently pay your bill, how would you prefer to pay your bill most of the time?" Did the District wish to know what payment options the customer is aware of or is the District trying to ascertain what payment method is preferred? If the District is interested in what payment option is truly preferred, then it was suggested that the available options be read to the customer.

- The committee wished to also determine how it would be identified that a respondent was an OWD sewer customer. It was requested that staff inquire with Dr. Parker how a sampling of the District's sewer customers would be pulled to get accurate statistical results.
- The committee also discussed that since the least expensive payment option was "automatic bank deductions," that a question be added indicating that if the District provided an incentive to customers who pay their bill through automatic bank deductions, would they be willing to utilize this payment method as their primary method.
- There was also interest in ascertaining information on how many customers utilize the Interactive Voice Response (IVR) system to obtain their bill balance.
- It was noted that the surveys would be administered either before the Thanksgiving Day Holiday or the first week of December.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding to the Board of Directors.

**Otay Water District Survey**  
**Customer Service 2006**  
**Proposed Draft**

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

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

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

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

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

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

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

1 - MALE

2 - FEMALE

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

1 - English or

2 - Spanish?

Q1. Have you or anyone in your household or business called the Otay Water District for service or other help during the past 12 months?

1 - YES

2 - NO **-THANK AND TERMINATE INTERVIEW**

9 - DK/REF **-THANK AND TERMINATE INTERVIEW**

Q1a—Please indicate the type of customer you are

1—Residential

2—Business

3—Agriculture

4—Other, SPECIFY \_\_\_\_\_

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

1 - a repair issue,

2 - a billing issue, or -----> **GO TO Q2**

3 - another issue? ---> **GO TO Q2**

9 - DK/REF -----> **GO TO Q3**

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

1 - a pipeline break,

2 - a problem with supply to your home,

3—a suspected leak

4 - another problem? [SPECIFY:] \_\_\_\_\_

9 - DK/REF

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

1—YES

2—NO—**GO TO Q3**

3--DK —**GO TO Q3**

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

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

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

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

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

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

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

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

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

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

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

20—DK/REF [Go to Q3]

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

1—YES

2—NO—GO TO Q3

3--DK —GO TO Q3

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

1—Did not understand bill

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

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

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

5—Question about message box on bill

6—Address change

7---Start service

8---Stop Service

9—Reconnect Service after shutoff

10-- a pipeline break,

11 - a problem with supply to your home

15—Other? SPECIFY \_\_\_\_\_

20—DK/REF

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

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

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

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

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

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

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

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

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

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

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

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

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

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

---

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

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

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

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

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

---

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

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

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

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

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

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

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

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

Q12. Have you also contacted the Otay Water District by any of the following methods?

	Yes	No	DK/REF
1. e-mail	1 [12a]	2	9
2. mailed letter	1 [12b]	2	9
3. in person	1 [12c]	2	9

Q12a-c

How satisfied were you with the service you received from those contacts?

	12a	12b	12c
1 - very satisfied,			
2 - somewhat satisfied,			
3 - somewhat dissatisfied, or			
4 - very dissatisfied?			
9 - DK/REF			

Q13. Have you utilized the Otay Water District's off-site payment center?

- 1—YES -----[GO TO Q14]
- 2—NO
- 3—DK/REF-----[GO TO Q14]

Q13a. [IF Q13=2] How likely would you be to use an off-site payment center if one were located within one mile of your property?

- 1—Very Likely
- 2—Somewhat Likely
- 3—Somewhat Unlikely
- 4—Very Unlikely
- 9---DK/REF

Q14. How do you pay your water bill most months?

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

Q15. No matter how you presently pay your bill, how would you prefer to pay your bill most of the time?

- 1—Send check by mail-----GO TO Q16
- 2—Automatic bank deduction-----GO TO Q16
- 3—Credit card over the telephone-----GO TO Q16
- 4—In person at the Otay Water District office
- 5—In person at payment center
- 6—On-line (Internet) -----GO TO Q16

Q15a. **[IF Q15 = 4 or 5]** Why do you prefer to pay in person? **DO NOT VOLUNTEER**

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

Q16. In the past 6 months, have you used the Otay Water District website to obtain information or other service from the Otay Water District?

- 1—YES
- 2—NO-----GO TO Q17
- 3—DK/REF-----GO TO Q17

Q16a. **[IF Q16=1]** How satisfied were you with the web service you received? Were you\*

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

Q17. The Otay Water District has an Interactive Voice Response feature in their telephone system. This feature provides the customer with account information, total amount due, and last payment received. Have you used this feature?

- 1—YES
- 2—NO-----GO TO Q18
- 3—DK/REF-----GO TO Q18

Q17a. **[IF Q17 = 1]** Did you find this feature to be useful?

- 1—YES
- 2—NO
- 3—DK/REF

Q17b. How easy was the system to use?

- 1—Very easy
- 2—Somewhat easy
- 3—Somewhat difficult
- 4—Very difficult
- 9—DK/REF

Q17c. When you last called the Otay Water District for customer service, were you able to resolve your question or problem using the automated system only?

- 1—YES
- 2—NO
- 3—DK/REF

Q17d. Are there any other features that you would like to have offered by the Interactive Voice Response system?

1—Yes

2—No ---[GO TO Q18]

3—DK/REF ---[GO TO Q18]

Q15e. [IF Q17c = 1] What feature or features would you like the Automated Voice Response system to offer? [RECORD UP TO 2]

Q18. Regarding your monthly billing, How satisfied are you with the accuracy of your water bill?

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

Q19. How satisfied are you with the ease of understanding your water bill?

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

Q20. How confident are you in the accuracy of your monthly meter reading?

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

Q21. Do you read the messages in the message box on your monthly bill?

1—YES

2—NO

3---DID NOT EVEN KNOW MESSAGES WERE THERE  
[VOLUNTEERED]

Q22. What changes, if any, would you suggest to the Otay Water District that you think could improve the convenience of your monthly bill?

0=No changes

---

Q23. In comparison to other companies that bill you monthly, such as electricity, cable tv, or others, how would you rate your overall customer experience with us on a scale of 1-5, where 5 means that the Otay Water District is the best of these companies and 1 means that the Otay Water District is the worst.

---

In closing, these questions are for comparison purposes only.

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

\_\_\_\_\_ YEARS

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

\_\_\_\_\_   
 99 - DK/REF

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

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

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

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

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

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

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

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

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

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

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

**Otay Water District Survey**  
**Customer Service 2006**  
**Proposed Draft**

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

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

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

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

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

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

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

- 1 - MALE
- 2 - FEMALE

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

- 1 - English or
- 2 - Spanish?

Q1. Have you or anyone in your household or business called the Otay Water District for service or other help during the past 12 months?

- 1 - YES
- 2 - NO **-THANK AND TERMINATE INTERVIEW**
- 9 - DK/REF **-THANK AND TERMINATE INTERVIEW**

Q1a—Please indicate the type of customer you are

1—Residential

2—Business

3—Agriculture

4—Other, SPECIFY \_\_\_\_\_

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

1 - a repair issue,

2 - a billing issue, or -----> **GO TO Q2**

3 - another issue? ---> **GO TO Q2**

9 - DK/REF -----> **GO TO Q3**

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

1 - a pipeline break,

2 - a problem with supply to your home,

3—a suspected leak

4 - another problem? [SPECIFY:] \_\_\_\_\_

9 - DK/REF

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

1—YES

2—NO—**GO TO Q3**

3--DK —**GO TO Q3**

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

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

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

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

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

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

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

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

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

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

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

20—DK/REF [Go to Q3]

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

1—YES

2—NO—GO TO Q3

3--DK —GO TO Q3

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

1—Did not understand bill

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

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

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

5—Question about message box on bill

6—Address change

7---Start service

8---Stop Service

9—Reconnect Service after shutoff

10-- a pipeline break,

11 - a problem with supply to your home

15—Other? SPECIFY \_\_\_\_\_

20—DK/REF

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

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

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

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

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

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

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

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

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

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

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

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

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

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

---

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

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

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

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

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

---

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

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

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

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

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

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

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

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

Q12. Have you also contacted the Otay Water District by any of the following methods?

	Yes	No	DK/REF
1. e-mail	1 [12a]	2	9
2. mailed letter	1 [12b]	2	9
3. in person	1 [12c]	2	9

Q12a-c

How satisfied were you with the service you received from those contacts?

	12a	12b	12c
1 - very satisfied,			
2 - somewhat satisfied,			
3 - somewhat dissatisfied, or			
4 - very dissatisfied?			
9 - DK/REF			

Q13. Have you utilized the Otay Water District's off-site payment center?

- 1—YES -----[GO TO Q14]
- 2—NO
- 3—DK/REF-----[GO TO Q14]

Q13a. [IF Q13=2] How likely would you be to use an off-site payment center if one were located within one mile of your property?

- 1—Very Likely
- 2—Somewhat Likely
- 3—Somewhat Unlikely
- 4—Very Unlikely
- 9---DK/REF

Q14. How do you pay your water bill most months?

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

Q15. No matter how you presently pay your bill, how would you prefer to pay your bill most of the time?

- 1—Send check by mail-----GO TO Q16
- 2—Automatic bank deduction-----GO TO Q16
- 3—Credit card over the telephone-----GO TO Q16
- 4—In person at the Otay Water District office
- 5—In person at payment center
- 6—On-line (Internet) -----GO TO Q16

**Q15a. [IF Q15 = 4 or 5] Why do you prefer to pay in person? DO NOT VOLUNTEER**

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

**Q16. In the past 6 months, have you used the Otay Water District website to obtain information or other service from the Otay Water District?**

- 1—YES
- 2—NO-----GO TO Q17
- 3—DK/REF-----GO TO Q17

**Q16a. [IF Q16=1] How satisfied were you with the web service you received? Were you\***

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

**Q17. The Otay Water District has an Interactive Voice Response feature in their telephone system. This feature provides the customer with account information, total amount due, and last payment received. Have you used this feature?**

- 1—YES
- 2—NO-----GO TO Q18
- 3—DK/REF-----GO TO Q18

**Q17a. [IF Q17 = 1] Did you find this feature to be useful?**

- 1—YES
- 2—NO
- 3—DK/REF

**Q17b. How easy was the system to use?**

- 1—Very easy
- 2—Somewhat easy
- 3—Somewhat difficult
- 4—Very difficult
- 9—DK/REF

**Q17c. When you last called the Otay Water District for customer service, were you able to resolve your question or problem using the automated system only?**

- 1—YES
- 2—NO
- 3—DK/REF

Q17d. Are there any other features that you would like to have offered by the Interactive Voice Response system?

- 1—Yes
- 2—No ---[GO TO Q18]
- 3—DK/REF ---[GO TO Q18]

Q15e. [IF Q17c = 1] What feature or features would you like the Automated Voice Response system to offer? [RECORD UP TO 2]

Q18. Regarding your monthly billing, How satisfied are you with the accuracy of your water bill?

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

Q19. How satisfied are you with the ease of understanding your water bill?

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

Q20. How confident are you in the accuracy of your monthly meter reading?

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

Q21. Do you read the messages in the message box on your monthly bill?

- 1—YES
- 2—NO
- 3---DID NOT EVEN KNOW MESSAGES WERE THERE  
[VOLUNTEERED]

Q22. What changes, if any, would you suggest to the Otay Water District that you think could improve the convenience of your monthly bill?

0=No changes

---

Q23. In comparison to other companies that bill you monthly, such as electricity, cable tv, or others, how would you rate your overall customer experience with us on a scale of 1-5, where 5 means that the Otay Water District is the best of these companies and 1 means that the Otay Water District is the worst.

---

In closing, these questions are for comparison purposes only.

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

\_\_\_\_\_ YEARS

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

\_\_\_\_\_   
 99 - DK/REF

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

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

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

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

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

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

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

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

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

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

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

**Otay Water District Survey 2006**  
**Proposed Draft**

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

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

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

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

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

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

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

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

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

1 - MALE  
2 - FEMALE

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

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

1 - English or  
2 - Spanish?

- Q1. These first few questions deal with the use of water in your household. Which of the following is currently the main source of drinking water in your home...
- 1 - tap water, -----> **GO TO Q2**
  - 2 - tap water that you filter at home, or
  - 3 - bottled water?
  - 4 - OTHER VOLUNTEERED, SPECIFY: \_\_\_\_\_ -----> **GO TO Q2**
  - 9 - DK/REF -----> **GO TO Q2**
- Q2. How would you describe your household's level of interest in conserving water at home? Would you say...\*
- 1 - a high level of interest,
  - 2 - a moderate level,
  - 3 - a low level, or
  - 4 - no interest at all?
  - 9 - DK/REF
- Q3. During the past year, would you say your household's awareness of water conservation has been...\* **[REVERSE 1 - 3 ONLY]**
- 1 - increasing,
  - 2 - staying about the same,
  - 3 - decreasing,
  - 4 - or are you not sure? **[INCLUDES DK/REF]**
- Q4. These next questions are related to the water supply in San Diego County. How confident are you in the ability of your water agency to provide enough water to the district? Would you say...\* **[REVERSE]**
- 1 - very confident,
  - 2 - somewhat confident,
  - 3 - not very confident,
  - 4 - not at all confident,
  - 5 - or are you not sure? **[INCLUDES DK/REF]**
- Q5. How much concern do you have, if any, about someone contaminating the local water supply in an attempt to harm the general population? Would you say...
- 1 - a great deal,
  - 2 - some,
  - 3 - not much, or
  - 4 - no concern at all?
  - 9 - DK/REF

Q6. How much confidence do you have, if any, in the local water authorities when it comes to preventing someone from contaminating the local water supply in an attempt to harm the general population? Would you say...

- 1 - a great deal,
- 2 - some,
- 3 - not much, or
- 4 - no confidence at all?
- 9 - DK/REF

Q7. Does your household pay its own water bill, or does someone else, like a landlord or homeowners' association, pay the water bill for you?

- 1 - RESPONDENT/OTHER MEMBER OF HOUSEHOLD PAYS
- 2 - LANDLORD/HOMEOWNERS' ASSOC./OTHER -----> **GO TO Q8**
- 9 - DK/REF -----> **GO TO Q8**

**[ASK Q7a TO Q7h IF Q7 = 1 - HH PAYS WATER BILL:]**

Q7a. A reliable water supply is one that can be depended upon to consistently provide enough water to meet the region's needs. How much more per month, if any, would you be willing to pay for your water service, if it ensured a more reliable water supply for you?

\$ \_\_\_\_\_ ADDITIONAL \$ PER MONTH [CONFIRM]  
0 - NONE  
999 - DK/REF

Q7b. In the past year, do you believe that your water rates have...

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

Q7c. **[IF RESIDENT WITH OTAY SEWER—OTHERWISE, GO TO Q7f]**

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

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

Q7d. In the past year, have your sewer rates...

- 1 - gone up,
- 2 - gone down, -----> **GO TO Q7f**
- 3 - stayed the same, -----> **GO TO Q7f**
- 4 - or are you not sure? -----> **GO TO Q7f**
- 9 - REF -----> **GO TO Q7f**

Q7e. **[IF Q7b = 1 and Q7d = 1 - GONE UP:]** Which increase do you believe has been larger...\* **[REVERSE 1-2 ONLY]**

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

Q7f. Do you read the newsletter that comes in the mail with your monthly water bill...

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

Q7g. The Otay Water District provides each customer household with an annual Consumer Confidence Report before July 1st of each year. Have you ever read this report?

- 1 - YES
- 2 - NO -----> **GO TO Q8**
- 9 - DK/REF -----> **GO TO Q8**

Q7h. **[IF YES:]** What is one area the Otay Water District could improve upon to make the report more useful to you? **[PROBE FOR AND RECORD ONE AREA]**

---

99 - NONE/DK/REF

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

- 1 - YES
- 2 - NO/APT/CONDO/NO YARD RESPONSIBILITIES -----> **GO TO Q9**
- 9 - DK/REF -----> **GO TO Q9**

Q8a. **[IF Q8 = 1:]** Does your landscaping include a lawn?

- 1 - YES
- 2 - NO -----> **GO TO Q8c**
- 9 - DK/REF -----> **GO TO Q8c**

Q8b. **[IF YES:]** Reducing the size of your lawn helps save water. Which of the following would be most likely to motivate you to reduce the size of your lawn:...\*

- 1 - having a reduced water bill due to using less water,
- 2 - having a more easily maintained yard,
- 3 - a financial incentive of up to one dollar per square foot,
- 4 - or nothing?
- 9 - DK/REF

Q8c. **[IF Q8=1]** Do you have an automatically-controlled sprinkler system for your landscaping?

- 1 - YES
- 2 - NO -----> **GO TO Q8e**
- 9 - DK/REF -----> **GO TO Q8e**

Q8d. **[IF YES:]** During the past 12 months, how often has anyone made adjustments to the automatic controller for your sprinkler system?

- 1 - NOT AT ALL
- 2 - 1 TO 3 TIMES
- 3 - 4 TIMES OR MORE
- 4 - USE WEATHER-BASED CONTROLLER -**GO TO Q9**
- 9 - DK/REF

Q8e. Have you heard about weather-based irrigation controllers that automatically adjust your landscape watering based on changing weather conditions?

- 1 - YES
- 2 - NO -----> **GO TO Q8g**
- 9 - DK/REF -----> **GO TO Q8g**

Q8f. **[IF Q8c=1 and Q8e=1:]** Have you had a weather-based controller installed at your residence?

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

Q8g. **[IF Q8e > 1 or Q8f > 1:]** With a weather-based system, you do not have to make adjustments yourself for daily changes in the weather. The controller senses rain, temperature, and humidity and automatically adjusts irrigation. Typically, you can purchase a weather-based control system for less than \$300. How likely, if at all, are you to purchase a weather-based controller during the next 12 months? Would you say...\*

- 1 - very likely, -----**GO TO Q8i**
- 2 - somewhat likely,
- 3 - somewhat unlikely, or
- 4 - very unlikely?
- 9 - DK/REF

- Q8h. **[IF Q8g > 1:]** If \$50 vouchers were offered toward the purchase of a weather-based controller, would this...\***[REVERSE 1-2 ONLY]**
- 1 – make you more likely to purchase a weather-based controller, **[GO TO Q8j]**
  - 2 – not make any difference to you?
  - 9 - DK/REF

Q8i **[IF Q8h > 1:]**; If \$100 vouchers were offered toward the purchase of a weather-based controller, would this...\***[REVERSE 1-2 ONLY]**

- 1 – make you more likely to purchase a weather-based controller, **[GO TO Q8i]**
- 2 – not make any difference to you?
- 9 - DK/REF

- Q8j. A weather-based controller would save you approximately \$30 per year on your water bill. Does hearing this make you...\*  
**[REVERSE 1-2 ONLY]**

- 1 - more likely to purchase a weather-based controller,
- 2 - less likely, or
- 3 - does not make any difference?
- 9 - DK/REF

**ASK EVERYONE:**

- Q9. Have you ever seen or heard anything about the Water Conservation Garden at Cuyamaca College?

- 1 - YES
- 2 - NO-----> **GO TO Q10**
- 9 - DK/REF -----> **GO TO Q10**

- Q9a. **[IF YES:]** Have you ever visited the garden?

- 1 - YES
- 2 - NO -----> **GO TO Q10**
- 9 - DK/REF -----> **GO TO Q10**

- Q9b. **[IF YES:]** About how many times have you visited the Garden during the past six years?

\_\_\_\_\_ TIMES  
999 - DK/REF

- Q9c. Have you made any changes to your watering or landscaping practices as a result of visiting the Garden?

- 1 - YES
- 2 - NO -----> **GO TO Q10**
- 9 - DK/REF -----> **GO TO Q10**

Q9d. **[IF YES:]** What was the one major change you made?  
**[PROBE FOR AND RECORD ONE CHANGE]**

---

99 - DK/REF

Q10. Do you recall having seen or heard any OUTDOOR water usage conservation messages during the past year?

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

Q10a. **[IF Q10=1:]** Where do you recall seeing or hearing these messages most often? **[DO NOT READ; PROBE FOR AND RECORD ONLY ONE]**

- 1 - TELEVISION
- 2 - RADIO
- 3 - NEWSPAPERS
- 4 - FRIENDS/FAMILY
- 5 - WEBSITE OF MY WATER AGENCY
- 6 - MATERIAL WITH MONTHLY BILL
- 7 - SDCWA WEBSITE
- 8 - DO NOT REMEMBER
- 9 - OTHER, SPECIFY: \_\_\_\_\_

Q10b **[IF Q10a > 0]**. Do you remember anything about what these messages said?

- 1. Yes (please tell us what you remember about the messages)
- 

2. No. I do not remember what the messages said.

**[ASK Q11 ONLY IF Q8 = 1 (HH responsible for landscaping) AND IF Q10 = YES; IF NOT, GO TO Q12]**

Q11. Do you recall the specific steps, if any, that your household has taken during the past year as a direct response to these messages about reducing your outdoor water usage?

- 1 - YES
- 2 - Have not taken any specific steps as a response to these messages -----> **GO TO Q12**
- 3 - ALREADY CONSERVING BEFORE MESSAGES -----> **GO TO Q12**
- 9 - DK/REF -----> **GO TO Q12**

Q11a. **[IF YES:]** What is the major step your household has taken to reduce outdoor water usage as a response to these messages?  
**[PROBE FOR AND RECORD ONLY ONE STEP]**

---

99 - DK/REF

Q12: How would you rate your overall satisfaction with the Otay Water District as your water service provider?

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

Q13. Have you ever visited the Otay Water District website?

- 1 - YES
- 2 - HAVE ACCESS TO INTERNET, BUT HAVE NOT VISITED WEBSITE -----  
-----> **GO TO Q14**
- 3---DO NOT HAVE ACCESS TO THE INTERNET-----**GO TO Q14**
- 9 - DK/REF -----> **GO TO Q14**

Q13a. **[IF YES:]** How would you rate the website? Would you say...

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

Q14. These next questions are about recycled water, which is wastewater that has been treated and is used for a variety of purposes other than drinking water. The use of recycled water is another way to increase our water supply. Would you favor or oppose the use of recycled water for the following types of uses...

**[CLARIFY:]** Do you strongly or somewhat {favor/oppose} that?

Do you favor or oppose using recycled water...	<u>strgly</u> <u>favor</u>	<u>smwt</u> <u>favor</u>	<u>smwt</u> <u>oppose</u>	<u>strgly</u> <u>oppose</u>	<u>DK/</u> <u>REF</u>
a) for watering landscaping along freeways and golf courses?	1	2	3	4	9
b) for industrial processing and manufacturing?	1	2	3	4	9
c) for toilet flushing in new office buildings?	1	2	3	4	9
d) for recreational lakes?	1	2	3	4	9

e) for watering landscape and common areas in multi-family housing units?	1	2	3	4	9
f) for watering sports fields and parks?	1	2	3	4	9
g) for watering residential front yards?	1	2	3	4	9
h) as an addition to the supply of drinking water	1	2	3	4	9

**If Q14h = 1, GO TO Q15—Otherwise continue with 14i-1 through 4**

Q14i. Recycled water can receive advanced treatment in the form of additional filtration, reverse osmosis, and chlorination. Would you accept the addition of advanced treated recycled water to supplement the sources of our drinking water if you learned that.....

	Yes	No	DK/REF
1. the recycled water would reside for over one year, mixed with other water, in an open reservoir and then be treated again at a water filtration plant?	1	2	9
2. recycled water is currently used to supplement drinking water in other U.S. communities?	1	2	9
3. recycled water could supply as much as 10% of our local drinking water supplies?	1	2	9
4. California's drinking water standards are among the most strict in the nation, and recycled water would be treated to meet those standards?	1	2	9

**ASK ALL:**

Q15. Would you be in favor of pursuing international agreements with Mexico whereby The United States and Mexico would cooperate to develop and maintain additional supplies of water?

1. Yes
2. No
3. DK/REF

Q16. Have you called the Otay Water District for service or other help during the past 12 months?

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

Q16a. **[IF YES:]** Was the main purpose of your call...

- 1 - a repair issue,

- 2 - a billing issue, or
- 3 - another issue? [SPECIFY:] \_\_\_\_\_
- 9 - DK/REF

In closing, these questions are for comparison purposes only.

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

\_\_\_\_\_  
99 - DK/REF

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

- 1 - OWN
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- 4 - at least one year of graduate work beyond a bachelor's degree?
- 9 - DK/REF

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

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- 2 - 25 to 34,
- 3 - 35 to 44,
- 4 - 45 to 54,
- 5 - 55 to 64, or
- 6 - 65 or over?
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ETH. Which of the following best describes your ethnic or racial background...

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

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

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

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

**Otay Water District Survey 2006**  
**Proposed Draft**

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

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

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

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

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

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

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

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

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

1 - MALE  
2 - FEMALE

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

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

1 - English or  
2 - Spanish?

- Q1. These first few questions deal with the use of water in your household. Which of the following is currently the main source of drinking water in your home...
- 1 - tap water, -----> **GO TO Q2**
  - 2 - tap water that you filter at home, or
  - 3 - bottled water?
  - 4 - OTHER VOLUNTEERED, SPECIFY: \_\_\_\_\_ -----> **GO TO Q2**
  - 9 - DK/REF -----> **GO TO Q2**
- Q2. How would you describe your household's level of interest in conserving water at home? Would you say...\*
- 1 - a high level of interest,
  - 2 - a moderate level,
  - 3 - a low level, or
  - 4 - no interest at all?
  - 9 - DK/REF
- Q3. During the past year, would you say your household's awareness of water conservation has been...\* **[REVERSE 1 - 3 ONLY]**
- 1 - increasing,
  - 2 - staying about the same,
  - 3 - decreasing,
  - 4 - or are you not sure? **[INCLUDES DK/REF]**
- Q4. These next questions are related to the water supply in San Diego County. How confident are you in the ability of your water agency to provide enough water to the district? Would you say...\* **[REVERSE]**
- 1 - very confident,
  - 2 - somewhat confident,
  - 3 - not very confident,
  - 4 - not at all confident,
  - 5 - or are you not sure? **[INCLUDES DK/REF]**
- Q5. How much concern do you have, if any, about someone contaminating the local water supply in an attempt to harm the general population? Would you say...
- 1 - a great deal,
  - 2 - some,
  - 3 - not much, or
  - 4 - no concern at all?
  - 9 - DK/REF

Q6. How much confidence do you have, if any, in the local water authorities when it comes to preventing someone from contaminating the local water supply in an attempt to harm the general population? Would you say...

- 1 - a great deal,
- 2 - some,
- 3 - not much, or
- 4 - no confidence at all?
- 9 - DK/REF

Q7. Does your household pay its own water bill, or does someone else, like a landlord or homeowners' association, pay the water bill for you?

- 1 - RESPONDENT/OTHER MEMBER OF HOUSEHOLD PAYS
- 2 - LANDLORD/HOMEOWNERS' ASSOC./OTHER -----> **GO TO Q8**
- 9 - DK/REF -----> **GO TO Q8**

**[ASK Q7a TO Q7h IF Q7 = 1 - HH PAYS WATER BILL:]**

Q7a. A reliable water supply is one that can be depended upon to consistently provide enough water to meet the region's needs. How much more per month, if any, would you be willing to pay for your water service, if it ensured a more reliable water supply for you?

\$ \_\_\_\_\_ ADDITIONAL \$ PER MONTH [CONFIRM]  
0 - NONE  
999 - DK/REF

Q7b. In the past year, do you believe that your water rates have...

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

Q7c. **[IF RESIDENT WITH OTAY SEWER—OTHERWISE, GO TO Q7f]**

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

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

Q7d. In the past year, have your sewer rates...

- 1 - gone up,
- 2 - gone down, -----> **GO TO Q7f**
- 3 - stayed the same, -----> **GO TO Q7f**
- 4 - or are you not sure? -----> **GO TO Q7f**
- 9 - REF -----> **GO TO Q7f**

Q7e. **[IF Q7b = 1 and Q7d = 1 - GONE UP:]** Which increase do you believe has been larger...\* **[REVERSE 1-2 ONLY]**

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

Q7f. Do you read the newsletter that comes in the mail with your monthly water bill...

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

Q7g The Otay Water District provides each customer household with an annual Consumer Confidence Report before July 1st of each year. Have you ever read this report?

- 1 - YES
- 2 - NO -----> **GO TO Q8**
- 9 - DK/REF -----> **GO TO Q8**

Q7h. **[IF YES:]** What is one area the Otay Water District could improve upon to make the report more useful to you? **[PROBE FOR AND RECORD ONE AREA]**

---

99 - NONE/DK/REF

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

- 1 - YES
- 2 - NO/APT/CONDO/NO YARD RESPONSIBILITIES -----> **GO TO Q9**
- 9 - DK/REF -----> **GO TO Q9**

Q8a. **[IF Q8 = 1:]** Does your landscaping include a lawn?

- 1 - YES
- 2 - NO -----> **GO TO Q8c**
- 9 - DK/REF -----> **GO TO Q8c**

Q8b. **[IF YES:]** Reducing the size of your lawn helps save water. Which of the following would be most likely to motivate you to reduce the size of your lawn:...\*

- 1 - having a reduced water bill due to using less water,
- 2 - having a more easily maintained yard,
- 3 - a financial incentive of up to one dollar per square foot,
- 4 - or nothing?
- 9 - DK/REF

Q8c. **[IF Q8=1]** Do you have an automatically-controlled sprinkler system for your landscaping?

- 1 - YES
- 2 - NO -----> **GO TO Q8e**
- 9 - DK/REF -----> **GO TO Q8e**

Q8d. **[IF YES:]** During the past 12 months, how often has anyone made adjustments to the automatic controller for your sprinkler system?

- 1 - NOT AT ALL
- 2 - 1 TO 3 TIMES
- 3 - 4 TIMES OR MORE
- 4 - USE WEATHER-BASED CONTROLLER --**GO TO Q9**
- 9 - DK/REF

Q8e. Have you heard about weather-based irrigation controllers that automatically adjust your landscape watering based on changing weather conditions?

- 1 - YES
- 2 - NO -----> **GO TO Q8g**
- 9 - DK/REF -----> **GO TO Q8g**

Q8f. **[IF Q8c=1 and Q8e=1:]** Have you had a weather-based controller installed at your residence?

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

Q8g. **[IF Q8e > 1 or Q8f > 1:]** With a weather-based system, you do not have to make adjustments yourself for daily changes in the weather. The controller senses rain, temperature, and humidity and automatically adjusts irrigation. Typically, you can purchase a weather-based control system for less than \$300. How likely, if at all, are you to purchase a weather-based controller during the next 12 months? Would you say...\*

- 1 - very likely, -----**GO TO Q8i**
- 2 - somewhat likely,
- 3 - somewhat unlikely, or
- 4 - very unlikely?
- 9 - DK/REF

Q8h. **[IF Q8g > 1:]** If \$50 vouchers were offered toward the purchase of a weather-based controller, would this...**[REVERSE 1-2 ONLY]**

- 1 – make you more likely to purchase a weather-based controller, **[GO TO Q8j]**
- 2 – not make any difference to you?
- 9 - DK/REF

Q8i **[IF Q8h > 1:]**; If \$100 vouchers were offered toward the purchase of a weather-based controller, would this...**[REVERSE 1-2 ONLY]**

- 1 – make you more likely to purchase a weather-based controller, **[GO TO Q8i]**
- 2 – not make any difference to you?
- 9 - DK/REF

Q8j. A weather-based controller would save you approximately \$30 per year on your water bill. Does hearing this make you...\*  
**[REVERSE 1-2 ONLY]**

- 1 - more likely to purchase a weather-based controller,
- 2 - less likely, or
- 3 - does not make any difference?
- 9 - DK/REF

**ASK EVERYONE:**

Q9. Have you ever seen or heard anything about the Water Conservation Garden at Cuyamaca College?

- 1 - YES
- 2 - NO -----> **GO TO Q10**
- 9 - DK/REF -----> **GO TO Q10**

Q9a. **[IF YES:]** Have you ever visited the garden?

- 1 - YES
- 2 - NO -----> **GO TO Q10**
- 9 - DK/REF -----> **GO TO Q10**

Q9b. **[IF YES:]** About how many times have you visited the Garden during the past six years?

\_\_\_\_\_ TIMES  
999 - DK/REF

Q9c. Have you made any changes to your watering or landscaping practices as a result of visiting the Garden?

- 1 - YES
- 2 - NO -----> **GO TO Q10**
- 9 - DK/REF -----> **GO TO Q10**

Q9d. **[IF YES:]** What was the one major change you made?  
**[PROBE FOR AND RECORD ONE CHANGE]**

---

99 - DK/REF

Q10. Do you recall having seen or heard any OUTDOOR water usage conservation messages during the past year?

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

Q10a. **[IF Q10=1:]** Where do you recall seeing or hearing these messages most often? **[DO NOT READ; PROBE FOR AND RECORD ONLY ONE]**

- 1 - TELEVISION
- 2 - RADIO
- 3 - NEWSPAPERS
- 4 - FRIENDS/FAMILY
- 5 - WEBSITE OF MY WATER AGENCY
- 6 - MATERIAL WITH MONTHLY BILL
- 7 - SDCWA WEBSITE
- 8 - DO NOT REMEMBER
- 9 - OTHER, SPECIFY: \_\_\_\_\_

Q10b **[IF Q10a > 0]**. Do you remember anything about what these messages said?

- 1. Yes (please tell us what you remember about the messages)
- 

- 2. No. I do not remember what the messages said.

**[ASK Q11 ONLY IF Q8 = 1 (HH responsible for landscaping) AND IF Q10 = YES; IF NOT, GO TO Q12]**

Q11. Do you recall the specific steps, if any, that your household has taken during the past year as a direct response to these messages about reducing your outdoor water usage?

- 1 - YES
- 2 - Have not taken any specific steps as a response to these messages -----> **GO TO Q12**
- 3 - ALREADY CONSERVING BEFORE MESSAGES -----> **GO TO Q12**
- 9 - DK/REF -----> **GO TO Q12**

Q11a. **[IF YES:]** What is the major step your household has taken to reduce outdoor water usage as a response to these messages?  
**[PROBE FOR AND RECORD ONLY ONE STEP]**

---

99 - DK/REF

Q12: How would you rate your overall satisfaction with the Otay Water District as your water service provider?

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

Q13. Have you ever visited the Otay Water District website?

- 1 - YES
- 2 - HAVE ACCESS TO INTERNET, BUT HAVE NOT VISITED WEBSITE -----  
-----> **GO TO Q14**
- 3---DO NOT HAVE ACCESS TO THE INTERNET-----**GO TO Q14**
- 9 - DK/REF -----> **GO TO Q14**

Q13a. **[IF YES:]** How would you rate the website? Would you say...

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

Q14. These next questions are about recycled water, which is wastewater that has been treated and is used for a variety of purposes other than drinking water. The use of recycled water is another way to increase our water supply. Would you favor or oppose the use of recycled water for the following types of uses...

**[CLARIFY:]** Do you strongly or somewhat {favor/oppose} that?

Do you favor or oppose using recycled water...	<u>strgly</u> <u>favor</u>	<u>smwt</u> <u>favor</u>	<u>smwt</u> <u>oppose</u>	<u>strgly</u> <u>oppose</u>	<u>DK/</u> <u>REF</u>
a) for watering landscaping along freeways and golf courses?	1	2	3	4	9
b) for industrial processing and manufacturing?	1	2	3	4	9
c) for toilet flushing in new office buildings?	1	2	3	4	9
d) for recreational lakes?	1	2	3	4	9

- |  |   |   |   |   |   |
|--|---|---|---|---|---|
| e) for watering landscape and common areas<br>in multi-family housing units? | 1 | 2 | 3 | 4 | 9 |
| f) for watering sports fields and parks?                                     | 1 | 2 | 3 | 4 | 9 |
| g) for watering residential front yards?                                     | 1 | 2 | 3 | 4 | 9 |
| h) as an addition to the supply of<br>drinking water                         | 1 | 2 | 3 | 4 | 9 |

**If Q14h = 1, GO TO Q15—Otherwise continue with 14i-1 through 4**

Q14i. Recycled water can receive advanced treatment in the form of additional filtration, reverse osmosis, and chlorination. Would you accept the addition of advanced treated recycled water to supplement the sources of our drinking water if you learned that.....

	Yes	No	DK/REF
1. the recycled water would reside for over one year, mixed with other water, in an open reservoir and then be treated again at a water filtration plant?	1	2	9
2. recycled water is currently used to supplement drinking water in other U.S. communities?	1	2	9
3. recycled water could supply as much as 10% of our local drinking water supplies?	1	2	9
4. California's drinking water standards are among the most strict in the nation, and recycled water would be treated to meet those standards?	1	2	9

**ASK ALL:**

Q15. Would you be in favor of pursuing international agreements with Mexico whereby The United States and Mexico would cooperate to develop and maintain additional supplies of water?

1. Yes
2. No
3. DK/REF

Q16. Have you called the Otay Water District for service or other help during the past 12 months?

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

Q16a. **[IF YES:]** Was the main purpose of your call...

- 1 - a repair issue,

- 2 - a billing issue, or
- 3 - another issue? [SPECIFY:] \_\_\_\_\_
- 9 - DK/REF

In closing, these questions are for comparison purposes only.

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

\_\_\_\_\_  
99 - DK/REF

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

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

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

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

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

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

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

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

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

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

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

**Otay Water District Survey 2006**  
**Proposed Draft**

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

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

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

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

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

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

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

\_\_\_\_\_ YEARS

0 -----> "**NQR-RES**"

99 - DK/REF, BUT AT LEAST ONE YEAR

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

1 - MALE

2 - FEMALE

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

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

1 - English or

2 - Spanish?

Q1. These first few questions deal with the use of water in your household. Which of the following is currently the main source of drinking water in your home...

- 1 - tap water, -----> **GO TO Q2**
- 2 - tap water that you filter at home, or
- 3 - bottled water?
- 4 - OTHER VOLUNTEERED, SPECIFY: \_\_\_\_\_ -----> **GO TO Q2**
- 9 - DK/REF -----> **GO TO Q2**

Q2. How would you describe your household's level of interest in conserving water at home? Would you say...\*

- 1 - a high level of interest,
- 2 - a moderate level,
- 3 - a low level, or
- 4 - no interest at all?
- 9 - DK/REF

Q3. During the past year, would you say your household's awareness of water conservation has been...\* **[REVERSE 1 - 3 ONLY]**

- 1 - increasing,
- 2 - staying about the same,
- 3 - decreasing,
- 4 - or are you not sure? [INCLUDES DK/REF]

Q4. These next questions are related to the water supply in San Diego County. How confident are you in the ability of your water agency to provide enough water to the district? Would you say...\* **[REVERSE]**

- 1 - very confident,
- 2 - somewhat confident,
- 3 - not very confident,
- 4 - not at all confident,
- 5 - or are you not sure? [INCLUDES DK/REF]

Q5. How much concern do you have, if any, about someone contaminating the local water supply in an attempt to harm the general population? Would you say...

- 1 - a great deal,
- 2 - some,
- 3 - not much, or
- 4 - no concern at all?
- 9 - DK/REF

Q6. How much confidence do you have, if any, in the local water authorities when it comes to preventing someone from contaminating the local water supply in an attempt to harm the general population? Would you say...

- 1 - a great deal,
- 2 - some,
- 3 - not much, or
- 4 - no confidence at all?
- 9 - DK/REF

Q7. Does your household pay its own water bill, or does someone else, like a landlord or homeowners' association, pay the water bill for you?

- 1 - RESPONDENT/OTHER MEMBER OF HOUSEHOLD PAYS
- 2 - LANDLORD/HOMEOWNERS' ASSOC./OTHER -----> **GO TO Q8**
- 9 - DK/REF -----> **GO TO Q8**

**[ASK Q7a TO Q7h IF Q7 = 1 - HH PAYS WATER BILL:]**

Q7a. A reliable water supply is one that can be depended upon to consistently provide enough water to meet the region's needs. How much more per month, if any, would you be willing to pay for your water service, if it ensured a more reliable water supply for you?

\$ \_\_\_\_\_ ADDITIONAL \$ PER MONTH [CONFIRM]  
0 - NONE  
999 - DK/REF

Q7b. In the past year, do you believe that your water rates have...

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

Q7c. **[IF RESIDENT WITH OTAY SEWER—OTHERWISE, GO TO Q7f]**

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

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

Q7d. In the past year, have your sewer rates...

- 1 - gone up,
- 2 - gone down, -----> **GO TO Q7f**
- 3 - stayed the same, -----> **GO TO Q7f**
- 4 - or are you not sure? -----> **GO TO Q7f**
- 9 - REF -----> **GO TO Q7f**

Q7e. **[IF Q7b = 1 and Q7d = 1 - GONE UP:]** Which increase do you believe has been larger...\* **[REVERSE 1-2 ONLY]**

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

Q7f. Do you read the newsletter that comes in the mail with your monthly water bill...

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

Q7g The Otay Water District provides each customer household with an annual Consumer Confidence Report before July 1st of each year. Have you ever read this report?

- 1 - YES
- 2 - NO -----> **GO TO Q8**
- 9 - DK/REF -----> **GO TO Q8**

Q7h. **[IF YES:]** What is one area the Otay Water District could improve upon to make the report more useful to you? **[PROBE FOR AND RECORD ONE AREA]**

---

99 - NONE/DK/REF

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

- 1 - YES
- 2 - NO/APT/CONDO/NO YARD RESPONSIBILITIES -----> **GO TO Q9**
- 9 - DK/REF -----> **GO TO Q9**

Q8a. **[IF Q8 = 1:]** Does your landscaping include a lawn?

- 1 - YES
- 2 - NO -----> **GO TO Q8c**
- 9 - DK/REF -----> **GO TO Q8c**

Q8b. **[IF YES:]** Reducing the size of your lawn helps save water. Which of the following would be most likely to motivate you to reduce the size of your lawn:...\*

- 1 - having a reduced water bill due to using less water,
- 2 - having a more easily maintained yard,
- 3 - a financial incentive of up to one dollar per square foot,
- 4 - or nothing?
- 9 - DK/REF

Q8c. **[IF Q8=1]** Do you have an automatically-controlled sprinkler system for your landscaping?

- 1 - YES
- 2 - NO -----> **GO TO Q8e**
- 9 - DK/REF -----> **GO TO Q8e**

Q8d. **[IF YES:]** During the past 12 months, how often has anyone made adjustments to the automatic controller for your sprinkler system?

- 1 - NOT AT ALL
- 2 - 1 TO 3 TIMES
- 3 - 4 TIMES OR MORE
- 4 - USE WEATHER-BASED CONTROLLER **-GO TO Q9**
- 9 - DK/REF

Q8e. Have you heard about weather-based irrigation controllers that automatically adjust your landscape watering based on changing weather conditions?

- 1 - YES
- 2 - NO -----> **GO TO Q8g**
- 9 - DK/REF -----> **GO TO Q8g**

Q8f. **[IF Q8c=1 and Q8e=1:]** Have you had a weather-based controller installed at your residence?

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

Q8g. **[IF Q8e > 1 or Q8f > 1:]** With a weather-based system, you do not have to make adjustments yourself for daily changes in the weather. The controller senses rain, temperature, and humidity and automatically adjusts irrigation. Typically, you can purchase a weather-based control system for less than \$300. How likely, if at all, are you to purchase a weather-based controller during the next 12 months? Would you say...\*

- 1 - very likely, -----**GO TO Q8i**
- 2 - somewhat likely,
- 3 - somewhat unlikely, or
- 4 - very unlikely?
- 9 - DK/REF

Q8h. **[IF Q8g > 1:]** If \$50 vouchers were offered toward the purchase of a weather-based controller, would this...**[REVERSE 1-2 ONLY]**

- 1 – make you more likely to purchase a weather-based controller, **[GO TO Q8j]**
- 2 – not make any difference to you?
- 9 - DK/REF

Q8i **[IF Q8h > 1:]**; If \$100 vouchers were offered toward the purchase of a weather-based controller, would this...**[REVERSE 1-2 ONLY]**

- 1 – make you more likely to purchase a weather-based controller, **[GO TO Q8i]**
- 2 – not make any difference to you?
- 9 - DK/REF

Q8j. A weather-based controller would save you approximately \$30 per year on your water bill. Does hearing this make you...**[REVERSE 1-2 ONLY]**

- 1 - more likely to purchase a weather-based controller,
- 2 - less likely, or
- 3 - does not make any difference?
- 9 - DK/REF

**ASK EVERYONE:**

Q9. Have you ever seen or heard anything about the Water Conservation Garden at Cuyamaca College?

- 1 - YES
- 2 - NO-----> **GO TO Q10**
- 9 - DK/REF -----> **GO TO Q10**

Q9a. **[IF YES:]** Have you ever visited the garden?

- 1 - YES
- 2 - NO -----> **GO TO Q10**
- 9 - DK/REF -----> **GO TO Q10**

Q9b. **[IF YES:]** About how many times have you visited the Garden during the past six years?

\_\_\_\_\_ TIMES  
999 - DK/REF

Q9c. Have you made any changes to your watering or landscaping practices as a result of visiting the Garden?

- 1 - YES
- 2 - NO -----> **GO TO Q10**
- 9 - DK/REF -----> **GO TO Q10**

Q9d. **[IF YES:]** What was the one major change you made?  
**[PROBE FOR AND RECORD ONE CHANGE]**

---

99 - DK/REF

Q10. Do you recall having seen or heard any OUTDOOR water usage conservation messages during the past year?

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

Q10a. **[IF Q10=1:]** Where do you recall seeing or hearing these messages most often? **[DO NOT READ; PROBE FOR AND RECORD ONLY ONE]**

- 1 - TELEVISION
- 2 - RADIO
- 3 - NEWSPAPERS
- 4 - FRIENDS/FAMILY
- 5 - WEBSITE OF MY WATER AGENCY
- 6 - MATERIAL WITH MONTHLY BILL
- 7 - SDCWA WEBSITE
- 8 - DO NOT REMEMBER
- 9 - OTHER, SPECIFY: \_\_\_\_\_

Q10b **[IF Q10a > 0]**. Do you remember anything about what these messages said?

- 1. Yes (please tell us what you remember about the messages)
- 

- 2. No. I do not remember what the messages said.

**[ASK Q11 ONLY IF Q8 = 1 (HH responsible for landscaping) AND IF Q10 = YES; IF NOT, GO TO Q12]**

Q11. Do you recall the specific steps, if any, that your household has taken during the past year as a direct response to these messages about reducing your outdoor water usage?

- 1 - YES
- 2 - Have not taken any specific steps as a response to these messages -----> **GO TO Q12**
- 3 - ALREADY CONSERVING BEFORE MESSAGES -----> **GO TO Q12**
- 9 - DK/REF -----> **GO TO Q12**

Q11a. **[IF YES:]** What is the major step your household has taken to reduce outdoor water usage as a response to these messages?  
**[PROBE FOR AND RECORD ONLY ONE STEP]**

99 - DK/REF

Q12: How would you rate your overall satisfaction with the Otay Water District as your water service provider?

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

Q13. Have you ever visited the Otay Water District website?

- 1 - YES
- 2 - HAVE ACCESS TO INTERNET, BUT HAVE NOT VISITED WEBSITE -----  
-----> **GO TO Q14**
- 3---DO NOT HAVE ACCESS TO THE INTERNET-----**GO TO Q14**
- 9 - DK/REF -----> **GO TO Q14**

Q13a. **[IF YES:]** How would you rate the website? Would you say...

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

Q14. These next questions are about recycled water, which is wastewater that has been treated and is used for a variety of purposes other than drinking water. The use of recycled water is another way to increase our water supply. Would you favor or oppose the use of recycled water for the following types of uses...

**[CLARIFY:]** Do you strongly or somewhat {favor/oppose} that?

Do you favor or oppose using recycled water...	<u>strgly</u> <u>favor</u>	<u>smwt</u> <u>favor</u>	<u>smwt</u> <u>oppose</u>	<u>strgly</u> <u>oppose</u>	<u>DK/</u> <u>REF</u>
a) for watering landscaping along freeways and golf courses?	1	2	3	4	9
b) for industrial processing and manufacturing?	1	2	3	4	9
c) for toilet flushing in new office buildings?	1	2	3	4	9
d) for recreational lakes?	1	2	3	4	9

e) for watering landscape and common areas in multi-family housing units?	1	2	3	4	9
f) for watering sports fields and parks?	1	2	3	4	9
g) for watering residential front yards?	1	2	3	4	9
h) as an addition to the supply of drinking water	1	2	3	4	9

**If Q14h = 1, GO TO Q15—Otherwise continue with 14i-1 through 4**

Q14i. Recycled water can receive advanced treatment in the form of additional filtration, reverse osmosis, and chlorination. Would you accept the addition of advanced treated recycled water to supplement the sources of our drinking water if you learned that.....

	Yes	No	DK/REF
1. the recycled water would reside for over one year, mixed with other water, in an open reservoir and then be treated again at a water filtration plant?	1	2	9
2. recycled water is currently used to supplement drinking water in other U.S. communities?	1	2	9
3. recycled water could supply as much as 10% of our local drinking water supplies?	1	2	9
4. California's drinking water standards are among the most strict in the nation, and recycled water would be treated to meet those standards?	1	2	9

**ASK ALL:**

Q15. Would you be in favor of pursuing international agreements with Mexico whereby The United States and Mexico would cooperate to develop and maintain additional supplies of water?

1. Yes
2. No
3. DK/REF

Q16. Have you called the Otay Water District for service or other help during the past 12 months?

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

Q16a. **[IF YES:]** Was the main purpose of your call...

- 1 - a repair issue,

- 2 - a billing issue, or
- 3 - another issue? [SPECIFY:] \_\_\_\_\_
- 9 - DK/REF

In closing, these questions are for comparison purposes only.

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

\_\_\_\_\_  
99 - DK/REF

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

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

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

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

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

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

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

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

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

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

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



# AGENDA ITEM 6d

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 1, 2006
SUBMITTED BY:	Ron Ripperger/Marta Riendeau <i>WR</i>	C.I.P./G.F. NO:	P2440/ WO30131 DIV. NO. 2
APPROVED BY: (Chief)	Rod Posada <i>R Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña Assistant General Manager, Engineering and Operations		
SUBJECT:	Approve Utility Agreements No. 31756 and 31817 with Caltrans for SR 905 Utility Relocations		

### GENERAL MANAGER'S RECOMMENDATION:

That the Board authorize the General Manager to execute Utility Agreements No. 31756 and 31817 with Caltrans for SR 905 Utility Relocations (See attached Exhibit A for project location, and Exhibit B for Utility Agreements).

### COMMITTEE ACTION:

Please see Attachment A.

### PURPOSE :

To obtain Board authorization to execute Utility Agreements No. 31756 and 31817 with Caltrans for relocation of District facilities within SR 905 right-of-way.

### ANALYSIS :

Caltrans is currently in the process of completing land acquisition and design for SR 905 located within Otay Mesa. Part of this process is to relocate existing utilities where conflicts exist. The District's existing pipelines within public streets or easements will need to be relocated to accommodate the new freeway.

Responding to a request from Caltrans, staff submitted claim letters for all five (5) crossings where the District has utility conflicts. Subsequently, the District received notices to relocate. The District has prior and superior rights at each crossing. Utility Agreements for four (4) of these crossings, at Gales Boulevard/Dublin Drive, Pacific Rim Court, Cactus Road, and Airway/Harvest Road have been

approved by the Board. The two (2) agreements for relocations at Britannia Boulevard are included in Exhibit B and ready for Board Approval. Caltrans will be performing the relocations at Britannia Boulevard.

**Utility Agreement # 31756:**

The scope of work for Utility Agreement No. 31756 includes removing approximately 820 linear feet of 12-inch ACP located in Britannia Boulevard within the SR 905 right-of-way. This relocation is necessary due to the lower finished grade elevations for the proposed freeway.

This work also includes installation of approximately 900 linear feet of 12-inch CML&C pipe, and 2,350 20-inch CML&C pipe within the 871 Pressure Zone. This installation will not adversely affect any District customers. Staff will coordinate the necessary short-term shutdowns to minimize the impact on system operations.

The calculated depreciation cost for the existing 12-inch ACP and appurtenances is \$7,653. The total design and inspection costs to be incurred by the District for this relocation are estimated at \$108,956. The estimated construction cost for installing the new 12-inch and 20-inch steel pipe is \$1,094,730 and will be performed by Caltrans. However, the relocation includes betterment to the District's facilities by extending outside of the right-of-way and also an increase in size from the existing 12-inch pipeline. The District is responsible for the cost of the betterment estimated to be \$809,820. The District has prior rights, therefore Caltrans is responsible for the design, inspection, and construction costs minus depreciation and betterment. The total District's liability for this agreement is \$708,517.

**Utility Agreement # 31817:**

The scope of work for Utility Agreement No. 31817 includes additional redesign of water plans. This redesign was per Caltrans request. A new storm drain was added which conflicted with the proposed water line after the 100% plans were completed.

The total design cost to be incurred by the District for this relocation is estimated at \$8,600. The District has prior rights, therefore Caltrans is responsible for cost of the design and, therefore, the total District's liability for this agreement is - \$8,600.

**Overall:**

The total District's liability is \$699,917.

	Caltrans Responsibility	Otay Responsibility
Design	\$86,100.00	
Design	\$8,600.00	
Depreciation		\$7,653.00
Construction		\$809,820.00 *
Inspection	\$22,856.00	
Total	\$117,556.00	\$817,473.00
		<b>\$699,917.00</b>

\* Betterment Cost

Consistent with the conditions of all other utility agreements between the District and Caltrans, actual costs may not exceed 125 percent of the estimated cost in the agreement without a revised amendment being executed.

**FISCAL IMPACT:**



The approved total budget for CIP P2440 is \$2,700,000, as approved in the 2007 budget process. The actual costs paid on this project as of September 19, 2006 are \$448,400.37. Total expenditures plus outstanding commitment and forecast to date, including this contract, are approximately \$1,682,075. Based on the cost analysis performed, staff does not anticipate that a budget increase is necessary. Attachment B is a table of commitments, expenditures, and projected final cost for the project.

Finance has determined that 100% of the funding for this project is currently available from the Replacement Fund.

During FY 2008 budget cycle, the project's budget will need to be re-evaluated. An increase or decrease will be necessary due to the status of all reimbursement agreements with Caltrans.

**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:** \_\_\_\_\_

Legal counsel reviewed both Utility Agreements for consistency and content.

A handwritten signature in blue ink, appearing to read "M. W. Watts", is written over a horizontal line.

**General Manager**

HJ/RR/RP/jf  
Attachments



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Approve Utility Agreements No. 31756 and 31817 with Caltrans for SR 905 Utility Relocations
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### COMMITTEE ACTION:

The Engineering and Water Operations Committee reviewed this item at a meeting held on October 18, 2006. The following comments were made:

- The utility agreements are for the relocation of potable and reclaimed lines to accommodate SR 905.
- Utility Agreement 31817 includes additional redesign work of the water plans as requested by CalTrans to accommodate a storm drain. The total cost to the District for this agreement is \$8,600.
- Utility Agreement 31756 includes an upgrade to the District's pipeline from 12" to 20" at the District's request. The total cost to the District for this agreement is \$708,517 which includes the pipeline upgrade. The upgrade was anticipated in the CIP studies and the cost is covered in the CIP budget.
- These agreements are the last of the SR 905 utility agreements.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding to the Board of Directors on the consent calendar.



## ATTACHMENT B

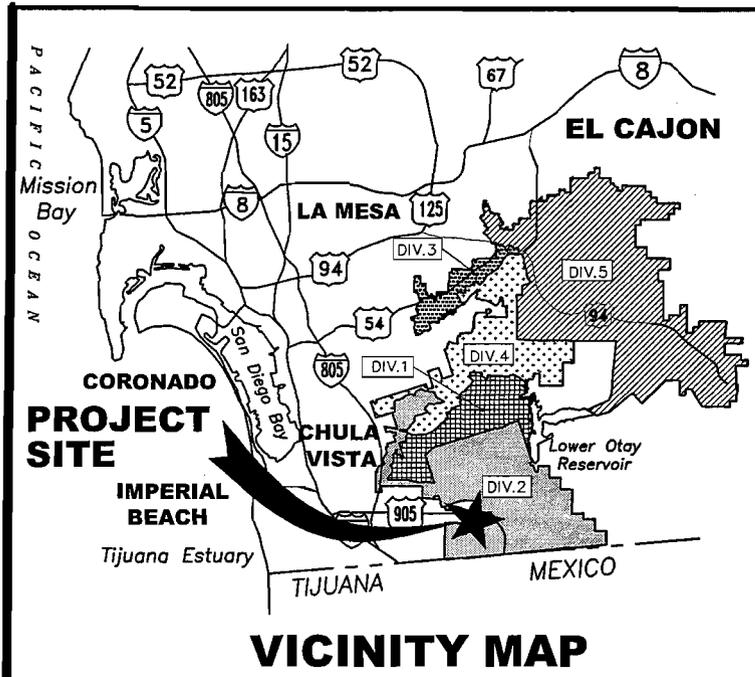
<b>SUBJECT/PROJECT:</b>	Approve Utility Agreements No. 31756 and 31817 with Caltrans for SR 905 Utility Relocations
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	Budget	Committed	Expenditures to Date	Outstanding & Forecast	Projected Final Cost	Vendor / Comments
	\$ 2,260,000.00					Updated September 19, 2006
<b>Planning</b>						
Labor			\$ 56,363.31		\$ 56,363.31	In house, Sedona Staffing
Land Acquisition	\$ 15,000.00		\$ 12,000.00	\$ -	\$ 12,000.00	Bowen & Associates
Land Acquisition	\$ 10,575.00		\$ 10,575.00	\$ -	\$ 10,575.00	Easement Purchases
Legal			\$ 35.00		\$ 35.00	Burke, Williams, Sorensen LP
<b>Total Planning</b>	\$ 25,575.00		\$ 78,973.31	\$ -	\$ 78,973.31	
<b>Design</b>						
Consultant	\$ 226,900.00		\$ 220,547.03	\$ 6,352.97	\$ 226,900.00	HDR Inc
Consultant	\$ 67,315.00		\$ 67,315.00	\$ -	\$ 67,315.00	Hirsch & Company
In House/Labor			\$ 129,068.01	\$ 20,000.00	\$ 149,068.01	
Advertise & Award			\$ 2,587.73	\$ -	\$ 2,587.73	OCB, SD Daily, Union Tribune
Legal			\$ 985.00	\$ -	\$ 985.00	Garcia, Calderon, Ruiz
Reimbursement			\$ (55,279.38)	\$ -	\$ (55,279.38)	CalTrans La Media Rd
Consultant Reimbursement				\$ (134,435.00)	\$ (134,435.00)	UA # 31755, 31757, 31758, 31759
Consultant Reimbursement				\$ (69,300.00)	\$ (69,300.00)	Utility Agreement # 31756
Consultant Reimbursement				\$ (8,600.00)	\$ (8,600.00)	Utility Agreement # 31817
Labor Reimbursement				\$ (53,760.00)	\$ (53,760.00)	UA # 31755, 31757, 31758, 31759
Labor Reimbursement				\$ (16,800.00)	\$ (16,800.00)	Utility Agreement # 31756
<b>Total Design</b>	\$ 294,215.00		\$ 365,223.39	\$ (256,542.03)	\$ 108,681.36	
<b>Construction</b>						
In House/Labor			\$ 3,244.04	\$ 166,755.96	\$ 170,000.00	
Construction Contracts	\$ 711,316.00		\$ -	\$ 711,316.00	\$ 711,316.00	Zondiros Corporation
Accpt/close-out				\$ 20,000.00	\$ 20,000.00	
Materials			\$ 959.63	\$ -	\$ 959.63	C.W. Mcgrath, HSS Rentx, Penhall
Labor Reimbursement				\$ (45,752.00)	\$ (45,752.00)	UA # 31755, 31757, 31758, 31759
Labor Reimbursement				\$ (11,900.00)	\$ (11,900.00)	Utility Agreement # 31756
Construction Cost	\$ 97,500.00			\$ (221,085.00)	\$ (221,085.00)	Utility Agreement # 31755
Construction Cost	\$ 809,820.00			\$ 809,820.00	\$ 809,820.00	Utility Agreement # 31756
CM Reimbursement				\$ (33,208.00)	\$ (33,208.00)	UA # 31757, 31758, 31759
CM Reimbursement				\$ (10,956.00)	\$ (10,956.00)	Utility Agreement # 31756
Depreciation	\$ 97,572.40			\$ 97,572.40	\$ 97,572.40	UA # 31755, 31757, 31758, 31759
Depreciation	\$ 7,652.92			\$ 7,652.92	\$ 7,652.92	Utility Agreement # 31756
<b>Total Construction</b>	\$ 1,723,861.32		\$ 4,203.67	\$ 1,490,216.28	\$ 1,494,419.95	
<b>Grand Total</b>	\$ 2,043,651.32		\$ 448,400.37	\$ 1,233,674.25	\$ 1,682,074.62	

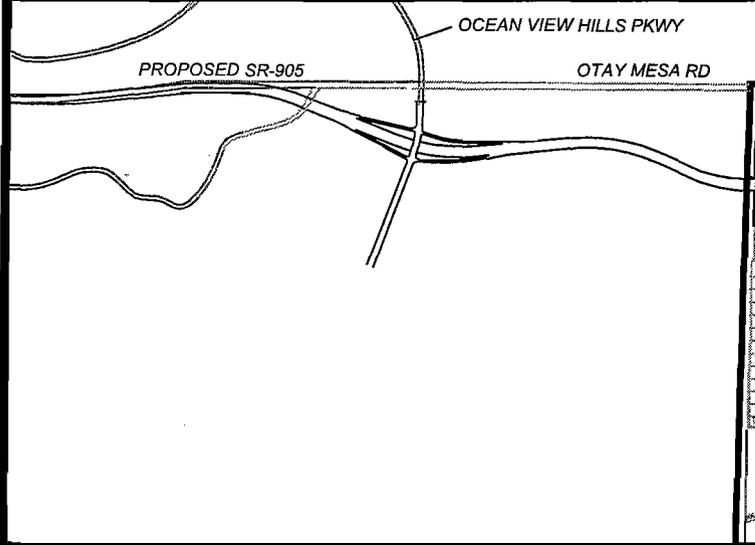
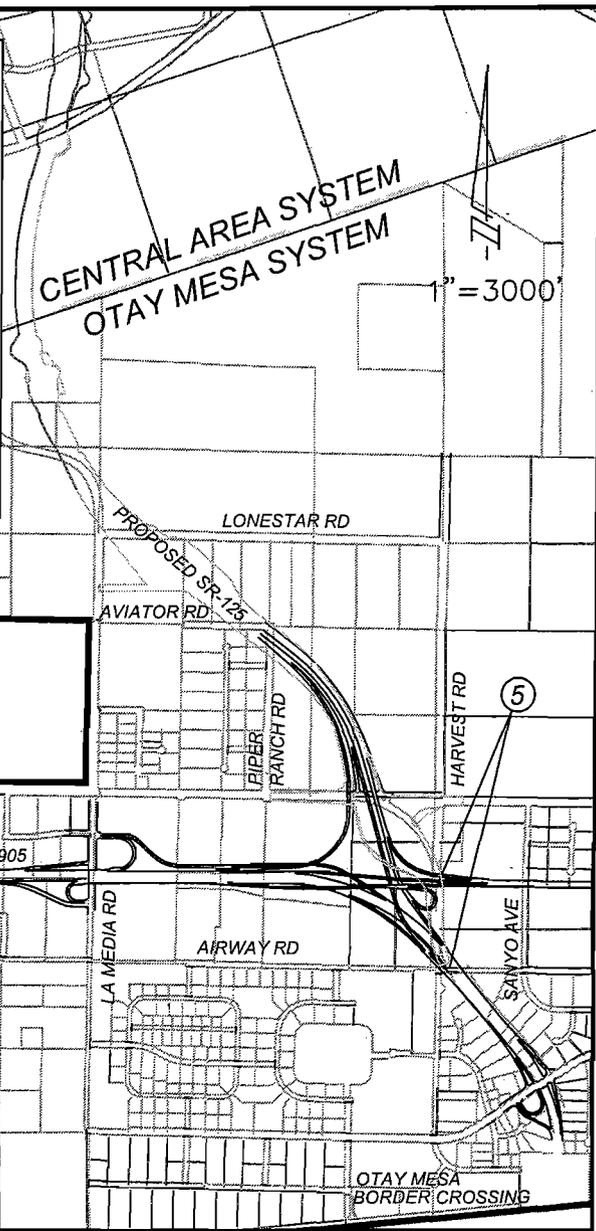


**EXHIBIT A**

<b>SUBJECT/PROJECT:</b>	Approve Utility Agreements No. 31756 and 31817 with Caltrans for SR 905 Utility Relocations
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- ① PACIFIC RIM CT (APPROVED)  
UTILITY AGREEMENT NO. 31758
- ② CACTUS RD (APPROVED)  
UTILITY AGREEMENT NO. 31759
- ③ BRITANNIA BLVD  
UTILITY AGREEMENT NO. 31756  
UTILITY AGREEMENT NO. 31817
- ④ GAILES BLVD/DUBLIN DR (APPROVED)  
UTILITY AGREEMENT NO. 31757
- ⑤ AIRWAY RD/HARVEST RD (APPROVED)  
UTILITY AGREEMENT NO. 31755



OTAY WATER DISTRICT  
SR-905 UTILITY RELOCATIONS



P:\WORKING\CIP\_V440-P2440\Graphics\Drawings\Exhibit A - September, 2006 Staff Report.dwg



**EXHIBIT B**

SUBJECT/PROJECT:	Approve Utility Agreements No. 31756 and 31817 with Caltrans for SR 905 Utility Relocations
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**AGREEMENT**

(10/95)

Dist	Co	Rte	KP (P.M.)	EA
11	SD	905	R9.3/R18.62 (R5.8/R11.6)	091821
Federal Aid No.: A905 (015)				
Owners File: CU12242				
FEDERAL PARTICIPATION: On the Project <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No On the Utilities <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				

**UTILITY AGREEMENT NO. 31756 DATE \_\_\_\_\_**

The State of California acting by and through the Department of Transportation, hereinafter called "STATE" proposes to construct a new freeway (Phase 1) in San Diego County in San Diego from 1.1 km east of the Route 905/805 separation to 0.6 km west of the Mexico Border and OTAY WATER DISTRICT, hereinafter called "OWNER", owns and maintains water facilities within the limits of STATE's project.

It is hereby mutually agreed that:

**I. WORK TO BE DONE**

In accordance with Notice to Owner 31756 dated 1/12/06 STATE shall relocate OWNER's water facilities as shown on OWNER's Plan No. CU12242 dated 12/16/05, which plans are included in STATE's Contract Plans for the improvement of State Route 905, E.A. 091824 which, by this reference, are made a part hereof. Deviations from the OWNER's plan described above initiated by either the STATE or the OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by the STATE and agreed to/acknowledged by the OWNER, will constitute an approved revision of the OWNER's plans described above and are hereby made a part hereof. No work under said deviation shall commence prior to written execution by the OWNER of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the revised Notice to Owner. OWNER shall have the right to inspect the work by STATE's contractor during construction. Upon completion of the work by STATE, OWNER agrees to accept ownership and maintenance of the constructed facilities and relinquishes to STATE ownership of the replaced facilities.

**II. LIABILITY FOR WORK:**

The existing facilities are lawfully maintained in their present location and qualify for relocation at STATE expense under the provisions of Section 703 of the Streets and Highways Code.

**III. PERFORMANCE OF WORK:**

Owner shall have access to all phases of the relocation work to be performed by STATE, as described in Section I above, for the purpose of inspection to ensure that the work is in accordance with the specifications contained in the Highway Construction Contract; however, all questions regarding the work being performed will be directed to STATE's Resident Engineer for their evaluation and final disposition.

IV. PAYMENT FOR WORK:

The STATE shall pay its share of the actual cost of the herein-described work within 90 days after receipt of five (5) copies of OWNER's itemized bill in quintuplicate, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense. The OWNER shall maintain records of the actual costs incurred and charged or allocated to the project in accordance with recognized accounting principles. The OWNER's billing cost to STATE is \$92,703.00.

The State shall perform the work under Section I above at no expense to OWNER except as hereinafter provided. It is understood that the relocation as herein contemplated includes betterment to OWNER's facilities by reason of increased capacity in the estimated amount of \$809,820.00, said amount to be deposited upon demand in the San Diego Office of the Department of Transportation, prior to the time that the subject freeway contract bid is opened by the STATE. The final betterment payment shall be calculated based upon the actual quantities installed as determined by the STATE's engineer, and the current cost data as determined from the records of the OWNER. In addition, the OWNER shall credit the STATE at the time of the final billing for all the accrued depreciation and the salvage value of any material or parts salvaged and retained by OWNER.

Not more frequently than once a month, but at least quarterly, OWNER will prepare and submit progress bills for costs incurred not to exceed OWNER's recorded costs as of the billing date less estimated credits applicable to completed work. Payment of progress bills not to exceed the amount of this Agreement may be made under the terms of this Agreement. Payment of progress bills which exceed the amount of this Agreement may be made after receipt and approval by STATE of documentation supporting the cost increase and after an Amendment to this Agreement has been executed by the parties to this Agreement.

The OWNER shall submit a final bill to the STATE within 360 days after the completion of the work described in Section I. above. If the STATE has not received a final bill within 360 days after notification of completion of OWNER's work described in Section I. of this Agreement, and STATE has delivered to OWNER fully executed Director's Deeds, Consents to Common Use or Joint Use Agreements as required for OWNER's facilities, STATE will provide written notification to OWNER of its intent to close its file within 30 days and OWNER hereby acknowledges, to the extent allowed by law, that all remaining costs will be deemed to have been abandoned. If the STATE processes a final bill for payment more than 360 days after notification of completion of OWNER's work, payment of the late bill may be subject to allocation and/or approval by the California Transportation Commission.

The final billing shall be in the form of an itemized statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, the STATE shall not pay final bills which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from the OWNER and approval of documentation by STATE. Except, if the final bill exceeds the OWNER's estimated costs solely as the result of a revised Notice to Owner as provided for in Section I, a copy of said revised Notice to Owner shall suffice as documentation. In either case, payment of the amount over the estimated cost of this Agreement may be subject to allocation and/or approval by the California Transportation Commission.

In any event if the final bill exceeds 125% of the estimated cost of this agreement, an Amended Agreement shall be executed by the parties to this Agreement prior to the payment of the OWNER's final bill. Any and all increases in costs that are the direct result of deviations from the work described in Section I of this Agreement shall have the prior concurrence of STATE.

Detailed records from which the billing is compiled shall be retained by the OWNER for a period of three years from the date of the final payment and will be available for audit by State and/or Federal auditors. Owner agrees to comply with Contract Cost Principles and Procedures as set forth in 48 CFR, Chapter 1, Part 31, et seq., 23 CFR, Chapter 1, Part 645 and/or 18 CFR, Chapter 1. Parts 101, 210, et al. If a subsequent State and/or Federal audit determines payments to be unallowable, OWNER agrees to reimburse STATE upon receipt of STATE billing.

V. GENERAL CONDITIONS:

All costs accrued by OWNER as a result of STATE's request of June 15, 2004 to review, study and/or prepare relocation plans and estimates for the project associated with this Agreement may be billed pursuant to the terms and conditions of this Agreement.

If STATE's project which precipitated this Agreement is canceled or modified so as to eliminate the necessity of work by OWNER, STATE will notify OWNER in writing and STATE reserves the right to terminate this Agreement by Amendment. The Amendment shall provide mutually acceptable terms and conditions for terminating the Agreement.

All obligations of STATE under the terms of this Agreement are subject to the passage of the annual Budget Act by the State Legislature and the allocation of those funds by the California Transportation Commission.

OWNER shall submit a Notice of Completion to the STATE within 30 days of the completion of the work described herein.

It is understood that said highway is a Federal aid highway and accordingly, 23 CFR, Chapter 1, Part 645 is hereby incorporated into this Agreement.

\* \* \* \* \*

UTILITY AGREEMENT NO. 31756

THE ESTIMATED COST TO STATE FOR ITS SHARE OF THE ABOVE DESCRIBED WORK IS \$377,613.00

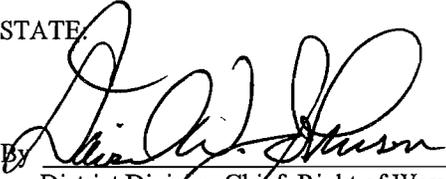
CERTIFICATION OF FUNDS				
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure shown here.				
				1-30-2006
HQ Accounting Officer				Date
ITEM	CHAP	STAT	FY	AMOUNT
2660-301-0892 0042-20	38	2005	05/06	\$92,703.00

FUND TYPE	EA	AMOUNT
Design Funds		\$
Construction Funds	091824	\$284,910.00
RW Funds	091829	\$ 92,703.00

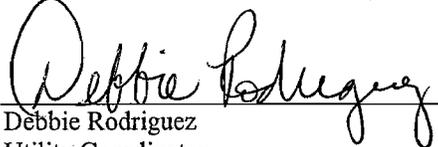
IN WITNESS WHEREOF, the above parties have executed this Agreement the day and year above written.

STATE

OWNER: OTAY WATER DISTRICT

By  1/17/06  
District Division Chief, Right of Way  
Delegated, DAVID W. JOHNSON, Chief  
Utility Relocation Branch

By \_\_\_\_\_  
Name/Title Date

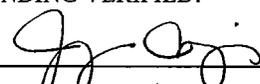
By  1/17/06  
Debbie Rodriguez  
Utility Coordinator Date

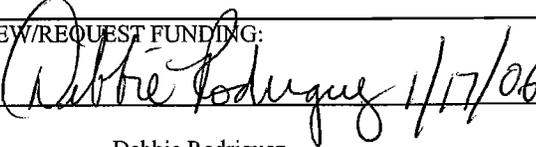
DO NOT WRITE BELOW - FOR ACCOUNTING PURPOSES ONLY

PLANNING AND MANAGEMENT COMPLETES EXCEPT SHADED COLUMNS:

UTILITY COMPLETES:

T CODE	DOCUMENT NUMBER	SUB FIX	DIST	UNIT	CHG DIST	EA	SUB JOB	SPECIAL DESIGNATION	FFY	FA	OBJ CODE	DOLLAR AMOUNT
	UA 3175L		11	440	11	091829	35TIP	931756	06	4	054	92,703.00

EA FUNDING VERIFIED:	
Sign:> 	
Print> J. W. WICKES	1-25-02
R/W Planning and Management	Date

REVIEW/REQUEST FUNDING:	
Sign> 	
Print> Debbie Rodriguez	1/17/06
Utility Coordinator	Date

Distribution: 3 originals to R/W Program Accounting & Analysis  
3 originals returned to R/W Planning & Management

Dist	Co	Rte	KP (P.M.)	EA
11	SD	905	R9.3/R18.62 (R5.8/R11.6)	091821
Federal Aid No.: N/A				
Owners File:				
FEDERAL PARTICIPATION: On the Project <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No On the Utilities <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

**UTILITY AGREEMENT NO. 31817 DATE**

The State of California acting by and through the Department of Transportation, hereinafter called "STATE" proposes to construct a new freeway (Phase 1) in San Diego County in San Diego from 1.1 km east of the Route 905/805 separation to 0.6 km west of the Mexico Border and OTAY WATER DISTRICT, hereinafter called "OWNER", owns and maintains water facilities within the limits of STATE's project.

It is hereby mutually agreed that:

**I. WORK TO BE DONE**

In accordance with direction by State in April 2006, OWNER began revised utility design activities required to accommodate State's proposed highway improvement project pursuant to the terms and conditions of this Agreement.

**II. LIABILITY FOR WORK:**

Owner completed the redesign for the relocation of the 12-inch water line that was in conflict with the construction of Route 905 Britannia Boulevard drainage facilities. The previous design is wasted/useless work and State has 100% liability for the expense of this design.

**III. PERFORMANCE OF WORK:**

Owner agreed to perform the herein-described work with its own forces or to cause the herein-described work to be performed by the OWNER's contractor, employed by written contract on a continuing basis to perform work of this type, and to provide and furnish all necessary labor, materials, tools and equipment required therefore, and to prosecute said work diligently to completion.

Pursuant to Public Works Case No. 2001-059 determination by the California Department of Industrial Relations dated October 25, 2002, work performed by OWNER's contractor is a public work under the definition of Labor Code section 1720(a) and is therefore subject to prevailing wage requirements. OWNER shall verify compliance with this requirement in the administration of its contracts reference above.

IV. PAYMENT FOR WORK:

The STATE shall pay its share of the actual cost of the herein-described work within 90 days after receipt of OWNER's itemized bill in quintuplicate, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense. The OWNER shall maintain records of the actual costs incurred and charged or allocated to the project in accordance with recognized accounting principles. The OWNER's billing cost to STATE is \$8,600.00.

The OWNER shall submit a final bill to the STATE within 360 days after the completion of the work described in Section I. above. If the STATE has not received a final bill within 360 days after notification of completion of OWNER's work described in Section I. of this Agreement, and STATE has delivered to OWNER fully executed Director's Deeds, Consents to Common Use or Joint Use Agreements as required for OWNER's facilities, STATE will provide written notification to OWNER of its intent to close its file within 30 days and OWNER hereby acknowledges, to the extent allowed by law, that all remaining costs will be deemed to have been abandoned. If the STATE processes a final bill for payment more than 360 days after notification of completion of OWNER's work, payment of the late bill may be subject to allocation and/or approval by the California Transportation Commission.

The final billing shall be in the form of an itemized statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, the STATE shall not pay final bills which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from the OWNER and approval of documentation by STATE. Except, if the final bill exceeds the OWNER's estimated costs solely as the result of a revised Notice to Owner as provided for in Section I, a copy of said revised Notice to Owner shall suffice as documentation. In either case, payment of the amount over the estimated cost of this Agreement may be subject to allocation and/or approval by the California Transportation Commission.

In any event if the final bill exceeds 125% of the estimated cost of this agreement, an Amended Agreement shall be executed by the parties to this Agreement prior to the payment of the OWNER's final bill. Any and all increases in costs that are the direct result of deviations from the work described in Section I of this Agreement shall have the prior concurrence of STATE.

Detailed records from which the billing is compiled shall be retained by the OWNER for a period of three years from the date of the final payment and will be available for audit by State and/or Federal auditors. Owner agrees to comply with Contract Cost Principles and Procedures as set forth in 48 CFR, Chapter 1, Part 31, et seq., 23 CFR Chapter 1, Part 645 and/or 18 CFR, Chapter 1, Parts 101, 201, et al. If a subsequent State and/or Federal audit determines payments to be unallowable, OWNER agrees to reimburse STATE upon receipt of STATE billing..

V. GENERAL CONDITIONS:

All costs accrued by OWNER as a result of STATE's request of June 15, 2004 to review, study and/or prepare relocation plans and estimates for the project associated with this Agreement may be billed pursuant to the terms and conditions of this Agreement.

V. GENERAL CONDITIONS: (Continued)

If STATE's project which precipitated this Agreement is canceled or modified so as to eliminate the necessity of work by OWNER, STATE will notify OWNER in writing and STATE reserves the right to terminate this Agreement by Amendment. The Amendment shall provide mutually acceptable terms and conditions for terminating the Agreement.

All obligations of STATE under the terms of this Agreement are subject to the passage of the annual Budget Act by the State Legislature and the allocation of those funds by the California Transportation Commission.

OWNER shall submit a Notice of Completion to the STATE within 30 days of the completion of the work described herein.

\* \* \* \*

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**UTILITY AGREEMENT (Cont.)**

RW 13-5 (Rev. 10/95)

UTILITY AGREEMENT NO. 31817

THE ESTIMATED COST TO STATE FOR ITS SHARE OF THE ABOVE DESCRIBED WORK IS \$ 8,600.00

CERTIFICATION OF FUNDS				
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure shown here.				
<i>[Signature]</i>			8-28-06	
Accounting Officer			Date	
ITEM	CHAP	STAT	FY	AMOUNT
2660-301-0892 0042-20	47	2006	06/07	\$8,600.00

FUND TYPE	EA	AMOUNT
Design Funds		\$
Construction Funds		\$
RW Funds	091829	\$8,600.00

IN WITNESS WHEREOF, the above parties have executed this Agreement the day and year above written.

STATE:

OWNER: OTAY WATER DISTRICT

By *[Signature]* 7/20/06  
 District Division Chief, Right of Way  
 Delegated, DAVID W. JOHNSON, Chief  
 Utility Relocation Branch

By \_\_\_\_\_  
 Name/Title \_\_\_\_\_ Date \_\_\_\_\_

By *[Signature]* 7/14/06  
 Debbie Rodriguez  
 Utility Coordinator Date

**DO NOT WRITE BELOW - FOR ACCOUNTING PURPOSES ONLY**

PLANNING AND MANAGEMENT COMPLETES EXCEPT SHADED COLUMNS:

UTILITY COMPLETES:

T CODE	DOCUMENT NUMBER	SUF FIX	DIST	UNIT	CHG DIST	EA	SUB JOB	SPECIAL DESIGNATION	FFY	FA	OBJ CODE	DOLLAR AMOUNT
	UA 31817											
			11	440	11	091829	STAP	931817	07	7	254	8600.00

EA FUNDING VERIFIED:	
Sign: <u><i>[Signature]</i></u>	Date <u>7/31/06</u>
Print: _____	
R/W Planning and Management	

REVIEW/REQUEST FUNDING:	
Sign: <u><i>[Signature]</i></u>	Date <u>7/14/06</u>
Print: _____	
Debbie Rodriguez Utility Coordinator	



Distribution: 3 originals to R/W Program Accounting & Analysis  
 3 originals returned to R/W Planning & Management



# AGENDA ITEM 6e

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 1, 2006
SUBMITTED BY:	Ron Ripperger/David Padilla 	C I.P. / W258	DIV NO. 2
		G F.NO: WO 8696	
APPROVED BY:	Rod Posada 		
(Chief)	Chief, Engineering		
APPROVED BY:	Manny Magaña		
(Asst GM):	Assistant General Manager, Engineering and Operations		
SUBJECT:	Award a Construction Contract for the Lower Otay Pump Station Access Road (CIP P2258)		

### GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors award a construction contract to Koch-Armstrong General Engineering, Inc., in the amount of \$76,800.00, for the Lower Otay Pump Station Access Road (see Exhibits A and B for project location).

### COMMITTEE ACTION:

Please see Attachment A.

### PURPOSE:

To obtain Board approval for award of a construction contract for the Lower Otay Pump Station Access Road.

### ANALYSIS:

The Lower Otay Pump Station Access Road is needed to provide all-weather access to the temporary pumping facility and the future (permanent) facility known as the Lower Otay Pump Station (LOPS) Interconnection project. The access road will consist of approximately 500 feet of paved road having a width of 16 to 24 feet. The road will provide safe access for refueling of the temporary pumping facility and will reduce maintenance performed on the existing, unpaved access road by District personnel.

District staff performed the design of the access road and developed the bid documents. The project was advertised for bid on September 18, 2006 and bids were opened on October 10, 2006 with the following results:

**ENGINEER'S ESTIMATE**

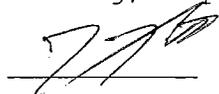
**\$98,800**

<u>CONTRACTOR</u>	<u>TOTAL BID</u>
Koch-Armstrong General Engineering, Inc.	\$76,800.00
SRM Contracting and Paving, Inc.	\$82,475.00
Frank & Son Paving, Inc.	\$83,700.00
NPG Corporation	\$88,888.00
M & M Gen. Engr., Inc.	\$89,800.00
Daley Corporation	\$90,450.00
New Century Construction, Inc.	\$94,400.00
Kirk Paving, Inc.	\$109,880.00
J.D. Paving, Inc.	\$125,167.60

Staff reviewed the bids submitted for conformance with the contract requirements and determined that Koch-Armstrong General Engineering, Inc. was the lowest responsive and responsible bidder. Koch-Armstrong General Engineering, Inc. holds a valid General Engineering Class A Contractor's License. Reference checks indicated an excellent performance record on similar projects and that all agencies contacted would hire Koch-Armstrong General Engineering, Inc. for future projects. Per the public competitive bidding process, staff recommends award of the contract to Koch-Armstrong General Engineering, Inc. in the amount of \$76,800.00.

Staff recommends approval of this contract in order to provide safe and reliable access to the temporary pumping facility during periods of inclement weather and to reduce maintenance performed by District personnel on the existing, unpaved access road.

**FISCAL IMPACT:**



Funds for the Lower Otay Pump Station Access Road are available within the Lower Otay Pump Station (LOPS) Interconnection project capital improvement program budget. The approved total budget for LOPS (CIP P2258/W258) is \$7,805,000. Total commitments and expenditures as of September 27, 2006 are approximately \$1,962,000.

Total expenditures, plus outstanding commitment and forecast to date, including this contract and District inspection fees, are approximately \$2,048,800. Based on the cost analysis performed, staff does not anticipate that a budget increase is necessary. Attachment A is a table of commitments, expenditures, and projected final cost for the project.

Finance has determined that 100% of the funding for this project is currently available from the Expansion Fund.

**STRATEGIC GOAL:**

This project supports the District's Strategic Goal to "Operate and maintain water services infrastructure." The project also supports the District's Agreement with the City of San Diego to purchase water from the Otay Water Treatment Plant.

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

The existing Right of Entry Permit between the City of San Diego and the District that was executed for construction of the temporary pumping facility will be amended to include the proposed paving and to allow long-term access through the City's property for District operations. All other terms of the Permit will remain in effect.

Staff has submitted an Encroachment Permit Application for portions of the existing temporary pumping facility and portions of the proposed contract work that are located on City of Chula Vista property in lieu of acquiring a temporary easement. This is consistent with the recommendation of City of Chula Vista real property staff. Approval of the encroachment permit by the City of Chula Vista is pending.



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

DP/RR/RP:jf

Attachments



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Lower Otay Pump Station Access Road CIP P2258/W258 W.O. 8696
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### COMMITTEE ACTION:

The Engineering and Water Operations Committee reviewed this item at a meeting held on October 18, 2006. The following comments were made:

- It was indicated that an access road is required to the temporary pumping facility and the future facility of the Lower Otay Pump Station to provide safe access for the refueling of the temporary pumping facility.
- The access road would be 500 feet in length and 16 to 24 feet in width. It is expected that the project would commence sometime in late November and would be completed in approximately two weeks from the start date.
- Koch-Armstrong General Engineering, Inc. was the lowest responsive bidder and their references have checked out. Staff recommends awarding the contract to Koch-Armstrong General Engineering, Inc.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding to the Board of Directors on the consent calendar.



## ATTACHMENT B

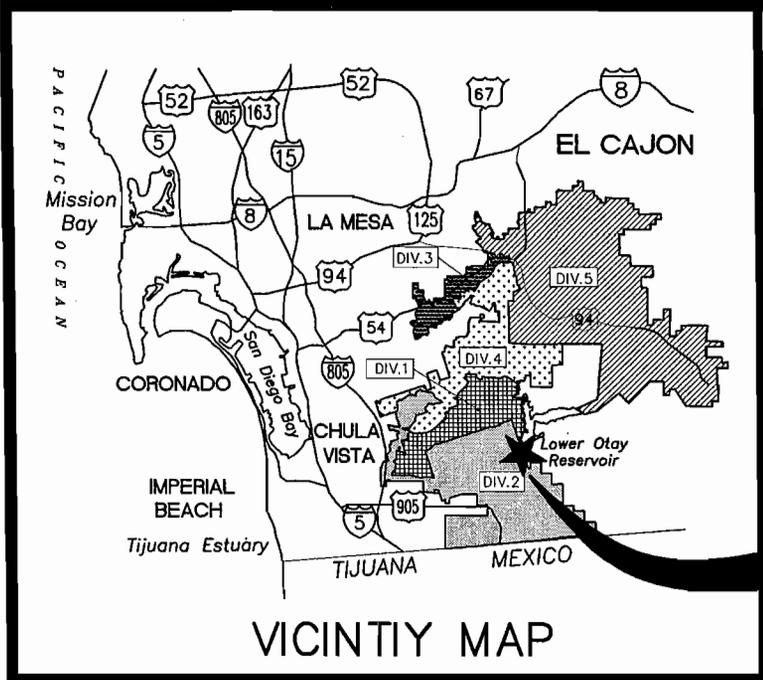
<b>SUBJECT/PROJECT:</b>	Lower Otay Pump Station Access Road CIP P2258/W258 W.O. 8696
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Otay Water District

Date Updated: October 10, 2006

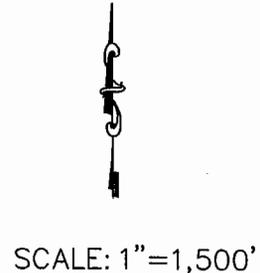
### P2258 - Lower Otay Pump Station

	<i>Budget</i>	<i>Committed</i>	<i>Expenditures to Date</i>	<i>Outstanding &amp; Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor / Comments</i>
	\$ 7,805,000.00					
<b>Planning</b>						
Studies			\$ 166,000.00		\$ 166,000.00	
Labor					\$ -	
Environmental					\$ -	
Land Acquisition					\$ -	
Preliminary Design					\$ -	
<b>Total Planning</b>		\$ -	\$ 166,000.00	\$ -	\$ 166,000.00	
<b>Design</b>						
Consultant			\$ 638,000.00		\$ 638,000.00	
In House/Labor			\$ 705,000.00	\$ 21,000.00	\$ 726,000.00	
Advertise & Award			\$ 1,000.00	\$ 10,000.00	\$ 11,000.00	
<b>Total Design</b>		\$ -	\$ 1,344,000.00	\$ 31,000.00	\$ 1,375,000.00	
<b>Construction</b>						
In House/Labor	\$ 10,000.00	\$ 10,000.00	\$ 452,000.00	\$ 240,000.00	\$ 692,000.00	
Construction Contracts	\$ 76,800.00			\$ 4,950,000.00	\$ 4,950,000.00	
Construction Manager				\$ 545,000.00	\$ 545,000.00	
Accpt/close-out				\$ 22,000.00	\$ 22,000.00	
<b>Total Construction</b>	\$ 86,800.00	\$ 86,800.00	\$ 452,000.00	\$ 5,757,000.00	\$ 6,209,000.00	
<b>Grand Total</b>	\$ 86,800.00	\$ 86,800.00	\$ 1,962,000.00	\$ 5,788,000.00	\$ 7,750,000.00	

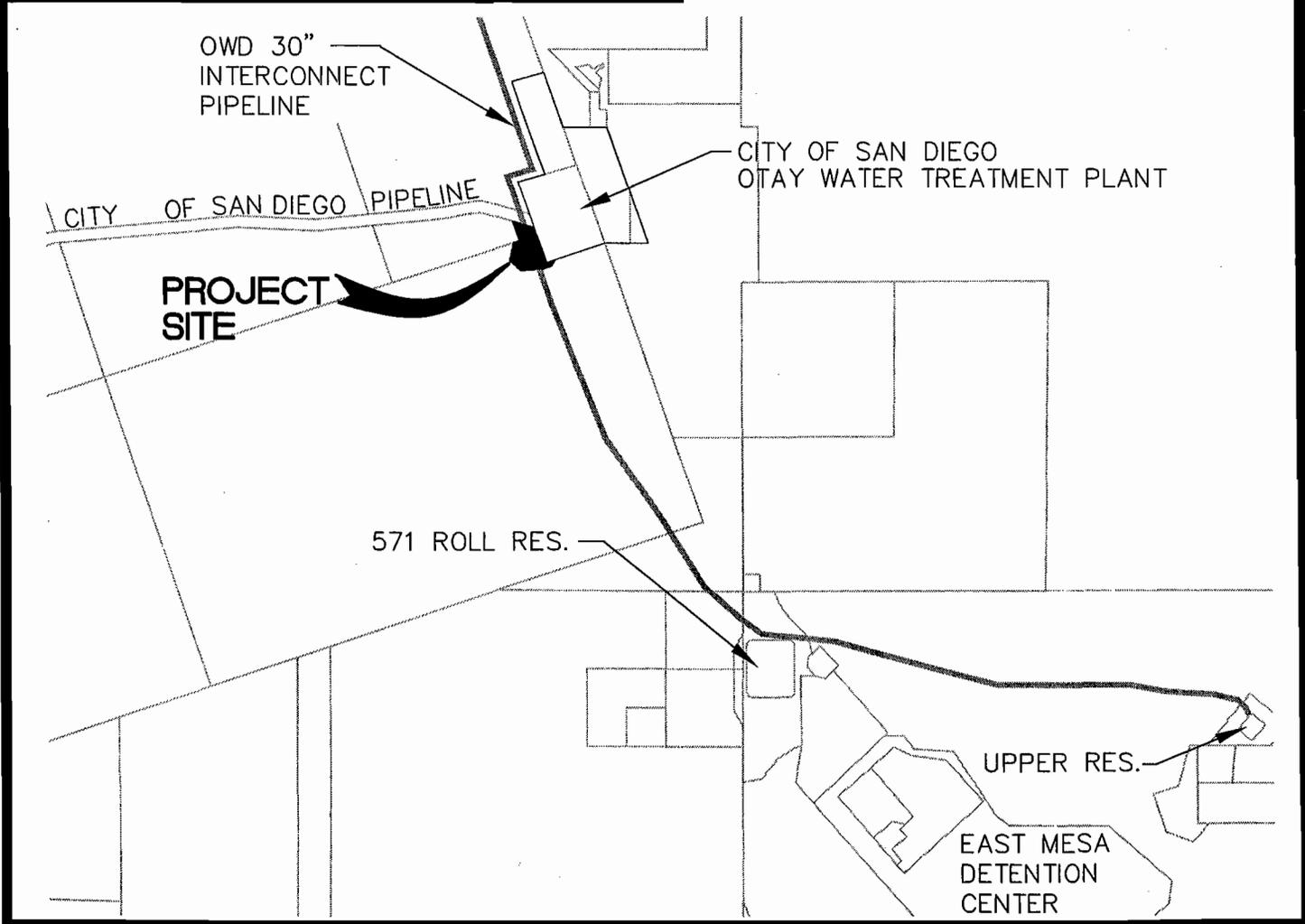


VICINTIY MAP

PROJECT SITE



SCALE: 1"=1,500'



OTAY WATER DISTRICT  
LOWER OTAY PUMP STATION



W.O. 8696

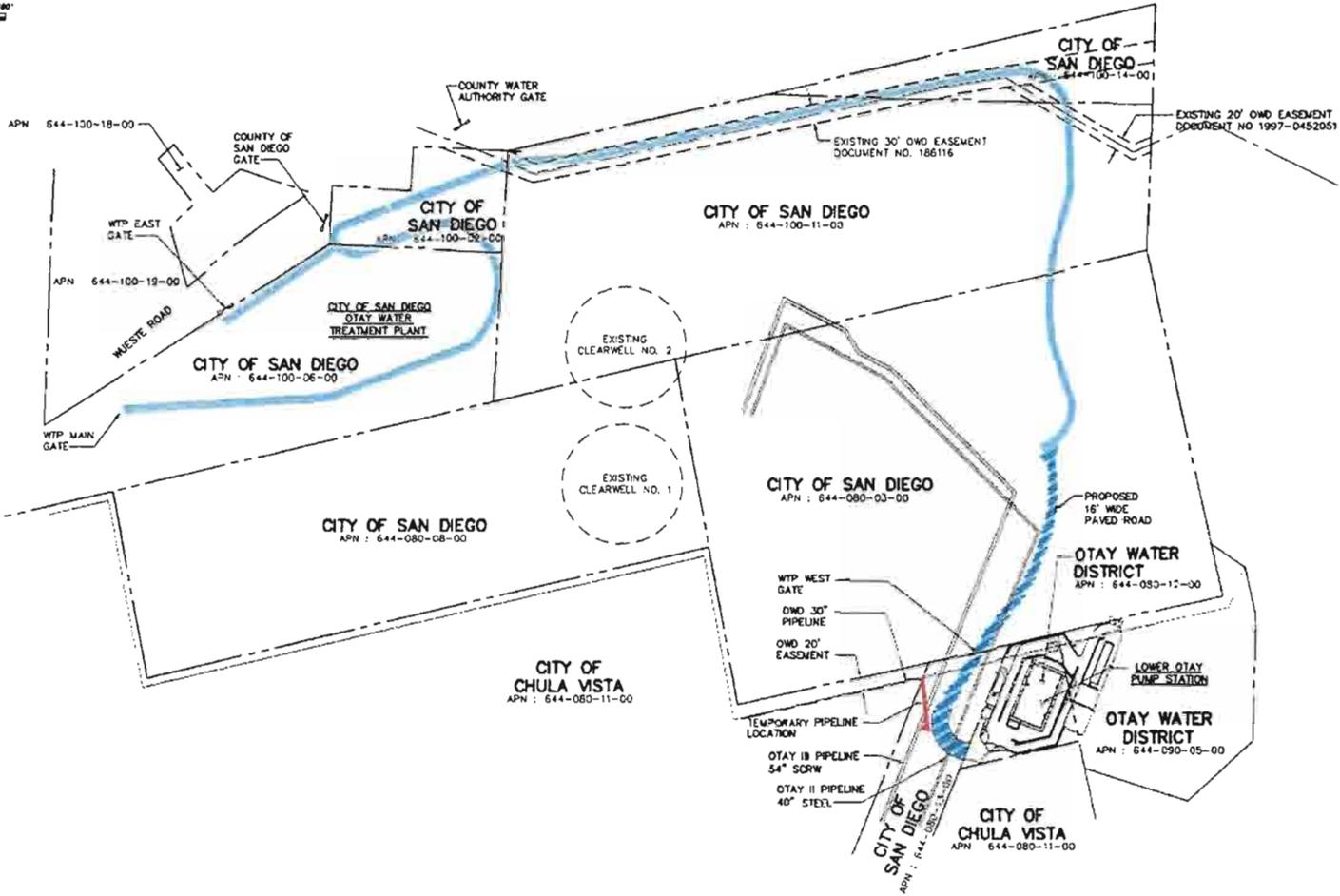
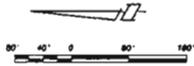
LOCATION MAP

CIP# W258

EXHIBIT A

P:\WORKING\CIPW258\STAFF REPORTS\STAFF REPORT - EXHIBIT A\_3-30-04.dwg

# EXHIBIT B



## LEGEND

- PROPOSED ACCESS ROUTE  
54,220 SQ FT \*INCLUDES  
PROPOSED PAVED ROAD
- \*15' WIDE PROPOSED PAVED ROAD
- EXISTING EASEMENT LINE
- PROPOSED OWD EASEMENT
- TEMPORARY PIPE



OTAY WATER DISTRICT  
2554 SWEETWATER SPRINGS BOULEVARD  
SPRING VALLEY, CA 91978-2096  
618 - 675-5222

LOWER OTAY PUMP STATION

**PERMANENT  
ACCESS PLAN**



# AGENDA ITEM 6f

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 1, 2006		
SUBMITTED BY:	Jim Peasley 	W.O./G F. NO:	30096	DIV	N/A
APPROVED BY:	Rod Posada 			NO	
(Chief)					
APPROVED BY:	Manny Magaña				
(Asst. GM):					
SUBJECT:	Otay 14 Flow Control Facility Modifications Agreement Execution Authorization				

### GENERAL MANAGER'S RECOMMENDATION:

That the Board of Directors authorize the General Manager to execute the Agreement Between the San Diego County Water Authority (Water Authority) and the Otay Water District (Otay) for Design, Construction, Operation, and Maintenance for the Otay 14 Flow Control Facility Modifications (Otay 14 FCF Agreement) contingent upon Water Authority Board of Directors approval of substantially the same. The Water Authority staff plans to present for approval the Otay 14 FCF Agreement at their November 30, 2006 Board meeting.

### COMMITTEE ACTION:

Please see Attachment A.

### PURPOSE:

The Board of Directors of the Water Authority and Otay authorized the General Managers of each agency to execute the East County Regional Treated Water Improvement Program (ECRTWIP) agreement between the Water Authority and Otay. Implementation of the ECRTWIP Agreement will significantly improve the local water treatment capacity in East County.

The ECRTWIP Agreement obligates the Water Authority and Otay to enter into a subsequent agreement to establish terms and conditions to modify the existing Otay 14 FCF to increase its capacity to 16 million gallons per day (MGD). The ECRTWIP Agreement established that the Water Authority and Otay will pay equal shares for the cost to modify Otay 14 FCF.

**ANALYSIS:**

In May 2004, the Water Authority adopted its Regional Water Facilities Master Plan (Master Plan) identifying infrastructure needs to the year 2030. One element of the Water Authority Master Plan includes the expanded utilization of local water treatment plants owned and operated by member agencies.

The Board of Directors of the Water Authority, Helix, Padre Dam, Otay, and Lakeside each has approved binding ECRTWIP Agreements. With implementation of these ECRTWIP agreements, each agency commits to certain capital improvements and/or guaranteed usage levels.

The primary terms of the Otay 14 FCF Agreement (Attachment B) are as follows:

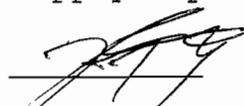
- Otay 14 FCF to have 16 MGD of capacity supplied from the Helix Levy Water Treatment Plant (WTP).
- Water Authority to design, construction, own, operate, and maintain the Otay 14 FCF.
- Water Authority and Otay to 50% cost share the expansion and modification of Otay 14 FCF from 8 MGD to 16 MGD.

With implementation of the ECRTWIP and Otay 14 FCF Agreements the following primary objectives of Otay for the North District are met:

1. Acquire local water system capacity to access the regions raw water supply, transmission, storage, and treatment systems for the North District.
2. Acquire an alternative supply source to sustain a minimum of ten (10) continuous day's outage of Pipeline No. 4.

Following Otay and Water Authority Board approval of the Otay 14 FCF Agreement and the implementation of both the ECRTWIP and Otay 14 FCF Agreements, Otay will have a significant alternative water supply resource for 12 MGD of on-peak and 16 MGD of off-peak treated water supply capacity from the Helix Levy WTP.

**FISCAL IMPACT:**



The total budget for CIP P2009 is \$18,490,000, of which \$700,000 is earmarked to fund the Otay 14 FCF obligation, as approved by the Board in the 2007 budget process. The CIP P2009 project budget is to fund the 36-inch pipeline from Otay 14 FCF to the Regulatory Site and the Otay 14 FCF modification expenses. The

Otay 14 FCF modification is estimated by the Water Authority to cost \$1,240,000. The Water Authority and Otay will equally share the actual total cost. Hence, the total estimated obligation to Otay for Otay 14 FCF modifications is estimated to be \$620,000. The actual costs paid against CIP P2009 as of September 6, 2006 are \$165,451. Total expenditures and commitments, including the Otay 14 FCF Agreement, are approximately \$2,119,259. Based on the cost analysis performed, staff does not anticipate that a budget increase is necessary. Attachment C is a table of commitments, expenditures, and the projected final cost for CIP P2009.

Finance has determined that 100% of the funding will be available from the Expansion Fund.

**STRATEGIC GOAL:**

The ECRTWIP and Otay 14 FCF Agreements support the Otay WD's Mission Statement, "To provide the best quality of water and wastewater service to the customers of the Otay Water District, in a professional, effective, efficient, and sensitive manner, in all aspects of operation, so that public health, environment and quality of life are enhanced." and the Otay strategic goal, in planning for infrastructure and supply to meet current and future potable water demands.

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

None.

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

Attachments

JP/RP/MM:jfp



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Otay 14 Flow Control Facility Modifications Agreement Execution Authorization
<b>PROJECT:</b>	W.O. No. 30096

### COMMITTEE ACTION:

The Engineering and Water Operations Committee reviewed this item at a meeting held on October 18, 2006. The following comments were made:

- The board had approved the East County Regional Treated Water Improvement Program (ECRTWIP) agreement in November of last year.
- The ECRTWIP agreement obligates CWA and Otay to enter into a subsequent agreement to establish terms and conditions to modify the existing Flow Control Facility 14 (FCF 14) to increase its capacity from 8 MGD to 16 MGD. The cost of the modification would be shared equally between the agencies.
- It was noted that the board approved the design of the modification to FCF 14 at the October board meeting.
- The cost for the modification has been budgeted within the CIP and is estimated at approximately \$700,000. Staff expects that it will come in slightly lower than the estimate.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding to the Board of Directors on the consent calendar.

**ATTACHMENT B**

Agreement Between San Diego County Water Authority  
and Otay Water District for Design, Construction, Operation, and Maintenance  
of the Otay 14 Flow Control Facility Modifications

This Agreement is made and entered into as of \_\_\_\_\_, 2006, between the San Diego County Water Authority, a county water Authority (Water Authority), and Otay Water District, a water district established under the Municipal Water District Law of 1911, (Otay) (collectively, the Parties) in view of the following facts:

**RECITALS:**

- A. Otay is a member agency of the Water Authority and currently distributes and sells retail water supplied by the Water Authority.
- B. Water Authority currently meters and controls the delivery of treated water from Otay 8 Flow Control Facility (Otay 8 FCF) and Otay 14 Flow Control Facility (Otay 14 FCF) to the Otay system via the existing La Mesa Sweetwater Extension (LMSE). Otay 14 FCF Notice of Completion was filed October 30, 2003 and Otay 14 FCF Modifications were approved by Water Authority Board of Directors on February 23, 2006 as part of the East County Regional Treated Water Improvements Program Implementation Agreements.
- C. Water Authority is obligated, pursuant to the Agreement Between Otay Water District and San Diego County Water Authority for Construction, Operation, and Maintenance of Otay 14 Flow Control Facility, dated August 13, 2002 (Otay 14 Agreement) and in accordance with the 1976 Water Authority policy regarding treated water service, to provide 8 mgd service to Otay, at no additional capital cost to Otay.
- D. Otay 14 Agreement provides (a) that improvement costs in the LMSE and Helix Flume pipeline (Flume) associated with providing flows above 8 mgd are the responsibility of Otay, and (b) that arrangements for future service capacity increases may be made either by an amendment of that agreement or by a separate agreement.
- E. Water Authority wishes to transfer the existing Otay 8 FCF capacity of 4 mgd for its own convenience to the existing location of Otay 14 FCF at 290 South Third Street, El Cajon.
- F. A test of the LMSE flow capacity was made in April 2005. The results indicate that the maximum flow that can be transmitted to Otay via LMSE in its existing condition is 6.2 mgd.
- G. Otay wishes to increase its service capacity at the Otay 14 FCF location to a new total of at least 12 mgd of on-peak capacity and 16 mgd of off-peak capacity. Otay and the Water Authority will pay for all costs associated with the increased flow capacity as per the terms of the Agreement Between The San Diego County Water Authority and Otay Water District Regarding Implementation of the East County Regional Treated Water Improvement Program, dated April 27, 2006 (East County Agreement).

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1 Delivery of Water to Otay

- 1.1 The Water Authority hereby agrees to deliver and sell and Otay hereby agrees to purchase a minimum of 10,000 acre-feet of treated water per calendar year via an upgraded permanent, metered, service connection to remain known as Otay 14 FCF as per the East County Agreement.
- 1.2 Availability, delivery, rate of flow, and cost of treated water to be sold by the Water Authority to Otay shall be as established by the Board of Directors of the Water Authority in accordance with the Water Authority's Administrative Code, on the same basis as generally applicable to the Water Authority's member agencies.
- 1.3 Otay's points of delivery will remain at Otay 8 FCF and Otay 14 FCF until such time as the modifications to Otay 14 FCF begin. During construction of Otay 14 FCF Modifications, Otay's point of delivery will be Otay 8 FCF. No planned outage of Otay 8 FCF or LMSE is planned during the construction of the Otay 14 FCF Modifications. If LMSE is shutdown in conjunction with the construction of Otay 14 FCF Modifications, shutdown will not exceed 24 hours. Once the Water Authority is delivering and selling treated water to Otay through the modified Otay 14 FCF, and upon completion of the Los Coches Pump Station, the 48-inch Flume Improvement Project and the Otay 14 to Regulatory Reservoir Pipeline Improvement project, delivery and sale of treated water through Otay 8 FCF will cease. The Los Coches Pump Station and the 48-inch Flume Improvement Project are to be completed by Helix Water District no later than February 1, 2008 as per the terms of the East County Agreement. The LMSE shall remain in operation for treated water service until Otay's completion of the Otay 14 to Regulatory Reservoir Pipeline Improvement project is placed in service, which is no later than March 1, 2010.
- 1.4 The Water Authority currently provides a connection for telemetry signals of Otay 14 FCF flow rate, upstream pressure, and downstream pressure to Otay. These signals will continue to be provided to Otay upon completion of the Otay 14 FCF Modifications. Otay will connect at their expense.

2 Facility Design and Construction

- 2.1 Otay 14 FCF Modifications will be designed and constructed to Water Authority standards.
- 2.2 Otay 14 FCF Modifications will be designed and constructed to deliver up to 16 mgd of treated water capacity to the Otay water system. The Water Authority will bear all costs associated with the improved capacity from 8 mgd to 12 mgd, and this shall serve as full compensation to Otay for the abandonment of Otay 8 FCF. Otay shall bear all costs associated with the capacity increase from 12 mgd to 16 mgd.
- 2.3 Otay 14 FCF Modifications will be constructed using the existing Otay 14 FCF structure and site.

2.4 It is anticipated that the Otay 14 FCF Modifications will be completed prior to the completion of the Otay 14 to Regulatory Reservoir Pipeline Improvement project. Otay 14 FCF Modifications design, construction, and operational schedule is anticipated to be as follows.

The Otay 14 FCF Modifications design shall be complete no later than June 30, 2008.

The Otay 14 FCF Modifications construction shall be complete no later than June 30, 2009.

The Otay 14 FCF Modifications shall be operational no later than March 1, 2010.

3 Facility and Access Right-of-Way

3.1 Otay 14 FCF Modifications will be on property located at 290 South Third Street, El Cajon, northwest of the intersection of Lexington Avenue and South Third Street in the City of El Cajon as shown on Exhibit A attached hereto and by reference made a part of this Agreement. This property is owned in fee by the Water Authority. Facility access will be from public streets.

4 Otay Will Perform the Following:

4.1 Otay will design, construct or cause to be constructed a new 36-inch pipeline from Otay 14 FCF to its Regulatory Reservoir Site to be know as the Otay 14 to Regulatory Reservoir Pipeline Improvement project. The Otay 14 to Regulatory Reservoir Pipeline Improvement project will be constructed to a defined point of connection, as shown on Exhibit B attached hereto and by reference made a part of this Agreement. The Otay 14 to Regulatory Reservoir Pipeline Improvement project will terminate the use of LMSE turnout. Otay to install a blind flange or other type of connection, as directed by the Water Authority, at the property line.

4.2 Otay shall assume the lead agency role for environmental and permit compliance for this construction as per the East County Agreement. The Water Authority shall grant to Otay property rights as per the East County Agreement. The Otay 14 to Regulatory Reservoir Pipeline Improvement project will be completed no later than March 1, 2010.

4.3 Otay will review and provide written comments on all studies, reports, construction contract, etc., produced by the Water Authority related to Otay 14 FCF Modifications within 20 working days of receipt.

4.4 During construction of Otay 14 FCf Modifications, Otay will review and provide written comments and approval of construction change orders prior to authorization within five working days of receipt.

4.5 Otay's review and approval of studies, reports, construction contract, change orders, etc. shall not be unreasonable delayed or withheld.

4.6 Otay will assign a project manager to participate in the consultant selection process and will be the Water Authority's single point of contact.

4.7 Otay will provide the Water Authority, for review and comment, two hard copies and one electronic copy of the construction drawings and specifications for the Otay 14 to Regulatory Reservoir

Pipeline Improvement project. Water Authority shall determine the type of connection. Point of connection is as shown on Exhibit B.

- 4.8 Otay will be required to coordinate with the Water Authority for inspection and shutting down of Otay 14 FCF and the LMSE in order to perform the connection between the Otay 14 to Regulatory Pipeline Improvement project and Otay 14 FCF.
- 4.9 Otay will provide to the Water Authority electronic record drawings in AutoCad format of the Otay 14 to Regulatory Reservoir Pipeline Improvement project.
- 5 The Water Authority Will Perform the Following:
  - 5.1 The Water Authority will develop a Request for Proposals and select a consultant to provide the preliminary design, final design, and construction support services for the Otay 14 FCF Modifications.
  - 5.2 The Water Authority will assign a project manager for the Otay 14 FCF Modifications who will be Otay's single point of contact.
  - 5.3 The Water Authority will conduct a public bid, prepare addendum and change orders, and construct or cause to be constructed the Otay 14 FCF Modifications to a defined point of connection to the Otay 14 to Regulatory Reservoir Pipeline Improvement project to be constructed by Otay in South Third Street, all as shown on Exhibit B
  - 5.4 During construction of the Otay 14 FCF, the Water Authority shall provide written construction contract change orders for Otay's review, comment, and approval prior to authorization of the changed construction work to the contractor. Otay's approval shall not be unreasonable delayed or withheld.
  - 5.5 The Water Authority will provide to Otay electronic record drawings in AutoCad format of the Otay 14 FCF Modifications.
  - 5.6 The Water Authority will provide Otay, for review and comment, two hard copies and one electronic copy, of the design report, construction drawings, specifications, construction contract change orders, and the construction cost estimates.
- 6 Ownership and Operational Control of Facilities:
  - 6.1 The Water Authority will own, maintain, and operate all components of Otay 14 FCF, including inlet and outlet piping, within the Water Authority property line of the Otay 14 FCF site.
  - 6.2 Otay will own, maintain, and operate the Otay 14 to Regulatory Reservoir Pipeline Improvement project and connection piping outside the Water Authority property line of Otay 14 FCF site from a defined point of connection, as shown on Exhibit B.

6.3 In accordance with current Water Authority Board policy, all operation and maintenance costs shall be borne by the Water Authority. Otay acknowledges the right of the Water Authority's Board to revise the policy to recover future operation and maintenance costs.

7 Calculation and Payment of Costs:

7.1 Otay will pay 50 percent and the Water Authority will pay 50 percent of all actual costs incurred including public outreach, preliminary design, final design, construction, and construction support of Otay 14 FCF Modifications, in accordance with Exhibit C attached hereto and by reference made a part of this Agreement.

7.2 The Water Authority will pay all costs related to Otay 8 FCF capacity transfer to Otay 14 FCF.

7.3 If Otay decides to cease Otay 14 FCF Modifications at any time during design or construction, Otay will reimburse the Water Authority for all costs incurred for Otay 14 FCF Modifications through the date of notification.

7.4 Deposits and final accounting will be conducted based on the following schedules. The cost items for each phase are shown on Exhibit C.

7.5 Deposit Schedule. Exhibit C demonstrates the estimated costs and payment in association with all costs for design and construction of Otay 14 FCF Modifications. Otay will make deposits with the Water Authority in the amounts shown on Exhibit C, based on the following milestones.

7.5.1 Phase I: Deposit within 30 calendar days of the full execution of this Agreement.

7.5.2 Phase II: Deposit within 30 calendar days of the Water Authority Board awarding the construction contract for Otay 14 FCF Modifications.

7.6 Project Cost Accounting. Otay 14 FCF Modifications cost accounting will be performed by the Water Authority for the following milestones:

7.6.1 Phase I: Water Authority Board award of the construction contract for Otay 14 FCF Modifications.

7.6.2 Phase II: Water Authority Board's acceptance of the project and the filing and recording of the Notice of Completion with the County of San Diego.

7.6.3 Upon completion of a cost accounting, as indicated above, Water Authority will provide an accounting report to Otay detailing the costs incurred during Phase I and/or Phase II, as applicable, in form and content satisfactory to Otay.

7.6.3.1 If Otay's share of actual costs is more than the deposits, Otay will, within 40 calendar days of receipt by Otay of cost accounting from the Water Authority, make full payment to the Water Authority of all undisputed amounts. Any payment not made will be subject to a delinquency charge of two percent of the delinquent payment for each month or portion thereof after said 40 calendar days that the payment remains delinquent, provided that undisputed amounts shall not be considered due until Otay

and Water Authority agree on the amount actually due. If the delinquency does not exceed five business days, the charge shall be equal to a one percent of the delinquent amount; or

7.6.3.2 If Otay's share of actual costs is less than deposits, Water Authority will, within 40 calendar days of receipt by Otay of cost accounting from the Water Authority, make full payment to Otay. Any payment not received will be subject to a delinquency charge of two percent of the delinquent payment for each month or portion thereof that the payment remains delinquent. If the delinquency does not exceed five business days, the charge shall be equal to a one percent of the delinquent amount. If Otay believes its share of actual costs should be less than the amount specified in the accounting report, it will notify the Water Authority prior to the expiration of the 40-day period. It is agreed that no delinquency charge will be assessed on any additional sums claimed by Otay to be due until Otay and the Water Authority agree on the amount actually due.

7.6.4 Detailed records from which costs are compiled will be retained by the Water Authority for a period of three years from the date of final invoice, and will be available for verification by Otay. If Otay determines an audit is necessary, it will be completed at Otay's expense during the three-year period. If any adjustments are recommended by the audit, payment shall be made to the party, in accordance with such recommendations. Agreement shall not be unreasonably withheld and payment shall be made within 40 calendar days of receipt of the audit

- 8 Indemnification. Otay and the Water Authority, agree to mutually indemnify, defend at their own expense, including attorneys' fees, and hold each other harmless from and against all claims, costs, demands, losses, and liability of any nature whatsoever, including but not limited to liability for bodily injury, sickness, disease or death, property damage (including loss of use) or violation of law, caused by or arising out of any error, omission, negligent act or willful misconduct of that party, its officers, directors, employees, agents, volunteers or any other person acting pursuant to its control in performing under this Agreement.
- 9 Laws and Venue. This Agreement will be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court in San Diego County,
- 10 Amendment. This Agreement may be modified only by a subsequent written amendment executed by both Parties.
- 11 Successors or Assigns. This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of the duties be delegated, without the express written consent of both Parties, which shall not be unreasonably withheld or delayed. Any attempt to assign or delegate this Agreement without the express written consent of both Parties shall be void and of no force or effect.

- 12 Notices. Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, postage prepaid, addressed to:

San Diego County Water Authority  
4677 Overland Avenue  
San Diego, CA 92123  
Attention: Maureen A. Stapleton, General Manager

Otay Water District  
2554 Sweetwater Springs Boulevard  
Spring Valley, CA 91978  
Attention: Mark Watton, General Manager

- 13 Dispute Resolution. The parties agree to try to resolve any dispute arising under this Agreement amicably and by negotiation. However, if the parties are unable to reach agreement within a reasonable time from the commencement of negotiations, either party may seek any legal remedy available to it. For purposes of this Agreement, a reasonable time consists of not less than ninety (90) days.
- 14 Signatures. The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed as of the date written above.

San Diego County Water Authority

Otay Water District

By: \_\_\_\_\_  
Maureen A. Stapleton  
General Manager

By: \_\_\_\_\_  
Mark Watton  
General Manager

Approved as to form:

Daniel S. Hentschke  
General Counsel

Approved as to form:

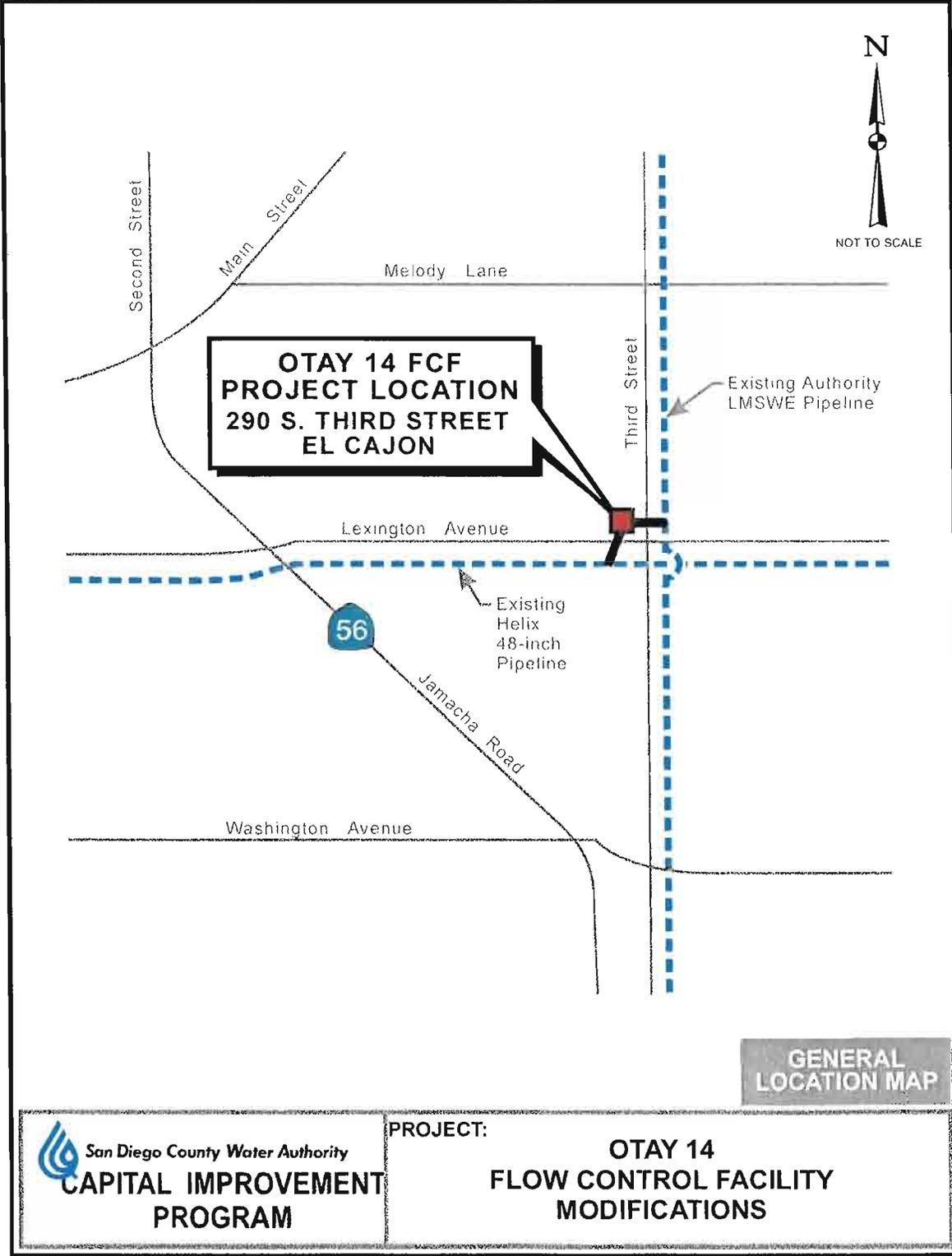
Yuri A. Calderon  
General Counsel

\_\_\_\_\_

\_\_\_\_\_

EXHIBIT A

Otay 14 FCF Modifications Location Map



W:\Graphics \ N0034 \ - Otay14 FCF LOC MAP.cdr

EXHIBIT B

Otay 14 Flow Control Facility and the Otay 14 to Regulatory Reservoir Pipeline Improvement project  
Connection Point

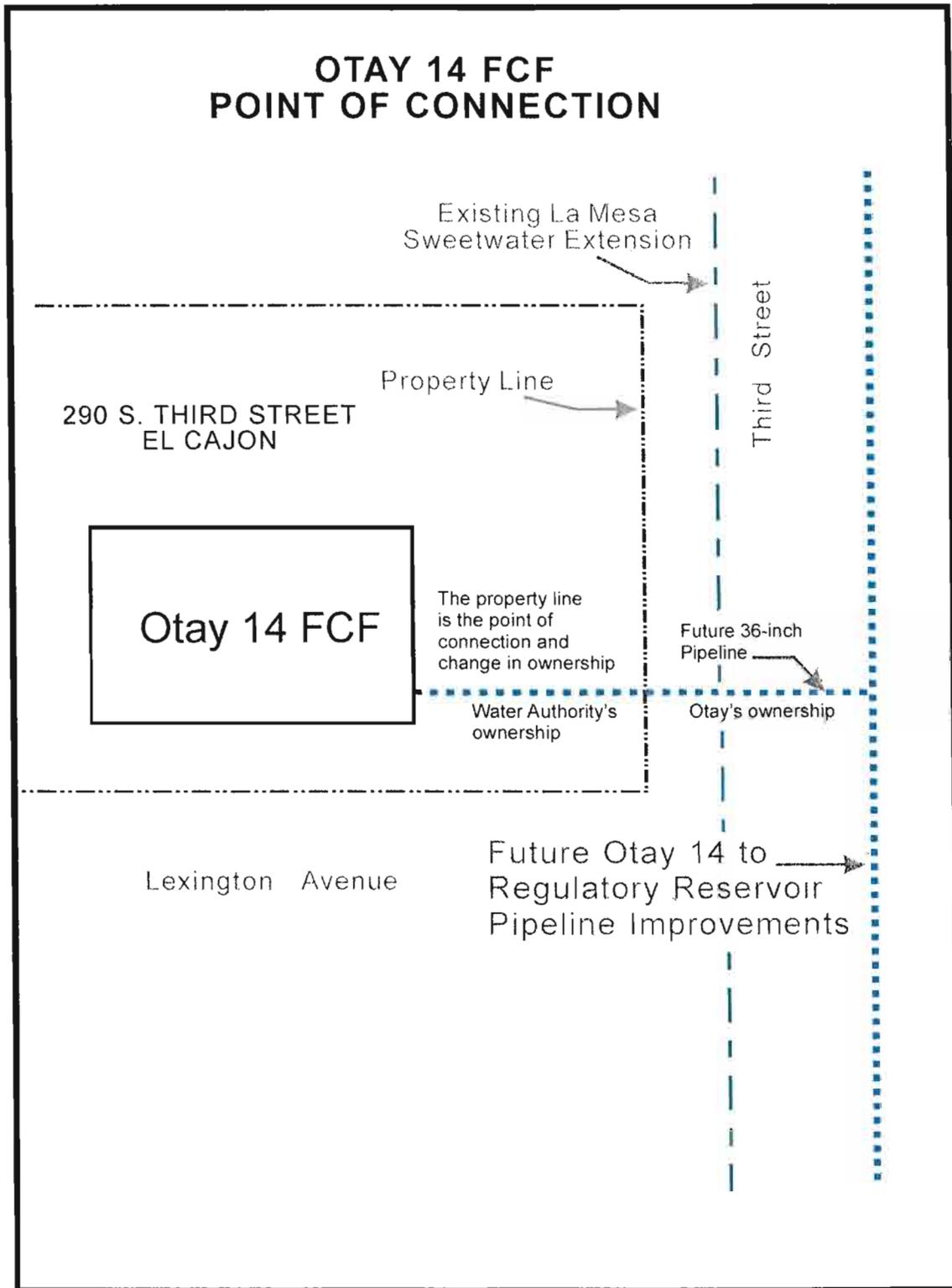


EXHIBIT C

ESTIMATED PROJECT COSTS

	Estimated Project Cost <sup>1</sup>	Otay's Estimated Deposit
<b>Phase I: Design</b>		
Design	\$250,000	\$125,000
<b>Phase II: Construction</b>		
Construction Contract	\$900,000	\$450,000
Construction Support Services	\$50,000	\$25,000
Capitalized Overhead	\$40,000	\$20,000
Total	\$1,240,000	\$620,000

<sup>1</sup> Cost items include staff time, consultant fees, project coordination, meeting attendance, public outreach, right-of-way acquisition, preparation, review, and revisions of various studies and reports, proposals, and agreements, construction bidding process, construction cost, construction management, warranty monitor, and all project related administrative costs.



## ATTACHMENT C

<b>SUBJECT/PROJECT:</b>	Otay 14 Flow Control Facility Modifications Agreement Execution Authorization
<b>PROJECT:</b>	W.O. No. 30096

Otay Water District		Date Updated: September 6, 2006			
P2009 - 36-Inch Pipeline, SDCWA Otay FCF No. 14 to the Regulatory Site					
Budget	Committed	Expenditures	Outstanding Commitment & Forecast	Projected Final Cost	Vendor / Comments
\$18,490,000					
<b>Planning</b>					
Studies				\$ -	
In House Staff Labor		\$ 199,155.71	\$ 22,785.32	\$ 161,941.03	
Printing		\$ 992.75		\$ 992.75	OCB Reprographics
Professional Legal Fees		\$ 5,695.00		\$ 5,695.00	Burke Williams & Sorensen
Service Contracts		\$ 789.20		\$ 789.20	Union Tribute & SD Daily Transcript
Subcontract		\$ 12,266.07		\$ 12,266.07	Helix Water District
Temporary Labor		\$ 15.95		\$ 15.95	Sadona Staffing
Land & Easement Acquisition			\$ 325,000.00	\$ 325,000.00	
<b>Total Planning</b>	\$ -	\$ 168,814.68	\$ 347,785.32	\$ 606,600.00	
<b>Design</b>					
Consultant	\$ 1,333,808.00		\$ -	\$ 1,333,808.00	IEC
Value Engineering			\$ 91,000.00	\$ 91,000.00	
Risk Assessment			\$ 20,000.00	\$ 20,000.00	
In House Staff Labor		\$ 6,394.04	\$ 475,000.00	\$ 481,394.04	
Office Supplies & Misc.		\$ 209.40		\$ 209.40	
Office Supplies (Projected)		\$ -	\$ 588.56	\$ 588.56	
Outside Services			\$ 10,000.00	\$ 10,000.00	Team Reprographics, LLC
Service Contracts			\$ 60,000.00	\$ 60,000.00	
Advertise and Award			\$ 60,000.00	\$ 60,000.00	
<b>Total Design</b>	\$ 1,333,808.00	\$ 6,603.44	\$ 696,588.56	\$ 2,037,000.00	
<b>Construction</b>					
In House Staff Labor		\$ 32.90	\$ 229,967.10	\$ 230,000.00	
Construction Contracts			\$ 14,013,400.00	\$ 14,013,400.00	
Construction Manager			\$ 800,000.00	\$ 800,000.00	
FCF No. 14 Modifications	\$ 620,000.00		\$ 700,000.00	\$ 700,000.00	SDCWA
Acceptance & Close-out			\$ 103,000.00	\$ 103,000.00	
<b>Total Construction</b>	\$ 620,000.00	\$ 32.90	\$ 15,946,367.10	\$ 15,946,400.00	
<b>Grand Total</b>	<b>\$ 1,953,808.00</b>	<b>\$ 165,451.02</b>	<b>\$ 16,990,740.98</b>	<b>\$ 18,490,000.00</b>	



# AGENDA ITEM 7a

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 1, 2006
SUBMITTED BY:	James Cudlip, Finance Manager	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)	Joseph R. Beachem, Chief Financial Officer	<i>[Signature]</i>	
APPROVED BY: (Asst. GM):	German Alvarez, Assistant General Manager	<i>[Signature]</i>	
SUBJECT:	Accept the District's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2006		

**GENERAL MANAGER'S RECOMMENDATION:**

That the Board accepts the District's Comprehensive Annual Financial Report (CAFR), including the Independent Auditors' unqualified opinion, for the Fiscal Year ended June 30, 2006.

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

See Attachment A.

**PURPOSE:**

To inform the Board of the significant financial events which occurred during the Fiscal Year ended June 30, 2006 as reflected in the Comprehensive Annual Financial Report.

**ANALYSIS:**

Teaman, Ramirez and Smith, Inc., performed the audit and found that, in all material respects, the financial statements correctly represent the financial position of the District. They found no material errors or weaknesses; therefore, there are no findings to present in their "Management Letter." See Attachment B.

**Total Assets:**

Total assets increased by \$13.1 million or 2.79% during Fiscal Year 2006. The vast majority of this increase can be attributed to an increase in capital assets \$34.5 million, net of related accumulated depreciation.

**Total Liabilities & Net Assets:**

Total liabilities increased by approximately \$2.2 million or 3.72% from the previous fiscal year. Underlying this change were the following:

- An increase in accounts payable and related liabilities of approximately \$2.9 million. Fluctuations of this magnitude are expected given the nature of accounts payable, and result from the timing of large payments to contractors and other third parties.
- A reduction in long-term debt outstanding of approximately \$1.5 million.

The increase in total assets and total liabilities yielded an increase in net assets (equity) of approximately \$11.0 million or 2.68%.

**Capital Contributions:**

Capital contributions totaled \$15.4 million during Fiscal Year 2006, a decrease of \$19.5 million or 55.87% over Fiscal Year 2005 contributions. This decrease is a reflection of the continuing slow down in home sales and related delays in new housing development projects, resulting in a decrease in the amount of physical infrastructure assets contributed to the District.

**Results of Operations:**

Operating revenues increased \$4.5 million or 10.44%, mainly as a result of an increase in water sales of \$4.4 million from the previous fiscal year which reflects the following underlying factors:

- An increase in water meter sales of 835 (46,648 to 47,483) from 2005 to 2006.
- A significant decrease in rainfall of 16.45 inches (22.51 to 6.06) from 2005 to 2006.

Operating expenses increased by approximately \$3.1 million, primarily as a result of an increase in the cost of water sales of \$1.9 million. Increases in Outside Services, Pension, and Health & Life Insurance costs accounted for the remainder of the increase in operating expenses.

***Non-Operating Revenues & Expenses:***

Non-operating revenues increased approximately \$0.2 million due to increases in Investment Income and Taxes & Assessments, offset by the fact that last year's total included a one-time gain on the sale of fixed assets of approximately \$2.2 million. Non-operating expenses decreased by approximately \$0.6 million, due primarily to one-time expenses in 2005 related to refunding of the 1993 Certificates of Participation (COPS).

***Additional Audit Correspondence:***

As a part of completing the audit engagement, the audit firm also provides the following letters summarizing their observations and conclusions concerning the District's overall financial processes:

- Management Letter: No matters were noted involving the internal controls and their operations that were considered to be internal weaknesses. See Attachment B.
- Finance Committee Report: Noted no transactions entered into by the District during the year that were both significant and unusual, or transactions for which there is a lack of authoritative guidance or consensus. No audit adjustments were proposed to correct the financial statements. There were no disagreements with management concerning financial accounting, reporting, or auditing matters, and there were no significant difficulties in dealing with management in performing the audit. See Attachment C.
- Report on Internal Control over Financial Reporting: Results of audit tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*. See Attachment D.

**FISCAL IMPACT:**

None.



**STRATEGIC OUTLOOK:**

The District is responsible for providing a diverse range of high-quality public utility services to a rapidly growing customer base. The District ensures its continued financial health through long-term financial planning, formalized financial policies, enhanced budget controls, fair pricing, debt planning, and improved financial reporting. The Finance Department is an integral part of the General Manager's vision to be "A District that is at the forefront of innovations to provide water services at affordable rates, with a reputation for outstanding customer service."

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

None.

  
\_\_\_\_\_

**General Manager**

Attachments:

- A: Committee Action Form
- B: Audit Management Letter
- C: Audit Finance Committee Letter
- D: Audit Report on Internal Control Over Financial Reporting
- E: Comprehensive Annual Financial Report (CAFR)



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Accept the District's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2006
-------------------------	--

### COMMITTEE ACTION:

The Finance and Administration Committee reviewed this item at a meeting held on October 20, 2006. The following comments were made:

- o Teaman, Ramirez, and Smith, Inc. performed the audit of the District's financial statements for FY 2006 and have issued an "unqualified opinion," the highest rating that can be issued. The management and internal control letters would also indicate that the auditors found "no material weaknesses."
- o It was noted that Operating Revenues were up because of increased water sales due to a decrease in rainfall during the fiscal year and an increase in meter sales. Taxes and assessments were also higher.
- o Increases in the cost of water sales were proportional to the increases in water revenue.
- o Net Assets increased by \$11 million from \$411 million to \$422 million.
- o It was noted that additional information was provided in the CAFR with regard to water and sewer specifically (Note 6 to the Financial Statements). This information was not reported in previous CAFR's as it was not a requirement. Staff has implemented the reporting of this information as a part of meeting current requirements for the CAFR award of "Excellence in Financial Reporting" from the Government Finance Officers Association (GFOA).
- o The statistical information has also been expanded ( more than double) as the additional

information will be needed for award submission.

- o Staff has reclassified some expenses to show which side of operations the expenses corresponded with.
- o The committee indicated that they had not expected to have a completed audit presented for review as it was thought that they would meet with the audit firm on the work plan progress prior to the audit. The committee indicated that they supported placement of the audit on the information/action calendar on the board agenda in November. The committee indicated, by that time, they would have had the opportunity to review the information and would then ask questions.
- o It was discussed that staff would agendize an audit work plan review discussion with the District's auditor next year (around February) for discussion at the Administration and Finance Committee.
- o The committee discussed that Teaman, Ramirez and Smith has served as the District's auditor for the past three years. Staff indicated that the District typically retained auditors from 3 to 5 years.



August 10, 2006

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

Dear Mr. Beachem:

We have audited the financial statements of the Otay Water District (the "District") as of and for the year ended June 30, 2006, and have issued our report thereon dated August 10, 2006. In planning and performing our audit of the financial statements of the District, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. We noted no matters involving the internal control and its operation that we considered to be material weaknesses under standards established by the American Institute of Certified Public Accountants.

We would like to take this opportunity to express our appreciation for the assistance extended to us during the course of the audit. If we can be of further assistance or if you have any questions regarding our recommendations, please call our office.

This report is intended solely for the information and use of the Board of Directors and management. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,  
TEAMAN, RAMIREZ & SMITH, INC.

A handwritten signature in blue ink that reads "Richard A. Teaman".

Richard A. Teaman  
Certified Public Accountant



August 10, 2006

Finance Committee  
Otay Water District

We have audited the financial statements of the Otay Water District for the year ended June 30, 2006, and have issued our report thereon dated August 10, 2006. Professional standards require that we provide you with the following information related to our audit.

#### Our Responsibility under Generally Accepted Auditing Standards and Government Auditing Standards

Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of the Otay Water District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Otay Water District's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

#### Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

#### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate effecting the financial statements were management's estimate of the useful lives for capital assets.

During our audit of the basic purpose financial statements, we performed procedures to determine the reasonableness of the estimates used by management. Based on the procedures performed, we were able to conclude that the estimates used by management were reasonable.

#### Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Otay Water District's financial reporting process (that is, cause future financial statements to be materially misstated). For the 2005-2006 fiscal year, there were no such adjustments.

#### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of the Otay Water District's Finance Committee and management of the Otay Water District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Jeanean Ramirez & Smith*



**Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

Board of Directors  
Otay Water District  
Spring Valley, California

We have audited the financial statements of the business-type activities of the Otay Water District as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 10, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Otay Water District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

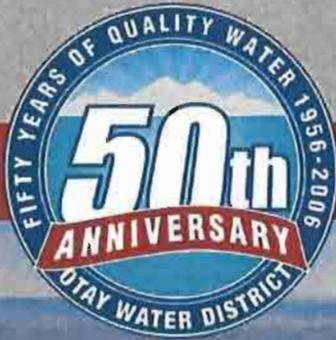
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Otay Water District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for solely the information and use of the management, and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

*Teaman Ramirez & Smith*

August 10, 2006



# OTAY WATER DISTRICT

## Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006

Spring Valley,  
California

# Comprehensive Annual Financial Report

## Fiscal Year Ended June 30, 2006



Prepared by the Finance Department  
Spring Valley, California

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## **INTRODUCTORY SECTION**



*...Dedicated to Community Service*

2554 SWEETWATER SPRINGS BOULEVARD, SPRING VALLEY, CALIFORNIA 91977-7299  
TELEPHONE: 670-2222, AREA CODE 619



## LETTER OF TRANSMITTAL

August 10, 2006

Honorable Board of Directors  
Otay Water District

I am pleased to present the Otay Water District's (the "District") Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2006. In 2006, the District's 50th year of providing quality potable and recycled water, and sewer service, there is an emphasis on new water sources, system reliability, and new maintenance requirements.

This report was prepared by the District's Finance Department following guidelines set forth by the Government Accounting Standards Board and generally accepted accounting principles (GAAP). Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material respects and that it is presented in a manner that provides a fair representation of the financial position and results of operation of the District. Included are all disclosures we believe necessary to enhance your understanding of the financial condition of the District. GAAP requires that management provide a narrative introduction, overview and analysis, to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A) which should be read in conjunction with this report. The District's MD&A can be found immediately following the Independent Auditors' Report.

The District's financial statements have been audited by Teaman, Ramirez and Smith Inc., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2006, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2006, are fairly presented in conformity with GAAP. The Independent Auditors' Report is presented as the first component of the financial section of this report.



## REPORTING ENTITY

The District is a publicly-owned water and sewer agency, authorized as a California special district in 1956 by the State Legislature under the provisions of the Municipal Water District Act of 1911. Its ordinances, policies, taxes, and rates for service are set by five Directors, elected by voters in their respective divisions, to serve staggered four-year terms on its Governing Board. The District is a “revenue neutral” public agency, meaning that each end-user pays his or her fair share of the District’s costs of water acquisition, operation and maintenance, betterment, and renewal and replacement of the public water and sewer facilities.



In 2006, the District celebrates its 50th anniversary. It began on an overcast summer day in 1955 when a plumber, a civil engineer, an attorney, a newspaper publisher, and two owners of large tracts of land gathered for lunch at Christie’s Restaurant in Chula Vista. They met to discuss how together they could bring life-giving water to an arid region of southeastern San Diego County. By the end of the day, the group had a common vision, a few thousand dollars in capital, and the

framework for what would later become the Otay Water District. Their vision was realized on January 27, 1956, when the District was authorized by the California Legislature to an entitlement to import water.

Over the next 50 years, the District has grown from a handful of customers and two employees to become an organization operating a network with more than 663 miles of pipelines, 37 reservoirs, a sewer treatment plant, and one of the largest recycled water distribution networks in San Diego County. The character of the service area has also changed from predominantly dry-land farming and cattle ranching, to businesses, high-tech industries, and large master planned communities.

Today, the District provides water service to nearly 46,830 potable and 540 recycled customers within approximately 125 square miles of southeastern San Diego County. All of the potable water delivered by the District is purchased from the San Diego County Water Authority (CWA) who in turn purchases water from the region’s water importer, the Metropolitan Water District of Southern California. In Fiscal Year 2007, the District began purchasing raw water from CWA and made an agreement with the City of San Diego to treat the water. By taking raw water through CWA’s system there is increased reliability of water supplied to the District. This water is delivered through the Lower Otay Pump Station.

The District also owns and operates a wastewater collection and recycling system to provide public sewer service to approximately 4,570 homes and businesses (or 6,600 Assigned Service Units) within portions of the communities of La Mesa, Rancho San Diego, El Cajon, Jamul, and

Spring Valley. Recycled water from the Ralph W. Chapman Water Recycling Facility (RWCWRF) is used to irrigate golf courses, schools, public parks, roadway landscapes, and various other approved uses in eastern Chula Vista. The RWCWRF project is capable of reclaiming wastewater at a rate of 1.3 million gallons per day. The District is also in a partnership with the City of San Diego to beneficially reuse an additional six million gallons per day of recycled water from the City's South Bay Water Reclamation Plant (SBWRP).

### CURRENT ECONOMIC CONDITIONS AND OUTLOOK

The District's service area is in one of the fastest growing regions in the nation. During the past decade, the population of the service area has nearly doubled. The phenomenal growth is continuing and as of January 2006, it is estimated that the District served 189,000 residents. In just the past four years, the District has added more than 5,000 new customer connections. This is reflected internally as the District's Development Services Department currently approves approximately 70 permits per month, and sold 835 water meters in Fiscal Year 2005-2006. The San Diego Association of Governments (SANDAG), the regional planning agency, estimates the District's rate of growth will continue for a decade or more. The District projects a total customer base of approximately 277,000 people by the year 2020.



### BUDGET SUMMARY

For Fiscal Year 2007, the budget totals \$94 million, with operating expenditures of \$59 million and capital expenditures of \$35 million. The District's goal is to provide the most effective and efficient service possible while maintaining affordability of the water supply for the community.

The operating expenditures are derived from three major sectors: water, reclamation, and sewer. Revenues for the water utility in Fiscal Year 2007 are projected to be \$47,616,200 about \$4.2 million (9.7%) greater than Fiscal Year 2006. Water sales are expected to increase as a result of a slowing but continuing growth trend occurring within the District's service area. This growth should add over 870 new customer accounts and increase the District's assets by approximately \$35 million for the year.

Significant aspects of the Operating Budget are:

- A balanced budget meeting the goals of the Strategic Plan.
- The District has updated a six-year Rate Model to ensure sound financial planning and reserve levels.
- The District implemented rate increases in potable and reclaimed water, and sewer. This included pass-through rate increases from CWA, City of San Diego, and County of San Diego who raised costs to the water and sewer customers.

- Of San Diego County's 23 water agencies, Otay's water rate is the seventh-lowest and below the county-wide average.
- The District is planning on issuing debt in Fiscal Year 2007 to fund the construction of new facilities, and replacement or enhancement of facilities.
- Includes funding for the six million gallons per day recycled water purchase agreement with the City of San Diego.
- Includes funding for new regulations for air vac, valve maintenance, and the automated meter reading change-out program.
- Expands residential, landscape, and commercial water conservation programs.
- Enhances Storm Water Control Best Management Practices.
- Funds the fourth year of a Five-Year Labor Agreement ending in Fiscal Year 2008.

The projected operating cost for salaries and benefits is \$14.6 million, which is an increase of \$1,149,000 (8.5%) compared to Fiscal Year 2006. The increase in labor is predominately the result of negotiated pay and benefit increases.

Estimated growth of 870 potable and recycled water accounts will bring the new customer count to 47,670 potable and 570 recycled accounts by the end of Fiscal Year 2007 that equates to approximately 74,600 equivalent dwelling units (EDUs). The ultimate population projection of 277,000 will result in an estimated 114,000 EDUs and an average annual water demand of approximately 56 million gallons per day (MGD). To accommodate this growth, the District will need to invest an estimated \$530 million in capital assets through ultimate build-out. The Fiscal Year 2006-07 Capital Budget consists of 90 projects and a budget of \$35 million. The budget emphasizes long-term planning for on-going programs while functioning within fiscal constraints and population growth.

The District has begun to address the transformation from a growth-centric to a maintenance-based organization. Capital and developer fees support growth but replacement and maintenance is supported by rates and operating expenses. Otay has been very successful in managing growth and now needs to focus on managing long-term maintenance and replacement of its aging infrastructure.



## STRATEGIC BUSINESS PLAN

To guide operations and planning efforts during this time of sustained growth, in 2001 the District began developing a Strategic Business Plan. This plan was designed to address the unique challenges and opportunities resulting from growth. It would also guide the District as it strives to develop the necessary infrastructure and operational practices to perform its primary business while ensuring quality customer service and competitive rates are maintained.

The first multi-year Strategic Business Plan was adopted by the Board of Directors in 2002. Each year, the Board of Directors reviews and updates the plan. While the first plan guided the District through a period of record growth, the updated plan using a balanced scorecard method, looks forward to a time when the majority of the requisite physical infrastructure is in place and the District begins to transform from a growth-centric entity to a maintenance-based organization. The District has been very successful managing growth and recognizes that continued success is predicated on developing reliable, long-term, water supplies as well as managing long-term maintenance and replacement of its infrastructure.



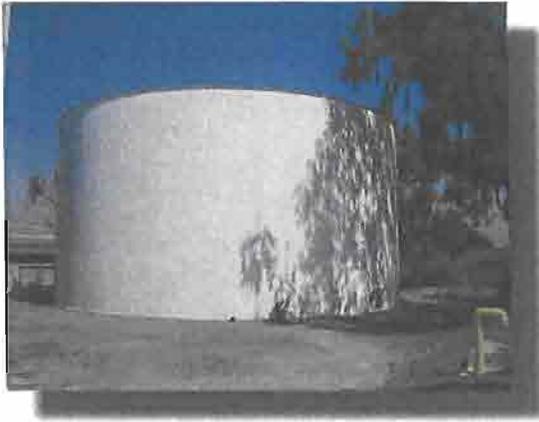
One key to addressing the challenges is to capitalize on the significant investment that has been made in implementing integrated information systems. With the Otay Information System in place, the District has focused on business process improvement utilizing best-in-class technology. Other Strategic Business Plan objectives include securing additional water sources, continuing expansion of its potable and recycled water networks, expanding use of recycled water, and continuing efforts to promote conservation.

The vision incorporated in the Strategic Plan calls for: continuing to enhance the District's financial reporting document capabilities, developing an Integrated Water Resources Plan (IRP) including potable, recycled water, and wastewater services; identifying and supporting the development of new water sources such as desalination, agricultural to urban water transfers, groundwater development, and the use of recycled water; and utilizing new technologies to continue streamlining operations to minimize rate increases and to ensure the District's viability through the entire build-out of its customer base.

### Putting the Strategic Business Plan to Work

With the Strategic Business Plan serving as its primary guide, the Board of Directors adopted a balanced \$59 million Operating Budget and \$35 million Capital Improvement Program (CIP) for Fiscal Year 2006-2007. The budget is also aligned with the District's long-range financing plan, Rate Model, and financial statements. In conjunction with a Bond refinancing, the credit rating firm Standard and Poor's awarded the Otay Water District an A+ credit rating. Standard and Poor's presented the A+ rating after reviewing the District's financing plan, Rate Model, Strategic Plan, budget, and financial statements.

## Water Resources



The Strategic Plan drives advances in every aspect of District operations. For instance, the Strategic Plan called for updating of the Urban Water Management Plan (UWMP), which was completed in December 2005. The UWMP serves as a long-range planning document for water supply and demand, and provides an overview of the District's water supply and usage, recycled water, and conservation programs. The UWMP works to ensure the District always has the water resources it needs to meet the demands of a growing community.

The need to develop an Integrated Water Resources Plan (IRP) is identified within the Strategic Plan. The mission of the IRP is to find the optimal mix of imported water, local supplies, and conservation efforts to meet projected ultimate supply requirements in a cost-effective manner while also incorporating environmental impacts, implementation risks, and other factors. The planning objectives are to maintain affordability, meet water quality standards, achieve supply reliability, increase system flexibility, increase supply diversity, and address environmental and institutional constraints. The IRP planning effort will identify and evaluate all potential water resource supply opportunities to arrive at a recommended diverse water supply portfolio. The water supply portfolio will provide a strategic approach and focused direction to be incorporated into the water resources master plan and the Capital Improvement Program for the development of sufficient water supply to meet the planning objectives for long-term sustainability. The water supply alternatives include all potential opportunities such as desalination, groundwater, water transfers, recycled water supply development, and interagency agreements.

## Recycled Water

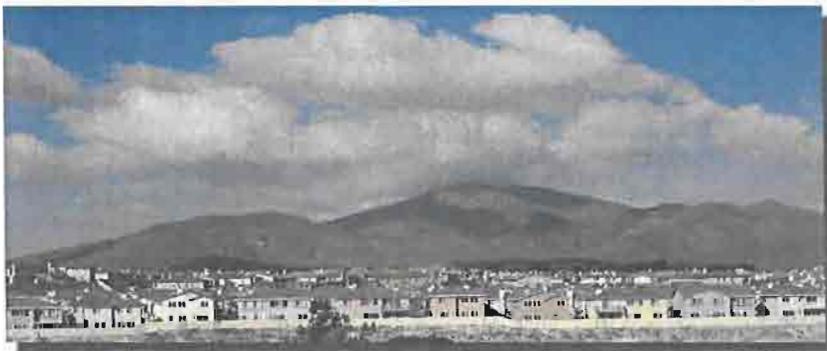
Included in the UWMP is an agreement with the City of San Diego allowing the District to purchase recycled water from the City's South Bay Reclamation Facility. This contract will deliver, on average, more than six million gallons per day of recycled water to the District's growing population. Recycled water purchased from this facility will be used to irrigate golf courses, parks, open space, road medians, and other commercial processes. Using this mostly untapped resource to address specific demands will result in the District reducing its potable water use by approximately 15%, maximizing the beneficial use of an alternative resource, which also makes millions of



gallons per day of potable water available for higher quality and better purposes. In May 2005, the District awarded a contract for approximately six miles of pipeline connecting the City's reclamation facility to the District's pumping station and reservoir facilities, with construction scheduled to be completed in spring 2007. The District will be receiving \$4 million from Proposition 50 from the State Water Resources Control Board (SWRCB) for partial funding of this project.

### The Future

The Otay Water District continues to use the challenges presented by growth to create new opportunities and new organizational efficiencies. By utilizing and continuing to refine its Strategic Plan, it has captured the Board of Director's vision and united its staff in a common



mission. The organization has achieved a number of significant accomplishments based on its successful adherence to the plan. As a result, the District is poised to successfully continue providing an affordable, safe, and reliable water supply for the people of its service area.

### ACCOUNTING SYSTEM

The Finance Department is responsible for providing financial services to the District, including financial accounting and reporting, payroll and accounts payable, custody and investment of funds, billing and collection of water and wastewater charges, taxes, and other revenues. The District's books and records are maintained on an enterprise basis, as it is the intent of the Board to manage the District's operations as a business, thus matching revenues against costs of providing services. Revenues and expenses are recorded on the accrual basis in the period in which revenue is earned and expenses are incurred.

Otay Water District operates within a system of internal controls established and continually reviewed by management to provide reasonable assurance that assets are adequately safeguarded and transactions are recorded correctly according to District policies and procedures. When establishing or reviewing control, management must consider the cost of the control and the value of the benefit derived from its utilization. Management normally maintains and implements all sensitive controls and those controls whose value adequately exceeds their cost.

### INTERNAL CONTROLS

All internal control evaluations occur within the above framework. Management believes the District's internal controls, procedures, and policies adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In addition, the District maintains controls to provide for compliance with all finance related legal and contractual provisions. Management believes the activities reported within the

presented Comprehensive Annual Financial Report (CAFR) comply with these finance related legal and contractual provisions, including bond covenants and fiduciary responsibilities.

### BUDGETING CONTROLS

The District views the budget as an essential tool for proper financial management. The budget is developed with input from the various department levels of the organization and is adopted prior to the start of each fiscal year. It is designed and presented for the general needs of the District, its staff, and citizens. It is a comprehensive and balanced financial plan that features District services, resources and their allocation, financial policies, and other useful information to allow the users to gain a general understanding of the District's financial status and future. Monthly comparison reports of budget to actual are prepared and distributed to all department heads with top level information provided to the Board at the monthly Board meeting.

### CASH MANAGEMENT

During the year, available funds were invested in certain eligible securities as required by law and in accordance with its own investment policy adopted by the Board of Directors. The investment objectives of the District in order of priority are: to preserve the capital of the portfolio, to maintain adequate liquidity to meet cash flow requirements, and to obtain a reasonable rate of return without compromising the first two objectives.

### RISK MANAGEMENT

Since 1993 the District has been a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA). The JPIA provides joint protection coverage for losses in excess of District deductibles for workers' compensation coverage. In 2003, the District became a member of the Special District Risk Management Authority (SDRMA), a pool program which provides the District's coverage for property, auto, and liability claims.



During Fiscal Year 2005-2006, the District continued its proactive liability risk management role through careful monitoring of losses and designing and implementing programs to minimize risks and losses. In addition, the District's Safety Committee analyzes workers' compensation issues by monitoring work conditions, and organizing and implementing safety training programs to reduce employee exposure to hazards.

## PENSION PLANS

In addition to participating in Social Security, the District provides a defined benefit pension plan for its employees through the California Public Employees' Retirement System (CalPERS). The District contributes a specified percentage of covered employees' payroll, which is invested by CalPERS. Upon retirement, District employees are entitled to a specified retirement benefit. The plan is more fully described in Note 7 to the Financial Statements.

## OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The District provides other post-employment benefits (OPEB) as a part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes healthcare, as well as other forms of benefits (for example life insurance) when provided separately from a pension plan. Financial reporting of the actuarial accrued liabilities corresponding to all promised benefits associated with past services of District employees is not required until Fiscal Year 2008-2009. Setting the District apart from most state and local government employers, the District designated \$16.7 million which fully funded its net OPEB obligations as of the last actuarial projection dated June 30, 2004. For additional information see Note 8 to the Financial Statements.

## AWARDS AND ACKNOWLEDGMENTS

This year, the District received the State of California's "Flex Your Power" award for its Demand Response Program. Since 2003, the OWD has upgraded pumps, motors, lights, as well as heating and air conditioning equipment to improve efficiency and save energy. Energy savings from these actions save 1.7 million kilowatt-hours of energy each year.

The District also reduced electricity use by cutting demand during peak hours when energy supplies are tight. Through participation in the Flex Your Power Demand Response Program, the District was able to cut its peak demand by 56% through time-of-use metering and off-peak pumping. While participating in the Flex Your Power campaign, the District has cut energy use and produced approximately \$93,000 in annual energy savings. Reducing energy use during peak periods also reduced demand on the state-wide power grid. Across California, the Flex Your Power campaign has reduced electricity demand by more than two million kilowatts, the equivalent capacity of two nuclear power plants.

The Government Finance Officers Association (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Otay Water District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2005. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. In addition, the CAFR received the *Outstanding Financial Reporting Award* from the California Society of Municipal Finance Officers (CSMFO). We believe that our current Comprehensive Annual Financial Report continues to meet both of the program's requirements and are submitting it to the GFOA and CSMFO to determine its eligibility for future awards.

The District also received a *Distinguished Budget Presentation Award* from the GFOA for the District's Operating and Capital Budget for Fiscal Year beginning July 1, 2005, as well as three awards from the CSMFO for *Excellence in Public Communications*, *Meritorious in Innovation in Budgeting*, and *Excellence in Capital Budgeting*. These prestigious awards recognize conformance with the highest standards for preparation of state and local government financial reports.

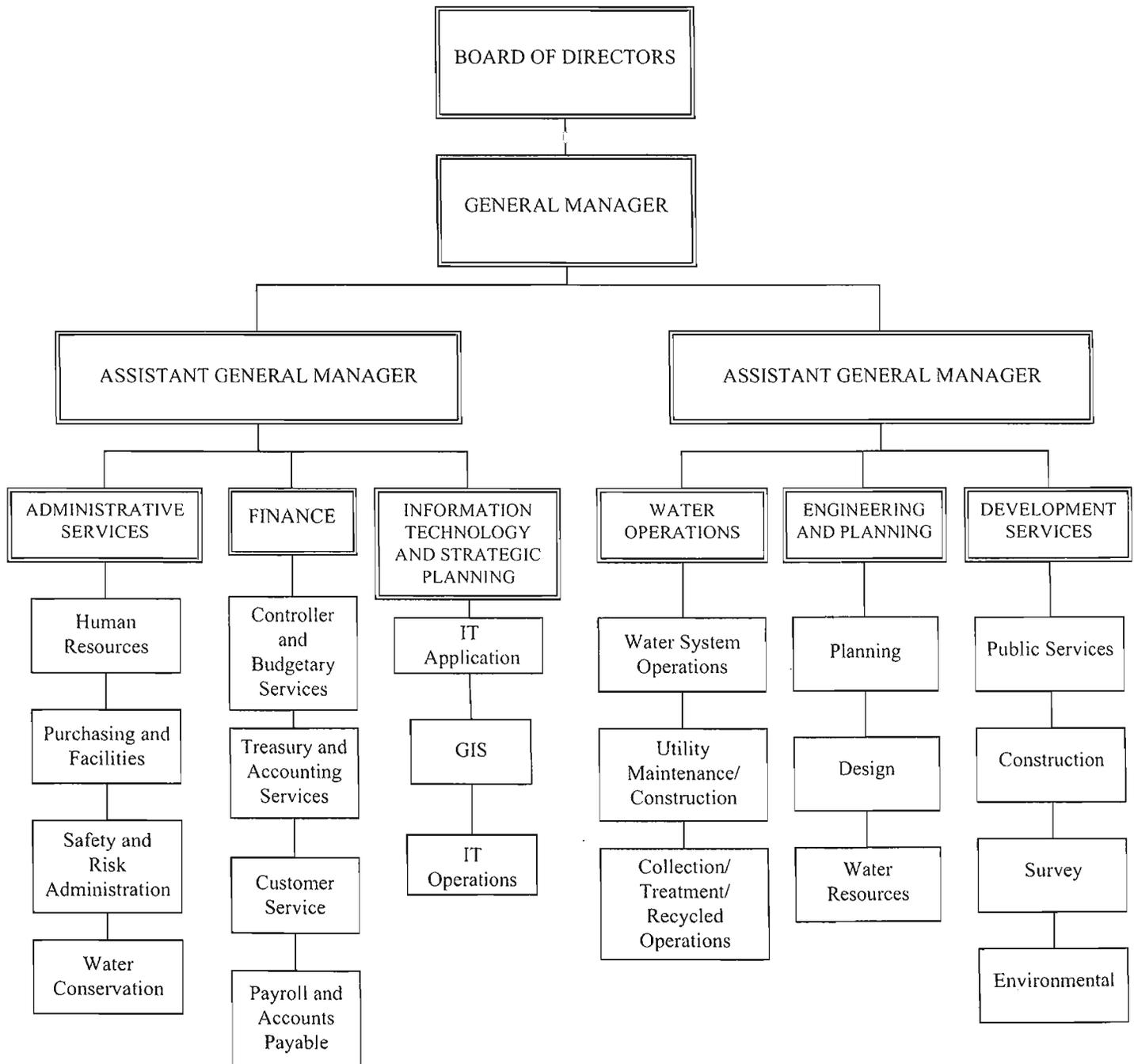
I would like to thank all of the staff involved for their efforts in preparing this Comprehensive Annual Financial Report, and for their hard work to ensure a successful outcome. I would also like to thank the firm of Teaman, Ramirez and Smith, Inc., for their professional work and opinion. To the Board of Directors, staff and I acknowledge and appreciate their continued support and direction in achieving excellence in financial management.

A handwritten signature in blue ink, appearing to read 'Mark Watton', written over a horizontal line.

Mark Watton, General Manager



## ORGANIZATION CHART



**LIST OF PRINCIPAL OFFICIALS**  
**Fiscal Year 2005-2006**

**Board of Directors**



*Listed from Left to Right*

**Larry Breitfelder** - Division 1

**Jose Lopez – President** - Division 4

**Jaime Bonilla** - Division 2

**Mark Robak** - Vice President, Division 5

**Gary Croucher** - Treasurer, Division 3

**District Financial Management**

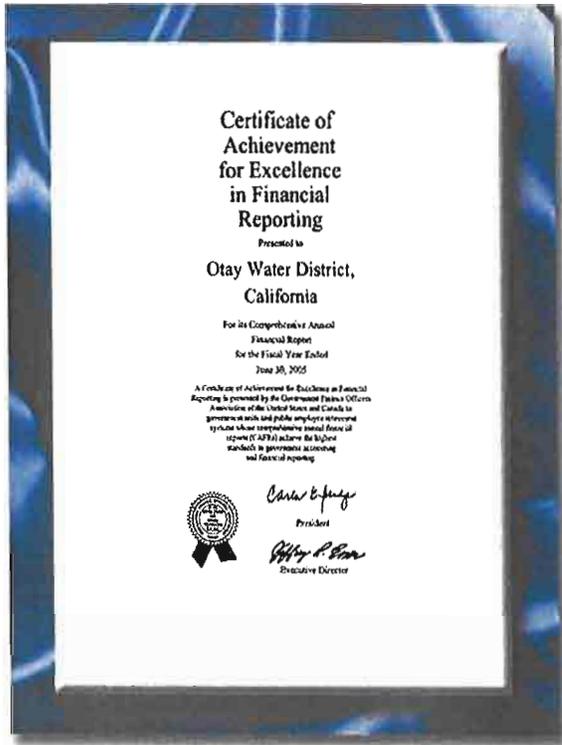
**Mark Watton** - General Manager

**German Alvarez** - Assistant General Manager, Finance and Administration

**Manny Magaña** - Assistant General Manager, Engineering and Operations

**Joseph R. Beachem** - Chief Financial Officer

# AWARDS





**FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Otay Water District  
Spring Valley, California

We have audited the accompanying financial statements of the business-type activities of the Otay Water District, as of and for the years ended June 30, 2006 and 2005, which collectively comprise the District's basic financial statements, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Otay Water District, as of June 30, 2006 and 2005, and the cash flows where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2006 on our consideration of the District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The information identified in the accompanying table of contents as *Management's Discussion and Analysis* and *Required Supplementary Information* is not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the Otay Water District's basic financial statements. The introductory section and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

August 10, 2006



## OTAY WATER DISTRICT Management's Discussion and Analysis

As management of the Otay Water District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the fiscal year ending June 30, 2006. Please read it in conjunction with the District's financial statements that follow Management's Discussion and Analysis. All amounts, unless otherwise indicated, are expressed in millions of dollars.

### **Financial Highlights**

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$422.1 million (*net assets*). Of this amount, \$60.5 million (*unrestricted net assets*) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net assets increased by \$11.0 million. Approximately \$6.0 million of this is attributable to an increase in operating revenues over the prior fiscal year.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of the following: 1) Statement of Net Assets, 2) Statement of Revenues, Expenses and Changes in Net Assets, 3) Statement of Cash Flows, and 4) Notes to the financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

The *Statement of Net Assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or weakening.

The *Statement of Revenues, Expenses and Changes in Net Assets* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The *Statement of Cash Flows* presents information on cash receipts and payments for the fiscal year.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data supplied in the government-wide financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's progress in funding its obligation to provide pension benefits to its employees.

### **Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$422.1 million at the close of the most recent fiscal year.

By far, the largest portion of the District's net assets, \$361.6 million (86%), reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



## OTAY WATER DISTRICT Management's Discussion and Analysis

### Statement of Net Assets (In Millions of Dollars)

	<u>2006</u>	<u>2005</u>	<u>Dollar Change</u>	<u>Total % Change</u>
<b>Assets</b>				
Current and Other Assets	\$ 86.4	\$ 107.8	\$ (21.4)	(19.85)%
Capital Assets	<u>397.0</u>	<u>362.5</u>	<u>34.5</u>	<u>9.52%</u>
Total Assets	<u>483.4</u>	<u>470.3</u>	<u>13.1</u>	<u>2.79%</u>
<b>Liabilities</b>				
Long-term Debt Outstanding	33.9	35.3	(1.4)	(3.97)%
Other Liabilities	<u>27.4</u>	<u>23.8</u>	<u>3.6</u>	<u>15.13%</u>
Total Liabilities	<u>61.3</u>	<u>59.1</u>	<u>2.2</u>	<u>3.72%</u>
<b>Net Assets</b>				
Invested in Capital Assets Net of Related Debt	361.6	325.7	35.9	11.02%
Restricted	0.0	16.2	(16.2)	(100.00)%
Unrestricted	<u>60.5</u>	<u>69.2</u>	<u>(8.7)</u>	<u>(12.57)%</u>
Total Net Assets	<u>\$ 422.1</u>	<u>\$ 411.1</u>	<u>\$ 11.0</u>	<u>2.68%</u>

In prior years the District segregated Net Assets into 3 categories: Restricted, Unrestricted, and Invested in Capital Assets Net of Related Debt. The Restricted assets consisted of funds that were designated for capital improvements. During the current year all of these funds were used to pay for major capital improvements in the District's Potable Water System and Reclaimed Water System.

At the end of the fiscal year, the District is able to report positive balances in all categories of net assets. The situation held true for the prior fiscal year. Total net assets increased by approximately \$11.0 million from the prior year, substantially as a result of a \$34.5 million increase in capital assets, net of related accumulated depreciation. An increase in infrastructure of \$29.0 million from 2005 to 2006 accounted for the majority of the increase in Capital Assets, see note 3 in the Notes to Financial Statements for additional information. Other less significant changes include an increase in accounts payable of \$2.9 million, and a decrease in long-term debt of \$1.5 million.

Funding for the increase in net assets came primarily from capital contributions during fiscal year 2005-2006, which totaled approximately \$15.4 million.



## OTAY WATER DISTRICT Management's Discussion and Analysis

### Statements of Revenues, Expenses, and Changes in Net Assets (In Millions of Dollars)

	2006	2005	Dollar Change	Total % Change
Water Sales	\$ 43.8	\$ 39.3	\$ 4.5	11.45 %
Wastewater Revenue	2.3	2.0	0.3	15.00 %
Connection and Other Fees	1.8	2.0	(0.2)	(10.00) %
Non-operating Revenues	8.5	8.3	0.2	3.61 %
<b>Total Revenues</b>	<b>56.4</b>	<b>51.6</b>	<b>4.8</b>	<b>9.30 %</b>
Depreciation Expense	10.1	10.5	(0.4)	(3.81) %
Other Operating Expense	49.5	46.0	3.5	7.61 %
Non-operating Expense	1.2	1.9	(0.7)	(36.84) %
<b>Total Expenses</b>	<b>60.8</b>	<b>58.4</b>	<b>2.4</b>	<b>4.11 %</b>
Loss Before Capital Contributions	(4.4)	(6.8)	2.4	35.29 %
Capital Contributions	15.4	34.9	(19.5)	(55.87) %
Change in Net Assets	11.0	28.1	(17.1)	(60.85) %
Beginning Net Assets	411.1	383.0	28.1	7.34 %
Ending Net Assets	\$ 422.1	\$ 411.1	\$ 11.0	2.68 %

Water sales increased by \$4.5 million from the prior year mainly due to reduced rainfall during the current year, as well as an increase in water meter sales of 835 (46,648 to 47,483). There was a significant decrease in rainfall of 16.45 inches (22.51 to 6.06), and total water sales increased by 3,044 acre-feet.

Wastewater revenue increased by \$0.3 million as a result of a rate increase from \$26.90 to \$30.90 per assigned service unit. This increase was implemented in January of 2006 and was a pass-through cost increase from the City and County of San Diego as discussed in the Budget 2006-2007 section of this document.

Other operating expenses increased by approximately \$3.5 million, predominately as a result of an increase in the cost of water sales of \$2.2 million. Increases in outside services and higher pension costs accounted for the remainder of the increase in other operating expenses.



## OTAY WATER DISTRICT Management's Discussion and Analysis

### Capital Assets and Debt Administration

*Capital Assets.* The District's capital assets as of June 30, 2006, totaled \$397.0 million (net of accumulated depreciation). Included in this amount is land. The total increase in the District's capital assets for the current fiscal year was 9.5%.

#### Capital Assets (In Millions of Dollars)

	<u>2006</u>	<u>2005</u>	<u>Dollar Change</u>	<u>Total % Change</u>
Land	\$ 12.5	\$ 12.2	\$ 0.3	2.46 %
Water System	333.0	313.9	19.1	6.08 %
Engineering Equipment	5.7	5.7	0	0.00 %
Buildings	17.5	16.7	0.8	4.79 %
Power Operated Equipment	1.6	1.6	0.0	0.00 %
Transportation Equipment	2.9	2.8	0.1	3.57 %
Other Equipment	10.9	10.3	0.6	5.83 %
Reclaimed Water System	49.1	39.8	9.3	23.37 %
Sewer System	37.7	37.2	0.5	1.34 %
Construction in Progress	<u>58.9</u>	<u>45.1</u>	<u>13.8</u>	<u>30.60 %</u>
	529.8	485.3	44.5	9.17 %
Less Accumulated Depreciation	<u>(132.8)</u>	<u>(122.8)</u>	<u>10.0</u>	<u>8.14 %</u>
Net Capital Assets	<u>\$ 397.0</u>	<u>\$ 362.5</u>	<u>\$ 34.5</u>	<u>9.52 %</u>

As indicated by figures in the table above, the majority of capital assets added during the current fiscal year were related to water systems. In addition, the majority of the cost of construction in progress also related to water systems.

Additional information on the District's capital assets can be found in Note 3.

*Long-term Debt.* At June 30, 2006, the District had \$35.4 million in outstanding debt which consisted of the following:

General Obligation Bonds	\$ 8.8
Certificates of Participation	24.9
Notes Payable	1.7
Capital Leases	<u>0.0</u>
Total Long-term Debt	<u>\$ 35.4</u>

Additional information on the District's long term debt can be found in Note 5.



# OTAY WATER DISTRICT

## Management's Discussion and Analysis

### **Fiscal Year 2006-2007 Budget**

#### **Economic Factors**

While growth in the San Diego area has slowed over the last year, demand for housing continues at a similar reduced pace. This growth in new homes is expected to continue at a long-term rate of 3% until ultimate build-out. The District currently provides water service to about 68% of its total projected population, serving approximately 189,000 people. This percentage should continue to increase as the District's service area continues to develop and grow. The District is projected to deliver approximately 42,300 acre-feet of water to 48,237 customers during fiscal year 2006-2007.

Ultimately, the District is projected to serve approximately 277,000 people, creating an average daily demand of 56.3 million gallons per day (MGD).

#### **Financial**

The rapidly expanding demand for water service over the past few years continues to support the incremental costs associated with meeting this increase in demand. As a result, the District has been able to increase staffing levels and implement strategic changes that will provide long-term benefits to the District, while only increasing rates at modest levels.

In an effort to remain pro-active and re-affirm the adequacy of its current sewer rate structure, the District conducted a comprehensive rate study during fiscal year 2002-2003 with the assistance of the professional firm of Black & Veatch Corporation. The conclusions reached in the rate study revealed the need to raise rates in order to pass along cost increases from the City and County of San Diego. The first sewer rate increase was implemented in January of 2004 and rates were increased annually through 2006 to lessen the impact on customers. Future sewer rate increases will be tied directly to the cost of services.

In 2003, the San Diego County Water Authority and the Metropolitan Water District changed their rate structure from a mostly variable rate structure to one that incorporates a greater proportion of fixed fees. In 2004, the fixed fee portion increased significantly, leading the District to implement a new consolidated pass-through charge to potable water customers effective January 1, 2004.

Management is unaware of any other conditions that could have a significant past, present, or future impact on the District's current financial position, net assets or operating results.

#### **Contacting the District's Financial Management**

This financial report is designed to provide a general overview of the Otay Water District's finances for the Board of Directors, taxpayers, creditors, and other interested parties. Questions concerning any of the information provided in the report or requests for additional information should be addressed to the District's Finance Department, 2554 Sweetwater Springs Blvd., Spring Valley, CA 91978-2096.

**B**asic  
**F**inancial  
**S**tatements





**OTAY WATER DISTRICT**  
**Statement of Net Assets**  
**June 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents (Note 2)	\$ 13,755,907	\$ 3,473,662
Restricted Cash and Cash Equivalents (Note 2)	0	6,623,379
Investments (Note 2)	62,596,513	73,376,529
Accounts Receivable	6,808,999	7,105,484
Accrued Interest Receivable	818,798	82,483
Restricted Accrued Interest Receivable	0	506,678
Restricted Taxes and Availability Charges Receivable	318,090	322,438
Inventory	592,426	620,119
Prepaid Expenses and Other Current Assets	664,133	341,686
Total Current Assets	<u>85,554,866</u>	<u>92,452,458</u>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents (Note 2)	0	14,430,450
Capital Assets, Net of Depreciation (Note 3)	396,987,584	362,480,711
Other Noncurrent Assets (Note 4)	838,990	894,745
Total Noncurrent Assets	<u>397,826,574</u>	<u>377,805,906</u>
Total Assets	<u>483,381,440</u>	<u>470,258,364</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Current Maturities of Long-term Debt (Note 5)	1,529,848	1,456,907
Accounts Payable	11,617,499	11,809,983
Accrued Payroll Liabilities	2,348,853	2,012,855
Other Accrued Liabilities	683,350	603,657
Customer Deposits	2,489,101	2,244,193
Liabilities Payable From Restricted Assets:		
Accounts Payable	7,633,220	4,556,884
Accrued Interest	413,442	403,839
Total Current Liabilities	<u>26,715,313</u>	<u>23,088,318</u>
Noncurrent Liabilities:		
Liabilities Payable From Restricted Assets:		
Prepaid Capacity Fees	733,915	733,854
Long-term Debt (Note 5)		
General Obligation Bonds	8,396,755	8,728,482
Certificates of Participation	24,119,352	24,908,607
Notes Payable	1,350,778	1,659,035
Capital Lease Payable	0	51,595
Total Noncurrent Liabilities	<u>34,600,800</u>	<u>36,081,573</u>
Total Liabilities	<u>61,316,113</u>	<u>59,169,891</u>
<b>NET ASSETS (NOTE 6)</b>		
Invested in Capital Assets, Net of Related Debt	361,590,845	325,676,089
Restricted	0	16,188,364
Unrestricted	60,474,482	69,224,020
Total Net Assets	<u>\$ 422,065,327</u>	<u>\$ 411,088,473</u>

The accompanying notes are an integral part of this statement.



**OTAY WATER DISTRICT**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**For the Years Ended June 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
<b>OPERATING REVENUES</b>		
Water Sales	\$ 43,755,610	\$ 39,348,056
Wastewater Revenue	2,328,582	2,017,992
Connection and Other Fees	1,776,896	540,055
	<u>47,861,088</u>	<u>41,906,103</u>
<b>OPERATING EXPENSES</b>		
Cost of Water Sales	31,630,074	29,655,869
Wastewater	2,313,278	2,521,861
Administrative and General	15,552,287	13,809,022
Depreciation	10,107,455	10,524,134
	<u>59,603,094</u>	<u>56,510,886</u>
Total Operating Revenues	<u>47,861,088</u>	<u>41,906,103</u>
Total Operating Expenses	<u>59,603,094</u>	<u>56,510,886</u>
Operating Income (Loss)	<u>(11,742,006)</u>	<u>(14,604,783)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment Income	3,188,645	2,052,292
Taxes and Assessments	2,779,635	2,326,526
Availability Charges	609,099	556,590
Gain on Sale of Capital Assets	142,922	2,196,655
Miscellaneous Revenues	1,835,710	2,518,285
Donations	0	(35,894)
Interest Expense	(959,225)	(1,327,844)
Miscellaneous Expenses	(279,506)	(523,905)
	<u>7,317,280</u>	<u>7,762,705</u>
Total Nonoperating Revenues (Expenses)	<u>7,317,280</u>	<u>7,762,705</u>
Income (Loss) Before Contributions	(4,424,726)	(6,842,078)
Capital Contributions	<u>15,401,580</u>	<u>34,969,305</u>
Change in Net Assets	10,976,854	28,127,227
Total Net Assets, Beginning	<u>411,088,473</u>	<u>382,961,246</u>
Total Net Assets, Ending	<u>\$ 422,065,327</u>	<u>\$ 411,088,473</u>

The accompanying notes are an integral part of this statement.



**OTAY WATER DISTRICT**  
**Statement of Cash Flows**  
**For the Years Ended June 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 46,771,759	\$ 40,612,964
Cash from Other Operating Activities	1,776,896	540,055
Other Receipts	1,029,696	1,866,753
Cash Payments to Suppliers	(30,960,264)	(26,933,592)
Cash Payments to Employees	(15,530,526)	(13,203,467)
Other Payments	(186,793)	(192,995)
	<u>2,900,768</u>	<u>2,689,718</u>
Net Cash Provided (Used) By Operating Activities		
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Receipts from Taxes and Assessments	2,783,983	2,227,292
Receipts from Property Rents and Leases	819,239	766,733
Net Amounts Paid for Acquisition and Maintenance of Demonstration Garden	<u>0</u>	<u>(35,894)</u>
Net Cash Provided (Used) By Noncapital Financing Activities	<u>3,603,222</u>	<u>2,958,131</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from Capital Contributions	9,467,925	11,401,613
Proceeds from Sale of Capital Assets	142,922	2,637,143
Proceeds from Debt Related Taxes and Assessments	609,099	579,905
Proceeds from Long-Term Debt (Note 5)	0	12,270,000
Principal Payments on Long-Term Debt (Note 5)	(1,456,905)	(13,014,439)
Premium Payment on Long-Term Debt	0	(233,600)
Acquisition and Construction of Capital Assets	(38,828,017)	(20,231,136)
Interest Paid	(949,622)	(1,676,550)
	<u>(31,014,598)</u>	<u>(8,267,064)</u>
Net Cash (Used) By Capital and Related Financing Activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received on Investments	2,959,008	1,938,759
Proceeds from Sale and Maturities of Investments	52,780,016	8,000,000
Purchase of Investments	(42,000,000)	(24,012,814)
	<u>13,739,024</u>	<u>(14,074,055)</u>
Net Cash Provided (Used) by Investing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	(10,771,584)	(16,693,270)
Cash and Cash Equivalents - Beginning of Year	<u>24,527,491</u>	<u>41,220,761</u>
Cash and Cash Equivalents - End of Year	<u>\$ 13,755,907</u>	<u>\$ 24,527,491</u>

The accompanying notes are an integral part of this statement.



**OTAY WATER DISTRICT**  
**Statement of Cash Flows**  
**For the Years Ended June 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Net Operating Income (Loss)	\$ (11,742,006)	\$ (14,604,783)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	10,107,455	10,524,134
Miscellaneous Revenues	1,029,696	1,866,753
Miscellaneous Expenses	(186,793)	(192,995)
Increase in Allowance for Doubtful Accounts	146,174	0
(Increase) Decrease in Accounts Receivable	296,485	(753,084)
(Increase) Decrease in Inventory	27,693	(133,811)
(Increase) Decrease in Prepaid Expenses and Other Current Assets	(322,447)	(90,729)
Increase (Decrease) in Accounts Payable	2,883,852	6,435,312
Increase (Decrease) in Accrued Payroll and Related Expenses	335,998	(116,231)
Increase (Decrease) in Other Accrued Liabilities	79,693	126,893
Increase (Decrease) in Customer Deposits	244,908	(321,783)
Increase (Decrease) in Prepaid Capacity Fees	60	(49,958)
	<u>\$ 2,900,768</u>	<u>\$ 2,689,718</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
<b>Non-cash Investing and Financing Activities Consisted of the Following:</b>		
Contributed Capital for Water and Sewer System	\$ 24,494,557	\$ 23,580,701
Change in Fair Value of Investments and Recognized Gains/Losses	354,270	(347,693)
Capital Contribution Resulting from Prepaid Capacity Fees	61	55,848
Amortization Related to Long-term Debt	92,713	95,568
Cash Paid for Interest Expense	\$ 1,410,957	\$ 1,360,257

The accompanying notes are an integral part of this statement.



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
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# OTAY WATER DISTRICT

## Notes to Financial Statements

### Years Ended June 30, 2006 and 2005

#### 1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A) Reporting Entity

Otay Water District (the "District") is a public entity established in 1956 pursuant to the Municipal Water District Law of 1911 (Section 711 et. Seq. of the California Water Code) for the purpose of providing water and sewer services to the properties in the District. The District is governed by a Board of Directors consisting of five directors elected by geographical divisions based on District population for a four-year alternating term.

##### B) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The basic financial statements of the Otay Water District have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting financial reporting purposes.

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Revenues and expenses are recognized on the accrual basis. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

Fund equity is displayed as three components: (1) Invested in capital assets, net of related debt, which reflects the cost of capital assets less accumulated depreciation and less the outstanding principal of related debt not associated with unspent bond proceeds; (2) Restricted, which reflects the carrying value of assets less related liabilities that are restricted by outside covenants or by law; and (3) Unrestricted, which represents the remaining fund equity balance.

The District distinguishes operating revenues and expenses from those revenues and expenses that are non-operating. Operating revenues are those revenues that are generated by water sales and wastewater services while operating expenses pertain directly to the furnishing of those services. Non-operating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business of supplying water and wastewater treatment services.

The District recognizes revenues from water sales, wastewater revenues and meter fees as they are earned. Taxes and assessments are recognized as revenues based upon amounts reported to the District by the County of San Diego, net of allowance for delinquencies of \$35,343 and \$35,826 at June 30, 2006 and 2005, respectively.

Additionally, capacity fee contributions received in an amount corresponding to expansion specific operating expenses are offset against these expenses and included in Cost of Water Sales in the Statement of Revenues and expenses and Changes in Net Assets.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to governmental enterprise funds. In accordance with GASB Statement 20, the District has elected to follow all GASB Pronouncements and apply all Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, with the exception of those that conflict with or contradict GASB Pronouncements.



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C) Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments (including restricted assets) with a maturity period, at purchase, of three months or less to be cash equivalents.

**D) Investments**

As a governmental entity other than an external investment pool in accordance with GASB 31, the District's investments are stated at fair value, which is determined using selected basis. Short-term investments are reported at cost, which approximates fair value. Investments in government obligations are valued on over-the-counter bid quotations available at year-end. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported on the fair value per share, of the pool's underlying portfolio.

**E) Inventory and Prepaids**

Inventory consists primarily of materials used in the construction and maintenance of the water and sewer system and is valued at weighted average cost. Both inventory and prepaids use the consumption method whereby they are reported as an asset and expensed as they are consumed.

**F) Capital Assets**

Capital assets are recorded at cost, where historical records are available, and at an estimated historical cost where no historical records exist. Capital assets purchased in excess of \$5,000 are capitalized if they have an expected useful life of two years or more. The cost of purchased and self-constructed additions to utility plant and major replacements of property are capitalized. Costs include materials, direct labor, transportation, and such indirect items as engineering, supervision, employee fringe benefits, and interest incurred during the construction period. Repairs, maintenance, and minor replacements of property are charged to expense. Donated assets are capitalized at their approximate fair market value on the date contributed.

The District capitalizes interest on construction projects up to the point in time that the project is substantially completed. Capitalized interest is included in the cost of water system assets and is depreciated on the straight-line basis over the estimated useful lives of such assets.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

Water System	15-70 Years
Engineering Equipment	2-50 Years
Buildings	30-50 Years
Power Operated Equipment	5-10 Years
Transportation Equipment	2-4 Years
Other Equipment	2-10 Years
Reclaimed Water System	50-75 Years
Sewer System	25-50 Years



# OTAY WATER DISTRICT

## Notes to Financial Statements

### Years Ended June 30, 2006 and 2005

#### 1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

##### G) Compensated Absences

In accordance with GASB Statement No. 16, a liability is recorded for unused vacation and sick leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time-off or payment upon termination or retirement.

##### H) Restricted Assets and Liabilities

Certain current liabilities have been classified as current liabilities payable from restricted assets as they will be funded from restricted assets.

##### I) Allowance for Doubtful Accounts

The District charges doubtful accounts arising from water sales receivable to bad debt expense when it is probable that the accounts will be uncollectible. Uncollectible accounts are determined by the allowance method based upon prior experience and management's assessment of the collectibility of existing specific accounts.

##### J) Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and necessarily include amounts based on estimates and assumptions by management.

##### K) Property Taxes

Tax levies are limited to 1% of full market value (at time of purchase) which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

The County of San Diego (the "County") bills and collects property taxes on behalf of the District. The County's tax calendar year is July 1 to June 30. Property taxes attach as a lien on property on March 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

##### L) Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

#### 2) CASH AND INVESTMENTS

The primary goals of the District's Investment Policy are to assure compliance with all Federal, State, and Local laws governing the investment of funds under the control of the organization, protect the principal of investments entrusted, and generate income under the parameters of such policies.

The District's Investment Policy and State statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities, prime commercial paper, repurchase agreements, and negotiable certificates of deposits. Funds may also be invested in the State Treasurer's Local Agency Investment Fund (LAIF) and the San Diego County Pooled Fund.



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

**2) CASH AND INVESTMENTS - Continued**

Cash and Investments are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and Cash Equivalents	\$ 13,755,907
Investments	<u>62,596,513</u>
Total Cash and Investments	<u>\$ 76,352,420</u>

Cash and investments consist of the following:

Cash on Hand	\$ 2,800
Deposits with Financial Institutions	1,109,799
Investments	<u>75,239,821</u>
Total Cash and Investments	<u>\$ 76,352,420</u>

**Investments Authorized by the California Government Code and the District's Investment Policy**

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's Investment Policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's Investment Policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's Investment Policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio <sup>(1)</sup>	Maximum Investment In One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years <sup>(2)</sup>	None	None
Federal Agency Securities	5 years	70%	None
Certificates of Deposit	1 year	30%	None
Repurchase Agreements	1 year	15%	None
Medium-Term Notes	5 years	15%	None
Commercial Paper	180 days	15%	10%
Money Market Mutual Funds	N/A	15%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

<sup>(1)</sup> Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

<sup>(2)</sup> No more than 30% of the portfolio shall exceed two years to maturity.



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

**2) CASH AND INVESTMENTS - Continued**

**Investments Authorized by Debt Agreements**

Investment of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's Investment Policy.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates which will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rates risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities, so that a portion of the portfolio is maturing or coming close to maturity evenly over time, as necessary, to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by the bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity.

Investment Type	Remaining Maturity (in Months)			
	12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury Securities	\$ 8,938,125	\$ 8,938,125	\$	\$
Federal Agency Securities	53,658,388	32,804,485	20,853,903	
Local Agency Investment Fund (LAIF)	12,544,721	12,544,721		
San Diego County Pool	98,587	98,587		
<b>Total</b>	<b>\$ 75,239,821</b>	<b>\$ 54,385,918</b>	<b>\$ 20,853,903</b>	<b>\$ 0</b>

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's Investment Policy, or debt agreements, and the actual rating as of year end for each investment type.

Investment Type	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End		
			AAA	Aa	Not Rated
U. S. Treasury Securities	\$ 8,938,125	\$ 8,938,125	\$	\$	\$
Federal Agency Securities	53,658,388	N/A	53,658,388		
Local Agency Investment Fund	12,544,721	N/A			12,544,721
San Diego County Pool	98,587	N/A			98,587
<b>Total</b>	<b>\$ 75,239,821</b>	<b>\$ 8,938,125</b>	<b>\$ 53,658,388</b>	<b>\$ 0</b>	<b>\$ 12,643,308</b>



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

**2) CASH AND INVESTMENTS - Continued**

**Concentration of Credit Risk**

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Bank	Federal Agency Securities	\$ 53,658,388

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Entity's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2006, \$796,084 of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. As of June 30, 2006, District investments in the following investment types were held by the same broker-dealer (counter party) that was used by the District to buy the securities:

<u>Investment Type</u>	<u>Reported Amount</u>
U.S. Treasury Securities	\$ 8,938,125
Federal Agency Securities	53,658,388

**Local Agency Investment Fund (LAIF)**

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The District may invest up to \$40,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to



## **OTAY WATER DISTRICT**

### **Notes to Financial Statements**

### **Years Ended June 30, 2006 and 2005**

#### **2) CASH AND INVESTMENTS - Continued**

cash within 24 hours without loss of interest. Investments with LAIF are secured by the full faith and credit of the State of California. The yield of LAIF during the quarter ended June 30, 2006 was 4.53%. The carrying value and estimated market value of the LAIF Pool at June 30, 2006 was \$63,481,426,759 and \$63,366,260,064, respectively. The District's share of the Pool at June 30, 2006 was approximately 0.020 percent.

The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are structured notes and asset-backed securities totaling \$225,000,000 and \$1,400,919,000, respectively. LAIF's and the District's exposure to risk (credit, market or legal) is not currently available.

The LAIF has oversight by the Local Investment Advisory Board. The LAIF Board consists of five members as designated by statute. LAIF is also regulated by California Government Code Section 16429.

#### **San Diego County Pooled Fund**

As permitted by its Investment Policy, the District has placed funds with the San Diego County Pooled Fund. The pool may invest some of their portfolios in derivatives. Detailed information on derivative investments held by this pool is not readily available.

#### **Collateral for Deposits**

All cash and certificates of deposits are entirely insured or collateralized.

Under the provisions of the California Government Code, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of the pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure city deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits.

The District may waive the 110% collateral requirement for deposits which are insured up to \$100,000 by the FDIC.



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

**3) CAPITAL ASSETS**

The following is a summary of changes in Capital Assets for the year ended June 30, 2006:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, Not Depreciated				
Land	\$ 12,215,546	\$ 278,516	\$	\$ 12,494,062
Construction in Progress	<u>45,144,448</u>	<u>38,365,427</u>	<u>(24,640,634)</u>	<u>58,869,241</u>
Total Capital Assets Not Depreciated	<u>57,359,994</u>	<u>38,643,943</u>	<u>(24,640,634)</u>	<u>71,363,303</u>
Capital Assets, Being Depreciated				
Infrastructure	390,927,657	28,868,342		419,795,999
Field Equipment	9,030,438	175,656	(3,551)	9,202,543
Buildings	16,660,604	809,395		17,469,999
Transportation Equipment	2,782,493	151,576		2,934,069
Communication Equipment	209,103	311,437		520,540
Office Equipment	<u>8,382,914</u>	<u>295,692</u>	<u>(213,644)</u>	<u>8,464,962</u>
Total Capital Assets Being Depreciated	<u>427,993,209</u>	<u>30,612,098</u>	<u>(217,195)</u>	<u>458,388,112</u>
Less Accumulated Depreciation:				
Infrastructure	101,686,388	8,471,264		110,157,652
Field Equipment	8,123,774	248,532	(3,551)	8,368,755
Buildings	3,943,295	550,013		4,493,308
Transportation Equipment	2,289,674	267,533		2,557,207
Communication Equipment	183,142	12,328		195,470
Office Equipment	<u>6,646,219</u>	<u>557,785</u>	<u>(212,565)</u>	<u>6,991,439</u>
Total Accumulated Depreciation	<u>122,872,492</u>	<u>10,107,455</u>	<u>(216,116)</u>	<u>132,763,831</u>
Total Capital Assets Being Depreciated, Net	<u>305,120,717</u>	<u>20,504,643</u>	<u>(1,079)</u>	<u>325,624,281</u>
Total Capital Assets, Net	<u>\$ 362,480,711</u>	<u>\$ 59,148,586</u>	<u>\$ (24,641,713)</u>	<u>\$ 396,987,584</u>

Depreciation expense for the year ended June 30, 2006 and 2005 was \$10,107,455 and \$10,524,134, respectively.

**4) OTHER NON-CURRENT ASSETS**

Contracts receivable totaled \$92,375 and \$105,600, net of no allowance as of June 30, 2006 and 2005, respectively.

Deferred bond issue costs totaled \$555,550 and \$586,950, net of accumulated amortization of \$326,552 and \$295,152 as of June 30, 2006 and 2005, respectively. There was a 1993 COPS refunding transaction as of June 30, 2006. The costs are amortized on the straight-line method based on the estimated term of the related bond debt. Amortization expense of \$31,400 and \$366,393 for the years ended June 30, 2006 and 2005 is included with miscellaneous expense.



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

**5) LONG-TERM DEBT**

Long-term liabilities for the year ended June 30, 2006 were as follows:

	<u>Beginning Balance</u>	<u>Additions/ Amortization</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>General Obligation Bonds:</b>					
Improvement District No. 27	\$ 9,955,000	\$	\$ 365,000	\$ 9,590,000	\$ 380,000
Unamortized Bond Discount	(125,748)	7,397		(118,351)	
Deferred Amount of Funding	<u>(735,770)</u>	<u>40,876</u>		<u>(694,894)</u>	
Net General Obligation Bonds	<u>9,093,482</u>	<u>48,273</u>	<u>365,000</u>	<u>8,776,755</u>	<u>380,000</u>
<b>Certificates of Participation:</b>					
1996 Certificates of Participation	13,400,000		300,000	13,100,000	300,000
2004 Certificates of Participation	12,270,000		445,000	11,825,000	490,000
Unamortized Discount	<u>(16,393)</u>	<u>745</u>		<u>(15,648)</u>	
Net Certificates of Participation	<u>25,653,607</u>	<u>745</u>	<u>745,000</u>	<u>24,909,352</u>	<u>790,000</u>
<b>Notes Payable</b>					
State Water Resource Control Board	1,956,871		297,834	1,659,037	308,259
<b>Capital Leases</b>					
Vactor	<u>100,666</u>		<u>49,077</u>	<u>51,589</u>	<u>51,589</u>
Total Long-Term Liabilities	<u>\$ 36,804,626</u>	<u>\$ 49,018</u>	<u>\$ 1,456,911</u>	<u>\$ 35,396,733</u>	<u>\$ 1,529,848</u>

**General Obligation Bonds**

In June 1998, the District issued \$11,835,000 of General Obligation Refunding Bonds. The proceeds of this issue, together with other lawfully available monies, were to be used to establish an irrevocable escrow to advance refund and defease in their entirety the District's previous outstanding General Obligation Bond issue. These bonds are general obligations of Improvement District No. 27 (ID 27) of the District. The Board of Directors has the power and is obligated to levy annual ad valorem taxes without limitation as to rate or amount for payment of the bonds and the interest upon all property which is within ID 27 and subject to taxation. The General Obligation Bonds are payable from District-wide tax revenues. The Board may utilize other sources for servicing the bond debt and interest.

The refunding resulted in a deferred amount of \$1,021,903, which is being amortized over the remaining life of the refunded debt. Amortization for the years ended June 30, 2006 and 2005 was \$40,876 for each year and is included in miscellaneous non-operating expenses. As of June 30, 2006 and 2005, the amortized deferred amount of refunding is \$694,894, and \$735,770, respectively.

The 1998 General Obligation Bonds have interest rates from 4.5% to 5% with maturities through the Fiscal Year 2023.



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

**5) LONG-TERM DEBT - Continued**

Future debt service requirements for the bonds are as follows:

<u>For the Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 380,000	\$ 457,935
2008	400,000	440,385
2009	415,000	422,047
2010	435,000	402,705
2011	455,000	382,235
2012-2016	2,610,000	1,557,095
2017-2021	3,320,000	825,000
2022-2023	<u>1,575,000</u>	<u>79,625</u>
	<u>\$ 9,590,000</u>	<u>\$ 4,567,027</u>

The following General Obligation Bonds have been authorized by the Board of Directors, but were unissued as of June 30, 2006:

<u>Date Authorized</u>	<u>Improvement District (ID)</u>	<u>Construction Purpose</u>	<u>Bond Amount</u>
December 30, 1960	5	Water System	\$ 605,000
December 20, 1960	6	Sewer System	705,000
August 23, 1960	1 - 3	Sewer System	405,000
August 23, 1960	1 - 4	Water System	75,000
March 18, 1970	U - 18	Sewer System	2,700,000
April 19, 1971	U - 19	Water System	1,000,000
May 17, 1971	U - 20	Water System	13,000,000
June 5, 1972	U - 22	Water System	6,000,000
May 1, 1978	U - 25	Water System	5,050,000
November 1, 1989	U - 27	Water System	88,500,000

**Certificates of Participation (COPs)**

In June 1996, COPs with face value of \$15,400,000 were also sold by the Otay Service Corporation to finance the cost of design, acquisition, and construction of certain capital improvements. An installment purchase agreement between the District, as Buyer, and the Corporation, as Seller, was executed for the scheduled payment of principal and interest associated with the COPs. The installment payments are to be paid from taxes and "net revenues," as described in the installment agreement. The certificates bear interest at a variable weekly rate not to exceed 12%. The interest rate at June 30, 2006 was 3.95%. The installment payments are to be paid annually at \$350,000 to \$900,000 from September 1, 1996 through September 1, 2026.



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

**5) LONG-TERM DEBT - Continued**

**Certificates of Participation (COPs) - Continued**

In July 2004, Refunding Certificates of Participation (COPs) with a face value of \$12,270,000 were sold by the Otay Service Corporation to advance refund \$11,680,000 of outstanding 1993 COPs. An installment agreement between the District, as Buyer, and the Corporation, as Seller, was executed for the scheduled payment of principle and interest associated with the COPs. The installment payments are to be paid from taxes and "net revenues," as described in the installment agreement. The certificates are due in annual installments of \$445,000 to \$895,000 from September 1, 2005 through September 1, 2023; bearing interest at 3% to 4.625%.

There is no aggregate reserve requirement for the COPs. Future debt service requirements for the certificates are as follows:

For the Year Ended June 30	1996 COPs		2004 COPs	
	Principal	Interest*	Principal	Interest
2007	\$ 300,000	\$ 517,450	\$ 490,000	\$ 448,384
2008	300,000	505,600	500,000	433,534
2009	400,000	493,750	515,000	418,309
2010	400,000	477,950	530,000	402,634
2011	400,000	462,150	545,000	386,236
2012-2016	2,500,000	2,050,050	3,020,000	1,635,461
2017-2021	3,300,000	1,489,150	3,645,000	985,556
2022-2026	4,400,000	758,400	2,580,000	180,097
2027	1,100,000	43,450		
	<u>\$ 13,100,000</u>	<u>\$ 6,797,950</u>	<u>\$ 11,825,000</u>	<u>\$ 4,890,211</u>

\* Variable Rate - Interest reflected at June 30, 2006 at a rate of 3.95%.

**Note Payable**

At June 30, 2006, the District had a 3.5% note payable to the State Water Resources Control Board. This note is unsecured and payable in annual installments of \$366,325 including principal and interest from 1994 through 2010. The total amount outstanding at June 30, 2006 and aggregate maturities of the note for the fiscal years subsequent to June 30, 2006, are as follows:

For the Year Ended June 30,	Principal	Interest
2007	\$ 308,259	\$ 58,066
2008	319,048	47,277
2009	330,214	36,111
2010	341,772	24,553
2011	359,744	12,591
	<u>\$ 1,659,037</u>	<u>\$ 178,598</u>



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

**5) LONG-TERM DEBT - Continued**

**Capital Lease Payable**

The District leases a Vactor 2110 truck under a capital lease that expires in February of 2007. The economic substance of the lease is that the District is financing the acquisition of the asset through the lease, and accordingly, it is recorded in the District's assets and liabilities. The lease contains a 5.13% interest rate and is payable in annual installments of \$54,236, including principal and interest, from 2005 through 2007.

The annual future minimum lease payments together with the present value of the minimum lease payments under capital at June 30, 2006 are as follows:

2007	\$ 54,236
Total Minimum Lease Payments	54,236
Less: Amount Representing Interest	<u>(2,647)</u>
Present Value of Minimum Lease Payments	<u>\$ 51,589</u>

The asset acquired through the capital lease is as follows:

Asset:	
Field Equipment	245,977
Less: Accumulated Depreciation	<u>(105,419)</u>
Total	<u>\$ 140,558</u>



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

**6) SEGMENT INFORMATION**

The District issued Certificates of Participation to finance certain capital improvements. Both the water and sewer departments are accounted for in a single fund. The sewer department operates the District's sewage treatment plant, sewage pumping stations, and collection systems, while the water department accounts for all other services. However, investors in the Certificates of Participation rely solely on the revenues generated by the individual activities for repayment.

Summary financial information for the water and sewer departments is presented below.

**Condensed Statement of Net Assets**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Assets:			
Current Assets	\$ 85,132,865	\$ 103,911	\$ 85,236,776
Current Restricted Assets	318,090		318,090
Capital Assets	396,238,702	748,882	396,987,584
Other Non-current Assets	838,990		838,990
Total Assets	<u>482,528,647</u>	<u>852,793</u>	<u>483,381,440</u>
Liabilities:			
Current Liabilities	18,361,578	307,073	18,668,651
Current Liabilities Payable from Restricted Assets	8,046,662		8,046,662
Non-current Liabilities Payable from Restricted Assets	726,415	7,500	733,915
Non-current Liabilities	<u>33,866,885</u>		<u>33,866,885</u>
Total Liabilities	<u>61,001,540</u>	<u>314,573</u>	<u>61,316,113</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	360,841,963	748,882	361,590,845
Unrestricted	<u>60,685,144</u>	<u>(210,662)</u>	<u>60,474,482</u>
Total Net Assets	<u>\$ 421,527,107</u>	<u>\$ 538,220</u>	<u>\$ 422,065,327</u>



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

**6) SEGMENT INFORMATION - Continued**

**Condensed Statement of Revenues, Expenses, and Changes in Net Assets**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues	\$ 45,529,994	\$ 2,331,094	\$ 47,861,088
Depreciation	(10,107,455)		(10,107,455)
Other Operating Expenses	<u>(47,595,682)</u>	<u>(1,899,957)</u>	<u>(49,495,639)</u>
Operating Income	<u>(12,019,134)</u>	<u>277,128</u>	<u>(11,742,006)</u>
Non-operating Revenues (Expenses):			
Investment Income	3,173,752	14,893	3,188,645
Taxes and Assessments	2,420,271	359,364	2,779,635
Availability Charges	557,851	51,248	609,099
Gain on Sale of Capital Assets	142,922		142,922
Other Non-operating Revenues	1,835,710		1,835,710
Interest Expense	(959,225)		(959,225)
Other Non-operating Expenses	(217,818)	(61,688)	(279,506)
Transfers	743,330	(743,330)	0
Capital Contributions	<u>15,401,580</u>		<u>15,401,580</u>
Change in Net Assets	11,079,239	(102,385)	10,976,854
Total Net Assets, Beginning	<u>410,447,868</u>	<u>640,605</u>	<u>411,088,473</u>
Total Net Assets, Ending	<u>\$ 421,527,107</u>	<u>\$ 538,220</u>	<u>\$ 422,065,327</u>

**Condensed Statement of Cash Flows**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Net Cash Provided (Used) by:			
Operating Activities	2,685,328	215,440	2,900,768
Non-Capital Financing Activities	3,884,803	(281,581)	3,603,222
Capital and Related Financing Activities	(31,065,846)	51,248	(31,014,598)
Investing Activities	<u>13,724,131</u>	<u>14,893</u>	<u>13,739,024</u>
Net Increase (Decrease)	(10,771,584)	0	(10,771,584)
Beginning Cash and Cash Equivalents	<u>24,527,491</u>	<u>0</u>	<u>24,527,491</u>
Ending Cash and Cash Equivalents	<u>\$ 13,755,907</u>	<u>\$ 0</u>	<u>\$ 13,755,907</u>



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

**7) NET ASSETS**

A summary of changes in net assets for the year ended June 30, 2006 is as follows:

Description	Investment in Capital Assets (Net of Related Debt)	Restricted Net Assets	Unrestricted Net Assets	Total
Beginning of Year	\$ 325,676,089	\$ 16,188,364	\$ 69,224,020	\$ 411,088,473
Income (Loss) Before Contributions	(10,107,455)	2,429,509	3,253,220	(4,424,726)
Capital Contributions				
Construction of Water and Sewer Systems	5,933,655			5,933,655
Capacity Fees and Capital Contributions		8,205,779		8,205,779
Betterment Fees				
Annexation Fees			1,262,146	1,262,146
Decrease in Related Capital Debt/(Transfers)	1,407,887		(1,407,887)	0
Acquisition and Construction/(Transfers)	<u>38,680,669</u>	<u>(26,823,652)</u>	<u>(11,857,017)</u>	<u>0</u>
End of Year	<u>\$ 361,590,845</u>	<u>\$ 0</u>	<u>\$ 60,474,482</u>	<u>\$ 422,065,327</u>

**Designated Net Assets**

In addition to the restricted net assets, unrestricted net assets have been designated by the Board of Directors for the following purposes as of June 30, 2006 and 2005:

	2006	2005
Replacement Reserve	\$ 22,876,118	\$ 26,888,665
Insurance Reserve	16,428,945	16,532,037
Expansion Reserve	<u>5,772,470</u>	<u>4,619,864</u>
Total	<u>\$ 45,077,533</u>	<u>\$ 48,040,566</u>

**8) DEFINED BENEFIT PENSION PLAN**

**Plan Description**

The District's defined plan, (the "Plan"), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. The Plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through District resolution. CalPERS issues a separate Comprehensive Annual Financial Report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

**8) DEFINED BENEFIT PENSION PLAN - Continued**

**Funding Policy**

Active members in the Plan are required to contribute 8% of their annual covered salary. The District has elected to contribute 7% on behalf of its employees. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year ended June 30, 2006 was 20.869%. The contribution requirements of the Plan members are established by State statute and the employer contribution rate is established and may be amended by the CalPERS.

**Annual Pension Costs**

For the fiscal year ended June 30, 2006, the District's annual pension cost and actual contribution was \$2,120,529. The required contribution for the fiscal year ended June 30, 2006, was determined as part of the June 30, 2003 actuarial valuation.

The following is a summary of the actuarial assumptions and methods:

Valuation Date	June 30, 2003
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	18 Years as of the Valuation Date
Asset Valuation Method	3 Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.75% (Net of Administrative Expenses)
Projected Salary Increase	3.25% to 14.20% Depending on Age, Service, and Type of Employment
Inflation	3.00%
Payroll Growth	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.00% and an annual production growth of 0.25%.

Initial unfunded liabilities are amortized over a closed period that depends on the Plan's date of entry into CalPERS. Subsequent Plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 10% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of the plan assets, then the amortization payment of the total unfunded liability may be lower than the payment calculated over a 30-year amortization period.

THREE YEAR TREND INFORMATION FOR PERS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/04	1,095,740	100%	0
6/30/05	1,684,657	100%	0
6/30/06	2,120,529	100%	0



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

**9) POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 8, it is the District's practice and policy to provide certain life insurance and health care benefits for eligible retired employees, directors and eligible dependents. These benefits vary based on the hire date of the employee. All retired employees receive life insurance benefits provided by the District (\$3,000 to age 70 for employees and \$1,000 to age 70 for spouse).

For retiring employees hired prior to January 1, 1981, and who are age 55 or over with five years of continuous service at retirement, the District provides dental and health care benefits and prescription drug coverage.

For retiring employees hired on or after January 1, 1981 and before July 1, 1993, the District provides health care benefits and prescription drug coverage if, at retirement, the employees have neither:

Attained age 60 with age plus years of credited service equal to or greater than 70 (with dental benefits provided) or,

Attained age 55 but not age 60 with age plus years of credited service equal to or greater than 75 (without dental benefits provided).

For retired directors who commenced office prior to January 1, 1995, and have attained age 60 with at least twelve years service as a director, the District provides dental and health care benefits and prescription drug coverage.

Expenses for these post retirement benefits are recognized as insurance premiums and are paid as retirees report claims under the health insurance program described in Note 12. Post retirement benefits expense of \$641,464 and \$551,062, were recognized for 59 and 53 eligible retirees, for the year ended June 30, 2006 and 2005, respectively.

**10) WATER CONSERVATION AUTHORITY**

The District formed the Water Conservation Authority (the "Authority"), a Joint Powers Authority, with other local entities to construct, maintain and operate a xeriscape demonstration garden in the furtherance of water conservation. The authority is a non-profit public charity organization and is exempt from income taxes. During the year ended June 30, 2006 and 2005, the District contributed \$0 and \$35,894, respectively, for the development, construction and operation costs of the xeriscape demonstration garden.

A summary of the Authority's June 30, 2005 audited financial statement is as follows (latest report available):

Assets	\$ 2,619,829
Liabilities	34,460
Revenues, Gains and Other Support	446,595
Changes in Net Assets	(305,916)



# OTAY WATER DISTRICT

## Notes to Financial Statements

### Years Ended June 30, 2006 and 2005

#### 11) COMMITMENTS AND CONTINGENCIES

##### **Construction Commitments**

The District had committed to capital projects under construction with an estimated cost to complete of \$5,167,946 at June 30, 2006.

##### **Litigation**

Certain claims, suits and complaints arising in the ordinary course of operation have been filed or are pending against the District. In the opinion of the staff and counsel, all such matters are adequately covered by insurance, or if not so covered, are without merit or are of such kind, or involved such amounts, as would not have significant effect on the financial position or results of operations of the District if disposed of unfavorably.

##### **Refundable Terminal Storage Fees**

The District has entered into an agreement with several developers whereby the developers prepaid the terminal storage fee in order to provide the District with the funds necessary to build additional storage capacity. The agreement further allows the developers to relinquish all or a portion of such water storage capacity. If the District grants to another property owner the relinquished storage capacity, the District shall refund to the applicable developer \$746 per equivalent dwelling unit (EDU). There were 17,867 EDUs that were subject to this agreement. At June 30, 2005, 1,750 EDUs had been relinquished and refunded, 13,323 EDUs had been connected, and 2,794 EDUs had neither been relinquished nor connected. At June 30, 2006, 1,750 EDUs had been relinquished and refunded, 13,412 EDUs had been connected, and 2,705 EDUs have neither been relinquished nor connected.

##### **Developer Agreements**

The District has entered into various Developer Agreements with developers towards the expansion of District facilities. The developers agree to make certain improvements and after the completion of the projects the District agrees to reimburse such improvements with a maximum reimbursement amount for each developer. Contractually, the District does not incur a liability for the work until the work is accepted by the District. As of June 30, 2006, none of the 18 outstanding developer agreements had been accepted, however it is anticipated that the District will be liable for an amount not to exceed \$2,949,428 at the point of acceptance, accordingly, the District did not accrue a liability as of year end.

#### 12) RISK MANAGEMENT

##### **General Liability**

The District is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, and natural disasters. The District pays an annual premium for commercial insurance covering general liability, excess liability, property, automobile, public employee dishonesty, and various other claims. Coverage limits range up to \$100 million.



**OTAY WATER DISTRICT**  
**Notes to Financial Statements**  
**Years Ended June 30, 2006 and 2005**

**12) RISK MANAGEMENT - Continued**

**Workers' Compensation**

The District is a member of the Association of California Water Agencies Joint Powers Insurance District (Joint Powers). The Joint Powers is a risk-pooling self-insurance district, created under the provision of California Government Code Sections 6500 et. Seq. The Joint Powers is governed by a board composed of members from participating agencies. The purpose of the Joint Powers is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The District is insured up to \$25,000,000 for worker's compensation with no deductible. Separate financial statements of the Joint Powers may be obtained at ACWA Joint Powers Insurance Authority, 5620 Birdcage Street, Suite 200, Citrus Heights, CA 95610-7632.

**Health Insurance**

The District maintains a self-insurance program covering all of its employees, retirees, and other dependents. Health claims are processed and administered through a health insurance administrator and paid by the District upon presentation. The District has obtained a stop-loss insurance policy to cover individuals with claims exceeding \$45,000. The District has estimated accrued claims to be \$422,327 and \$299,700 at June 30, 2006 and 2005, respectively. Accrued health costs are included in other accrued liabilities.

**Adequacy of Protection**

During the past three fiscal (claims) years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

**13) INTEREST EXPENSE**

Interest expense for the year ended June 30, 2006 and 2005, is as follows:

	<u>2006</u>	<u>2005</u>
Amount Expensed	\$ 959,225	\$ 1,327,844
Amount Capitalized as a Cost of Construction Projects	<u>460,535</u>	<u>110,764</u>
Interest Paid	<u>\$ 1,419,760</u>	<u>\$ 1,438,608</u>

Required  
Supplementary  
Information





**OTAY WATER DISTRICT**  
**Required Supplementary Information**  
**Years Ended June 30, 2006 and 2005**

SCHEDULE OF FUNDING PROGRESS FOR PERS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
6/30/02 Miscellaneous	\$ 28,360,731	\$ 36,760,469	\$ 8,399,738	77.2%	\$ 8,594,245	97.7%
6/30/03 Miscellaneous	\$ 29,042,368	\$ 41,428,694	\$ 12,386,326	70.1%	\$ 9,058,232	136.7%
6/30/04 Miscellaneous	\$ 31,591,156	\$ 45,156,690	\$ 13,565,534	70.0%	\$ 9,764,596	138.9%

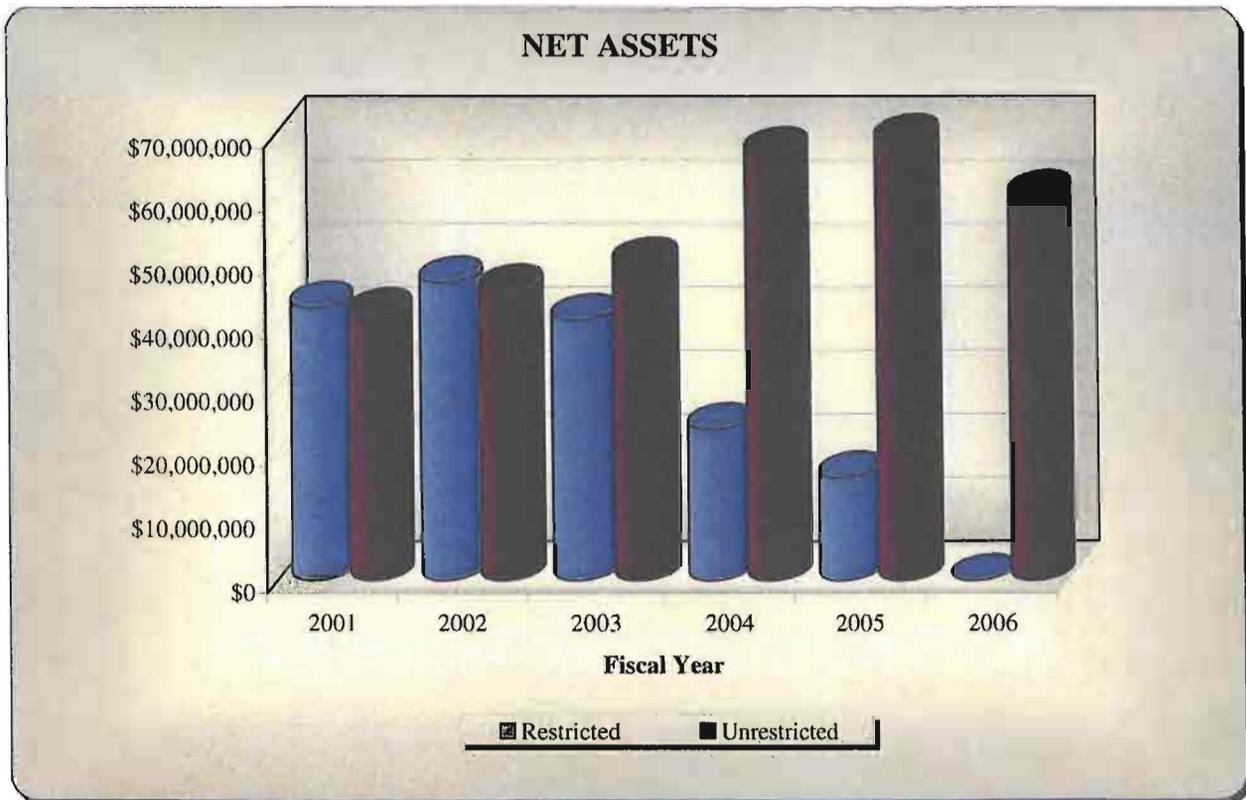


**STATISTICAL SECTION**



## OTAY WATER DISTRICT Net Assets by Component Last Six Fiscal Years

Fiscal Year	Invested in Capital Assets Net of Related Debt	Restricted	Unrestricted	Total Net Assets
2006	\$ 361,590,845	\$ - (2)	\$ 60,474,482	\$ 422,065,327
2005	325,676,089	16,188,364	69,224,020	411,088,473
2004	291,863,666	23,853,441	67,244,139	382,961,246
2003	269,579,907	40,945,837	49,828,535	360,354,279
2002	245,290,752	46,866,439	45,580,508	337,737,699
2001 (1)	237,230,807	42,923,480	41,854,311	322,008,598



(1) The District implemented GASB 34 in Fiscal Year 2001.

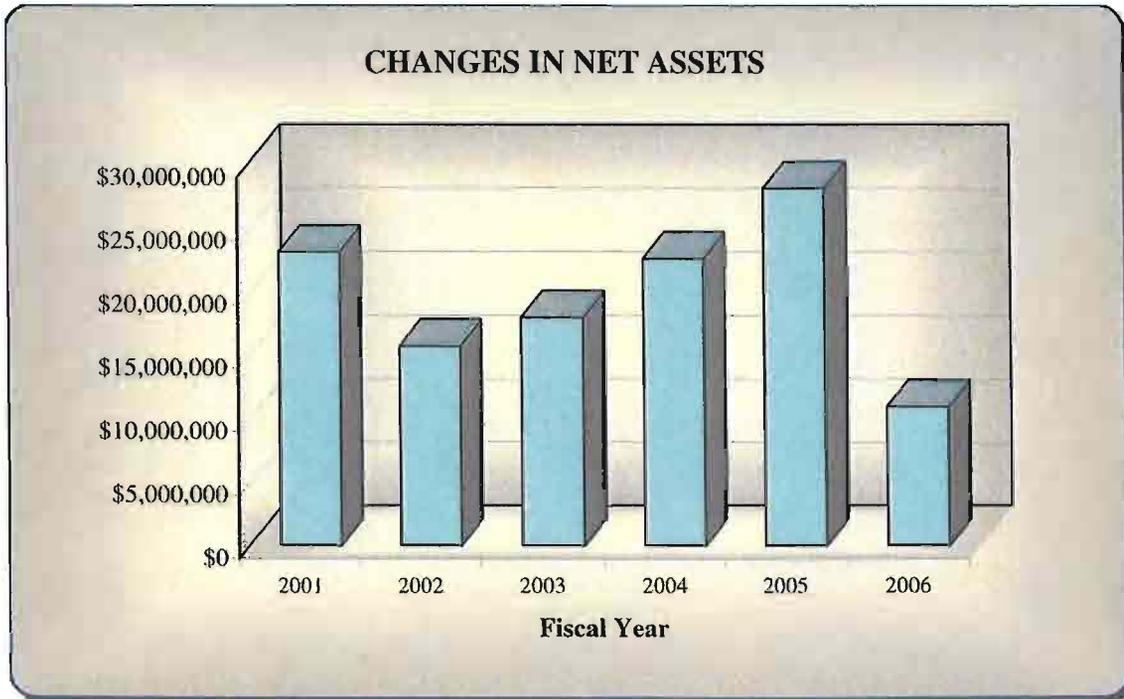
(2) During the current year all restricted funds were used to pay for major capital improvements in the District's Potable Water System and Reclaimed Water System.

Source: Otay Water District



## OTAY WATER DISTRICT Changes in Net Assets Last Six Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Total		Capital Contributions	Change in Net Assets
				Non-Operating Revenues/ (Expenses)	Income(Loss) Before Capital Contributions		
2006	\$47,861,088	\$59,603,094	\$ (11,742,006)	\$ 7,317,280	\$ (4,424,726)	\$ 15,401,580	\$ 10,976,854
2005	43,335,915	56,510,886	(13,174,971)	6,332,893	(6,842,078)	34,969,305	28,127,227
2004	41,539,293	51,516,096	(9,976,803)	3,484,492	(6,492,311)	29,099,278	22,606,967
2003	36,961,980	46,143,486	(9,181,506)	4,517,049	(4,664,457)	22,616,580	17,952,123
2002	37,312,385	43,509,038	(6,196,653)	6,193,303	(3,350)	15,732,451	15,729,101
2001	22,598,438	40,203,049	(17,604,611)	10,526,110	(7,078,501)	30,209,604	23,131,103



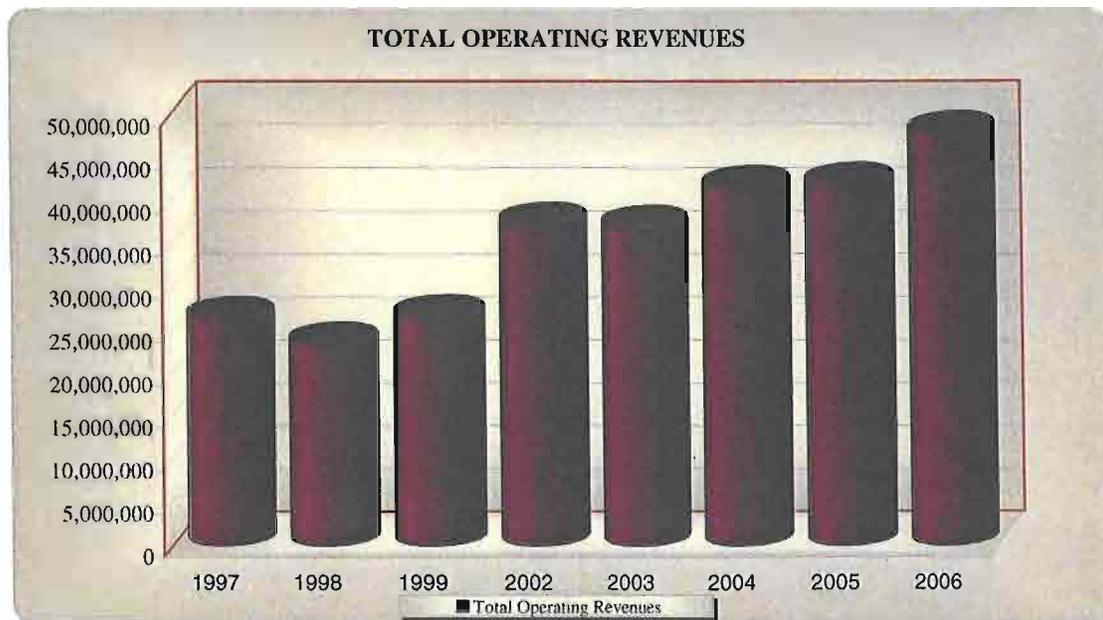
*Note: The District implemented GASB 34 in fiscal year 2001.*

*Source: Otay Water District*



### OTAY WATER DISTRICT Operating Revenues by Source Last Ten Fiscal Years

Fiscal Year	Water Sales	Wastewater Revenue	Connection and Other Fees	Total	Percent Change
2006	\$ 43,755,610	\$ 2,328,582	\$ 1,776,896	\$ 47,861,088	14.2%
2005	39,348,056	2,017,992	540,055	41,906,103	0.9%
2004	39,044,712	1,774,366	720,215	41,539,293	12.4%
2003	34,621,890	1,648,227	691,863	36,961,980	-0.9%
2002	34,980,289	2,031,855	300,241	37,312,385	65.1%
2001	20,645,462 (1)	1,578,581	374,395	22,598,437	-31.5%
2000	30,928,092	1,742,537	333,389	33,004,018	24.2%
1999	24,732,564	1,544,975	293,908	26,571,447	13.6%
1998	21,551,988	1,679,145	161,022	23,392,155	-11.1%
1997	24,530,385	1,676,670	120,636	26,327,691	2.8%

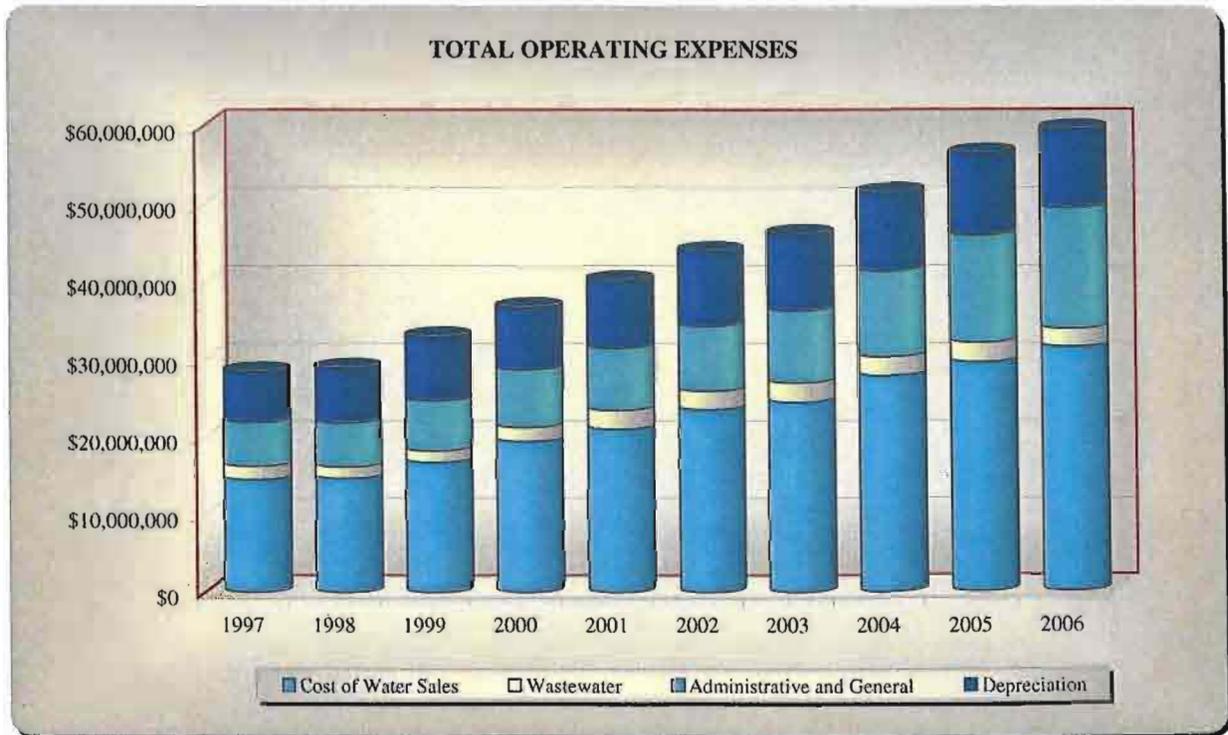


(1) During the year ended June 30, 2001, the District Board authorized three separate potable water rebates totaling \$9,700,089. The rebates were accounted for as a reduction of Water Sales.

Source: Otay Water District

## OTAY WATER DISTRICT Operating Expenses by Function Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Cost of Water Sales</u>	<u>Wastewater</u>	<u>Administrative and General</u>	<u>Depreciation</u>	<u>Total</u>	<u>Percent Change</u>
2006	\$ 31,630,074	\$ 2,313,278	\$ 15,552,287	\$ 10,107,455	\$ 59,603,094	5.5%
2005	29,655,869	2,521,861	13,809,022	10,524,134	56,510,886	9.7%
2004	27,899,376	2,446,603	11,081,599	10,088,518	51,516,096	11.6%
2003	24,477,487	2,548,881	9,310,381	9,806,737	46,143,486	5.0%
2002	23,516,357	2,404,720	8,388,045	9,645,918	43,955,040	9.3%
2001	20,998,534	2,447,034	8,014,245	8,743,236	40,203,049	9.5%
2000	19,416,956	1,833,775	7,444,505	8,023,280	36,718,516	11.5%
1999	16,730,248	1,519,670	6,466,836	8,225,750	32,942,504	14.0%
1998	14,658,041	1,488,123	5,737,077	7,007,965	28,891,206	1.6%
1997	14,487,786	1,766,317	5,655,773	6,527,408	28,437,284	2.5%

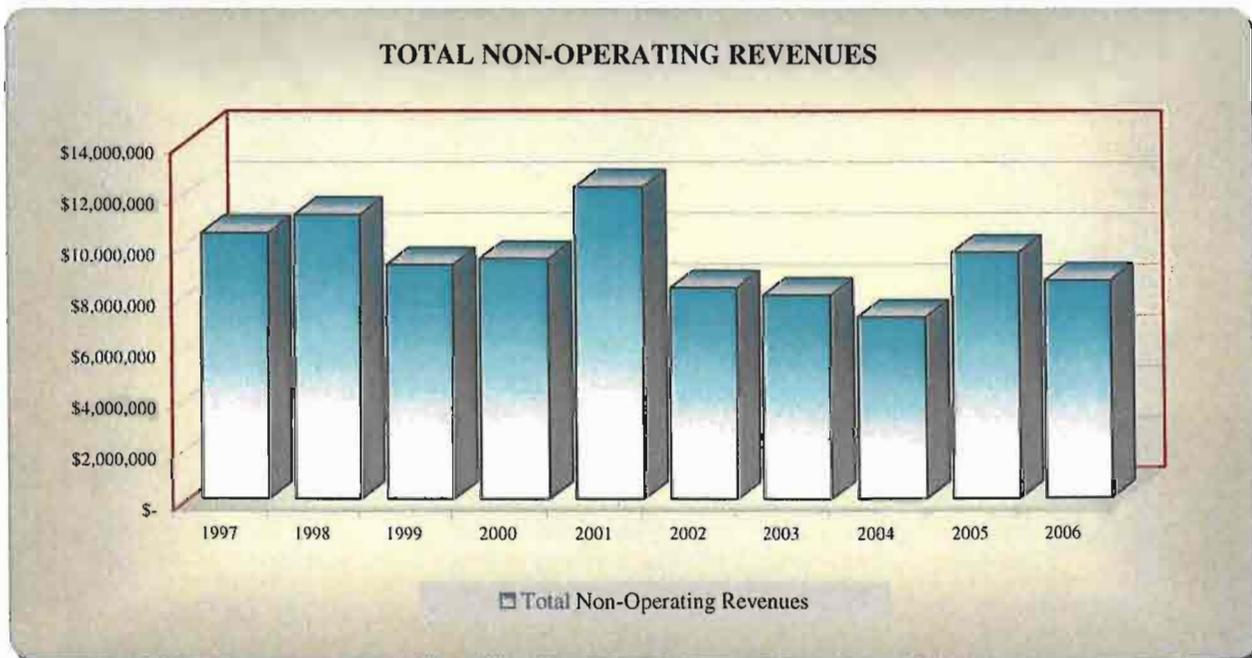


Source: Otay Water District



## OTAY WATER DISTRICT Non-Operating Revenues by Source Last Ten Fiscal Years

<u>Year</u>	<u>Investment Income</u>	<u>Taxes and Assessments</u>	<u>Availability Charges</u>	<u>Miscellaneous</u>	<u>Total</u>	<u>Percent Change</u>
2006	\$ 3,188,645	\$ 2,779,635	\$ 609,099	\$ 1,978,632	\$ 8,556,011	-11.3%
2005	\$ 2,052,292	\$ 2,326,526	\$ 556,590	\$ 4,714,941 (1)	\$ 9,650,349	35.6%
2004	1,097,449	3,071,685	1,132,278	1,816,967	7,118,379	-10.8%
2003	2,578,231	2,600,411	1,069,750	1,731,384	7,979,776	-3.6%
2002	4,466,383	2,381,170	1,052,222	373,818	8,273,593	-32.3%
2001	7,606,185	3,054,917	1,116,084	437,760	12,214,946	29.9%
2000	5,088,516	3,164,910	949,612	197,857	9,400,895	2.6%
1999	5,142,904	2,523,746	1,084,910	412,530	9,164,090	-17.6%
1998	6,462,771	2,795,952	1,284,987	579,775	11,123,485	6.9%
1997	6,288,527	3,034,605	1,084,262	0	10,407,394	6.7%



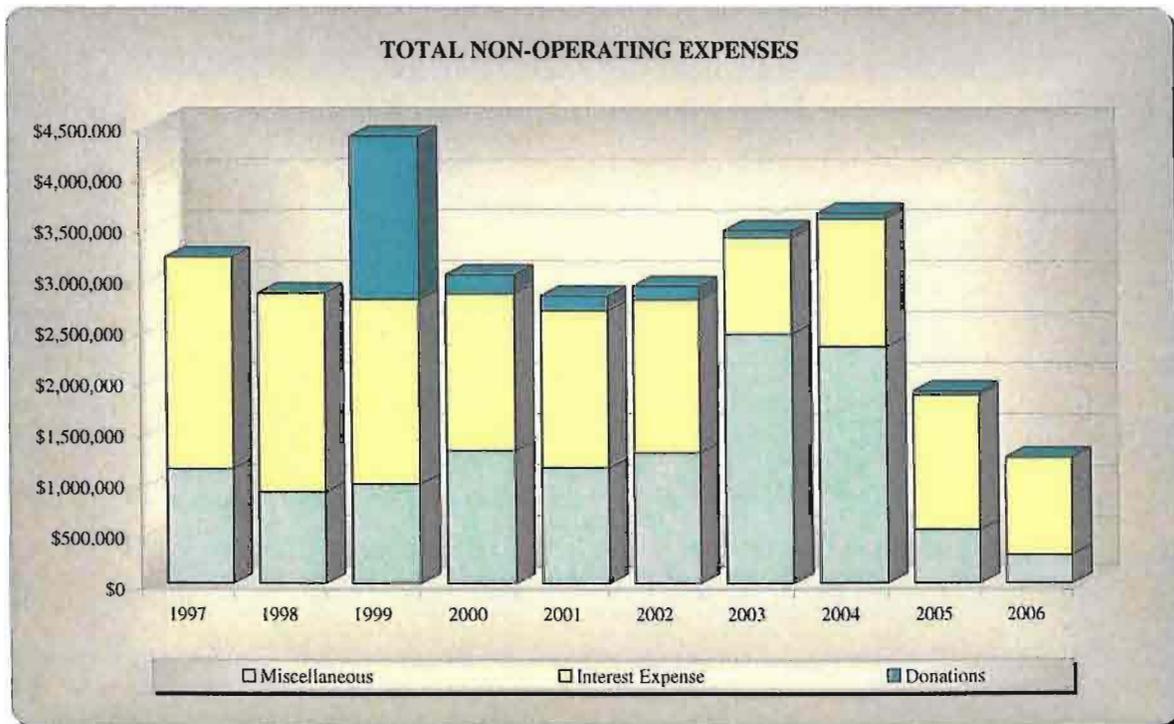
(1) The District sold capital assets during 2005 which resulted in a gain of \$2,196,655.

*Source: Otay Water District*



**OTAY WATER DISTRICT**  
**Non-Operating Expenses by Function**  
**Last Ten Fiscal Years**

<u>Year</u>	<u>Donations</u>	<u>Interest Expense</u>	<u>Miscellaneous</u>	<u>Total</u>	<u>Percent Change</u>
2006	\$ -	\$ 959,225	\$ 279,506	\$ 1,238,731	-34.4%
2005	35,894	1,327,844	523,905	1,887,643	-48.1%
2004	59,220	1,252,307	2,322,360	3,633,887	4.9%
2003	68,756	947,099	2,446,872	3,462,727	18.8%
2002	131,225	1,503,063	1,280,104	2,914,392	3.3%
2001	145,500	1,543,336	1,131,114	2,819,950	-6.8%
2000	184,507	1,540,592	1,301,961	3,027,060	-31.0%
1999	1,602,883 (1)	1,809,747	974,558	4,387,187	53.9%
1998	0	1,952,742	897,011	2,849,753	11.0%
1997	0	2,080,744	1,121,864	3,202,608	31.9%



(1) Donations are contributions to the Water Conservation Authority formed in 1999. See Note 9 in the Notes to Financial Statements for more information.

Source: Otay Water District



## OTAY WATER DISTRICT Assessed Valuation of Taxable Property Within the District Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>	<u>Percent Change</u>
2006	\$ 19,204,029,184	\$ 361,636,280	\$ 19,565,665,464	19.13%
2005	16,121,465,817	301,937,884	16,423,403,701	16.23%
2004	13,833,852,366	296,691,701	14,130,544,067	16.50%
2003	11,786,410,218	343,253,933	12,129,664,151	15.63%
2002	10,239,985,732	249,933,698	10,489,919,430	16.67%
2001	8,767,643,482	223,676,433	8,991,319,915	9.33%
2000	7,809,527,552	414,404,800	8,223,932,352	15.61%
1999	6,953,623,384	159,752,464	7,113,375,848	7.51%
1998	6,480,364,157	136,236,552	6,616,600,709	1.19%
1997	6,408,701,949	129,954,347	6,538,656,296	1.09%

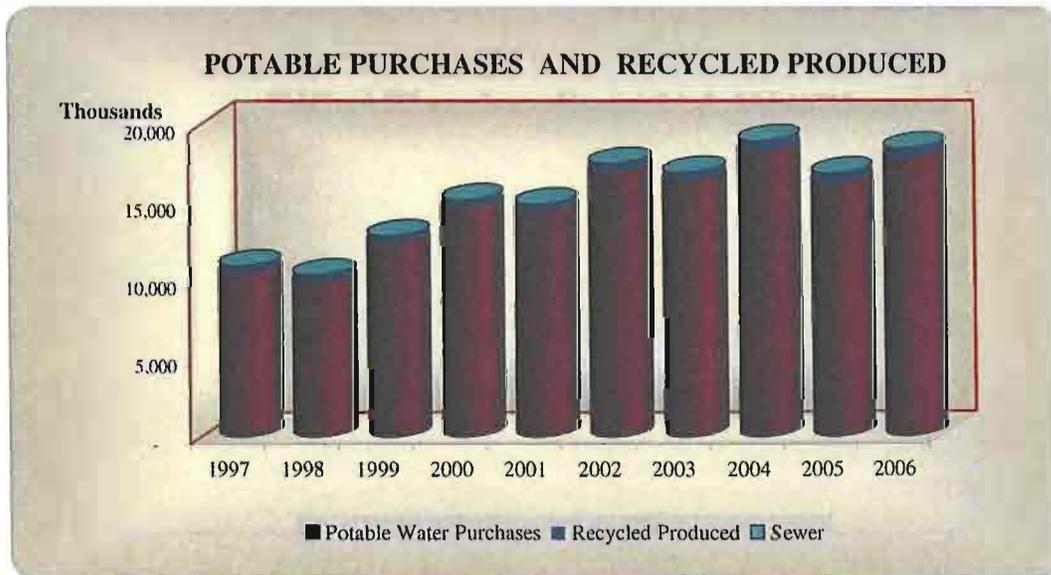


Source: County of San Diego Auditor and Controller



## OTAY WATER DISTRICT Potable and Treated Water Produced and Sold Last Ten Fiscal Years

Fiscal Year	Potable Water Purchases	Billed Water Sold	Recycled Water Produced	Direct Rate Base	Usage	Sewer
2006	17,972,146	14,723,988	537,399.7	\$ 10.25	\$ 13.90	\$ 30.90
2005	16,412,711	13,708,001	501,114.2	10.25	13.40	26.90
2004	18,424,007	14,711,176	568,588.7	10.25	13.30	23.35
2003	16,486,502	13,613,885	486,739.4	10.25	13.30	20.95
2002	17,084,537	13,723,241	471,580.6	10.25	13.30	20.95
2001	14,521,902	12,057,399	418,873.0	10.25	13.30	20.95
2000	14,801,644	12,023,682	408,636.4	10.25	13.30	20.95
1999	12,537,309	10,335,051	363,029.0	10.25	13.30	20.95
1998	9,963,479	9,164,466	425,407.0	10.25	13.30	20.95
1997	10,521,918	9,791,072	451,669.3	10.25	13.30	20.95

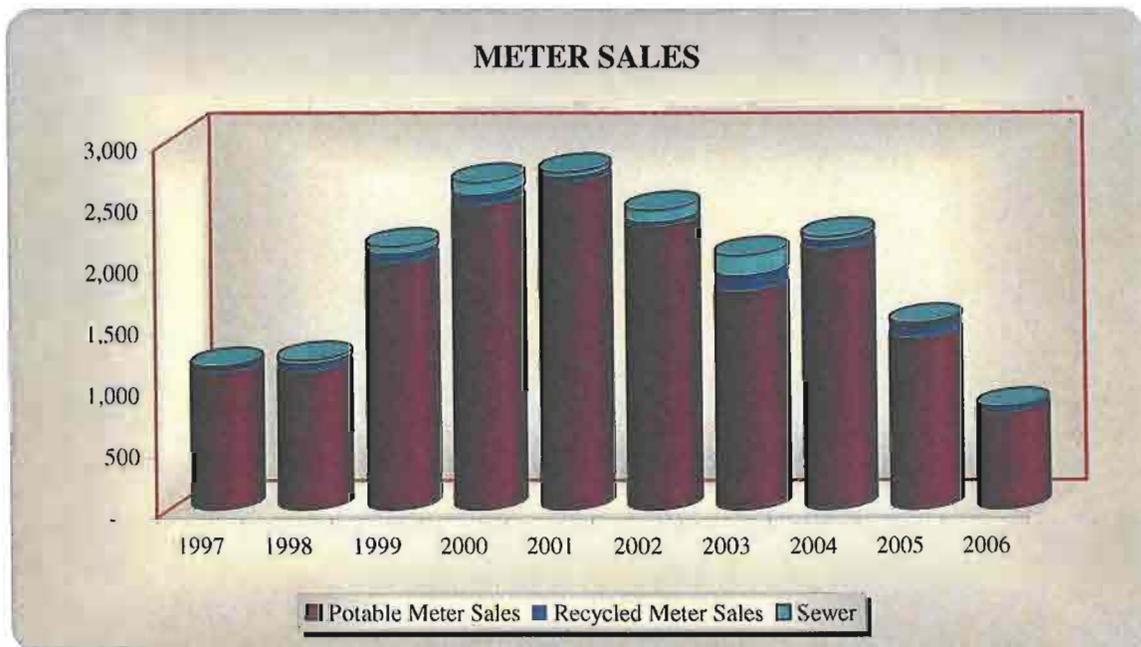


(1) Based on Residential customer who use 10 units per month. Unit shall mean 100 cubic feet or 748 gallons of water.



## OTAY WATER DISTRICT Meter Sales by Type Last Ten Fiscal Years

Fiscal Year	Potable	Recycled	Sewer	Total
2006	788	47	1	836
2005	1,406	95	22	1,523
2004	2,125	64	38	2,227
2003	1,782	123	168	2,073
2002	2,308	33	102	2,443
2001	2,667	43	41	2,751
2000	2,485	78	105	2,668
1999	2,010	69	64	2,143
1998	1,126	58	34	1,218
1997	1,115	32	20	1,167

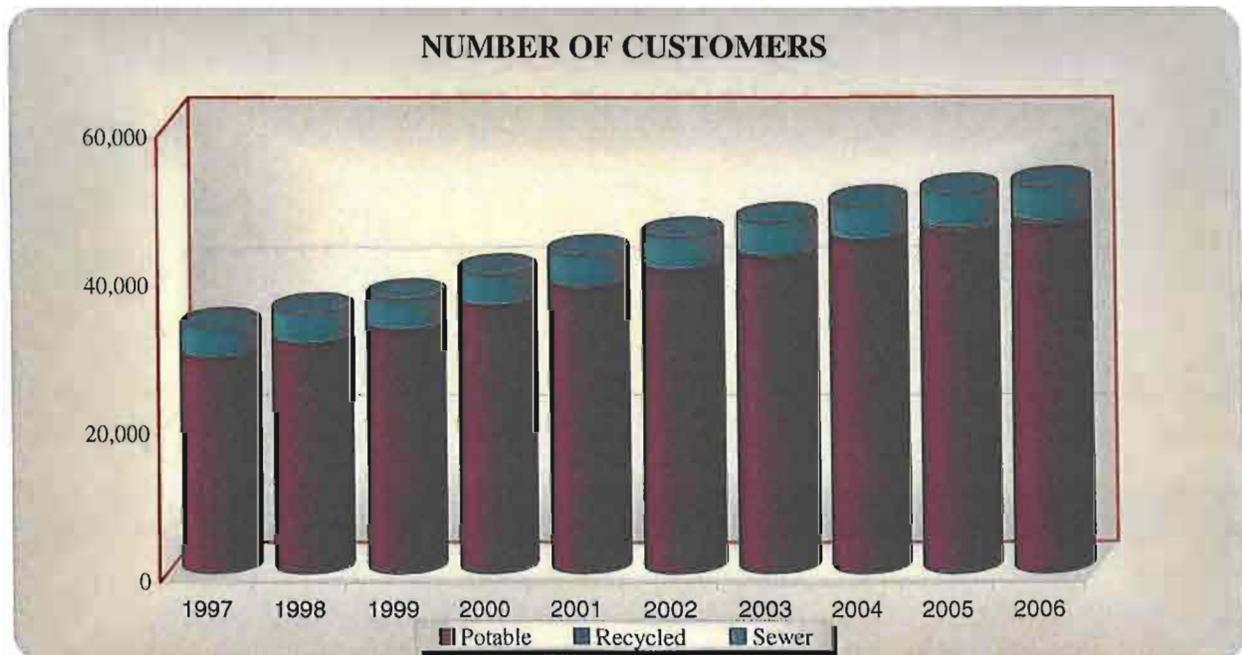


Source: Otay Water District



## OTAY WATER DISTRICT Number of Customers by Service Type Last Ten Fiscal Years

Fiscal Year	Potable	Recycled	Sewer	Total
2006	46,851	558	4,571	51,980
2005	46,042	483	4,570	51,095
2004	44,583	348	4,548	49,479
2003	42,438	312	4,510	47,260
2002	40,732	189	4,342	45,263
2001	38,502	128	4,240	42,870
2000	36,005	106	4,199	40,310
1999	32,773	59	4,094	36,926
1998	30,943	44	4,030	35,017
1997	29,021	20	3,996	33,037

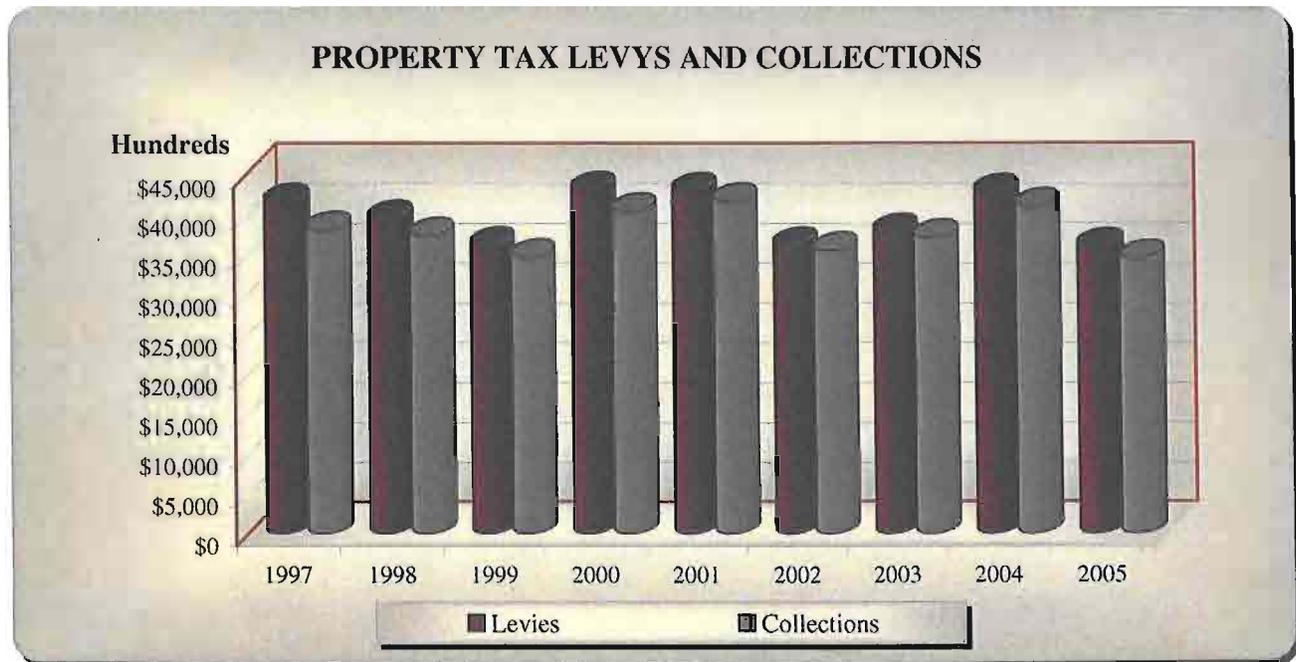


Source: Otay Water District



## OTAY WATER DISTRICT Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	LEVY (1)			Total Collections (1)	Net Receivable (2)	Percent Collected
	1% Property Tax	Special Assessments	Total Levy			
2006	1,420,049	2,519,927	3,939,976	3,935,983	3,993	100%
2005	1,173,319	2,430,267	3,603,586	3,455,852	147,734	96%
2004	1,844,604	2,442,356	4,286,961	4,108,581	178,379	96%
2003	1,541,362	2,246,865	3,788,227	3,721,776	66,452	98%
2002	1,314,354	2,305,191	3,619,545	3,558,105	61,440	98%
2001	1,134,675	3,171,206	4,305,882	4,176,331	129,550	97%
2000	997,055	3,321,696	4,318,751	4,053,482	265,269	94%
1999	870,451	2,753,571	3,624,023	3,475,903	148,120	96%
1998	801,536	3,158,394	3,959,929	3,740,021	219,909	94%
1997	769,016	3,401,857	4,170,874	3,818,801	352,073	92%



(1) Levy and collections includes Current Secured, Current Unsecured and Supplemental HOE.

(2) Net Receivable becomes a prior period balance in the next fiscal year.

Source: Otay Water District



## OTAY WATER DISTRICT

### Water and Sewer Rates

### Last Ten Fiscal Years

Base Rate (Meter Size)	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b><u>Residential</u></b>										
3/4"	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25
1"	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50	16.50
1.5"	32.50	32.50	32.50	32.50	32.50	32.50	32.50	32.50	32.50	32.50
<b><u>Non- Residential &amp; Others (3)</u></b>										
3/4"	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
1"	30.80	30.80	30.80	30.80	30.80	30.80	30.80	30.80	30.80	30.80
1.5"	43.30	43.30	43.30	43.30	43.30	43.30	43.30	43.30	43.30	43.30
2"	54.20	54.20	54.20	54.20	54.20	54.20	54.20	54.20	54.20	54.20
3"	87.20	87.20	87.20	87.20	87.20	87.20	87.20	87.20	87.20	87.20
4"	99.80	99.80	99.80	99.80	99.80	99.80	99.80	99.80	99.80	99.80
6"	199.50	199.50	199.50	199.50	199.50	199.50	199.50	199.50	199.50	199.50
10"	380.50	380.50	380.50	380.50	380.50	380.50	380.50	380.50	380.50	380.50
<b><u>Fire Services</u></b>										
All Types	21.20	21.20	21.20	21.20	21.20	21.20	21.20	21.20	21.20	21.20
<b>Usage Rate</b>										
<i>Residential:</i>										
Tier 1 (1-5)	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.05
Tier 2 (6-25)	1.65	1.65	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.73
Tier 3 (26-35)	1.79	1.79	1.81	1.81	1.81	1.81	1.81	1.81	1.81	1.88
Tier 4 (36-50) (1)	2.11	2.11	2.13	2.13	2.13	2.13	2.13	2.13	2.65	2.75
Tier 5 (51+)	2.62	2.62	2.65	2.65	2.65	2.65	2.65	2.65	-	-
<i>Master Meter:</i>										
Tier 1 (1-5)	1.76	1.76	1.78	1.78	1.78	1.78	1.78	1.78	1.67	1.73
Tier 2 (6-25)									1.81	1.88
Tier 3 (16+)									2.65	2.75
<i>Publicly-Owned</i>	1.84	1.84	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.93
<i>Commercial &amp; Others (2)</i>	1.76	1.76	1.78	1.78	1.78	1.78	1.78	1.78	1.78	1.85
<i>Recycled (Commercial)</i>	1.50	1.50	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.57
<i>Recycled (Publicly-Owned)</i>	1.58	1.58	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.65
<i>Sewer Rates</i>	20.95	20.95	20.95	20.95	20.95	20.95	20.95	20.95	23.35	30.90

(1) Effective January 2005 the tier 5 has been eliminated and replaced by tier 4 (36+).

(2) Others include Landscaping, Agricultural and Temporary Meters.

Agricultural customers under Interim Agricultural Water Program (IAWP) shall receive a \$0.33 discount per H.C.F.

(3) In addition, for service provided through one meter to more than one occupancy a fee of \$3.21 will be charged for each unit in a multiple unit residential, commercial or industrial building.

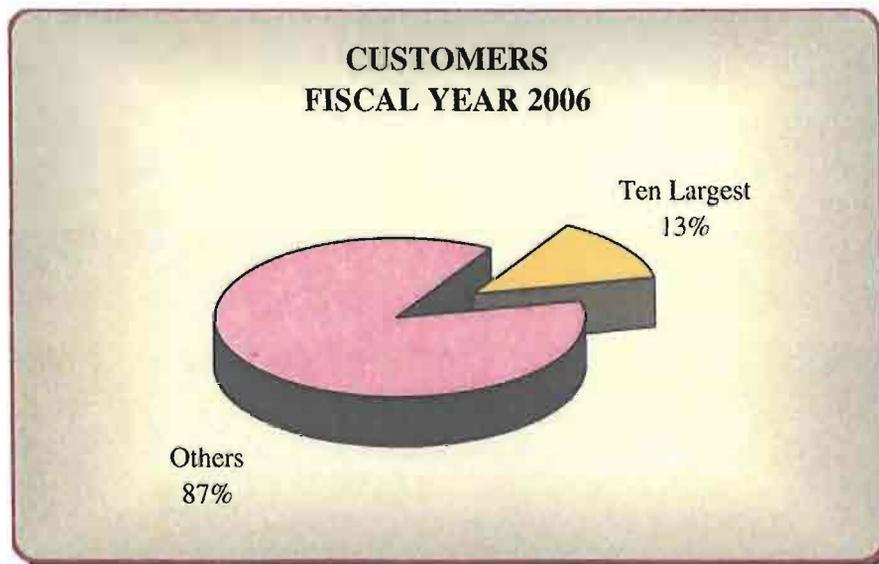
(4) Rates above not including Infrastructure Access Charge a pass through charged from CWA and MWD.

**Source:** Otay Water District



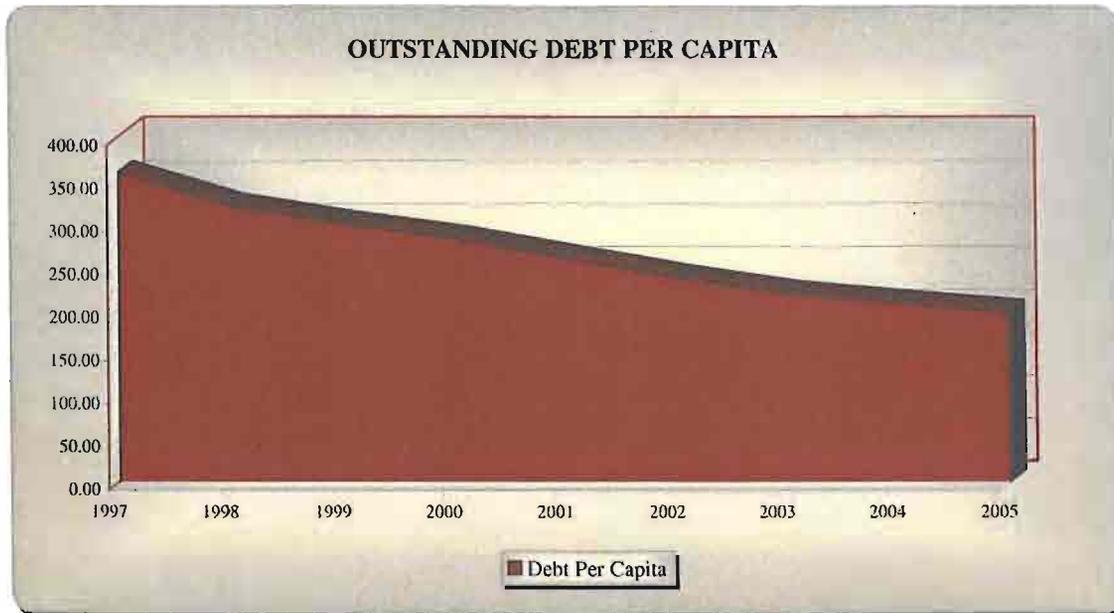
## TEN LARGEST CUSTOMERS - FISCAL YEAR 2006

Customer Name	Business Type	Annual Revenues	% of Water Sales
1. City of Chula Vista	Publicly Owned	\$ 1,320,142	3.0%
2. State of California	Publicly Owned	948,696	2.2%
3. McMillin	Construction (Potable)	666,771	1.5%
4. County of San Diego	Publicly Owned	665,694	1.5%
5. Eastlake III	Business/Irrigation (Reclaimed)	502,189	1.1%
6. Country Hills Apartments	Residential (Master Meter)	461,985	1.1%
7. Country Club Eastlake	Irrigation (Reclaimed)	417,029	1.0%
8. Steele Canyon	Irrigation (Potable Permanent)	319,216	0.7%
9. California Bank & Trust	Irrigation (Reclaimed)	284,783	0.7%
10. The EastLake Company	Construction (Potable)	214,593	0.5%
<b>Total</b>		<b>\$ 5,801,098</b>	<b>13.3%</b>
Estimated FY06 Water Sales		<b>\$ 43,755,610</b>	



## OTAY WATER DISTRICT Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Population Estimate	GO Bond	COPS	Notes	Capital Leases	Total	Per Capita	As a Share of Personal Income (1)
2006	190,000	\$ 8,776,755	\$24,909,352	1,659,037	51,595	\$ 35,396,739	186.30	0.48%
2005	186,000	\$ 9,093,482	\$25,653,607	1,956,871	100,666	\$ 36,804,626	197.87	0.51%
2004	180,000	9,395,209	25,666,312	2,244,633	147,343	\$ 37,453,497	208.07	0.55%
2003	176,000	9,681,937	26,298,239	2,522,665	191,742	\$ 38,694,583	219.86	0.62%
2002	166,000	9,953,664	26,915,166	2,791,295	-	\$ 39,660,125	238.92	0.69%
2001	156,000	10,210,392	27,517,093	3,050,841	-	\$ 40,778,326	261.40	0.77%
2000	147,000	10,452,118	28,004,021	3,301,610	-	\$ 41,757,749	284.07	0.87%
1999	142,000	10,683,845	28,480,948	3,543,899	-	\$ 42,708,692	300.77	0.99%
1998	137,000	11,300,572	28,942,243	3,777,994	-	\$ 44,020,809	321.32	1.13%
1997	130,000	13,397,230	29,400,717	4,004,173	-	\$ 46,802,120	360.02	1.37%

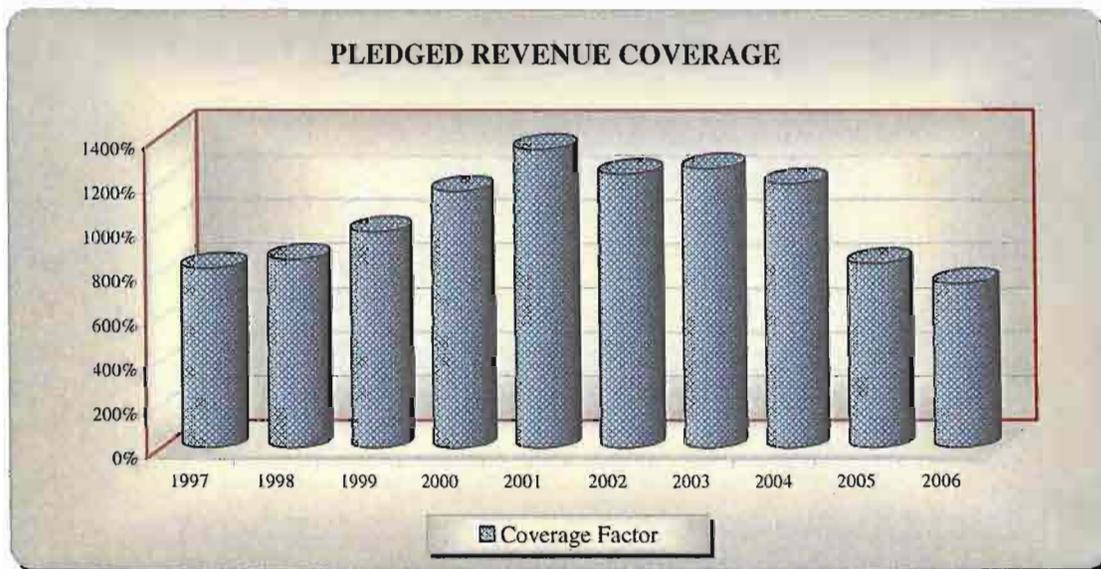


(1) See the Demographics and Economic Statistics schedule for personal income data. Because per capita personal income data were not available for 2006 the percentage for 2006 was calculated using per capita personal income for 2005.

Source: Otay Water District

## OTAY WATER DISTRICT Pledged Revenue Coverage Last Ten Fiscal Years

Fiscal Year	Adjusted Revenue (1)	Adjusted Operating Expense (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage Factor
				Principal	Interest	Total	
2006	\$ 59,990,213	\$ 47,595,682	\$ 12,394,531	\$745,000	\$924,490	\$1,669,490	742%
2005	56,597,040	43,936,109	12,660,931	650,000	869,715	1,519,715	833%
2004	57,195,289	38,980,975	18,214,314	635,000	891,796	1,526,796	1,193%
2003	53,077,164	33,787,868	19,289,296	620,000	908,416	1,528,416	1,262%
2002	51,604,999	31,904,402	19,700,597	605,000	987,467	1,592,467	1,237%
2001	51,547,298	29,012,779	22,534,519	490,000	1,181,032	1,671,032	1,349%
2000	46,922,341	26,861,461	20,060,880	480,000	1,252,054	1,732,054	1,158%
1999	39,509,478	23,197,084	16,312,394	470,000	1,202,210	1,672,210	975%
1998	35,474,313	20,395,118	15,079,195	460,000	1,311,930	1,771,930	851%
1997	34,563,557	20,143,559	14,419,998	450,000	1,327,943	1,777,943	811%



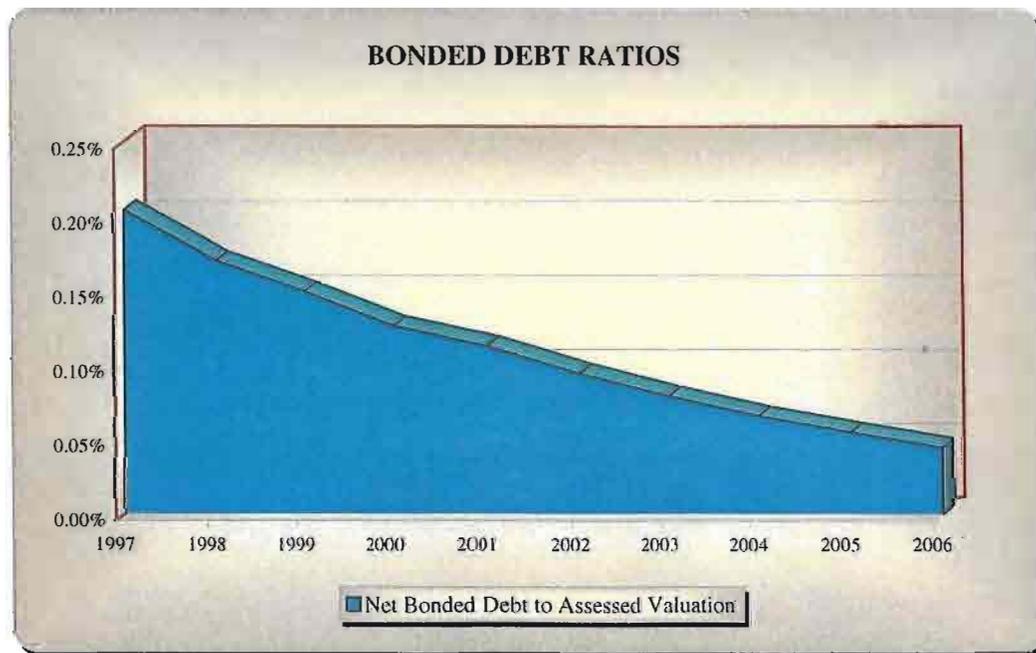
- (1) Adjusted revenues exclude sewer revenues and taxes collected for improvement district 27 and are inclusive of capacity fees.  
 (2) Adjusted operating expenses exclude sewer expenses and depreciation expense.  
 (3) The District's bond covenants require a minimum coverage factor of 120%.

Source Otay Water District



## OTAY WATER DISTRICT Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	Population Estimate	Assessed Valuation	Gross Bonded Debt	Debt Service Funds	Net Bonded Debt	Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
2006	190,000	\$ 19,565,665,464	\$8,776,755	-	\$8,776,755	0.04%	46.19
2005	186,000	16,423,403,701	9,093,482	-	9,093,482	0.06%	48.89
2004	180,000	14,130,544,067	9,395,209	-	9,395,209	0.07%	52.20
2003	176,000	12,129,664,151	9,681,937	-	9,681,937	0.08%	55.01
2002	166,000	10,489,919,430	9,953,664	-	9,953,664	0.09%	59.96
2001	156,000	8,991,319,915	10,210,392	-	10,210,392	0.11%	65.45
2000	147,000	8,223,932,352	10,452,118	-	10,452,118	0.13%	71.10
1999	142,000	7,113,375,848	10,683,845	-	10,683,845	0.15%	75.24
1998	137,000	6,616,600,709	11,300,572	-	11,300,572	0.17%	82.49
1997	130,000	6,538,656,296	13,397,230	-	13,397,230	0.20%	103.06



Source: Otay Water District



**OTAY WATER DISTRICT**  
**Computation of Direct and Overlapping Bonded Debt**  
**June 30, 2006**

2005-06 Assessed Valuation:	\$19,565,665,464
Redevelopment Incremental Valuation:	<u>185,562,778</u>
Adjusted Assessed Valuation:	\$19,380,102,686

<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>	Total Debt	% Applicable	District's Share of
	<u>6/30/2006</u>	(1)	<u>Debt 6/30/06</u>
Metropolitan Water District	\$389,565,000	1.32%	\$5,153,945
Otay Municipal Water District Improvement District No. 25	265,000	100	265,000
Otay Municipal Water District Improvement District No. 27	9,590,000	100	9,590,000
Padre Dam Municipal Water District Improvement District No. CB	340,000	0.028	95
Grossmont-Cuyamaca Community College District	145,599,623	17.658	25,709,981
Southwestern Community College District	90,570,090	44.067	39,911,522
Grossmont Union High School District	179,890,422	18.158	32,664,503
Sweetwater Union High School District	82,615,000	51.699	42,711,129
Chula Vista City School District	88,410,000	61.723	54,569,304
San Ysidro School District	57,784,363	46.252	26,726,424
Other School Districts	1,624,007,604	Various	28,762,500
City of San Diego	11,520,000	0.893	102,874
San Diego Open Space Park Facilities District No. 1	19,930,000	0.893	177,975
City of Chula Vista Community Facilities District	274,590,000	100	274,590,000
Chula Vista City School District Community Facilities Districts	7,700,000	100	7,700,000
Sweetwater Union High School District Community Facilities Districts	198,398,838	2.523-100.	185,269,055
City 1915 Act Bonds (Estimate)	79,049,263	Various	<u>58,787,136</u>
<b>TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$792,691,443</b>
Less: San Diego Open Space Park Facilities District No. 1 (self-supporting)			<u>177,975</u>
<b>TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$792,513,468</b>

**DIRECT AND OVERLAPPING GENERAL FUND DEBT:**

San Diego County General Fund Obligations	\$448,037,147	6.83%	\$30,578,535
San Diego County Pension Obligations	1,231,282,916	6.825	84,035,059
San Diego Superintendent of Schools Certificates of Participation	12,495,000	6.825	852,784
<b>Otay Water District Certificates of Participation</b>	<b>24,925,000</b>	<b>100</b>	<b>24,925,000</b>
Southwestern Community College District General Fund Obligations	2,265,000	44.067	998,118
Grossmont Union High School District Certificates of Participation	1,830,000	18.158	332,291
Sweetwater Union High School District Certificates of Participation	16,040,000	51.699	8,292,520
Chula Vista City School District Certificates of Participation	135,985,000	61.723	83,934,022
San Ysidro School District Certificates of Participation	26,185,000	46.252	12,111,086
Other School District Certificates of Participation	15,500,000	Various	3,798,789
City of Chula Vista Certificates of Participation	123,915,000	70.854	87,798,734
City of Chula Vista Pension Obligations	11,795,000	70.854	8,357,229
City of San Diego General Fund Obligations	498,040,000	0.893	4,447,497
San Miguel Consolidated Fire Protection District Certificates of Participation	9,120,000	56.951	<u>5,193,931</u>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$355,655,595</b>
Less: <b>Otay Water District Certificates of Participation (self-supporting)</b>			<b><u>24,925,000</u></b>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$330,730,595</b>

GROSS COMBINED TOTAL DEBT	(2)	\$1,148,347,038
NET COMBINED TOTAL DEBT		\$1,123,244,063

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the district.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

**Ratios to 2005-06 Assessed Valuation:**

Total Gross Overlapping Tax and Assessment Debt	4.05%
Total Net Overlapping Tax and Assessment Debt	4.05%

**Ratios to Adjusted Assessed Valuation:**

<b>Gross Combined Direct Debt (\$24,925,000)</b>	<b>0.13%</b>
<b>Net Combined Direct Debt</b>	<b>0.00%</b>
Gross Combined Total Debt	5.93%
Net Combined Total Debt	5.80%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/06: \$10

Source: California Municipal Statistics, Inc and Otay Water District



# OTAY WATER DISTRICT

## Principal Employers

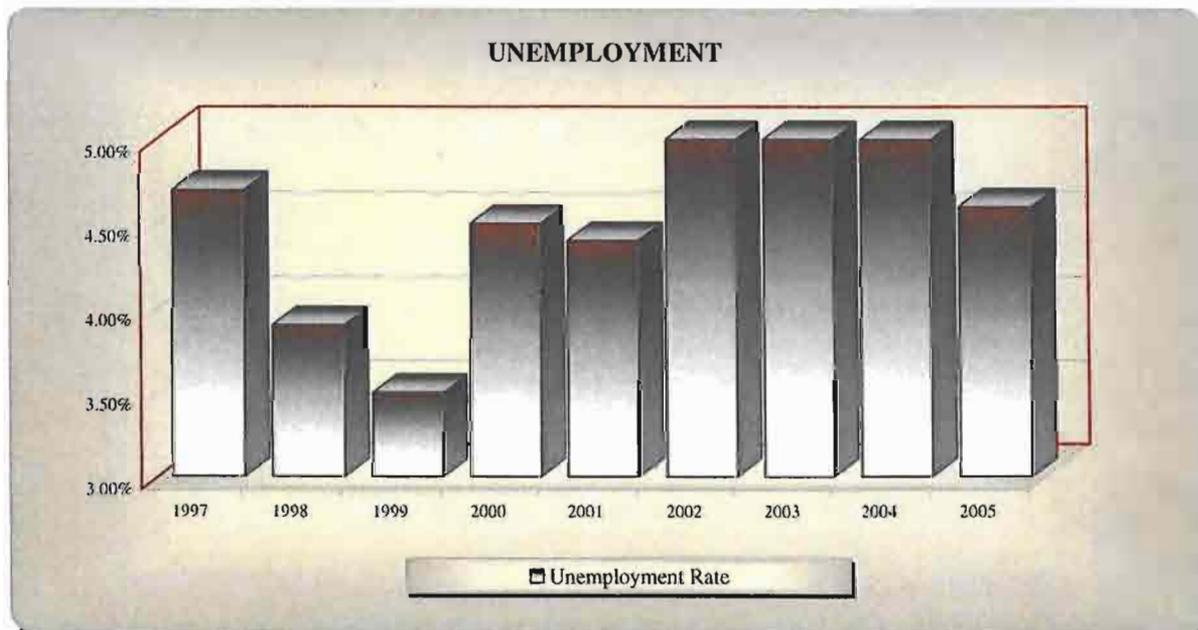
### Current Year and Nine Years Ago

<u>Employer</u>	<u>2006</u>		<u>1997</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Federal Government State of California	10,000+	1	-	-
San Diego Unified School District	10,000+	2	10,000+	3
University of California San Diego	10,000+	3	10,000+	6
County of San Diego	10,000+	4	10,000+	2
Sharp Healthcare	10,000+	5	10,000+	4
San Diego State University	5,000-9,999	6	-	-
Kaiser Permanente Medical Care Program	5,000-9,999	7	-	-
Sempra	5,000-9,999	8	-	-
SBC	5,000-9,999	9	-	-
Qualcomm	5,000-9,999	10	-	-
City of San Diego	-	-	10,000+	1
United States Government/Civilian	-	-	10,000+	5
San Diego Community College District	-	-	5,000-9,999	7
Scripps Institution of Medicine & Science	-	-	5,000-9,999	8
State of California	-	-	5,000-9,999	9
US Postal Service/San Diego Division	-	-	5,000-9,999	10

*Source: County of San Diego*

## OTAY WATER DISTRICT Demographic and Economic Statistics Last Ten Fiscal Years

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2006	(1)			-
2005	(2)	296,410,404		38,614 4.60%
2004		293,656,842	111,434,714	37,965 5.10%
2003		290,656,005	104,050,119	35,620 5.60%
2002		287,984,799	100,655,726	34,719 5.60%
2001		285,107,923	97,009,480	33,886 4.40%
2000		282,193,477	92,654,006	32,803 4.50%
1999		275,130,000	84,346,910	30,236 3.50%
1998		272,690,813	77,968,184	28,490 3.90%
1997		270,248,003	70,535,060	26,196 4.70%



(1) Information for 2006 was not yet available at the time of this report.

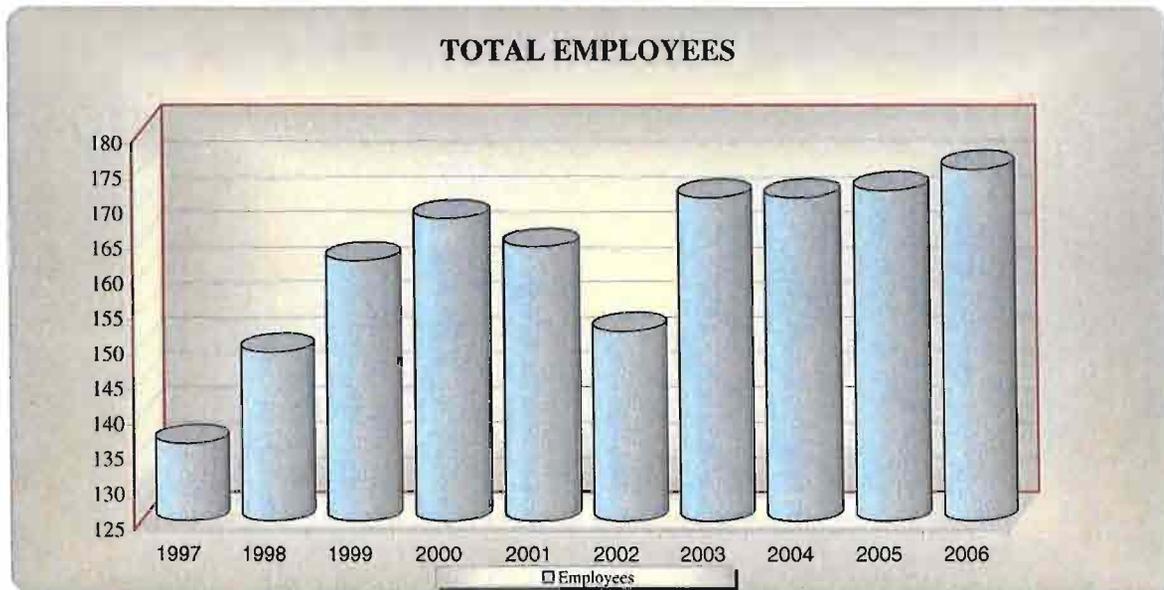
(2) Personal income data for 2005 not yet available.

Source: County of San Diego



### OTAY WATER DISTRICT Number of Employees by Function Last Ten Fiscal Years

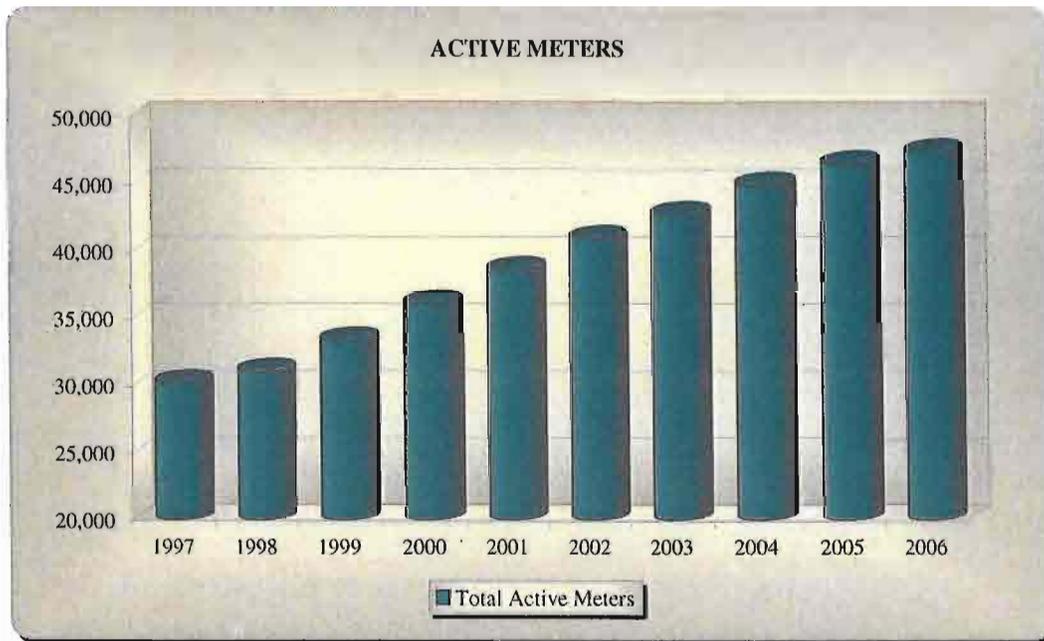
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Manager	6	6	4	4	3	6	8	8	6	6
Finance	34	34	33	32	32	33	33	32	29	21
Operations/Maintenance	72	71	70	70	71	73	74	71	68	67
Engineering and Planning	15	13	16	18	24	27	32	31	28	26
Administrative Services	19	20	21	24	22	25	21	20	18	16
IT and Strategic Planning	(1)	12	11	10	10	-	-	-	-	-
Development Services	(2)	17	17	17	13	-	-	-	-	-
Total	175	172	171	171	152	164	168	162	149	136



Source : Otay Water District

## OTAY WATER DISTRICT Active Meters by Size Last Ten Fiscal Years

Meter Size	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
3/4"	43,070	42,420	41,069	39,138	37,178	35,014	32,672	30,456	28,515	27,685
1"	1,514	1,364	1,220	1,132	1,110	1,079	1,041	1,010	881	880
1-1/2"	1,199	1,147	1,037	918	889	837	806	766	660	655
2"	1,242	1,199	1,168	1,140	1,124	1,084	1,059	992	858	848
3"	69	67	66	61	57	50	43	40	35	34
4"	277	289	329	308	526	496	431	55	48	44
6"	27	27	27	27	40	35	34	14	12	12
Others	11	12	15	26	35	35	25	12	11	9
<b>Total</b>	<b>47,409</b>	<b>46,525</b>	<b>44,931</b>	<b>42,750</b>	<b>40,959</b>	<b>38,630</b>	<b>36,111</b>	<b>33,345</b>	<b>31,020</b>	<b>30,167</b>
% Change	1.9%	3.5%	5.1%	4.4%	6.0%	7.0%	8.3%	7.5%	2.8%	3.4%
Increase	884	1,594	2,181	1,791	2,329	2,519	2,766	2,325	853	980

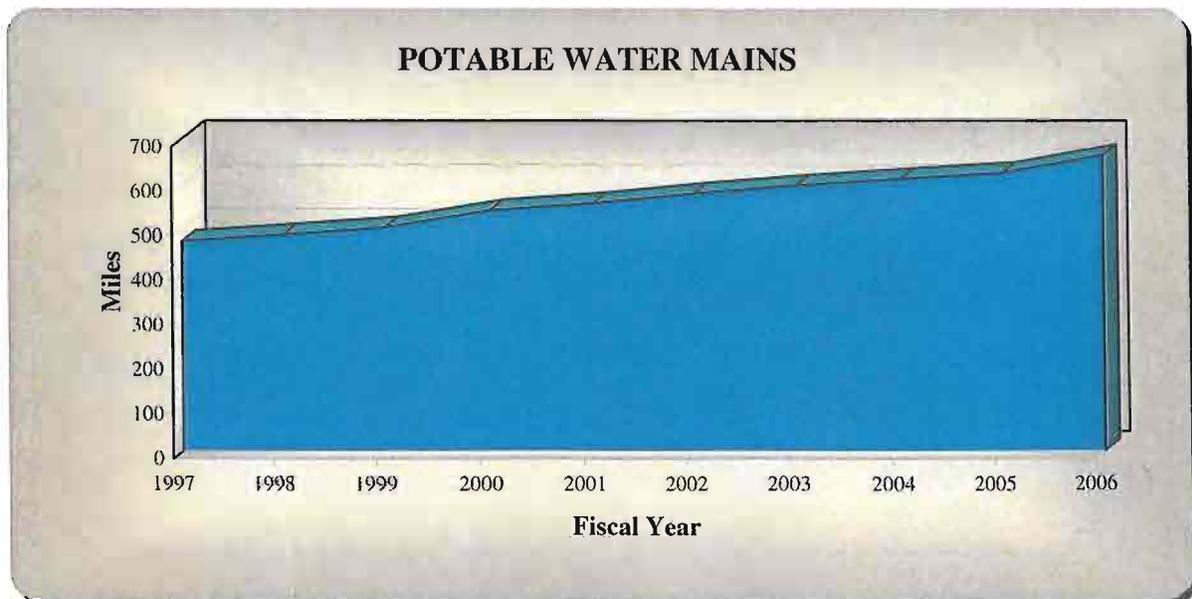


Source: Otay Water District



## OTAY WATER DISTRICT Demographics Statistics Last Ten Fiscal Years

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b><u>Water System</u></b>										
Service Area (Square Miles)	125.5	125.5	125.5	125.5	125.5	125.5	125.5	125.5	125.5	125.5
Miles of Potable Water Main	470	484	501	539	554	576	594	609	623	663
Number of Operational Storage Reservoirs in Service	38	38	37	37	37	38	37	37	36	37
Water Storage Capacity (in Acre Feet)	541.4	541.4	538.4	538.4	538.4	587.5	582.3	585.4	582.4	601.7
Total Water Connections (No. of Meters in Service)	30,167	31,020	34,612	36,986	39,624	41,500	43,915	46,028	47,127	47,409
Number of Pump Stations	20	20	20	20	20	21	21	21	21	22
Number of Potable Water Valves	11,279	11,846	12,340	13,519	14,296	15,073	15,830	16,204	17,696	18,042
<b><u>Sewer System</u></b>										
Miles of Sewer Lines	80.0	80.9	81.3	82.1	82.9	83.5	84.8	85.4	85.9	86.2
Number of Treatment Plants	1	1	1	1	1	1	1	1	1	1
Treatment Plant Capacity (Million Gallons per Day)	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Total Flows for Fiscal Year 2006 (in Million Gallons)	445	456	413	442	452	455	463	479	506	483
<b><u>Recycled System</u></b>										
Miles of Recycled Water Mains	20.0	20.8	29.3	37.7	40.3	49.2	60.6	70.7	76.4	77.6
Number of Pumping Facilities	1	1	1	1	1	1	2	2	2	2
Number of Acre Feet Storage	36.8	86.9	86.9	86.9	86.9	86.9	97.3	97.3	97.3	97.3
Number of Recycled Water Valves	256	282	437	542	588	730	948	1,097	1,155	1,189





# AGENDA ITEM 7b

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 1, 2006
SUBMITTED BY:	Joseph R. Beachem,  Chief Financial Officer	W.O./G.F. NO:	DIV. NO. All
APPROVED BY: (Chief)			
APPROVED BY: (Asst. GM):	 German Alvarez, Assistant General Manager		
SUBJECT:	Informational Item on a Public Hearing Under Proposition 218		

### GENERAL MANAGER'S RECOMMENDATION:

This is an informational item only, to inform the Board of the need to hold a public hearing to receive public comment on the pending rate increases. The hearing is planned for the January board meeting, after which the Board may affirm the rate changes.

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

See Attachment A.

### PURPOSE:

This is an informational item only, to inform the Board of the need to hold a public hearing to receive public comment on the pending rate increases. The hearing is planned for the January board meeting, after which the Board may affirm the rate changes.

### ANALYSIS:

District Counsel and the Financial Advisor both recommend that in light of the District's desire to issue debt, that the District hold a Prop 218 hearing covering the pending rate changes. Subsequent to the "Bighorn - Desert View Water Agency v. Virttil (Kelley)" case the bond market's view of what constitutes compliance with Prop 218 has changed. By holding a properly noticed Prop 218 hearing, Counsel and the Financial Advisor believe that the District will avoid any question of compliance and thereby protect the District's ability to issue the planned debt.

In order to more clearly comply with the intent of Prop 218, staff will not implement the rate changes until after the hearing date and reaffirmation of the rates by the Board. This is a three day delay from the originally approved implementation date. Due to the time of year and the low water use, this rescheduling of the rate changes is expected to reduce this year's annual revenue by approximately \$4,000.

The new rates, approved by the Board in the May Budget Workshop, represent an overall increase of 5.4% in water rates and 5.8% in sewer rates. The individual changes for each of the various rates were identified in the Board Budget Workshop and are now being listed, in detail, on the public hearing notice (see Attachment B).

Staff will send the notice to customers in their October or November bills. In addition, owners that are not occupants will be sent the same notice separately, to notify them as required by Prop 218. The minimum time for the notice is 45 days prior to the hearing date. Holding the hearing at the January Board meeting fulfills that requirement.

**FISCAL IMPACT:**



Meeting the bond markets expectation for this hearing will have a positive impact on the District's ability to obtain low cost financing. The cost of the notice is approximately \$7,000. The three day delay in the rate implementation will cost the District approximately \$4,000.

**STRATEGIC OUTLOOK:**

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

**LEGAL IMPACT:**

\_\_\_\_\_

None.

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

Attachments:

- A) Committee Action Form
- B) Public Hearing Notice



## ATTACHMENT A

<b>SUBJECT/PROJECT:</b>	Informational Item on a Public Hearing Under Proposition 218
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### COMMITTEE ACTION:

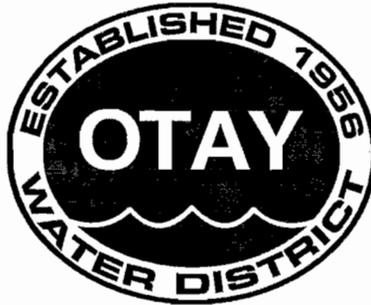
The Finance and Administration Committee reviewed this item at a meeting held on October 20, 2006. The following comments were made:

- The District will be issuing debt this fiscal year and because the bond market sets a higher bar in its efforts to protect the interest of investors, the District's Financial Advisor and the District's General Counsel have suggested that the District hold a public hearing in compliance with Proposition 218 at the January 3, 2007 board meeting. This will be followed by the reapproval of the rate increases adopted at the May 30, 2006 board meeting.
- As property owners must receive notice 45 days in advance of the public hearing, notices are scheduled to be mailed with upcoming District water bills (October and November). Owners who do not reside at their properties will receive the notices via a separate mailing. Both sewer and water customers will receive the notices. The notice will be posted to the District's website.
- In the future, notices will be customized so that property owners only receive information on the rate changes that affect them specifically. The current notice includes all rates for all customer classes.
- It was indicated that to more fully comply with Proposition 218, the rate changes will not be implemented until after the public hearing and the board's reaffirmation of the rate increases. This will delay the planned implementation date by 3 days.
- The committee discussed how future increases may be handled. The budget would continue to be presented for approval in May allowing the District to move

forward with an approved budget. Following the budget approval, which would include a review of the proposed rate changes, the customers would be notified of the proposed rate changes and the pending public hearing. The hearing would occur in the early part of the fiscal year, followed by the rate approval, and then followed by rate implementation on the first day of January.

- Staff noted that the District is likely to have some public attendance at the hearing.

Upon completion of the discussion, the Committee supported staff's recommendation and forwarding to the Board of Directors as an informational / action item.



Please be advised there will be a Public Hearing regarding  
proposed water and sewer rates:

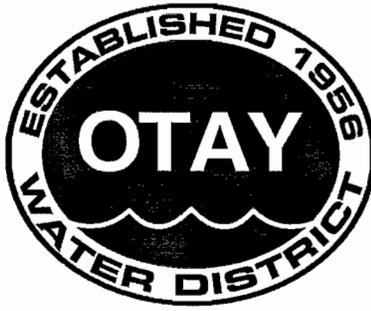
Wednesday, January 3, 2007  
3:30 p.m. in the Board Meeting Room  
2554 Sweetwater Springs Blvd.  
Spring Valley, CA 91978

Purpose and Summary of Rates: The purpose of the new rate structure is to make it possible for the Otay Water District to maintain the level of service to its customers and a balanced budget. The new rates were determined after performing a detailed six-year analysis of all costs and revenues. This analysis shows a significant portion of the required rate increases are directly related to higher costs for energy and water supply. The proposed rate increases are set forth in the enclosed tables.

Pursuant to currently applicable law, owners of record may respond to proposed rate increases. If you desire to object to the proposed rate increases, you may file a written protest with the Secretary of the Otay Water District at or prior to the time and date set for the public hearing. Under applicable law, protests must be received in writing prior to the close of the public hearing to be considered. A valid protest must contain a description of the real property sufficient to identify the parcel you own within the boundaries of the District (address and or assessor parcel number), the owner(s) name(s), and signature of the owner(s). If the current owner is not shown on the last equalized assessment roll of the County of San Diego, written evidence must be submitted that the person signing the protest is the owner(s). Protests can be mailed or physically delivered to: **Board Secretary, Otay Water District, at the address above. DO NOT SEND PROTESTS VIA EMAIL.**

If a majority of the affected property owners file written protests, the proposed water or sewer rate charges will not be implemented. If you have questions regarding this notice, please visit our Web site at [www.otaywater.gov](http://www.otaywater.gov) or speak with a Customer Representative at (619) 670-2227 between 8:00 a.m. and 5:00 p.m. Monday through Friday.

*Este informe contiene información muy importante sobre su tarifa de agua. Por favor llame servicio al cliente (619-670-2227) se tiene preguntas.*



Monthly Charges				
Customer Class: Domestic Service				
Meter Size	System Charge (Through 12-31-06)	System Charge (Proposed 1-1-07)	MWD & CWA Fixed Charge (Through 12-31-06)	MWD & CWA Fixed Charge (Proposed 1-1-07)
3/4"	10.25	11.30	2.85	3.55
1"	16.50	18.15	4.55	5.65
1-1/2"	32.50	35.75	8.55	10.65
2"	54.20	58.60	14.80	18.45

Customer Classes: Multi Residential, Business, Combined Domestic/Agriculture, Publicly-owned, Commercial Agricultural, Non Agricultural Irrigation, Reclaimed, Irrigation using Non-potable and Reclaimed				
Meter Size	System Charge (Through 12-31-06)	System Charge (Proposed 1-1-07)	MWD & CWA Fixed Charge* (Through 12-31-06)	MWD & CWA Fixed Charge* (Proposed 1-1-07)
3/4"	20.00	22.00	2.85	3.55
1"	30.80	33.90	4.55	5.65
1-1/2"	43.30	47.65	8.55	10.65
2"	54.20	59.60	14.80	18.45
3"	87.20	95.90	27.35	34.05
4"	99.80	109.80	46.75	58.20
6"	199.50	219.45	85.50	106.45
10"	380.80	418.90	222.30	276.75

\* Not charged to Non Agricultural Irrigation and Reclaimed

Fire Service System Charges - From \$21.20 to \$23.30
Customer Class: Multi Residential Multiple Unit Charge per meter from \$3.21 to \$3.53

Customers paying two times the water rate (Tank Trucks, Temporary Construction Meters and service outside the Otay Water District or an Improvement District) are impacted by the changes in their base rates.

Sewer Charge per ASU - From \$30.90 to \$32.70
ASU - Assigned Service Unit

Water Unit Charges		
Improvement District Additional Water Charges		
Service Area	Rate per H.C.F. (Through 12-31-06)	Rate per H.C.F. (Proposed 1-1-07)
ID 3	0.14	0.15
ID 10	0.22	0.23

Customer Class: Domestic Service		
Number of H.C.F. Furnished	Rate per H.C.F. (Through 12-31-06)	Rate per H.C.F. (Proposed 1-1-07)
*1-5	1.05	1.08
6-10	1.73	1.78
11-35	1.88	1.94
Over 36	2.75	2.83

\* Applies if 10 units or less used

Customer Class: Multi Residential and Residential Attached		
Number of H.C.F. Furnished	Rate per H.C.F. (Through 12-31-06)	Rate per H.C.F. (Proposed 1-1-07)
0-4	1.73	1.78
Over 4-15	1.88	1.94
Over 15	2.75	2.83

Customer Classes: Business, Combined Domestic/Agriculture, Publicly Owned, Commercial, Agricultural, Non Agricultural Irrigation, Special Agreement	
Rate per H.C.F. (Through 12-31-06)	Rate per H.C.F. (Proposed 1-1-07)
1.85	1.91

Customer Class: Reclaimed, Irrigation using Non potable and Reclaimed	
Rate per H.C.F. (Through 12-31-06)	Rate per H.C.F. (Proposed 1-1-07)
1.57	1.65



# AGENDA ITEM 8a

## STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	November 1, 2006
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	DIV. NO.
SUBJECT:	Board of Directors 2006 and 2007 Calendar of Meetings		

**GENERAL MANAGER'S RECOMMENDATION:**

At the request of the Board, the attached Board of Director's meeting calendar for 2006 and 2007 is being presented for discussion.

**PURPOSE:**

This staff report is being presented to provide the Board the opportunity to review the 2006 and 2007 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.

A handwritten signature in blue ink, appearing to read "Paul W. Smith", is written over a horizontal line.

**General Manager**

Attachments: Calendar of Meetings for 2006 and 2007

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**Board of Directors, Workshops  
and Committee Meetings  
2006**

**Regular Board Meetings:**

January 4, 2006  
February 1, 2006  
March 13, 2006  
April 5, 2006  
May 3, 2006  
June 7, 2006  
July 5, 2006  
August 2, 2006  
September 6, 2006  
October 4, 2006  
November 1, 2006  
**December 6, 2006**

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

January 18, 2006  
February 15, 2006  
March 15, 2006  
April 19, 2006  
May 17, 2006  
June 21, 2006  
July 19, 2006  
August 16, 2006  
September 20, 2006  
October 18, 2006  
November 15, 2006  
**December 20, 2006**

**Board Workshops:**

Tuesday, May 30, 2006, Budget Workshop  
Monday, August 7, 2006, Integrated Resources Plan Workshop  
Monday, September 25, 2006, Board Retreat Workshop

**Committee Meetings:**

***CWA/Water Resources and Security Committee (Tuesday before the CWA board meeting):***

Water Resource and Security Committee Chair  
Gary Croucher  
Mark Watton, CWA Board Representative

January 24, 2006  
February 21, 2006  
~~March 21, 2006 (Canceled)~~  
April 25, 2006  
May 23, 2006  
June 20, 2006  
July 25, 2006  
August 22, 2006  
September 26, 2006  
October 24, 2006  
**November 28, 2006**  
December – No meeting

**Board of Directors, Workshops  
and Committee Meetings  
2007**

**Regular Board Meetings:**

January 3, 2007  
February 7, 2007  
March 7, 2007  
April 4, 2007  
May 2, 2007  
June 6, 2007  
July 4, 2007 (4<sup>th</sup> of July Holiday)  
August 1, 2007  
September 5, 2007  
October 3, 2007  
November 7, 2007  
December 5, 2007

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

January 17, 2007  
February 21, 2007  
March 21, 2007  
April 18, 2007  
May 16, 2007  
June 20, 2007  
July 18, 2007  
August 15, 2007  
September 19, 2007  
October 17, 2007  
November 21, 2007  
December 19, 2007

**Board Workshops:**

Budget Workshop, TBD  
Integrated Resources Plan Workshop, TBD  
Board Retreat Workshop, TBD

**Committee Meetings:**

***CWA/Water Resources and Security Committee (Tuesday before the CWA board meeting):***

Water Resource and Security Committee Chair  
Gary Croucher  
Mark Watton, CWA Board Representative

January 23, 2007  
February 20, 2007  
March 20, 2007  
April 24, 2007  
May 22, 2007  
June 26, 2007  
July 24, 2007  
August 21, 2007  
September 25, 2007  
October 23, 2007  
November 13, 2007  
December – No meeting

# AGENDA ITEM 9



## STAFF REPORT

TYPE MEETING:	Regular Board Meeting	MEETING DATE:	November 1, 2006	
SUBMITTED BY:	Mark Watton, General Manager	W.O./G.F. NO:	N/A	DIV. NO. N/A
SUBJECT:	General Manager's Report			

### GENERAL MANAGER:

- Update on the 30-inch Recycled Water Pipeline, 450-1 Reservoir, and 680-1 Pump Station Projects:
  - Ortiz Construction has completely installed the pipeline. Testing and installation of appurtenances are being pursued. Final paving is underway.
  - The reservoir floor and shell rings have been welded and the roof is complete.
  - The walls of the pump station are complete and the roof is under construction. Paving around the reservoir is underway.
- The General Manager has approved a waiver request from The Environmental Trust, Inc. for payment of \$3,657.01 in deferred availability fees and interest. The Environmental Trust, Inc. had entered into an Availability Deferral Agreement with the District in 2003 which waives the fees for water availability for the period of the agreement as property referenced in the agreement were designated as open space and did not utilize water infrastructure. The Environmental Trust, Inc. indicated that they wished to sell one of the properties (APN# 585-091-05) encumbered by the 2003 agreement to the United States Department of the Interior, Fish and Wildlife Service, and has requested that the District agree to terminate the agreement with reference to this specific property (APN# 585-091-05) and waive any accrued availability fees and interest that would be due by terminating the agreement prior to its expiration date. The Department of the Interior has indicated that the property will become part of the San Diego National Wildlife Refuge and would be managed solely for this

purpose and they would not require water services to the parcel. Because the land will continue to be managed as open space, the General Manager has approved the waiver request by The Environmental Trust, Inc.

**ADMINISTRATIVE SERVICES AND FINANCE:**

***Administrative Services:***

- Two new hires started employment in the month of October: Customer Service Rep. I and a Sr. Utility Worker/Equipment Operator.
- In preparation for upcoming Negotiations, Staff and Dan Cassidy met with the Employee Association and then met with the Ad-Hoc Committee on October 6, 2006, to discuss the process of the upcoming Negotiations and Compensation Study. Doug Johnson of Johnson and Associates was present to discuss the process for the Compensation Study.
- The following table summarizes consultant services retained during the month of August, 2006, that are within staff signatory authority:

Date	Action	Amount	Contractor/ Consultant	Project
08/03/06	P.O.	\$24,000	Dan Cassidy of Liebert Cassidy & Whitmore	Legal representation during negotiations
08/30/06	P.O.	\$32,600	Johnson & Associates	Compensation Study

- The District is planning FEMA training for IS 800 for District Emergency Response Personnel. This class will be targeted for those responders who will be reporting to the Emergency Operations Center as part of the EOC team. The District has provided FEMA training for IS 100, IS 200, and IS 800 courses. This will complete much of the major training effort that has been mandated by the Federal Government. More training will be forthcoming as required and/or necessary. This course will be provided at no cost to the District due to the cooperation between the City of Chula Vista Emergency Managers and Otay.
- On December 12th the District will be hosting the Water Utilities Safety Management Association monthly meeting. This meeting will include safety personnel and other interested managers throughout Southern California and

will be discussing topics and sharing information and ideas to assist in the safety efforts of all agencies.

- **Cash for Plants Program:** The District received a favorable write-up regarding its Cash for Plants turfgrass replacement program in the *Homescape* section of the *Union-Tribune* on October 14. In addition, the Jamacha Park HOA completed their project this month, replacing approximately 6,500 square feet of turfgrass with water-wise plants.
- **Outreach events:** Otay staff worked the October 21<sup>st</sup> California Friendly Gardening Festival held at the Water Conservation Garden, which the District promoted through bill inserts and on its webpage. The event attracted approximately 1,500 people. In addition, staff taught a homeowner's class on irrigation design on October 17<sup>th</sup> at the Garden. Six homeowners attended the class.
- **School Program Activity:** Staff conducted four school tours at the Water Conservation Garden this month, involving 204 students and 26 adults from Tiffani, Vista Grande and Avocado Elementary Schools. In addition, staff has delivered the water cycle kit to two schools this month, Tiffani and Rohr Elementary Schools (Chula Vista), and the Watershed Kit to Avocado Elementary (Cajon Valley). These kits were used by twelve 2<sup>nd</sup> and 3<sup>rd</sup> grade classes. To date, we have received three requests for the Splash Lab and one mini-grant request for a school garden. Another mailing promoting the Splash Lab Garden Tours and other programs were mailed out at the end of October.
- The District was presented with a certificate of achievement by the California Highway Patrol for six consecutive years of Satisfactory Fleet Safety Inspections relating to how the District maintains a safe fleet of commercial vehicles.
- In the month of October there were 111 purchase orders issued for a total of \$2,504,917.88.

***Information Technology and Strategic Planning:***

- The build-out of the District's computer data center project is proceeding on schedule. Electrical work is complete and air conditioning work is nearly complete; the UPS uninterruptible power supply has been installed.

We will be employing short-term labor to assist in the migration of data to our new configuration.

- The District's IVR system continues to mature. Staff is adding an additional capability to the system that will allow us to automatically call out to customers when we need to alert them of a planned disruption in service. The capability could also be used in case of an emergency if we needed to contact large numbers of customers quickly. The system uses the customer's phone number that we store in a customer information system.
- The management reporting capabilities of our software continue to improve. In conjunction with Finance, we offer financial drill-down reports for variance analysis that are easy to use. Finance is conducting additional manager training. We are also offering additional reporting for capital projects that should allow project managers more control over their costs.
- The deployment of the field mobile computers is progressing according to plan. Staff is training field operations staff on how to use the new devices. Approximately 40 employees in Operations have been trained. We have deployed 6 units. Current dispersal of units is temporarily on hold while a network configuration issue is resolved. In the next two weeks, we anticipate an additional 20 units will be distributed.
- Senior staff has one final meeting to provide enhancements to the FY 2007 Strategic Plan. Changes in FY 2007 include integration of Development Services and Engineering, enhanced performance measures, and greater alignment with the Qualserve Benchmarking study.
- Otay continues to promote its achievements in professional circles. Geoff Stevens presented a paper at the Business Process Innovation Summit Conference sponsored by Perot Systems on October 17th at the Hotel Del Coronado. The topic was Otay's Strategic Plan and use of the "Balanced Scorecard". In addition, Theresa Nakatani and Geoff Stevens each made presentations at the GBA Users' Conference held Oct 5-9th in San Diego. Theresa discussed the use of GBA work orders for valve inspection and Geoff presented Otay's approach to enterprise system integration.

- The following table summarizes change order and consultant services that were issued during the month of October, 2006, that are within staff signatory authority:

Date	Action	Amount	Contractor/ Consultant	Project
10/27/06	C.O.	\$6,000	Fandel Enterprises	Additional implementation support for IVR, Emergency 911 and outbound dialing.
10/27/06	P.O.	\$14,000	Fandel Enterprises	Telecommunications consulting support for FY2007.

**FINANCE:**

- OPEB Liability - Staff will be meeting with the actuary on November 2, 2006 to review the preliminary actuarial results of the OPEB liability. This information will need to be disclosed in future financial statements based on the new accounting requirements, GASB 45. Staff plans to review this information with the Finance & Administration Committee in November.
- Financial Statement Audit - The auditors have completed their field work at the District. The CAFR has been prepared and will be presented at the November Board meeting. The audit was a "Clean" audit with no management letter comments.
- Bond Sale - The financial advisor was selected and staff is going through the selection process for the Bond and Disclosure Counsels which will be presented to committee in November and the Board in December. The insurance company and the underwriters will be selected at or near the time of the Bond Sale which is anticipated to be in March 2007.
- Financing Plan - The financial advisor will be working with staff to develop a Financial Plan. This is in conjunction with the bond sale efforts. The timing and structure of the future bond sales will be reviewed as well as the potential for restructuring any existing debt. This will insure compliance with the District's Debt Policy and help to minimize the overall cost of financing District infrastructure. While staff does not anticipate any changes for existing debt, this is a valuable process to validate the design of the overall debt portfolio.

- Budget Policy -Staff is currently reviewing numerous budget policies and looking to incorporate those "Best Practices" that best fit the District's preferred form of operations. There will be numerous meetings to review the policy with staff prior to presentation to the Board. Staff plans to present the proposed policy to the Finance and Administration Committee in early 2007.
- Debt Policy - The Debt Policy is being revised and will be submitted to GFOA for "Certification". The policy will then be brought to the December Finance and Administration Committee for review. The proposed changes will add many of the existing practices to the policy making it more robust and adding transparency to the District's financial matters.
- The District's customers have had the option to pay their water bill at the Postal Annex located in the Terra Nova shopping center on E. H Street in Chula Vista. This option to pay at this South Bay location was available by the Postal Annex for a fee and has been available since March of 1996. For the past four years, that charge has remained at \$0.50. Starting January 1, 2007 the Postal Annex is going to increase their fee to \$1.00 per transaction. Approximately 900 customers use this service every month. Staff believes that this is still a reasonable fee and believes that the cost increase is appropriate due to the Postal Annex's increased banking fees. Customers using this service will be notified in the next two months of the fee increase.

**The financial reporting for September 2006 is as follows:**

- For the two months ending September 30, 2006, there are total revenues of \$17,172,414 and total expenses of \$16,138,017. The revenues exceeded expenses by \$1,034,397.

**The financial reporting for investments for September 30, 2006 is as follows:**

- The market value of the Portfolio Master Summary and the Investment Portfolio Details as of September 30, 2006 total \$71,272,478.60 with an average yield to maturity of 4.760%. The total earnings year-to-date are \$818,491.24. The effective duration is .315 of a year.

## **ENGINEERING AND WATER OPERATIONS:**

### ***Engineering:***

- Staff received 9 new improvement plans from developers for potable/recycled plan checks.
- San Diego Regional Energy Office sponsored a one day conference on solar energy. One staff member from the engineering department attended this conference.
- On October 11, 2006, the Sweetwater Authority Board approved the consultant selection for the Membrane BioReactor (MBR) Feasibility Study. Sweetwater Authority staff will proceed with contract negotiations with RMC Water and Environmental.
- In order to educate and publicize the use and benefits of recycled water, staff requested proposals from four public relations firms. Marston & Marston has been selected to develop the recycled water brochures and it is expected that they would be completed by March 2007. The brochures will be distributed at the recycled pipeline dedication event and mailed to stakeholders, landscape contractors and will be available at community events, the Development Services counter and the City of Chula Vista Planning Department.
- The 1485-1 Pump Station Project issued a P.O. on September 28, 2006 for the Heating, Ventilation, & Air Conditioning (HVAC) design of the new station to HVAC Engineering, Inc. Construction is scheduled to begin in September 2007.
- The East County Regional Treated Water Improvement Program (ECRTWIP) Agreement requires an agreement between the San Diego County Water Authority (SDCWA) and Otay Water District (Otay) for Otay Flow Control Facility (FCF) No. 14 capacity increase to 16 MGD. The ECRTWIP Agreement established cost sharing at 50% each of actual costs. The Otay FCF No. 14 Agreement has been drafted, reviewed, and negotiations on final terms with SDCWA are complete. The Otay FCF No. 14 Agreement will be before the Board in November 2006. The Otay share of the facility modifications has been estimated by SDCWA at \$0.62 million.

- The required disbursement documentation for the first progress payment related to the State Water Resources Control Board (SWRCB) \$4.0 million Proposition 50 grant was sent to the SWRCB. The first disbursement check has been received in the amount of \$2,462,576.00. Upon completion of the three recycled water projects that link the South Bay Water Reclamation Plant supply to the Otay Water District recycled water system, a final disbursement request for the total of \$4.0 million grant can be made. The final grant disbursement request is expected to be sometime after March 2007.
- Otay has prepared and sent to the City of San Diego (City) the required United States Bureau of Reclamation (USBR) documentation under the Title XVI program. The City subsequently invoiced the USBR to receive the current fiscal year Otay Title XVI budget amount of \$1,200,000. The USBR has completed processing the disbursement request and the check was mailed to the City. The City has forwarded the check and Otay has received the \$1,200,000 check (Attachment A).
- The fiscal year 2007 Capital Improvement Program information has been uploaded into the Otay Water Inet system.
- 24 meters were sold as of October 19, 2006, generating \$451,779 in revenue. Total meters sold for FY06-07 were 323 to date, which generated \$3,923,531 for the District.
- The Construction Division received 3 new projects to be constructed by developers and performed 2 pre-construction meetings. In addition, 4 projects were completed and no projects were released from warranty.
- Approximately 5,200 linear feet of both CIP and developer project pipelines were installed since July 2006. The Construction Division performed quality assurance for these pipelines.
- 231 underground facilities were located, 8 hydrostatic pressure tests, 17 wet taps and tie-ins, 55 meter set inspections, and 3 project walk-throughs were performed during the month.

- The following table summarizes purchase and change orders issued from September 22 through October 12, 2006, that were within staff signatory authority:

Date	Action	Amount	Contractor/ Consultant	Project
9/22/06	C.O. #2	\$43,552.62	Ortiz Corporation, Inc.	30-Inch Recycled Water Pipeline Project
9/28/06	P.O. 704892	\$12,300.00	HVAC Engineering, Inc.	1485-1 Pump Station Replacement (CIP P2172)
10/4/06	P.O. 704902	\$6,200.00	Otay River Constructors	SR125 W-15 ACP Disposal
10/05/06	P.O. 704922	\$20,000.00	Otay River Constructors	SR125 Agreement #26325 -04E W.O. 09T Sweetwater Road
10/5/06	P.O. 704921	\$120,000.00	Otay River Constructors	SR125 Agreement #26325 -04A W.O. 23 Olympic Parkway Board approved 7/21/04
10/10/06	P.O. 704926	\$62,197.00	Caltrans	Utility Agreement #31755, Airway and Harvest Bond Board approved 7/5/06
10/12/06	P.O. 704956	\$6,500.00	Marston & Marston, Inc.	Public Relations and Graphic Design Services for the Recycled Water Program Brochures

**Water Operations:**

- Water purchased for the month of September was 4,282.3 acre-feet. Beginning FY 06/07 to date, July 1, 2006 to September 30, 2006 there has been 13,764.5 acre-feet of water purchased. This is a 2 percent increase from the same period last year, July 1, 2005 to September 30, 2005.
- The AMR change-out program is progressing. The District's contractor, Underground Utility, Inc. (UUI), has replaced 3,705 RAMAR/Badger units as of September 30, 2006, leaving 3,106 RAMAR units still in use.
- There were 89 new Automated Meter Reading (AMR) meters installed, 239 meters were replaced with new AMR meters and 4 meters were retrofitted to AMR meters for the month of September.

Total number of potable water accounts is 47,287.

- Recycled water consumption for the month of September is as follows:

Total flow was 543.4 acre-feet or 177,086,008 gallons and the average daily flow was 5,902,867 gallons per day.

Total number of recycled water accounts is 547.

- Wastewater flows for the month of September were as follows:

Total basin flow, gallons per day: 2,207,000.  
Total Otay flow, gallons per day: 1,474,000.  
Flow Processed at the Ralph W. Chapman Water Recycling Facility, gallons per day 1,282,000.  
Flow to Metro from Otay Water District, gallons per day: 192,000.

Total number of sewer connections is 6,054.



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General Manager

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# AGENDA ITEM 9

Exhibit A

OTAY WATER DISTRICT  
**COMPARATIVE BUDGET SUMMARY**  
 FOR THREE MONTHS ENDED SEPTEMBER 30, 2006

	Annual Budget	YTD Actual	YTD Budget	YTD Variance	Var %
<b>REVENUE:</b>					
Water Sales	\$ 29,866,000	\$ 9,688,817	\$ 9,598,100	\$ 90,717	0.9%
Energy Charges	1,853,000	601,512	598,800	2,712	0.5%
System Charges	8,529,300	2,046,367	2,045,300	1,067	0.1%
Penalties	704,500	208,371	204,300	4,071	2.0%
MWD & CWA Fixed Charges	2,178,000	478,218	477,800	418	0.1%
Total Water Sales	43,130,800	13,023,285	12,924,300	98,985	0.8%
Reclamation Sales	4,485,400	1,474,202	1,436,700	37,502	2.6%
Sewer Charges	2,568,100	618,068	627,600	(9,532)	(1.5%)
Meter Fees	278,500	91,070	83,600	7,470	8.9%
Capacity Fee Revenues	1,000,200	350,757	250,200	100,557	40.2%
Annexation Fees	1,216,900	709,503	365,100	344,403	94.3%
Non-Operating Revenues	1,674,100	359,661	354,300	5,361	1.5%
Tax Revenues	3,427,400	117,958	101,900	16,058	15.8%
Interest	1,005,600	357,010	251,400	105,610	42.0%
General Fund Draw Down	283,600	70,900	70,900	-	0.0%
Total Revenue	\$ 59,070,600	\$ 17,172,414	\$ 16,466,000	\$ 706,414	4.3%
<b>EXPENSES:</b>					
Water Purchases	\$ 22,954,900	\$ 7,452,911	7,393,900	\$ (59,011)	(0.8%)
CWA-Infrastructure Access Charge	1,003,900	244,188	244,200	12	0.0%
CWA-Customer Service Charge	846,800	203,190	203,100	(90)	(0.0%)
CWA-Emergency Storage Charge	1,230,600	295,596	295,500	(96)	(0.0%)
MWD-Capacity Res Charge	514,800	128,796	128,700	(96)	(0.1%)
MWD-Readiness to Serve Charge	512,200	128,052	127,900	(152)	(0.1%)
Subtotal Water Purchases	27,063,200	8,452,733	8,393,300	(59,433)	(0.7%)
Power Charges	2,677,800	656,993	649,725	(7,268)	(1.1%)
Payroll & Related Costs	14,606,300	3,691,458	3,380,285	(311,173)	(9.2%)
Material & Maintenance	4,623,700	1,114,884	1,106,477	(8,407)	(0.8%)
Administrative Expenses	5,559,600	1,086,950	1,360,650	273,700	20.1%
Replacement Reserve	4,540,000	1,135,000	1,135,000	-	0.0%
Total Expenses	\$ 59,070,600	\$ 16,138,017	\$ 16,025,437	\$ (112,580)	(0.7%)
<b>Excess Revenue (Expense)</b>	<b>\$ -</b>	<b>\$ 1,034,397</b>	<b>\$ 440,563</b>	<b>\$ 593,834</b>	

**OTAY  
Portfolio Management  
Portfolio Summary  
September 30, 2006**

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 360 Equiv.</b>	<b>YTM 365 Equiv.</b>
Federal Agency Issues- Callable	45,000,000.00	44,885,894.62	44,955,385.17	66.76	509	256	4.766	4.832
Treasury Securities - Coupon	9,000,000.00	8,963,437.50	8,978,743.24	13.33	351	106	4.460	4.521
Certificates of Deposit - Bank	79,108.00	79,108.00	79,108.00	0.12	730	478	3.880	3.934
Local Agency Investment Fund (LAIF)	13,227,443.44	13,218,652.51	13,227,443.44	19.64	1	1	4.954	5.023
San Diego County Pool	102,174.10	101,924.95	102,174.10	0.15	1	1	4.212	4.271
	<b>67,408,725.54</b>	<b>67,249,017.58</b>	<b>67,342,853.95</b>	<b>100.00%</b>	<b>388</b>	<b>186</b>	<b>4.760</b>	<b>4.826</b>
<b>Investments</b>								
<b>Cash</b>								
Passbook/Checking (not included in yield calculations)	4,023,461.02	4,023,461.02	4,023,461.02		1	1	0.022	0.023
<b>Total Cash and Investments</b>	<b>71,432,186.56</b>	<b>71,272,478.60</b>	<b>71,366,314.97</b>		<b>388</b>	<b>186</b>	<b>4.760</b>	<b>4.826</b>

<b>Total Earnings</b>	<b>September 30 Month Ending</b>	<b>Fiscal Year To Date</b>
Current Year	266,876.99	818,491.24
<b>Average Daily Balance</b>	<b>69,435,139.18</b>	<b>71,866,964.14</b>
<b>Effective Rate of Return</b>	<b>4.68%</b>	<b>4.52%</b>

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

10-23-06

**OTAY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**September 30, 2006**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity	Maturity Date
<b>Federal Agency Issues- Callable</b>												
3133X8KE1	1988	Federal Home Loan Bank		09/29/2004	3,000,000.00	2,983,125.00	3,000,000.00	3.025		2.982	89	12/29/2006
3133XASF5	1991	Federal Home Loan Bank		03/08/2005	3,000,000.00	2,989,687.50	3,000,000.00	3.500		3.450	68	12/08/2006
3133XARK5	1992	Federal Home Loan Bank		03/08/2005	3,000,000.00	2,989,687.50	3,000,000.00	3.510		3.460	68	12/08/2006
3133XEMS5	1998	Federal Home Loan Bank		02/28/2006	3,000,000.00	2,992,500.00	3,000,000.00	5.000		4.943	423	11/28/2007
3133XEP45	1999	Federal Home Loan Bank		03/02/2006	3,000,000.00	2,994,375.00	3,000,000.00	5.000		4.932	152	03/02/2007
3133XETX7	2001	Federal Home Loan Bank		03/14/2006	3,000,000.00	2,995,312.50	3,000,000.00	5.125		5.055	348	09/14/2007
3133XF2C9	2002	Federal Home Loan Bank		04/25/2006	3,000,000.00	3,002,812.50	3,000,000.00	5.250		5.175	367	10/03/2007
3133XFBX3	2003	Federal Home Loan Bank		05/04/2006	3,000,000.00	2,998,125.00	3,000,000.00	5.250		5.178	215	05/04/2007
3133XFS72	2007	Federal Home Loan Bank		06/28/2006	3,000,000.00	3,000,000.00	3,000,000.00	5.350		5.277	453	12/28/2007
3133XGCU6	2008	Federal Home Loan Bank		07/28/2006	3,000,000.00	3,000,937.50	3,000,000.00	5.450		5.375	120	01/29/2007
3128X4K67	2000	Federal Home Loan Mortgage		03/07/2006	3,000,000.00	2,992,652.89	3,000,000.00	5.250		5.178	523	03/07/2008
3128X4DY4	2004	Federal Home Loan Mortgage		05/18/2006	3,000,000.00	2,972,207.79	2,972,856.65	4.000		5.129	285	07/13/2007
3128X4CE9	2005	Federal Home Loan Mortgage		05/18/2006	3,000,000.00	2,981,520.08	2,982,528.52	3.625		5.161	137	02/15/2007
3128X5CC0	2006	Federal Home Loan Mortgage		06/01/2006	3,000,000.00	2,999,513.86	3,000,000.00	5.340		5.263	269	06/27/2007
31359MG31	1997	Federal National Mortgage Assoc		02/24/2006	3,000,000.00	2,993,437.50	3,000,000.00	5.000		4.932	327	08/24/2007
<b>Subtotal and Average</b>			<b>48,352,098.93</b>		<b>45,000,000.00</b>	<b>44,885,894.62</b>	<b>44,955,385.17</b>			<b>4.766</b>	<b>256</b>	
<b>Treasury Securities - Coupon</b>												
912828DJ6	1993	US TREASURY		01/26/2006	3,000,000.00	2,981,250.00	2,987,140.54	3.125		4.376	122	01/31/2007
912828DQ0	1994	US TREASURY		01/26/2006	3,000,000.00	2,981,250.00	2,989,518.14	3.750		4.431	181	03/31/2007
912827Z62	1995	US TREASURY		02/02/2006	3,000,000.00	3,000,937.50	3,002,084.56	6.500		4.571	14	10/15/2006
<b>Subtotal and Average</b>			<b>8,978,534.16</b>		<b>9,000,000.00</b>	<b>8,963,437.50</b>	<b>8,978,743.24</b>			<b>4.460</b>	<b>106</b>	
<b>Certificates of Deposit - Bank</b>												
2050003183R	1996	California Bank & Trust		01/22/2006	79,108.00	79,108.00	79,108.00	3.880		3.880	478	01/22/2008
<b>Subtotal and Average</b>			<b>79,108.00</b>		<b>79,108.00</b>	<b>79,108.00</b>	<b>79,108.00</b>			<b>3.880</b>	<b>478</b>	
<b>Local Agency Investment Fund (LAIF)</b>												
LAIF	9001	STATE OF CALIFORNIA		07/01/2004	13,227,443.44	13,218,652.51	13,227,443.44	5.023		4.954	1	
<b>Subtotal and Average</b>			<b>9,359,110.11</b>		<b>13,227,443.44</b>	<b>13,218,652.51</b>	<b>13,227,443.44</b>			<b>4.954</b>	<b>1</b>	
<b>San Diego County Pool</b>												
SD COUNTY POOL	9007	STATE OF CALIFORNIA		07/01/2004	102,174.10	101,924.95	102,174.10	4.271		4.212	1	
<b>Subtotal and Average</b>			<b>101,023.35</b>		<b>102,174.10</b>	<b>101,924.95</b>	<b>102,174.10</b>			<b>4.212</b>	<b>1</b>	

Portfolio OTAY

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Run Date: 10/23/2006 - 12:07

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**OTAY**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**September 30, 2006**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity
Total and Average			69,435,139.18		67,408,725.54	67,249,017.58	67,342,853.95			4.760	186

**OTAY**  
**Portfolio Management**  
**Portfolio Details - Cash**  
**September 30, 2006**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 360	Days to Maturity
<b>Union Bank</b>											
UNION BANK	9002	STATE OF CALIFORNIA		07/01/2004	13,749.02	13,749.02	13,749.02	1.150		1.134	1
PETTY CASH	9003	STATE OF CALIFORNIA		07/01/2004	2,800.00	2,800.00	2,800.00			0.000	1
CALIF BANK & TR	9004	STATE OF CALIFORNIA		07/01/2004	3,937,050.55	3,937,050.55	3,937,050.55			0.000	1
PAYROLL	9005	STATE OF CALIFORNIA		07/01/2004	53,672.67	53,672.67	53,672.67			0.000	1
UNION IOC	9008	STATE OF CALIFORNIA		05/01/2006	16,188.78	16,188.78	16,188.78	4.620		4.557	1
		<b>Average Balance</b>	<b>0.00</b>								<b>1</b>
<b>Total Cash and Investmentss</b>			<b>69,435,139.18</b>		<b>71,432,186.56</b>	<b>71,272,478.60</b>	<b>71,366,314.97</b>			<b>4.760</b>	<b>186</b>

**OTAY  
Activity Report  
Sorted By Issuer  
July 1, 2006 - September 30, 2006**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
<b>Issuer: STATE OF CALIFORNIA</b>									
<b>Union Bank</b>									
UNION BANK	9002	STATE OF CALIFORNIA			1.150		13,780,471.18	13,821,740.44	
CALIF BANK & TR	9004	STATE OF CALIFORNIA					3,102,211.18	61,244.20	
PAYROLL	9005	STATE OF CALIFORNIA					4,773.74	0.00	
UNION IOC	9008	STATE OF CALIFORNIA			4.620		4,785,689.73	4,800,193.92	
<b>Subtotal and Balance</b>							<b>21,673,145.83</b>	<b>18,683,178.56</b>	<b>4,023,461.02</b>
<b>Local Agency Investment Fund (LAIF)</b>									
LAIF	9001	STATE OF CALIFORNIA			5.023		9,159,923.09	8,500,000.00	
<b>Subtotal and Balance</b>							<b>9,159,923.09</b>	<b>8,500,000.00</b>	<b>13,227,443.44</b>
<b>San Diego County Pool</b>									
SD COUNTY POOL	9007	STATE OF CALIFORNIA			4.271		3,082.37	0.00	
<b>Subtotal and Balance</b>							<b>3,082.37</b>	<b>0.00</b>	<b>102,174.10</b>
<b>Issuer Subtotal</b>			<b>24.293%</b>				<b>30,836,151.29</b>	<b>27,183,178.56</b>	<b>17,353,078.56</b>
<b>Issuer: California Bank &amp; Trust</b>									
<b>Certificates of Deposit - Bank</b>									
<b>Subtotal and Balance</b>									<b>79,108.00</b>
<b>Issuer Subtotal</b>			<b>0.111%</b>				<b>0.00</b>	<b>0.00</b>	<b>79,108.00</b>
<b>Issuer: Federal Home Loan Bank</b>									
<b>Federal Agency Issues- Callable</b>									
3133X5ZG6	1977	Federal Home Loan Bank			2.510	07/28/2006	0.00	3,000,000.00	
3133X6LN4	1980	Federal Home Loan Bank			2.650	08/10/2006	0.00	3,000,000.00	
3133X8KC5	1989	Federal Home Loan Bank			3.000	09/28/2006	0.00	3,000,000.00	
3133XARM1	1990	Federal Home Loan Bank			3.470	09/08/2006	0.00	3,000,000.00	
3133XGCU6	2008	Federal Home Loan Bank			5.450	07/28/2006	3,000,000.00	0.00	

Portfolio OTAY  
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OTAY  
Activity Report  
July 1, 2006 - September 30, 2006

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals	Ending Balance	
Subtotal and Balance				39,000,000.00			3,000,000.00	12,000,000.00	30,000,000.00	
Issuer Subtotal			41.998%	39,000,000.00			3,000,000.00	12,000,000.00	30,000,000.00	
<b>Issuer: Federal Home Loan Mortgage</b>										
Federal Agency Issues- Callable										
Subtotal and Balance				12,000,000.00					12,000,000.00	
Issuer Subtotal			16.799%	12,000,000.00			0.00	0.00	12,000,000.00	
<b>Issuer: Federal National Mortgage Assoc</b>										
Federal Agency Issues- Callable										
Subtotal and Balance				3,000,000.00					3,000,000.00	
Issuer Subtotal			4.200%	3,000,000.00			0.00	0.00	3,000,000.00	
<b>Issuer: US TREASURY</b>										
Treasury Securities - Coupon										
Subtotal and Balance				9,000,000.00					9,000,000.00	
Issuer Subtotal			12.599%	9,000,000.00			0.00	0.00	9,000,000.00	
Total			100.000%	76,779,213.83			33,836,151.29	39,183,178.56	71,432,186.56	

**OTAY**  
**Duration Report**  
**Sorted by Investment Type - Investment Type**  
**Through 09/30/2006**

Security ID	Investment #	Fund	Issuer	Investment Class	Book Value	Par Value	Market Value	Current Rate	YTM 365	Current Yield	Maturity/ Call Date	Effective Duration
3133XEP45	1999	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,994,375.00	5.000	5.000	5.385	03/02/2007	0.416
3128X4K67	2000	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,992,652.89	5.250	5.250	5.433	03/07/2008	1.358
3133X8KE1	1988	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,983,125.00	3.025	3.024	4.173	12/29/2006	0.243
3133XEMS5	1998	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,992,500.00	5.000	5.012	5.514c	11/28/2006	0.000
3133XASF5	1991	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,989,687.50	3.500	3.498	4.202	12/08/2006	0.186
3133XARK5	1992	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,989,687.50	3.510	3.508	4.212	12/08/2006	0.186
3133XFS72	2007	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,000,000.00	5.350	5.350	5.350c	12/28/2006	0.241
3133XGCU6	2008	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,000,937.50	5.450	5.450	5.378	01/29/2007	0.318
3133XFBX3	2003	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,998,125.00	5.250	5.250	5.378c	11/04/2006	0.093
3128X4DY4	2004	99	Federal Home Loan Mortgage	Fair	2,972,856.65	3,000,000.00	2,972,207.79	4.000	5.200	5.908c	01/13/2007	0.284
3128X5CC0	2006	99	Federal Home Loan Mortgage	Fair	3,000,000.00	3,000,000.00	2,999,513.86	5.340	5.336	5.373c	12/01/2006	0.167
3128X4CE9	2005	99	Federal Home Loan Mortgage	Fair	2,982,528.52	3,000,000.00	2,981,520.08	3.625	5.232	4.887	02/15/2007	0.375
31359MG31	1997	99	Federal National Mortgage Assoc	Fair	3,000,000.00	3,000,000.00	2,993,437.50	5.000	5.000	5.449c	11/24/2006	0.000
3133XF2C9	2002	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	3,002,812.50	5.250	5.247	5.058c	10/03/2006	0.005
3133XETX7	2001	99	Federal Home Loan Bank	Fair	3,000,000.00	3,000,000.00	2,995,312.50	5.125	5.125	5.298	09/14/2007	0.916
912828DJ6	1993	99	US TREASURY	Fair	2,987,140.54	3,000,000.00	2,981,250.00	3.125	4.437	4.403	01/31/2007	0.334
912827Z62	1995	99	US TREASURY	Fair	3,002,084.56	3,000,000.00	3,000,937.50	6.500	4.634	6.435	10/15/2006	0.038
912828DQ0	1994	99	US TREASURY	Fair	2,989,518.14	3,000,000.00	2,981,250.00	3.750	4.492	5.031	03/31/2007	0.495
2050003183R	1996	99	California Bank & Trust	Amort	79,108.00	79,108.00	79,108.00	3.880	3.934	3.880	01/22/2008	1.273 †
<b>Report Total</b>					<b>54,013,236.41</b>	<b>54,079,108.00</b>	<b>53,928,440.12</b>			<b>5.158</b>		<b>0.315 †</b>

† = Duration can not be calculated on these investments due to incomplete Market price data.

**OTAY WATER DISTRICT  
INVESTMENT PORTFOLIO REVIEW  
SEPTEMBER 30, 2006**

**INVESTMENT OVERVIEW & MARKET STATUS:**

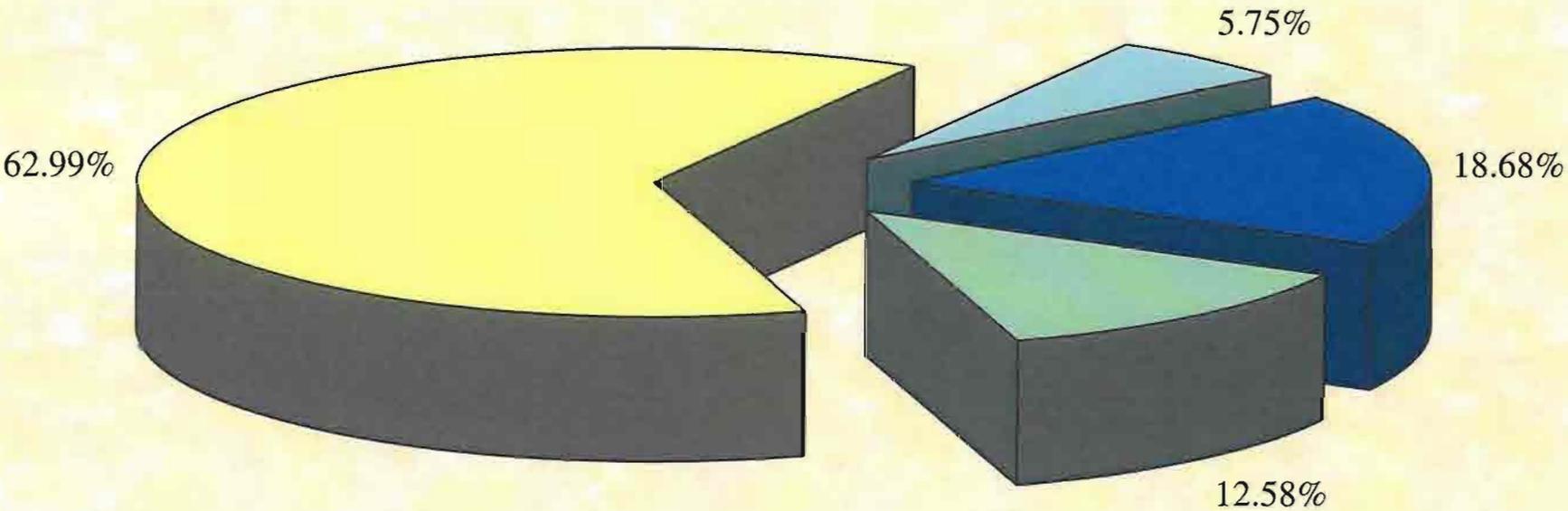
During the month of September, with the high level of construction activity centered around the recycled water reservoir, pump station, and pipeline from the City of San Diego water treatment facility, maturing investment funds (\$6 Million) were used primarily to pay current construction invoices. This was off-set by above average water sales receipts due to continued hot summer weather throughout the District's service area, and by the receipt at the end of the month of \$2.5 Million in grant monies from the State of California, Water Resources Control Board. This grant money is the first installment of the District's \$4 Million award announced last November, for the above mentioned 3 recycled water projects.

The Federal Reserve Board continues to hold the federal funds rate at 5.25% and investment analysts currently believe the Feds will maintain rates at this level through year-end, with rates potentially dropping to 5.0% the first quarter of 2007. However, this forecast is uncertain enough that long-term interest rates remain very close to short-term rates, with very little reward for investing in securities beyond 12 – 18 months. Based on this assessment, we plan to maintain our current strategy of investing in short-term Federal Agency securities in an attempt to avoid having prevailing interest rates overtake those of our current investment holdings for any extended period of time.

**PORTFOLIO COMPLIANCE: September 30, 2006**

	<u>Investment</u>	<u>State Limit</u>	<u>Otay Limit</u>	<u>Otay Actual</u>
8.01:	Treasury Securities	100%	100%	12.58%
8.02:	Local Agency Investment Fund (LAIF)	\$40 Million	\$40 Million	\$13.2 Million
8.03:	Federal Agency Issues	100%	100%	62.99%
8.04:	Certificates of Deposit	30%	15%	0.11%
8.05:	Short-Term Commercial Notes	25%	15%	0
8.06:	Medium-Term Commercial Debt	30%	15%	0
8.07:	Money Market Mutual Funds	20%	15%	0
8.08:	San Diego County Pool	100%	100%	0.14%
12.0:	Maximum Single Financial Institution	100%	50%	5.64%

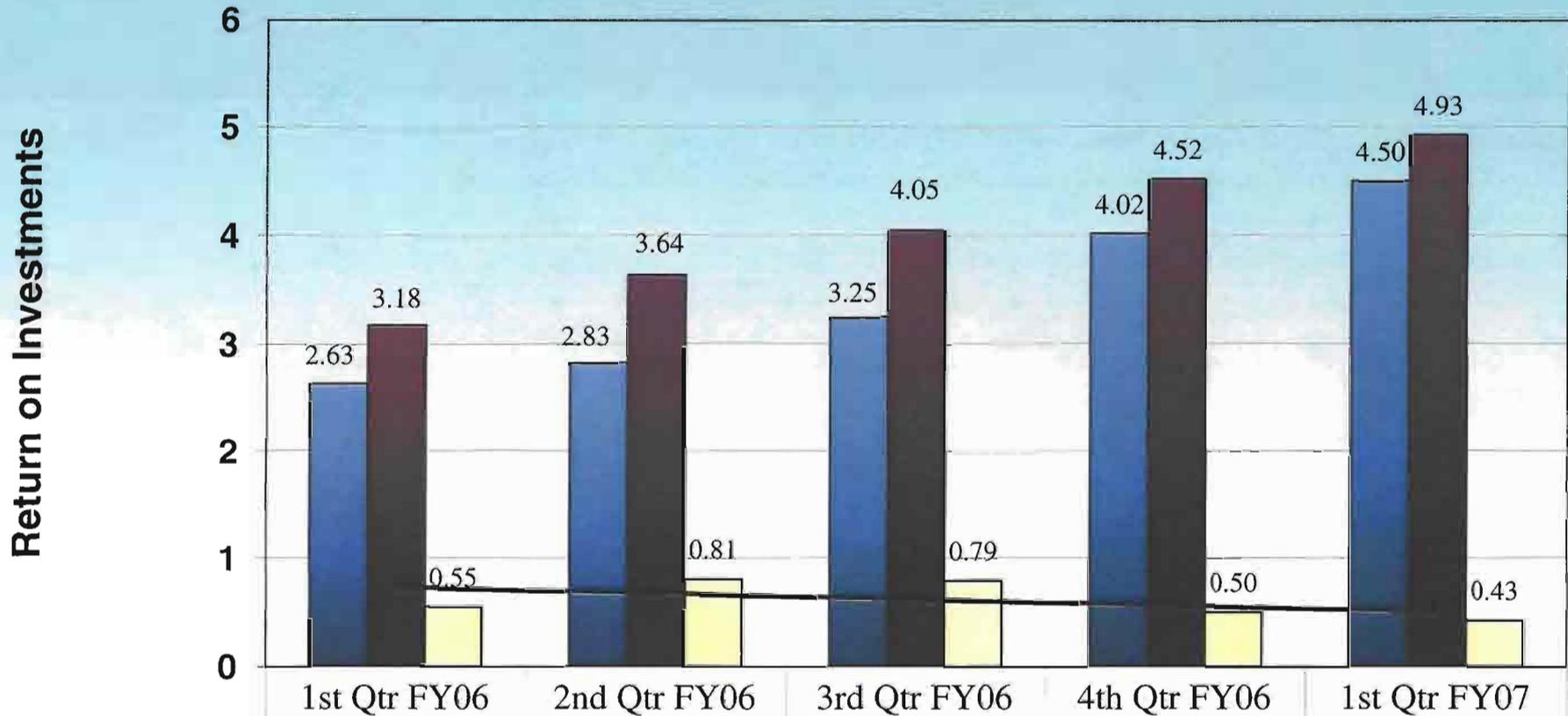
# Otay Water District Investment Portfolio



■ Banks (Passbook/Checking/CD) ■ Pools (LAIF & County) ■ Treasuries □ Agencies

# Performance Measure F-12 Return on Investment

Target: Meet or Exceed 100% of LAIF



■ Otay	2.63	2.83	3.25	4.02	4.50
■ LAIF	3.18	3.64	4.05	4.52	4.93
■ Difference	0.55	0.81	0.79	0.50	0.43

Month

■ Otay ■ LAIF ■ Difference — Linear (Difference)



# AGENDA ITEM 9

## STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	November 1, 2006
SUBMITTED BY:	Sean Prendergast, Principal Accountant	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:**

<b>SUMMARY</b>	<b>NET DEMANDS</b>
CHECKS (2002872-2003292)	\$2,301,070.69
<b>WIRE TO:</b>	
LANDESBANK - CERTIFICATES OF PARTICIPATION	\$54,791.48
PLAN HANDLERS - MEDICAL CLAIMS	\$132,898.53
SAN DIEGO COUNTY WATER AUTHORITY - WTR DEL/AUG	\$2,717,041.20
SAN DIEGO COUNTY WATER AUTHORITY - CAP FEES/SEP	\$1,421,027.00
UNION BANK - PAYROLL TAXES	\$266,925.62
<b>TOTAL CASH DISBURSEMENTS</b>	<b>\$6,893,754.52</b>

**RECOMMENDED ACTION:**

That the Board receive the attached list of demands.

jb

Attachment

OTAY WATER DISTRICT  
CHECK REGISTER  
FOR CHECKS 2002872 THROUGH 2003292  
RUN DATES 10/4/2006 TO 10/25/2006

Check #	Date	Vendor	Vendor name	Invoice	Inv Date	Description	Amount Paid	Check Total
2003048	10/18/06	04469	A COPY WORLD	00013517	09/25/06	BUDGET COVER, TABS, AND BINDING	880.32	880.32
2003192	10/25/06	04469	A COPY WORLD	00013766	10/12/06	CAFR COVERS	49.35	141.48
				00013675	10/05/06	BIND CIP BUDGET BOOKS	49.03	
				00013629	10/02/06	PAPER	43.10	
2002885	10/04/06	01910	ABCANA INDUSTRIES	780214	09/11/06	SODIUM HYPOCHLORITE	1,205.31	4,088.74
				780543	09/14/06	SODIUM HYPOCHLORITE	1,087.16	
				780423	09/14/06	SODIUM HYPOCHLORITE	1,077.27	
				780215	09/11/06	SODIUM HYPOCHLORITE	719.00	
2002964	10/11/06	01910	ABCANA INDUSTRIES	780586	09/18/06	SODIUM HYPOCHLORITE	1,371.52	2,302.28
				780585	09/18/06	SODIUM HYPOCHLORITE	930.76	
2003049	10/18/06	01910	ABCANA INDUSTRIES	781231	09/25/06	SODIUM HYPOCHLORITE	1,277.95	4,142.88
				781232	09/25/06	SODIUM HYPOCHLORITE	1,277.95	
				781294	09/28/06	SODIUM HYPOCHLORITE	1,085.89	
				781293	09/28/06	SODIUM HYPOCHLORITE	501.09	
2003193	10/25/06	01910	ABCANA INDUSTRIES	781976	10/02/06	SODIUM HYPOCHLORITE	1,292.72	2,958.48
				781844	10/02/06	SODIUM HYPOCHLORITE	1,009.56	
				781993	10/05/06	SODIUM HYPOCHLORITE	656.20	
2003050	10/18/06	03156	ACTIVE GRAPHIX	00059793	09/26/06	UNIFORM APPAREL	4,193.54	4,193.54
2002965	10/11/06	00421	ADVANCED DIESEL INJECTION INC	28211	09/20/06	FUEL NOZZLES	678.83	678.83
2003051	10/18/06	06450	AESOK YOON	Ref002368615	10/17/06	UB Refund Cst #0000071368	13.85	13.85
2002886	10/04/06	00132	AIRGAS WEST	103175460	08/31/06	BREATHING AIR	21.08	21.08
2003194	10/25/06	00132	AIRGAS WEST	103198043	09/30/06	BREATHING AIR	21.08	21.08
2002887	10/04/06	06261	ALCANTARA, CYNTHIA	17000906	09/18/06	REIMBURSE CONF TRAVEL EXPENSE	469.71	469.71
2002888	10/04/06	03787	ALLIED TRENCH SHORING SERVICE	716489	09/03/06	STEEL PLATE RENTALS	403.00	498.00
				718036	09/08/06	STEEL PLATE RENTALS	95.00	
2003052	10/18/06	03787	ALLIED TRENCH SHORING SERVICE	721412	09/22/06	STEEL PLATE RENTALS	125.00	125.00
2003053	10/18/06	02362	ALLIED WASTE SERVICES	0509002498442	09/25/06	TRASH REMOVAL SERVICES	600.97	839.02
				0509002500027	09/25/06	ASBESTOS DISPOSAL CONTAINER RENTAL	173.74	
				0509002501184	09/25/06	TRASH REMOVAL SERVICES	64.31	
2003054	10/18/06	06474	AMANDA PRESCOTT	Ref002368639	10/17/06	UB Refund Cst #0000086896	75.00	75.00

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2002963	10/06/06	06416	AMERICAN ARBITRATION	0153589	10/06/06	ARBITRATION SERVICES	2,062.50	2,062.50
2002889	10/04/06	06166	AMERICAN MESSAGING	L1109570GJ	10/01/06	PAGER SERVICES	608.52	608.52
2002966	10/11/06	06152	AMERICAN PEST CONTROL	185243	09/15/06	PEST CONTROL	125.00	125.00
2002967	10/11/06	00315	AMERICAN SOCIETY OF	00315	10/04/06	MEMBERSHIP RENEWAL	671.00	671.00
2002968	10/11/06	00107	AMERICAN WATER WORKS	1000328019 1000323100	09/19/06 07/26/06	BOOK REFERENCE MANUAL	49.50 48.00	97.50
2003055	10/18/06	00107	AMERICAN WATER WORKS	10207367	10/02/06	BOOK	89.50	89.50
2002969	10/11/06	02518	AMERICAN WATER WORKS ASSN	1000328083	09/20/06	BOOKLETS	226.00	226.00
2003195	10/25/06	00002	ANSWER INC	015384	09/22/06	TELEPHONE ANSWERING SERVICES	984.20	984.20
2003056	10/18/06	06475	ANTONIO MELAENDES	Ref002368640	10/17/06	UB Refund Cst #0000087016	17.25	17.25
2003057	10/18/06	02190	APPLIED INDUSTRIAL	85311501	09/28/06	PNEUMATIC POWER TOOLS	157.85	157.85
2003196	10/25/06	02829	APPLIED TECHNOLOGY GROUP INC	177172	09/27/06	ANTENNA, CABLE & CONNECTORS	927.54	927.54
2003197	10/25/06	06269	AQUA METRIC	0014394IN	10/03/06	TOUCHREAD HAND-HELD DEVICE	1,394.36	1,394.36
2003058	10/18/06	03672	AQUACRAFT INC	862 863	09/22/06 09/22/06	METER MASTER DATA LOGGERS SOFTWARE	6,025.00 2,475.00	8,500.00
2002890	10/04/06	01509	ARC ERGONOMICS	17765	09/08/06	ROLLER MOUSE	601.08	601.08
2003059	10/18/06	06485	AREA K DEVELOPMENT	Ref002368650	10/17/06	UB Refund Cst #0000088529	850.00	850.00
2003060	10/18/06	06441	ARIEL SEGATTO	Ref002368606	10/17/06	UB Refund Cst #0000050723	27.84	27.84
2002891	10/04/06	02651	ART'S TRENCH PLATE &	27329	08/20/06	TRENCH SHIELD RENTAL	1,131.46	1,131.46
2002892	10/04/06	03582	ASI STERLING SECURITY	99027	09/14/06	AFTER HOURS SECURITY SVCS	2,085.50	2,085.50
2002893	10/04/06	05514	ASSOCIATED TOWING	365882	09/13/06	TOWING SERVICES	125.00	125.00
2003198	10/25/06	05514	ASSOCIATED TOWING	367021	10/03/06	TOWING SERVICES	250.00	250.00
2003199	10/25/06	06296	AT&T LONG DISTANCE	8093779951006	10/04/06	LONG DISTANCE	91.02	91.02
2003200	10/25/06	06272	AT&T/MCI	T5621135 T5616848	09/17/06 09/16/06	PHONE SERVICE PHONE SERVICE	4,811.06 764.36	5,575.42

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2002970	10/11/06	01709	ATKINSON, MITCHELL E	015354	10/05/06	TUITION REIMBURSEMENT	90.00	90.00
2003201	10/25/06	05420	AWBREY COOK MCGILL ARCHITECTS	0543300060930	09/30/06	METER SHOP & TREATMENT PLANT BLDG	406.79	406.79
2003061	10/18/06	02570	BEST LIFE & HEALTH INSURANCE	015377	10/17/06	VOLUNTARY LIFE INSURANCE	237.15	237.15
2002894	10/04/06	04806	BJ'S RENTALS	72699	09/13/06	CONCRETE	110.98	110.98
2003202	10/25/06	04806	BJ'S RENTALS	76622	10/05/06	CONCRETE	127.15	127.15
2003062	10/18/06	03404	BLAIR RASMUSSEN CONSTRUCTION	1	09/15/06	METER SHOP REMODEL	1,587.60	1,587.60
2003203	10/25/06	03404	BLAIR RASMUSSEN CONSTRUCTION	2	10/02/06	METER SHOP REMODEL	22,788.90	22,788.90
2002895	10/04/06	02197	BLUE CROSS OF CALIFORNIA	40460	10/01/06	EMPLOYEE ASSISTANCE PROGRAM	596.57	596.57
2003204	10/25/06	00146	BOB STALL CHEVROLET	342252	10/04/06	AUTO REPAIR PARTS	147.92	147.92
2003063	10/18/06	06442	BONNIE JONES	Ref002368607	10/17/06	UB Refund Cst #0000051307	30.04	30.04
2002896	10/04/06	02342	BOOT WORLD INC	1030714IN	09/10/06	SAFETY BOOTS	126.63	126.63
2002971	10/11/06	02342	BOOT WORLD INC	1030838IN	09/17/06	SAFETY BOOTS	126.63	126.63
2003205	10/25/06	02342	BOOT WORLD INC	1031140IN	09/30/06	SAFETY BOOTS	126.63	126.63
2002897	10/04/06	00559	BOYLE ENGINEERING CORPORATION	6	09/09/06	OTAY RW PLAN CHECK INSPECT SVCS	4,500.48	4,500.48
2002972	10/11/06	00559	BOYLE ENGINEERING CORPORATION	036304	09/20/06	OTAY PLAN CHECK INSPECTION SERVICES	5,620.95	5,620.95
2003206	10/25/06	03458	BREITFELDER, LARRY	70130906	10/18/06	REIMB MILEAGE EXPENSE	55.18	
				70130806	10/19/06	REIMB MILEAGE EXPENSE	13.35	68.53
2003207	10/25/06	03679	BRG CONSULTING INC	06090613	09/30/06	1296-3 RESERVOIR	8,332.50	8,332.50
2003208	10/25/06	06304	BROADWAY PRINTING	121	10/03/06	PRINTING SERVICES	508.78	508.78
2003209	10/25/06	01232	BRODING'S BATTERY WAREHOUSE	41635	10/05/06	AUTOMOTIVE BATTERIES	408.16	
				41159	09/22/06	AUTOMOTIVE BATTERIES	116.65	
				40742	09/12/06	CREDIT MEMO	(4.31)	
				40850	09/14/06	CREDIT MEMO	(323.14)	197.36
2003064	10/18/06	06453	BUD BROWN TRUCKING	Ref002368618	10/17/06	UB Refund Cst #0000072894	697.58	697.58
2002973	10/11/06	05328	BY DESIGN	748	09/14/06	BROCHURES	400.00	400.00

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2002974	10/11/06	00223	C W MCGRATH INC	21914	09/20/06	CRUSHED ROCK	622.76	1,172.80
				21801	09/12/06	CRUSHED ROCK	310.75	
				21781	09/11/06	CRUSHED ROCK	174.47	
				21841	09/14/06	CRUSHED ROCK	64.82	
2003065	10/18/06	00223	C W MCGRATH INC	22028	09/27/06	CRUSHED ROCK	408.50	515.56
				21962	09/22/06	CRUSHED ROCK	107.06	
2003210	10/25/06	00223	C W MCGRATH INC	22113	10/03/06	CRUSHED ROCK	786.66	1,085.51
				22140	10/04/06	CRUSHED ROCK	191.70	
				22164	10/05/06	CRUSHED ROCK	107.15	
2003066	10/18/06	06420	CALIF DEP'T OF FISH & GAME	015369	09/20/06	WETLANDS PERMIT	250.00	250.00
2002872	10/04/06	06281	CALIF STATE DISBURSEMENT UNIT	Ben2368217	10/03/06	PAYROLL DEDUCTION	342.92	342.92
2003035	10/18/06	06281	CALIF STATE DISBURSEMENT UNIT	Ben2368568	10/17/06	PAYROLL DEDUCTION	342.92	342.92
2002898	10/04/06	02920	CALIFORNIA COMMERCIAL	60777	09/12/06	ASPHALT	2,117.29	2,117.29
2002899	10/04/06	01243	CALIFORNIA NEVADA SECTION	0024994IN	09/29/06	WORKSHOPS REGISTRATION	300.00	300.00
2003067	10/18/06	04657	CALIFORNIA WATER ENVIRONMENTAL	015374	10/17/06	WORKSHOP REGISTRATION	170.00	170.00
2002975	10/11/06	01004	CALOLYMPIC SAFETY	005405	09/15/06	BATTERY PACK & CHARGERS	718.20	718.20
2003211	10/25/06	01004	CALOLYMPIC SAFETY	007048	09/21/06	FALL PROTECTION PRODUCTS	1,799.51	1,799.51
2003212	10/25/06	03684	CANON BUSINESS SOLUTIONS-WEST	3579196	10/01/06	COPIER SERVICE	2,313.66	2,313.66
2003068	10/18/06	06440	CARLOS OLIMON	Ref002368605	10/17/06	UB Refund Cst #0000047931	51.72	51.72
2002976	10/11/06	03572	CARLTON, DISANTE &	42816	09/30/06	LEGAL SERVICES - AUG 2006	5,813.52	6,116.02
				42817	09/30/06	LEGAL SERVICES - AUG 2006	302.50	
2003213	10/25/06	02758	CARMEL BUSINESS SYSTEMS INC	6345	10/01/06	STORAGE & DESTRUCTION OF DOCUMENTS	202.55	202.55
2003214	10/25/06	03491	CASA DE ORO CARWASH	307	10/01/06	CAR WASH SERVICES	1,094.98	1,094.98
2003069	10/18/06	06488	CELESTINO ANGELES	Ref002368653	10/17/06	UB Refund Cst #0000090014	15.98	15.98
2003070	10/18/06	06469	CELINA GONZALEZ	Ref002368634	10/17/06	UB Refund Cst #0000084272	31.37	31.37
2003071	10/18/06	06447	CENTEX HOMES	Ref002368612	10/17/06	UB Refund Cst #0000065822	460.25	460.25

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2003072	10/18/06	06452	CHRISTOPHER RODRIGUEZ	Ref002368617	10/17/06	UB Refund Cst #0000072744	27.21	27.21
2003073	10/18/06	02306	CHULA VISTA HILLS ELEMENTARY	015370	10/12/06	SPLASH SCIENCE MOBILE LAB FUNDING	255.00	255.00
2002977	10/11/06	05008	CINGULAR WIRELESS	015350	09/29/06	WIRELESS PHONE SERVICE	10.58	10.58
2002900	10/04/06	00446	CITY OF CHULA VISTA	APN5933824000	10/03/06	SECURED PROPERTY TAX	4.34	4.34
2002978	10/11/06	00446	CITY OF CHULA VISTA	APN59338240001	10/02/06	SECURED PROPERTY TAXES	37.18	
				APN59338240003	10/02/06	SECURED PROPERTY TAXES	30.32	
				APN59338240002	10/02/06	SECURED PROPERTY TAXES	1.30	68.80
2002979	10/11/06	05837	CITY OF SAN DIEGO	608840	10/11/06	POLICE REPORT REQUEST	12.00	12.00
2002901	10/04/06	00234	CITY TREASURER	015325	09/21/06	WATER DELIVERIES	49,613.50	49,613.50
2003215	10/25/06	04119	CLARKSON LAB & SUPPLY INC	31158	09/30/06	BACTERIOLOGICAL ANALYSIS	588.00	
				31183	09/30/06	BACTERIOLOGICAL ANALYSIS	446.00	
				31235	09/30/06	BACTERIOLOGICAL ANALYSIS	328.00	
				31336	09/30/06	BACTERIOLOGICAL ANALYSIS	308.00	
				31184	09/30/06	BACTERIOLOGICAL ANALYSIS	284.00	
				31157	09/30/06	BACTERIOLOGICAL ANALYSIS	282.00	
				31159	09/30/06	BACTERIOLOGICAL ANALYSIS	262.00	
				31416	09/30/06	BACTERIOLOGICAL ANALYSIS	238.00	2,736.00
2002902	10/04/06	01666	COMMERCIAL PRINTING CENTRE	41410	09/11/06	DOOR HANGERS	267.38	267.38
2003216	10/25/06	03774	CONSTRUCTION RESIDUE RECYCLING	974156	09/30/06	DUMPING SERVICES	160.00	160.00
2002903	10/04/06	03706	CONSUMERS PIPE & SUPPLY CO	S1003428004	09/11/06	PIPES	276.77	
				S1003428001	09/11/06	PIPES	263.43	
				S1003428003	09/11/06	PIPES	110.03	
				S1004360001	09/12/06	WAREHOUSE SUPPLIES	102.79	753.02
2003074	10/18/06	02612	COUNCIL OF WATER UTILITIES	015371	10/16/06	MEETING REGISTRATION	60.00	60.00
2002904	10/04/06	00099	COUNTY OF SAN DIEGO	38210	08/03/06	EXCAVATION PERMITS	321.83	
				40463	09/05/06	EXCAVATION PERMITS	280.77	602.60
2003075	10/18/06	00433	COUNTY OF SAN DIEGO	217967	10/17/06	APCD SETTLEMENT	6,500.00	6,500.00
2003076	10/18/06	05125	CUDLIP, JAMES	015379	10/17/06	REIMB CONF TRVL EXP	54.26	54.26
2003217	10/25/06	01280	DALEY & HEFT	28172	09/18/06	LEGAL SERVICES	1,623.53	
				28275	10/11/06	LEGAL SERVICES	472.12	2,095.65

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2003077	10/18/06	06429	DANIEL EREZ	Ref002368594	10/17/06	UB Refund Cst #0000016455	23.10	23.10
2003218	10/25/06	00463	DAPPER TIRE CO	231123	07/28/06	TIRES	2,569.30	2,569.30
2003078	10/18/06	06430	DARRYN JAMES	Ref002368595	10/17/06	UB Refund Cst #0000021279	47.07	47.07
2002905	10/04/06	03354	DATAPROSE INC	36938	09/11/06	BILLING PRINT SERVICES	9,124.82	9,124.82
2003079	10/18/06	03354	DATAPROSE INC	37465	10/09/06	BILLING PRINT SERVICES	8,652.25	8,652.25
2003219	10/25/06	04550	DATATREE	90034096	09/30/06	MAP PURCHASING SERVICE	99.00	99.00
2003080	10/18/06	06439	DAVID L MALCOLM	Ref002368604	10/17/06	UB Refund Cst #0000047691	73.28	73.28
2003081	10/18/06	06456	DAVID RODRIGUEZ	Ref002368621	10/17/06	UB Refund Cst #0000073224	24.64	24.64
2002906	10/04/06	03606	DCSE INC	1076337625 2	08/21/06 09/10/06	FIELD MAPPLET SOFTWARE PROFESSIONAL GIS SERVICES	82,202.50 12,000.00	94,202.50
2003220	10/25/06	00852	DEC CONSULTANTS INC	U91986 U092011	09/30/06 09/30/06	2005-2007 CP PROGRAM 2002-2003 CP PROGRAM	6,164.31 209.46	6,373.77
2003082	10/18/06	06423	DEIRDRE DEVANEY	Ref002368588	10/17/06	UB Refund Cst #0000006620	109.46	109.46
2002980	10/11/06	03428	DEL MAR OFFICE PRODUCTS	9249300	09/20/06	OFFICE SUPPLIES	15.07	15.07
2003083	10/18/06	03428	DEL MAR OFFICE PRODUCTS	9145040	08/03/06	OFFICE SUPPLIES	4.08	4.08
2002981	10/11/06	03589	DEPT OF HEALTH SERVICES	24358	09/06/06	CERTIFICATION RENEWAL	130.00	130.00
2003084	10/18/06	03589	DEPT OF HEALTH SERVICES	015365	10/09/06	CERTIFICATION APPLICATION FEE	120.00	120.00
2003221	10/25/06	00319	DEPT OF HEALTH SERVICES	3710034	09/29/06	WATER SYSTEM FEES	5,239.21	5,239.21
2002982	10/11/06	03162	DEPT OF PESTICIDE REGULATION	03162	10/04/06	LICENSE/CERT RENEWAL	60.00	60.00
2003085	10/18/06	06482	DIANNA CULVER	Ref002368647	10/17/06	UB Refund Cst #0000088390	45.98	45.98
2002907	10/04/06	03417	DIRECTV	424509213	09/09/06	SATELLITE TV SERVICE	4.99	4.99
2003222	10/25/06	03417	DIRECTV	433898324	10/05/06	SATELLITE TV SERVICE	46.96	46.96
2002908	10/04/06	03704	DME INCORPORATED	95831	09/12/06	PARTS	657.60	657.60
2003086	10/18/06	03704	DME INCORPORATED	96081	09/25/06	PARTS	514.88	514.88

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2003223	10/25/06	03704	DME INCORPORATED	96225	10/03/06	EXH RETRO FIT	1,460.78	1,460.78
2003087	10/18/06	06487	DON SALMON	Ref002368652	10/17/06	UB Refund Cst #0000089806	181.88	181.88
2003088	10/18/06	06446	DONALD H GREENAWALT	Ref002368611	10/17/06	UB Refund Cst #0000064098	18.00	18.00
2002909	10/04/06	00352	DREW FORD	C71139	09/14/06	REPAIR SERVICE	269.12	269.12
2002983	10/11/06	01926	EAST COUNTY URGENT CARE	015324	09/19/06	HEALTH EXAMS	43.00	43.00
2003089	10/18/06	01926	EAST COUNTY URGENT CARE	015309	09/22/06	HEALTH EXAMS	17.00	17.00
2003090	10/18/06	06436	EASTLAKE III	Ref002368601	10/17/06	UB Refund Cst #0000043680	3,704.02	3,704.02
2003224	10/25/06	02447	EDCO DISPOSAL CORPORATION	015334	09/30/06	RECYCLING SERVICES	47.19	47.19
2003091	10/18/06	03261	EDEN SYSTEMS INC	4263 INV0093678 INV0093677	04/07/06 06/22/06 06/22/06	PROFESSIONAL CONSULTING SVCS PROFESSIONAL CONSULTING SVCS PROFESSIONAL SERVICES	4,900.00 3,900.00 750.00	9,550.00
2003225	10/25/06	00230	EDP PRODUCTS INC	804651	09/30/06	CARTRIDGE STORAGE/RETRIEVAL	196.60	196.60
2003092	10/18/06	06448	ELIZABETH CACHO	Ref002368613	10/17/06	UB Refund Cst #0000068211	65.26	65.26
2003093	10/18/06	01314	EMEDCO CO INC	59976701 59976700	09/26/06 09/25/06	SIGNS FOR TREATMENT PLANT SIGNS	1,643.70 170.69	1,814.39
2002984	10/11/06	05128	EMPIRE ELECTRICAL SUPPLY	104974001	09/11/06	LIGHT FIXTURES	1,503.50	1,503.50
2003094	10/18/06	06427	ENEDINA MCMINN	Ref002368592	10/17/06	UB Refund Cst #0000011596	52.49	52.49
2003226	10/25/06	03046	ENERGY SYSTEMS	72742	10/02/06	WATER PUMP/THERMOSTAT/HOSE RADIATOR	589.83	589.83
2003095	10/18/06	06486	EQUITY HOUSE FINANCIAL INC	Ref002368651	10/17/06	UB Refund Cst #0000089361	16.78	16.78
2003096	10/18/06	02639	EW TRUCK & EQUIPMENT	173094	09/28/06	REPAIR PARTS	402.30	402.30
2003227	10/25/06	02639	EW TRUCK & EQUIPMENT	173378	10/03/06	REPAIR PARTS	40.00	40.00
2002910	10/04/06	03650	EXPRESS PRINTING INFORMATION	36839	09/01/06	WATER METER TAGS	399.15	399.15
2002911	10/04/06	03683	F & L INDUSTRIAL SOLUTIONS INC	4044	09/11/06	PART	530.96	530.96
2002912	10/04/06	03546	FERGUSON WATERWORKS	0173200 01710121 0171835	09/13/06 09/13/06 09/11/06	INVENTORY WAREHOUSE SUPPLIES INVENTORY	7,272.48 1,917.29 902.74	10,092.51

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2002985	10/11/06	03546	FERGUSON WATERWORKS	0171019	09/18/06	INVENTORY	6,794.72	
				0171023	09/19/06	INVENTORY	2,573.80	
				0174055	09/19/06	INVENTORY	2,448.94	
				0164308	09/15/06	WAREHOUSE SUPPLIES	1,542.36	
				01720201	09/15/06	WAREHOUSE SUPPLIES	378.09	
2003097	10/18/06	03546	FERGUSON WATERWORKS	0175493	09/27/06	INVENTORY	6,716.17	6,716.17
2003228	10/25/06	03546	FERGUSON WATERWORKS	0172211	10/02/06	INVENTORY	6,794.72	
				0176199	10/05/06	INVENTORY	3,381.26	
				01732002	10/02/06	INVENTORY	2,609.94	
				01754931	09/29/06	INVENTORY	2,268.91	
				01621432	10/05/06	GATE CAPS	1,237.40	
2002986	10/11/06	03544	FILEFAX	10016782	09/21/06	FILE FOLDERS	493.67	493.67
2003098	10/18/06	00843	FIRE & ICE HEATING AND	10156	09/26/06	SERVICE REPAIR	177.10	354.10
				C50332	09/26/06	SERVICE REPAIR	177.00	
2003229	10/25/06	02470	FIRST BANKCARD	015387	10/10/06	DISTRICT EXPENSES	439.94	771.65
				015388	10/10/06	DISTRICT EXPENSES	210.57	
				015381	10/18/06	DISTRICT EXPENSES	121.14	
2003099	10/18/06	04066	FIRST CHOICE SERVICES-SD	268819	08/30/06	COFFEE SUPPLIES	218.39	540.34
				270112	09/28/06	COFFEE SUPPLIES	199.41	
				269418	09/14/06	COFFEE SUPPLIES	122.54	
2003230	10/25/06	02591	FITNESS TECH INC	3594	10/01/06	MAINTENANCE FOR FITNESS EQUIPMENT	100.00	100.00
2002987	10/11/06	03109	FOLEY & LARDNER	27094653	09/25/06	LEGAL SERVICES	540.50	540.50
2002988	10/11/06	01327	FRANK & SON PAVING INC	01	09/20/06	944-1 & 944-2 RESERVOIR SITE	30,781.80	30,781.80
2003231	10/25/06	01327	FRANK & SON PAVING INC	03010	09/29/06	PAVING SERVICES	13,174.60	13,174.60
2002913	10/04/06	05626	GAME 7 CONSULTING	1431	09/12/06	CONSULTING SERVICES - IS DEPT	4,248.00	4,248.00
2002989	10/11/06	05626	GAME 7 CONSULTING	1433	09/19/06	CONSULTING SERVICES - IS DEPT	5,609.25	5,609.25
2003100	10/18/06	05626	GAME 7 CONSULTING	1442	10/10/06	CONSULTING SERVICES - IS DEPT	5,627.00	5,627.00
2003232	10/25/06	05626	GAME 7 CONSULTING	1439	10/03/06	CONSULTING SERVICES - IS DEPT	5,982.00	11,822.00
				1445	10/19/06	CONSULTING SERVICES - IS DEPT	5,840.00	
2002990	10/11/06	06291	GARCIA CALDERON & RUIZ	1029	09/30/06	LEGAL SERVICES - SEP 2006	27,636.83	27,636.83

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2003101	10/18/06	06443	GEORGE MACGREGOR JR	Ref002368608	10/17/06	UB Refund Cst #0000053121	16.25	16.25
2003233	10/25/06	01573	GEOTECHNICS INC	236720	09/30/06	1485-1 PUMP STATION	7,810.00	7,810.00
2002914	10/04/06	03537	GHA TECHNOLOGIES INC	391596 391073	09/13/06 09/11/06	COLOR PRINTERS WIRELESS HEADSET	1,081.35 245.68	1,327.03
2003102	10/18/06	03537	GHA TECHNOLOGIES INC	394507	09/28/06	FLAT PANEL MONITOR	1,681.77	1,681.77
2003103	10/18/06	06472	GINA LOZANO	Ref002368637	10/17/06	UB Refund Cst #0000086427	29.44	29.44
2002915	10/04/06	00131	GOVERNMENT FINANCE OFFICERS	0052001 0016854S	10/03/06 08/31/06	MEMBERSHIP RENEWALS SUBSCRIPTION RENEWAL	545.00 210.00	755.00
2002991	10/11/06	03289	GRANGER, WILLIAM E	015349	10/04/06	REIMBURSE CONF TRVL EXP	146.80	146.80
2002992	10/11/06	03773	GTC SYSTEMS INC	25562	09/20/06	COMPUTER CASE	2,379.12	2,379.12
2003234	10/25/06	03773	GTC SYSTEMS INC	25618	09/29/06	TECHNICAL SUPPORT FOR CITRIX	1,349.88	1,349.88
2002916	10/04/06	02630	HAAKER EQUIPMENT COMPANY	C49674	09/14/06	PART	198.80	198.80
2003104	10/18/06	02630	HAAKER EQUIPMENT COMPANY	C49929	09/27/06	PARTS	130.14	130.14
2003105	10/18/06	00174	HACH COMPANY	4872594	09/22/06	CHLORINE & AMMONIA ANALYZER	1,829.36	1,829.36
2003235	10/25/06	02629	HANSON AGGREGATES PACIFIC	484725	09/29/06	CRUSHED AGGREGATES & ROCK	405.44	405.44
2003106	10/18/06	04217	HATCH & PARENT	410083 410526	09/19/06 10/10/06	LEGISLATIVE ADVOCACY - AUG 2006 LEGISLATIVE ADVOCACY - SEP 2006	3,375.00 2,862.50	6,237.50
2003236	10/25/06	05986	HAVS INCORPORATED	5557	09/25/06	LCD MONITOR INSTALLATIONS	5,635.63	5,635.63
2003237	10/25/06	00150	HAWTHORNE MACHINERY CO	PS010211491 PC010017817 PC010017818 PC010017778 PC010017779 PC010017767 PC010017780 PC010017816	10/02/06 05/11/06 05/11/06 05/02/06 05/02/06 05/02/06 05/02/06 05/11/06	PUMP CREDIT MEMO CREDIT MEMO CREDIT MEMO CREDIT MEMO CREDIT MEMO CREDIT MEMO CREDIT MEMO	664.13 (3.45) (3.88) (7.21) (7.21) (10.11) (43.72) (72.42)	516.13
2002993	10/11/06	00169	HAWTHORNE POWER SYSTEMS	PS100019008	09/20/06	DIGITAL ELECTRONIC IGNITION	2,520.51	2,520.51
2003238	10/25/06	00169	HAWTHORNE POWER SYSTEMS	PS100019774	09/29/06	ELECTRONIC MOTOR CONTROL PANEL	1,946.98	

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				PS100019303	09/25/06	REPAIR PARTS	997.85	
				PS100019719	09/29/06	CONTROL ANUNCIATOR PANEL	921.72	3,866.55
2002917	10/04/06	04472	HECTOR I MARES-COSSIO	18	09/01/06	CONSULTING SERVICES SEP 2006	3,000.00	3,000.00
2003239	10/25/06	00062	HELIX WATER DISTRICT	174639861006	10/05/06	WATER BILL - RUSSELL SQ	31.23	31.23
2003240	10/25/06	02096	HELIX WATER DISTRICT	327452	09/29/06	LOAN OF WATER TRUCK	132.75	132.75
2003241	10/25/06	01727	HENDERSON, ELAINE M	1357906	10/23/06	REIMBURSE CONF TRVL EXP	38.00	38.00
2003107	10/18/06	06449	HILDA HERNANDEZ	Ref002368614	10/17/06	UB Refund Cst #0000068356	65.35	65.35
2002994	10/11/06	05124	HILDING, KIPNIS & KELLY	15577	08/31/06	REF: CL3376 OWD/AIG INS CO	1,103.00	
				05124	09/30/06	REF: CL3376 OWD/AIG INS CO	249.00	1,352.00
2003242	10/25/06	01109	HOME DEPOT CREDIT SERVICES	3156745	09/15/06	BUILDING MAINT SUPPLIES	282.20	
				2014323	10/16/06	BUILDING MAINT SUPPLIES	129.11	
				5163686	10/23/06	BUILDING MAINT SUPPLIES	110.25	
				2014324	10/16/06	BUILDING MAINT SUPPLIES	48.80	570.36
2002918	10/04/06	04507	HOME DEPOT USA INC	6614472	09/12/06	BLDG MAINT SUPPLIES	248.85	248.85
2002919	10/04/06	01088	HYDRO-SCAPE PRODUCTS INC	0463317400	09/11/06	BATTERY CONTROLLER	215.42	215.42
2002995	10/11/06	01088	HYDRO-SCAPE PRODUCTS INC	0463317401	09/11/06	IRRIGATION CONTROLLERS	215.42	215.42
2002920	10/04/06	03615	I.M.P.A.C. GOVERNMENT SERVICES	015332	09/22/06	SEMINAR CANCELLATION FEE	131.25	131.25
2003108	10/18/06	03615	I.M.P.A.C. GOVERNMENT SERVICES	015378	10/10/06	DISTRICT EXPENSES	5,380.49	
				015373	09/22/06	DISTRICT EXPENSES	11.71	5,392.20
2003243	10/25/06	01649	IDEXX DISTRIBUTION CORP	221966713	09/20/06	LABORATORY SUPPLIES	1,419.79	1,419.79
2002996	10/11/06	04220	INDUSTRIAL SUPPLY DISTRIBUTORS	027832	09/07/06	SCRUB HAND CLEANER	51.00	51.00
2003109	10/18/06	04220	INDUSTRIAL SUPPLY DISTRIBUTORS	027836	09/26/06	CLEANING SUPPLIES	92.07	92.07
2002997	10/11/06	04197	INTEGRITY STAFFING INC	3147	09/18/06	TEMPORARY SERVICES - HR DEPT	1,979.55	1,979.55
2003110	10/18/06	04197	INTEGRITY STAFFING INC	3156	09/25/06	TEMPORARY SERVICES - HR DEPT	1,943.78	
				3190	10/17/06	TEMPORARY SERVICES - HR DEPT	1,931.85	3,875.63
2003244	10/25/06	04197	INTEGRITY STAFFING INC	3170	10/03/06	TEMPORARY SERVICES - HR DEPT	1,908.00	
				3207	10/16/06	TEMPORARY SERVICES - HR DEPT	1,908.00	3,816.00

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2003245	10/25/06	02372	INTERIOR PLANT SERVICE INC	22538	09/30/06	PLANT SERVICE	181.00	181.00
2002873	10/04/06	02267	INTERNAL REVENUE SERVICE	Ben2368209	10/03/06	PAYROLL DEDUCTION	50.00	50.00
2002874	10/04/06	04077	INTERNAL REVENUE SERVICE	Ben2368221	10/03/06	PAYROLL DEDUCTION	64.00	64.00
2003036	10/18/06	02267	INTERNAL REVENUE SERVICE	Ben2368560	10/17/06	PAYROLL DEDUCTION	50.00	50.00
2003037	10/18/06	04077	INTERNAL REVENUE SERVICE	Ben2368572	10/17/06	PAYROLL DEDUCTION	64.00	64.00
2003111	10/18/06	06491	IRE DEVELOPMENT	Ref002368656	10/17/06	UB Refund Cst #0000090806	715.76	715.76
2003112	10/18/06	06492	IRE DEVELOPMENT	Ref002368657	10/17/06	UB Refund Cst #0000090808	715.76	715.76
2003113	10/18/06	06434	IRMA Y FELICIANO	Ref002368599	10/17/06	UB Refund Cst #0000037714	45.95	45.95
2003246	10/25/06	01591	IRON MOUNTAIN RECORDS	FK11081	09/30/06	RECORDS STORAGE	255.23	
				FK11080	09/30/06	RECORDS STORAGE	0.61	255.84
2003114	10/18/06	06445	JAMES C BROWN	Ref002368610	10/17/06	UB Refund Cst #0000062704	31.04	31.04
2003115	10/18/06	06438	JAMES COX	Ref002368603	10/17/06	UB Refund Cst #0000046316	110.46	110.46
2003116	10/18/06	06435	JAMES NORR	Ref002368600	10/17/06	UB Refund Cst #0000042347	124.11	124.11
2003117	10/18/06	06460	JAMUL PARTNERS LLC	Ref002368625	10/17/06	UB Refund Cst #0000079190	758.38	758.38
2003247	10/25/06	03077	JANI KING OF CALIFORNIA INC	SDO10060436	10/01/06	JANITORIAL SERVICES	3,905.00	
				SDO10060446	10/01/06	OFF-SITE JANITORIAL SERVICES	990.00	4,895.00
2003118	10/18/06	06463	JENNIFER WESTON	Ref002368628	10/17/06	UB Refund Cst #0000080790	79.38	79.38
2002998	10/11/06	01010	JOBS AVAILABLE INC	620092	09/19/06	JOB POSTING	752.50	752.50
2003119	10/18/06	06483	JOHN PATTERSON	Ref002368648	10/17/06	UB Refund Cst #0000088391	92.51	92.51
2003120	10/18/06	06461	JOHN VANGORP	Ref002368626	10/17/06	UB Refund Cst #0000080225	22.52	22.52
2003248	10/25/06	05527	JOHN'S CRANE RENTAL LLC	13401	10/03/06	CRANE RENTAL	500.00	500.00
2003121	10/18/06	06282	JOHNSON & ASSOCIATES LLC	11462	09/22/06	PROFESSIONAL SERVICES	6,520.00	6,520.00
2003122	10/18/06	06476	JOSEPH TILLER	Ref002368641	10/17/06	UB Refund Cst #0000087058	84.90	84.90
2003123	10/18/06	06451	JOSIE ALVARAEZ	Ref002368616	10/17/06	UB Refund Cst #0000072202	34.02	34.02

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2002999	10/11/06	00056	KAMAN INDUSTRIAL TECHNOLOGIES	Y421410	09/21/06	GEAR DRIVE REDUCER	829.68	829.68
2003124	10/18/06	06432	KAREN RATLIFF	Ref002368597	10/17/06	UB Refund Cst #0000028445	29.94	29.94
2003125	10/18/06	06455	KAVEH KHAST	Ref002368620	10/17/06	UB Refund Cst #0000073223	133.08	133.08
2003126	10/18/06	01804	KEERAN, TIMOTHY R	015375	10/16/06	REIMB CONF TRAVEL EXP	171.47	171.47
2003000	10/11/06	06267	KELLY PAPER	914598	09/21/06	OFFICE SUPPLIES	341.18	341.18
2003249	10/25/06	03661	KIMBALL MIDWEST	844418	06/19/06	CUTOFF WHEELS, BRAKE CLEANER	131.92	131.92
2003250	10/25/06	03673	KISSINGER TRUCKING & EQUIPMENT	0609020	09/30/06	HAULING SERVICES	380.00	380.00
2003001	10/11/06	04996	KNOX ATTORNEY SERVICE INC	199481 199483 199484	09/21/06 09/21/06 09/21/06	COURIER SERVICE COURIER SERVICE COURIER SERVICE	25.00 25.00 25.00	75.00
2003127	10/18/06	04996	KNOX ATTORNEY SERVICE INC	199627 199626 199625 200728 200729	09/24/06 09/24/06 09/24/06 09/27/06 09/27/06	COURIER SERVICE COURIER SERVICE COURIER SERVICE COURIER SERVICE COURIER SERVICE	25.00 25.00 25.00 25.00 25.00	125.00
2003251	10/25/06	04996	KNOX ATTORNEY SERVICE INC	202131 202129 202128 202127 202130	10/03/06 10/03/06 10/03/06 10/03/06 10/03/06	COURIER SERVICE COURIER SERVICE COURIER SERVICE COURIER SERVICE COURIER SERVICE	25.00 25.00 25.00 25.00 25.00	125.00
2002921	10/04/06	06262	KODUKULA, SHAMALA	16830906	09/29/06	REIMBURSE CONF TRVL EXP	165.92	165.92
2003002	10/11/06	03771	KREINBRING, DALE B	015364	10/10/06	TUITION REIMBURSEMENT	94.00	94.00
2003128	10/18/06	06426	KURT BUSKA	Ref002368591	10/17/06	UB Refund Cst #0000009364	31.80	31.80
2003003	10/11/06	01859	LA PRENSA SAN DIEGO	20677	09/18/06	JOB POSTING	186.39	186.39
2003252	10/25/06	01859	LA PRENSA SAN DIEGO	20806	10/03/06	JOB POSTING	138.00	138.00
2002922	10/04/06	04829	LARRY JACKMAN	013897	06/30/05	WORK ORDER REFUND D0272-XX9626	2,053.20	2,053.20
2003129	10/18/06	06490	LEONEL GURROLA	Ref002368655	10/17/06	UB Refund Cst #0000090598	584.44	584.44
2003253	10/25/06	06273	LIEBERT CASSIDY WHITMORE	70817	09/30/06	LABOR RELATIONS CONSULTING SERVICES	2,000.00	2,000.00

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2003130	10/18/06	06466	LISA THOMAS	Ref002368631	10/17/06	UB Refund Cst #0000083130	59.76	59.76
2003004	10/11/06	03784	LIVESCAN SAN DIEGO	06100539	09/16/06	FINGERPRINTING SERVICES	20.00	20.00
2003254	10/25/06	03784	LIVESCAN SAN DIEGO	06100571	09/29/06	FINGERPRINTING SERVICES	60.00	60.00
2003255	10/25/06	05220	LOGICALIS INTEGRATION SOLUTION	S611792	09/30/06	DATA CENTER UPGRADE	46,257.50	46,257.50
2003131	10/18/06	06431	LUCAR TRUCKING	Ref002368596	10/17/06	UB Refund Cst #0000022497	17.83	17.83
2003132	10/18/06	06471	LUCINA MEDINA	Ref002368636	10/17/06	UB Refund Cst #0000084392	29.97	29.97
2002923	10/04/06	06413	MAINTENANCE SUPERINTENDANT	015339	10/02/06	MEMBERSHIP RENEWAL	70.00	70.00
2003133	10/18/06	00628	MANHATTAN NAT'L LIFE INS CO	015376	10/17/06	VOLUNTARY LIFE INSURANCE	505.20	505.20
2003134	10/18/06	06465	MARIA JARQUE	Ref002368630	10/17/06	UB Refund Cst #0000082468	20.72	20.72
2003135	10/18/06	06480	MARJORIE MCNAMARA	Ref002368645	10/17/06	UB Refund Cst #0000087917	38.93	38.93
2003136	10/18/06	02902	MARSTON & MARSTON INC	1003	09/30/06	PUBLIC RELATIONS SERVICES	2,995.00	2,995.00
2002924	10/04/06	05329	MASTER METER INC	0112544IN	08/22/06	INVENTORY	47,679.12	
				0112545IN	08/22/06	INVENTORY	27,243.51	
				0112291IN	08/16/06	INVENTORY	11,337.46	
				0114035CM	09/27/06	CREDIT MEMO	(444.47)	
				0114036CM	09/27/06	CREDIT MEMO	(1,068.34)	
				0114037CM	09/27/06	CREDIT MEMO	(1,868.90)	82,878.38
2003137	10/18/06	05329	MASTER METER INC	0113989IN	09/26/06	METERS	10,984.52	10,984.52
2002925	10/04/06	01183	MCMaster-CARR SUPPLY CO	50506099	09/13/06	PARTS	535.19	
				50378329	09/11/06	WAREHOUSE SUPPLIES	492.66	
				50550988	09/13/06	PARTS	308.15	
				50424319	09/12/06	WAREHOUSE SUPPLIES	45.55	1,381.55
2003138	10/18/06	01183	MCMaster-CARR SUPPLY CO	51422168	09/28/06	DISTRICT FLAGS	408.71	
				51304472	09/26/06	PARTS	289.42	698.13
2003256	10/25/06	01183	MCMaster-CARR SUPPLY CO	51536766	09/29/06	GASKET MATERIAL	273.36	
				51466227	09/28/06	GASKET MATERIAL	169.94	443.30
2003139	10/18/06	06468	MEDELEINE FUENTES	Ref002368633	10/17/06	UB Refund Cst #0000083627	20.47	20.47
2003140	10/18/06	06459	MICHAEL SHAW	Ref002368624	10/17/06	UB Refund Cst #0000075754	101.74	101.74

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2003141	10/18/06	00887	MIRAMAR TRUCK CENTER-SAN DIEGO	199304	09/27/06	BRAKE PARTS	130.71	130.71
2003005	10/11/06	01363	MISSION LINEN & UNIFORM	18027340	09/01/06	UNIFORMS, TOWELS & SUPPLIES	592.23	
				18029089	09/01/06	UNIFORMS, TOWELS & SUPPLIES	571.79	
				18029954	09/01/06	UNIFORMS, TOWELS & SUPPLIES	565.51	
				18028210	09/01/06	UNIFORMS, TOWELS & SUPPLIES	562.53	
				18027338	09/01/06	UNIFORMS, MATS, TOWELS & SUPPLIES	196.97	
				18029952	09/01/06	UNIFORMS, MATS, TOWELS & SUPPLIES	196.97	
				18028208	09/01/06	UNIFORMS, MATS, TOWELS & SUPPLIES	196.70	
				18029087	09/01/06	UNIFORMS, MATS, TOWELS & SUPPLIES	196.70	
				S57839	09/01/06	UNIFORM REPLACEMENT	135.30	
				18027341	09/01/06	MATS, TOWELS & SUPPLIES	130.52	
				18028211	09/01/06	MATS, TOWELS & SUPPLIES	130.52	
				18029955	09/01/06	MATS, TOWELS & SUPPLIES	130.52	
				18029090	09/01/06	MATS, TOWELS & SUPPLIES	130.52	
				S57649	09/01/06	UNIFORM REPLACEMENT	74.55	
				18027339	09/01/06	TOWELS & SUPPLIES	54.52	
				18028209	09/01/06	TOWELS & SUPPLIES	46.61	
				18029953	09/01/06	TOWELS & SUPPLIES	46.61	
				S57821	09/01/06	UNIFORM REPLACEMENT	46.00	
				18029088	09/01/06	TOWELS & SUPPLIES	38.70	
				S57650	09/01/06	UNIFORM REPLACEMENT	4.00	4,047.77
2002926	10/04/06	03393	MOBILE MINI LLC - CA	90432497	09/11/06	RENTAL 40' STORAGE CONTAINERS	170.88	170.88
2003257	10/25/06	03393	MOBILE MINI LLC - CA	90440292	10/01/06	RENTAL 40' STORAGE CONTAINERS	164.90	164.90
2003142	10/18/06	06454	MODESTO CASTILLON	Ref002368619	10/17/06	UB Refund Cst #0000073127	164.68	164.68
2003258	10/25/06	03401	MODULAR MERCHANTS INC	1672	10/02/06	WORK STATION	165.00	165.00
2003006	10/11/06	02371	MOODY'S INVESTORS SERVICE	C1572048000	09/15/06	1996 CERTIFICATES OF PARTICIPATION	5,500.00	5,500.00
2003259	10/25/06	03172	MOONEY, JONES AND STOKES	0035364	08/17/06	LA PRESA PIPELINE WETLAND PERMITTING	3,629.50	
				0036176	09/17/06	LA PRESA PIPELINE WETLAND PERMITTING	1,013.73	4,643.23
2003260	10/25/06	03172	MOONEY, JONES AND STOKES	0035377	08/17/06	1004-2 RESERVOIR PROJECT	810.30	
				0036175	09/17/06	1004-2 RESERVOIR PROJECT	405.15	1,215.45
2002927	10/04/06	03623	MWH AMERICAS INC	1055089	08/28/06	450-1 RESERVOIR & 680-1 PUMP STATION	8,142.43	8,142.43
2003261	10/25/06	03623	MWH AMERICAS INC	1063885	10/01/06	450-1 RESERVOIR & 680-1 PUMP STATION	3,234.40	3,234.40
2002928	10/04/06	02037	MWH LABORATORIES	178178LI	07/26/06	LABORATORY ANALYSES	1,036.00	1,036.00
2003262	10/25/06	02037	MWH LABORATORIES	181077LI	09/28/06	REGULATORY ANALYSES	1,036.00	

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				183038LI	09/29/06	REGULATORY ANALYSES	762.00	1,798.00
2002929	10/04/06	04676	NAPA AUTO PARTS	044611	09/14/06	REPAIR PART	225.20	
				044625	09/14/06	REPAIR PARTS	91.65	
				044664	09/14/06	REPAIR PARTS	66.54	
				044435	09/13/06	REPAIR PART	38.55	
				044208	09/11/06	REPAIR PARTS	24.31	
				044146	09/11/06	REPAIR PARTS	22.70	
				044590	09/14/06	REPAIR PARTS	20.02	
				044276	09/12/06	REPAIR PARTS	16.55	
				044377	09/12/06	REPAIR PARTS	10.99	
				043938	09/08/06	PARTS	10.18	
				044209	09/11/06	REPAIR PART	3.99	
				044310	09/12/06	REPAIR PART	2.90	533.58
2003007	10/11/06	04676	NAPA AUTO PARTS	045090	09/19/06	PART	576.94	
				044969	09/18/06	PART	97.84	
				045053	09/19/06	PART	73.42	
				044994	09/18/06	PARTS	63.72	
				044963	09/18/06	REPAIR PARTS	57.54	
				045089	09/19/06	PARTS	52.00	
				044937	09/18/06	REPAIR PART	45.14	
				044781	09/15/06	REPAIR PART	44.17	
				045163	09/19/06	PART	25.19	
				045295	09/20/06	PARTS	20.24	
				045040	09/19/06	PART	17.27	
				045375	09/21/06	PARTS	16.33	
				045304	09/20/06	PART	8.53	
				044957	09/18/06	REPAIR PARTS	6.09	
				045337	09/21/06	PART	5.38	
				045472	09/21/06	PART	3.89	
				045041	09/19/06	PART	3.22	
				045013	09/18/06	PART	3.14	1,120.05
2003143	10/18/06	06464	NASSAR NAMVAR	Ref002368629	10/17/06	UB Refund Cst #0000082322	71.01	71.01
2002875	10/04/06	03523	NATIONAL DEFERRED COMPENSATION	Ben2368205	10/03/06	DEFERRED COMP PLAN	10,757.42	10,757.42
2003038	10/18/06	03523	NATIONAL DEFERRED COMPENSATION	Ben2368556	10/17/06	DEFERRED COMP PLAN	10,506.81	10,506.81
2003008	10/11/06	03733	NEC UNIFIED SOLUTIONS INC	VSH10225221	09/21/06	LABOR FOR PHONE SVCS	113.00	113.00
2002930	10/04/06	06283	NETWORK HARDWARE RESALE	125713	09/08/06	PART	3,195.00	3,195.00
2003144	10/18/06	03487	NETWORK INSIGHT	NISD200601922	10/01/06	TEMPORARY SERVICES - IS DEPT	16,940.00	16,940.00

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2003263	10/25/06	03487	NETWORK INSIGHT	NISD200601906	09/30/06	NETWORK MONITORING SERVICES	5,250.00	5,250.00
2002931	10/04/06	03571	NEXTLEVEL INTERNET	11075	09/14/06	INTERNET WEB HOSTING	707.00	707.00
2003145	10/18/06	06424	NICHOLAS FURICH	Ref002368589	10/17/06	UB Refund Cst #0000007546	47.29	47.29
2003009	10/11/06	03299	OCB REPROGRAPHICS	4404964	09/20/06	MOUNTING DISPLAY	92.34	92.34
2003146	10/18/06	03299	OCB REPROGRAPHICS	4397435	09/15/06	COPY & PRINT SERVICES	572.64	572.64
2003264	10/25/06	03299	OCB REPROGRAPHICS	4436994	10/05/06	COPY & PRINT SERVICES	26.94	
				4431909	10/03/06	COPY & PRINT SERVICES	10.78	37.72
2002932	10/04/06	00510	OFFICE DEPOT INC	352177329001	09/13/06	OFFICE SUPPLIES	209.40	
				352176789001	09/13/06	OFFICE SUPPLIES	143.46	
				352022210001	09/13/06	OFFICE SUPPLIES	49.83	
				352176346001	09/13/06	OFFICE SUPPLIES	34.89	437.58
2003010	10/11/06	00510	OFFICE DEPOT INC	352960294001	09/20/06	OFFICE SUPPLIES	139.61	
				352947394001	09/20/06	ERGONOMIC KEYBOARD	116.28	
				353217873001	09/20/06	OFFICE SUPPLIES	29.08	
				353021441001	09/20/06	OFFICE SUPPLIES	25.00	
				352949762001	09/20/06	OFFICE SUPPLIES	5.99	315.96
2003147	10/18/06	00510	OFFICE DEPOT INC	354701522001	09/27/06	OFFICE SUPPLIES	1,253.73	
				354804591001	09/27/06	OFFICE SUPPLIES	295.76	
				353939451001	09/27/06	OFFICE SUPPLIES	183.36	
				353938304001	09/27/06	OFFICE SUPPLIES	87.16	1,820.01
2003265	10/25/06	00510	OFFICE DEPOT INC	355768666001	10/04/06	OFFICE SUPPLIES	98.06	
				354805191001	10/04/06	MS INTELLIMOUSE EXPLORER OPTICAL	38.78	
				355767767001	10/04/06	PICTURE FRAME	6.78	143.62
2003011	10/11/06	01837	OFFICE TEAM	16841425	09/25/06	TEMPORARY SERVICES - METER SHOP	871.92	
				16788788	09/18/06	TEMPORARY SERVICES - METER SHOP	714.49	
				16742397	09/11/06	TEMPORARY SERVICES - METER SHOP	557.06	
				16898135	10/02/06	TEMPORARY SERVICES - METER SHOP	532.84	2,676.31
2003148	10/18/06	01837	OFFICE TEAM	16935780	10/09/06	TEMPORARY SERVICES - METER SHOP	690.27	690.27
2003266	10/25/06	01837	OFFICE TEAM	17016813	10/25/06	TEMPORARY SERVICES - METER SHOP	605.50	
				16977471	10/11/06	TEMPORARY SERVICES - METER SHOP	121.10	726.60
2003012	10/11/06	03149	ON SITE LASER	37613	09/19/06	MAINTENANCE SERVICE	381.48	381.48
2003013	10/11/06	00496	ONE SOURCE DISTRIBUTORS INC	S2561666001	09/18/06	ELECTRICAL SUPPLIES	676.62	

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				S2553191001	09/15/06	ELECTRICAL SUPPLIES	299.49	976.11
2003149	10/18/06	00496	ONE SOURCE DISTRIBUTORS INC	S2563294001	09/25/06	HEATER	76.53	76.53
2003267	10/25/06	00496	ONE SOURCE DISTRIBUTORS INC	S2563294002	10/02/06	ELECTRICAL PART	101.06	101.06
2002933	10/04/06	03038	ORANGE LINE OIL COMPANY INC	90894	09/13/06	OIL	2,230.28	2,230.28
2002934	10/04/06	02721	ORTIZ CORPORATION	16	09/14/06	30" WATER PIPELINE & 450-1 RESERVOIR	639,804.08	639,804.08
2002876	10/04/06	03101	OTAY WATER DISTRICT	Ben2368207	10/03/06	PAYROLL DEDUCTION - ASSN DUES	805.00	
				Ben2368273	10/05/06	PAYROLL DEDUCTION - ASSN DUES	7.00	812.00
2003039	10/18/06	03101	OTAY WATER DISTRICT	Ben2368558	10/17/06	PAYROLL DEDUCTION - ASSN DUES	798.00	798.00
2003150	10/18/06	06462	OWEN REAGAN	Ref002368627	10/17/06	UB Refund Cst #0000080616	45.99	45.99
2003151	10/18/06	06484	PACIFIC BUILDING GROUP	Ref002368649	10/17/06	UB Refund Cst #0000088513	731.49	731.49
2003014	10/11/06	04463	PACIFIC GREEN LANDSCAPE INC	0040763IN	09/15/06	LANDSCAPING SERVICES	7,850.00	
				0040858IN	09/15/06	REPAIR SERVICE	279.46	
				0040859IN	09/15/06	REPAIR SERVICE	88.60	8,218.06
2003015	10/11/06	03017	PACIFIC SAFETY COUNCIL	015363	10/09/06	SEMINAR REGISTRATION	155.00	155.00
2003268	10/25/06	05497	PAYPAL INC	3009550	09/30/06	ON-LINE PAYMENT SERVICES	285.70	285.70
2003016	10/11/06	03308	PBS&J	304814	09/21/06	OWD WASTE DISCHARGE PERMITS REVISION	20,541.05	20,541.05
2003017	10/11/06	03790	PENHALL COMPANY	3713	09/20/06	FLAT SAW CUTTING SERVICES	375.00	375.00
2003152	10/18/06	00593	PEPPER OIL COMPANY INC	599440	09/25/06	UNLEADED FUEL	11,752.70	
				599432	09/26/06	FUEL	5,284.00	
				599399	09/19/06	FUEL	4,842.70	21,879.40
2003153	10/18/06	03180	PERFORMANCE METER INC	0011437IN	09/27/06	SINGLE CHECK VALVE	267.38	267.38
2002877	10/04/06	00137	PETTY CASH CUSTODIAN	015343	10/03/06	PETTY CASH REIMBURSEMENT	970.17	970.17
2003040	10/18/06	00137	PETTY CASH CUSTODIAN	015380	10/17/06	PETTY CASH REIMBURSEMENT	1,255.79	1,255.79
2002935	10/04/06	04983	PICNIC PEOPLE SAN DIEGO	1842	09/07/06	BALANCE DUE/EMPLOYEE PICNIC	2,375.82	2,375.82
2003269	10/25/06	03617	PILLSBURY WINTHROP	7275450	09/12/06	LEGAL SERVICES	201.16	201.16
2002936	10/04/06	02786	PIONEER AMERICAS LLC	5538749241	09/13/06	CHLORINE	2,187.55	2,187.55

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2003270	10/25/06	02786	PIONEER AMERICAS LLC	5538754328	10/04/06	CHLORINE	2,187.55	2,187.55
2003271	10/25/06	06164	PMC CONSULTING	3615	09/15/06	TECHNICAL SUPPORT FOR AUTOCAD	3,925.00	3,925.00
2003018	10/11/06	03242	POLYDYNE INC	309363	09/11/06	POLYMER	5,757.08	5,757.08
2003019	10/11/06	05499	PRAXAIR DISTRIBUTION INC	24099872	09/20/06	WELDING SUPPLIES & EQUIPMENT	403.00	403.00
2003154	10/18/06	05499	PRAXAIR DISTRIBUTION INC	2	09/22/06	WELDING SUPPLIES & EQUIPMENT	116.70	116.70
2002937	10/04/06	06410	PRISM S. C. SYSTEMS, INC.	1336	08/18/06	SURVEY EQUIPMENT REPAIRS	194.98	194.98
2003020	10/11/06	06294	PROMOTABLES LLC/123-AWARDS	1928	09/13/06	PLAQUE	123.61	123.61
2003021	10/11/06	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2368201	10/03/06	PERS CONTRIBUTION	110,934.68	110,934.68
2003272	10/25/06	00078	PUBLIC EMPLOYEES RETIREMENT	Ben2368552	10/17/06	PERS CONTRIBUTION	108,588.25	108,588.25
2002938	10/04/06	01342	R J SAFETY SUPPLY CO INC	22844000	09/13/06	SAFETY SUPPLIES	214.80	214.80
2003273	10/25/06	01342	R J SAFETY SUPPLY CO INC	22953700	10/04/06	SAFETY SUPPLIES	457.47	457.47
2002878	10/04/06	05991	RANKINS, MIA	015342	10/03/06	MED/DEN PREMIUM OVERPMT	416.25	416.25
2002939	10/04/06	00766	RANROY PRINTING COMPANY	085917	09/08/06	PRINTING SERVICE	48.49	48.49
2003155	10/18/06	02041	RBF CONSULTING	6081607 9373	09/22/06 08/11/06	30" RECYCLED WATER PIPELINE 30" RECYCLED WATER PIPELINE	40,751.00 32,506.00	73,257.00
2003274	10/25/06	02891	RED WING SHOE STORE	8270000000716	10/03/06	SAFETY BOOTS	137.37	137.37
2002940	10/04/06	05757	RIENDEAU, MARTA	015333	10/02/06	REIMB MEMBERSHIP DUES	155.00	155.00
2003156	10/18/06	06421	RJN INVESTIGATIONS	06094235	09/20/06	PERSONNEL SVCS - SURVEY CLASS/COMP	984.60	984.60
2003157	10/18/06	06458	ROBIN DYE	Ref002368623	10/17/06	UB Refund Cst #0000074166	49.22	49.22
2002941	10/04/06	06412	ROMERO, TANYA	015326	09/27/06	COMPUTER LOAN PROGRAM	1,743.34	1,743.34
2003158	10/18/06	06428	ROY SCHARDIN	Ref002368593	10/17/06	UB Refund Cst #0000014020	18.68	18.68
2003022	10/11/06	00217	RW LITTLE CO INC	78928 79241 78929	08/23/06 09/15/06 08/23/06	POWDER COAT SANDBLASTING/POWDERCOAT SVCS POWDER COAT	250.00 180.00 100.00	530.00

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2003275	10/25/06	03687	SAFETY-KLEEN SYSTEMS INC	M003665771	09/22/06	USED OIL PICK UP	25.00	25.00
2003159	10/18/06	06467	SALLY LEI	Ref002368632	10/17/06	UB Refund Cst #0000083452	61.31	61.31
2003160	10/18/06	06479	SAMANTHA CASTILLA	Ref002368644	10/17/06	UB Refund Cst #0000087639	226.35	226.35
2003276	10/25/06	03803	SAN DIEGO CLIPPING SERVICE INC	439061004	10/04/06	NEWSPAPER CLIPPING SERVICE	80.00	80.00
2002942	10/04/06	02680	SAN DIEGO COUNTY	585160200006	10/03/06	PROPERTY TAXES	138.84	138.84
2003161	10/18/06	00247	SAN DIEGO DAILY TRANSCRIPT	22730	09/14/06	ENG CONSULTANT SVCS AD	649.60	649.60
2002943	10/04/06	00121	SAN DIEGO GAS & ELECTRIC	015323	08/22/06	UTILITY EXPENSES	77,027.74	
				015328	08/22/06	UTILITY EXPENSES	51,218.74	
				015321	08/23/06	UTILITY EXPENSES	8,077.68	
				015330	08/24/06	UTILITY EXPENSES	2,687.63	139,011.79
2003023	10/11/06	00121	SAN DIEGO GAS & ELECTRIC	015362	09/30/06	UTILITY EXPENSES	2,603.66	
				015355	09/30/06	UTILITY EXPENSES	969.93	3,573.59
2003162	10/18/06	00121	SAN DIEGO GAS & ELECTRIC	.015346	08/30/06	UTILITY EXPENSES	45,970.32	45,970.32
2003277	10/25/06	00121	SAN DIEGO GAS & ELECTRIC	015386	10/17/06	UTILITY EXPENSES	124,935.81	124,935.81
2002944	10/04/06	03809	SAN DIEGO NEIGHBORHOOD NEWS	01522567001	09/08/06	JOB POSTING	155.40	
				01522566001	09/08/06	JOB POSTING	147.00	
				01522568001	09/08/06	JOB POSTING	142.80	445.20
2003163	10/18/06	03809	SAN DIEGO NEIGHBORHOOD NEWS	01523104001	10/06/06	JOB POSTING	134.40	134.40
2003278	10/25/06	03809	SAN DIEGO NEIGHBORHOOD NEWS	01522934001	09/29/06	JOB POSTING	298.20	298.20
2003164	10/18/06	03273	SAN DIEGO READER	154	09/27/06	JOB POSTING	115.20	
				152	09/27/06	JOB POSTING	105.75	
				153	09/27/06	JOB POSTING	99.13	320.08
2003165	10/18/06	06478	SARA WRIGHT	Ref002368643	10/17/06	UB Refund Cst #0000087390	56.96	56.96
2002945	10/04/06	04556	SAVE-A-LIFE EDUCATORS INC	015338	09/25/06	CPR TRAINING	296.00	296.00
2003166	10/18/06	06444	SCOTT O'HUSKY	Ref002368609	10/17/06	UB Refund Cst #0000058947	26.95	26.95
2003279	10/25/06	01958	SHACKLEY, RICHARD D	10681006	10/24/06	MILEAGE REIMBURSEMENT	85.22	85.22
2003024	10/11/06	01651	SHARP REES-STEALY MEDICAL CTRS	180A	09/16/06	HEALTH EXAM	113.00	
				180B	09/16/06	HEALTH EXAM	88.00	

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				180C	09/16/06	HEALTH EXAM	88.00	
				180	09/16/06	HEALTH EXAM	88.00	377.00
2003167	10/18/06	06422	SHEA HOMES	Ref002368587	10/17/06	UB Refund Cst #0000000212	849.54	849.54
2002946	10/04/06	05421	SHERWIN WILLIAMS	94899	09/08/06	PAINT	260.62	260.62
2003168	10/18/06	05421	SHERWIN WILLIAMS	01373	09/27/06	PAINT	1,070.00	1,070.00
2003169	10/18/06	02802	SHERWOOD, KIM	357708330	10/07/06	REIMBURSE SAFETY BOOTS	96.95	96.95
2003025	10/11/06	05983	SIEMENS WATER	4321217	09/20/06	DEIONIZED PROCESSING TANK RENTAL	66.00	66.00
2003280	10/25/06	05983	SIEMENS WATER	1919657	09/28/06	DEIONIZED PROCESSING TANK RENTAL	100.00	100.00
2003281	10/25/06	05627	SIGNA DIGITAL SOLUTIONS INC	ARS04252	10/04/06	COPIER MAINT SERVICE	454.88	
				ARS04211	10/02/06	COPIER MAINT SERVICE	113.76	
				ARS04202	10/02/06	COPIER MAINT SERVICE	101.00	
				ARS04201	10/02/06	COPIER MAINT SERVICE	101.00	
				ARS04233	10/03/06	COPIER MAINT SERVICE	24.00	794.64
2003282	10/25/06	06493	SIGNIFICANT DIGITS, INC.	06H1760395	09/06/06	EZREADER ON SITE TRAINING	719.68	719.68
2003170	10/18/06	01691	SKILLPATH SEMINARS	8853571	09/06/06	SEMINAR REGISTRATION	199.00	199.00
2002947	10/04/06	00258	SLOAN ELECTRIC CO	0050599	09/12/06	5 HP MOTORS	1,237.96	1,237.96
2003171	10/18/06	00258	SLOAN ELECTRIC CO	0050723	09/27/06	HIGH VOLTAGE FUSES	810.68	810.68
2002948	10/04/06	03103	SOUTHCOAST HEATING &	C30296	09/11/06	AIR CONDITIONING MAINTENANCE	857.00	857.00
2003026	10/11/06	03103	SOUTHCOAST HEATING &	241783	09/19/06	AIR CONDITIONING MAINTENANCE	512.00	512.00
2003283	10/25/06	06494	SOUTHLAND TITLE	36333775	09/07/06	PRELIMINARY REPORTS	1,000.00	
				36334054	09/27/06	PRELIMINARY REPORTS	700.00	1,700.00
2002949	10/04/06	03760	SPANKY'S PORTABLE SERVICES INC	540379	09/13/06	PORTABLE TOILET RENTAL	55.64	55.64
2003027	10/11/06	03760	SPANKY'S PORTABLE SERVICES INC	540555	09/14/06	PORTABLE TOILET RENTAL	84.13	84.13
2003284	10/25/06	03760	SPANKY'S PORTABLE SERVICES INC	543166	09/29/06	PORTABLE TOILET RENTAL	68.62	
				543165	09/29/06	PORTABLE TOILET RENTAL	67.02	
				543167	09/29/06	PORTABLE TOILET RENTAL	67.02	
				543168	09/29/06	PORTABLE TOILET RENTAL	67.02	
				543600	10/02/06	PORTABLE TOILET RENTAL	67.02	336.70

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2003285	10/25/06	03600	SPRINT	015382	10/14/06	WIRELESS CARDS SERVICE	393.52	393.52
2002950	10/04/06	02354	STANDARD ELECTRONICS	8378	09/08/06	FIRE & SECURITY MONITORING	9,720.00	9,720.00
2003172	10/18/06	02354	STANDARD ELECTRONICS	8456	09/25/06	SECURITY SERVICE & REPAIRS	1,501.90	1,501.90
2003286	10/25/06	00214	STAR NEWS	194	10/24/06	SUBSCRIPTION RENEWAL	25.00	25.00
2002951	10/04/06	00480	STATE BOARD OF EQUALIZATION	015335	09/30/06	SALES USE TAX	62.23	62.23
2003287	10/25/06	00097	STATE BOARD OF EQUALIZATION	4402213309	09/30/06	UNDERGROUND STORAGE TANK MAINT FEE	276.85	276.85
2002879	10/04/06	06295	STATE DISBURSEMENT UNIT	Ben2368215	10/03/06	PAYROLL DEDUCTION	294.46	294.46
2002880	10/04/06	06299	STATE DISBURSEMENT UNIT	Ben2368213	10/03/06	PAYROLL DEDUCTION	237.69	237.69
2002881	10/04/06	06303	STATE DISBURSEMENT UNIT	Ben2368219	10/03/06	PAYROLL DEDUCTION	139.84	139.84
2003041	10/18/06	06295	STATE DISBURSEMENT UNIT	Ben2368566	10/17/06	PAYROLL DEDUCTION	294.46	294.46
2003042	10/18/06	06299	STATE DISBURSEMENT UNIT	Ben2368564	10/17/06	PAYROLL DEDUCTION	237.69	237.69
2003043	10/18/06	06303	STATE DISBURSEMENT UNIT	Ben2368570	10/17/06	PAYROLL DEDUCTION	139.84	139.84
2002882	10/04/06	02261	STATE STREET BANK & TRUST CO	Ben2368203	10/03/06	DEFERRED COMP PLAN	2,264.23	2,264.23
2003044	10/18/06	02261	STATE STREET BANK & TRUST CO	Ben2368554	10/17/06	DEFERRED COMP PLAN	2,389.23	2,389.23
2003173	10/18/06	03309	STATE WATER RESOURCES	015368	09/20/06	WETLANDS PERMIT	500.00	500.00
2003174	10/18/06	06425	STEPHEN VOLTERO	Ref002368590	10/17/06	UB Refund Cst #0000009027	124.00	124.00
2003175	10/18/06	06489	STEVE GRADY	Ref002368654	10/17/06	UB Refund Cst #0000090552	42.13	42.13
2003028	10/11/06	03681	STI/STEEL PLATE FABRICATORS	015360	10/09/06	SEMINAR REGISTRATION	640.00	640.00
2003176	10/18/06	06470	SUSAN MATEO	Ref002368635	10/17/06	UB Refund Cst #0000084329	25.42	25.42
2002952	10/04/06	00408	SWEETWATER AUTHORITY	015341	08/22/06	TEMPORARY WATER USE	419.19	419.19
2003177	10/18/06	00408	SWEETWATER AUTHORITY	015366	10/12/06	REFUND CUST PAYMENT	50.00	50.00
2003178	10/18/06	05526	T M PEMBERTON INC	23481	09/22/06	CEMENT	451.35	451.35
2002953	10/04/06	02799	TARULLI TIRE INC - SAN DIEGO	20027045 20027047	09/14/06 09/14/06	TIRE REPAIR SERVICES TIRE REPAIR SERVICES	279.16 175.55	

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				20027042	09/14/06	TIRE REPAIR SERVICES	33.47	
				20027043	09/14/06	TIRE REPAIR SERVICES	32.00	
				20026985	09/12/06	TIRE REPAIR SERVICES	29.09	
				20026984	09/12/06	TIRE REPAIR SERVICES	26.93	
				20026986	09/12/06	TIRE REPAIR SERVICES	20.47	596.67
2003029	10/11/06	02799	TARULLI TIRE INC - SAN DIEGO	20027062	09/15/06	TIRE REPAIR SERVICES	561.82	
				20027075	09/19/06	TIRE REPAIR SERVICES	324.12	
				20027123	09/20/06	TIRE REPAIR SERVICES	290.28	
				20027081	09/18/06	TIRE REPAIR SERVICES	40.00	
				20027079	09/18/06	TIRE REPAIR SERVICES	20.00	1,236.22
2003180	10/18/06	02799	TARULLI TIRE INC - SAN DIEGO	20027148	09/22/06	TIRE REPAIR SERVICES	333.01	
				20027135	09/26/06	REPAIR SERVICE	141.14	474.15
2003181	10/18/06	06481	TC CONSTRUCTION	Ref002368646	10/17/06	UB Refund Cst #0000088138	163.80	163.80
2003030	10/11/06	03770	TEAMAN, RAMIREZ & SMITH INC	206232755	09/05/06	AUDIT SERVICES	15,000.00	15,000.00
2003182	10/18/06	06457	TFW CONSTRUCTION	Ref002368622	10/17/06	UB Refund Cst #0000073972	850.00	850.00
2003183	10/18/06	06473	TFW CONSTRUCTION	Ref002368638	10/17/06	UB Refund Cst #0000086482	850.00	850.00
2003179	10/18/06	04977	T-MOBILE	4150860451006	10/04/06	CELL PHONE & BLACKBERRIES SERVICES	2,597.47	
				4272085931006	10/04/06	CELL PHONE & BLACKBERRIES SERVICES	28.26	2,625.73
2003184	10/18/06	06477	TRIMARK PACIFIC MAR BRISA LLC	Ref002368642	10/17/06	UB Refund Cst #0000087369	850.00	850.00
2003288	10/25/06	00427	UNDERGROUND SERVICE ALERT OF	920060460	10/01/06	UNDERGROUND TRENCH SERVICE ALERTS	412.80	412.80
2002954	10/04/06	02529	UNION TRIBUNE PUBLISHING CO	015343	10/03/06	SUBSCRIPTION RENEWAL	185.00	185.00
2003185	10/18/06	02613	UNITED RENTALS NORTHWEST INC	59700538001	09/27/06	CONCRETE	118.53	118.53
2002883	10/04/06	05417	UNITED STATES DEPARTMENT	Ben2368223	10/03/06	PAYROLL DEDUCTION	100.00	100.00
2003045	10/18/06	05417	UNITED STATES DEPARTMENT	Ben2368574	10/17/06	PAYROLL DEDUCTION	100.00	100.00
2002955	10/04/06	00853	UNIVAR USA INC	SD620775	09/12/06	AMMONIA	1,801.41	
				SD620777	09/12/06	AMMONIA	1,673.81	
				SD620778	09/12/06	AMMONIA	577.60	
				SD620776	09/12/06	AMMONIA	450.35	4,503.17
2003186	10/18/06	00853	UNIVAR USA INC	SD621538	09/26/06	BULK AQUA AMMONIA	1,951.53	
				SD621537	09/26/06	BULK AQUA AMMONIA	1,651.29	3,602.82

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2002884	10/04/06	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2368271 Ben2368211	10/05/06 10/03/06	401A PLAN DEFERRED COMP PLAN	19,744.07 5,953.73	25,697.80
2002956	10/04/06	01095	VANTAGEPOINT TRANSFER AGENTS	015344	10/04/06	DEFERRED COMP PLAN	5,953.73	5,953.73
2002957	10/04/06	06414	VANTAGEPOINT TRANSFER AGENTS	015345	10/04/06	DEFERRED COMP PLAN	19,744.07	19,744.07
2003046	10/18/06	01095	VANTAGEPOINT TRANSFER AGENTS	Ben2368562	10/17/06	DEFERRED COMP PLAN	5,354.47	5,354.47
2003047	10/18/06	06414	VANTAGEPOINT TRANSFER AGENTS	Ben2368665	10/17/06	401A PLAN	18,439.74	18,439.74
2003187	10/18/06	03329	VERIZON WIRELESS	2076190986	09/21/06	CELL PHONE SERVICE	4,228.11	4,228.11
2002958	10/04/06	00101	W W GRAINGER INC	9188823000 9185409431 9187544292 9185618130 9185653954 9188067657 9185409449 9187374047	09/14/06 09/11/06 09/13/06 09/11/06 09/11/06 09/14/06 09/11/06 09/13/06	WAREHOUSE SUPPLIES WAREHOUSE SUPPLIES WAREHOUSE SUPPLIES WAREHOUSE SUPPLIES WAREHOUSE SUPPLIES WAREHOUSE SUPPLIES WAREHOUSE SUPPLIES WAREHOUSE SUPPLIES	260.55 237.59 110.20 85.41 72.33 60.34 58.99 53.88	939.29
2003031	10/11/06	00101	W W GRAINGER INC	9194054301	09/21/06	WAREHOUSE SUPPLIES	33.61	33.61
2003188	10/18/06	00101	W W GRAINGER INC	9197041099 9197182505 9197182513	09/26/06 09/26/06 09/26/06	WAREHOUSE SUPPLIES WAREHOUSE SUPPLIES WAREHOUSE SUPPLIES	192.40 162.70 22.84	377.94
2003289	10/25/06	00101	W W GRAINGER INC	9192267343	09/19/06	CLAVAL SOLENOIDS	414.58	414.58
2003189	10/18/06	00262	WATER AGENCIES ASSOCIATION	015372	10/16/06	MEETING REGISTRATION	40.00	40.00
2003190	10/18/06	02700	WATER CONSERVATION GARDEN	092606	09/26/06	2ND QTR OPERATING COSTS	18,750.00	18,750.00
2003290	10/25/06	00215	WATER EDUCATION FOUNDATION	015389	10/24/06	SUBSCRIPTION RENEWAL	25.00	25.00
2002959	10/04/06	01343	WE GOT YA PEST CONTROL	37309	09/12/06	BEE REMOVAL	115.00	115.00
2003032	10/11/06	01343	WE GOT YA PEST CONTROL	36974	08/28/06	BEE REMOVAL	1,100.00	1,100.00
2003033	10/11/06	00190	WEST PAYMENT CENTER	812173103	09/20/06	LEGAL LIBRARY UPDATES	161.65	161.65
2002960	10/04/06	03692	WESTIN ENGINEERING INC	26603	09/11/06	SCDA DOCUMENTATION PROJECT	13,601.42	13,601.42
2003291	10/25/06	03437	WIENHOFF DRUG TESTING INC	12062	10/02/06	HEALTH TESTS	255.00	255.00

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2002961	10/04/06	02725	WILLIAMS SCOTSMAN	65778542	09/08/06	MOBILE OFFICE RENTAL	310.52	310.52
2003292	10/25/06	03283	WILSON BOHANNAN COMPANY	0008815IN	09/25/06	BRASS PADLOCKS	153.63	153.63
2002962	10/04/06	03468	WILSON, PETTY, KOSMO &	19657	08/31/06	LEGAL SERVICES AUG 2006	134.58	134.58
2003034	10/11/06	03468	WILSON, PETTY, KOSMO &	SEM0001	10/04/06	SEMINAR REGISTRATION	200.00	200.00
2003191	10/18/06	06437	ZACHARY MORGAN	Ref002368602	10/17/06	UB Refund Cst #0000044481	33.92	33.92
<b>GRAND TOTAL</b>							<b>2,301,070.69</b>	<b>2,301,070.69</b>